



Southern Tier West Regional Planning & Development Board  
4039 Route 219, Suite 200, Salamanca, NY 14779

2011 Southern Tier West Region

# **Comprehensive Economic Development Strategy**

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## Introduction and Executive Summary

### Introduction

This **2011 Comprehensive Economic Development Strategy (“CEDS”)** is a strategic plan for economic development for New York State’s Southern Tier West Region (Allegany, Cattaraugus, and Chautauqua Counties), prepared and published by the **Southern Tier West Regional Planning and Development Board (“Southern Tier West”)**.

Southern Tier West annually prepares the CEDS per a contract with the U.S. Department of Commerce’s Economic Development Administration (“EDA”). The CEDS conforms to EDA requirements with respect to planning process, document format, and document content, as follows:

- **CEDS Planning Process** – The CEDS contains a description of the CEDS planning process (Chapter 4).
- **CEDS Format and Content** - The CEDS contains a descriptive analysis of the region’s economic condition (Chapter 1, with supporting data including in the Appendix); an analysis of the region’s economic development problems and opportunities (Chapter 2); a listing of economic development goals, objectives and strategies (Chapter 3); a listing of selected (i.e., priority ready-to be-implemented) strategic economic development projects, programs, activities (Chapter 5); a plan of action (Chapter 6); a proposed method for evaluating progress (Chapter 7); and a review of lessons learned (Chapter 7). Additionally, the Appendix identifies the members of the Southern Tier West Board of Directors (who are responsible for the CEDS planning process and the publication of this CEDS); provides descriptive data supporting the analysis of the region’s economic condition contained in Chapter 1; provides a bibliography of local, state, and federal strategic planning documents utilized in developing this CEDS; summarizes materials from these planning documents utilized in developing this CEDS; and identifies other relevant planning documents published by Southern Tier West.
- **CEDS Implementation** – As noted above, the CEDS identifies the strategic economic development goals, objectives and strategies (Chapter 3) and the strategic economic development projects, programs, activities (Chapter 5) and the plan of action (Chapter 6). The list of strategic economic development projects, programs, and activities contained in Chapter 5 also identifies the entities responsible for implementing these priority economic development initiatives. Together, Chapters 3, 5, and 6 constitute a guide for economic development activities within the region, not only for Southern Tier West itself, but also both for the region as a whole and for economic development entities within the region. It also should be noted that public and private sector partnerships are critical to the implementation of the CEDS, and EDA and Southern Tier West direct and encourage economic development entities in the region to pursue such partnerships to catalyze collaborative economic development within the region.

**Note:** Throughout this document, content from the most recent available Seneca Nation of Indians CEDS document has been incorporated as appropriate.

### Executive Summary

For decades, the rural Southern Tier West region, located at the northern tip of the historically economically distressed Appalachian region, has experienced economic distress greater than either New York State as a whole or the nation as a whole. Historically, regional unemployment rates often have exceeded State and national unemployment rates; regional per capita income levels have been below

State and national per capita income levels; regional per capita income levels have failed to keep pace with inflation; and businesses and residents continue to migrate out of the region.

In recent years, in the midst of a historic recession, rural southwestern New York has struggled along with the rest of the nation to revive its economy and remain economically competitive. Despite statistical indications that the recession was subsiding in 2008 at the national level, the region has continued to experience economic dislocation in the form of layoffs, unemployment, business closures and outmigration, and population outmigration. Confidence is not buoyed by more recent events.

In the future, the region's economic health and quality of life will be dependent upon its ability to regain and retain economic competitiveness, a process made more difficult by the dynamic restructuring of the regional and global economies. The region is experiencing a long-term transformation from a manufacturing-based economy into a service-based economy. Developing foreign economies, relative comparative disadvantages, and the restructuring of global financial markets all contribute to pressures on domestic regional economies such as ours. To maintain standards of living, the Southern Tier West region not only has to seize the opportunities made possible by its comparative advantages, it also must transform its regional economy into a regional-net-export-surplus, knowledge-based economy that is less dependent upon the extra-regional economy. It is essential for the region to maintain and cultivate the value-added sectors of its economy – be they manufacturing, service, or agricultural – in clusters where the region enjoys a competitive advantage and where there is significant growth potential.

Southern Tier West has developed this CEDS strategic economic development plan to achieve the following economic development goals (identified in Chapter 3 of this CEDS):

1. Encouragement of the development of value-added businesses and other businesses that will augment or diversify the region's economic base
2. Improvement of private sector access to development incentive financing
3. Improvement of existing infrastructure and development of new infrastructure to support business development
4. Improvement of business productivity and competitiveness
5. Educational excellence and development of a skilled workforce ready to meet the challenges of tomorrow's economy
6. Maintain and improve the region's quality of life (i.e., provide, preserve, and enhance those factors that make the region attractive for residential, commercial, and industrial development)
7. Improve regional coordination and cooperative partnering efforts

The strategic recommendations (i.e., strategies, projects, programs, and other activities) contained in this CEDS are consistent with these stated goals.

In developing this CEDS, Southern Tier West is pleased to play a coordinating role in helping to guide the region's future.

- September 2011

***Southern Tier West Regional Planning and Development Board***

*James Cooper, Chairman*

*Richard Zink, Executive Director*

*Thomas Barnes, Senior Regional Economic Development Coordinator*

## Chapter 1 – Background Description of Region

This chapter provides a description of the current economic development situation of the region. The reader is encouraged to review the Appendix section on regional data for further information on various data sets referenced in this chapter.

### Economy

- The region has experienced long-term economic distress, experiencing high unemployment and low per capita income over the long term, relative to state and national levels.
- Global competition and general macroeconomic conditions have negatively impacted the region's economy, resulting in job losses, business closures, and increased absentee business ownership.
- New York State is a high-cost business operating environment, including tax, regulatory, and workman's compensation burdens.
- The region is shifting from an economy of high-skill, high-wage unionized jobs to relatively low-skill, low-wage service and commercial employment.
- The region is experiencing inadequate levels of entrepreneurship, technology transfer and adoption, and export activity.

### Population

- The region is comprised of three counties (Chautauqua, Cattaraugus, and Allegany). Per the 2010 Census, the populations of the three counties are as follows: Chautauqua, 134,905; Cattaraugus, 80,317; and Allegany, 48,946. The largest municipalities are Jamestown (Chautauqua County, population 31,146), Dunkirk/Fredonia (Chautauqua County, combined population 23,793), Olean (Cattaraugus County, population 14,452), Salamanca (Cattaraugus County, population 5,815), and Wellsville (Allegany County, population 4,679). With certain exceptions (e.g., the recreation-based economy of Ellicottville in Cattaraugus County, etc.), these communities are the largest centers of economic activity in the region.
- The region's long-term population trends are a decreasing and aging population, negatively impacting the region's labor force. Per the US Census, between 2000 and 2010, the region's population decreased from 273,632 to 264,168.
- The region is experiencing high rates of outmigration.
- The region is experiencing an increase in the dependent population (particularly the 65+ age cohort).
- The region has a low population density, owing to its rural character and large geographic size.
- The region is experiencing an increase in racial diversity.

### Geography

- The region's total size is 3,467 square miles. The sizes of each of the three counties are as follows: Chautauqua, 1,062 square miles; Cattaraugus, 1,309 square miles; and Allegany, 1,030 square miles).
- The region is located in the northeast, within a day's travel of large eastern metropolitan areas (New York, Boston, Philadelphia, Pittsburgh, Cleveland, Buffalo, Rochester, Binghamton, Toronto, and Hamilton). The region's location places it within a day's travel of 60% of the nation's population.
- The region's northern location and adjacency to the Great Lakes (Lake Erie) influences the climate and weather, and hence the economy. Although Lake Erie currently is a source of drinking water for

the City of Dunkirk, in the future it may prove to be an even more important regional water supply resource.

- Most of the region has a hilly topography, limiting large scale enterprise requiring large amounts of flat land. Primary land use activities include forest/woodland and agriculture.
- The region is home to three territories (formerly known as “reservations”) of the Seneca Nation of Indians totaling more than 60 square miles of land. Development activities on these Seneca-owned lands are permitted by agreements between the developer and the Seneca Nation. Two territories are in Cattaraugus County (the Cattaraugus Territory and the Allegany Territory, the latter of which includes most of the City of Salamanca) and the third is in both Cattaraugus and Allegany Counties (the Oil Spring Territory). The Seneca Nation of Indians prepares its own CEDS document; relevant descriptive and strategic excerpts from the Seneca Nation of Indians’ most recent CEDS document are incorporated into Southern Tier West’s CEDS document. The strategic excerpts from the Seneca Nation of Indians’ most recent CEDS document are endorsed by Southern Tier West.

### **Workforce Development and Use**

- The region’s labor force experiences unemployment rates that frequently are higher than State and national rates. However, certain geographic segments of the region have experienced less cyclical variability in labor force, employment, and unemployment, than have the State and nation as a whole.
- The region has a significant amount of under-employed labor force due to job dislocations and the regional economy’s shift away from high-skilled, high-wage manufacturing jobs.
- The workforce is productive with a good work ethic. However, businesses often complain that the workforce lacks basic employment skills and advanced technical skills.
- The region’s educational and training system focuses on developing the labor force’s workforce skills. This system is a strong, comprehensive system of entities ranging from primary to graduate schools, including a network of training institutions and Workforce Investment Boards. As a consequence, as compared to State and national levels, the region has high levels of primary and secondary educational attainment, as well as incidence of post-secondary associates degrees. However, compared to State and national levels, the region has low levels of bachelor and post-graduate post-secondary educational attainment. Also, given business complaints that the workforce lacks basic employment skills and advanced technical skills, there is a perception that despite the existence of significant training resources within the region, there is a shortage in the region of the actual provision of assistance with basic and technical skills training and upgrading.

### **Transportation Access**

- The region’s distance from metropolitan centers, primary airports, and global ports requires an efficient and high quality inter-regional transportation system.
- The region’s large geographic size and low population density requires an efficient intra-regional transportation system to facilitate both passenger and freight transportation.
- There have been ongoing improvements to the region’s highway, freight railroad, air, and mobility management (public transportation) infrastructure. Continuing deficiencies need to be remedied by appropriate planning and investment.

### **Resources**

- The region’s natural resources include climate and soils, oil, petroleum, natural gas, gravel, water, forest products, and natural recreational assets. These resources represent economic development opportunities.

- The region's climate and soils are advantages to certain agricultural (dairy, apple, and grape production) and forest products industries. However, the region's short growing season constrains other agricultural endeavors.
- The region has several world-class varieties of hardwoods, including maple, ash, red oak, and black cherry.
- The region is home to a significant oil, natural gas, and gravel extraction cluster. Marcellus and Utica shale represent significant natural gas resources that have not yet been tapped in the region. There is disagreement as to the potential environmental impacts of extracting shale gas.
- The region's natural recreational assets (lakes, parks, ski and snowmobile areas, etc.) provide assets for tourism business development. There is a need for continuing investment in these assets, and for better marketing and coordination of scheduling of events and tourism packaging across natural and man-made assets.

### **Environment**

- The region has a relatively clean environment with an abundance of greenfield development sites.
- The region's environmental quality of life faces threats from air, soil and water contamination, and from development in floodplains and wetlands.
- The region needs to proceed with additional remediation of brownfield and Superfund sites, which could represent economic development assets if properly remediated.
- One specific significant environmental issue is the ongoing process of shut down and clean up of the West Valley Nuclear Services Center facility.

### **Income**

- The region historically has experienced low per capita incomes in comparison with State and national per capita incomes.
- The region historically has experienced sectoral wage levels that are lower than analogous sectoral wage levels in other parts of the State.
- The region is experiencing high public assistance and income assistance burdens.
- The region is experiencing overall poverty rates that are above State and national levels.

### **Infrastructure**

- The region does have some specific infrastructure strengths at the community level. Certain communities may have infrastructure capacity and service in one or more types of infrastructure (e.g., water, wastewater, communications, broadband, natural gas, and electricity) that is adequate for both local quality of life and the existing business community, and that is adequate to permit and even catalyze business development.
- However, various locations across the region have inadequate infrastructure capacity and service (e.g., water, wastewater, communications, broadband, natural gas, and electricity). Adequate utility availability and costs are problematic in some communities, constraining development; in some cases local infrastructure is inadequate to service the existing residential and business communities.
- With respect to improving and maintaining global competitiveness, telecommunications and broadband infrastructure in particular is seen as being a significant and essential driver of economic development in the region.

### **Other Community Assets and Quality of Life Services**

- The region has a weak housing market, with median housing prices significantly lower than State and national median housing prices, (historically) a slower turnover rate than State and national turnover rates, and an aging housing stock (with an older housing stock than State and national housing stocks). However, as the region did not experience the over-inflation of housing prices in recent years, and as the region has a lower percentage of houses mortgaged than the State and nation as a whole, the region has not experienced the mortgage default crisis of recent years, and as a consequence has a more stable housing market than the State and nation as a whole, other things equal.
- There are threats to many communities' downtown business districts. In some communities, this is a function of urban sprawl, with downtown retail and service business migrating out of the downtown business district.
- The regional healthcare system's adequacy varies across the region. Certain health care institutions face challenges to their viability. Health care costs are a burden to regional employers and residents.
- On the whole, however, the region enjoys a high quality of life, with engaging cultural and recreational resources, low-crime rates, an attractive small-town rural lifestyle, and a relatively clean environment. However:
  - The region has underutilized recreational and cultural assets, and gaps in the provision of and access to certain types of cultural assets, especially in the more rural areas of the region. There is a perception that the region needs to continue to invest in these assets for the purposes of both economic development and quality of life.
  - While the region's crime rate is low relative to that of more urban areas, the region nonetheless does have public safety concerns.
  - The region's quality of life is threatened by air, soil and water contamination and by threats to these resources.
- Although the region possesses a significant primary, secondary, and post-secondary educational infrastructure, the region feels that improvements are needed with respect to preparing residents for current and future jobs. However, certain of the region's post secondary institutions are centers of technology research, which could lead to business development through technology transfer and through preparation of the future labor force for jobs in technology-based businesses and in sectors that will develop from emerging technologies. The region also could encourage its population to obtain post-secondary bachelors and advanced degrees to improve the skill level in the workforce.



## Chapter 2 – Analysis of Economic Development Problems and Opportunities

This chapter includes an in-depth analysis of the region’s economic development problems and opportunities. The analysis identifies weaknesses and strengths in the regional makeup of human and economic assets, and problems and opportunities posed by external and internal forces affecting the regional economy. Please note that the elements of weakness, strengths, and opportunities identified in this chapter are highly interrelated, with frequent overlapping. Some regional assets, for example, represent both strengths and also weaknesses (e.g., the regional workforce). The reader is encouraged to review the Appendix section on regional descriptive data for further information on various data sets referenced in this chapter.

In terms of structure, this chapter first focuses on economic development problems (including weaknesses in the regional makeup of human and economic assets and problems posed by external and internal forces affecting the regional economy), and then turns to economic development opportunities (including strengths in the regional makeup of human and economic assets and opportunities posed by external and internal forces affecting the regional economy).

This presentation is followed by an overview of certain relevant government-sponsored plans (see the Appendix for detail), including workforce plans, and commentary on their consistency with and relevancy to the regional plan.

Finally, Chapter 2 concludes with an identification of past, present, and projected future economic development investments in the region, and an identification and analysis of economic clusters within the region that present significant growth opportunities.

### **Economic Development Problems**

- Over the long term, the region’s unemployment rates typically are higher than State and national rates. Per the State Department of Labor Local Area Unemployment Statistics Program, in 2010, Allegany County’s unemployment rate was 9.4%, Cattaraugus County’s unemployment rate was 9.1%, Chautauqua County’s unemployment rate was 8.8%, and New York State’s unemployment rate was 8.6%; per the U.S. Bureau of Labor Statistics, the U.S. unemployment rate was 9.6%. Measured at five year intervals since 1990, the unemployment rate for Allegany and Cattaraugus Counties has met or exceeded State rates over the entire period, while the unemployment rate for Chautauqua County has met or exceeded the State rate in 1990 and 2010 (but has been less than the State rate in 1995, 2000, and 2005) and has met or exceeded the national rate in 1990, 1995, and 2000 (but has been less than the national rate in 2005 and 2010). Unemployment causes the young and the highly skilled members of the labor force to leave the region for employment elsewhere, reducing the region’s economic development potential.
- Over the long term, the region’s per capita personal income levels have deteriorated relative to State and national per capita incomes. Per the U.S. Bureau of Economic Analysis, measured at five year intervals, price-adjusted per capita personal income in the region has markedly declined from 68.9% of New York State price-adjusted per capita personal income between 1970 and 1980 to 59.7% of New York State price-adjusted per capita personal income between 2000 and 2008. This placed Cattaraugus County 43<sup>rd</sup> out of 62 counties in New York State in 2008, Chautauqua County 50<sup>th</sup>, and Allegany County 62<sup>nd</sup>. In 2009, personal per capita income was \$25, 705 in Allegany County, \$32,257 in Cattaraugus County, \$29,995 in Chautauqua County, and \$46,516 in New York State as a whole. The personal per capita income for the U.S. as a whole in 2009 was \$39,635.

Similarly, estimated nominal median household income in 2009 in Allegany County was \$38,828, in Cattaraugus County was \$38,811, and in Chautauqua County was \$38,203, while it was \$54,554 in New York State as a whole and \$50,221 in the nation as a whole. This data is paralleled by data showing the average wage per industry sector in most sectors being significantly lower in the region than in the State as a whole. The region's low relative per capita income and median household income impact the quality of life for employees and residents in the region, and afford residents and entrepreneurs little equity capital to invest in the regional economy, an obstacle to regional economic development.

- Similar data is found with respect to poverty rates. Per the U.S. Census Bureau, in 2009, the poverty rate was 17.0% in Allegany County, 17.0% in Cattaraugus County, 17.6% in Chautauqua County, 14.2% in New York State as a whole, and 14.3% for the U.S. as a whole. The region's higher poverty rates are indicia of higher levels of relative economic distress.
- Global competition and general macroeconomic conditions have negatively impacted the region's economy, resulting in job losses, business closures, and increased absentee business ownership.
- The region historically has experienced significant public assistance/income assistance burdens, relative to western New York and the State as a whole (although between 2005 and 2009, Cattaraugus County actually experienced a lower percentage of households receiving public assistance income than did the State as a whole, although Cattaraugus County's percentage of households receiving public assistance income still was higher than the national percentage over that same period).
- The region is shifting from an economy of high-skill, high-wage unionized jobs to relatively low-skill, low-wage service and commercial employment. The region's economy has failed to create high-skill high-wage jobs in a diverse portfolio of industry classifications.
- Measured by employment, the region's manufacturing sector has declined. There has been significant outsourcing of manufacturing production and jobs both domestically and overseas. The decline of the region's manufacturing sector has greatly threatened the standard of living in the region. As a vital primary value-added sector, manufacturing incorporates regional resources into products sold to regional and non-regional markets. Non-regional sales (i.e., regional exports) bring new wealth into the region and have been a traditional foundation for the region's standard of living.
- The services and trade sector is becoming an increasingly central element of the region's economy, as in many other parts of the country. However, many of these service and trade jobs are part time or seasonal jobs with no benefits, eroding salaries and contributing to the weak regional growth of per capita personal income the region is experiencing as compared to New York State. Further, unlike the manufacturing sector, much of the region's services and trade sector are not net-export sectors, and thus do not bring new wealth into the region. As a consequence of these dynamics, cornerstone institutions (e.g., hospitals, schools and other community institutions) are threatened by the loss of manufacturing jobs and resultant decreases in population and standard of living.
- New York State is a high-cost business operating environment. Relative to the environments in other states, taxes, regulatory and compliance requirements, workman's compensation burdens, utility costs, unfunded mandates (whose cost is passed along to the businesses and residents in the State by county and municipal governments), etc. are burdensome to businesses.

- The region is experiencing inadequate levels of entrepreneurship, technology transfer and adoption, and export activity.

### **Weaknesses in the Regional Makeup of Human and Economic Assets**

- The region is experiencing a net outmigration of population (especially the skilled and young population, in search of employment), a decreasing population base, the aging of the region's population, and the increasing of the (age cohort) dependent population.

Per the U.S. Census Bureau, between 1980 and 2010, the population of the Southern Tier West region *decreased* by 7.10%, while New York State's population *increased* by 10.37% and the population of the U.S. *increased* by 36.29%. More recently, between 2000 and 2010, the population of the Southern Tier West region *decreased* by 3.46%, while New York State's population *increased* by 2.12% and the population of the U.S. *increased* by 9.71%. (Demographers attribute the loss of population in New York State in the first half of the recent decade, and the overall lower growth rate in the entire recent decade, to the economic impacts of the 2001 terrorism event in New York City; if not for the 2001 terrorism event in New York City, the population of the State most probably would have increased by an even higher percentage over both of these periods, further exacerbating the difference in trends experienced by the region and the State over both of these measurement periods.)

Between 1980 and 2007, the region lost 20,196 residents and had a net migration rate of -13.70% (compared to only a -5.17% net migration rate for the State as a whole, indicating that there was a much higher outmigration rate from the region than for the State as a whole). As noted, a high percentage of young, working-age persons and high-skill white collar/professional workers and college graduates are leaving the region in search of employment in other regions. Additionally, the loss of manufacturing jobs is simultaneously causing skilled manufacturing workers and even lower skilled workers to leave.

As regards the aging of the region's population, the region's population is aging and doing so at a faster rate than the State as a whole. Prior to 2000, the region's median age was below that of the State average; however in 2000 the region's median age surpassed State and national averages, and the difference continues to widen since then. This trend is borne out by a similar instance of higher levels of dependent population (i.e., ages 0 to 17 and ages 65 and older) as a percentage of total population for the region as compared to the State as a whole. The implications of this trend include a smaller labor force, a growing public assistance burden, and a less attractive economic development environment. These demographic changes to the labor force increasingly pose challenges to regional business operations and business development activity.

- The region is experiencing the apparent declining relative productivity of its work force, and the need to train the region's labor force in the knowledge-based employment skills of tomorrow. To remain competitive, the region will need to continue to upgrade the skills of its labor force. The region must anticipate the skills needed by tomorrow's companies in order to create the requisite labor force that will attract such businesses. With a historical reliance on smokestack industries (e.g., steel, furniture, automotive, etc.), the region's labor force has skill sets tailored to low-skill, industry-specific jobs; consequently, a high-tech, high-skill labor force that can grow a technology business sector in the region never has developed. With few high-tech, high-skill jobs in technology-oriented companies, residents who go to school to develop such skills or who gain them in the workplace typically leave the region in search of employment. A low-skill labor pool results in high-tech firms avoiding the region, while the shortage of high-tech firms prevents a high-skill labor pool

from developing. This self-reinforcing cycle constrains business development. The optimal situation is to develop a diverse portfolio of high-tech firms so that individuals with a wide spectrum of skill sets can find employment. Unless the region's labor force develops knowledge-based skill sets, the region will be unable to compete in the global marketplace and continue to fall behind economic performance and development in other regions.

As mentioned previously, the region also lags both the State and nation as a whole in terms of the percentage of residents with bachelors and advanced degrees, which similarly is an obstacle to attracting employers requiring a high-skill labor force to the region.

- No matter what the reality is, New York State's labor force and labor legal environment both are sometimes perceived to be unfriendly toward business and management; consequently, other states with lower incidences of active labor unions and fewer labor laws and regulations sometimes may be considered better locations for business operations.

However, although New York has extensive labor regulations and an empowered labor force, any attendant cost disadvantages often are offset by the high productivity and strong work ethic of the State's labor force. In fact, recent studies show that western New York is a leader in positive labor relations, which places the region in a new light in the eyes of many. In addition to showing that joint labor-management problem solving is a core characteristic of western New York labor relations, the studies found that western New York is a world-class region in terms of workforce quality and workplace practices, and also confirmed the results of earlier academic studies that show that unions contribute to the success of high-performance workplaces.

Accordingly, while the negative perception of New York's labor climate is perhaps inflated, its persistence may be a deterrent to regional business development.

- The region has infrastructure service capacity (including competitive-rate local water and wastewater systems, natural gas capacity, electric service capacity, and broadband telecommunications capacity) which in some communities is capable of sustaining economic growth. However, in some communities in the region, such capacity may be limited or may not be cost competitive.

Water/wastewater infrastructure conditions in some communities in the region create health concerns, and in some communities water/wastewater capacity is limited, requiring considerable investment to accommodate even modest expansions of business activity.

In a few of the region's smaller communities, natural gas service is unavailable, and those communities with adequate service struggle to compete with lower cost utility services offered outside the region.

Some communities offer municipal electricity at low costs, but in some of these communities adding new users of large amounts of electricity will cause rate levels to increase for all users.

Broadband service is also not uniformly available in the region, especially in the more rural areas of the region. Aggregate service capacity problems and a lack of redundancy in most communities make the service inadequate for certain business development. A lack of alternate service providers also keeps competition low and broadband service costs high in some of the municipalities where it is available.

A limited amount of adequately serviced industrial sites and buildings also constrains economic development in the region.

In sum, there is a need for investment in the region's infrastructure services capacity in many communities in the region so that the region can remain competitive with other regions and in the global marketplace. Investments in infrastructure services will lead to new business development opportunities, as prospective entrants and entrepreneurs see that the region has the capacity to accommodate their investment and activity.

- The region has a need (a) to upgrade its transportation infrastructure, including the federal, State, and local highway and bridge system, the mainline and shortline railroad system, and the air transportation system; (b) to continuously develop a comprehensive plan and priority transportation investment schedule for the region's transportation infrastructure that considers economic development issues; and (c) to implement investment strategies in the plan to upgrade transportation infrastructure so as to promote economic development. The region has inadequate low-cost freight and passenger access to the global marketplace.
- New York State's business climate (including corporate tax rate burdens, personal income tax rate burdens, workman's compensation costs, rising health care costs, environmental regulatory compliance costs, high utility costs, winter heating costs, high transportation costs, and other business cost drivers) constrains business attraction, retention, and development.
- High municipal operating costs originating from State mandates, regulatory and compliance requirements, and other miscellaneous issues (e.g., rising health care costs, State pension fund costs,) are passed on to businesses and residents, making businesses less competitive and discouraging residents from living in the State. Efficiency improvements made to government operating costs that were translated into lower business tax rates could positively impact the competitiveness of regional businesses.
- Access to private and public equity and debt capital is essential to business development and especially to entrepreneurial development. There is a need for equity and debt capital to support entrepreneurship and business development in the region.

With respect to equity capital, the region's low per capita income leaves individuals with less unencumbered wealth available for use as risk capital. The capacity of the private sector to undertake economic development projects is therefore directly related to the health of personal and commercial credit markets. The region has inadequate private equity and capital funding resources (including especially initial stage funding and micro-equity venture capital).

With respect to debt capital, there also appear to be issues with the availability of commercial debt financing. Furthermore, with few traditional or non-traditional sources of equity funding (traditional venture capital or non-traditional community venture capital sources), entrepreneurs are often unable to attain startup funding or are forced to start businesses with a highly leveraged (debt heavy) financial capital structure. Highly leveraged financial structures exact higher monthly debt obligations and a higher break even sales volume for the region's businesses. The end result is an elevated rate of failure and a reluctance to lend to prospective entrepreneurs that cannot guarantee higher probabilities of successful operations.

Additionally, commercial asset-based lending in the region is still constrained by perceived higher default risks and weak collateral salvage markets, both common features of depressed rural economies. In many other regions, real estate is a prime source of collateral because it maintains good resale value in strong real estate markets. However, liquidation values of foreclosed assets in our rural region is low, as resale markets for commercial real estate and other business assets are not strong. This reduces the availability of asset-based commercial debt financing.

Symptoms of these inadequate equity and debt capital markets are the frequent use of SBA 7(a) loan guarantees and steady demand and even waiting lists for many local public sector revolving loan funds. Despite the participation of public sector loan funds in commercial lending packages, commercial banks often are unwilling to undertake what they perceive to be risky loans, even with public sector loan guarantees.

Inadequate public sector financial resources also constrain business development. First, local public sector loan funds often are under-capitalized relative to the demand for funds. Second, the State's participation in the traditional economic development finance arena has left certain gaps in terms of direct business loan incentive financing. Third, the State has fewer funds available for municipal economic projects and infrastructure projects, and even less available for speculative projects.

Additional public sector loan fund capitalization would be beneficial for the region. Another useful tool would be the creation and increased capitalization of public sector or community-based equity capital funds (especially seed or first stage capital funds). These initiatives would significantly impact entrepreneurial activity and the growth of small businesses in our region.

- Certain significant portions of the region's economic base (manufacturing and non-manufacturing companies as well as the government sector) are not globally competitive, and both the region's private and public sectors need to adopt the technologies of the future. While some companies and governments are constrained by a lack of capital, others are constrained by an inability to understand the importance of technological advancement and/or by the unwillingness to embrace change. Comfort with the status quo has lead companies and governments in the region to operate with decades-old technologies. These institutions are less productive and are at an operational disadvantage compared to more recent market entrants that utilize newer technologies.
- There is a continuing need to develop the value-added net-regional-export segments of the regional economy, especially in clusters with growth potential.
- The region continues to experience quality of life concerns. For example, the region's healthcare system, environmental and conservation practices, and housing stock all influence the region's overall economic appeal.

Adequate health care is a critical means of retaining and attracting employees and employers in the region. Health care is not only a quality of life issue; it is a business location and employee recruitment parameter. As the region's health care system experiences critical challenges, the region's economy also faces a lagged crisis. In addition to being an obstacle to new business development, the ultimate result may be outmigration of existing businesses and employees.

In terms of the region's environment, enhanced conservation practices are critical to retaining the region's natural resource base and aesthetic value. Often it is thought that economic development and sound environmental and conservation practices are inherently at odds with one another, but this is not always the case. Also, although sound environmental and conservation practices may raise business operating costs and thereby limit the achievement of maximum economic growth rates, from a societal perspective, sound environmental and conservation practices in fact minimize long-term socio-economic costs. This makes sound environmental and conservation practices the optimal long-term course of action, despite the limiting impact on short-term economic growth rates. The region needs to encourage these types of practices to ensure the preservation and long-term enjoyment of its vital natural assets. Currently, improper practices threaten quality of life in the region and good environmental practices should be continually emphasized in both the business community and the public sector. An attractive and healthy environment is as asset to promoting

regional business development.

Much like healthcare, the regional housing stock and housing market is not only a concern for quality of life; it is also a business location and employee recruitment parameter. It is difficult to recruit executives and professionals to live in an area without significant high-end housing stock, or to encourage executives and professionals to invest in a housing market that is weak and that does not offer the potential of capital gains from home ownership. There also needs to be a variety of types of housing stock offerings, to meet varied individual tastes and requirements. In sum, the region's aging and limited housing stock is in need of replenishment as a means of retaining and attracting employees and employers in the region.

- In its 2011 CEDS, the Seneca Nation of Indians has identified weaknesses in several economic assets and human resource assets, including inadequate infrastructure (e.g., water, wastewater, broadband, etc.), inadequate transportation infrastructure (e.g., local roads and bridges, etc.), portions of its labor force that are un-skilled or under-skilled in the skills needed for tomorrow's jobs, and an aging population base. Also, although joint ventures with non-Native American businesses can offer substantial opportunity, the inability to obtain fee simple land ownership for development on Seneca territories can be an obstacle to non-Native American private sector investment. Seneca per capita income levels are lower than Cattaraugus County levels, while poverty rates and unemployment rates are higher than Cattaraugus County levels.

#### **Problems Posed by External and Internal Forces Affecting the Regional Economy**

- The region is at a critical juncture with respect to its primary and secondary educational system, as the ability of a region to provide adequate education facilitates the retention and attraction of employees and employers in the region (i.e., an internal force).
- The State's fiscal crisis is creating problems for the business community and for residents (i.e., an external force).
- Homeland security issues continue (i.e., an external force).
- In its 2011 CEDS, the Seneca Nation of Indians notes that its economy, which is highly dependent upon casino resort operations and tax-free sales of tobacco and gasoline, is facing current and potential threats. The challenges to tax-free sales have severely impacted tobacco sales through the mails, and threaten gasoline sales. It is possible that at some time in the future, Class III gambling operations may not be permitted, and there are competitive threats from other gambling operations within New York State and from proposed Class III gambling initiatives in Pennsylvania and Ohio. These threats are all external forces.

#### **Economic Development Opportunities**

- There are opportunities for the development of the ceramics and advanced materials sector, for development based on welding and other trades (provided that adequate labor force exists with the requisite skills), and for the development of call centers, back office operations, and redundant data storage centers.
- There is an opportunity for businesses to embrace broadband technology, for the development of internet-related businesses, and for the utilization of the fiber trunk line system being installed in the region. There are similar opportunities for educational sector and for certain institutions such as health care providers and hospitals.

- There is an opportunity for the business community to adopt new and alternative technologies to remain competitive.
- There is an opportunity for the business community to take advantage of technology transfer opportunities from research institutions.
- There is an opportunity for additional entrepreneurial activity. Entrepreneurship offers a number of benefits, including:
  - The stimulation of job growth by increasing the population of small businesses
  - The retention of wealth within the region, as non-locally owned industries and businesses dependent on non-local vendors drain wealth out of communities while entrepreneurship largely implies local ownership and regionally retained profits
  - The reduction of regional outmigration and attendant economic and social costs through increased employment created by entrepreneurship
  - The increase in regional population as regional expatriates return to the region to become entrepreneurs and employees of entrepreneurs
  - The stimulation of innovation, which creates a diverse and dynamic economy, as entrepreneurs initially form small companies that have greater flexibility than larger companies, and thus are able to take advantage of new technologies, new markets, and new ideas, helping to keep the regional economy competitive.

The region's strong entrepreneurial potential builds from its other regional strengths; however the region needs to be more successful in fostering this potential by assisting prospective entrepreneurs with starting and growing their businesses. Such assistance could include increased financing assistance, improving education and entrepreneurial training, improving marketing resources available to entrepreneurs, creating mentoring programs, facilitating technology transfer from research institutions, and the recruiting college graduates.

- There is an opportunity for higher impact utilization of the region's hardwoods resource. Much of the hardwood timber harvest is exported from the region as logs; increasing secondary processing (e.g., dimensioning, furniture manufacturing, etc.) could positively impact the regional economy. There is a need for capital investment in current technologies in secondary processing.
- There is an opportunity to utilize agribusiness resources to develop agribusinesses. There are opportunities for increased value-added secondary processing of primary agricultural products grown in the region.
- There is an opportunity for increased tourism business development. A flourishing tourist industry also supports other regional businesses. The region should incentivize the development of additional tourist destinations and year-round tourism for currently seasonal destinations. Research indicates that integrating heritage and cultural tourism with non-heritage/cultural tourism would increase the number and duration of visitor stays. The region should utilize a more comprehensive scheduling and marketing approach; while there is modest coordination amongst the three counties, not all tourist destinations are being jointly marketed and therefore are not achieving their full economic potential.
- There is an opportunity for the increased utilization of the region's higher education system, the region's electrical power resources, and the region's other natural resources.



- There is an opportunity to expand business development through “buy local” programs and other local vendor sourcing programs.
- There is an opportunity to use the region’s underutilized labor force (especially the manufacturing labor force).
- There is an opportunity to increase utilization of the region’s training infrastructure (Workforce Investment Boards, Board of Cooperative Educational Services, colleges, etc.), which could help capitalize on the business development opportunity represented by the region’s under-skilled labor pool, to promote the development of businesses requiring certain specific labor skills.
- There is an opportunity to focus economic resources on attracting high-paying value-added net-export services and trade employers to the region. See the discussion on target clusters later in this chapter.
- There is an opportunity to utilize the region’s highway, railroad, and aviation transportation infrastructure to a greater extent.
- The Seneca Nation of Indians has an opportunity to utilize revenues from casino resort operations to diversify its economic base so as to provide more diverse employment opportunities for members of the Nation and for the general population, and also to insulate itself from threats to tobacco and gasoline sales and casino operations. The Seneca Holdings, LLC and Seneca Nation Economic Development Corporation are assets that can be utilized to catalyze business development activity. The Seneca Nation also could increase joint ventures with non-Native American partners.

### **Strengths in the Regional Makeup of Human and Economic Assets**

- Labor supply surplus (unutilized and underutilized workers) and productive work force with good work ethic.
- Workforce training and other human resource assistance provided by an aggressive network of public and private human resource and training organizations, including the Workforce Investment Boards, Board of Cooperative Educational Services, colleges, the Regional Technology Development Center for Western New York (Insyte Consulting), etc.
- Manufacturing expertise. According to New York State Empire State Development, New York State ranks 9<sup>th</sup> in the nation for worker productivity in the manufacturing sector, with workers generating a value of more than \$6 of output for every dollar earned.
- Competent and qualified system of primary, secondary and post-secondary education institutions.
- Research Institutions (especially ceramic technology research) and capacity for technology transfer. The Southern Tier West region is advantageously located in the center of a number of research institutions (in nearby Pittsburgh, Cleveland, Buffalo, Rochester, Ithaca, and in the village of Alfred in Allegany County) which afford the region’s business community significant opportunity for technological advancement.
- Significant post-secondary educational institutions.
- Farmland and forest assets. The climate, soils, and topography of the region has also made the region a resource for world-class forest products in several choice hardwood species (maple, ash, red oak and black cherry). Presently, only 1/3 of the region’s annual net timber growth (over 1.6 million tons) is being removed through harvesting and there is significant potential for increased

export use and domestic secondary processing. Retaining these logs in the region, and increasing the amount of secondary processing (e.g., dimensioning, furniture manufacturing, etc.) will provide substantial economic benefit to the region.

- Proximity to both the eastern metro markets (where the bulk of the U.S. population base is) and the midwest (where the nation’s agricultural resource base, or “breadbasket,” is).
- The implementation of the results of the **“Southern Tier West Regional Transportation Strategy,”** and ongoing transportation planning initiatives.
- Ongoing highway corridor development initiatives, including I86, US Route 219, and State and local corridor initiatives.
- Aggressive railroad transportation program.
- Ongoing investment in the region’s broadband capacity, focusing on upgrading existing capacity, establishing service in un-served and under-served areas, providing redundancy in broadband service, and ensuring competition in cost and quality of service. The expansion of the region’s broadband network allows for the development of internet-related, location-neutral businesses (negating the region’s commonly perceived locational disadvantage). Broadband investment affords an opportunity for regional businesses to utilize broadband connectivity when communicating with vendors and customers, moving data, conducting research, developing strategic partnerships, and performing any number of activities to bring value to their business. In today’s global marketplace, broadband infrastructure is essential, and businesses that do not embrace this technology will likely be at a competitive disadvantage in coming years.
- Productivity enhancement programs and assistance.
- Tourism assets.
- Entrepreneurial opportunity.
- The Seneca Nation of Indians’ territories have a number of economic assets, including natural gas deposits, sand and gravel deposits, wildlife and fish resources, the potential for wind energy and ground source heat pumps, developable land, and adjacency to land assets including Allegany State park, the Allegany River, Cuba Lake, and Lake Erie. The Nation’s membership represents a significant labor force base that is an economic development asset.

### **Opportunities Posed by External and Internal Forces Affecting the Regional Economy**

- The opportunities in clusters where the region may enjoy competitive advantages (i.e., an internal force).
- The opportunity to train the region’s labor force in the knowledge-based employment skills of tomorrow, so as to facilitate dynamic business development (i.e., an internal force).
- The opportunity for investment in the region's infrastructure capacity, including cost-competitive local water and wastewater systems, natural gas and electric service capacity, and broadband telecommunications capacity (i.e., an internal force).
- The opportunity to upgrade transportation infrastructure (including mainline and shortline railroad infrastructure, air transportation infrastructure, and State and local highway and bridge infrastructure) and to continuously develop, update, and implement the Southern Tier West Regional Transportation Strategy (a comprehensive plan for the region’s transportation

infrastructure that considers economic development issues) (i.e., an internal force).

- The opportunity represented by the potential development of aggressive equity and debt capital funds that could support entrepreneurship and business development (i.e., an internal force).
- The opportunity to promote increased rates of entrepreneurship (i.e., an internal force).
- The opportunity to promote business development in green and alternative energy businesses (i.e., an internal force).

### **Relevant Material from Other Government-Sponsored or Supported Plans**

The Appendix contains a bibliography of other government-sponsored or supported plans, and a section that summarizes content from these plans that was utilized in the development of this CEDS and excerpts other relevant content from these plans.

### **Consistency with Applicable State and Local Workforce Investment Strategies**

The region's most recent local workforce investment strategies (the **Cattaraugus-Allegany Workforce Investment Board's "2005 to 2008 Strategic Plan"** and the **Chautauqua Workforce Investment Board's "Three Year Plan" and "Local Plan Modification, 2008-2009"**) are consistent with the analysis indicated herein. Both plans feature an analysis of the labor supply and labor force in their service areas (which together comprise the entire region) that are consistent with the analysis herein, and both plans have similar goals, objectives, and strategic programmatic foci that are consistent with the CEDS. See the Appendix for additional detail.

The State's workforce investment strategy - **Workforce New York's (New York State's Workforce Investment Board) "Strategic Five-Year State Plan 2003"** – also is consistent with the economic analysis contained herein. As in the region, the state also is experiencing a shift toward increasing service sector employment. However, the State plan does not focus on the decline in the manufacturing sector, as does the regional plan. The State plan only notes that *"despite many changes, the factory sector remains an important part of New York's economy,"* which remains true at the regional level as well. The primary divergence of the State plan and the region's two local workforce investment strategies (and this CEDS) may lie in the mix of important clusters and consequent difference in certain types of jobs in other areas of the State (e.g., New York City, where there are more advertising, television, computer, and media cluster businesses). However, both the State plan and the region's two local workforce investment strategies have similar goals, objectives, and strategic programmatic foci that are consistent with the CEDS. See the Appendix for additional detail.

The more recent State workforce investment strategy – the **New York State Department of Labor's "NYS Workforce Investment Board: Two Years of the Strategic Five-Year State Plan, 2007-2009"** – also is consistent with the economic analysis contained herein. The document discusses the need to respond to the shift from a manufacturing-based to a service-based economy, and to respond to demographic changes (including especially the aging of the population). The strategy identifies the following specific challenges to workforce development and economic growth:

- The need to increase labor force participation rates and training accessibility
- The need to increase the levels of literacy to develop a 21<sup>st</sup> Century knowledge workforce
- The need to design strategies that effectively support vocational English as a Second Language

- The need for mature worker retention strategies and younger worker attraction strategies in our Upstate regions, where population growth is not keeping pace with workforce needs
- The need to focus on post-secondary education to prepare individuals for the highly skilled employment sector
- The need to design creative approaches to retaining retirement age workers' participation in the labor force
- The need to provide specialized training and skill development in the health care and social assistance sectors
- An increased attention to aligning economic and labor market needs with the K-12 curriculum to increase the understanding of local economies and the critical role education plays in keeping economies vibrant
- A heightened focus on ensuring that New York's civilian labor force has access to the tools needed to assess and understand their skills (and skill gaps) in relation to the local and regional economies

The strategy's proposed plan of action for workforce development in 2007-2009 is: *"...revitalizing the upstate economy through targeted industry sector initiatives and infrastructure investments such as universal broadband capabilities to ensure that upstate citizens have access to affordable, high-speed Internet service; continued focus on streamlining and integrating workforce development resources through functional alignment; increasing opportunities for incumbent worker training through innovative programs; and encouraging regional strategies and partnerships that improve worker attraction, retention and skills development that align with local and regional economic needs."*

This CEDS adopts as a central economic development strategy this statewide path for workforce development and training. The assets, challenges, and recommendations for workforce development at the State-level are reflected clearly in the CEDS.

### **Past, Present and Projected Future Economic Development Investments in the Region**

Past and present economic investments in the region have included:

- Retention and public assistance to the region's short line and mainline railroad system
- Investment in highway infrastructure, including construction of I86 and ongoing improvements to US 219
- Construction of industrial parks in all three counties
- Extension of infrastructure services to serve scattered site industrial firms, including industrial access roads, water, and wastewater systems
- Construction of speculative industrial buildings
- Retrofit of older buildings into modern productive facilities
- Remediation of brownfield acreage and buildings and redevelopment of these assets into productive uses
- Construction of business incubators in all three counties
- Employee and labor force training programs
- Empire zones, industrial development agencies, and incentive programs including industrial incentive financing, industrial revenue bonds, and revolving loan funds

- Technical assistance to business and entrepreneurs, including business planning, counseling, procurement, export, and marketing assistance
- Construction by Seneca Nation of Indians of Seneca Allegany Casino Resort
- Investment in the region's ski resort facilities and other recreational businesses and infrastructure
- Marketing of the region and specific individual buildings and sites
- Investment in colleges and universities in the region, especially public sector institutions

Projected future economic investments in the region include:

- Improvement and development of interstate highway I-86 as a revitalized regional economic development corridor
- Continued construction of I-219 (Interstate Route 219), a primary north-south limited access highway corridor bisecting the region, as part of a multi-state development corridor
- Expanded investment in highway trade corridors (including local and State highways)
- Additional investment in railroad infrastructure
- Phased construction of multimodal freight transfer facility (including phased development of industrial acreage, transload facilities, satellite marine terminal/container operations, warehousing and distribution facilities) and an associated business park, with free trade sub-zone. Additional site development along rail corridors to facilitate business development.
- Investment in regional broadband and communications infrastructure
- Construction of the Bonaventure Square Project
- Construction of Millennium Parkway, connecting the northern Chautauqua County industrial corridor with Interstate Route 90 (I-90)
- Phased construction of Crossroads business park
- Construction of the Route 417 East Water Extension Project, which will provide municipal water service to this developing industrial corridor
- Construction of improvements to the Sugar Hill Industrial Park
- Ongoing investment by the Seneca Nation of Indians in the Seneca Allegany Casino Resort, and continued investment by Seneca Nation of Indians so as to further diversify the Seneca Nation's economy
- Expanded entrepreneurial assistance activities
- Focused assistance targeting growth clusters
- Support for enhanced technology transfer activities and incentives for business development of knowledge-based and technology-based cluster businesses
- Additional investment in employee skills training activities
- Expanded regional marketing facilities

## **Analysis of Economic Clusters Within the Region**

The cluster theory of economic development states that regions should invest resources in business clusters in their regions (a) that exhibit the opportunity for growth, (b) in which companies can maintain comparative advantages with respect to competitors outside the region, and (c) that are value-added net export clusters that bring new money into the region. Clusters are groupings of not only businesses with similar processes, products, inputs, or technologies. Clusters also may include businesses with similar key suppliers and other related businesses from other sectors that rely on other shared features (e.g., shared workforce, knowledge transfer, etc).

Our region has identified the following target or niche clusters in which we should focus investment:

- ceramics, glass, and advanced materials cluster
- secondary forest products manufacturing cluster
- agribusiness (including secondary food processing) cluster
- metal fabricating and automotive parts manufacturing clusters
- technology-based, including telecommunication-based industry clusters
- plastics products manufacturing cluster
- technical support services (back office computer service) cluster
- trucking and distribution cluster
- tourism cluster

A number of local strategic economic development planning documents have been published within the region, and there is some variation in target clusters specified in these local plans. Such differences may be explainable by localized variances in analytical techniques, opportunity, economic assets, and industrial concentration. The divergences may also be explained by newly developing opportunities, or small-scale opportunities that either reflect existing or projected business operations in localities or are significant in relationship to a specific local area. Nonetheless, there remain significant overlaps of common cluster opportunities. With the passage of time since the designation of the regional target clusters, the region may wish to reconsider its analysis of target cluster designation.

The future also requires that we look to value-added, net-export economic activity not only in the traditional manufacturing sector, but also in service businesses. In fact, it is in knowledge-based service businesses where perhaps much of the region's future economic growth in the global marketplace will occur, because of the region's inability to compete with lower cost offshore manufacturing operations.

There also is support for focusing economic development resources on those industry clusters in the surrounding regions that are experiencing growth, because of the potential for participating in their growth.

The highest impact economic development strategy might be to focus economic development resources on promoting knowledge and technology-based clusters, as opposed to the heavy and/or commodity-based manufacturing clusters. However, it may be difficult to seize opportunities in technology growth clusters without a strong technology base in our region, without a strong human resource base with requisite skill sets, and without a threshold level of existing technology activity in our region.

Developing this technology base, including a technology business sector and a skilled labor force, should be a primary regional economic development strategy.

## Chapter 3 – CEDS Goals, Objectives, and Strategies – Defining Regional Expectations

Through its CEDS planning process, Southern Tier West has identified seven regional economic development **goals** that any strategic project, program, or activity identified in the CEDS should work toward fulfilling. Each goal reflects the intention to improve the region’s economy, and may be thought of as being an ultimate end that the region desires to achieve through successful implementation of the CEDS. Goals are broad, primary regional expectations.

Southern Tier West also has identified **objectives**, which are more specific than goals, are clearly measurable, and realistically consider what can be accomplished over the five (5) year CEDS planning horizon. The goals provide a more comprehensible and more measureable approach than the broad goals, and help the region track its progress toward achieving each goal.

The objectives also are linked to **strategies**, which may be thought of as being individual projects, program, activities and initiatives that are intended to achieve the desired objectives. The specific priority projects included in Chapter 5 all are consistent with the economic development goals, objectives, and strategies listed in this chapter, and should be intended to fulfill these goals and objectives.

A central tenant is that public sector investment in economic development has maximum impact on the regional economy when it is directed toward inducing investment and job creating activity by high-skill, high-wage, job-intensive, regional-export, proprietary technology businesses.

Southern Tier West feels that the goals and objectives identified in this chapter are necessary to solve the economic problems of the region and/or capitalize on the resources of the region.

Here is a summary listing of the region’s seven economic development goals:

- Goal 1:** Encouragement of the development of value-added businesses and other businesses that will augment or diversify the region’s economic base
- Goal 2:** Improvement of private sector access to development incentive financing
- Goal 3:** Improvement of existing infrastructure (water, wastewater, natural gas, electricity, telecommunications, technology, highway system, rail system, aviation system, access roads, etc.) and development of new infrastructure to support business development
- Goal 4:** Improvement of business productivity and competitiveness
- Goal 5:** Educational excellence and development of a skilled workforce ready to meet the challenges of tomorrow’s economy
- Goal 6:** Maintain and improve the region’s quality of life (i.e., provide, preserve, and enhance those factors that make the region attractive for residential, commercial, and industrial development)
- Goal 7:** Improve regional coordination and cooperative partnering efforts

The following pages provide a more in-depth presentation of the region’s economic development goals, with a listing of objectives and strategies related to each goal:

**Goal 1: Encouragement of the development of value-added businesses and other businesses that will augment or diversify the region's economic base**

**Objectives:**

1. Creation, retention, expansion, and attraction of businesses in specific identified target industry clusters, or of businesses that either have the potential for significant economic growth, or that are likely to be able to withstand competition from offshore manufacturers:

The specific identified target industry clusters are the:

- Ceramics, glass, and advanced materials cluster
- Secondary forest products manufacturing cluster
- Agribusiness (including secondary food processing) cluster
- Metal fabricating and automotive parts manufacturing clusters
- Technology-based, including telecommunication-based industry clusters
- Technical support services (back office / computer service) and value-added export services cluster
- Plastics products manufacturing cluster
- Trucking and distribution cluster
- Tourism cluster

Businesses that either have the potential for significant economic growth, or that are likely to be able to withstand competition from offshore manufacturers typically will include:

- Businesses with local monopolies
- Businesses with proprietary technologies
- Knowledge-based businesses
- Niche businesses
- Businesses that effectively do not face competition from offshore because of high transportation costs relative to product value
- Export businesses
- Service businesses

**Strategies:**

- The implementation of a business visitation program.
- The provision of focused technical assistance (including but not limited to productivity enhancement assistance, marketing assistance, human resource development assistance, vending, operational, environmental or other compliance, new technology, etc.) and financial incentive assistance to businesses to incentivize and/or facilitate their creation, retention, expansion, and attraction.
- The promotion of entrepreneurship through initiatives including but not limited to marketing, technical assistance, financial assistance, etc.
- Marketing (marketing and provision of assistance, incentives, services, and public investment) of cluster and other development opportunities to existing regional businesses, prospective entrepreneurs, and cluster businesses located outside the region, including the encouragement of entrepreneurship by college graduates, individuals who previously had out-migrated from the region, cluster employees,



and dislocated target cluster employees to encourage business development and especially the development of value-added and export sector firms.

- Appropriate investment in publicly owned capital and non-capital assets and services required to facilitate the creation, retention, expansion, and attraction of regional businesses.
- Provision of local sourcing opportunities and local customer opportunities for existing and proposed regional businesses through business attraction activities (marketing and provision of assistance, incentives, services, and public investment) targeting vendor and customer businesses of existing regional businesses, to induce them to locate operations within the region (excluding relocation attraction).
- Development of improved linkages between businesses and educational institutions, including the development of a technology transfer program from universities to the business community, internship placement activities, technical consulting activities, etc.
- Activities that will promote increased levels of exports from the region.
- Promotion and development of multi-firm operating and/or marketing initiatives.
- Development of non-traditional forms of ownership of manufacturing, value-added and export sector firms (e.g., publicly owned, quasi-public-owned, or private-non-profit-owned) for spin-off to the private, for-profit sector.
- Promotion of the maintenance of local ownership of manufacturing, value-added and export sector firms and promotion of the return of non-locally owned manufacturing, value-added and export sector firms to local ownership.
- Assistance with the take over of a failing or otherwise exiting business by employees (e.g., an ESOP), and provision of assistance to employee-owned businesses.
- The implementation of a public sector start-up/spin-off program.

**Goal 2: Improvement of private sector access to development incentive financing**

**Objectives:**

1. Improvement of private sector access to development incentive financing, through:

**Strategies:**

- Improvement of access to private capital, through (but not limited to) the following:
- Encouragement of the private sector banking community to offer aggressive, development-oriented non-traditional lending practices to the specific selected target clusters.
- Facilitation of access to loans from the private sector banking community through the aggressive use of loan guarantees and through the use of technical assistance to businesses applying for such loans.
- Improved access to private sector angel and venture capital small business financing.

2. Improvement of access to public sector development incentive capital, through (but not limited to) the following:

**Strategies:**

- Streamlining access to existing public revolving loan funds.
- Recapitalization of existing public financing programs (including local revolving loan funds) as appropriate to fill gaps in local credit markets.
- Capitalization of new public financing programs (including local revolving loan funds) as appropriate to fill gaps in local credit markets.
- Development of non-traditional public business financing sources (e.g., equity/venture capital fund, etc.).
- Increased utilization of state economic development zones.

**Goal 3: Improvement of existing infrastructure (water, wastewater, natural gas, electricity, telecommunications, technology, highway system, rail system, aviation system, access roads, etc.) and development of new infrastructure to support business development**

**Objectives:**

1. Promote innovative transportation programs and expansion of existing transportation services

**Strategies:**

- Continued strategic and project-specific transportation planning activities, including:
  - Update of Regional Strategic Transportation Plan
  - Highway and rail corridor development plans and land use plans
- Investment in the region's short line and mainline railroad system, including:
  - Phased construction of transmodal freight transfer facility
  - Construction of rail sidings
  - Site development along rail corridors
- Investment in the region's highway trade corridors, including:
  - Continued construction of US-219 as primary north-south limited-access highway corridor
  - Construction of Millennium Parkway connecting northern Chautauqua County industrial corridor with I-90
  - Upgrade of Routes 60, 62, 16, and 19
  - Site development along highway corridors and interstate interchanges
- Improvement and extension of industrial access roads
- Improvement and investment in the region's aviation system
- Improvement and extension of the region's mobility management (public transportation) system
- Expansion of technical and financial assistance for transportation infrastructure projects

2. Develop and expand industrial sites, acreage, and parks

**Strategies:**

- Expansion and improvement of existing industrial parks
- Construction of new industrial parks, including especially targeted parks such as green parks, alternative energy parks, etc., including:
  - Phased construction of Crossroads business park
- Development of speculative industrial buildings, multi-tenant facilities, and incubator facilities
- Retrofitting of older buildings into modern productive facilities
- Pursuing appropriate brownfield remediation and redevelopment projects
- Promotion of marketing of industrial buildings and sites
- Expansion of technical and financial assistance for industrial development projects

3. Develop, maintain, and improve municipal and private utilities infrastructure

**Strategies:**

- Improvement and enhancement of the region's water and wastewater systems
- Encouragement of alternative energy utilities and creation of a regional energy purchasing alliance
- Identification and GIS-based inventorying of existing and planned infrastructure
- Expansion of technical and financial assistance for industrial development projects

4. Expand information technology infrastructure and telecommunications systems

**Strategies:**

- Extension of broadband infrastructure throughout the entire region
- Promotion of the utilization of information technology and telecommunications systems

**Goal 4: Improvement of business productivity and competitiveness**

**Objectives:**

1. Improve technical assistance to the private sector

**Strategies:**

- Development and provision of increased public sector capacity to provide business and management counseling and crisis assistance.
- Development and utilization of a standardized customized electronic internet-based prospect management system, including protocols and lead agency system for prospect management, and integration with a site/building database and an internet-based economic development program database.

- Development, enhancement, and increased utilization of an electronic internet-based site/building and economic development program database system, and integration with a standardized customized electronic internet-based prospect management system.
  - Improved networking and referral services between economic development and workforce organizations
  - Facilitation of shared supplier networks, procurement, and export.
  - Regional marketing activities.
  - Centralization and coordination of tourism and recreational facility development, marketing and promotion.
  - Development, expansion, renovation, and marketing of small business incubators.
  - Promotion of increased environmentally sound utilization of the region's natural resources, and improved business compliance with environmental regulations.
2. Encourage best business practices and productivity assistance to capitalize on existing businesses and attract development in target industries with comparative advantage

**Strategies:**

- Support enhanced technology transfer activities and incentives
- Encouragement of the replacement and/or upgrading of obsolete and inefficient physical plants, machinery, and equipment
- Promotion of the introduction and adoption of new technologies, including computerization, robotics, telecommunications, etc.
- Promotion of utilization of productivity enhancement consulting programs (e.g., Insyte program and Industrial Effectiveness Program) and implementation of recommendations
- Development and increased utilization of the region's telecommunications infrastructure.
- Increased utilization of the internet
- Promotion of increased utilization of by-products, resulting in cash flow generating economic activity and also reduction of waste produced, waste handling , and waste disposal costs
- Increased implementation of skills upgrading, basic training, and literacy programs.
- Promotion of the reduction of workplace substance abuse
- Facilitation of shared supplier networks, procurement, and export

**Goal 5: Educational excellence and development of a skilled workforce ready to meet the challenges of tomorrow's economy**

**Objectives:**

1. Encourage improvements to primary, secondary, and post-secondary educational institutions

**Strategies:**

- Improve math, science, and English competency so as to foster workforce creativity and reasoning skills
  - Invest in colleges and universities in the region, especially public sector institutions
  - Promote cooperation between local educational institutions
  - Encourage employer-specific and cluster-specific job training and educational needs
  - Improve entrepreneurial education and technological literacy
2. Widen the range of educational services for diverse demands

**Strategies:**

- Invest in skills upgrading, basic training, and literacy programs
  - Encourage employer-specific and cluster-specific job training and educational needs
  - Improve entrepreneurial education and technological literacy
3. Actively attract and retain young professionals to work in the region

**Strategies:**

- Market entrepreneurial and employment opportunities to college graduates and those who previously had out-migrated from the region
- Encourage high-wage, high-skill businesses to develop in the region
- Invest in high-end housing
- Improve quality of life and basic regional appeal

**Goal 6: Maintain and improve the region's quality of life (i.e., provide, preserve, and enhance those factors that make the region attractive for residential, commercial, and industrial development)**

**Objectives:**

1. Enhance and utilize the region's natural resources in an environmentally sensitive manner

**Strategies:**

- Preserve natural quality while promoting the region as a destination for outdoor activities (environmental preservation and enhancement of access to nature).
- Maintain and improve natural recreational and tourist opportunities (facilities and attractions)

- Encourage and enhance renewable energy exploration and production in an environmentally sensitive manner
2. Maintain and improve regional infrastructure and services to improve area quality of life

**Strategies:**

- Invest in housing stock improvement
- Invest in local educational system
- Invest in local health services
- Invest in regional cultural (arts, historical, and entertainment) capacity, institutions, and offerings
- Develop and improve civic institutions and facilities
- Maintain and improve man-made recreational and tourist opportunities (facilities and attractions)
- Marketing and promotion of tourism, cultural, entertainment, and recreational opportunities, and the coordination of activities as appropriate.

**Goal 7: Improve regional coordination and cooperative partnering efforts**

**Objectives:**

1. Strengthen and enhance partnerships between the federal government, the State government, Southern Tier West, the counties, and local units of government and economic development-minded agencies throughout the region and state in order to increase the benefits of regional development activities and improve efficiencies of operation

**Strategies:**

- Promote dialogue between the economic development community, federal, state, local government officials, the business community, and concerned citizens
2. Centralize and coordinate regional economic development activities

**Strategies:**

- Implement regional marketing activities
- Coordinate development, renovation, and marketing of small business incubators
- Coordinate educational, cultural, tourism, and recreational activities and sponsorships
- Develop a standardized electronic prospect management system and integrated site/building database, including protocols and lead agency system for prospect management
- Promote environmentally sound utilization of natural resources and compliance with environmental regulations so as to prevent regional environmental degradation
- Streamline the regulatory processes and establish consistent information and/or contact information available at city and county offices

3. Encourage preparation of communities for achieving economic development success

**Strategies:**

- Enhanced networking between communities and economic development organizations
- Development of localized and regional economic studies for planning and development purposes, and the implementation of recommendations contained in those studies, including specifically but not limited to:
  - Feasibility studies that support subsequent economic development projects
  - Sector-specific or local-opportunity-specific studies.
  - Advance planning for communities vulnerable to import-competition, and plant closures.
  - Strategic focus on local diversification efforts.
  - Development of marketing strategies and marketing implementation programs.
  - Entrepreneurial support for new business formation.
  - Information technologies and e-commerce.
  - Energy efficiency and alternative energy sources.
- Creation of strategic development plans to guide implementation of proposed economic development initiative
- Achieve consensus and agreement amongst project participants as to individual organizational roles and responsibilities and commitments
- Acquisition of appropriate land control (fee simple control or options on land proposed for subsequent development) as needed
- Engagement of engineering consultant to prepare preliminary engineering
- Engagement of other consultants as appropriate and necessary to study soil conditions, archeological resources, flora and fauna issues, historical preservation issues, etc.
- Obtain all appropriate and required regulatory permits (e.g., SEQRA, NEPA, SHPO / OPRHP, DEC, US Army Corps, US Fish and Wildlife, etc.)
- Work with prospective beneficiary businesses to achieve consensus regarding shared expectations of each other's plans, and obtain commitments from beneficiary businesses to implement their plans (investment, job creation, etc.) conditioned on any incentives or development initiatives promised by the community or economic development organization(s)
- Grantsmanship to support implementation of planned economic development initiative

## Seneca Nation of Indians Goals and Objectives

Some years ago, the Seneca Nation of Indians went through a process it called SEARCH, a visioning process to decide where it wanted to be in 20 years. Following is an excerpt from the Seneca Nation of Indians' 2011 CEDS, outlining goals and objectives as developed in the SEARCH process:

### “Education & Workforce Development

- There needs to be a stronger push to encourage young Seneca to earn college degrees
- There needs to be more collaboration between the Nation and other job and training resources to identify skill areas in demand and provide the programming to meet those needs
- There needs to be more tracking and communication with higher ed students to insure that they are aware of potential jobs/careers on the Territories
- Training programs needs to focus more on the job skills that match the jobs being created by the Nation’s economic and enterprise development efforts
- More emphasis must be placed on job preparedness

### Essential Services

- More aggressive programs need to be implemented for preventive health and wellness
- More aggressive drug and alcohol abuse programs and policies must be instituted to prevent and deal with unemployment caused by these social issues
- Emergency communications and operations must be improved to hasten response time and insure the community’s safety

### Infrastructure

- The current state of water, wastewater and sewer systems fail to provide adequate service to the residents, much less the enterprises on territory
- Upgrades must present solutions to not only current, but also projected needs
- Roads and bridges are wearing and in need of upgrades to support the increased travel and traffic through the territories
- Public utilities need to be assessed for their ability to respond to growing demands

### Quality of Life

- More standards need to be in place to insure the health, safety and attractiveness of the residential communities
- Better access to health, recreation, and transportation needs to be developed
- Additional lands and housing options must be available to attract the educated Seneca youth back to the territories
- Expanded day care and cultural education opportunities need to be instituted to engage women in the workforce and attract community members back to the territories

### Economic Development

- Diversification strategies need to be developed to insure a strong and stable economy in the future
- Projects must be developed that will not only create new revenue into the Nation, but also create job and/or entrepreneurial opportunity



- Projects should reflect the Nation’s values and maintain a balance between economic success and cultural preservation
- More investment/ sufficient resources are required to facilitate and expedite economic development opportunities
- More collaboration with county and regional economic developers is necessary to maximize cluster opportunities and shared resources”

The Seneca Nation of Indians’ 2011 CEDS also includes the following narrative: *“The political and market environment, and the Nation’s capabilities and priorities have evolved since the SEARCH was completed; it is time to look at the Nation in transition and re-focus our economic development priorities and action plans accordingly.”* Accordingly, although recognizing that some of the above text may continue to be relevant, the Seneca Nation of Indians’ 2011 CEDS also includes an updated section that provides both economic development goals and objectives and quality of life goals and objectives, The Seneca Nation of Indians’ 2011 CEDS indicates that *“The quality of life issues are salient from the standpoint that, not only will these objectives and the strategies borne out of their development improve the standard of living for resident Seneca members, but these improvements will also strengthen the Nation’s ability to recruit skilled workforce, i.e., Senecas who have relocated after college or military service. The development of human capacity within the Seneca Nation and on its territories is vital to the overall economic health of the Nation.”* Following is the specification of economic development goals and objectives and quality of life goals and objectives in the Seneca Nation of Indians’ 2011 CEDS referred to above:

“Economic Development Goals

- Improve the Seneca economy with increased employment and mean income.
- Create a stable and diverse economy.
- Create opportunities for skilled and non-skilled labor force to heighten their standards of living
- Increase the attractiveness of the Seneca Territories as places to do business
- Build human capacity within the Nation.
- Improve the business development process to create a more developer-friendly climate
- Improve the territories’ infrastructure to support expanded development

Economic Development Objectives

- Increase employment opportunities
- Decrease unemployment
- Increase earnings/gained income
- Create an economic diversification strategy that identifies target growth industries outside of gaming, fuel and cigarettes; add two new growth industries by next census
- Improve collaboration with regional economic development groups to maximize opportunities and attract targeted employers
- Develop a strategy that positions the Nation territories as a competitive business location
- Strengthen infrastructure to support increased economic development
- Improve the business development process to create a more developer-friendly environment
- Utilize regional resources to develop targeted workforce training programs which focus on new and emerging industry needs
- Provide opportunities for traditional arts and crafts persons to reach the market

- Increase Nation spending on economic development that supports the diversification strategy
- Develop policies and procedures that facilitate business start-ups and expansion
- Develop policies and codes that facilitate development while protecting the cultural, environmental and legal context of the Seneca community
- Complete necessary upgrades to water, waste water, electric and gas infrastructure to accommodate planned and future economic growth
- Create shovel-ready sites where commercial growth can be accommodated appropriately
- Provide access to broadband services
- Develop tourism infrastructure and attractions that nurture small business development and provide benefits to both community members and tourists

### Quality of Life Goals

- Improve the well being of the community through the development of facilities, programs and services
- Address the prevailing health issues with programs that foster preventive care and wellness
- Create a more attractive community environment for both residents and returning Seneca members
- Increase the land base and provide more parcels for individual housing

### QUALITY OF LIFE OBJECTIVES

- Develop wellness programs to fight the onset of diabetes and heart disease
- Increase access to cultural and recreation programs; heighten exposure and educational support of traditions and language for youth
- Improve recreational facilities to support traditional sports and expand recreational opportunities to keep the youth engaged in positive, drug-free activities
- Upgrade sewer, water and wastewater treatment facilities to meet increased demand and to support commercial expansion.
- Improve access to quality health care
- Stabilize housing stock and provide access to adequate housing
- Increase land base through thoughtful land acquisition
- Create an Emergency Management Plan and improve effectiveness of emergency response teams
- Enforce codes and ordinances; create and enforce workplace alcohol/drug abuse programs and policies
- Improve road safety and access to transportation; investigate feasibility of transit system to improve access to job sites
- Explore assisted living and continuum of care options to help elders remain in the community while receiving the care and services that they need; expand home health care vocational training to meet those needs and to support additional programming for elders
- Develop access to broadband service to increase community access to social, educational, medical, and business applications.
- Develop tourism infrastructure and attractions that provide benefits to both community members and tourists”

The goals and objectives and strategies contained in Southern Tier West's 2011 CEDS are consistent with the goals and objectives outlined in the Seneca Nation of Indians' 2011 CEDS.

## Chapter 4 – Community and Private Sector Participation

The private sector is a critical component of both the development and implementation of the CEDS. The region has found that public-private sector partnerships are critical to many localized and regional planning and implementation activities.

### CEDS Development (i.e., CEDS Planning)

The 2011 CEDS was prepared consistent with U.S. Department of Commerce Economic Development Administration (EDA) guidelines for process and document format and content.

Southern Tier West Regional Planning and Development Board, the EDA-designated Economic Development District (EDD) serving Chautauqua, Cattaraugus, and Allegany Counties in New York State, acted as the CEDS Committee or Planning Organization in the preparation of the 2011 CEDS.

Southern Tier West's Board of Directors also functions as its CEDS Planning Committee, and does so to conform to State law and also as a matter of policy. The composition of Southern Tier West's Board of Directors is controlled by State legislation.

Because it is broadly representative of various sectors in the economy, including the private sector, public officials, community leaders, and private individuals, the Southern Tier West Board also acted as Strategy Committee in the preparation of the 2011 CEDS. Southern Tier West gains a private sector perspective by having representatives of the private sector on its Board of Directors and through Southern Tier West Board and staff working alongside private sector companies and individuals in day-to-day operations and project activities.

Southern Tier West does employ a wide-ranging process for soliciting input into the CEDS planning process, insuring that there is substantial input from all groups, including private sector interests. The CEDS also incorporates relevant material from other (local, state, regional, and federal) government plans. The CEDS planning process involves the region's constituent counties and municipalities, development organizations, service agencies, educational institutions, minority groups, business community, and resident population. Specific requests for input into the CEDS are provided to County Planning Departments, County Development Departments, County IDA's, County Health Departments, municipalities, NYS Empire State Development, agencies, past project sponsors, private sector entities, and others. Southern Tier West considers public-private sector partnerships to be critical to the development and implementation of the region's CEDS. Although the private sector does not have a discrete formalized role in the development of the CEDS, members of the private sector play definite roles in its development, and Southern Tier West is careful to take into account the private sector's input in developing the document.

Southern Tier West hopes that its dialogue with the public and private sectors will act as a catalyst for collaborative economic development action in the region. Some examples of Southern Tier West's public-private sector collaborative efforts in this regard (i.e., planning) include:

- Soliciting private sector input during the **2000 Commission on the Future regional planning process**, from which the region refined much of its economic development goals, objectives, and strategies (including the targeting and identification of specific economic clusters)
- Hosting the **2007 Economic Summit**, a planning conference that brought together public and private sector representatives to discuss future economic development issues and how the region can best

address these issues into the future – topics discussed included the importance of the region’s broadband system (and more generally, electronic communications systems) to the development of the regional economy, business finance, support systems for green energy projects, regional marketing, transportation corridor development, the regional transportation network, and other important regional infrastructure networks; Southern Tier West has used the results of this dialogue as a catalyst for collaborative actions for implementation of economic development initiatives

- **Working with engineering firms** that service regional companies and municipalities to ensure an understanding of regional economic development priorities
- Working with private sector companies and institutions on the **US Route 219 initiative** (the Route 219 Association is a private sector educational group), the I86 initiative, local highway corridor planning, and the regional strategic transportation planning process
- Working with the Western New York and Pennsylvania Railroad, a private sector company, on the **regional railroad system initiative** and other elements of railroad-based business development
- Establishing and working with the **Southern Tier West Development Foundation (STWDF)**, which for many years has had a strong private sector representation on its Board
- Establishing and working with the **Southern Tier Enterprise Development Organization (STEDO)**, which for many years has had a strong private sector representation on its Board, and which includes bankers on its Board that work closely with private sector businesses
- Establishing and working with the **Western Region Corporation (WRC)**, which for many years has had representation on its Board that includes industrial development agencies, bankers, and US-Canada trade representatives, all of whom work closely with private sector businesses
- Working with private companies on **disaster preparedness** and **broadband roll-out** and utilization

### **CEDS Implementation**

Southern Tier West also considers public and private sector partnerships to be critical to the implementation of the CEDS.

Generally, most economic development initiatives, such as industrial park development, training programs, and infrastructure projects, are developed in conjunction with one or more beneficiary firms. In these types of projects, the private sector is intimately involved in both the development and implementation of the project. During the implementation phase, the beneficiary firm is either directly involved in the project (e.g., training of employees or prospective employees) or indirectly involved through undertaking an activity induced by the project initiative (e.g., building a building in response to the building of an industrial park or expanding operations in response to the extension of infrastructure). Recent examples of this include:

- **Regional Railroad System** – The multi-line regional railroad system was a critical catalyst for the initial economic development of southwestern New York and northwestern Pennsylvania. However, as decades passed and highway transportation developed, the rail system became relatively less important, and portions of the line became underutilized and in some cases even abandoned and the lines removed. One case of this was the Southern Tier Extension mainline railroad, the 145 mile long former Erie Lackawanna Railroad line that traverses the region on an east-west basis. The line passed from owner to owner (from the Erie Lackawanna Railroad, then to Conrail, then to Norfolk Southern), and especially under Conrail, the line had fallen dormant and near abandonment, and

was no longer a vehicle for economic activity in the region. This is a critical issue for many firms that require rail-based freight shipment for a competitive transportation solution. Through a partnership between the public sector (NYS Department of Transportation, Southern Tier West, affected counties, local municipalities, and school districts) and the private sector (Norfolk Southern and the Western New York and Pennsylvania Railroad) this situation was remedied. The railroad line has since been saved from abandonment and salvage, service has been restored, railroad business activity on the line once again is commercially viable, and the line is again serving as an engine of business development in southwestern New York and northwestern Pennsylvania. Since then, this same process has been brought to bear, with the same public and private sector players, on the Buffalo Line, which is a north-south railroad line in Cattaraugus County.

- **US Route 219** – Through this initiative, a group of varied private sector institutions (the Route 219 Association, including manufacturing companies, banks, and universities) has come together with the public sector to address the need for the completion of the Route 219 limited-access highway. The interaction of the private and public sector has been central to recognizing the economic development importance of this infrastructure project and achieving the required public sector capital investment. The highway is seen as a major north-south route from Canada at its northernmost terminus to Florida.
- **Western New York Fiber Optic Loop Project** – This project involves the construction of the “last mile” of the trunk fiber optic system in New York State, completing a Statewide loop and thereby providing (a) redundancy in broadband service in our region in the case of a physical break or other interruption in service from the fiber trunk line, (b) higher volume service availability, and (c) first-instance service in un-served portions of the region. The project is dependent upon private sector (businesses, universities, hospitals, small business, and residents) and public sector service demand (local municipalities and agencies that are moving to implement e-government initiatives and enhanced broadband-dependent activities). From the supply side, the implementation of this initiative was based on the ability of the private sector (ION Corporation, a consortium of 8 different telecommunications companies) to work effectively with the public sector (Southern Tier West and the previously mentioned public institutions and entities). Accordingly, the ability of the public and private sectors to work effectively together will be essential to make this initiative successful subsequent to the completion of construction. After years of development, this project is under construction currently.
- **Wireless Broadband Project** – Southern Tier West also is working with private sector companies in completing construction various phases of wireless broadband infrastructure serving the more rural portions of our region. These projects involve Southern Tier West either constructing new towers or leasing space on existing towers, purchasing broadcasting equipment and installing it on these towers, and then leasing the equipment to private companies for provision of wireless broadband services. In addition to the private sector broadband service providers, this project’s successful implementation also depends upon private sector (businesses, universities, hospitals, small business, and residents) service demand and public sector service demand (local municipalities and agencies that are moving to implement e-government initiatives and enhanced broadband-dependent activities).
- The (ongoing) **Regional Strategic Transportation Planning and Project Implementation Process** – Both this planning process and the implementation of the results of the regional strategic transportation plan are examples of public-private collaboration. For example, with respect to railroad operations, Southern Tier West has worked with the two mainline railroads and three short

line railroads operating in the region to identify their desired projects and assist with their implementation. Example of the implementation of these projects are flood damage mitigation projects, flood damage response projects, rail siding projects, and the proposed transload facility project that would be constructed in Allegany and Olean NY.

- **Cluster Group Initiatives** – An example of public-private collaboration is taking place in northern Chautauqua County, where the County government has been working alongside a group of companies in the food products cluster and the trucking and distribution cluster to make local railroad and highway corridor infrastructure improvements to facilitate the expansion of the companies within these clusters. The coordination of the public and private sectors has been critical to the willingness of both sectors to make the requisite investments needed to implement these business development projects.

## Chapter 5 – Strategic Projects, Programs, and Activities

This chapter of the CEDS identifies regional economic development projects, programs and activities designed to implement the Goals and Objectives of the CEDS, as listed in Chapter 4 herein. All projects listed in the project list are Suggested Projects; some of these Suggested Projects are also designated as Vital Projects. The presence of an “X” in the left-most columns in the project list below designates a given projects as a Suggested Project, and in some cases, as a Vital Project. A description of both Suggested Projects and Vital Projects is provided below.

Although this project lists is a list of ready-to-go future economic development projects that are planned to be implemented over the next 12 to 18 months, the projects in this project list also should be seen in terms of prior related investments. Readers of the CEDS may see certain overarching "themes" for regional economic development represented in the projects in this project list.

The project list identifies projects by project name, project sponsor, total project cost and funding sources and amounts (if known), and projected private sector for-profit jobs to be created and/or retained as a consequence of the implementation of the project (if known). Projects included in this project list are not limited to those projects that project the use of either or both ARC or EDA funds as project funding source(s).

Vital Projects are presented at the head of the project list. There is no direct ordering of projects within the project list, although generally projects projected to use ARC funding are listed first, followed by projects projected to use EDA funding, followed by projects sponsored by the Seneca Nation of Indians. Projects are generally also grouped by county, or by sponsor (e.g., Seneca Nation of Indians projects), so as to provide an easier-to-follow presentation.

The projects sponsored by the Seneca Nation of Indians have been excerpted from the Seneca Nation of Indians’ 2011 CEDS; the designation of Seneca Nation of Indians projects as Vital Projects is per the specification of the Seneca Nation of Indians’ 2011 CEDS.

### **Suggested Projects**

These projects are economic development projects, programs and activities that Southern Tier West suggests should be implemented so as to implement the Goals and Objectives of the CEDS, as listed in Chapter 4 herein.

### **Vital Projects**

These projects are vital economic development projects, programs and activities that Southern Tier West suggests should be priorities for implementation so as to implement the Goals and Objectives of the CEDS, as listed in Chapter 4 herein. These vital projects, programs, and activities either address the region's greatest needs or best enhance the region's competitiveness.

**Key:**    **C** = Private sector for-profit Jobs projected to be created as a consequence of the project  
          **R** = Private sector for-profit Jobs projected to be retained as a consequence of the project  
          **TBD** = to be determined (or not available at time of CEDS publication)



**CEDS PROJECT LIST**

KEY: TBD = To Be Determined, C = Created, R = Retained, N/A = Not Applicable or Not Available

VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOB CREATED/ RETAINED
X	X	<b>Career Literacy Initiative of the Southern Tier Project</b> ARC (\$450,00), Local Public (\$450,000)	Cattaraugus-Allegany Workforce Investment Board	TBD
X	X	<b>Equestrian Trail System Project</b> ARC (\$150,000), Chautauqua County (\$90,500), Chautauqua County IDA (\$8,000), NYS DEC (\$31,000), Local (\$20,500)	Chautauqua County	20 C
X	X	<b>Chautauqua/Cattaraugus Counties Wireless Broadband Project</b> ARC (\$53,000), STWDF (\$53,000)	Southern Tier West RP & DB	TBD
X	X	<b>Small Wind Laboratory Project</b> ARC (\$150,000), NYSERDA (\$150,000), SUNY ASC (\$262,500)	SUNY Alfred State College	50 C / R
X	X	<b>3-D Forensics Project</b> ARC (\$130,216), JCC (\$131,119)	Jamestown Community College	400 C / R
X	X	<b>County Route 20 Water System (Crossroads Development) Project</b> Allegany County/NYS EFC CWSRF (\$2,500,000), NYS OCR ED CDBG (\$750,000), ARC (\$150,000)	Allegany County	250 C
X	X	<b>Route 417 East Water Extension Project</b> Allegany County, EDA, ARC, NYS ESD, Local, USDA RD	Town of Wellsville or Allegany County	800 R

KEY: TBD = To Be Determined, C = Created, R = Retained, N/A = Not Applicable or Not Available

VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOB CREATED/ RETAINED
X	X	<b>Bonaventure Square Project</b> EDA (\$4,798,766), Private (\$4,798,766)	Town of Allegany	300 C
X	X	<b>Allegany (Town) I-86 Interchange Infrastructure Development Project</b> Cattaraugus County, Town of Allegany, HUD	Town of Allegany	100 C
X	X	<b>Gowanda Tri-County Hospital Infrastructure Project</b> TBD	Village of Gowanda	TBD
X	X	<b>Ripley Interstate Site Infrastructure Project</b> EDA, Chautauqua County, NYS ESD, Private	Chautauqua County IDA	300 C - 600 C
X	X	<b>North County Industrial Corridor Improvements Project / Millenium Parkway Project</b> Construction of industrial access roads	Chautauqua County IDA	TBD
X	X	<b>New York State Gateway Center Project</b> Construction of gateway center at I-90 Ripley interchange	Chautauqua County IDA	TBD
X	X	<b>Chadwick Bay Regional Water System Project</b> TBD	Chautauqua County IDA	TBD
X	X	<b>Site Development Planning Project Phase 1</b> TBD	Southern Tier West RP & DB	N/A
X	X	<b>Transload Facility Project Phase 1</b> EDA, NYS DOT, FRA, Private	Southern Tier Extension Railroad Authority	10 + C

KEY: TBD = To Be Determined, C = Created, R = Retained, N/A = Not Applicable or Not Available

VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOB CREATED/ RETAINED
X	X	<b>Railroad Rehabilitation Project</b> EDA, NYS DOT, FRA, Private	Southern Tier Extension Railroad Authority	50 C
X	X	<b>Cattaraugus County Wireless Broadband Project</b> ARC (\$40,000), STW RPDB (\$40,000)	Southern Tier West RP & DB	10 C
X	X	<b>Broadband Fiber Implementation Project</b> NTIA, Private	ION LLC	TBD
X	X	<b>US Route 219 Supplemental EIS Funding Project</b> NYS DOT, US DOT	Southern Tier West RP & DB	TBD
X	X	<b>Gas Well Inventory Project</b> BLM	Seneca Nation of Indians	TBD
X	X	<b>Energy Transmission Study Project</b> TBD (\$75,000)	Seneca Nation of Indians	TBD
X	X	<b>Gas Wells Plugging &amp; Abandonment Project</b> CIA (\$450,000)	Seneca Nation of Indians	TBD
X	X	<b>Irving Water / Sanitary Sewer Project</b> CIA Bond, HIS (\$40,000)	Seneca Nation of Indians	3 C
X	X	<b>Newtown Water / Sanitary Sewer Project</b> CIA Bond (\$5,400,000)	Seneca Nation of Indians	2 C

KEY: TBD = To Be Determined, C = Created, R = Retained, N/A = Not Applicable or Not Available

VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOB CREATED/ RETAINED
X	X	<b>Steamburg Wastewater Facility Project</b> CIA Bond (\$6,500,000)	Seneca Nation of Indians	2 C
X	X	<b>Sports Complex (Allegany and Cattaraugus Territories) Project</b> CIA Bond, SNI (\$60,000)	Seneca Nation of Indians	40 C
X	X	<b>Allegany Administrative Building Project</b> CIA Bond (\$32, 900,000)	Seneca Nation of Indians	6 C
X	X	<b>Cattaraugus Administrative Building Addition Project</b> CIA Bond (\$12,400,000)	Seneca Nation of Indians	3 C
X	X	<b>ECLC - Early Childhood Learning Center Master Plan Project</b> BIA-CSBG (\$115,000)	Seneca Nation of Indians	34 C
X	X	<b>Convenience Store (One Stops) Upgrade Project</b> CIA Bond (\$2,700,000)	Seneca Nation of Indians	30 C
X	X	<b>Brownfields Railyard Site Cleanup and Use Plan Project</b> EPA (\$150,000)	Seneca Nation of Indians	1 C
X	X	<b>Buffalo Creek Area Development Project</b> SNI, TBD	Seneca Nation of Indians	TBD

KEY: TBD = To Be Determined, C = Created, R = Retained, N/A = Not Applicable or Not Available

VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOB CREATED/ RETAINED
X	X	Seneca Holdings LLC Project SNI (\$5,000,000)	Seneca Nation of Indians	6 C
X	X	Seneca Energy LLC Project Seneca Holdings LLC	Seneca Nation of Indians	3 C
X	X	Seneca Allegany Casino & Hotel Capital Improvements Project SNI (\$2,500,000)	Seneca Nation of Indians	TBD
X	X	New Museum Facility / Museum Expansion Project SNI, TBD (\$150,000)	Seneca Nation of Indians	15 C, 8 R
X	X	Basic Construction Training Program Tribal 477 (\$95,000)	Seneca Nation of Indians	10 C
X	X	Vocational Training Program Tribal 477 (\$400,000)	Seneca Nation of Indians	297 C
X	X	Construction Training Program Tribal 477 (\$70,000)	Seneca Nation of Indians	86 C
	X	Summer Youth Employment Program SNI / Tribal 477 (\$66,801)	Seneca Nation of Indians	34 C
	X	Renewable Energy Technology Training Program TBD	Seneca Nation of Indians	TBD

KEY: TBD = To Be Determined, C = Created, R = Retained, N/A = Not Applicable or Not Available

VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOB CREATED/ RETAINED
	X	Career Development Program at Casinos Seneca Gaming Corporation (\$150,000)	Seneca Nation of Indians	200 C
	X	Cattaraugus Territory Wind Assessment Project SNI, BIA - (\$88,000)	Seneca Nation of Indians	TBD
	X	Community-Scale Wind Project(s) SNI, DOE, NYSERDA - (\$12,000,000 - \$20,000,000)	Seneca Nation of Indians	10 C
	X	Renewable Technologies Manufacturing Joint Partnership Project SNI, Private	Seneca Nation of Indians	100 C
	X	Utility Formation Project (ESNCo Natural Gas E&P Company, a Gas Production and/or Exploration Company) DOE, CIA Bond, Private, TBD - (\$10,000,000 - TBD)	Seneca Nation of Indians	20 C
	X	Allegheny Territory Natural Gas Production Assessment Project BIA (\$275,000)	Seneca Nation of Indians	TBD
	X	Energy Efficiency Plan Project DOE (\$148,000)	Seneca Nation of Indians	1 C
	X	Cattaraugus Territory Natural Gas Pipeline Upgrade Project TBD (\$750,000)	Seneca Nation of Indians	TBD

KEY: TBD = To Be Determined, C = Created, R = Retained, N/A = Not Applicable or Not Available

<b>VITAL PROJECT</b>	<b>SUGGESTED PROJECT</b>	<b>PROJECT NAME / FUNDING</b>	<b>PROJECT SPONSOR</b>	<b>JOBS CREATED/ RETAINED</b>
	X	<b>Cattaraugus Territory Sewer System Project</b> TBD	Seneca Nation of Indians	TBD
	X	<b>Cuba Lake Property Development Project</b> TBD	Seneca Nation of Indians	TBD
	X	<b>Entrepreneurial Training Project</b> EDA (\$3,000)	Seneca Nation of Indians	TBD
	X	<b>Community Development Financial Institution Project</b> U.S. Department of Treasury (\$46,708)	Seneca Nation of Indians	TBD
	X	<b>Seneca Broadcasting, LLC Project</b> SNI (\$775,000)	Seneca Nation of Indians	6 C
	X	<b>Seneca Telecommunications, LLC Project</b> Seneca Holdings, LLC (\$1,300,000)	Seneca Nation of Indians	4 C
	X	<b>Seneca Imports, LLC Project</b> Seneca Holdings, LLC (\$37,000)	Seneca Nation of Indians	1 C
	X	<b>Highbanks Campground Project</b> SNI	Seneca Nation of Indians	TBD
	X	<b>Seneca Artists Virtual Incubator Project</b> SNI	Seneca Nation of Indians	1 C

## Chapter 6 – Plan of Action

The primary focus of the CEDS is job creation and retention over the coming five-year period through the strategic planning and subsequent project implementation process. The CEDS provides a unified approach to implementing economic development strategies in light of changing economic conditions. The CEDS Plan of Action is a statement of the region's and Southern Tier West's intention to focus economic development activity in specific ways so as to promote job creation and retention over the next five years.

The region's Plan of Action is a mission statement for immediate and long-term economic development activity is comprised of the goals, objectives, and strategies listed in Chapter 3, in combination with the list of vital and suggested project lists identified in Chapter 5, with the vital and suggested projects being the priority projects for immediate or short term implementation.

Per the direction of EDA, Southern Tier West has created the CEDS Plan of Action so as to implement the goals and objectives of the CEDS in a manner that-

- Promotes economic development and opportunity;
- Diversifies the regional economy and increases net exports of goods and services from the region;
- Fosters effective transportation access;
- Enhances and protects the environment;
- Maximizes effective development and use of the workforce consistent with any applicable State or local workforce investment strategy;
- Promotes the use of technology in economic development, including access to high-speed telecommunications;
- Balances resources through sound management of physical development; and
- Obtains and utilizes adequate funds and other resources.

Over the next 5-10 years and beyond, many issues and needs will arise that the region will need to address. In fact, as the region makes progress on this strategy, other priority needs will arise or elevate to positions of higher priority. With this in mind, this CEDS provides a framework that will require continual adjustment as resources become available and priority needs arise. Thus, this CEDS Plan of Action therefore should be considered a fluid outline created that is flexible and can be modified to meet changing regional needs and priorities.

Southern Tier West supports and compliments local, state, and federal economic development efforts, and will continue to participate in the following regional activities, which comprise the Plan of Action for this CEDS.

### CEDS Plan of Action

The region and Southern Tier West will:

#### **1. Undertake and encourage transportation-based economic development strategies, including:**

- ongoing regional transportation system planning and priority project implementation
- rehabilitation of mainline and short line railroads and enhancement of freight activity



- improvements and upgrades to I86, US 219, and I90, plus other state and local highways and bridges
- additional build-out of region's mobility management (i.e., public transportation) system
- improvements and upgrades to the region's aviation system

**2. Undertake and encourage business development strategies, including:**

- regional business development planning and priority project implementation
- development of municipal infrastructure, industrial sites and buildings, and business incubators
- increased rates of entrepreneurship through means that include new initiatives for recruiting prospective entrepreneurs and the creation of innovative entrepreneurial technical and financial incentive programs
- business outreach and mentoring activities
- capitalization and / or recapitalization of small businesses loan funds
- creation of innovative business funding mechanisms, including umbrella loan guarantees, venture capital, and export financing
- export, environmental compliance, energy, marketing, procurement, and other technical assistance to small businesses
- increased networking and referral between technical assistance providers
- internal and external marketing activities designed to enhance our regional image and / or to attract business development

**3. Undertake and encourage telecommunications-based economic development strategies, including:**

- regional telecommunications system planning and priority project implementation
- increased utilization of regional telecommunications system
- development of broadband infrastructure
- development of telecommunications-based businesses

**4. Undertake and encourage technology transfer, technology-based, and productivity-based economic development strategies, including:**

- increased technology transfer between research institutions and regional businesses
- improved access to non-local research institutions' technology transfer programs
- development of technology-based businesses
- adoption of new technologies by the region's businesses
- increased utilization and availability of regional productivity enhancement programs

**5. Undertake and encourage workforce training and education-based economic development strategies, including:**

- support for regional Workforce Investment Boards and educational and workforce training institutions
- increased availability and utilization of worker and labor force training programs
- increased availability and utilization of entrepreneurial education

**6. Undertake and encourage environmental and conservation-based economic development strategies:**

- remediation and redevelopment of regional brownfield sites and buildings
- improvements in green energy and environmental conservation by businesses and entrepreneurs

### **Cooperation and Integration of the CEDS with State's Economic Development Priorities**

Southern Tier West solicits input into the CEDS planning process from New York State Empire State Development. Subsequent to the publication of the CEDS, Southern Tier West delivers a copy of the CEDS planning document to New York State Empire State Development for integration into the State's economic development priorities. Throughout the year, Southern Tier West and New York State Empire State Development cooperate on a number of CEDS strategic planning and implementation activities, e.g., railroad development, broadband system development, industrial infrastructure development, business attraction/expansion/retention activities, etc. New York State Empire State Development sends a representative to all of Southern Tier West's Board of Directors meetings for the purpose of encouraging cooperation with Southern Tier West and the integration of the CEDS into the State's economic development priorities.

Subsequent to the publication of the CEDS, New York State normally obtains a copy of the CEDS planning document either directly from Southern Tier West or from Southern Tier West's web site, and uses it as input into the State Appalachian Development Plan. Thus, the priorities of this State agency's economic development planning document reflect Southern Tier West's CEDS planning priorities for our region.

## Chapter 7 – Performance Measures

### Identification of Performance Measures

Southern Tier West will move to using the following performance measures to evaluate its (and the region's) successful development and implementation of the CEDS:

- Number of and types of CEDS projects implemented in the region,
- Number and types of other investments undertaken in the region,
- Number of jobs created by CEDS project beneficiaries,
- Number of jobs retained by CEDS project beneficiaries,
- Amount of private sector investment by CEDS project beneficiaries,
- Changes in the economic environment of the region, and
- Initiatives undertaken to promote economic development within the region.

Performance metrics are tracked for each project post-implementation and included in Southern Tier West's Annual Report submitted to the EDA. Additional qualitative and quantitative measures may be used to evaluate economic development efforts, however the CEDS performance measures provide the basic framework with which EDA and Southern Tier West evaluate Southern Tier West's development of the CEDS and Southern Tier West's and the region's and implementation of the CEDS.

Southern Tier West may use additional qualitative and quantitative measures to evaluate economic development efforts as well.

In fact, Southern Tier West has not historically collected all of the above data on past CEDS efforts, in part because of its unavailability. Accordingly, Southern Tier West's ability to comment on economic development effectiveness using the above evaluation criteria will be delayed somewhat until such data is available.

Nonetheless, it is fair to say that cumulatively, over the past three to four decades, the Southern Tier West region's economic development community has not been very successful in addressing the region's long-term economic distress. The region still has higher-than-state-and-federal-average unemployment rates, and per capita income continues to decline as a percentage of state per capita income. The region's youth leaves the region in search of jobs.

However, the region's economy would probably be much more distressed if there had been no economic development strategy in place and if the region had not made an ongoing strategic economic development effort over the last three to four decades. Thus, the focus perhaps ought not to be on the fact that the region still is economically distressed, but rather, recognizing that we have made some progress, we should focus on how we can do better in the future. History can teach us which economic development initiatives did not work, and which are likely to hold promise.

The results of these project performance metrics along with updated regional economic data are used for new insight into new project suggestions, changing priorities, and/or revising CEDS goals and objectives should changing economic conditions necessitate. Consequently, the CEDS is a living document, updated and monitored on an ongoing basis by the Southern Tier West Regional Planning and Development Board.

## Performance Evaluation

Some of the lessons we have learned in the strategic planning and development process are as follows:

- Readiness for economic development is essential. The region must prepare for the economic development opportunities and jobs of tomorrow, not those of yesterday or even of today. This cannot be accomplished with the resources of yesterday.
- We must prepare for economic development prior to having “birds in hand.” If we delay preparation and public investment until a specific private sector beneficiary company appears, we will be unable to respond in time to meet the company’s development timetable. In some sense, therefore, readiness equates to speculative investment in economic development. However, because of the scarcity of economic resources, such speculative investment must be made judiciously.
- To support the CEDS economic development Plan of Action, the region must undertake multi-year county-level economic development planning processes, and we must develop and implement multi-year county-level capital investment plans. In this regard, the creation of capital reserve funds and annual budgetary commitments of resources for economic development investment is most beneficial. Many economic development initiatives consist of phased approaches that require an ongoing annual commitment of resources.
- Economic development requires more than bricks and mortar. Effective economic development requires attention to human resource and technology issues, as well as productivity, market, and financial issues. We must have the flexibility to bring resources to bear on all of these fronts for any given economic development opportunity as it arises. Often, investment must be funneled into an initiative in a coordinated, multi-agency approach (the “critical mass theory of economic development”).
- We must upgrade the region’s technology infrastructure. Any gains in domestic value-added activity in the future will not be in manufacturing industries (unless proprietary technologies or other comparative advantages are involved), but in information technology or knowledge-based industries, or in other clusters where a long-term competitive advantage can be created and maintained. We must position ourselves appropriately to seize any opportunities in this regard.
- We must not ignore our existing manufacturing base. We have a substantial investment of both public and private capital invested in this manufacturing base, not to mention the economic health of many direct and indirect employees and their families, and all of this is at competitive risk in the global marketplace. As economic developers, we must improve communications with the region’s manufacturing base, and the communication must be two-way. We must encourage a progressive attitude on the part of our business community, and we must be prepared to do likewise ourselves.
- Economic development requires innovation in financial packaging and tools. The traditional tools available in our region sometimes are not competitive with those of neighboring states, let alone the rest of the world. We must develop alternative financial tools, and we must invest in our financial tools.
- Each county should act as a central clearinghouse for municipal water and wastewater projects within the county.
- Each county should prepare and regularly update a county-wide strategic economic development plan. The plan should contain priority projects from a variety of sponsors including the county, its

municipalities, agencies, etc. At any point in time each county should be able to identify its priority economic development initiatives. Each county should commit to implementing the projects for which it is listed as sponsor, and to assisting the other sponsors with implementation of their projects.

- There should be a regional strategic economic development plan that should be revisited every few years and whenever there is a major change in circumstances.
- Essential elements of the region's economic development strategy should be encouragement of entrepreneurship, encouragement of human resource development activities, encouragement of export activities, encouragement of utilization of technology, encouragement of technology transfer, improvement of transportation infrastructure, and encouragement of broadband technologies.

As indicated above, it is too early to begin to measure many of the projects appearing in more recent editions of the Comprehensive Economic Development Strategy (CEDS). Southern Tier West's practice is to use its performance measuring system over time to measure the dynamic implementation efficacy of the CEDS planning process on a rolling basis.

Several general observations can be made.

First, as one might expect, projects appearing in earlier year CEDS documents are more likely to have been implemented than those in later year CEDS, owing to the unpredictable lengths of planning phases and uncertainty of funding sources.

Second, the ARC, NYS DOT, and FAA projects in the list typically are the most likely to have been completed and to have met targets, because of the relative certainty of the funding stream. Other projects, such as EDA projects, are less likely to have been completed or even implemented because EDA funding is less certain.

Third, most infrastructure projects have longer time frames to implementation and final completion than do non-infrastructure and non-construction projects, other things equal, measured from the date of their appearance in the CEDS. This is because the overall process (planning, funding, engineering, environmental review, bidding, and construction, etc.) is a longer process than the process involved with non-construction projects. Some of these projects occasionally evolve into significantly different projects over a period of several years.

Fourth, economic development projects seem to have a shorter and more certain path to implementation than do other sorts of projects, owing to their development based on and constrained by beneficiary company timeframe windows and the often stronger linkage to funding availability. Further, once these economic development projects are completed, they normally meet their job and investment targets.

Fifth, although the water and wastewater projects of many small municipalities may be high priorities for implementation, owing to health and public safety concerns, these projects often languish in the planning phase awaiting funding for several years, owing to inexperienced municipal project sponsorship, changeovers in local administrations (affecting continuity), insufficient local match funding, and inability to obtain funding packages that are perceived as affordable by the municipalities. This is less true, however, if the project can be primarily categorized as an economic development project, for the reasons noted above.

Sixth, the Seneca Nation of Indians' portfolio of projects has changed significantly in recent years. Certain projects have been completed, others are no longer priorities, and some continue to be active projects. Many new projects related to casino resort development have been proposed, and other new projects have been made possible because of casino revenues. A driving philosophy of the Seneca Nation of Indians seems to be diversification of its economic base. The Seneca Nation does not always participate in the Southern Tier West Annual Comprehensive Planning process, so its projects are not always present in the CEDS, although this CEDS does include significant participation by the Seneca Nation of Indians. Monitoring data on Seneca Nation economic development projects also is not always available.

Seventh, because certain municipalities having projects listed in prior CEDS documents have not participated in the planning process in 2011, Southern Tier West cannot evaluate their projects or consider them as priority projects.

Finally, Southern Tier West generally has seen CEDS projects meet job and investment targets upon completion.

# Appendix

## The Southern Tier West Regional Planning and Development Board

### Board of Directors

As of September 2011, the members of the Southern Tier West Board are as follows:

<u>Name</u>	<u>Representing</u>	<u>Title of Officers</u>
James Cooper	Chautauqua County	Chairman
Robert Keis	Cattaraugus County	Vice Chairman
Susan Myers	Allegany County	Secretary
Ted Hopkins	Allegany County	
John Margeson	Allegany County	
Jerry Scott	Allegany County	
Fred Sinclair	Allegany County	
Crystal Abers	Cattaraugus County	
Charles Couture	Cattaraugus County	
Joseph Eade	Cattaraugus County	
William King	Cattaraugus County	
William Daly	Chautauqua County	
Greg Edwards	Chautauqua County	
Shaun Heenan	Chautauqua County	
Vacant	Chautauqua County	
Lucille White	Seneca Nation of Indians	
Curtis Crandall	Allegany County	Ex-officio



## Descriptive Data

“People take information and build knowledge. When you give them new information they will create new knowledge, absolutely and without question.”

- Bill James, baseball statistician

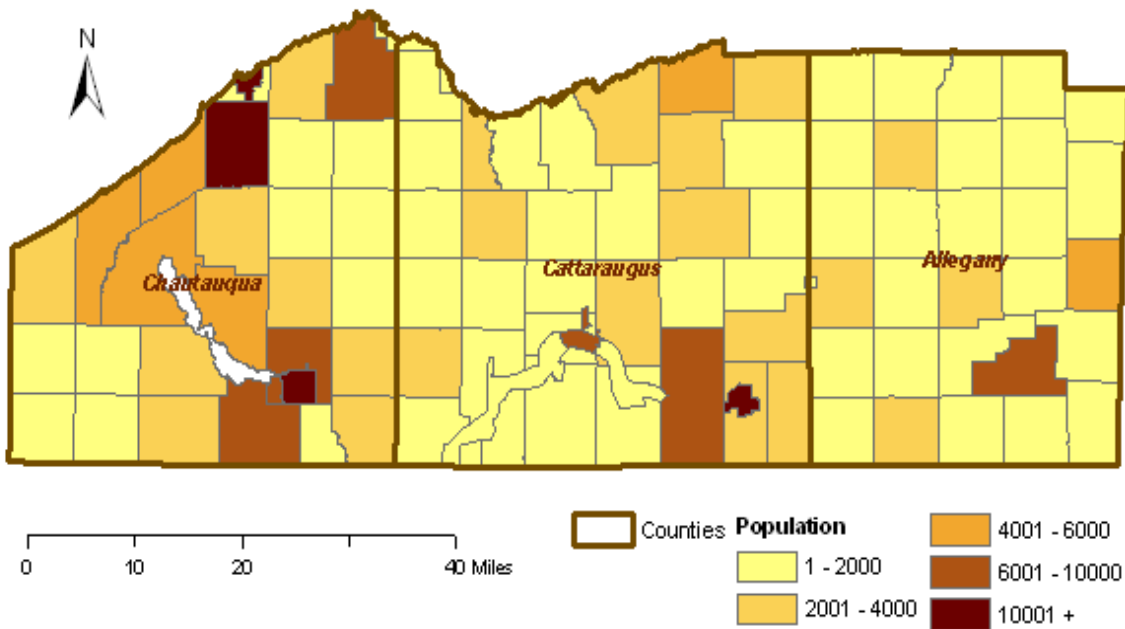
As a New York State Data Center Affiliate, Southern Tier West maintains Census and other economic and demographic data and provides local information services to local governments, businesses, and the public. This section of the Appendix contains various data and maps that provide information about the three county Southern Tier West Region, in relation to the State and nation.

### Population Trends, 1980-2010

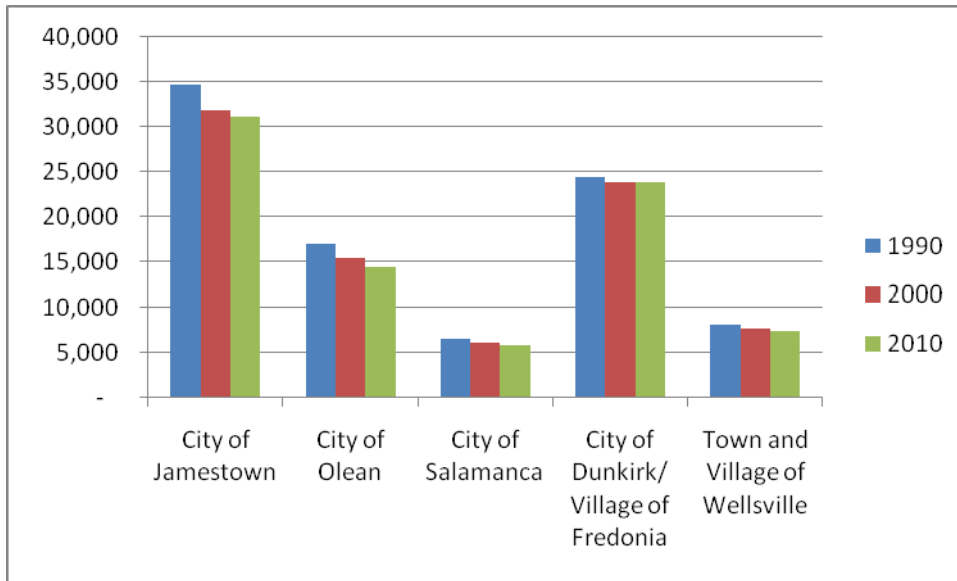
	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>Total Change</u>	<u>Percent Growth</u>
<b>Allegany County</b>	51,742	50,470	49,927	48,946	-2,796	-5.40%
<b>Cattaraugus County</b>	85,697	84,234	83,955	80,317	-5,380	-6.28%
<b>Chautauqua County</b>	146,925	141,895	139,750	134,905	-12,020	-8.18%
<b>Southern Tier West</b>	284,364	276,599	273,583	264,168	-20,196	-7.10%
<b>New York State</b>	17,558,072	17,990,455	18,976,457	19,378,102	+1,820,030	+10.37%

*Source: U.S. Census Bureau (1980, 1990, 2000, 2010 Census)*

### Population Density and Distribution



### Population Change in Urban Centers



	<u>1990</u>	<u>2000</u>	<u>2010</u>	<b>Total Change</b>	<b>Percentage Change</b>
<b>City of Jamestown</b>	34,681	31,730	31,146	-3,535	-10.19%
<b>City of Olean</b>	16,946	15,347	14,452	-2,494	-14.72%
<b>City of Salamanca</b>	6,566	6,097	5,815	-751	-11.44%
<b>City of Dunkirk/ Village of Fredonia</b>	24,425	23,837	23,793	-632	-2.59%
<b>Town and Village of Wellsville</b>	8,115	7,678	7,397	-718	-8.85%

Data Source for chart and table: U.S. Census Bureau (1990, 2000, 2010 Census)

### 1980-2007 Migration Trends

	<u>Total Population Change</u>	<u>Natural Increase (Births – Deaths)</u>	<u>Net Migration</u>	<u>Net Migration Rate</u>
<b>Allegany County</b>	-2,796	3,947	-6,743	-13.03%
<b>Cattaraugus County</b>	-5,380	7,808	-13,188	-15.39%
<b>Chautauqua County</b>	-12,020	6,997	-19,017	-12.94%
<b>Southern Tier West Region</b>	-20,196	18,752	-38,948	-13.70%
<b>New York State</b>	1,820,030	2,727,566	-907,536	-5.17%

Source: U.S. Census Bureau (1980, 1990, and 2000 Census, & 2007 Intercensal Estimates)

### 2000-2007 Migration Trends

	<u>Total Population Change</u>	<u>Natural Increase (Births – Deaths)</u>	<u>Net Migration</u>	<u>Net Migration Rate</u>
<b>Allegany County</b>	-744	384	-1,128	-2.26%
<b>Cattaraugus County</b>	-3,702	1,079	-4,781	-5.69%
<b>Chautauqua County</b>	-5,736	250	-5,986	-4.28%
<b>Southern Tier West Region</b>	-10,182	1,713	-11,895	-4.35%
<b>New York State</b>	446,320	684,179	-237,859	-1.25%

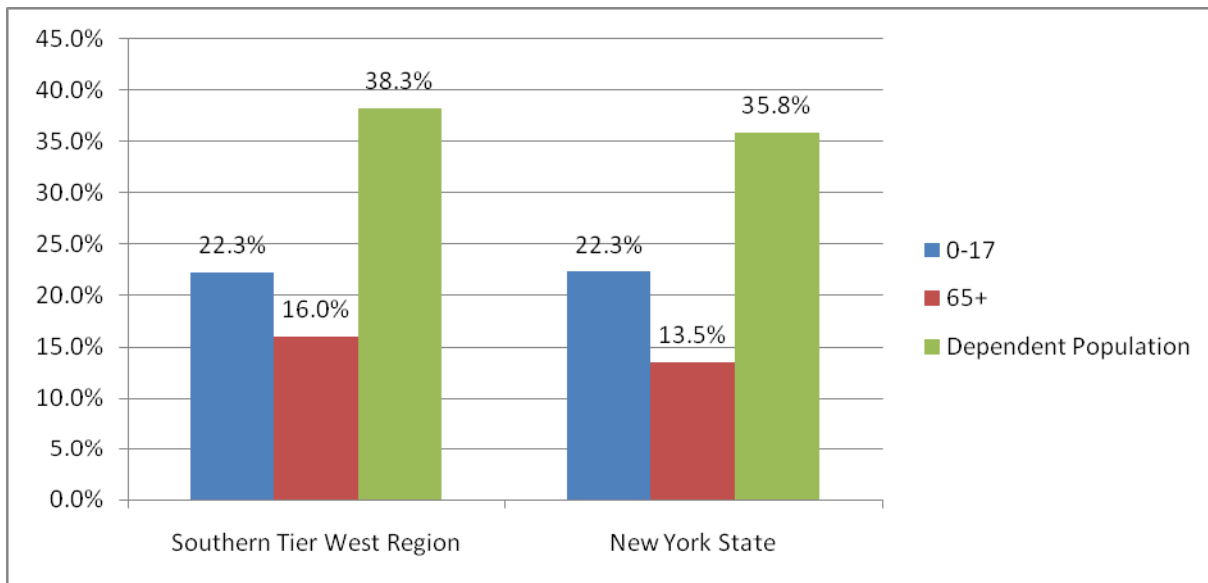
Source: U.S. Census Bureau (2000 Census, & 2007 Intercensal Estimates)

### Aging Population: Median Ages of Region, States and Nation, 1980-2010

	<u>Southern Tier West Region</u>	<u>New York State</u>	<u>United States</u>
<b>Median Age, 2010</b>	40.3	38.0	37.2
<b>Median Age, 2000</b>	37.2	36.9	35.3
<b>Median Age, 1990</b>	33.4	33.8	32.8
<b>Median Age, 1980</b>	30.3	33.4	30.0

Source: U.S. Census Bureau (1980, 1990, 2000, 2010 Census)

### Dependent Population as a Percent of Total Population, 2010



Source: U.S. Census Bureau (2010 Census)

## Racial Composition of Population as a Percentage of Total Population, 2000 and 2010

	STW Region				NYS			
	2000		2010		2000		2010	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent
<b>White</b>	262,062	95.8%	250,957	95.0%	13,275,834	70.0%	13,155,274	67.9%
<b>Black or African American</b>	5,321	1.9%	7,061	2.7%	3,234,165	17.0%	3,334,550	17.2%
<b>American Indian and Alaska Native</b>	4,059	1.5%	4,873	1.8%	171,581	0.9%	221,058	1.1%
<b>Asian</b>	1,595	0.6%	2,236	0.8%	1,169,200	6.2%	1,579,494	8.2%
<b>Native Hawaiian and Other Pacific Islander</b>	119	0.0%	156	0.1%	28,612	0.2%	36,423	0.2%
<b>Some other race</b>	3,615	1.3%	3,861	1.5%	1,721,699	9.1%	1,684,388	8.7%
<b>Total population</b>	273,632	100.0%	264,168	100.0%	18,976,457	100.0%	19,378,102	100.0%

	USA			
	2000		2010	
	Total	Percent	Total	Percent
<b>White</b>	216,930,975	77.1%	231,040,398	74.8%
<b>Black or African American</b>	36,419,434	12.9%	42,020,743	13.6%
<b>American Indian and Alaska Native</b>	4,119,301	1.5%	5,220,579	1.7%
<b>Asian</b>	11,898,828	4.2%	17,320,856	5.6%
<b>Native Hawaiian and Other Pacific Islander</b>	874,414	0.3%	1,225,195	0.4%
<b>Some other race</b>	18,521,486	6.6%	21,748,084	7.0%
<b>Total population</b>	281,421,906	100.0%	308,745,538	100.0%

*Source: U.S. Census Bureau (2000 and 2010 Census)*

**Note on Definition of “Hispanic or Latino” Origin Used in the 2010 Census:** The US Census Bureau does not consider “Hispanic or Latino” as being a racial category such as those racial categories in the tables above. Instead, the US Census Bureau considers “Hispanic or Latino” to denote the origin of an individual. For the 2010 Census, an individual’s response to the Hispanic or Latino origin question was based upon self-identification. “Hispanic or Latino” refers to a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race. Accordingly, the US Census Bureau does not represent persons of Hispanic or Latino origin in racial categories as shown in the above tables on this page. Individuals self-identifying themselves as Hispanic or Latino are otherwise classified in one or more of the racial categories shown in the above tables on this page. Please see the following page for additional data on persons of Hispanic or Latino origin.

**Population by Hispanic or Latino or Other Origin, as a Percentage of Total Population, 2000 and 2010**

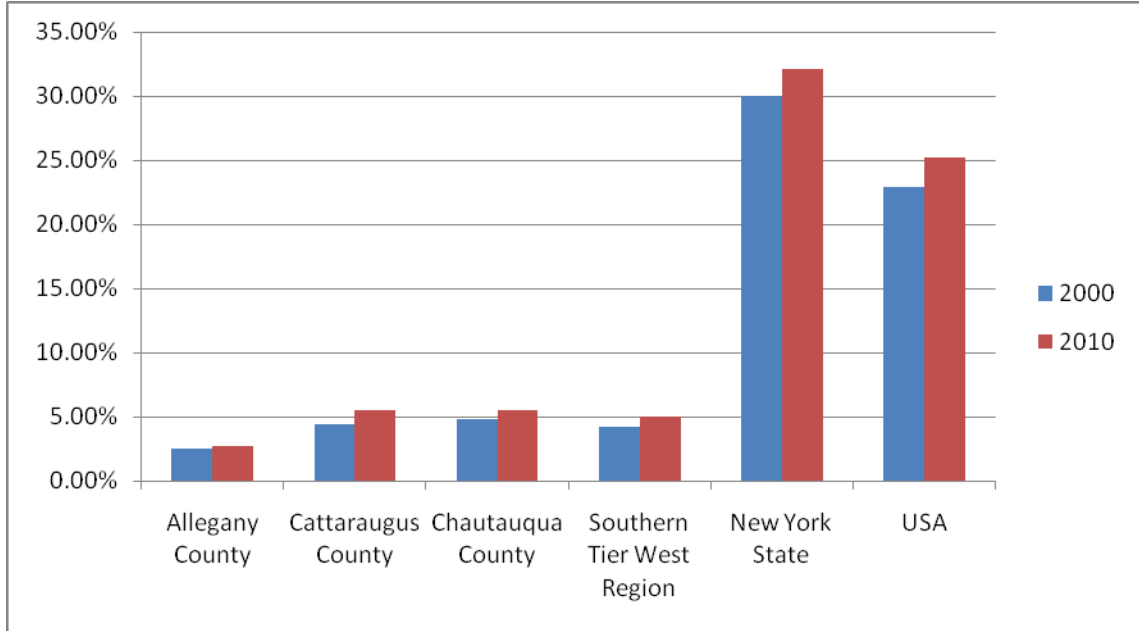
	<u>STW Region</u>				<u>NYS</u>			
	2000		2010		2000		2010	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent
<b>Hispanic or Latino (of any race)</b>	7,146	2.6%	10,256	3.9%	2,867,583	15.1%	3,416,922	17.6%
<b>Not Hispanic or Latino</b>	266,486	97.4%	253,912	96.1%	16,108,874	84.9%	15,961,180	82.4%
<b>Total population</b>	273,632	100.0%	264,168	100.0%	18,976,457	100.0%	19,378,102	100.0%

	<u>USA</u>			
	2000		2010	
	Total	Percent	Total	Percent
<b>Hispanic or Latino (of any race)</b>	35,305,818	12.5%	50,477,594	16.3%
<b>Not Hispanic or Latino</b>	246,116,088	87.5%	258,267,944	83.7%
<b>Total population</b>	281,421,906	100.0%	308,745,538	100.0%

*Source: U.S. Census Bureau (2000 and 2010 Census)*

**Note on Definition of Hispanic or Latino Origin Used in the 2010 Census:** The US Census Bureau does not consider the Hispanic or Latino Origin as being a racial category. For the 2010 Census, an individual’s response to the Hispanic origin question was based upon self-identification. “Hispanic or Latino” refers to a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race.

### Minority Population as Percent of Total Population



Source: U.S. Census Bureau (2000 and 2010 Census)

## Personal Per Capita Income

	1970	1975	1980	1985	1990	1995
<b>Allegany County</b>	3,136	4,347	6,863	9,375	13,038	15,266
Adjusted dollars	17,402	17,396	17,932	18,759	21,477	21,566
% of New York	64.30%	62.82%	62.15%	56.43%	56.43%	55.34%
<b>Cattaraugus County</b>	3,292	4,770	7,509	10,574	14,287	16,617
Adjusted Dollars	18,267	19,089	19,620	21,159	23,535	23,475
% of New York	67.50%	68.93%	68.00%	63.65%	61.83%	60.23%
<b>Chautauqua County</b>	3,644	5,198	8,463	11,922	15,162	17,985
Adjusted Dollars	20,221	20,802	22,113	23,856	24,976	25,407
% of New York	74.72%	75.12%	76.64%	71.76%	65.62%	65.19%
<b>STW Region</b>	3,357	4,772	7,612	10,624	14,162	16,623
Adjusted Dollars	18,630	19,096	19,889	21,258	23,330	23,483
% of New York	68.84%	68.95%	68.93%	63.95%	61.29%	60.26%
<b>New York State</b>	4,877	6,920	11,043	16,613	23,106	27,587
Adjusted Dollars	27,062	27,693	28,854	33,243	38,063	38,972
	2000	2005	2008	2008 Rank		
<b>Allegany County</b>	18,975	22,246	26,033	62		
Adjusted dollars	23,724	24,524	26,033			
% of New York	54.79%	54.67%	53.34%			
<b>Cattaraugus County</b>	20,757	26,783	31,719	43		
Adjusted Dollars	25,952	29,526	31,719			
% of New York	59.94%	65.82%	64.99%			
<b>Chautauqua County</b>	21,165	25,122	29,893	50		
Adjusted Dollars	26,463	27,694	29,893			
% of New York	61.12%	61.74%	61.24%			
<b>STW Region</b>	20,299	24,717	29,215			
Adjusted Dollars	25,380	27,248	29,215			
% of New York	58.62%	60.74%	59.86%			
<b>New York State</b>	34,630	40,690	48,809			
Adjusted Dollars	43,298	44,857	48,809			

Note: Adjustments are per the Consumer Price Index as reported by the U.S. Bureau of Labor Statistics. 2008 = 100 (base year).

Data Source: U.S. Bureau of Economic Analysis. Regional Economic Information System 1969-2008. April 2010. Regional data are averaged data for all three counties, not corrected for population differences between the three counties, prepared by Southern Tier West RPDB

**Per Capita Personal Income  
(nominal dollars)**

	<u>1970</u>	<u>1975</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2009</u>
Allegany County	3,155	4,405	6,879	9,497	13,036	15,578	18,975	22,245	25,705
Cattaraugus County	3,268	4,815	7,542	10,739	14,301	16,895	20,757	26,781	32,257
Chautauqua County	3,662	5,260	8,450	12,064	15,189	17,861	21,165	25,120	29,995
Southern Tier West Region	3,362	4,827	7,624	10,767	14,175	16,778	20,299	24,715	29,319
New York State	4,868	6,970	10,985	16,761	23,710	27,106	34,630	40,687	46,516
United States	4,084	6,172	10,091	14,637	19,354	23,262	30,318	35,424	39,635

Note: Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2000-2009 reflect county population estimates available as of April 2010.

Data Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Regional Economic Information System. Released April 2011. Southern Tier West Region data are averages of the three counties, not corrected for population differences between the three counties, prepared by Southern Tier West RPDB.

**Average Annual Nominal Dollar  
Per Capita Personal Income Growth Rate, 1970 – 2009**

	<u>1970 – 2009</u>	<u>2000 – 2009</u>
Allegany County	18.3%	3.9%
Cattaraugus County	22.7%	6.2%
Chautauqua County	18.4%	4.6%
Southern Tier West Region	19.8%	4.9%
New York State	21.9%	3.8%
United States	22.3%	3.4%

Data Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Regional Economic Information System. Released April 2011. Southern Tier West Region data are averages of the three counties, not corrected for population differences between the three counties, prepared by Southern Tier West RPDB. Annual growth rate data are prepared by Southern Tier West RPDB.

**Median household income, 2009  
(nominal dollars, estimate)**

Allegany County	38,828
Cattaraugus County	38,811
Chautauqua County	38,203
New York	54,554
United States	50,221

Data Source: U.S. Census Bureau, American Community Survey



**Average Wage by Industry Sector, 2010**  
(nominal dollars)

	<u>Allegany</u>	<u>Cattaraugus</u>	<u>Chautauqua</u>	<u>STW Region</u>	<u>NYS</u>	<u>STW Region as a Percent of NYS</u>
Total, All Industries	\$32,769	\$35,198	\$33,238	\$33,735	\$60,275	56.0%
Total, All Private	\$31,490	\$33,787	\$31,235	\$32,171	\$61,537	52.3%
Agriculture, Forestry, Fishing Hunting	\$26,112	\$26,511	\$23,969	\$25,531	\$29,087	87.8%
Mining	\$32,609	\$37,875	\$67,138	\$45,874	\$58,560	78.3%
Utilities	\$64,216	\$89,150	\$85,723	\$79,696	\$97,953	81.4%
Construction	\$55,991	\$40,148	\$38,184	\$44,774	\$60,274	74.3%
Manufacturing	\$46,301	\$53,978	\$47,672	\$49,317	\$59,468	82.9%
Wholesale Trade	\$44,266	\$39,567	\$41,760	\$41,864	\$71,702	58.4%
Retail Trade	\$19,101	\$22,826	\$21,841	\$21,256	\$29,588	71.8%
Transportation and Warehousing	\$39,722	\$32,824	\$33,639	\$35,395	\$43,892	80.6%
Information	\$24,646	\$38,258	\$34,406	\$32,437	\$90,928	35.7%
Finance and Insurance	\$34,966	\$37,654	\$40,572	\$37,731	\$194,241	19.4%
Real Estate and Rental and Leasing	\$28,949	\$25,985	\$24,174	\$26,369	\$54,600	48.3%
Professional and Technical Services	\$38,069	\$41,337	\$34,796	\$38,067	\$90,894	41.9%
Mgmt. of Companies & Enterprises	\$33,388	\$31,008	\$37,972	\$34,123	\$140,145	24.3%
Administrative and Waste Services	\$19,258	\$59,436	\$21,100	\$33,265	\$42,506	78.3%
Educational Services	\$41,910	N/A	\$31,219	\$36,565	\$47,301	77.3%
Health Care and Social Assistance	\$23,935	\$32,833	\$31,110	\$29,293	\$44,700	65.5%
Accommodation and Food Services	\$11,364	\$13,734	\$12,562	\$12,553	\$22,200	56.5%
Repair and Maintenance	\$24,010	N/A	N/A	\$24,010	\$34,747	69.1%
Arts, Entertainment, and Recreation	N/A	\$16,207	\$13,104	\$14,656	\$44,712	32.8%
Other Services	N/A	\$19,588	\$19,324	\$12,971	\$34,723	37.4%
Private Households	\$22,077	\$15,763	\$23,457	\$20,432	\$29,512	69.2%
Total, All Government	\$35,851	\$37,995	\$42,190	\$38,679	\$54,203	71.4%
Unclassified	\$12,401	\$30,529	\$20,098	\$21,009	\$46,343	45.3%

**Notes:**

1. "STW Region as a Percent of NYS" refers to the STW Region's average wage for each sector expressed as a percentage of the New York State average wage for that sector.
2. N/A = data not reported for this sector in this county; regional average wage calculation does not include this county.
3. STW Region average wages are averages of the three county average wages in each sector, unadjusted for number of workers in those sectors in each county.

Data Source: NYS Department of labor, Quarterly Census of Employment and Wages (QCEW), NAICS Based Industry Employment and Wages, developed through a cooperative program between the State of New York and the U. S. Bureau of Labor Statistics. Data for 2010 is preliminary and subject to revision. STW Region average wages are prepared by Southern Tier West.

### Poverty Levels, 2005 – 2009

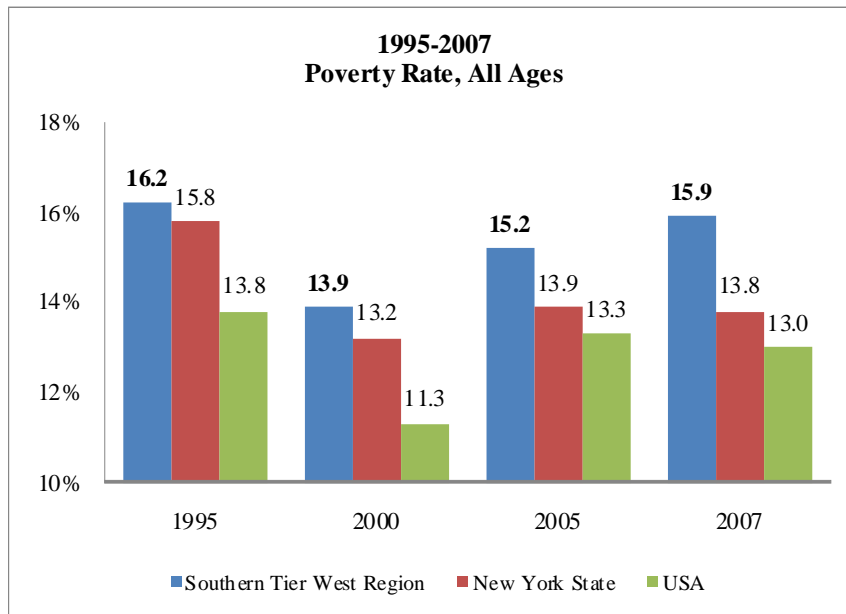
	<b>Families Below Poverty Level (%)</b>	<b>Individuals Below Poverty Level (%)</b>
Allegany County	11.1	16.8
Cattaraugus County	10.9	15.7
Chautauqua County	11.7	16.3
New York State	10.5	13.8
U.S.	9.9	13.5

Data Source: U.S. Census Bureau, 2005-2009 American Community Survey

### All ages in poverty, 2009 (estimate)

Allegany County	17.0%
Cattaraugus County	17.0%
Chautauqua County	17.6%
NYS	14.2%
US	14.3%

Data Source: U.S. Census Bureau, American Community Survey



Data Source: U.S. Census Bureau, Small Area Income & Poverty Estimates

**Public Assistance Income, Households Data for the Past 12 Months, 2005 – 2009 (Estimated)**

	<u>Total Households</u>	<u>Households With Public Assistance Income</u>	<u>Households With No Public Assistance Income</u>	<u>Percentage of Households With Public Assistance Income</u>
Allegany County	18,646	707	17,939	3.8%
Cattaraugus County	32,639	842	31,797	2.6%
Chautauqua County	54,457	2,009	52,448	3.7%
New York State	7,137,013	216,070	6,920,943	3.0%
U.S.	112,611,029	2,690,559	109,920,470	2.4%

Data Source: U.S. Census Bureau, 2005-2009 American Community Survey 5-Year Estimates

Location	Absolute Data Values			Indicator Index Value			Composite Index Value, FY 2011	Index Value Rank (of 3,110 counties in U.S., 1 is the best), FY 2011	Quartile (1 is the best), FY 2011
	Three-Year Average Unemployment Rate, 2006–2008	Per Capita Market Income, 2007	Poverty Rate, 2000	Three-Year Avg. Unemp. Rate, Percent of U.S. Avg., 2006–2008	Per Capita Market Income, Percent of U.S. Average, 2007	Poverty Rate, Percent of U.S. Average, 2000			
<b>United States</b>	5.00%	\$32,930	12.40%	100.00%	100.00%	100.00%	-	-	-
<b>New York State</b>	4.90%	\$38,889	14.60%	96.90%	118.10%	117.90%	-	-	-
<b>County</b>									
<b>Cattaraugus</b>	5.50%	\$21,285	13.70%	110.60%	64.60%	110.90%	125.4	1,834	3
<b>Chautauqua</b>	4.90%	\$19,622	13.80%	98.20%	59.60%	111.80%	125.9	1,850	3
<b>Allegany</b>	5.80%	\$16,850	15.50%	115.50%	51.20%	125.30%	145.4	2,391	4

Data Source: Appalachian Regional Commission

## Labor Force Average Annual Figures for the Population Aged 16 Years and Older

	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>% Change, 1990-2010</u>
<b>Allegany County</b>						
Labor Force	22,400	23,200	22,800	23,600	24,200	8.04%
Employed	20,900	21,400	21,700	22,200	21,800	4.31%
Unemployed	1,500	1,800	1,100	1,300	2,200	46.67%
Unemployment Rate (%)	6.50%	7.70%	4.90%	5.90%	9.40%	44.62%
% of Regional Labor Force	17.30%	17.78%	17.34%	17.81%	18.21%	5.27%
<b>Cattaraugus County</b>						
Labor Force	39,000	39,700	41,100	42,200	41,200	5.64%
Employed	36,500	36,700	39,300	39,900	37,400	2.47%
Unemployed	2,500	3,000	1,900	2,300	3,700	48.00%
Unemployment Rate (%)	6.30%	7.60%	4.50%	5.40%	9.10%	44.44%
% of Regional Labor Force	30.12%	30.42%	31.25%	31.85%	31.00%	2.94%
<b>Chautauqua County</b>						
Labor Force	68,100	67,600	68,100	67,200	64,600	-5.14%
Employed	64,200	63,600	65,400	64,000	59,000	-8.10%
Unemployed	3,900	4,000	2,700	3,300	5,700	46.15%
Unemployment Rate (%)	5.70%	5.90%	4.00%	4.90%	8.80%	54.39%
% of Regional Labor Force	52.59%	51.80%	51.79%	50.72%	48.61%	-7.57%
<b>Southern Tier West Region</b>						
Labor Force	129,500	130,500	131,500	132,500	132,900	2.63%
Employed	121,600	121,700	126,400	125,600	125,000	2.80%
Unemployed	7,900	8,800	5,700	7,500	8,000	1.27%
Unemployment Rate (%)	6.17%	7.07%	4.47%	5.40%	9.10%	47.57%
<b>New York State</b>						
Labor Force	8,808,900	8,676,800	9,167,000	9,421,400	9,360,900	6.27%
Employed	8,339,800	8,125,800	8,751,400	8,947,100	8,806,800	5.60%
Unemployed	469,100	551,000	415,500	474,300	824,100	75.68%
Unemployment Rate (%)	5.30%	6.40%	4.50%	5.00%	8.60%	62.26%
<b>United States</b>						
Civilian Labor Force	125,840,000	132,304,000	142,583,000	149,320,000	153,889,000	22.29%
Employed	118,793,000	124,900,000	136,891,000	141,730,000	139,064,000	17.06%
Unemployed	7,047,000	7,404,000	5,692,000	7,591,000	14,825,000	110.37%
Unemployment Rate (%)	5.60%	5.60%	4.00%	5.10%	9.60%	71.43%

*Source: NYS Department of Labor; U.S. data is from the U.S. Bureau of Labor Statistics*

### Unemployment Rates (Summary)

	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
Allegany County	6.50%	7.70%	4.90%	5.90%	9.40%
Cattaraugus County	6.30%	7.60%	4.50%	5.40%	9.10%
Chautauqua County	5.70%	5.90%	4.00%	4.90%	8.80%
New York State	5.30%	6.40%	4.50%	5.00%	8.60%
U.S.	5.60%	5.60%	4.00%	5.10%	9.60%

Source: NYS Department of Labor; U.S. data is from the U.S. Bureau of Labor Statistics

### Regional Employment by Industry, 1990-2008

	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2008</u>	<u>% Change 1990-2008</u>
<b>Total Non-Farm</b>	105,600	104,700	110,300	108,100	108,800	3.0%
<b>Total Private</b>	83,900	82,900	85,600	82,200	82,900	-1.2%
<b>Service-Providing</b>	74,700	78,500	84,500	86,800	86,900	16.3%
<b>Private Service-Providing</b>	53,500	56,800	59,800	60,800	60,600	13.3%
<b>Goods-Providing</b>	30,400	26,000	25,800	21,500	22,000	-27.6%
<b>Manufacturing</b>	26,700	23,000	22,700	18,400	17,800	-33.3%
<b>Transportation, Trade, and Utilities</b>	18,400	18,200	18,100	17,800	16,900	-8.2%
<b>Education and Health Services</b>	13,600	15,600	16,600	17,900	18,300	34.6%
<b>Leisure and Hospitality</b>	9,000	9,300	9,900	10,000	9,900	1.1%
<b>Government</b>	21,200	21,600	24,800	26,100	26,300	24.1%

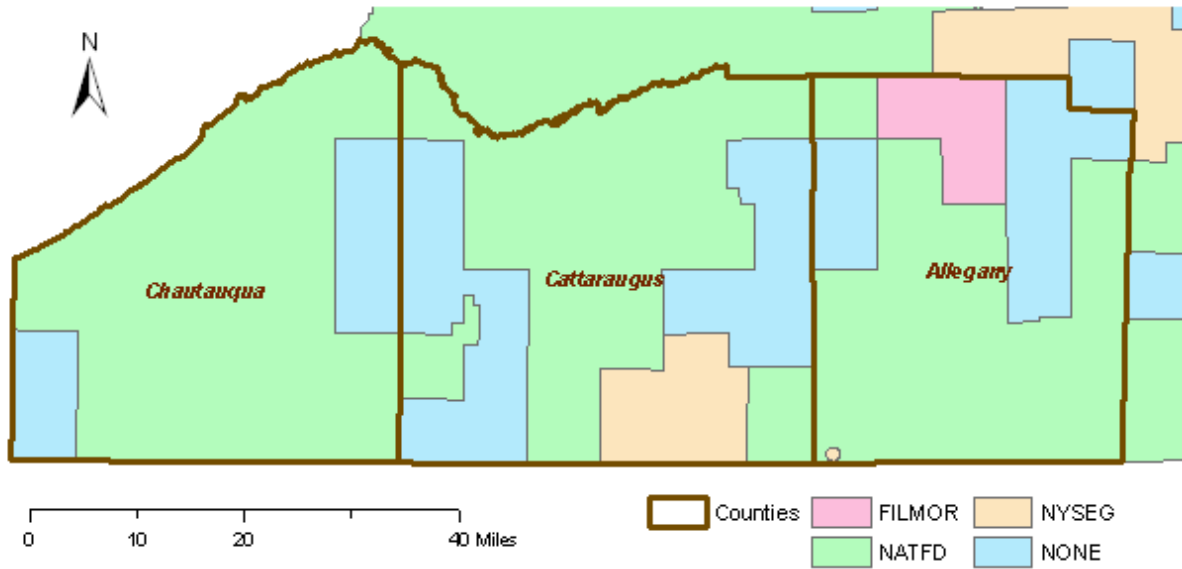
Source: New York State Department of Labor, Minor County Employment by Industry

### Educational Attainment, 2005 - 2009 (Percentage of Population 25 years and over)

<u>Level of Attainment</u>	<u>Allegany</u>	<u>Cattaraugus</u>	<u>Chautauqua</u>	<u>NYS</u>	<u>U.S.</u>
Less than 9th grade	3.5%	4.4%	3.9%	7.0%	6.4%
9th to 12th grade, no diploma	8.3%	9.2%	10.3%	8.8%	9.1%
High school graduate (includes equivalency)	39.7%	41.9%	37.1%	28.6%	29.3%
Some college, no degree	16.4%	16.0%	17.6%	15.6%	20.3%
Associate's degree	12.5%	10.7%	11.4%	8.1%	7.4%
Bachelor's degree	9.5%	9.6%	11.0%	18.2%	17.4%
Graduate or professional degree	10.0%	8.1%	8.7%	13.6%	10.1%
High school graduate or higher	88.2%	86.4%	85.8%	84.2%	84.6%
Bachelor's degree or higher	19.5%	17.7%	19.8%	31.8%	27.5%

Data Source: U.S. Census Bureau, 2005-2009 American Community Survey, 5-Year Estimates

### Natural Gas Providers in the Southern Tier West Region



## Housing Data, 2005 - 2009

	<u>Allegany County</u>		<u>Cattaraugus County</u>		<u>Chautauqua County</u>		<u>New York State</u>		<u>U.S.</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
<b>HOUSING OCCUPANCY</b>										
<b>Total housing units</b>	<b>25,047</b>	<b>100%</b>	<b>40,612</b>	<b>100%</b>	<b>65,907</b>	<b>100%</b>	<b>7,950,035</b>	<b>100%</b>	<b>127,699,712</b>	<b>100%</b>
Occupied housing units	18,646	74.4%	32,639	80.4%	54,457	82.6%	7,137,013	89.8%	112,611,029	88.2%
Vacant housing units	6,401	25.6%	7,973	19.6%	11,450	17.4%	813,022	10.2%	15,088,683	11.8%
Homeowner vacancy rate	1.5	(X)	1.8	(X)	1.4	(X)	1.7	(X)	2.3	(X)
Rental vacancy rate	7.9	(X)	7.4	(X)	8.7	(X)	4.8	(X)	7.8	(X)
<b>UNITS IN STRUCTURE</b>										
<b>Total housing units</b>	<b>25,047</b>	<b>100%</b>	<b>40,612</b>	<b>100%</b>	<b>65,907</b>	<b>100%</b>	<b>7,950,035</b>	<b>100%</b>	<b>127,699,712</b>	<b>100%</b>
1-unit, detached	17,483	69.8%	27,797	68.4%	43,940	66.7%	3,344,022	42.1%	78,623,904	61.6%
1-unit, attached	199	0.8%	654	1.6%	792	1.2%	391,342	4.9%	7,275,834	5.7%
2 units	1,104	4.4%	2,850	7.0%	7,952	12.1%	866,157	10.9%	5,028,254	3.9%
3 or 4 units	874	3.5%	1,598	3.9%	3,903	5.9%	570,418	7.2%	5,757,381	4.5%
5 to 9 units	615	2.5%	1,153	2.8%	1,829	2.8%	418,272	5.3%	6,213,229	4.9%
10 to 19 units	173	0.7%	461	1.1%	1,197	1.8%	331,011	4.2%	5,759,508	4.5%
20 or more units	329	1.3%	585	1.4%	1,706	2.6%	1,823,069	22.9%	10,299,328	8.1%
Mobile home	4,250	17.0%	5,502	13.5%	4,588	7.0%	202,773	2.6%	8,639,239	6.8%
Boat, RV, van, etc.	20	0.1%	12	0.0%	0	0.0%	2,971	0.0%	103,035	0.1%
<b>YEAR STRUCTURE BUILT</b>										
<b>Total housing units</b>	<b>25,047</b>	<b>100%</b>	<b>40,612</b>	<b>100%</b>	<b>65,907</b>	<b>100%</b>	<b>7,950,035</b>	<b>100%</b>	<b>127,699,712</b>	<b>100%</b>
Built 2005 or later	232	0.9%	373	0.9%	439	0.7%	85,780	1.1%	3,708,567	2.9%
Built 2000 to 2004	868	3.5%	1,615	4.0%	1,549	2.4%	265,393	3.3%	10,774,495	8.4%
Built 1990 to 1999	2,975	11.9%	4,323	10.6%	4,014	6.1%	481,260	6.1%	18,111,220	14.2%
Built 1980 to 1989	2,402	9.6%	4,415	10.9%	4,918	7.5%	602,534	7.6%	18,335,229	14.4%
Built 1970 to 1979	3,956	15.8%	5,328	13.1%	6,039	9.2%	814,183	10.2%	21,289,228	16.7%
Built 1960 to 1969	2,045	8.2%	2,594	6.4%	5,474	8.3%	989,516	12.4%	14,784,435	11.6%
Built 1950 to 1959	1,932	7.7%	3,408	8.4%	7,652	11.6%	1,234,895	15.5%	14,662,154	11.5%
Built 1940 to 1949	1,255	5.0%	2,383	5.9%	4,792	7.3%	750,658	9.4%	7,601,471	6.0%
Built 1939 or earlier	9,382	37.5%	16,173	39.8%	31,030	47.1%	2,725,816	34.3%	18,432,913	14.4%
<b>HOUSING TENURE</b>										
<b>Occupied housing units</b>	<b>18,646</b>	<b>100%</b>	<b>32,639</b>	<b>100%</b>	<b>54,457</b>	<b>100%</b>	<b>7,137,013</b>	<b>100%</b>	<b>112,611,029</b>	<b>100%</b>
Owner-occupied	13,960	74.9%	23,981	73.5%	38,094	70.0%	3,977,522	55.7%	75,320,422	66.9%
Renter-occupied	4,686	25.1%	8,658	26.5%	16,363	30.0%	3,159,491	44.3%	37,290,607	33.1%
Average household size, owner-occupied unit	2.50	(X)	2.45	(X)	2.44	(X)	2.80	(X)	2.69	(X)
Average household size, renter-occupied unit	2.15	(X)	2.15	(X)	2.12	(X)	2.42	(X)	2.42	(X)
<b>HOUSE HEATING FUEL</b>										
<b>Occupied housing units</b>	<b>18,646</b>	<b>100%</b>	<b>32,639</b>	<b>100%</b>	<b>54,457</b>	<b>100%</b>	<b>7,137,013</b>	<b>100%</b>	<b>112,611,029</b>	<b>100%</b>
Utility gas	9,945	53.3%	16,851	51.6%	37,778	69.4%	3,751,656	52.6%	56,461,477	50.1%
Bottled, tank, or LP gas	1,669	9.0%	3,787	11.6%	3,660	6.7%	223,787	3.1%	6,285,588	5.6%
Electricity	1,729	9.3%	3,937	12.1%	6,615	12.1%	616,463	8.6%	37,788,909	33.6%
Fuel oil, kerosene, etc.	1,832	9.8%	3,309	10.1%	2,061	3.8%	2,317,069	32.5%	8,310,813	7.4%
Coal or coke	608	3.3%	475	1.5%	137	0.3%	15,868	0.2%	135,341	0.1%
Wood	2,445	13.1%	3,819	11.7%	3,025	5.6%	116,963	1.6%	2,127,527	1.9%
Solar energy	7	0.0%	0	0.0%	0	0.0%	1,311	0.0%	36,503	0.0%
Other fuel	399	2.1%	406	1.2%	1,107	2.0%	57,449	0.8%	476,270	0.4%
No fuel used	12	0.1%	55	0.2%	74	0.1%	36,447	0.5%	988,601	0.9%

Data Source: U.S. Census Bureau, 2005-2009 American Community Survey 5-Year Estimates, Selected Housing Characteristics

### Housing Data, 2005 - 2009 (continued)

	<u>Allegany County</u>		<u>Cattaraugus County</u>		<u>Chautauqua County</u>		<u>New York State</u>		<u>U.S.</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
<b>VALUE</b>										
<b>Owner-occupied units</b>	<b>13,960</b>	<b>100%</b>	<b>23,981</b>	<b>100%</b>	<b>38,094</b>	<b>100%</b>	<b>3,977,522</b>	<b>100%</b>	<b>75,320,422</b>	<b>100%</b>
Less than \$50,000	4,581	32.8%	5,559	23.2%	8,027	21.1%	218,901	5.5%	6,251,331	8.3%
\$50,000 to \$99,999	6,235	44.7%	11,301	47.1%	17,406	45.7%	564,572	14.2%	11,652,702	15.5%
\$100,000 to \$149,999	1,735	12.4%	3,532	14.7%	6,553	17.2%	440,098	11.1%	11,873,304	15.8%
\$150,000 to \$199,999	611	4.4%	1,684	7.0%	2,951	7.7%	330,287	8.3%	10,510,496	14.0%
\$200,000 to \$299,999	497	3.6%	1,210	5.0%	2,010	5.3%	431,975	10.9%	12,818,922	17.0%
\$300,000 to \$499,999	178	1.3%	446	1.9%	757	2.0%	945,140	23.8%	12,653,659	16.8%
\$500,000 to \$999,999	84	0.6%	172	0.7%	361	0.9%	846,123	21.3%	7,758,798	10.3%
\$1,000,000 or more	39	0.3%	77	0.3%	29	0.1%	200,426	5.0%	1,801,210	2.4%
Median (dollars)	65,100	(X)	76,000	(X)	77,800	(X)	300,600	(X)	185,400	(X)
<b>MORTGAGE STATUS</b>										
<b>Owner-occupied units</b>	<b>13,960</b>	<b>100%</b>	<b>23,981</b>	<b>100%</b>	<b>38,094</b>	<b>100%</b>	<b>3,977,522</b>	<b>100%</b>	<b>75,320,422</b>	<b>100%</b>
Housing units with a mortgage	7,496	53.7%	13,267	55.3%	21,881	57.4%	2,595,939	65.3%	51,267,052	68.1%
Housing units w/o a mortgage	6,464	46.3%	10,714	44.7%	16,213	42.6%	1,381,583	34.7%	24,053,370	31.9%

Data Source: U.S. Census Bureau, 2005-2009 American Community Survey 5-Year Estimates, Selected Housing Characteristics



## County Economic Profiles

### Allegany County

#### Selected Economic Indicators for Allegany County, NY

	<u>Allegany County</u>	<u>New York State</u>
Population, 2010	48,946	19,378,102
Population, percent change, 2000 to 2010	-2.0%	2.1%
Population, 2000	49,927	18,976,811
Households, 2005-2009	18,646	7,137,013
Persons per square mile, 2010	47.5	410.4
Persons under 18 years old, percent, 2009	21.0%	22.6%
Persons 65 years old and over, percent, 2009	14.6%	13.4%
Homeownership rate, 2005-2009	74.9%	55.7%
Per capita money income in past 12 months (2009 dollars) 2005-2009	\$19,440	\$30,634
Median household income, 2009	\$38,828	\$54,554
Persons below poverty level, percent, 2009	17.0%	14.2%
High school graduates, percent of persons age 25+, 2005-2009	88.2%	84.2%
Bachelor's degree or higher, pct of persons age 25+, 2005-2009	19.5%	31.8%
Labor Force (2010, annualized)	24,000	9,630,900
Employment (2010, annualized)	21,800	8,806,800
Unemployed (2010, annualized)	2,200	824,100
Unemployment Rate (2010, annualized)	9.4%	8.6%
Private nonfarm employment, 2008	12,886	7,617,164 <sup>1</sup>
Private nonfarm employment, percent change 2000-2008	10.2%	3.6% <sup>1</sup>

1: Includes data not distributed by county.

Data Source, Annualized 2010 Employment: NYS Department of labor, Local Area Unemployment Statistics Program

Data Source, All Other Data: U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, Census of Population and Housing, Small Area Income and Poverty Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report, Last Revised: 03-Jun-2011

## Allegany County

### Employment and Wages (2010, annualized, preliminary), for selected industry sectors

<u>Industry</u>	<u>Reporting Units</u>	<u>Average Employment</u>	<u>Total Wages</u>	<u>Average Wages</u>
Total, All Industries	942	13,671	447,978,563	\$32,769
Total, All Private	832	9,662	304,252,560	\$31,490
Agriculture, Forestry, Fishing Hunting	20	167	4,360,748	\$26,112
Mining	8	34	1,108,703	\$32,609
Utilities	6	67	4,302,472	\$64,216
Construction	68	390	21,836,466	\$55,991
Manufacturing	45	2,230	103,250,453	\$46,301
Wholesale Trade	24	196	8,676,139	\$44,266
Retail Trade	141	1,300	24,831,273	\$19,101
Transportation and Warehousing	15	180	7,149,923	\$39,722
Information	25	114	2,809,666	\$24,646
Finance and Insurance	35	209	7,307,864	\$34,966
Real Estate and Rental and Leasing	19	44	1,273,741	\$28,949
Professional and Technical Services	62	219	8,337,035	\$38,069
Management of Companies and Enterprises	3	115	3,839,672	\$33,388
Administrative and Waste Services	27	205	3,947,888	\$19,258
Educational Services	11	1,032	43,250,643	\$41,910
Health Care and Social Assistance	88	1,536	36,764,360	\$23,935
Accommodation and Food Services	89	1,073	12,194,097	\$11,364
Repair and Maintenance	30	92	2,208,899	\$24,010
Private Households	5	10	220,765	\$22,077
Total, All Government	110	4,009	143,726,003	\$35,851
Unclassified	14	10	124,013	\$12,401

Data Source: Quarterly Census of Employment and Wages, developed through a cooperative program between the State of New York and the U. S. Bureau of Labor Statistics

## Allegany County

### Employment Levels\* by Supersector, 2000 and 2010

<u>Supersector</u>	<u>Employment Level*</u>		<u>Change:</u>	
	<u>2000</u>	<u>2010</u>	<u>Net</u>	<u>%</u>
Total Nonfarm	16,700	17,200	+500	+3.0%
Total Private	12,100	12,400	+300	+2.5%
Natural Resources, Mining and Construction	400	500	+100	+25.0%
Manufacturing	2,700	2,100	-600	-22.2%
Trade, Transportation and Utilities	2,000	1,900	-100	-5.0%
Information	100	100	+0	+0.0%
Financial Activities	300	300	+0	+0.0%
Professional and Business Services	500	500	+0	+0.0%
Educational and Health Services	4,200	5,000	+800	+19.0%
Leisure and Hospitality	1,200	1,200	+0	+0.0%
Other Services	800	800	+0	+0.0%
Government	4,600	4,800	+200	+4.3%

\*Average January - June job count.

Data Source: New York State Department of Labor

Of the Southern Tier West three-county region, Allegany County is the most rural and least populated. Since 1980, it has seen a decrease in its population of 2,796 persons (the smallest absolute decrease in population of the three Southern Tier West region counties), a 5.40% decrease in population (the smallest percentage decrease in population of the three Southern Tier West region counties). In comparison, the three county Southern Tier West region lost 7.10% of its population over this period (losing 20,196 residents), while New York State actually gained 10.37% population over this period.

Between 2000 and 2007, Allegany County experienced the lowest net migration rate, -2.26% of its population, compared to an overall net migration rate of -4.35% for the three Southern Tier West region counties as a whole and a -1.25% net migration rate for the State as a whole.

Accordingly, it can be said that Allegany County's population, while decreasing, is still the most stable of the three Southern Tier West region counties.

Of the three Southern Tier West region counties, Allegany County has the highest unemployment rate (9.40% in 2010) and the lowest per capita income (\$25,705 in 2009). In fact, Allegany County's per capita income has consistently been the lowest in both the region and the State. In 2009 Allegany County's per capita personal income (PCPI) of \$25,705 ranked 62nd in the state and was 55% of the state average PCPI (\$46,516) and 65% of the national average PCPI (\$39,635). However, Allegany County's 2009 PCPI reflected a decrease of 0.6% from 2008, while the change in the State PCPI over that period was -3.4% and change in the national PCPI over that period was -2.6%. In 1999 the PCPI of Allegany was \$18,226 and ranked 61st in the state. Allegany County's 1999-2009 average annual growth rate of PCPI was 3.5 percent. The average annual growth rate of PCPI for the state was 3.6 percent and for the nation was 3.4 percent. In terms of the County's relative standing in relation to the State with respect to per capita personal income, since 1999 the County's per capita personal income has grown slower than the State's, although the County's position amongst other Counties within the State has improved slightly. In the most recent year for which data is available (2008-2009), the County's personal per capita income grew marginally, while the State and national per capita income actually decreased.

However, despite its low PCPI, Allegany County has the highest median household income of the three Southern Tier West counties and is tied with Cattaraugus County for the lowest poverty rate of the three counties, at 17%. However, Allegany County's median household income is still significantly lower than New York State's median household income (71.2% of the State MHI), and Allegany County's poverty rate still significantly exceeds New York State's poverty rate (19.7% higher than the State rate). Further, fully 11.1% of families and 16.8 % of individuals were below the poverty level of income, compared to 10.5% of families and 13.8 % of individuals for the State as whole and 9.9% of families and 13.5 % of individuals for the Nation as a whole. Allegany County also has the highest percentage of households of the three Southern Tier West counties receiving public assistance (3.8%), which also is higher than the State rate (3.0%) and the national rate (2.4%).

Allegany County's labor force is growing at the fastest rate of the region's three counties - increasing 8.04% from 1990-2010. Over that same period, the State's total labor force and the nation's total labor force also grew (by 6.3% and 22.3%, respectively). The number of employed in Allegany County also has increased by 900 persons employed from 1990-2010 (a 4.31% increase). However, during that same period, the number of persons unemployed has risen from 1,500 persons to 2,200 persons, and the unemployment rate has increased from 6.5% to 9.40%. Allegany County's unemployment rate is consistently above State and national levels (although in 2010 the national unemployment rate finally exceeded the County's unemployment rate, 9.60% as compared to 9.40%) and has seen drastic increases since 2000, along with the entire region, State and nation as a whole. While reflecting national trends, unemployment rates constantly exceeding State and national levels reveals economic

distress in the county.

In terms of employment, between 2001 and 2010, the County's total non-farm employment increased from 16,700 persons employed to 17,200 persons employed, an increase of 500 persons employed (i.e., 3.0%). (This is compared to a 2.3% decrease in total non-farm employment in Cattaraugus County and an 8.3% decrease in total non-farm employment in Chautauqua County.) Of the 500-person increase in the County's total non-farm employment, private sector employment increased by 2.5% while government employment increased by 4.3%. The private business sectors in the County experiencing the largest absolute increases in employment over this 10-year period were the education and health services sector, which gained 800 jobs, and the natural resources, mining, and construction sector, which gained 100 jobs. The private business sectors in the County experiencing the largest absolute decreases in employment over this 10-year period were the manufacturing sector, which lost 600 jobs, and the trade, transportation, and utilities sector, which lost 100 of jobs. In fact, between 1990 and 2010, both Allegany County and Cattaraugus County each experienced a growth in employment of 900 jobs, which represented a higher percentage in Allegany County owing to the smaller employment base (Chautauqua county experienced a decrease in total employment over that same period).

In 2000, the County's four largest non-farm employment sectors, in decreasing order, were manufacturing; government; education and health services; manufacturing; and trade, transportation, and utilities. By 2010, the order had become education and health services; government; manufacturing; trade, transportation, and utilities; manufacturing; and trade, transportation, and utilities. As mentioned above, the private business sectors in the County that experienced increased employment between 2000 and 2010 were the education and health services sector and the natural resources, mining, and construction sector. The other private business sectors in the County either experienced employment decreases (e.g., the manufacturing sector and the trade, transportation and utilities sector) or had no change in employment (e.g., the information sector, the financial activities sector, the professional and business services sector, the leisure and hospitality sector, and the other services sector). Allegany County has been deeply impacted by the shifting economy and manufacturing decline and must capitalize on its manufacturing expertise and infrastructure by developing comparative advantage in the manufacturing sector and implementing innovative strategies. It can be said, however, that the County has a large employment base relating to seasonal agriculture (farming and processing operations) and recreation/tourism.

The average annual wage in all industries (private and government) in Allegany County was \$32,769 in 2010 (\$30,785 in 2007). The average wage for New York State was \$60,275 in 2010 (\$59,499 in 2007), so the average wage in all industries in Allegany County in 2010 was 54.4% of the average wage in all industries for the State as a whole (up from 51.7% in 2007), or \$27,506 less. In no private or government sectors did the County's average wage exceed that of the same sector State-wide. The County's highest average wages are paid in the utilities sector, the construction sector, the manufacturing sector, and the wholesale trade sector.

A positive trend for the region is its high percentage of high school graduates and advanced degree recipients. It has the second highest percentage of people receiving a high school diploma out of the three Southern Tier West region and the second highest percentage of people receiving an advanced (i.e., graduate or professional) post-secondary degree out of the three Southern Tier West region counties, although by a slim margin it finds itself having the lowest percentage gaining a bachelor's degree. Still, the County's rate of residents receiving college bachelor's degrees or advanced degrees (19.5%) is lower than both the State's rate as a whole (31.8%) and the national rate (27.5%).

## Cattaraugus County

### Selected Economic Indicators for Cattaraugus County, NY

	<u>Cattaraugus County</u>	<u>New York State</u>
Population, 2010	80,317	19,378,102
Population, percent change, 2000 to 2010	-4.3%	2.1%
Population, 2000	83,955	18,976,811
Households, 2005-2009	32,639	7,137,013
Persons per square mile, 2010	61.3	410.4
Persons under 18 years old, percent, 2009	23.0%	22.6%
Persons 65 years old and over, percent, 2009	15.7%	13.4%
Homeownership rate, 2005-2009	73.5%	55.7%
Per capita money income in past 12 months (2009 dollars) 2005-2009	\$20,508	\$30,634
Median household income, 2009	\$38,811	\$54,554
Persons below poverty level, percent, 2009	17.0%	14.2%
High school graduates, percent of persons age 25+, 2005-2009	86.4%	84.2%
Bachelor's degree or higher, pct of persons age 25+, 2005-2009	17.7%	31.8%
Labor Force (2010, annualized)	41,200	9,630,900
Employment (2010, annualized)	37,400	8,806,800
Unemployed (2010, annualized)	3,700	824,100
Unemployment Rate (2010, annualized)	9.1%	8.6%
Private nonfarm employment, 2008	24,146	7,617,164 <sup>1</sup>
Private nonfarm employment, percent change 2000-2008	-1.1%	3.6% <sup>1</sup>

1: Includes data not distributed by county.

Data Source, Annualized 2010 Employment: NYS Department of labor, Local Area Unemployment Statistics Program

Data Source, All Other Data: U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, Census of Population and Housing, Small Area Income and Poverty Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report, Last Revised: 03-Jun-2011

**Cattaraugus County**

**Employment and Wages (2010, annualized, preliminary), for selected industry sectors**

<u>Industry</u>	<u>Reporting Units</u>	<u>Average Employment</u>	<u>Total Wages</u>	<u>Average Wages</u>
Total, All Industries	1,849	30,452	1,071,834,443	\$35,198
Total, All Private	1,690	20,245	684,017,794	\$33,787
Agriculture, Forestry, Fishing Hunting	41	210	5,567,217	\$26,511
Mining	19	122	4,620,699	\$37,875
Utilities	4	56	4,992,423	\$89,150
Construction	160	723	29,027,021	\$40,148
Manufacturing	80	3,802	205,225,003	\$53,978
Wholesale Trade	79	710	28,092,292	\$39,567
Retail Trade	338	3,901	89,043,095	\$22,826
Transportation and Warehousing	50	382	12,538,794	\$32,824
Information	19	233	8,914,001	\$38,258
Finance and Insurance	70	621	23,383,289	\$37,654
Real Estate and Rental and Leasing	60	224	5,820,586	\$25,985
Professional and Technical Services	95	419	17,320,125	\$41,337
Management of Companies and Enterprises	8	164	5,085,352	\$31,008
Administrative and Waste Services	61	762	45,290,086	\$59,436
Health Care and Social Assistance	177	3,454	113,404,360	\$32,833
Arts, Entertainment, and Recreation	23	227	3,679,050	\$16,207
Accommodation and Food Services	178	2,357	32,370,838	\$13,734
Other Services	188	1,172	22,957,671	\$19,588
Private Households	9	32	504,413	\$15,763
Total, All Government	159	10,207	387,816,649	\$37,995
Unclassified	35	39	1,190,638	\$30,529

Data Source: Quarterly Census of Employment and Wages, developed through a cooperative program between the State of New York and the U. S. Bureau of Labor Statistics

**Cattaraugus County**

**Employment Levels\* by Supersector, 2000 and 2010**

<u>Supersector</u>	<u>Employment Level*</u>		<u>Change:</u>	
	<u>2000</u>	<u>2010</u>	<u>Net</u>	<u>%</u>
Total Nonfarm	34,100	33,300	-800	-2.3%
Total Private	25,200	22,800	-2,400	-9.5%
Natural Resources, Mining and Construction	700	700	+0	+0.0%
Manufacturing	6,000	4,200	-1,800	-30.0%
Trade, Transportation and Utilities	5,800	5,000	-800	-13.8%
Information	300	300	+0	+0.0%
Financial Activities	900	900	+0	+0.0%
Professional and Business Services	1,800	1,500	-300	-16.7%
Educational and Health Services	5,100	5,800	+700	+13.7%
Leisure and Hospitality	3,000	2,600	-400	-13.3%
Other Services	1,400	1,900	+500	+35.7%
Government	9,000	10,500	+1,500	+16.7%

\*Average January - June job count.

Data Source: New York State Department of Labor

Cattaraugus County is the second most populated and urban of the Southern Tier West three-county region. Since 1980, it has seen a decrease in its population of 6.28%; the second largest percentage decrease of the three Southern Tier West region counties. Cattaraugus County also has lost the second most population of the three counties in absolute terms over this period (5,380 persons). In comparison, the three county Southern Tier West region lost 7.10% of its population over this period, while New York State actually gained 10.37% population over this period.

In 2009, Cattaraugus County had a per capita personal income (PCPI) of \$32,257. This PCPI ranked 42nd in the state and was 69 percent of the state average, \$46,516, and 81 percent of the national average, \$39,635. The 2009 PCPI reflected an increase of 2.1 percent from 2008. The 2008-2009 state change was -3.4 percent and the national change was -2.6 percent. In 1999 the PCPI of Cattaraugus County was \$19,990 and ranked 52nd in the state. The 1999-2009 average annual growth rate of PCPI was 4.9 percent. The average annual growth rate for the state was 3.6 percent and for the nation was 3.4 percent. In terms of the County's relative standing in relation to the State with respect to per capita personal income, since 1999 the County's per capita personal income has grown faster than the State's and the County's position amongst other Counties within the State has improved. In comparison to the other two Southern Tier West region counties, the County's personal per capita income was the highest of the three counties. In the most recent year for which data is available (2008-2009), the County's personal per capita income grew, while the State and national per capita income actually decreased.

In addition to its high PCPI relative to the other two counties, Cattaraugus County is tied with Allegany County for the lowest poverty rate of the three counties, at 17%. However, Cattaraugus County's poverty rate still significantly exceeds New York State's poverty rate (19.7% higher than the State rate). Further, fully 10.9% of families and 15.7 % of individuals were below the poverty level of income, compared to 10.5% of families and 13.8 % of individuals for the State as whole and 9.9% of families and 13.5 % of individuals for the Nation as a whole. Still, Cattaraugus County has the lowest percentage of households of the three Southern Tier West counties receiving public assistance (2.6%), which also is lower than the State rate (3.0%) but marginally higher than the national rate (2.4%).

Cattaraugus County also has the second highest median household income of the three Southern Tier West counties. However, Allegany County's median household income is still significantly lower than New York State's median household income (71.1% of the State MHI).

Cattaraugus County's labor force is growing at the second fastest rate of the region's three counties - increasing 5.64% from 1990-2010. Over that same period, the State's total labor force and the nation's total labor force also grew (by 6.3% and 22.3%, respectively). The number of employed in Cattaraugus County also has increased by 900 persons employed from 1990-2010 (a 2.47% increase). In fact, between 1990 and 2010, both Allegany County and Cattaraugus County each experienced a growth in employment of 900 jobs, which represented a higher percentage in Allegany County owing to the smaller employment base (Chautauqua county experienced a decrease in total employment over that same period).

However, between 1990 and 2010, the number of persons unemployed in Cattaraugus County has risen from 2,500 persons to 3,700 persons, and the unemployment rate has increased from 6.3% to 9.1%. Cattaraugus County's unemployment rate is consistently above State and national levels (although in 2010 the national unemployment rate finally exceeded the County's unemployment rate, 9.60% as compared to 9.10%) and has seen drastic increases since 2000, along with the entire region, State and nation as a whole. While reflecting national trends, unemployment rates constantly exceeding State and national levels reveals economic distress in the county.

In terms of employment, between 2001 and 2010, the County's total non-farm employment decreased from 34,100 persons employed to 33,300 persons employed, a decrease of 800 persons employed (i.e., - 2.3%). (This is compared to a 3.0% increase in total non-farm employment in Allegany County and an 8.3% decrease in total non-farm employment in Chautauqua County.) Of the 800-person decrease in the County's total non-farm employment, private sector employment decreased by 9.5% while government employment increased by 16.7%. The good news is that there were two private business sectors in the County that experiencing absolute increases in employment over this 10-year period, the education and health services sector, which gained 700 jobs, and the other services sector, which gained 500 jobs. However, the private business sectors in the County experiencing the decreases in employment over this 10-year period were the manufacturing sector, which lost 1,800 jobs, and the trade, transportation, and utilities sector, which lost 800 of jobs, the leisure and hospitality sector, which lost 400 jobs, and the professional and business services sector, which lost 300 jobs.

In 2000, the County's four largest non-farm employment sectors, in decreasing order, were manufacturing; government; manufacturing; trade, transportation, and utilities; and education and health services. By 2010, the order had become government; education and health services; trade, transportation, and utilities; and manufacturing. As mentioned above, the private business sectors in the County that experienced increased employment between 2000 and 2010 were the education and health services sector and the other services sector. The other private business sectors in the County either experienced employment decreases (e.g., the manufacturing sector; the trade, transportation and utilities sector; the leisure and hospitality sector; and the professional and business services sector) or had no change in employment (e.g., the natural resources, mining, and construction sector; the information sector; and the financial activities sector). Cattaraugus County also has been deeply impacted by the shifting economy and manufacturing decline and must capitalize on its manufacturing expertise and infrastructure by developing comparative advantage in the manufacturing sector and implementing innovative strategies. It can be said, however, that the County has a large employment base relating to seasonal agriculture (farming and processing operations) and recreation/tourism.

The average annual wage in all industries (private and government) in Cattaraugus County was \$35,198 in 2010 (\$32,058 in 2007). The average wage for New York State was \$60,275 in 2010 (\$59,499 in 2007), so the average wage in all industries in Cattaraugus County in 2010 was 58.4% of the average wage in all industries for the State as a whole (up from 53.9% in 2007), or \$25,077 less. In only one private sector did the County's average wage exceed that of the same sector State-wide, the administrative and waste services sector. The County's highest average wages are paid in the utilities sector, the administrative and waste services sector, the manufacturing sector, the professional and technical services sector, the construction sector, and the wholesale trade sector.

Cattaraugus County has the highest percentage of the three Southern Tier West counties of its population receiving a high school diploma (41.9%); however, by a slim margin it finds itself having the second lowest percentage gaining a bachelor's degree (9.6%), and it also has the lowest percentage of its population gaining a bachelor's degree or higher in out of the region's three counties. The County's rate of residents receiving college bachelor's degrees or advanced degrees (17.7%) is lower than both the State's rate as a whole (31.8%) and the national rate (27.5%).



## Chautauqua County

### Selected Economic Indicators for Chautauqua County, NY

	<u>Chautauqua County</u>	<u>New York State</u>
Population, 2010	134,905	19,378,102
Population, percent change, 2000 to 2010	-3.5%	2.1%
Population, 2000	139,747	18,976,811
Households, 2005-2009	54,457	7,137,013
Persons per square mile, 2010	127.0	410.4
Persons under 18 years old, percent, 2009	21.7%	22.6%
Persons 65 years old and over, percent, 2009	16.3%	13.4%
Homeownership rate, 2005-2009	70.0%	55.7%
Per capita money income in past 12 months (2009 dollars) 2005-2009	\$21,023	\$30,634
Median household income, 2009	\$38,203	\$54,554
Persons below poverty level, percent, 2009	17.6%	14.2%
High school graduates, percent of persons age 25+, 2005-2009	85.8%	84.2%
Bachelor's degree or higher, pct of persons age 25+, 2005-2009	19.8%	31.8%
Labor Force (2010, annualized)	64,600	9,630,900
Employment (2010, annualized)	59,000	8,806,800
Unemployed (2010, annualized)	5,700	824,100
Unemployment Rate (2010, annualized)	8.8%	8.6%
Private nonfarm employment, 2008	45,421	7,617,164 <sup>1</sup>
Private nonfarm employment, percent change 2000-2008	-4.1%	3.6% <sup>1</sup>

1: Includes data not distributed by county.

Data Source, Annualized 2010 Employment: NYS Department of labor, Local Area Unemployment Statistics Program

Data Source, All Other Data: U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, Census of Population and Housing, Small Area Income and Poverty Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report, Last Revised: 03-Jun-2011

**Chautauqua County**

**Employment and Wages (2010, annualized, preliminary), for selected industry sectors**

<u>Industry</u>	<u>Reporting Units</u>	<u>Average Employment</u>	<u>Total Wages</u>	<u>Average Wages</u>
Total, All Industries	3,241	51,583	1,714,502,762	\$33,238
Total, All Private	3,077	42,153	1,316,654,481	\$31,235
Agriculture, Forestry, Fishing Hunting	55	438	10,498,262	\$23,969
Mining	23	248	16,650,129	\$67,138
Utilities	7	307	26,316,932	\$85,723
Construction	295	1,494	57,046,987	\$38,184
Manufacturing	205	9,630	459,078,390	\$47,672
Wholesale Trade	126	1,006	42,010,174	\$41,760
Retail Trade	520	6,696	146,248,841	\$21,841
Transportation and Warehousing	82	988	33,235,366	\$33,639
Information	48	678	23,327,413	\$34,406
Finance and Insurance	165	867	35,175,768	\$40,572
Real Estate and Rental and Leasing	96	517	12,498,019	\$24,174
Professional and Technical Services	186	855	29,750,383	\$34,796
Management of Companies and Enterprises	15	197	7,480,520	\$37,972
Administrative and Waste Services	122	2,457	51,843,918	\$21,100
Educational Services	22	637	19,886,674	\$31,219
Health Care and Social Assistance	307	7,554	235,006,375	\$31,110
Arts, Entertainment, and Recreation	66	630	8,255,376	\$13,104
Accommodation and Food Services	333	4,747	59,634,184	\$12,562
Other Services	365	2,178	42,087,734	\$19,324
Private Households	11	33	774,097	\$23,457
Total, All Government	164	9,430	397,848,281	\$42,190
Unclassified	44	31	623,036	\$20,098

Data Source: Quarterly Census of Employment and Wages, developed through a cooperative program between the State of New York and the U. S. Bureau of Labor Statistics

**Chautauqua County**

**Employment Levels\* by Supersector, 2000 and 2010**

<u>Supersector</u>	<u>Employment Level*</u>		<u>Change:</u>	
	<u>2000</u>	<u>2010</u>	<u>Net</u>	<u>%</u>
Total Nonfarm	58,900	54,000	-4,900	-8.3%
Total Private	47,200	42,700	-4,500	-9.5%
Natural Resources, Mining and Construction	1,700	1,900	+200	+11.8%
Manufacturing	13,700	9,300	-4,400	-32.1%
Trade, Transportation and Utilities	10,100	8,600	-1,500	-14.9%
Information	1,000	700	-300	-30.0%
Financial Activities	1,300	1,300	+0	+0.0%
Professional and Business Services	3,400	3,700	+300	+8.8%
Educational and Health Services	7,300	7,900	+600	+8.2%
Leisure and Hospitality	5,500	5,900	+400	+7.3%
Other Services	3,300	3,400	+100	+3.0%
Government	11,600	11,300	-300	-2.6%

\*Average January - June job count.

Data Source: New York State Department of Labor

Chautauqua County is the most populated and urban of the Southern Tier West three-county region. Since 1980, it has seen a decrease in its population of 8.18%; the largest percentage decrease of the three Southern Tier West region counties. Chautauqua County also has lost the most population of the three counties in absolute terms over this period (12,020 persons). In comparison, the three county Southern Tier West region lost 7.10% of its population over this period, while New York State actually gained 10.37% population over this period.

In 2009, Chautauqua County had a per capita personal income (PCPI) of \$29,995. This PCPI ranked 52nd in the state and was 64 percent of the state average, \$46,516, and 76 percent of the national average, \$39,635. The 2009 PCPI reflected an increase of 0.2 percent from 2008. The 2008-2009 state change was -3.4 percent and the national change was -2.6 percent. In 1999 the PCPI of Chautauqua County was \$20,422 and ranked 50th in the state. The 1999-2009 average annual growth rate of PCPI was 3.9 percent. The average annual growth rate for the state was 3.6 percent and for the nation was 3.4 percent. In terms of the County's relative standing in relation to the State with respect to per capita personal income, since 1999 the County's per capita personal income has grown faster than the State's, although the County's position amongst other Counties within the State has slipped slightly. In comparison to the other two Southern Tier West counties, Chautauqua County's personal per capita income exceeded Allegany County's but was less than Cattaraugus County's. In the most recent year for which data is available (2008-2009), the County's personal per capita income grew marginally, while the State and national per capita income actually decreased.

In 2009, Chautauqua County's median household income was only 70.0% of that of the State as a whole. Fully 11.7% of families and 16.3 % of individuals were below the poverty level of income, compared to 10.5% of families and 13.8 % of individuals for the State as whole and 9.9% of families and 13.5 % of individuals for the Nation as a whole.

In terms of employment, between 2001 and 2010, the County's total non-farm employment dropped from 58,900 persons employed to 54,000 persons employed, a reduction of 4,900 persons employed (i.e., -8.3%). Of that amount, private sector employment dropped by 9.5% while government employment dropped by only 2.6%. The private business sectors in the County experiencing the largest absolute decreases in employment over this 10-year period were the manufacturing sector, which lost 4,400 of these net 4,900 jobs lost, and the trade, transportation, and utilities sector, which lost 1,500 of these net 4,900 jobs lost. The private business sectors in the County experiencing the largest absolute increases in employment over this 10-year period were the education and health services sector, which gained 600 jobs and the leisure and hospitality sector, which gained 400 jobs. The County's total decrease in private sector employment was the largest of the three counties in the region in both absolute terms (4,900 jobs lost) and percentage terms (-8.3%). In fact, between 1990 and 2010, the County was the only county of the three counties in the region to experience a decrease in total employment (-8.3%). Over that same period, the State's total labor force and the nation's total labor force also grew (by 6.3% and 22.3%, respectively). In 2000, the County's four largest non-farm employment sectors, in decreasing order, were manufacturing; government; trade, transportation, and utilities; and education and health services. By 2010, the order had become government; manufacturing; trade, transportation, and utilities; and education and health services. There has been small growth in the County's other employment sectors. Chautauqua County is thus also deeply impacted by the shifting economy and manufacturing decline and must capitalize on its manufacturing expertise and infrastructure by developing comparative advantage in the manufacturing sector and implementing innovative strategies.

With respect to labor force, the County's total labor force declined by 5.4% between 1990 and 2010, while the other two counties each actually experienced increases in total labor force during that period. However, in 2010, the County's unemployment rate (8.8% annualized) actually was the lowest of the three counties in the region, and was higher than the State rate as a whole (8.6%) but lower than the national rate (9.6%). The County's 2010 unemployment rate of 8.8% was the highest unemployment rate for the County over the entire period since 1990, and significantly so.

Between 2005 and 2009, the County has the lowest rate of the three counties of residents receiving high school diplomas (85.8%), but has the highest rate of the three counties of residents receiving college bachelor's degrees or advanced degrees (19.8%). Still, the County's rate of residents receiving college bachelor's degrees or advanced degrees (19.8%) is lower than both the State's rate as a whole (31.8%) and the national rate (27.5%).

The average wage in all industries (private and government) in Chautauqua County was \$33,238 in 2010 (\$30,884 in 2007). The average wage for New York State was \$60,275 in 2010 (\$59,499 in 2007), so the average wage in all industries in Chautauqua County in 2010 was 55.1% of the average wage in all industries for the State as a whole (up from 51.9% in 2007), or \$27,037 less. In only one sector, mining, did the County's average wage exceed that of the same sector State-wide. The County's highest average wage sectors, in decreasing order, are the utilities sector, the mining sector, the manufacturing sector, the government sector, the wholesale trade sector, and the finance and insurance sector.

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## Summary of Relevant Material Used in the CEDS from Works Cited

### FEDERAL ECONOMIC DEVELOPMENT PLANS

**The USDA Rural Development Strategic Plan, Fiscal Years 2005-2010**, United States Department of Agriculture, August 2004

This plan provides a strategic approach for addressing the human and economic concerns of rural America. The plan outlines four national priorities for creating economic opportunities and improving the quality of life in rural America:

- Access to capital to build entrepreneurship and business development
- Affordable housing and community facilities
- Broadband deployment to strengthen communications infrastructure and increase the availability of technology in rural areas.
- Realignment of the agricultural cooperatives program to promote contemporary cooperative business models, catalyze building cooperative equity, and stimulate organizational flexibility in market response

The report recognizes two strategic goals:

Goal 1: Increase economic opportunity in rural America - enhance capital formation, encourage a diverse business base, improve access to modern telecommunications, and create new opportunities for agricultural producers and rural businesses.

Goal 2: Improve the quality of life in rural America - develop community infrastructure and provide decent, safe, and affordable housing.

Report Access: <http://www.rurdev.usda.gov/rd/strategicplans/rdstratplan05-10.html>

**Moving Appalachia Forward: ARC Strategic Plan, 2011-2016**, Appalachian Regional Commission, November 2010

This plan is essentially an update of the prior 2005 – 2010 version of this plan, which had been incorporated in the prior version of this CEDS. This plan is the strategic plan for the Appalachian Regional Commission for it to achieve its mission, and sets for the agency's goals, objectives, and strategies for achieving its mission.

*“Changes to the (Appalachian) Region’s economic base present significant opportunities and challenges to Appalachia. The new economy offers opportunities for the (Appalachian) Region in knowledge-based industries and sectors such as services and health care. At the same time, shifting demands present challenges to traditional manufacturing, mining, and agriculture.*

ARC’s mission is to be a strategic partner and advocate for sustainable community and economic development in Appalachia and by doing so place Appalachia in socioeconomic parity with the nation. The concerns and policy recommendations outlined in this development plan are found in more local detail throughout this CEDS.

The goals and objectives outlined in the ARC strategic plan are as follows:

Goal 1: Increase Job Opportunities and Per Capita Income in Appalachia to Reach Parity with the Nation

- Develop leaders and strengthen community capacity
- Diversify the economic base
- Enhance entrepreneurial activity in the region
- Develop and market strategic assets for local economies



- Increase the domestic and global competitiveness of the existing economic base
- Foster the development and use of innovative technologies
- Capitalize on the economic potential of the Appalachian Development Highway System (ADHS)
- Encourage sustainable economic use of natural resources
- Encourage investments in energy projects that create jobs

Goal 2: Strengthen the Capacity of the People of Appalachia to Compete in the Global Economy

- Develop leaders and strengthen community capacity
- Enhance workforce skills through training and education
- Increase access to quality child care and early childhood education
- Increase educational attainment and achievement
- Expand community-based wellness and disease-prevention efforts
- Increase the availability of affordable, high-quality health care

Goal 3: Develop and Improve Appalachia's Infrastructure to Make the Region Economically Competitive

- Develop leaders and strengthen community capacity
- Build and enhance basic infrastructure
- Increase access to and use of telecommunications technology
- Preserve and enhance environmental assets
- Promote the development of an intermodal transportation network

Goal 4: Build the Appalachian Development Highway System to Reduce Appalachia's Isolation

- Develop leaders and strengthen community capacity
- Promote the successful development of the ADHS
- Improve planning to enhance multi-jurisdictional coordination and efficiency
- Encourage intermodal coordination
- Enhance the energy efficiency of the transportation system
- Develop a transportation system that enhances and preserves the region's environmental quality

Each of the above bullets represents a strategic objective, and each objective contains several strategies for accomplishing the objective.

Report Access: <http://www.arc.gov/images/newsroom/publications/sp/ARCStrategicPlan2011-2016.pdf>

**Economic Assessment of Appalachia**, Appalachian Regional Commission, June 2010

This report provides a profile of the people, the economy, and the natural resources of the Appalachian Region. The report notes that *"The Appalachian Region confronts a combination of challenges that few other parts of the country face—mountainous terrain, dispersed population, environmental issues, and lack of financial and human capital. While the Region has a wide array of natural and human resources to meet these challenges, its rate of economic growth and development has not kept pace with that of the nation. ... The well-being of the Appalachian people, the core objective of any development strategy, remains below the national average on a vast range of key indicators, including employment and earnings levels, household income levels, poverty rates, and educational attainment. In addition, Appalachia has higher rates of serious disease, mortality, and disability than the nation as a whole, and in some areas of the Region it is difficult to access treatment and affordable health care. Some Appalachian communities also lack the physical infrastructure necessary to create robust, sustainable local economies, such as adequate water and sewer systems and broadband access. ... Northern Appalachia (where in the Southern Tier West region is located) continues to work to overcome deindustrialization and depopulation, and to develop niche industries to restore stability to the regional economy. ... The consistent contrast between regional and national measures of well-being is at odds with a region possessing abundant natural resources and enjoying significant locational advantages. The Region's large reserves of energy and water have provided a solid base for traditional industries such as farming, forestry, mining, and manufacturing. However, patterns in global trade and technology have shaken Appalachia's historic economic reliance on its natural resources and disrupted many local*

*economies that were already fragile. The combination of these special problems in Appalachia has resulted in concentrated areas of poverty and unemployment. And while the Region has a wealth of natural resources that have benefited the nation, those resources have not generated the level of economic stability, employment, and prosperity that is found across the rest of the nation. The development of new strategies for the growth and diversification of Appalachia's economy must therefore account not only for the challenges and opportunities facing Appalachia, but also for the tremendous diversity of needs and assets across the Region."*

*Further, "The Region's isolation and the difficulties its communities have encountered in working to diversify their economies are major factors contributing to the gap in living standards and economic achievement between Appalachia and the rest of the nation. Many long-standing challenges remain, including persistently high rates of out-migration by the Region's youth, and below-average levels of education and income in some areas. Population out-migration remains well above the national average, and there is continuing concern about the decline in Appalachia's "prime age" workforce—workers between the ages of 25 and 55."*

Cattaraugus County is identified as having a population change between 2000 and 2008 of between -16.9% to -5.1%; Allegany and Chautauqua Counties are identified as having a population change between 2000 and 2008 of between -5.0% to -0.1%. Over this period, the U.S. population change is identified as growing by 8.0% and the Appalachia population change is identified as growing by 5.0%. Source: U S Census Bureau 2008

*Further, "Population change affects age structure and rural development prospects. The population profile of rural Appalachia is shifting: the percent of population in older age cohorts is increasing, partly as a result of age-specific migration patterns. In many parts of Appalachia, younger people are moving out, and in others, retirees are moving in. The population under age 25 in nonmetro counties in Appalachia declined by 5% at the same time the population age 65 and older grew by nearly 12%. The rapid growth of the proportion of the population age 65 and older will likely continue, as baby boomers age into their retirement years and migrate in larger numbers to the more popular communities in the Region. Retirement-age population growth was over 21% in South Central Appalachia, compared with less than 7% in ... Northern Appalachia."*

With respect to education, the report indicates that: *"High educational attainment raises productivity, increases lifetime earning capacity, reduces poverty risk, and is highly correlated with a variety of measures of well-being. A region's educational attainment rate is one of the best long-term predictors of economic growth. The proportion of adults age 25 or over in Appalachia with a college degree is about two-thirds the national average, and the gap is widening. This phenomenon is partly due to college-educated young adults not returning to or settling in the Region, and partly due to a lower college-going rate among high school graduates in Appalachia. All Appalachian subregions lag behind the nation in college attendance and completion ... "*

The report identifies all three Southern Tier West counties as being in the highest range of four ranges in Appalachia for high school completion rates amongst adults age 25 and over, i.e., from 76.7% to 91.4%. The U.S. rate was 80.4% and the overall rate for Appalachia was 76.8%. However, the report identifies all three Southern Tier West counties as being in the next to the lowest range of four ranges in Appalachia for college completion rates amongst adults age 25 and over, i.e., from 11.6% to 17.3%. The U.S. rate was 24.4% and the overall rate for Appalachia was 17.6%. (Source: U S Census Bureau 2000)

With respect to the economy, the report indicates that: *"Once highly dependent on mining, forestry, agriculture, and chemical and heavy industries, the Region's economy has become more diverse in recent times. Mining and manufacturing remain important industries in terms of economic output, but contribute a smaller share of jobs than they once did due to increased mechanization and outsourcing. ... traditional industries such as paper and wood products manufacturing have faced intense global competition and are in decline. The remarkable natural and human resources of Appalachia provide the potential for the development of diverse industries with substantial long-term economic, social, and environmental benefits. ... In recent years, the Appalachian Region has been battered by job losses and structural economic changes. During the 2002–2007 economic expansion, employment increased more slowly in Appalachia than in the nation, averaging 0.8% per year, compared with 1.2% per year for the nation. The Region has also been hit harder by the current economic recession: while total employment in the nation has fallen back to levels last seen in 2004, Appalachia has lost all the jobs gained since 2000."*

With respect to the labor force, the report indicates that: *“During the 2002–2007 economic expansion, labor force growth was slower in Appalachia than in the nation, and during the recent recession, labor force contraction in the Region was much greater (-1.2% compared with -0.3%). ... The proportion of the population that is employed, a measure of labor force participation, was 2 percentage points lower in Appalachia than in the nation as a whole in 2007 (45.8% and 47.8% respectively).”* Also, *“The Appalachian Region’s unemployment rate is generally higher than the rate for the nation as a whole.”*

Further, *“The Region’s economy has historically been heavily dependent on mining, manufacturing, farming and natural resources, and utilities. ... Most of these sectors experienced severe job losses between 2000 and 2007 ... (All of the growing sectors of the Appalachia region’s economy, with the exception of professional services) expanded at a slower rate in Appalachia than in the nation. The information services sector is projected to continue adding the most jobs through 2015, although at a much slower rate in Appalachia than in the nation as a whole. Because this sector adds value and synergy to the overall economy and expands the productive capacity of the workforce, its relatively low concentration and growth rate in Appalachia could lead to a reduced capacity of the Region’s workforce to compete in the global economy in the future.”*

With respect to income, the report indicates that: *“The Appalachian Region lags behind the nation in per capita personal income.”*

Additionally, *“Some occupational skills are thought to be more critical for maintaining economic competitiveness than others. One way to measure and compare occupational composition is to calculate the share of the workforce employed in the “creative class”—those workers who specialize in the novel combination of knowledge and ideas, such as engineers, designers, artists, business managers, and scientists. The share of the workforce employed in the creative class has been associated with higher rates of employment growth in both metro and nonmetro counties. ... Nonmetro Appalachian counties in general appear to be nearing parity with nonmetro counties in the nation as a whole on this metric, but all nonmetro counties are falling farther behind metro counties. To the extent that growth in a knowledge-based economy is dependent on discovery and exploration of novel products and ideas, the lack of workers specialized in these tasks in Appalachia suggests a possible barrier to growth.”*

With respect to infrastructure, the report indicates that: *“Appalachian communities need adequate infrastructure in order to take full advantage of the emerging economic recovery and create robust, sustainable local economies. The development of highways and infrastructure such as water and wastewater treatment systems and broadband communications networks is one of the best ways to equip communities with the basic “building blocks” essential for economic and community development. But many significant challenges remain before the Region’s infrastructure is at full parity with the rest of the nation. Broadband, or high-speed, access to the Internet also strengthens the rural and regional economy by increasing productivity, reducing costs, and enabling business, government, and personal activities to shift to the Internet. Broadband also supports distance learning and telemedicine applications, and helps small businesses enter the world of e-commerce. These activities have particular value for rural, more isolated communities that do not have the same level of access more densely populated areas do. Population, employment, and earnings growth are higher in communities with greater broadband availability. While the Internet has become widely available, high-speed internet access has been less prevalent in rural areas such as Appalachia.”*

The report then discusses natural resources, indicating: *“The Appalachian Region’s rich and varied natural resources—forests, water, soils, energy, and minerals—have contributed greatly to its economic development and drive a significant share of its economic activity. ... Much of the Appalachian Region is characterized by the cool-moist-temperate climate associated with higher elevations. The temperate climate produces large volumes of fresh water and abundant, high-quality hardwood. ... Appalachia’s aquatic resources face significant threats to water quality and flow from inadequately treated sewage and industrial waste. ... Streams once used for swimming, fishing, and drinking water have been adversely affected, and groundwater resources used for drinking water have been contaminated. In some areas, forest lands that sustain water quality and habitat have been fragmented or lost. ... The Region’s ecosystem—scenic topography, forest cover, abundant fresh water, and wildlife and their habitats—provides substantial opportunities for tourism and recreation. ... Nearly all of the Region’s forest land is considered timberland—land that is potentially available to produce crops of timber. The Region contains 514*

*billion board feet of timber, 83% of which is hardwood and amounts to a third of the nation's hardwood resources. Many of the species growing in the Appalachian Region are prized by the hardwood lumber industry. The Allegheny Plateau of Pennsylvania and New York is home to two-thirds of the nation's black cherry resources. ... Appalachian forests are growing nearly twice as much wood as is being harvested. Forests are growing at an annual rate of 3% of current inventory, and of this, 1.7% is removed each year for all purposes, leaving a surplus of growth to accumulate in the forest. Ratios of growth to removals indicate that current harvesting is at sustainable levels and that there is potential for increased rates of harvesting. Four out of every five acres of forestland in the Appalachian Region are in private ownership, and most of these private holdings are family forests. Family forests are generally small and are held for reasons other than timber production. To a large extent, the sustainability of the Region's forests and the benefits they provide rest in the hands of these numerous private owners.*

“As domestic demand for hardwood lumber from furniture and other secondary wood products manufacturers has declined, hardwood lumber manufacturers must increasingly compete in global markets. While exports of hardwood lumber have compensated for some of the decline in domestic markets, emerging markets for biomass (organic matter derived from trees and grasses) offer a new economic opportunity for the Appalachian Region. Appalachian timberland contains an estimated 4.6 billion dry tons of standing above-ground biomass, nearly one-fifth of all the aboveground biomass in the United States. Over a third of the biomass is growing in stands classified as below full density, enabling current income opportunities as well as long term improvements in stand productivity. While 2.5 million truckloads of biomass are harvested in the Region each year, an estimated 585,000 truckloads of recoverable material are left in the woods as logging residue, which could be recovered with increased operational efficiency and/or investments in newer technology. Much of this material could be removed without sacrificing the ecosystem services provided by decaying woody material on the forest floor. In addition, 26.4 million cubic feet of mill residue remains unused each year, produced by numerous small sawmills that dominate the Region. One emerging market for Appalachia's forest resources is the use of woody biomass for co-firing with traditional coal-fired energy production. Ultimately, an annual positive net change in standing inventory, coupled with biomass growing in understocked stands and unused logging and mill residue, offers important resources to an emerging woody biomass industry while maintaining current traditional forest products markets.

“The Appalachian Region produces 13% of the nation's total timber product output volume. In 2007, 1.9 billion cubic feet of roundwood products were harvested in the Region, enough to build 557,000 new homes. Since 2004, the Region's total timber product output volume has declined approximately 9%, and further declines are expected. While there are 1,005 primary wood processing mills in the Region, they represent a small fraction of the number of mills and processing capacity that once existed. Although Appalachia continues to produce and export high-quality hardwood products and timber, some of which are prized worldwide, the Region could benefit by increasing value-added processing.”

With respect to recreation and tourism, the report indicates that: *“Nature-based recreation dependent on forest and other natural resources is important to the Appalachian Region. The natural beauty and climate of Appalachia have implications for long term regional development. Many rural areas have attracted tourists and generated new jobs for people who enjoy the outdoors. Millions of residents participate in a variety of outdoor activities, and the proximity of the Region's recreation areas to major population centers makes them destinations for visitors from outside the Region, underscoring the importance of public lands and forests for Appalachia's economic development.”*

With respect to oil and natural gas production, the report indicates that: *“Between 1956 and 2007, annual Appalachian oil production declined from about 35.6 million barrels to 12.8 million barrels, worth about \$909 million annually at the January 2010 price of \$71 per barrel. During the same period, annual natural gas production increased from about 420 to 897 billion cubic feet, which at \$10 per 1,000 cubic feet is valued at almost \$9 billion. Although much of the Appalachian Region's original hydrocarbon resource has been extracted during the last 150 years, it is estimated that about 56% of the original gas resource and about 20% of the original oil resource remain to be discovered. Future production of natural gas in the Appalachian Basin will come from shale deposits that are rich in organic matter, such as the Marcellus Shale in New York, Pennsylvania, and West Virginia; the Ohio shale in Kentucky; and tight gas sands in the northern Appalachian Basin; as well as from coal beds in*

Pennsylvania, West Virginia, Virginia, and Alabama. Drilling in these shale deposits is beginning to create significant economic growth and environmental impacts for energy-development companies and landowners.”

Report Access:

<http://www.arc.gov/images/newsroom/publications/EconomicAssessmentofAppalachiaJune2010.pdf>

### **Economic Impact Study of Completing the Appalachian Development Highway System**, Appalachian Regional Commission, June 2008

This study assesses the “travel performance, trade, and economic development impacts directly related to completing the ADHS,” of which I86 is one component. “In addition, the study assesses connectivity, accessibility, and network effects – in other words, how do the corridor improvements connect Appalachian people and businesses to other highway facilities, multimodal transportation, and economic markets (labor force, buyers/suppliers, tourists). The study has produced estimates of near- and long-term travel and economic benefits, including benefit/cost analysis to evaluate the expected economic return on investment of completing the ADHS to both the ARC region and the U.S.” The north section of Appalachia, in which the Southern Tier West region is located, is one of three regional case studies reviewed in the study.

“Results of this study include a full range of transportation performance and economic development indicators organized by:

- **Travel Efficiency Benefits** – Travel-time savings, route diversion, and transport cost savings;
- **Direct Economic Impacts** – Reduced industry costs as well as economic development and tourism effects stemming from increased market accessibility;
- **Total Economic Impacts** – Full economic development impacts on the economy of the ARC region in terms of employment by industry, gross regional product, and personal income; and
- **Benefit/Cost Analysis** – Benefit/cost ratios and net present value (NPV) to measure expected return on investment.”

The key study findings are as follows:

- **Travel Efficiency Benefits** – ADHS corridor improvements will produce “significant dollar values of travel benefits to individuals and businesses both within and outside the ARC region.” Further, “completion of the ADHS will result in a significant reduction in travel time for personal, business, and long-distance freight trips. ... The improvements on the to-be-completed ADHS segments will result in a significant increase in traffic using largely rural interstates and expressways.”
- **Direct Economic Impacts** – “Improvements in market accessibility for the ARC region will directly lead to increased economic development opportunities for the region. Accessibility gains were measured at the county level for labor, customer, tourist, buyer, and supplier markets, as well as reduced travel times to seaports, border crossings, airports, and intermodal rail facilities. The ARC region is estimated to gain \$2.1 billion annually by 2035 in economic activity (as measured by value added) due to market accessibility gains by 2035. These accessibility benefits are estimated to gradually phase-in over time based on historic time-series analysis of economic gains from completed ADHS segments. Over half of the travel efficiency benefits are expected to accrue to business-related travel – commodity-based freight truck trips, local non-freight truck trips, and business (on-the-clock) automobile trips ... Completion of the ADHS also will result in market accessibility improvements for large segments of the ARC region. Two hundred thirty-five out of 410 ARC counties are expected to see reductions in travel time to the nearest commercial airport, with 26 counties experiencing an 8 percent or greater reduction in travel time. Three hundred twenty-five out of 410 counties are estimated to increase their accessibility to buyer and supplier markets within a three-hour drive, with 59 counties experiencing an improvement greater than 10 percent.”
- **Total Economic Impacts** – “Total impacts on the economy of the ARC region result from the direct effects of reduced business-related travel time and costs, along with increased regional growth made possible by market accessibility gains and associated multiplier effects. These impacts gradually increase over time and by 2035

are estimated to generate approximately 80,500 jobs, \$5.0 billion in increased value added per year, including \$3.2 billion in increased wages per year for ARC region workers ... The industries in the ARC region projected to benefit most directly from ADHS completion in terms of business retention, expansion, and relocation include: warehousing and distribution, manufacturing, mining and utilities, professional services, and other business services. As demonstrated by the three detailed corridor analyses completed for this study, there are numerous real world examples of businesses that will directly benefit from the completion of highway corridors. ... companies will be able to directly ship products to key port destinations ... and ... inland port(s) ... and thus significantly cut shipping costs and travel time, increase reliability, and improve safety.”

- **Benefit/Cost Analysis** – “Two types of benefit/cost (B/C) analysis are examined in this study to determine the economic return on investment for the ARC region and the entire United States – travel efficiency and total economic benefits. ... While costs are the same from either perspective, benefits vary in two important ways. Travel efficiency benefits are significant for the ARC region but even higher from the U.S. perspective. National efficiency benefits are higher because a significant share of the affected trips are long-distance, high-value freight shipments with origins and destinations outside the ARC region. Total economic benefits, on the other hand, include benefits from increased market access and induced economic development, which accrue primarily to the ARC region, in addition to all travel efficiency benefits (including personal, non-business travel benefits). ... Under all scenarios, including conservative cost and discounting assumptions, completion of the ADHS is expected to result in significant benefits in excess of cost from both the national and ARC regional perspective. ... These benefit/cost ratios are within the range usually found for individual highway projects. They appear stronger than those found for many rural corridors, primarily because: 1) the remaining ADHS segments complete important linkages in a long-distance network that serves a growing domestic and global trade environment, rather than just serving connections between individual rural communities; and 2) these highway segments provide necessary access and connections to/from isolated, mountainous Appalachian communities thus providing significant new economic opportunities as detailed in the three corridor analyses. It also makes ADHS completion particularly important for supporting the future economic competitiveness of the national and ARC regional economies.”

The report also provides the following analytical summary of Corridor T, the I-86 corridor that runs east-west through the Southern Tier West region:

*“Although the majority of the highway improvements are complete, it must be kept in mind that the full potential of Corridor T cannot be appraised completely until construction on several segments is completed.*

*“The Southern Tier maintains economic assets in its skilled workforce, advanced technological capabilities, scenic landscape, fertile land, and a location between the Northeastern Megalopolis, stretching from Boston to Washington, D.C., and the Midwest industrial heartland. Despite these strengths, the Southern Tier has confronted economic headwinds for years, at least in part due to its long-term reliance on manufacturing. As manufacturers have shifted production from the Northeast and Midwest to lower cost locations, the Southern Tier has seen jobs leave and a prolonged out-migration of its population to regions possessing stronger employment growth. Today, with the combined strengths of the Southern Tier’s technological base, centered on the advanced skill sets of its people and the cutting edge research taking place at its corporations and universities, the Southern Tier is now showing more economic resilience and is better situated for growth in the future. The recently completed and nearly completed improvements to the region’s transportation infrastructure – namely the conversion of NY 17 into I 86 – is paramount to supporting the area’s economic revitalization.*

*“The added ability to connect efficiently to large markets, both in terms of the movement of goods and the movement of people, is bringing renewed economic optimism to the Southern Tier. For example, regional leaders are promoting the region as a crossroads, well-connected economy, highlighting connections to I-81 and large surrounding markets.*

*“The Southern Tier continues to have a significant manufacturing presence, with major producers of truck engines, furniture, helicopters, subway cars, glass, ceramics, avionics, electronics, dairy products, and fabricated metals. After years of job losses in manufacturing, many of the region’s larger employers have recently made major investments in the region to accommodate expansion and to increase research and development activity. ...*

*Recent expansions on the Southern Tier have been launched by large employers, including Cummins Engine, ... Alcas, (and) Alstom ... ”*

*“Competitive Advantages of the Corridor Region -*

*“The Southern Tier combines quality of life attributes (lakes, waterways, culture, natural attractions) with historically strong school systems and a productive workforce. More than a century of manufacturing expertise has helped provide a strong work ethic and gives the region a range of skills needed by industry. While the labor force is highly skilled, it is lower cost compared with larger metropolitan areas. The region is advantageously positioned to access the Northeast, the industrial Midwest, and Ontario, the center of Canadian economic activity. The Southern Tier’s location is particularly advantageous for the manufacturing, tourism, and distribution industries.*

*“The Southern Tier also possesses world-class research in several high-technology fields, including ceramics and electronics ... Major universities ... also lead in innovation and supply the region with specialized skills, particularly in electronics and engineering. Several ... institutions lining the Southern Corridor, including Jamestown Community College, Alfred University, and St. Bonaventure University also provide the region with skilled workers and advanced research capabilities (e.g., Alfred University in ceramics).*

*“Competitive Disadvantages/Obstacles of the Corridor Region -*

*“Although the conversion of NY 17 to I-86 has helped improve mobility and the visibility of the Southern Tier, other transportation enhancements are needed to more fully leverage the interstate improvements. These include improved north-south highways, such as NY 60 and U.S. 219 to better reach I-90 and the Buffalo region, notably its airport. Air service is poor in the Southern Tier (low frequency and high fares at commercial airports in Jamestown, Elmira, and Binghamton), making access to larger airports such as Buffalo-Niagara all the more important. Numerous major companies as well as colleges and universities located on the I-86 Corridor have expressed a need for improved access to major airports to support their operations.*

*“There also is a need to invest in the Southern Tier’s infrastructure capacity, including cost-competitive local water and wastewater systems, natural gas and electric service, and broadband telecommunications. Numerous intersections on I-86 are not prepared to accommodate growth and the villages farther from the interstate often lack adequate infrastructure to compete. Prospective companies are looking for “shovel-ready” sites at intersections, but relatively few have infrastructure put in place. The region, in many instances, needs to develop plans to more fully capitalize on the I-86 improvements, including coordinated transportation planning with other modes (e.g., rail and intermodal), land use planning combined with infrastructure improvements to direct growth, and economic development packages to secure business investment.*

*“The slow pace of population growth in the Southern Tier also is a concern. The primary contributor to the slow population growth is domestic out-migration – people leaving the region for other parts of the United States. This outflow has coincided with the long-term decline in manufacturing jobs and has pushed thousands of people to seek opportunities in faster-growing parts of the United States. In coming years, the lack of growth combined with an aging population raises concerns about the availability of a working age population – people that can supply businesses in the region with needed labor.*

*“High taxes (property and income), high energy costs, and other expenses (unemployment insurance and workers compensation) in the State of New York make it more challenging for the Southern Tier to compete with Pennsylvania (and other locations) on the basis of cost, especially in attracting manufacturers. ... Until New York State’s onerous structural costs (taxes and energy) are brought down to levels similar to competitor states, it will be important for these incentives to be maintained, particularly as the Southern Tier competes with other locations to attract and retain manufacturers.*

*“Economic Impact of Corridor -*

*“Industry Opportunities -*

*“Tourism. The completion of I-86 will provide a new east-west corridor and travel alternative to I-90 and I-80. The increase in through-traffic can be tapped into as a tourism market and I-86 could be marketed (signage, marketing*

materials, information centers, travel plazas, etc.) as a corridor, similar to initiatives already in place for the New York Thruway (I-90). The increase in the end-to-end usage of I-86 is expected to spur travel to area attractions such as Chautauqua Institution (160,000 visitors per year), Peek'n Peak (400,000), Allegany State Park (1 million), Seneca Casino (over 1 million), the Holiday Valley/Ski areas (1.2 million), Corning Glass Museum (350,000), Finger Lake wineries and cultural attractions (e.g., Dr. Frank's Vinifera Wine Cellars in Hammondsport, one of 94 wineries in the Finger Lakes Region, has about 60,000 visitors annually) and Tioga Downs (opened mid-2006).

*"Manufacturing. The completion of I-86 allows for the development of industrial corridors in the Southern Tier. These include a ceramics/advanced materials corridor, going from Alfred to Corning, rail equipment and diesel engines from Jamestown to Elmira, and an aerospace corridor from Elmira to Binghamton. The aerospace cluster includes helicopter manufacturing in Owego and Elmira and simulators and avionics (aircraft control equipment) in Binghamton. Recently, the Lockheed Martin facility in Owego was awarded with a contract to build the presidential (U.S.) helicopter fleet. In order to improve production efficiencies for helicopters, Lockheed and other aerospace-related companies are seeking to source more products, such as precision machinery and fabricated metals, locally. Improvements on I-86/NY 17 are helping to support the growth of an aerospace cluster in the region as it allows for supplies to be shipped and delivered more quickly and with greater reliability.*

*"Facilitating Trade and Market Access -*

*"Tourism and Community Development. The emergence of I-86 has helped to boost tourism in Western and Central New York. Visitors seek security and reliability when they travel and will choose to use interstates when possible. People prefer to drive on I-86 over state highways, and this has helped the resort areas in New York (e.g., Peek'n Peak, Lake Chautauqua, and the Finger Lakes). Additionally, I-86 has tied the Southern Tier together as a tourism region, allowing visitors to easily reach the diverse range of attractions, including lakes, waterways, viniculture, performing arts, and nature that stretch along the corridor. ...*

*"Manufacturing. The development of I-86 is considered a crucial factor behind the expansion of several major manufacturers along New York's Southern Tier. Cummins, a world-leading manufacturer of diesel engines, is expanding again after consolidating a division of its manufacturing operations at its Chautauqua County facility several years ago. Cummins is supplied entirely by truck (150 per day) and has a global supply chain. I-86 provides Cummins with a direct interstate link to Midwestern suppliers and the company's expansion in Chautauqua County would not have been as likely without the interstate improvements. Interstate access also was pivotal to Bush Industries, also in Chautauqua County, which returned furniture manufacturing jobs to the Southern Tier. ...*

*"Economic development officials believe these and other manufacturing investments would not have occurred without the I-86 upgrades. In fact, I-86's effect on the retention of manufacturing jobs was a main theme reiterated by Southern Tier economic development officials. Without I-86, it was believed that 25 to 40 percent of the large manufacturers in the region would have been lost and the potential for growth would have been effectively eliminated. The older roads in the Southern Tier are not reliable for shipping or receiving goods and do not work well for "just-in-time" (JIT) logistics strategies. I-86 now provides the roadway infrastructure and connectivity needed to compete in the United States and global economies. Throughout the Southern Tier, numerous business expansions across a wide range of industries were fostered by proximity to I-86, including: tobacco, wood pallets, potato processing, robotics, ceramics, and artificial joints.*

*"Distribution and Logistics. Corridor T's location between major Eastern and Midwestern markets has helped grow and attract several of the largest distribution companies in the United States, as well as the logistics operations of some the country's best-known retailers. This includes the distribution of food products along the entire Eastern Seaboard and consumer electronics for the Northeast. Several of these companies have made very large investments in Southern Tier locations in recent years, underlining their commitment to remain in/expand within the region in the future. I-81, I-88, and NY 17/I-86 provide the Southern Tier with excellent access to major markets throughout the Northeast Corridor, the eastern part of the Midwest, and points south. I-86 is developing into a more viable east-west alternative, allowing truckers to save on I-90 tolls, a further enhancement for distributors operating from locations in the Southern Tier.*



*“Ohio Logistics has recognized the advantages of the region and has located a distribution center in Painted Post, and is anticipating future growth with the completion of the I-86 improvements as well as the conversion of U.S. 15 to I-99, providing it with north-south interstate access, as well as east-west. On the western segment of Corridor T, Kaman Industrial Technologies, a distributor of bearings, power transmission, electrical, fluid power, and motion control products, opened a new branch location in Olean. The company plans to serve both regional and national manufacturers from the location. Improvements to U.S. 219 and better access to the Buffalo market will help southwestern New York become more competitive as a distribution location.*

*“The completion of improvements to NY 17 east of Binghamton as part of the NY 17 upgrade to interstate standards will further improve access to the New York City area and Southern New England while the conversion of U.S. 15 to I-99 in Pennsylvania will provide a new north-south route that will further enhance accessibility for the Southern Tier. Additionally, new interstates will add visibility to the region, making it more likely that other distributors will consider sites in the Southern Tier as prospective locations for expansion.*

*“Connecting People to Jobs, Tourist Attractions, and Services -*

*“I-86 has improved connectivity to markets (labor force, suppliers) and business and non-business destinations outside the region. It also has improved commuting and other business travel within the region, benefiting businesses operating within the area. Improved mobility in the western part of the Southern Tier has helped attract delivery companies (e.g., FedEx), providing parcel delivery services that are crucial (and expected by businesses) to compete both domestically and worldwide.*

*“Health services have become more accessible and major new healthcare facilities on the 285-mile corridor are being built on sites immediately adjacent to the interstate. ... In a similar fashion, new libraries ... are being built on sites next to the I-86 corridor. Educational institutions, likely due to improved access by students and teachers, are selecting locations adjacent to I-86 for expansions. Jamestown Community College’s Olean branch recently expanded to a site near the highway and future plans call for another satellite campus close to I-86 in Belvidere.*

*“I-86 serves two major tourist districts, the Lake Chautauqua/Allegany State Park area in Southwestern New York and the Finger Lakes region in Central New York – both popular for visitors and second homes. Lake Chautauqua, and its venerable Chautauqua Institution, has been a popular destination for well over a century. I-86 aids access to the institution from the Cleveland area, as well as from Central New York. The improved highway also has been a factor spurring a \$280 million investment at Peek’n Peak to convert the facility into a high-end year-round resort, combining ski, golf (including a PGA tour quality course), spas, new hotels, and a conference center. Nearby, the Village of Sherman, also on I-86, has received a grant to improve its Western-appearing downtown as a tourist draw, and the town of Mayville on the north shore of Lake Chautauqua has experienced a sharp increase in tourism-related development.*

*“New hotels and restaurants are being built throughout the I-86 Corridor, both to accommodate tourists and increased through-traffic. A well-placed rest stop on I-86 with a view of Lake Chautauqua has become a popular spot for drivers, attracting 220,000 vehicles in 2006. Many of these people are headed for the Seneca Casino in Salamanca, and tourist information has helped raise the awareness of the region as a place to visit beyond the casino. Directly on I-86 frontage in Salamanca, the Seneca Casino has emerged as a leading tourist draw in Southwest New York. Cleveland is a key market for the region and I-86 is considered a lifeblood. In Central New York, the Finger Lakes Region is experiencing rapid growth as a tourist destination and I-86 is a key route for reaching the area from Cleveland, Philadelphia, Pittsburgh, and New York City – cities targeted by Finger Lakes’ marketing efforts.*

*“Overall Economic Development Impacts -*

*“The I-86 improvements help the region’s employers by expanding the labor market. People can cover longer distances in less time and with greater reliability (less congestion, fewer unanticipated delays, and better snow removal) on I-86 than on state and local roadways. For large manufacturers, the ability to draw on a bigger, more diverse labor pool is an important competitive factor that helps to keep them in the Southern Tier. For example, I-86 has enabled Olean employers to attract workers from as far away as Hornell, helping to meet labor needs.*

*“Distribution and logistics companies have recognized the advantages of locating on I-86 and further expansions are expected as I-86 and I-99 are completed, giving the Southern Tier an east-west and north-south interconnection. The completion of I-86 will improve access to Boston and New York, while I-99 in conjunction with I-390 and I-81 will provide interstate connections from the Southern Tier to Washington, Baltimore, the U.S. South, and the large Canadian markets. This future east-west and north-south interconnection already is being marketed by Southern Tier economic development agencies even though I-99 will not be completed until 2010 or 2011.*

*“Manufacturing companies, as previously discussed, also have been drawn to the I-86 corridor and more are expected as the interstate is completed. Industrial parks ... offering access to ... I-86 and (r)egional (a)irport(s) ... are helping to attract a more diverse manufacturing base ... to the Southern Tier region. ... Investments such as these are expected to not only bring economic growth to the region but also will help the Southern Tier weather economic downturns. Jamestown, New York economic development officials describe I-86 as a boon to their area and pivotal for retaining its manufacturing jobs and manufacturing suppliers. Looking into the future, the city plans to redevelop its riverfront area into a major recreational attraction that would attract thousands of people on a yearly basis. The details of the project are being developed but it is clear that the prospects for such a proposal would be greatly reduced without the improved access that I-86 provides the city.*

*“Other Issues and Stakeholder Comments -*

*“The towns and attractions nearby I-86 are trying to attract people from the highway, and are dependent on highway signage for marketing, but much of the through traffic is not aware of the recreational opportunities in the region. Through traffic on I-86 represents the most cost-effective way to market to potential visitors and higher traffic levels translate to more tourism dollars. However, it has proven very difficult and expensive to add signage to I-86. The area needs more signs showing how to obtain information (800-CALLNYS) and logo signs at exits pointing to area attractions and services. The logo signs are very expensive (\$10,000 or more per year) and the process to post a sign is slow.”*

Report Access: [http://www.arc.gov/assets/research\\_reports/EconomicImpactStudyofCompletingADHS.pdf](http://www.arc.gov/assets/research_reports/EconomicImpactStudyofCompletingADHS.pdf)

### **Energizing Appalachia: A Regional Blueprint for Economic and Energy Development, October 2006,** Appalachian Regional Commission, October 2006

This document is an "energy blueprint" for Appalachia, providing a strategic framework for the promotion of energy-related job opportunities through the stimulation of sustainable energy production, efficiency, and innovation efforts in the Appalachian Region. It condenses key findings and shares initial recommendations from research studies, regional energy roundtables, and the work of the ARC Energy Advisory Council. It includes an overview of the global, national, and regional energy landscapes; an explanation of the Energy Blueprint's goals and strategic objectives; and an identification of specific strategies that can be pursued by ARC and its partners.

ARC's energy goal is to *“develop the Appalachian Region's potential to increase the supply of locally produced, clean, affordable energy, and to create and retain jobs”*. The strategic objectives for economic and energy development outlined in the plan include:

- Promote energy efficiency in Appalachia to enhance the Region's economic competitiveness
- Increase the use of renewable energy resources, especially biomass, to produce alternative transportation fuels, electricity, and heat
- Support the development of conventional energy resources, especially advanced clean coal, to produce alternative transportation fuels, electricity, and heat

The report details the imbalance of the oil and gas markets and its effect on the costs of transportation fuels and residential and commercial heating, as well as the costs of generating electricity and supplying energy to the manufacturing and agricultural sectors of the world economy. Policy recommendations include:

- Technology research and development and demonstration programs
- New energy technology investment incentives

- Energy or efficient products production incentives
- Consumer adoption incentives for energy efficiency purchases
- Standards and mandates to promote energy efficiency, market adoption, and environmental quality

Report Access: <http://www.arc.gov/publications/EnergizingAppalachiaARegionalBlueprintContents.asp>

**Unlocking Rural Competitiveness: The Role of Regional Clusters**, U.S. Department of Commerce, Economic Development Administration, January 2007

The plan contains the following statements: “Most of the 17 clusters analyzed tend to be concentrated in urban counties. The clusters most strongly oriented toward urban locations are business and financial services; biomedical/biotechnology; information technology and telecommunications; and printing and publishing. The three clusters with the strongest rural orientations are agribusiness, food processing and technology; forest and wood products; and mining. ... Although rural economies have historically lagged behind urban economies, there is scattered evidence of the possible narrowing of the gap between rural and urban economic performance. ... The clusters most strongly associated with higher levels of economic performance are business and financial services; information technology and telecommunications; and printing and publishing. ... Human capital (as measured by educational attainment) is the primary factor related to differences in income growth among counties.”

With respect to rural economic development and cluster development strategies, the plan indicates the following:

- *“Clusters are a useful concept for strategic planning for rural regional economic development.*
- *Contrary to traditional thinking, most rural economies are not dependent upon agriculture.*
- *Non-disclosure of establishment data at detailed NAICS levels is a major obstacle to the finer-grained analysis that is most useful. This is a particular problem in analyzing rural areas because the number of establishments tends to be much smaller than in metropolitan areas.*
- *Mapping is a particularly helpful way to illustrate and communicate data on counties and regions.*
- *A successful planning activity requires at least six months to engage and collaborate successfully with regional stakeholders.*
- *The concepts and techniques of cluster analysis appear to be a useful tool for regional leaders; however, an educational component on the front end of the project is essential.*
- *Rural stakeholders may not be accustomed to thinking in regional frameworks, but are amenable to broaden their perspective.*
- *Surveying business executives in the region may require repeated efforts to collect an adequate number of responses.”*

Report Access: <http://www.eda.gov/PDF/2007%20Unlocking%20Rural%20Comp%20Report.pdf>

**A Resource Guide for Technology-based Economic Development (Positioning Universities as Drivers, Fostering Entrepreneurship, Increasing Access to Capital)**, U.S. Department of Commerce, Economic Development Administration, August, 2006

Following is an excerpt from this planning document:

*“Based on the experience of tech-based economies like Silicon Valley, Research Triangle, and Route 128, it is generally acknowledged now that the following elements are required for a tech-based economy:*

- *An intellectual infrastructure, i.e. universities and public or private research laboratories that generate new knowledge and discoveries*
- *Mechanisms for transferring knowledge from one individual to another or from one company to another*
- *Physical infrastructure that includes high quality telecommunications systems and affordable high speed Internet connections*
- *Highly skilled technical workforce*
- *Sources of risk capital*

- Quality of life, and
- Entrepreneurial culture”

Report Access: <http://www.eda.gov/PDF/2006%20Resource%20Guide%20Report.pdf>

**Measuring Broadband’s Economic Impact**, U.S. Department of Commerce, Economic Development Administration, February, 2006

The plan indicates that “The results support the view that broadband access does enhance economic growth and performance, and that the assumed economic impacts of broadband are real and measurable. We find that between 1998 and 2002, communities in which mass-market broadband was available by December 1999 experienced more rapid growth in employment, the number of businesses overall, and businesses in IT-intensive sectors, relative to comparable communities without broadband at that time. The analysis did not find a statistically significant impact of broadband on the average level of wages; however, the effects of broadband availability by 1999 can also be observed in higher property values in 2000.”

*Additionally, “The magnitude of impacts estimated by our models are larger than we expected ... For most of the impacts studied here to appear, broadband had to be used, not just available. The implication for economic development professionals is that a portfolio of broadband-related policy interventions that is reasonably balanced (i.e., also pays attention to demand-side issues such as training) is more likely to lead to positive economic outcomes than a single-minded focus on availability. The positive direction of broadband’s impacts was found to be robust across the different models tested at the zip code level, including models of economically distressed areas such as the Appalachian region. Our findings thus support the conclusion that broadband positively affects economic activity in ways that are consistent with the qualitative stories told by broadband advocates. Economic development practitioners who have been spending their time or money promoting broadband have indeed been engaged in a worthwhile pursuit. Many significant programs are in place or under consideration at the federal, state, and local levels to ensure competitive availability of broadband to all U.S. citizens, stimulate ongoing investment in broadband infrastructure, and facilitate the education and training that small business and residential customers need to make effective use of broadband’s capabilities. Such policies are indeed aimed at important goals. Broadband is clearly related to economic well-being and is thus a critical component of our national communications infrastructure.”*

Report Access: <http://www.eda.gov/PDF/2006%20Measuring%20Broadband%20Report.pdf>

**NEW YORK STATE ECONOMIC DEVELOPMENT PLANS**

**Industry Clusters in New York’s Economy: A Statewide and Regional Analysis**, New York State Department of Labor, February 2011

This report discusses industry clusters in New York State at the State and regional level. The report states, “The key aspect of cluster industries is that they are export oriented. Thus, industry clusters sell their services and products to customers outside their home market. These exports, in turn, generate income and employment in the local economy. The Empire State Development Corporation (ESDC) has identified and defined 16 industry clusters in the state. Most clusters are further divided into sub-clusters.”

The 16 industry clusters identified by NYS ESD are as follows:

1. Back Office & Outsourcing
2. Biomedical
3. Communications, Software & Media Services

4. *Distribution*
5. *Electronics & Imaging*
6. *Fashion, Apparel & Textiles*
7. *Financial Services*
8. *Food Processing*
9. *Forest Products*
10. *Front Office & Producer Services*
11. *Industrial Machinery & Services*
12. *Information Technology Services*
13. *Materials Processing*
14. *Miscellaneous Manufacturing*
15. *Transportation Equipment*
16. *Travel & Tourism*

This report provides 2009 statewide and regional data highlights for the above 16 industry clusters identified by NYS ESDC, using data from the NYS DOL Quarterly Census of Employment and Wages program. For the state as a whole and its 10 labor market regions, the report ranks industry clusters using four different criteria:

- Total employment
- Total wages
- Average annual wage
- Location quotient

The reports cites Michael Porter's 1990 book, *The Competitive Advantage of Nations*, in which Porter indicates that the following factors are critical in conferring a competitive advantage to a regional cluster:

- **Factor conditions.** *Factors of production, such as skilled labor or infrastructure, necessary for a region to compete in a given industry.*
- **Demand conditions.** *The nature of local market demand for the industry's product or service.*
- **Related and supporting industries.** *The presence or absence in the region of supplier industries and other related industries.*
- **Firm strategy, structure, and rivalry.** *The conditions in the region governing how companies are created, organized, and managed, as well as the nature of domestic rivalry.*

The report indicates that cluster employment and wages are significant in New York State as compared to non-cluster employment and wages, and indicates that average cluster wages are significantly higher than non-cluster wages.

The Western New York Labor Market is a five county region, of which the three Southern Tier West counties are the smallest three counties. The report indicates the Western New York Labor Market Region's top five economic clusters, as measured by employment, total wages, annual average wage, and location quotient. The target industry clusters identified by Southern Tier West and by its constituent counties as being the most important counties in their respective jurisdictions by and large are sub-clusters of both the 16 clusters identified by NYS ESD and the most important Western New York Labor Market economic clusters, at the 6-digit NAICS code level.

Report Access: [http://www.labor.ny.gov/stats/PDFs/IndustryClusters\\_report2009.pdf](http://www.labor.ny.gov/stats/PDFs/IndustryClusters_report2009.pdf)

### **The Decade in Review: New York State's Labor Markets, 2000 - 2010**, New York State Department of Labor, 2011

This report summarizes trends in New York State's labor market from 2000 to 2010. The report indicates that:

*"During the first decade of the new millennium, the U.S. economy experienced dramatic swings, alternating between expansion and contraction. The decade started off with great promise. Unfortunately, the economy*

*was in the final stages of the Internet-fueled tech bubble that began in the 1990s. A severe national recession soon followed, devastating both labor and financial markets. After a five-year recovery/expansion, a second, more severe recession—dubbed the “Great Recession”—again shattered markets and had the distinction of being the longest U.S. economic downturn since the 1930s. With these two economic events serving as bookends, it is easy to understand why some analysts refer to 2000-2010 as a “lost decade” for American workers.*

The report notes that during this period, New York State’s economy experienced what it terms “ups and downs.” The report goes on to note:

*“The first state recession in the decade lasted from December 2000 to August 2003. The second recession in the state this past decade started in April 2008 and ended in December 2009. ... From the first half of 2000 to the first half of 2010, New York State lost 134,600 private sector jobs, or 1.9% of its employment. This rate of job loss was less than the nation (-2.9%), and ranked (New York State) 24th among the 50 states.”*

In terms of summary changes in employment occurring in New York State’s principal industry sectors between 2000 and 2010,

*“Manufacturing, as expected, was the hardest-hit sector in the state over the decade. It lost 294,500 jobs (-39.1%). (The U.S. lost 33.1% of its manufacturing jobs over the period.) The largest factory job losses in the state were registered in these industries:*

- *Apparel (-48,500);*
- *Machinery (-33,100);*
- *Computers and electronic products (-28,400);*
- *Transportation equipment (-22,000);*
- *Chemicals (-21,500);*
- *Fabricated metal products (-21,500).*

*“The steep losses in manufacturing jobs reflect long-term structural changes in the state’s economy. Some jobs moved offshore or to other states, while others became obsolete due to improvements in technology. Most of the jobs lost in manufacturing are not expected to return.*

*“Job losses in the trade, transportation and utilities industry sector (-95,200) were centered in wholesale and retail trade (-75,800). Employment levels in this economically-sensitive sector tend to fluctuate with changes in consumer confidence.*

*“The job count also declined in the financial activities sector (-79,300) over the decade. Sector job losses were largest in banking (-34,400) and securities and brokerages (-31,100). The banking industry has shed jobs for many years. In contrast, employment levels at securities and brokerage firms peaked in 2000, declined through 2004, and then picked up before the 2008 financial crisis hit.*

*“The educational and health services sector (+309,500) had the largest job gains between 2000 and 2010, helping to offset some of the losses in other industries over the past decade. Sector gains were centered in health care and social assistance (+210,700), while education added 98,800 jobs. The number of jobs in health services grew steadily over the decade, due in part to the rapid increase in the number of older New Yorkers who are living longer. The overall population is also spending more on health care in general. Continuing shortages in nursing, home health care and related occupations illustrate the rapid increase in demand for health care.*

*“Employment in the leisure and hospitality sector also grew over the decade (+86,500). Job gains there were concentrated in accommodation and food services (+65,600). Rising employment levels in leisure and hospitality reflect the long-term growth occurring in the Empire State’s tourism sector.*

The report also provides historical perspective on macroeconomic conditions during the decade:

*“The decade started off on a high note. At the beginning of 2000, the economy was humming along as the stock market climbed higher, driven in large part by the emergence of new Internet technology companies. On*

the labor market front, the nation added 250,000-350,000 private sector jobs each month during the fourth quarter of 1999. In addition, the U.S. unemployment rate hovered just below 4.0%, its lowest level in 30 years.

*“However, Wall Street’s long run soon ran out of steam. ... A national recession hit in March 2001. While the U.S. downturn was of relatively short duration, lasting only until November 2001, job losses in New York were compounded by the tragic events of September 11, 2001. New York State’s private sector job count, which peaked at 7,237,900 in December 2000, continued to decline through August 2003. This resulted in a cumulative job loss of 329,300, or 4.5%, over the December 2000-August 2003 time frame.*

*“The ensuing economic recovery that took hold in the U.S. in 2005-2006 led to and was supported by a large run-up in residential real estate sales,”* resulting in the real estate market becoming overheated and many consumers spending well beyond their incomes. However,

*“As noted above, New York State experienced smaller job losses than the nation during the Great Recession. One important factor contributing to these smaller losses was the fact that the housing sector meltdown affected New York State’s economy, especially the Upstate region, to a much lesser extent than other states, such as Florida, Arizona, and Nevada. The U.S. housing boom lasted until 2006. ... The first hints of the nation’s developing housing and credit meltdown emerged in early 2007. ... The ensuing U.S. financial crisis quickly spread throughout the entire U.S. economy and around the globe. ... The depth and the scope of the crisis came into focus in September 2008 when it entered a tumultuous new phase, badly shaking confidence in global financial institutions and sending financial markets reeling. This triggered a cascading series of bankruptcies, forced mergers, and radical government interventions. ... The federal stimulus package—officially known as the American Recovery and Reinvestment Act (ARRA) of 2009 ... was signed into law on February 17, 2009. ...*

*“Recent employment reports indicate that the worst economic news is now behind us. The so-called ‘Great Recession,’ which started in December 2007, officially ended in the U.S. in June 2009, according to the National Bureau of Economic Research. At 18 months, this was the longest economic downturn in the U.S. since the 1930s. Over this time span:*

- *The national economy lost 7.5 million private sector jobs (-6.5%);*
- *The unemployment rate almost doubled, climbing from 5.0% to 9.5%;*
- *The number of unemployed Americans almost doubled to 14.7 million.*

*“The New York State Department of Labor’s Index of Coincident Economic Indicators (ICEI) series was used to determine the beginning and end dates of the recession in New York State. The ICEI model combines and weights four key indicators of statewide economic activity, which have historically moved in conjunction with the state’s business cycles. These indicators include:*

- *Private sector employment;*
- *Unemployment rate;*
- *Average weekly hours of manufacturing workers;*
- *Sales tax collections.*

*“Based on turning points in the ICEI series, the latest economic downturn in New York State:*

- *Started in April 2008 (four months after it began in the U.S.);*
- *Ended in December 2009 (six months after ending in the U.S.);*
- *New York State’s latest recession lasted 20 months (two months longer than the U.S. recession in the U.S.);*

*“Contrary to public perception, this downturn was a not a “Great Recession” in New York State. In fact, this most recent economic slump was New York State’s shortest recession since the 16-month slump lasting from August 1981 to December 1982. ...*

*Over the course of the April 2008-December 2009 downturn in New York State:*

- *A total of 352,700 private sector jobs were lost (seasonally adjusted), a decline of 4.8%;*
- *The statewide unemployment rate climbed from 4.8% to 8.9%;*
- *The number of unemployed New Yorkers increased by 86% to almost 860,000.*

*“While the most recent economic downturn in New York State was short-lived by historical standards, a much bigger question remains: What path will the ensuing economic recovery take? Much of this depends on the U.S. economy, since the economic outlook for New York State is closely linked to what occurs nationally.*

*“Both the national and state economies, however, remain mired in a sluggish recovery. The U.S. economy has added private sector jobs every month since January 2010. However:*

- *U.S. job growth to date the growth has not been fast enough to create the massive number of jobs needed to bring down the overall U.S. unemployment rate, which was 9.8% in November 2010.*
- *The U.S. unemployment rate has now been above 9% for 19 consecutive months, the longest stretch on record in the post WWII era.*

*“The recovery looked similarly promising for the New York State economy in early 2010. Starting in January, the state added private sector jobs for four consecutive months. Since April 2010, however, the state has lost private sector jobs in three of the following seven months through November 2010 (seasonally adjusted).*

*“As of November 2010, where does the state’s labor market stand? To summarize:*

- *November 2010’s very small preliminary statewide private sector jobs gain (+700) underscores just how uneven the current economic recovery has been in the state. In October 2010, the state added a revised 37,800 private sector jobs (the largest gain in over five years), while in September the state economy actually lost 23,100 private sector jobs;*
- *Eleven months into the current recovery, the state has added 84,900 private sector jobs. However, the state’s private sector job count still remains more than 265,000 below where it stood at the beginning of the state’s downturn in April 2008;*
- *The state’s public sector has continued to lose jobs during the economic recovery. In fact, government has been the single largest source of job losses in the state. From December 2009 to November 2010, the government job count fell by 31,500, or 2.1%, on a seasonally adjusted basis.*
- *Most public sector job losses over the December 2009- November 2010 were at the local (-19,500) and state (-8,700) government levels;*
- *While the state’s unemployment rate has dropped somewhat—from 8.9% at the beginning of the recovery in December 2009 to 8.3% in November 2010—it remains well above the 4.8% level at the beginning of the state’s recession in April 2008;*
- *The number of unemployed residents in the state remains stubbornly high—just below 800,000—a level it has maintained since the spring of 2010. This high jobless rate reflects the uneven nature of the recovery to date.*

*“It usually takes the New York State economy at least several years to recover from recessions. Over the past five recessions since 1973, it has taken an average of five years for the state’s economy to regain all of the jobs lost during a downturn.*

*“To date (December 2009-November 2010), the state’s economy has added an average of 7,700 private sector jobs per month (seasonally adjusted) during the current economic recovery. If job creation in New York continues at this monthly pace, the state would be on schedule to regain all of the 352,700 private sector jobs it lost during the downturn (April 2008-December 2009) by late 2013. Thus, from the beginning of the state’s economic downturn in April 2008, it would take about 5½ years (slightly longer than the average over the past five business cycles) for the state to recover all of the jobs lost during the recession. ...*

*“Among New York State’s more recent downturns, the March 1989-November 1992 recession stands out for its severity in terms of:*

- *Depth: It wiped out about 8% of the state’s private sector jobs at its deepest point;*
- *Length: It took about 9 years to regain all of the jobs lost.*

*“By comparison, the downturn that started in December 2000 was much shallower, removing only about 4.5% of the state’s private sector jobs at its deepest point. From the start of that downturn, it took a little over 6 years to add back all of the lost jobs.*



*“The state’s April 2008 economic downturn was slightly worse than the 2000 recession, with a job loss of 4.8% at its deepest point. However, this rate of loss was much less severe than the job declines experienced during the March 1989 downturn.”*

Report Access: <http://www.labor.ny.gov/stats/PDFs/NYS-Decade-in-Review-Full-Report.pdf>

**New York State Workforce Development System 2009 Annual Report**, New York State Department of Labor, 2009

This report summarizes NYS DOL’s achievements with respect to labor force development and assistance during 2009. In doing so, the report touches on strategic elements important to our region. The report indicates that NYS DOL undertook or accomplished the following in 2009:

- offered the Skills Matching and Referral Technology (SMART 2010) tool to the State’s workforce system, which analyzes resumes and job descriptions and generates and emails lists of job leads for job seekers based on the likelihood that they will follow a certain career path based on their work histories, education and skills.
- launched the Emerging and Transitional Worker Training for low-income, unemployed adults
- launched the Building Skills in New York State (BUSINYS) that provides training to upgrade workers’ skills to avert layoffs
- launched the Disconnected Youth Training focusing on low-income youth ages 14-24
- launched the State-level On-the-Job Training Program to train long-term dislocated workers
- launched the Career Development and Youth Initiatives Unit to improve services to youth throughout the workforce system
- Partnered with the NYS Energy Research and Development Authority (NYSERDA) to create the Green Careers New York ([www.greencareersny.com](http://www.greencareersny.com)) Internet portal to provide information on a variety of “green” topics -- jobs and careers, training, and incentives for going green
- expanded services to businesses to help avert layoffs and weather the recession
- set up the New York ASSET (Assist, Stabilize, Secure, and Empower Turnaround) program
- continued the Shared Work program for employers
- renewed the eight Regional Economic Transformation Strategies contracts to enhance the competitive advantage of awarded regions by improving the supply and quality of each region’s talent pipeline, building on either a sector-based or a cluster-based approach that focuses on attracting, developing or retaining talent. The plans from these regions focus on: Advanced Manufacturing, Health Care and Green Technologies/Renewable Energy/Biotechnology
- launched the Emerging and Transitional Worker Training program, with a goal to include delivering training in high priority sectors (Construction Trades, Health care, Advanced Manufacturing and Transportation)
- launched the Career Pathways program, which will *“give people on Family Assistance and others with low incomes (age 16 and over) the skills they need to find work in career pathways in high growth or high demand industries,”* a *“key to regional economic growth across New York State.”* The sectors targeted included:
  - *“Health care*
  - *Renewable energy*
  - *Building trades*
  - *Construction*
  - *Retail*
  - *Information technology*
  - *Maintenance*
  - *Transportation*
  - *Administrative support*
  - *Security*
  - *Food service”*

This initiative was to continue through 2011.

**NYS Workforce Investment Board: Strategic Five-Year State Plan 2003**, New York State Department of Labor, 2003

This plan discusses human assets and weaknesses in the Statewide economy. The plan notes that there is *“ongoing structural change in the economy,”* including a *“continuing growth in the services industries.”* The service industries that have grown the most in recent years and that are expected to grow the most include business, health, education and social services fields; computer- and health-related fields; the construction field; and the new media industry fields (which is comprised of computer-related enterprises such as Internet services, software developers for personal computers, multimedia and video games, and web site development).

With respect to the manufacturing sector, the plan notes that *“despite many changes, the factory sector remains an important part of New York’s economy. In an environment of increased global competition, New York’s manufacturers will need workers who are rich in skills and able to learn new skills and new procedures as technologies emerge.”*

Further, *“technology has and will continue to transform the workplace. Computer usage is nearly universal in almost all industries. The rapid expansion of e-commerce and information technologies will accelerate this trend.”*

With respect to projected skills development needs, the State Plan notes that *“the State will need persons skilled in computer programming, data processing, and cutting edge computer-related fields. Skills in many health care fields will be in demand as the population ages and requires greater levels of health services. Individuals with skills in the construction trades and machine trades should have little trouble finding jobs. Teachers and trainers will be in demand as long-time teachers retire in great numbers and the workplace increasingly requires that workers learn new skills throughout their working lives. Social services workers will be in demand as well.”*

Additionally, *“the New York labor force will include more women and more multi-cultural persons in the next five years. In addition, New York’s labor force participation rate will rise as many persons enter the workforce for the first time. Many of these first-timers will lack the skills that employers need. Ongoing welfare reform efforts and foreign immigration will contribute to labor force growth.”*

The State plan goes on to state *“to minimize future labor shortages, it will be necessary to provide training for those in New York who cannot otherwise acquire suitable employment. Training will be especially important since New York’s working-age population is expected to grow slowly. Workers, including incumbent workers, unemployed workers, displaced workers, and new entrants to the labor force, will require labor market information about available and emerging employment and training opportunities and opportunities for high wage, high skill employment.”*

The plan goes on to say *“many new labor force entrants, including former public assistance recipients and recent immigrants, will require training in basic literacy (e.g., English as a second language), social, or job-specific skills. Upgrading the skills of incumbent workers will be required to keep New York State businesses competitive, minimize worker underemployment, and to keep pace with technological change. Worker training should reflect the increased use of technology and computer skills throughout nearly all industries.”*

With respect to projected skills development needs, the State Plan includes the following narrative:

*“Skill development will vary widely. There are three types of skills: work-readiness or social skills, basic educational skills, and job-related occupational skills. Examples of work-readiness or social skills include coming to work on time, dressing appropriately, and getting along with others. Examples of basic educational skills include reading, writing and math. Examples of job-related occupational skills include how to wire an electrical outlet, how to paint a car, and how to create a web page. Workers with no work experience and no high school diploma may need basic skill training, including literacy training.*

*“Basic and work-readiness skills development may be appropriate for customers with no work experience, an inadequate education, and a lack of work-readiness skills. Job specific training will be provided to customers who have basic and work-readiness skills, but lack all the job-specific skills needed to work in a demand occupation. For example, job-specific skill development would be appropriate for incumbent workers who need to update their technical skills to meet the new skill requirements of their current job.*

*“The projected skill development needs of customer segments vary according to the skills they possess when they access the Workforce Development System. There are a number of customer segments, including, but not limited to, dislocated workers, public assistance recipients, older workers, veterans, migrant and seasonal farm workers, Native Americans, persons with disabilities, women, minorities, businesses and youths.*

*“Individuals in each of these customer segments may need help finding and interpreting labor market/career information and planning and executing a job search. The table below shows which customer segments are most likely to require work-readiness, basic educational, and job-related occupational skills.”*

Report Access: Report not available online

**NYS Workforce Investment Board: Two Years of the Strategic Five-Year State Plan, 2007-2009**, New York State Department of Labor, May 2007

This document discusses the human assets and weaknesses of the statewide economy. It notes that *“between 1990 and 2006, the New York State economy continued its long-term transition from one centered in the manufacturing of goods to one dominated by the service-providing sector...Service-providing industries are expected to continue to account for most new jobs in New York through 2014, while manufacturing is projected to continue to shed workers into the foreseeable future.”*

In describing current and projected statewide growth industries, the State Plan notes, *“The professional and business services sector has the highest projected growth rate among the major sectors of the State’s economy. Within this sector, strong growth is expected in the high-skilled occupations in the professional, scientific, and technical services industries...Demographic changes, especially the aging of the population, will significantly impact industries and occupations in demand. As a result, the health care and social assistance sector is projected to have the second highest growth rate in the State’s economy... Although manufacturing employment as a whole is projected to continue to decline, specific high technology industries are projected to grow and develop...Construction is another sector expecting strong growth...Population trends are also expected to affect the need for workers in education and related occupations...strong growth is projected for educational workers”*

Although this data analysis identifies many issues, the following are main issues recognized by the State Plan as challenging workforce development and economic growth:

- The need to increase labor force participation rates and training accessibility
- The need to increase the levels of literacy to develop a 21<sup>st</sup> Century knowledge workforce
- The need to design strategies that effectively support vocational English as a Second Language
- The need for mature worker retention strategies and younger worker attraction strategies in our Upstate regions, where population growth is not keeping pace with workforce needs
- The need to focus on post-secondary education to prepare individuals for the highly skilled employment sector
- The need to design creative approaches to retaining retirement age workers’ participation in the labor force
- The need to provide specialized training and skill development in the health care and social assistance sectors
- An increased attention to aligning economic and labor market needs with the K-12 curriculum to increase the understanding of local economies and the critical role education plays in keeping economies vibrant

- A heightened focus on ensuring that New York’s civilian labor force has access to the tools needed to assess and understand their skills (and skill gaps) in relation to the local and regional economies

The proposed plan of action for workforce development in 2007-2009 is: *“...revitalizing the upstate economy through targeted industry sector initiatives and infrastructure investments such as universal broadband capabilities to ensure that upstate citizens have access to affordable, high-speed Internet service; continued focus on streamlining and integrating workforce development resources through functional alignment; increasing opportunities for incumbent worker training through innovative programs; and encouraging regional strategies and partnerships that improve worker attraction, retention and skills development that align with local and regional economic needs.”*

The CEDS adopts as a central economic development strategy this statewide path for workforce development and training. The assets, challenges, and recommendations for workforce development at the State-level are reflected clearly in the CEDS.

Report Access: <http://www.labor.state.ny.us/workforcenypartners/swibs.shtm>

**New York State: Appalachian Development Plan, 2003-2006, New York State Department of State, 2003**

This plan discusses economic problems faced by the region, and internal and external forces impacting the region’s economy. The plan notes that *“the Southern Tier West Region has confronted a stagnant population base and out-migration during the 1990’s, through the beginning of this new decade. ... The region’s economy has long been buffeted by outside forces and trends, including the loss of furniture industry jobs to the southeast, the decline of the domestic steel and automobile industries and the growing competitiveness of international markets. One of the results has been the gradual restructuring of the regional economy away from manufacturing and toward the service and trade sectors. While there was a small reduction in unemployment around the turn of this Century, the Southern Tier West region has failed to fully recover from the recession of the late 1980’s and early 1990’s. The region continues to experience relatively high rates of unemployment and low per capita income. Like many Appalachian regions, the economic future depends on the ability to diversify its manufacturing base and refocus investment and education strategies on information and financial services and proprietary technologies.”*

Further, the plan states that *“perhaps the most significant regional economic trend has been the ongoing shift from a manufacturing to a service-oriented economy. The transformation of the Southern Tier’s manufacturing sector continues and is largely the product of structural changes in both the regional and national marketplaces, including the southward and overseas flow of manufacturing jobs and the transition to a service and information-based national economy. Although the region has experienced brief periods of manufacturing growth over the past few decades, there is a long-term decline in manufacturing.”*

This plan also notes that *“the change to a service based economy in Appalachian New York, has been paralleled by two other troubling economic developments: a growing dependence on government transfer payments and rising poverty rates.”* The plan notes that poverty rates in each of the region’s three counties exceed both Appalachia and national rates of poverty.

The plan states that *“the growing reliance on individual-level government assistance reflects both the seismic economic shifts and short-term economic difficulties the region faced over the past decade. The downsizing or departure of leading manufacturers (especially in the computer, electronic, aeronautic and fabricated metal industries), sharp cutbacks in defense contracts, a slow recovery from recessions in the late 1980’s and early 1990’s, the proliferation of relatively low-paying service sector jobs, an aging population and other factors have all weakened the competitive position of Appalachian New York. These changes have also taken their toll on the Southern Tier’s economic standing within the Appalachian Region. Nowhere is this more apparent than in regional income trends.”*

Further, *“once one of Appalachia’s leaders in per capita market income, a primary indicator of an area’s economic vitality, the Southern Tier now ranks 7th among the 13 states. Equally important, it continues to move away from, rather than toward, the Appalachian and national averages for this measure. In 1990, Appalachian New York’s per*

*capita market income represented 80.5% of the national average and 103.6% of the Appalachian average. By 2000 it had slipped to 73% of the national statistic and 94.4% of the Appalachian figure. No other state's Appalachian region has experienced a sharper decline in per capita market income since 1970. The Southern Tier thus stands in stark contrast to those Appalachian regions which have made gains or held their own in per capita market income over the last three decades." In point of fact, the per capita income of the Southern Tier West region is less than that of the Southern Tier Central and East regions.*

The plan also notes the *"significance of net migration as a factor that affects the economic prosperity of Appalachian New York."*

The plan states that *"in a report studying New York Counties, the New York State Legislative Commission on Rural Resources suggests that the level of urbanization of a county is positively associated with increased economic competitiveness. More rural counties are characterized by stagnant population growth, relatively aged populations, and high levels of senior dependency. The Southern Tier constitutes the most rural portion of New York State outside of the Adirondack Park and that portion of the Catskill Park outside the region. The Commission on Rural Resources identifies Allegany, Chenango and Delaware counties as the most rural individual counties in the Southern Tier. In the aggregate the Southern Tier West region is the most rural portion of Appalachian New York. The report points out that there is much variation between counties in economic and social conditions and also significant disparities within counties in terms of income levels, poverty and unemployment rates."*

Additionally, the plan notes that *"one of the most significant logistical challenges affecting education in Appalachian New York is the lack of access to educational services caused by the region's low population density and transportation deficiencies."* The plan notes that *"Appalachian New York has had a higher percentage of high school graduates among the adult population (aged 25 and older) than has the nation as a whole."*

The plan indicates that *"the State of New York has constructed a substantial educational infrastructure geared towards provision of job skills training. Along with the two university centers and four liberal-arts colleges, there are six two-year community colleges and technical institutes located in the Southern Tier. These two-year community colleges offer a wide array of vocational and technical training programs and tend to focus on skills-based education. Due to their flexibility, community focus and partnerships with business, labor and public schools, community colleges give students an opportunity to gain the applied skills they need to land good jobs and help displaced workers transition to new careers. The number of students in the Southern Tier entering the community colleges is a reflection of the opportunities available through this educational infrastructure."*

As mentioned previously, the Plan notes that *"one of the most significant logistical challenges affecting education in Appalachian New York is the lack of access to educational services caused by the region's low population density and transportation deficiencies."* Nonetheless, the plan notes that *"distances can be bridged, increasing the effective use of educational resources and the demand for courses, through an advanced and broadly accessible telecommunications infrastructure. It is the objective of New York State that Appalachian residents will have access to a modern and flexible telecommunications infrastructure serving multiple categories of beneficiaries."*

Further, the Plan notes that *"the Southern Tier's growing telecommunications infrastructure has applications beyond formal education. Specifically, access to and proper use of telecommunications technology can increase the quality, availability and efficiency of business services, health care and governmental administration and service provision. Telecommunications equipment can be used to enrich both basic and advanced education and skills training programs, as well as to foster regional data exchanges. By providing a gateway to otherwise inaccessible resources and facilitating communication across great distances, this technology also helps to 'level the playing field' between isolated rural areas and metropolitan centers."*

Many communities in our region have inadequate infrastructure services. The plan notes that *"inadequate, antiquated and often substandard water and wastewater systems can impede economic growth and vitality in Appalachian New York. Many industries in the area are water-dependent and require a suitable water supply adequate for their growth needs. To retain or enhance their commercial sectors, as well as to satisfy environmental regulatory requirements, municipalities must continue to upgrade and expand their water and wastewater systems. Infrastructure development must often occur in a fiscal environment of low property tax bases and sharply*

reduced federal funding. Eying the bottom line, numerous rural communities have had to defer necessary repair and maintenance of their systems. Meeting the capital requirements of infrastructure development for new industrial parks and other business sites is a similar challenge. ... The main obstacle to resolving these problems is the absence of adequate financial resources within these communities. Too often, the rural communities most in need of critical infrastructure upgrades are those that are least able to pay for them.” These fiscal challenges are present in all of our region’s communities.

With respect to transportation infrastructure, the plan notes that “the Southern Tier’s terrain presents a major barrier to surface transportation. As a result, there is only one major east-west road, New York State Route 17/Interstate 86 (I86), that traverses the entire region.” The western segment of I86, as it traverses our region, “serves as a major corridor for tourist and non-business travel. In much the same way, (this highway) gives heretofore isolated residents of the Southern Tier access to economic, social and cultural opportunities in the region’s small metropolitan areas and beyond. ... These benefits include shorter travel times and reduced vehicle operating costs.” ... “Whether considered from the standpoint of increased economic opportunity, ease of travel or cultural contact, the ongoing modernization of Route 17/I86 is an important economic benefit for the Southern Tier.” A recent study, released in January 2000, “determined that \$3.2 billion in benefits would be realized over the next twenty years by Southern Tier communities if I-86 were completed in eight years.”

However, the plan also notes that “the Southern Tier faces related highway transportation problems, such as deteriorating bridges and inadequate secondary roads, that prevent the region from maximizing the potential of its major highways. Too often, deficient bridges and roads prohibit transportation options necessary to local development or impede efforts to get products to market reliably. These conditions, for instance, can prevent modern milk or timber trucks from gaining access to an area. For people residing on the wrong side of a restricted or closed bridge, especially in the small and isolated communities of the region, the economic price can be severe. These limitations must be overcome if the full benefit of (I86) is to be realized.”

Further, “the Appalachian Development Highway Corridors (and in our region, more specifically, I86,) will play an integral long-term role in regional development. Local development officials and the New York State Department of Transportation are aware of the importance of connecting area development strategies to these assets. Moreover, the relationship between economic development and the Corridors is explicitly recognized in New York State Appalachian plans and Area Development policy.”

The plan also notes that “rail traffic on the Southern Tier Main Line is expected to increase significantly” in the future. Further, the Southern Tier Extension Railroad Line has “the capability of serving as a mainline through route for the first time since the 1980’s.”

With respect to aviation services, “municipal airports ... (can help) to attract some economic development. (However, as) is the case with other infrastructure concerns, the most significant barrier to constructing and improving these small airports is the lack of local financial resources.”

The plan also notes that “there is a continued need to stimulate manufacturing opportunities in the Appalachian region of New York State. The economic benefits of doing so are manifold, not least of which is the higher than average pay associated with manufacturing employment. A strong manufacturing base remains a key element in a viable regional economy and a path to economic advancement.” Further, “to be effective, ... economic development strategies need to focus on more than one economic sector. Equal attention must be paid to expanding economic sectors like services. In this light, greater emphasis should be placed on stimulating high ‘value-added’ services in the health, education, business and financial sectors. This would also enable the Southern Tier to capitalize upon its socio-economic strengths, including its substantial educational infrastructure. Targeting investment and development strategies on advanced manufacturing processes and on information, business, health care and other professional services would help Appalachian New York to adapt to changing economic realities, generate high caliber employment opportunities and move constructively into the future.”

Further, “the small cities of the Southern Tier West region are dependent upon a mix of industries including food processing, manufacturing and education. The diversity of educational institutions in Appalachian New York, its varied manufacturing, commercial and agricultural concerns (ranging from dairy and meat production to potatoes

and fruits) and the disparate location of natural resources mean that no single economic development strategy is sufficient for the region in its entirety.” ... “Locally-generated strategies for business and employment development have the best chance of producing sustained economic competitiveness because they center economic leadership and responsibility within the ... (r)egion itself.”

Finally, the plan notes the importance of entrepreneurship as a driver of economic development within the region.

Report Access: Not available online

**New York State: Appalachian Development Plan, 2007-2010**, New York State Department of State, December 2007

This document discusses the internal and external forces affecting the region’s economy in both positive and negative ways. It echoes the regional economic weaknesses and challenges outlined in this CEDS.

*“In a report studying New York Counties, the New York State Legislative Commission on Rural Resources suggests that the level of urbanization of a county is positively associated with increased economic competitiveness. More rural counties are characterized by stagnant population growth, relatively aged populations, and high levels of senior dependency. The Southern Tier constitutes the most rural portion of New York State outside of the Adirondack Park and that portion of the Catskill Park outside the region. The Commission on Rural Resources identifies Allegany, Chenango and Delaware counties as the most rural individual counties in the Southern Tier. In the aggregate the Southern Tier West region is the most rural portion of Appalachian New York. The report points out that there is much variation between counties in economic and social conditions and also significant disparities within counties in terms of income levels, poverty and unemployment rates.”*

*“The growing reliance on individual-level government assistance reflects both the seismic economic shifts and short-term economic difficulties the region faced over the past decade. The downsizing or departure of leading manufacturers (especially in the computer, electronic, aeronautic and fabricated metal industries), sharp cutbacks in defense contracts, a slow recovery from recessions in the late 1980’s and early 1990’s, the proliferation of relatively low-paying service sector jobs, an aging population and other factors have all weakened the competitive position of Appalachian New York. These changes have also taken their toll on the Southern Tier’s economic standing within the Appalachian Region. Nowhere is this more apparent than in regional income trends...it continues to move away from, rather than toward, the Appalachian and national averages for this measure. In 1990, Appalachian New York’s per capita market income represented 80.5% of the national average and 103.6% of the Appalachian average. By 2000 it had slipped to 73% of the national statistic and 94.4% of the Appalachian figure. No other state’s Appalachian region has experienced a sharper decline in per capita market income since 1970. The Southern Tier thus stands in stark contrast to those Appalachian regions that have made gains or held their own in per capita market income over the last three decades.”*

*“One of the most significant logistical challenges affecting education in Appalachian New York is the lack of access to educational services caused by the region’s low population density and transportation deficiencies.”*

*“Inadequate, antiquated and often substandard water and wastewater systems can impede economic growth and vitality in Appalachian New York. Many industries in the area are water-dependent and require a suitable water supply adequate for their growth needs. To retain or enhance their commercial sectors, as well as to satisfy environmental regulatory requirements, municipalities must continue to upgrade and expand their water and wastewater systems...Eying the bottom line, numerous rural communities have had to defer necessary repair and maintenance of their systems. Meeting the capital requirements of infrastructure development for new industrial parks and other business sites is a similar challenge. ... The main obstacle to resolving these problems is the absence of adequate financial resources within these communities. Too often, the rural communities most in need of critical infrastructure upgrades are those that are least able to pay for them.”*

The Plan also notes the “significance of net migration as a factor that affects the economic prosperity of Appalachian New York.”

It also echoes the regional economic assets and opportunities outlined in the CEDS.

*“Appalachian New York has had a higher percentage of high school graduates among the adult population (aged 25 and older) than has the nation as a whole.”*

*“The State of New York has constructed a substantial educational infrastructure geared towards provision of job skills training. Along with the two university centers and four liberal-arts colleges, there are six two-year community colleges and technical institutes located in the Southern Tier. These two-year community colleges offer a wide array of vocational and technical training programs and tend to focus on skills-based education. Due to their flexibility, community focus and partnerships with business, labor and public schools, community colleges give students an opportunity to gain the applied skills they need to land good jobs and help displaced workers transition to new careers. The number of students in the Southern Tier entering the community colleges is a reflection of the opportunities available through this educational infrastructure.”*

*“Distances can be bridged, increasing the effective use of educational resources and the demand for courses, through an advanced and broadly accessible telecommunications infrastructure. It is the objective of New York State that Appalachian residents will have access to a modern and flexible telecommunications infrastructure serving multiple categories of beneficiaries.”*

*“The Southern Tier’s growing telecommunications infrastructure has applications beyond formal education. Specifically, access to and proper use of telecommunications technology can increase the quality, availability and efficiency of business services, health care and governmental administration and service provision. Telecommunications equipment can be used to enrich both basic and advanced education and skills training programs, as well as to foster regional data exchanges. By providing a gateway to otherwise inaccessible resources and facilitating communication across great distances, this technology also helps to ‘level the playing field’ between isolated rural areas and metropolitan centers.”*

*“The Southern Tier’s terrain presents a major barrier to surface transportation. As a result, there is only one major east-west road, New York State Interstate 86 (I86), that traverses the entire region.”* The western segment of I86 traversing the region, *“serves as a major corridor for tourist and non-business travel. In much the same way, (this highway) gives heretofore isolated residents of the Southern Tier access to economic, social and cultural opportunities in the region’s small metropolitan areas and beyond ... These benefits include shorter travel times and reduced vehicle operating costs ... Whether considered from the standpoint of increased economic opportunity, ease of travel or cultural contact, the ongoing modernization of I86 is an important economic benefit for the Southern Tier.”*

*“Rail traffic on the Southern Tier Main Line is expected to increase significantly.”* The Southern Tier Extension Railroad Line has *“the capability of serving as a mainline through route for the first time since the 1980’s.”*

*“There is a continued need to stimulate manufacturing opportunities in the Appalachian region of New York State. The economic benefits of doing so are manifold, not least of which is the higher than average pay associated with manufacturing employment. A strong manufacturing base remains a key element in a viable regional economy and a path to economic advancement.”* Further, *“to be effective ... economic development strategies need to focus on more than one economic sector. Equal attention must be paid to expanding economic sectors like services. In this light, greater emphasis should be placed on stimulating high “value-added” services in the health, education, business and financial sectors. This would also enable the Southern Tier to capitalize upon its socio-economic strengths, including its substantial educational infrastructure. Targeting investment and development strategies on advanced manufacturing processes and on information, business, health care and other professional services would help Appalachian New York to adapt to changing economic realities, generate high caliber employment opportunities and move constructively into the future.”*

Report Access: <http://www.dos.state.ny.us/lgss/pdfs/ARC/ARCDevPlan07-11.pdf>



**New York State Appalachian Region Strategy Statement (Fiscal Year 2011)**, New York State Department of State, December 2010

This plan identifies many of the weaknesses in New York State's Appalachian region, of which the Southern Tier West region comprises the western 3 of 14 total counties in the Southern Tier. The plan also provides guidance regarding strategies that New York State's Appalachian region counties should implement to address these weaknesses.

With respect to general economic conditions, the report notes that *"of the 14 counties in the Southern Tier, ten rank in the bottom 50% of U.S. counties. One, Allegany, ranks in the lowest quartile and is designated 'At Risk.'"* With respect to population, Allegany County experienced a population change in the range of -2.5% to -0.1% in this period as a percentage of the 2000 population, while Cattaraugus and Chautauqua Counties experienced a population change in the range of 5.3% to -2.6% in this period as a percentage of the 2000 population, while the U.S. population as a whole grew during this period by 9.1%. *"The region's persistent malaise (results) from the declining business presence and obsolescence of the existing infrastructure. Since the 1950s this region has seen dramatic declines in population and economic strength. The economy has been long characterized by the flight of industrial manufacturing jobs and by the coinciding out-migration of working age residents. The result is a population that is aging and getting poorer."* Also, *"In a mobile society, one way of measuring a region's competitiveness is by examining population migration trends. Regions that are more attractive and competitive tend to have higher net in-migration and less competitive regions tend to have higher out-migration trends. One measure of the Southern Tier's declining social and economic condition is that it has suffered an enduring and protracted population decline since the 1960s. ... While some migration of business and residents has been to regions of the nation with milder climates, factors such as taxes, costs of living and doing business, and the regulatory environment all contribute to the region's perceived lack of competitiveness and to net out-migration and population decline."*

The plan shows Allegany County with a poverty rate in the range of 125.0% to 142.4% of the US average poverty rate, while Cattaraugus and Chautauqua Counties are in the range of 110.0% to 109.9% of the US average, which is 12.4%. *"Overall, the region's economic fortunes are closely tied to the national economy. The U.S.'s current two-year long recession has affected the state and the region significantly. According to the New York State Comptroller's 2010 Annual Report On Local Governments, New York State's unemployment rate is the highest it has been since 1992; sales tax revenues growth is marginal in a majority of counties; and housing in several markets is characterized by declining home values and relatively high foreclosure rates. And in the most recent budget cycles, many school districts saw significant program cuts and personnel reductions."* Also, *"poverty tends to be a condition with many causes, but in Appalachia, the primary causes are rural isolation, lack of adequate infrastructure, and scarce access to economic, educational and health and social service resources. In addition, the image of poverty in Appalachia is typically rural. However, as manufacturing has left New York State, a significant part of the region's poverty is in decaying urban and suburban areas. ... Traditionally, manufacturing has been a value-added component of the United States Economy. However, as is the case with many former industrial regions, Upstate New York, in general, and much of the Southern Tier, in particular, has shifted from a manufacturing-based economy to a service and retail-based economy. ... Structurally, this reflects a larger trend toward outsourcing industries overseas to cheaper centers of production. Nonetheless, some high technology and green-tech manufacturing opportunities persist in the region. ... In addition, health care and education also represent potential growth opportunities for employment in the region: employment in education, health care and social programs now account for nearly 30% of civilian employment in the region."*

With respect to housing stock, the report notes that *"After decades of economic decline, the vacant housing crisis across Upstate New York inhibits future economic development, discourages homeownership and in-migration and perpetuates the perception that the region's urbanized areas are in a downward spiral. Many parts of Appalachian New York State are characterized by aging or inferior quality housing stock. For example, according to the U.S. Census Bureau 2009 American Community Survey, one of eight residences in Cattaraugus ... (County) are either trailers or mobile homes, and approximately half of the housing stock in Chautauqua County is over 80 years old."*

With respect to infrastructure, the report notes that *“perhaps nothing else defines or limits a region’s global competitiveness more than the presence or absence of efficient infrastructure, including local roads and regional highways, telecommunications and broadband infrastructure, sewer and water and storm-water infrastructure, and power delivery infrastructure. In Appalachian New York, the infrastructure challenges are significant, due in large part to obsolete or deteriorating systems, and are exacerbated by a declining tax base that hinders the ability of local communities to upgrade and modernize infrastructure. ... Like much of rural upstate New York State, the Southern Tier’s water and wastewater infrastructure is either aging or non-existent. However, with the continued shortage of funds needed community water and wastewater projects go unfunded. Local municipalities must manage their infrastructure proactively, including planning for repairs and replacement and charging rates that cover those costs. ... In today’s internet-connected world, telecom infrastructure essentially means access to broadband. ... The Southern Tier is one of two large geographic regions in New York State that are underserved by broadband connectivity; the other region is the even more remote and more sparsely populated Adirondack highlands. But, for the one million residents of New York State’s Southern Tier this is a challenge to the region’s competitiveness in retaining businesses, families and young adults.”*

*“New York’s Southern Tier has ample assets that make it a potentially attractive region for businesses, families and individuals. These include a clean environment, abundant natural resources, attractive communities with high quality educational systems, and a location that is less than a day’s drive from most of the major cities of the Northeast U.S. and Canada’s eastern provinces. These positive qualities are partially offset by a challenging winter climate, a relatively high tax structure, high utility and insurance costs, deteriorating commercial and residential infrastructure, limited broadband access, and an out-migration trend with more than 40 years of momentum that has seen a drain of youth away from the region. None of these challenges will be easy to overcome. To be competitive, community leaders in New York State’s Appalachian region need to find ways to accentuate the region’s attractiveness and to work on creating or promoting reasons for businesses and individuals to relocate to or remain in the region. ... the connection between livable urban cores and local community assets, such as colleges and local business concentrations that bring outsiders into an area, holds great potential to strengthen and sustain a region’s competitiveness. Across the Southern Tier other communities are replicating the asset-based approach to become attractive and competitive destinations. ... (There are) projects that can make the region more competitive. This includes:*

- developing partnerships with the region’s post-secondary school institutions and business incubators;*
- helping local communities stabilize and revitalize the region’s small cities and large villages to make them attractive destinations for visitors and for entrepreneurs and small businesses;*
- increasing use and access to broadband; and,*
- coordinating the resources that can be provided by other state, federal and philanthropic programs to achieve the needs of the region’s communities.”*

*“Projects that improve local water and sewer systems, increase school readiness, expand access to health care, assist local communities with strategic planning, and provide technical and managerial assistance to entrepreneurs and local farmers all help communities become more attractive places to stay, raise families and start new businesses. Attaining a sustainable, high quality of life in Appalachian New York will require concerted efforts to maintain the region’s natural assets, high quality education system, environmental quality and access to pristine outdoor areas; commitment to the development of recreational choices, health care options, housing, and a full range of other social quality of life indicators; and protection of local agricultural resources by providing assistance to local farmers to produce locally and find profitable markets for the fruits of their labors. While the Southern Tier is filled with an abundance of pristine environmental and cultural assets and plenty of natural beauty, a relative lack of economic opportunity, isolation and, in some cases, limited accesses to health resources and social services, degrades the quality of life. ... New York State’s Appalachian program will emphasize asset-based development, community revitalization of its urban and village population centers, intra-regional mobility, and projects that improve and enhance environmental quality and that make assets such as community waterways and waterfronts into attractive draws for isolated regions. This emphasis on nature-oriented tourism and the small town charms of rural New York can tap the need of residents of the larger urban communities nearby for diversion, outdoor recreation, and a relaxing change-of-pace from hectic metropolitan living. Finally, energy priorities that support*

*small business and industry through energy savings, or that foster renewable energy or renewable energy technologies will be encouraged throughout the Southern Tier.”*

With respect to intergovernmental coordination and service delivery, the report notes that *“The next level of collaboration for the 14 counties of the Southern Tier will be to continue to seek ways to overcome obstacles to government efficiency, and to ... foster regional planning for economic development and efficient delivery of services within their communities. New York State has an active Local Government Efficiency (LGE) program that is committed to working with local governments to find ways to consolidate taxing and governing layers, and ways to bring down the costs of government in the state. By making regional coordination a priority of New York State’s Appalachian program, the Southern Tier should be able to achieve improved and coordinated land use and transportation planning, and cost efficiencies in local service delivery and public facilities, and more. Looking ahead, the LDDs (i.e., Southern Tier West) are encouraged to promote a regional approach to projects, and to placing the highest priority on projects of regional significance. All things being equal, projects that benefit multiple communities or an entire region and projects that have been previously identified as “regionally significant” in the CEDS or other regional planning documents will be viewed more favorable than isolated projects.*

Report Access: <http://www.dos.state.ny.us/LG/arc/2011ARCStrategyStatement.pdf>

### **New York State Rail Plan, 2009**, New York State Department of Transportation, February 2009

The State Rail Plan is critical to railroad transportation infrastructure initiatives in the region. The CEDS analysis and initiatives for railroad infrastructure reflect this comprehensive plan to update and improve the statewide rail system. The State Rail Plan notes the successes of railroad transportation planning and development in the region:

*“A notable success in railroad preservation and revitalization is the Southern Tier Extension...In essence the Southern Tier Extension had evolved from a rail lined targeted to be abandoned by Conrail, to a highly functioning line serving numerous customers with significant economic development potential for the Southern Tier region.”*

*“The Southern Tier Extension Railroad is essential to the economy of southwestern New York in assisting in retaining and attracting manufacturing by providing an additional transportation option to this rural region...given the limited opportunity to expand the highway system, an abandoned railroad right-of-way represents an extremely valuable resource for future mobility.”*

Report Access: <https://www.nysdot.gov/divisions/policy-and-strategy/planning-bureau/state-rail-plan>

### **A Plan to Stabilize and Strengthen New York’s Health Care System**, Commission on Health Care Facilities in the Twenty-First Century, December 2006

The New York State Berger Commission’s mission was to undertake a rational, independent review of health care capacity and resources in New York State to ensure that the regional and local supply of hospital and nursing home facilities across the State is best configured to appropriately respond to community needs. The Final Report released in December 2006 recommended a reconfiguration of 48 hospitals across NYS, and in the Southern Tier West region it made the following major recommendations:

- Bertrand Chaffee Hospital should downsize by at least 25 beds, seek designation as a critical access hospital, and affiliate with TLC Tri-County and TLC Lake Shore.
- Brooks Memorial Hospital should seek designation as a sole community provider.
- TLC Tri-County should downsize 28 medical/surgical beds and convert the remaining 10 medical/surgical beds to detoxification beds.
- TLC Lake Shore should downsize all 42 medical/surgical beds and 40 nursing home beds and convert to an Article 28 diagnostic and treatment center. At its option Lake Shore should continue to operate approximately 20 psychiatric beds or these beds should be added by another local sponsor.
- Westfield Memorial Hospital should downsize all 32 inpatient beds and convert to an Article 28 diagnostic and

treatment center.

Report Access: <http://www.nyhealthcarecommission.org/docs/final/commissionfinalreport.pdf>

## REGIONAL ECONOMIC DEVELOPMENT PLANS

### **Cattaraugus-Allegany Workforce Investment Area Strategic Plan, 2005-2008**, Cattaraugus-Allegany Workforce Investment Board, Inc., 2005

This plan comments on the strengths and weaknesses of human assets in Cattaraugus and Allegany counties. The weaknesses in the regional makeup of human assets are consistent with the CEDS analysis.

The plan indicates that the health care, hospitality, tourism, and construction sectors are growth sectors for our region. Tourism and health care growth is seen as being driven by continued development of the tourism economy largely around the Ellicottville area and the ongoing Seneca Nation of Indians Seneca Allegany Casino and Resort development. These two tourism and hospitality developments also are driving construction sector activity, as new structures are built and old ones remodeled to meet new needs/uses.

The plan also notes smaller growth opportunities in the dairy and food processing sector; the ceramics, glass and advanced materials cluster, and the trucking and distribution cluster.

The plan also notes that the impending phased construction of the U.S. Route 219 highway also is anticipated to accelerate development. The plan also notes that *“as the expansion of the Ellicottville and Salamanca economies continues, it is expected that auxiliary ancillary jobs will be created as well in sub-sectors such as food and beverage supplies, and paper products and related supplies.”*

The plan also states that *“health care is also emerging as a powerful driver of local economic development. Cuba Memorial Hospital is seeking to create a supported living campus, potentially housing hundreds of elder clients. This will create an even greater demand for local physicians, specialists, nurses and other health care staff. These jobs will be in addition to the demand created by the national demographic trends. Further, as the Ellicottville and Salamanca economies mature, additional health care capacity will be required.”*

Further, *“the Ceramics, Glass and Advance Materials sectors continue to see steady growth as the emerging fields of biotechnology, nanotechnology and glass science mature. Alfred University has been a world-renowned center for glass science technology for decades and the local Ceramics Incubator project is showing steady growth and expansion as commercial products are brought to market.”*

The WIA plan cites a *“national crisis”* in finding qualified employees in the region’s medical and healthcare sector as the population ages and shrinks. Population aging causes additional difficulty finding qualified employees in the manufacturing sector. The Plan states, *“With the aging of the Baby Boom generation and the pending retirement of large numbers of people with these critical skill sets, a ready pool of trained applicants must be prepared.”* As an economy *“subject to the macro trends of the increasingly globalized economy,”* and *“the manufacturing sector in particular has been impacted by shifts in production out of the northeastern United States towards cheaper labor pools in the south of the Country (if production stays within the borders) or abroad.”* Workforce projections include additional shortages in the skilled trades - especially welding, machine operating, and specific vocational and trade jobs. The plan notes a need to increase training and placement services to regional youth.

Workforce development assets in the two-county region include accelerated development opportunities linked to the phased construction of the US Route 219 highway, and growth in the following occupational fields:

- Tourism/Hospitality – All levels
- Construction Trades – All levels
- Health Care – All levels, and particularly Dentistry, Nursing, and Support Staff

- Manufacturing – Food-Processing-related
- Trucking/Distribution – Long Haul Drivers, Distribution Center

The plan also notes that the region's population is aging, that the population is decreasing in size, and that the younger portion of the population is declining in size. The plan projects workforce shortages in the skilled trades, especially welding, machine operators, and specific vocational and trade technicians. This has resulted in the re-institution of trade straining programs, which had been stopped because of prior leveling off or declines in jobs in those trade occupations.

Finally, the plan notes a greater need and an increase in training, placement and services to the youth portion of the region.

The CEDS industry growth projections as well as recognized regional strengths and weaknesses are consistent with the analysis of regional workforce development plans.

Report Access: <http://www.cawib.net/pdfs/CAWIB%20Strategic%20Plan%202005-2008.pdf>

**Southern Tier West Regional Transportation Strategy**, Southern Tier West Regional Planning and Development Board, June 2009

*“Southern Tier West’s vision for the region’s transportation system is that the system should provide for adequate passenger and freight service as measured in quality of service, timeliness of service, and cost of service, both within the region and also with respect to origins and destinations outside the region. The region’s transportation system should be scaled to a size proportionate to demographic needs and be designed to allow modification as needs, technologies, economics, and the environment change. The region’s transportation system should be capable of being maintained effectively at a cost reasonable for the return. Improvements to the system should be justifiable in terms of cost-benefit analysis. The region’s transportation system should promote both economic development and quality of life, insure safety of users and the general public, secure against natural and man-made threats, and be developed in accordance with sound environmental and conservation principles.”*

Report Access: <http://www.southerntierwest.org/pdfs/transportation/stwtransstrategy.pdf>

**Regional Housing Assessment and Development Strategy**, Southern Tier West Regional Planning and Development Board, 1999

The study determined:

- There is a high vacancy rate in the region’s general housing market.
- There are sub-areas of the region that have a saturated housing market (i.e., where the supply of housing exceeds the demand for housing).
- Typical housing units are on the market longer than in the past.
- There is a high availability rate for older housing units.
- Replacement units are not being built, resulting in an aging housing stock.
- There is inadequate luxury/high income housing.
- Recent efforts to improve the housing stock center on construction of income-subsidized units and elderly units and the rehabilitation of dilapidated units.

The study concluded that overall the region’s housing stock is adequate for the current and projected population’s needs, both in terms of number and condition of the housing. However, the study also concluded that there is a need for revitalization of the region’s housing stock through rehabilitation and/or removal of dilapidated and sub-standard units, focusing on higher-end (luxury) units, and infrastructure improvements in neighborhoods and parks. The quality of housing stock impacts not only quality of life, but also economic development efforts.

Report Access: Report not available online

**Agriculture and Forestry-Dependent Economic Development for Western New York State**, Buffalo  
Niagara Enterprise, 2006

This plan concludes, among other results, that the opportunities for agribusiness in the region, based on a ‘success matrix’ of factors are:

*“Primary opportunities*

- *Yogurt*
- *Specialty cheeses*
- *Biodiesel*
- *Ethanol*
- *Fluid milk*
- *Grape wineries*

*Secondary opportunities are:*

- *Maple syrup*
- *Field crops/vegetables*
- *Forestry and products*
- *Greenhouse vegetables ”*

Report Access:

[http://www.buffaloniagara.org/files/content/Research/DataPoints/BNE\\_Report\\_Oct\\_25\\_06.pdf](http://www.buffaloniagara.org/files/content/Research/DataPoints/BNE_Report_Oct_25_06.pdf)

## **COUNTY ECONOMIC DEVELOPMENT PLANS**

**Allegany County Comprehensive Plan: A Plan for 2008-2018**, Allegany County Comprehensive Planning Committee, April 2008

This comprehensive plan is a critical step toward improved economic development in Allegany County. Allegany County has undertaken a wide variety of Strategic Planning efforts over the last decade and these plans are incorporated in this particular plan. The plan notes economic development assets as the County’s *“rural character, which provides an enhanced quality of life and highly productive levels of quality of life. The low crime, good schools, well maintained roads, easy access to interstates, low traffic congestion, and general characteristics of the area are all positive factors for living and working in our area. Businesses can now be based in any locale with the advent of internet and multiple methods of broadband availability.”*

Objectives, which are intended to support, attract and expand new and existing businesses in Allegany County, include:

- Allegany County should have focused development within identified corridors and parks
- Focus on the development of I-86 and Route 19 at the Crossroads
- Developing business locations: Empire Zone Development areas: Friendship Development corridor, Crossroads Development Area; Wellsville Development Area; Cuba Development Area, Sugar Hill Development and others to be determined
- Encourage new and established businesses to utilize and invest in existing empty buildings in addition to new construction. We need to continue and create tax incentives, low interest loans, and dedicated funds
- Areas for development include but are not limited to:
  - Friendship Empire Zone Sites,
  - Wellsville-Scio Corridor

- Wellsville Airport
- Development along Route 19
- Sugar Hill in Alfred
- Canaseraga Creek Corridor
- New sites along I-86 corridor
- Alfred-Almond Corridor
- Bolivar Industrial Park
- I-86 and Rt. 305 Corridor
- And other locations to be determined in the future
- Develop an Inventory of available sites
- Increase focus on Main Street development
- Consider utilizing more Brownfield sites
- Streamline the delivery system for permitting and of new investment and construction
- Implement the six-exit strategy for Cuba, Friendship, Belmont, Angelica, West Almond, and Almond/Alfred of I-86
- Continue our focus on key sectors including manufacturing, education, agriculture, and green energy

Report Access: <http://alleganyplanning.com/theplan.htm>

**Allegany County HUD Consolidation Plan, 2007-2012**, ACCORD Corporation and Allegany County Planning Board, July 2007

This document outlines economic development weaknesses and threats to Allegany County as including a general lack of available debt and equity capital for small business, inadequate telecommunications infrastructure, higher-end housing, public transit and transportation options (for a variety of reasons including economic interaction between businesses, commuting, seeking educational opportunities, and access to health care), and proper environmental practices in development planning (specifically flood plain and wetland issues, storm water runoff pre- and post-construction, and well-head recharge area sensitivity). The document indicates that removal of the “blight” of Allegany County’s development environment is critical to future success.

The Plan indicates that the following four corridors within Allegany County are highly suitable for development:

- Friendship East (encompassing County Road 20 from Friendship to Amity to the I-86/State Route 19 Crossroads Development Area), due to resolutions supporting an inter-municipal sewer and water district to support development here
- Wellsville Town and Village (State Route 417) within which several zone-certified businesses exist, as do sewer, water, utility, and transportation infrastructure and parcels of open land
- Cuba Town and Village (from pre-existing village zone westward along County Route 466 and northward across Interstate 86 and State Route 305) within which is a mix of zone-certified businesses and locations for business site development
- Friendship West (at Interstate 86, Exit 29) including previously designated prime land, a ‘shovel ready’ 22-acre industrial site, and existing infrastructure to support business development.

The plan indicates that “*sites identified for business growth and development (include):*”

*Existing*

- *Friendship Empire Zone locations*
- *Cuba Industrial Park*
- *Wellsville Airport Industrial Park*
- *Sugar Hill Industrial Park*
- *Ceramic Corridor Incubator*
- *Swain Ski Resort*

#### *New/Future*

- *Sites along the I-86 Corridor, including the I-86 Exit 30 and State Route 19 crossroads*
- *Empire Zone identified “regionally significant manufacturing projects”, including the former Tracewell site north of Cuba*
- *Canaseraga Watershed*
- *Belfast industrial development site*
- *Alfred-Almond, Wellsville-Scio and Houghton-Fillmore Corridors*
- *Brownfield sites, including the 5-acre Friendship Foundry site “*

The plan also discusses focusing economic development activity on specific target clusters, indicating:

*“The first priority includes manufacturing sites, especially those “traded export businesses” selling products outside of the region and bringing new cash into the community. These manufacturing businesses include any manufacturing or processing industrial company and specifically the following strategic targeted business clusters:*

- *Dairy and food processing agribusiness (including primary agriculture supporting local dairy farming and agricultural infrastructure)*
- *Electrical and electronic manufacturing*
- *Precision metal fabricating manufacturing*
- *Ceramics, glass and advanced materials manufacturing*
- *Road, bridge, building and pipeline manufacturing construction*
- *Forest products manufacturing*

*The second priority includes sites that use the transportation infrastructure and natural resources of Allegany County to create a destination for logistical businesses. The importation and distribution of goods and destination enterprises adds wealth to the community by drawing from outside the region, generating new dollars and economic activity. The secondary priority destination sites include the following businesses:*

- *Rail, trucking, distribution and warehousing logistics*
- *Businesses destination recreation, tourism and hospitality businesses*
- *Support services including professional, financial, back-office,*
- *Technical operations and disaster recovery”*

Report Access: [http://alleganyplanning.com/pdfs/HUD\\_PLAN.pdf](http://alleganyplanning.com/pdfs/HUD_PLAN.pdf)

#### **Allegany County 2011 HUD Plan Review Document**, Allegany County Planning Board, 2011

This document is the product of the 2011 review of the Allegany County HUD Consolidation Plan, 2007-2012. It contains updates, comments, and suggestions for further research and planning activities relating to the HUD Consolidation Plan.

Several strategic economic development recommendations are included in the Review Document, as follows:

##### ***“Under Business Locations:***

***County Goal: Encourage new and established businesses to utilize & invest in existing empty buildings.***

***ACCORD/Allegany Business Center (ABC) Strategies:***

- *Support new and existing business with capital loan opportunities*
- *Stimulate Low- to Moderate-Income (LMI) job growth*
- *Provide access to business start-up capital*
- *Provide resources to program entrepreneurs of existing locations*
- *Provide entrepreneurial Business development program*

##### ***Under Business Investment:***

***County Goal: Communicate the business assistance in a more consistent manner.***

***ACCORD/Allegany Business Center (ABC) Strategies:***



- *Promote the growth of living wage jobs by offering business development opportunities and increasing access to capital and credit for potential and existing businesses.*
- *Focus our efforts on specific markets that compliment Allegany County existing businesses and entrepreneurs.*
- *Use a multitude of technology media forums (i.e. print, radio, webinar, internet) to increase visibility of the Allegany Business Center and referral resources in our service area.*
- *Implement a marketing plan to include the consumers of ACCORD and the Allegany Business Center based services newsletter and websites [www.alleganybusinesscenter.com](http://www.alleganybusinesscenter.com) and [www.accordcorp.org](http://www.accordcorp.org).*
- *Conduct client satisfaction and outcome surveys utilizing our EAP data system.*

**Under Educational Sector:**

**County Goal: Develop entrepreneurship programs in area schools.**

**County Goal: To provide high quality, relevant educational opportunities for all students which will prepare them for the careers in the 21st century?**

ACCORD/Allegany Business Center (ABC) Strategies:

- *Develop leadership capacity in regional planning efforts to improve youth programs by sharing resources, strategies and developing regional funding applications.*
- *Develop entrepreneurship programs in area schools.*
- *Identify skill sets needed in growing businesses in the County for current and future entrepreneurs. Develop training programs to provide these skills.*
- *Promote adult literacy and education programs such as Literacy West NY, Inc., Southern Tier Traveling Teachers, Adult Educational and Opportunity Center, ACCORD Business Development Training Center, CABOCES, Computer Cafe, Higher Education Institutions, etc.*
- *Continue collaborative partnerships with local schools and universities.*
- *Maximize training opportunities through the State funded EAP program, ACDSI and the Allegany Business Center.*
- *The Allegany Business Centers EAP center provides the following in-depth services to owners and operators of start-up businesses:*
  - *Counseling on the feasibility of starting a business*
  - *Assistance in refining a business concept and developing a business plan*
  - *Education in established management principles and practices*
  - *In-depth business counseling in product development and marketing*
  - *Guidance in exporting, contract procurement and licensing*
  - *Women own business Certification assistance*
  - *One-on-one counseling in identifying and accessing capital and credit repair*
  - *Access to business support networks*
  - *Ongoing and continued technical assistance to program graduates including linkages to other small business services*
  - *Workshops and Seminars covering: Marketing, Strategic Business Planning, Computer skills, Record-keeping, Business Taxes, E-Commerce, and Website development*

**Other County Goals and Objectives:**

**County Goal: To increase property tax base throughout Allegany County.**

ACCORD/Allegany Business Center (ABC) Strategies:

- *Help entrepreneurs start successful businesses, creating jobs, therefore adding to the tax revenue for the county.*
- *Support workforce development programs that teach job-keeping and transferable skills for the workplace as our client's businesses grow.*

**County Goal; Improved appearance and sense of community will encourage people to stay and thereby encourage companies to locate in the County.**

ACCORD/Allegany Business Center (ABC) Strategies:

- Support opportunities for individuals and families to secure and build financial assets by offering financial management education and literacy skills training; increasing capacity for homeownership.
- Promote individual and family self-sufficiency by increasing vocational, literacy and life skills training and reducing barriers to sustained employment such as transportation and access to child care.
- Develop home rehabilitation loan program to improve the appearance of the housing stock.

**County Goal: To maintain and improve the agriculture sector of Allegany County. County Goal: To provide farmers ready access to USDA and NYS programs which assist farms with mitigation of environmental issues.**

ACCORD/Allegany Business Center (ABC) Strategies:

- Promote "Green Business" cluster Building Industry. In addition, the training portion will fund seminars on event coordination and planning, developing niche products, "Green Business and supporting Green business development and effective marketing and business plan development.
- ABC can continue to help develop green businesses, as well as create collaborations within that industry.
- Seek and support educational opportunities for all to improve ecology and natural resources that have been developed through our USDA "Green Business" development projects.

**County Goal: To improve, expand and promote the cultural offerings of Allegany County**

ACCORD/Allegany Business Center (ABC) Strategy:

- Tailor a program focused on the business aspect of being a craftsman, and collaborate with Allegany Artisans.

**County Goal: To retain and expand economic/business growth within Allegany County**

ACCORD/Allegany Business Center (ABC) Strategies:

- Provide increased access to capital and information through training and support of housing, business, and other community development activities.
- Provide business and financial education, training, and select financial products to entrepreneurs, business owners and/or private individuals in the target markets that we serve.
- Collaborate with and refer clients to area business organizations such as: Area Chambers of Commerce (County, Wellsville, and Cuba), Alfred Businessmen's Association, Service Core of Retired Executives (SCORE), Friendship Empire Zone, IDA and the Allegany County Office of Development."

The document also includes some discussion of housing stock in Allegany County, as follows:

*"A significant amount of the housing stock in Allegany County has deteriorated to the point that finding decent and safe housing is difficult. There are insufficient personal, private, or public resources to rehabilitate all of the properties that have condition problems. 8.66%, or 2,122 units, of Allegany County's total housing stock, including seasonal homes, had incomplete plumbing facilities, as of the 2000 Census. According to the NYS Division of Housing and Community Renewal, 90% of housing built prior to 1940 and 80% of the housing built between 1940 and 1959 can be expected to have lead paint hazards. In addition, other environmental hazards such as unsafe septic systems and wells are of significant concern; in that only about 5% of Allegany County residents have access to public water systems and 30% to waste water systems.*

*"In a county-wide survey updated in 2000, 43% of the County's housing stock was determined to be substandard. Structural components exhibiting the greatest degree of disrepair were roofs and chimneys, windows and doors, and porches and foundations. Repair and/or replacement of these items are a major part of bringing eligible homes up to Housing Quality Standards."*

Report Access:

<http://www.alleganyplanning.com/pdfs/HUD%20CONSOLIDATED%20PLAN%202011%20Review%20Notes.pdf>

**Allegany County: Mobility Management Plan Final Report, 2008**, Allegany County Transportation Task Force and Nelson/Nygaard Consulting Associates, 2008

This document examines mobility management issues and opportunities as well as County priorities. The Task Force is committed to continuing to pursue all opportunities to streamline transit services and reduce costs to the County.

Report Access: Not available online

**Friendship Empire Zone Development Plan, 2007**, Town of Friendship and Allegany County, June 2007

This plan discusses opportunities represented by specific target clusters in Allegany County. These target clusters, which were designated because of maximum opportunities for growth, are directly related to existing or projected business operations within Allegany County. The plan notes that its *“strategy targets building a competitive advantage in those industries/businesses in which the region either has or can develop unique resource advantages. These industries/businesses import wealth into the (target) communities.”* These target clusters are as follows:

- food and dairy processing industrial agribusiness
- electrical and electronic manufacturing industrial
- precision metal fabricating manufacturing industrial
- ceramics, glass and advanced materials manufacturing business
- road, bridge, building and pipeline manufacturing construction industry
- forest products manufacturing industry (including primary and secondary wood processing)
- rail trucking distribution and logistics business
- destination recreation, tourism and hospitality business
- support services (including professional, financial, back-office, technical operations and disaster recovery) business

Report Access: [http://alleganyplanning.com/pdfs/Friendship\\_EZ\\_Dev\\_Plan\\_2007.pdf](http://alleganyplanning.com/pdfs/Friendship_EZ_Dev_Plan_2007.pdf)

**Allegany County: Strategic Tourism Marketing Plan, 2007**, Allegany County Office of Development and Stuart I. Brown Associates, Inc., July 2007

This plan indicates the following research findings regarding various problems existing in Allegany County that negatively impact the County’s tourism industry:

1. Fragmentation and a lack of county-wide cohesion and identity
2. Lack of a county-wide business network and association (note: since the publication of this Plan, Allegany County has established a Chamber of Commerce)
3. Tourist attractions in Allegany County are small, often event-centered, and geographically dispersed throughout the County, which is not easy to travel and for which tourism signage is not adequate
4. Advertising and promotion activities are inadequate
5. Neglected marketing opportunities
6. Deteriorated and blighted physical appearance of communities
7. Low profile along Interstate 86
8. Inadequate organizational capacity / limited financial resources / lack of accountability

Report Access: <http://alleganyplanning.com/pdfs/AlleganyMarketingStrategicPlan2007.pdf>

**Allegany County Coordinated Public Transit-Human Services Transportation Plan, July 2007**, Allegany County Transportation Task Force and Allegany/Western Steuben Rural Health Network, Inc., July 2007

The mission of this plan is *“to identify the transportation needs of the transportation-disadvantaged as well as reduce gaps and duplication of services. By doing so it is our intention to develop a plausible, consumer-focused Coordinated Human Services Transportation Plan for Allegany County in collaboration with its neighboring counties.”*

The plan outlines strengths that include existing human resources and transit partnership programs and task forces, and outlines weaknesses of public transit-human services transportation planning, which include limited resources, confusing regulations, and reliable funding. The CEDS and the Southern Tier West Regional Transportation Strategy both incorporate the findings of this plan.

Report Access: <http://www.alleganyplanning.com/otherreports.htm>

**Focus 2004 – A Strategic Planning Document**, Allegany County Board of Legislators and Carr Marketing and Communications, Inc., March 2004

This document discusses Allegany County’s economic assets and failures. It details the region’s lack of a main north-south highway and inadequate infrastructure, especially water and wastewater infrastructure along I-86 and NYS Route 19. The plan discusses external forces affecting the region, including high state and federal tax rates, downsizing and closure of non-locally-owned manufacturing companies, and over-regulation by NYS. The document outlines opportunities for economic development, including recreational and tourism attractions, interstate highway interchanges, low county debt, available industrial development sites, and three higher education institutions (including a world-renown ceramics college and a related ceramics incubator).

Report Access: [http://www.alleganyco.com/btn\\_leadership/legislators/ac.public.plan%20report.htm](http://www.alleganyco.com/btn_leadership/legislators/ac.public.plan%20report.htm)

**I-86/Rt.19 Crossroads Market Feasibility Criteria Study, 2004**, Allegany County Office of Development and Carr Marketing and Communications, Inc.

The purpose of the study was to evaluate the marketability of the area surrounding the I-86/Route 19 exit 30 interchange for economic development purposes. This interchange is the intersection between I86 and NYS Route 19, which are the main east-west and north-south highways in Allegany County. The plan discusses the development potential represented by the four relatively undeveloped greenfield quadrants at the interchange, and the constraints to development of the four quadrants at the interchange, which include site control, infrastructure, flood plain issues, etc.

Report Access: Not Available online

**Allegany County: Agriculture Development and Farmland Enhancement Plan**, Allegany County Community Visioning Group, Cornell Cooperative Extension of Allegany/Cattaraugus County, Allegany County Agricultural & Farmland Protection Board, Allegany County Office of Development, and Allegany County Soil & Water Conservation District, date of publication unknown

This plan indicates that farm-based natural resources are *“one of Allegany County’s most valuable economic and environmental assets.”* The plan seeks to create a balance between *“public interest in economic development, viability of farming, and natural resource conservation. By focusing educational efforts toward the proper treatment of renewable resources, the resulting economic incentives can improve sustainability of rural businesses.”* The plan outlines the County’s stronger involvement in extraction sectors of agriculture, forestry, and mining (clay and gravel) than New York or the nation as a whole. However, the plan also outlines the general low profitability of agricultural enterprises. The plan outlines opportunities for economic development, including

*“room for expansion in agribusiness, agri-forestry, ceramics, food processing, metal fabrication, technical support services, telecommunications, tourism and wood processing.” Economic development challenges to the capture of these agriculturally-related and natural- resource-related opportunities include the ability of farmers to obtain the information necessary to make sound management decisions, increased constraints of environmental regulations, and increased attention from environmentalists.*

Report Access: <http://www.alleganyplanning.com/pdfs/Farmland%20Plan.pdf>

**Cattaraugus County Department of Economic Development, Planning & Tourism 2008 Annual Report**,  
Cattaraugus County Department of Economic Development, Planning, and Tourism, 2008

This report outlines the annual funding and progress of various development, planning and tourism initiatives in Cattaraugus County. Issues discussed included the uses of casino revenue, the activities of the Community Transportation Coalition, the activities of the Route 16 Community Corridor Partnership, and agricultural districts.

Report Access: [http://ww2.cattco.org/files/downloads/economic-development-planning-and-tourism/2008 Annual Report.pdf](http://ww2.cattco.org/files/downloads/economic-development-planning-and-tourism/2008%20Annual%20Report.pdf)

**Cattaraugus County Department of Economic Development, Planning & Tourism 2009 Annual Report**,  
Cattaraugus County Department of Economic Development, Planning, and Tourism, 2009

This report outlines the annual funding and progress of various development, planning and tourism initiatives in Cattaraugus County. Issues discussed included the uses of casino revenue, the activities of the Community Transportation Coalition, the activities of the Route 16 Community Corridor Partnership, and agricultural districts.

Report Access: [http://ww2.cattco.org/files/downloads/economic-development-planning-and-tourism/2009 Annual Report.pdf](http://ww2.cattco.org/files/downloads/economic-development-planning-and-tourism/2009%20Annual%20Report.pdf)

**Smart Development for Quality Communities Guidebook Series (Volumes 1 – 8)**, Cattaraugus County  
Department of Economic Development, Planning and Tourism, 2001 - 2005

These guidebooks are advisory planning documents intended to help communities undertake community and economic development in a developer-friendly and environmentally safe manner.

Volume I provides the following recommendations for maintaining a sound economic base consistent with sustainability:

- *“Add value to tourism and quality to recreational development opportunities (e.g., Allegany State park, Ellicottville, Ski Resort, Onoville Marina)*
- *Identify appropriate locations for diversity of industrial (light, medium, high tech) and business development and supporting community services, including both greenfield and redevelopment sites*
- *Promote agricultural and forest uses of the land and appropriate reclamation of mining properties*
- *Support diversity of agriculture and education of the public about agriculture and working landscape business practices, particularly in the Routes 62, 219, and 16 highway corridors*
- *Foster collaboration between economic development initiatives (tourism, cultural, business, recreation, natural systems and related resources) to implement a shared vision efficiently and effectively*
- *Maintain high quality educational systems. Respond to changing 21<sup>st</sup> century needs with diversity of programs and through collaborative efforts”*

Volume I also provides the following recommendations regarding infrastructure improvement:

- *“Invest in county and state road networks to improve access between communities and to realize the economic potential of the Route 219 highway expansion*
- *Invest in fiber optics, telecommunications, sewer and water systems to serve the county’s business and residential centers and accommodate future development within existing core areas as defined in the county infrastructure study*
- *Develop and maintain new information systems, such as GIS, to provide accurate and timely information for decision-making”*

Volume I also provides the following recommendations regarding principles for economic development:

- *“Industrial Uses. Comprehensive plans should identify and target specific locations in the county and its 47 municipalities that are appropriate for industrial and business park development.*
  - *Industrial and business projects should be located within population centers of the county that have a high level of accessibility (i.e., that use existing public services, infrastructure and highway interchanges).*
  - *Industrial development should be promoted within existing business districts in the county’s major highway corridors, or in the City of Olean, the City of Salamanca, or within potential growth areas near U.S. Route 219 and Interstate 86 interchanges.*
- *Commercial Uses. New commercial development should be directed to downtown cores and designated growth areas.*
- *Agricultural Uses. Agricultural related businesses should be promoted in the Routes 62, 16 and 219 highway corridors.*
- *Small Business Uses. Cattaraugus County should continue, and expand, its small business development program and loan fund for start-up, expansion and retention purposes. The county’s many small businesses are expected to grow, which will create jobs in the future.”*

Volume I also provides the following recommendations regarding coordinating infrastructure Development:

- *“Improve sewer and water systems. Where necessary, multi-year capital improvement programs should be organized for existing sewer and water systems, to repair, replace or expand them to better serve the county’s business and residential centers. A shared, multi-year approach to accommodate future growth within existing urban cores or designated growth areas is the only feasible answer to these very expensive investments.*
  - *Expansion of sewer and water service systems should be restricted to growth areas that are designated in comprehensive plans.*
  - *Proposals to construct public sewer and water systems in agricultural and other rural areas should be discouraged.*
- *Design better land use layouts. The purpose of Cattaraugus County’s highway network is to link people and their social and economic activities together, on both an intra-county (local) and interregional (national and international) basis. The following six principles should be used to evaluate highway improvements and comprehensive plans from a community growth perspective:*
  - *First, Reinforce Economic Development. New economic development opportunities for the county are expected to originate with natural resources, agriculture, tourism and resort attractions (recreational), housing, mining, manufacturing and commercial retail uses.*
  - *Second, Design a Better Highway Network. ... (T)he county’s prime economic development opportunities should be considered whenever plans are being made to improve highway access or capacity within the county. These improvements can open the county to new markets for industrial, timber, food product, mining, recreational, tourism and residential expansion. For example, value can be added to natural resource-based industries including agriculture, gravel mining and timber. The manufacturing and distribution sectors in the local economy can also be expanded. Secondary opportunities relate to expanding jobs in the commercial base. This includes enhancing tourism related markets in Ellicottville. It includes supporting specialty retail*

and light industrial centers in Springville, Ashford, Ellicottville, Great Valley, Salamanca and Limestone. Salamanca and Limestone are both proposed as gateways into Allegany State Park, with Salamanca being the park's major, central gateway. Limestone is the county's major gateway into New York State from Pennsylvania.

- Third, Link Local Transportation Improvements to Broader Systems. ... Whenever possible, multi-modal transshipment facilities should be proposed that link expanded highway access with its increased truck traffic, to existing and proposed rail services. These opportunities are most prominent in the Cities of Olean and Salamanca.
- Fourth, Reinforce the Built Form of Existing Communities.
- Fifth, Add Value Through Scenic Byway Principles and Designations.
- Sixth, Coordinate Highway Improvement Plans With Emergency Access Program.

Volume I also provides the following recommendations regarding increase the county's capacity for growth:

- *"Cattaraugus County should develop permanent, continuous economic development services at the county level:*
  - *To improve the quality and capacity of industrial and tourist assets in the county, and to keep them separate so that they do not interfere with the unique needs of each type of activity.*
  - *To promote all tourism activities in the county, such as skiing, hunting, fishing and cultural resources including, with mutual agreement, the Seneca Nation and Amish cultures. Resources such as the Onoville Marina in South Valley, Lime Lake in Machias, and the network of four season trails in the county should also be marketed.*
  - *To catalogue scenic resources and design a scenic easement program in order to preserve valuable tourist sensitive attractions and scenic vistas.*
  - *To foster the creation, expansion and retention of commercial, small business and industrial activities countywide, including aqua-farming.*
  - *To promote regional markets, financial sources, existing infrastructure, and parcels that are available for land assembly and new development.*
  - *To increase the planning and development capabilities of Cattaraugus County's various departments, and the County of Cattaraugus Industrial Development Agency.*
  - *To create community development programs and preservation funds for the Cities of Olean and Salamanca. The county's 13 villages and the many hamlets in the county's 32 towns should also be made eligible under criteria that are consistent with the guidelines presented in these visioning guidebooks."*

Report Access: [http://www.cattco.org/planning/guide\\_books.asp](http://www.cattco.org/planning/guide_books.asp)

### **Route 219 Economic Strategy Study**, Cattaraugus County, 1995

This plan is comprised of four separate documents:

*"i) Analysis of Existing Conditions: First Technical Memorandum (July 1995): This document presents an analysis of the region's existing conditions in terms of economy, land use trends in transportation, tourism, recreation, commercial and industrial development, and promising business sectors.*

*ii) Economic Development Strategy and Projects: Second Technical Memorandum (Sept 1995): This document presents a development strategy for Cattaraugus County. It evaluates over 40 potential projects including commercial, industrial, residential, tourism and recreation, and public infrastructure and development programs. In addition, it proposes a strategy for implementing projects including organizational responsibilities and potential funding sources.*

*iii) Demonstration Projects: Third Technical Memorandum (November 1995): This document develops six specific 'demonstration projects' in greater detail in order to illustrate potential economic benefits to be derived locally by Route 219 expansion, particularly the Freeway Alternative. These clusters of project opportunities include the Ashford Business Center, a Tourism/Cultural Center, Industrial Park and Planned Recreation Resort for Ellicottville,*

*the Airport Business Center (new airport site), a major multi-modal (rail/truck) Business Center in Salamanca, and the proposed entrance to New York State from Pennsylvania at the Limestone Gateway Center (which also is located at a newly proposed entrance to Allegany State Park).*

*iv) Marketing and Organizational Strategy: Fourth Technical Memorandum (December 1995): This document presents alternatives for marketing and organizing Cattaraugus County's efforts to develop these Route 219 potentials over the next ten to twenty years. This includes marketing objectives for all major types of development, international business attraction, business retention, and local infrastructure and land use planning."*

Report Access: Report is not available online

### **Local Land Use and Infrastructure Study, Cattaraugus County, 1996**

This is the second major County study relating to Route 219. The plan presents specific growth and development potentials in every section of Cattaraugus County, conducts inventories, makes projections for water, sewage and gas service areas and presents comprehensive development principles to guide County and municipal decision making over the next two decades. The plan concludes with a series of recommendations for land use and infrastructure planning, scenic highway design, economic development, potential funding sources and data management improvements. In particular, it recommends that future planning look at the Route 219 corridor in order to create local roads that offer east-west linkages with Route 219's north-south corridor. This would maximize future growth potentials in Cattaraugus County near the seven proposed interchanges and along local interconnecting roads.

Report Access: Not available online

### **Central Corridor Market Research and Development Program Final Report, Cattaraugus County, 1997 and 1999**

This plan summarizes the County's two-phase program to assist certain municipalities (i.e., the Towns of Ashford and Great Valley, the Town and Village of Ellicottville and Limestone, and the City of Salamanca) with creating and implementing "a market research and development program for six business development demonstration projects, as recommended in Cattaraugus County's Route 219 Corridor economic strategy, to attract businesses to take advantage of the proposed new ... Route 219 expressway. ... The Project includes the identification of sites in the central north-south highway corridor of Cattaraugus County between Springville and Bradford, PA, and refining existing project proposals."

Report Access: Not available online

### **Web Site, Cattaraugus Empire Zone, 2009**

The Cattaraugus Empire Zone's web site delineates the clusters that the Empire Zone either focuses strategic resources on or wishes to facilitate the development of, because they represent an opportunity for business development. These clusters include:

- Agribusiness
- Automobile parts manufacturing
- Ceramics, glass, and advanced materials
- Education/schools
- Food processing
- Metal fabrication
- Plastic products manufacturing
- Technical support services (back-office computer support)



- Technology-based industry clusters
- (E-commerce)
- Telecommunications
- Tourism
- Trucking and distribution
- Word processing

Site Access: <http://www.cattempirezone.org/> (site no longer features the above information)

### **Agricultural and Farmland Protection Plan**, Cattaraugus County, 2007

The purpose of this plan is *“to analyze and understand the foundations of Cattaraugus County's agricultural economy and to create recommendations for structural economic development programming to ultimately enhance the future of local agriculture”* within the County. The plan is intended *“to encourage long-term policy formation in support of agriculture while providing a specific short-term framework to guide local programs regarding specific agricultural economic development and land use initiatives.”* ... *“The result of the process is a series of findings relative to agricultural business and land use conditions.”* ... The plan makes *“12 recommendations for action to improve these conditions in advancement of both the agricultural industry and local communities.”*

Report Access:

[http://ww2.cattco.org/files/downloads/planning/Catt\\_Co\\_Ag\\_and\\_Farmland\\_Protection\\_Plan.pdf](http://ww2.cattco.org/files/downloads/planning/Catt_Co_Ag_and_Farmland_Protection_Plan.pdf)

### **Chautauqua 20/20 Comprehensive Plan**, Chautauqua County, 2011

This plan focuses on *“projects and programs rather than land use.”* It takes a *“resource-based approach ... in order to set a framework that could best capitalize on Chautauqua County's natural, built and human assets to create jobs, lower the costs of existing services, and enhance the quality of life while preserving the rural charm of the County.”*

The plan notes that *“future job prospects can be tied to an emerging tourism and service economy and industries that are likely to take advantage of local resources and geographic advantages.”* Also, *“as jobs shift away from manufacturing, a better educated workforce will be necessary to attract higher-paying service jobs.”*

The County's economic goals include:

- Making the County a renowned destination and center of learning, anchored by the Chautauqua Institution.
- Achieving a strong four-season tourism sector, in which visitors are attracted to the County by its recreational opportunities.
- Making the County's cities, towns, and villages revitalized centers of economic activity, by capitalizing on assets such as their historic architecture and walkable main streets, world-class educational and health care institutions, and local attractions.
- Achieving a diversified economy that provides good job opportunities, with new businesses created in advanced manufacturing, agricultural production, tourism, green technologies, and other current industries.
- Strong encouragement and incentivization of small business startups and entrepreneurial activity.
- Deployment of the latest information technology infrastructure to support the digital technologies needed for businesses to thrive in the 21st century economy.
- Preparation of youth and adults for participation in the 21st century economy through quality education and training programs.

The County's strategies for achieving its economic goals include:

- *“Develop several new, primary tourist attractions that increase visitation in all four seasons.”*

- *Link and “package” visitor activities to more effectively market the range of options and increase tourism’s economic impact in the County.*
- *Leverage and connect Chautauqua Institution to existing and new visitor destinations that support the “World’s Learning Center” brand.*
- *Grow citizens’ pride and enthusiasm for Chautauqua’s future.*
- *Identify market niches for Chautauqua’s cities, towns and villages that support the County’s economic direction and complement their historic, walkable character.*
- *Improve coordination and cost/benefit results of community services and infrastructure investment.*
- *Capitalize on the County’s abundant water and energy resources for economic development.*
- *Promote infill development and reuse of vacant and underutilized properties in the County’s urban centers.*
- *Protect and support the County’s agricultural resources and economy.*
- *Target promising industry sectors based on the County’s assets and emerging growth trends.*
- *Cultivate entrepreneurs and a business culture that thrives on Chautauqua’s rural work and play lifestyle.*
- *Maintain the County’s high-quality education system and retain new graduates to build Chautauqua’s economy.”*

Additional strategies for achieving its economic goals include:

- *“Maintain Chautauqua’s rural landscape, heritage and scenic views.*
- *Promote the natural assets of Chautauqua to grow new economic opportunities and attract additional residents and investment.*
- *Make active living and recreation; based on the County’s beautiful natural environment, a distinct lifestyle attraction that draws new people to Chautauqua.*
- *Reposition the County’s role of using housing as an economic development tool for neighborhood revitalization.*
- *Promote vibrant communities that excite Chautauqua’s youth and attract new residents, and improve the connections between the County’s adults and employers with younger generations.”*

Specific high priority business / economic development action items include: (a) retaining and facilitating the growth of current businesses through a *Business/Retention/Expansion* program, (b) *targeting economic sectors where the County has strong local assets to build on (including recreation and tourism, personal enrichment/learning, agribusiness and food processing, and industries requiring substantial local/renewable energy and/or water resources)*, (c) *create and maintain adequate development sites to start and support local businesses (including brownfield redevelopment areas)*, and (d) *proactively marketing the County IDA’s “Adaptive Re-use Projects” and “Tourism Destination Projects” tax abatement funding programs to targeted industries in order to adapt old structures for new purposes and to attract tourism-related businesses to locate in Chautauqua County.*

Other business / economic development action items include: (a) *developing a “local venture” fund linked to the SUNY Fredonia Technology Incubator to help transition businesses from start-up to commercialization, and possibly linking this initiative to the mentoring program action initiative*, (b) *identifying and building several industry clusters that complement the County’s rural character and “World’s Learning Center” brand (e.g., a high technology niche, non-traditional/distance education products, and specialty advanced manufacturing)*, (c) *creating a positive business climate for ventures exploring green energy and green energy technologies as a growing market opportunity*, (d) *promoting the broadband capacity in region as an advantage for businesses, entrepreneurs, and residents*, (e) *organizing and promoting a veterans advisor and/or mentoring program to promote successful business and community development, and increasing support networks for entrepreneurs and young professionals*, (f) *promoting the availability of county-owned land in the vicinity of the Jamestown Airport Hill Industrial park*, (g) *continuing to support the development of SUNY Fredonia’s Technology Incubator as an R&D center that supports economic sectors in the County, and assisting them in their efforts to reach out horizontally to other regional colleges and/or development initiatives*, (h) *providing funding assistance for startup enterprises to pay for professional services required to develop business plans to complement JCC SBDC’s programs*, (i) *continuing to build upon current assets of the multimodal industrial complex in the Chadwick Bay Industrial Park*, (j) *developing a strategy to improve and promote the currently available and newly developed industrial warehousing/manufacturing facilities in Chautauqua County*, (k) *continuing to market the current skilled workforce*

and quality of life in the County to businesses, and (l) developing and building a New York Visitor's Center at the Ripley Exit on NY I-90.

Report Access: [http://www.planningchautauqua.com/pdf/CompPlan/FinalReport/Chautauqua\\_CompPlan.pdf](http://www.planningchautauqua.com/pdf/CompPlan/FinalReport/Chautauqua_CompPlan.pdf)

**Chautauqua Workforce Investment Board: Three Year Plan**, Chautauqua Workforce Investment Board, 2005

This plan focuses on human assets. The plan notes the general aging of Chautauqua County's population, which is resulting in retirements from professional occupations. Also, the plan notes that the decline in the size of the general population leads to workforce shortages. Further, the forecasted growth in need for services to the aged results in the need for additional workers in health care and other services, leading to shortages in these fields.

The plan also notes that growth industries include manufacturing (especially metal processing, wood processing, and food processing), health care, and travel and tourism, and notes a need to develop the labor force in these sectors. Further, the plan indicates that there is a need to develop basic skills, entrepreneurial talent, and supervisory skills. The plan also notes that ongoing employer restructuring is resulting in employer layoffs. The Workforce Investment Board's financial constraints are resulting in reduced staffing capacity at a time when demand for Workforce Investment Board services is increasing.

Report Access: Not available online

**Chautauqua Workforce Investment Board: Local Plan Modification, 2008-2009**, Chautauqua Workforce Investment Board, 2008

This plan is an addendum to Chautauqua WIB's Three-Year Plan adopted in 2005. Similar to the Three Year Plan, the plan notes that ongoing employer restructuring is resulting in employee layoffs. The plan notes the general aging of Chautauqua County's population, consequent retirements from professional occupations, and the need for services to the aged. These circumstances lead to workforce shortages in particular fields, including health care and other services. The plan notes growth industries with a need for enhanced labor force skills, including manufacturing (especially metal processing, wood processing, and food processing), health care, and travel and tourism. There continues to be a need to develop basic skills, entrepreneurial talent, and supervisory skills.

The Workforce Investment Board's financial constraints continue to be identified as causing reduced staffing capacity at a time when Workforce Investment Board services are economically critical.

Report Access:

<http://www.chautauquaworks.com/Uploads/File/08%20Chautauqua%20Amended%20Local%20Plan%20-%20FINAL.pdf>

**Greater Jamestown Empire Zone Development Plan, 2007**, Greater Jamestown Empire Zone, 2007

This plan discusses both human and economic assets, noting "*major challenges to the regional economy include the high cost of doing business in New York State, over regulation, politics and its impact on causing disjointed development by New York State and its regions, the economic development incentives offered by other states and countries, and the low cost of labor overseas, especially in Asia, which continue to restrain regional and state-wide growth.*"

The plan lists the economic development strengths and advantages of the region, which include:

1. A diversified, established industrial base;
2. Productive, skilled workforce with experience in fine hardwood and metal finishing production;
3. Several strong industrial clusters with growth potential, i.e. transportation products;

4. Basic infrastructure and transportation services provided by highways (I-86 and 1-90) and rail (WNYPRR), telecommunication networks, with ongoing upgrades to these systems;
5. Location, proximity to the major northeastern seaboard markets and the east coast ports with easy entry to all markets, including Canada and other global points;
6. Affordable electric power (.05-.06/kwh), substantial quantities of aquifer-filtered water, and tertiary sewer treatment provided by Jamestown's Board of Public Utilities (BPU) throughout most of the Zone, including Falconer and Ellicott. BPU also provides district heating and cooling in the Central Business District and operates a fiber optic telecommunications system. All services are sufficient for new development;
7. Local sources of natural gas;
8. Shovel-ready development sites with Infrastructure in three industrial parks;
9. A renowned Jamestown Area Labor-Management Committee which has eased historic labor problems and stimulated business development;
10. Good secondary and post-secondary educational and health care systems;
11. Affordable housing;
12. Fine outdoor recreation opportunities;
13. An experienced Chautauqua County Economic Development Team and coordinated support services: Chautauqua Works, the Small Business Development Center, etc.

The Plan indicates that the above strengths and advantages are especially present in the Jamestown area.

For the City of Jamestown, the plan indicates that *"the city's industrial areas are characterized by older and/or abandoned buildings, limiting the amount of available developable land for new development. The challenge is to adapt and reuse old industrial sites and structures. ... There is a need to develop a proactive industrial redevelopment strategy including land assembly, public coordination of the delivery and cost of infrastructure, proactive remediation of environmental conditions, business retention and attraction, and development of an entrepreneurship program."* The Plan goes on to list the weaknesses and disadvantages for business in the Jamestown area, which include:

- High taxes, workers compensation costs, and regulatory compliance burden;
- Lack of "shovel-ready" developable land and antiquated industrial facilities in the City itself;
- Shortage of specialized expertise in some areas (i.e. engineers, technology);
- Over-reliance on outdated technology by many manufacturers;
- Lack of entrepreneurial knowledge and skills;
- Low cost competition, especially in Asia.

With respect to tourism development, the Greater Jamestown Empire Zone Development Plan indicates that *"the area's natural beauty and resources; man-made and natural recreational resources, cultural offerings, and proximity to major population areas are the ingredients for a strong tourism (i.e., regional exports) sector."* With respect to more general industrial development, the Plan indicates that *"Chautauqua County's greatest advantages are its comprehensive economic development team, low-cost energy (Jamestown), two major interstate highways, east-west rail lines, significant supplies of fresh water, and a well-trained and motivated work force."* The Plan also mentions Chautauqua County's four industrial parks, two empire zones, and two incubator facilities.

The Plan goes on to indicate that *"based on the strengths and weaknesses of the region, the Greater Jamestown Empire Zone specifically targets transportation manufacturing, metal fabrication, plastics, wood products, technical support, technology-based clusters, telecommunications, tourism, and trucking and distribution. The low cost municipal electricity, district heating and cooling systems, fiber optic network, educational system, and workforce provide opportunities for expansion and attraction of these industries."* Further, *"GJEZ's main targets are manufacturers with potentially family sustaining wages especially 'traded industries,' exporting goods or services and importing wealth into the local economy. Vital local manufacturers ('base industry') and the critical suppliers and service providers, i.e. machining maintenance and repair, for the larger 'export' manufacturers fit this category, as well."*

Chautauqua County also recognizes the primary opportunity that broadband telecommunications infrastructure represents. The Greater Jamestown Empire Zone Development Plan indicates that:

*“Technical support services and back office computer support systems are a growth opportunity for the Jamestown area. Information technology customers are increasingly demanding enhanced reliability from their data centers. The current reliability standard is defined in a four 'tier' system with customer reliability expectations approaching "five nines" or 99.999% reliability. Significant financial investment is required to achieve such a high level of reliability in data centers, necessitating economic efficiencies in other areas.*

*“The Jamestown Board of Public Utilities, the community-owned electric utility in Jamestown has some of the lowest industrial electric rates in New York State and the nation. BPU has the ability to provide data centers locating in the area with optimum redundancy and reliability at an exceedingly competitive cost. Data center site location criteria generally involves access to at least two telecommunications providers, with fiber optic lines located within a two mile radius of the site location with access to a minimum of a OC48 line capacity.*

*“The advisory policy standards for distance and cost analysis of telecommunications services indicates that Jamestown is one of the few locations in New York that qualifies as a remote data center site for Manhattan-based financial institutions. Based on the current price formula, Jamestown has the same advantages as any other site located an equal distance from Manhattan. One of Jamestown's local telecommunications providers has indicated a willingness to reduce one of the connection fees, consistent with pricing practices in the industry for large customers. In addition, the BPU owns and operates a twenty-mile fiber optic ring within Jamestown. The incoming data center cost of connecting to the fiber system would be considerably less expensive than industry norms.”*

Report Access: Not available online

**Chautauqua County Coordination Transportation Work Plan, 2007**, Chautauqua Area Regional Transit System, September 2008

The plan is both a long-range coordinated transportation plan, as well as short-range plan to address more immediate needs and concerns which will help improve transportation service for persons with disability, older adults and individuals with lower incomes in the Chautauqua County area. The plan identifies the deficiencies of the current transportation system, which include the duplication of services, limited services, and/or no services in various locations. The plan also identifies customer needs (the latter including service, education, marketing/promotion, coordination, and other considerations) and gaps in service. The plan outlines goals and short/long-term priorities, taking into consideration the growth of the transit system, future economic development, and quality of life.

Report Access: <https://www.nysdot.gov/divisions/policy-and-strategy/transit-bureau/public-trans-respository/chautauqua%20plan.pdf>

**Chadwick Bay Champion Community: Strategic Plan**, City of Dunkirk, Towns of Dunkirk, Hanover, Pomfret, Portland and Sheridan, and Villages of Brocton, Fredonia, and Silver Creek, 2002

The City of Dunkirk, Towns of Dunkirk, Hanover, Pomfret, Portland and Sheridan, and Villages of Brocton, Fredonia, and Silver Creek have formed a regional partnership to guide the northern Chautauqua County area into the new millennium. Designated by USDA/Rural Development as a "Champion Community" region in 1996, the shared desire of the participating communities is to preserve the character of the region wherein rural surroundings are enjoyed and none of the advantages of the city are lost, while fostering safe, progressive, prosperous living and improving the quality of life for all residents through preserving and expanding existing businesses and industry, seeking new complimentary enterprises, and creating new opportunities for job creation and economic revitalization.

As such, the following vision has been adopted for the Champion Community Initiative: *To promote and enhance a comprehensive and integrated regional planning process that identifies priorities and focuses resources on those identified priorities.*

In the formation of the Chadwick Bay Champion Community Network, inter-municipal collaboration and cooperation were considered critical to the achievement of sustainable communities. Since its designation as a Champion Community, the Chadwick Bay region, among other actions, has:

- completed the Chadwick Bay Region Comprehensive Plan
- initiated the preparation of the Chadwick Bay Local Waterfront Revitalization Plan
- effectively advocated for completion of infrastructure at the Chadwick Bay Industrial Park

The opportunity now exists to meld together various other development themes into a 5-year strategic plan to accelerate action on and secure funding for:

- previously identified economic development projects
- inter-municipal cooperation opportunities
- tourism development projects and programs
- human services, childcare and housing initiatives

This strategic plan represents the most recent work of The Chadwick Bay Champion Community's municipal leaders and is focused on improving economic and community development efforts in northern Chautauqua County. The strategic plan outlines the goals and strategies that reflect the most urgent and important priorities identified during the various focus group sessions conducted by the Community. The municipal leaders of the Chadwick Bay Champion Community will individually and collectively work to realize the goals.

This plan indicates that northern Chautauqua County suffers from a lack of skilled workers and venture capital. The plan references an earlier document that states that business development in northern Chautauqua County is constrained by human resource development, infrastructure inadequacies, and issues of perception. The areas strengths include its educational facilities, geographic location, tourist attractions, and strong work ethic.

Report Access: [www.rurdev.usda.gov/NY/chadwick/chadbaystrategicplanrevised%2003-28-02.pdf](http://www.rurdev.usda.gov/NY/chadwick/chadbaystrategicplanrevised%2003-28-02.pdf)

**Seneca Nation of Indians: Transit Plan Final Report, 2009**, Seneca Nation of Indians and Wilbur Smith Associates, 2009

The SNI Transportation Department's mission is to provide quality, safe, dependable, and courteous transit service to Tribal residents and visitors, and to lead, advocate, and deliver quality public transportation. Its goals include:

1. Develop transit service that provides transportation options for local residents and tourists
2. Develop transit service that positively contributes to SNI economic development
3. Develop financial stability for future SNI public transit
4. Develop efficient, effective and safe transit service
5. Promote future transit services

The report identifies public transportation needs for Seneca members. The report includes a 'Transit Needs Index' that identifies the areas within the SNI study area that have the highest propensity to use transit, based on census demographic characteristics. Each of the following demographic categories has a high need for public transportation: zero-vehicle households, elderly population, mobility limited population, and below poverty population. The report provides an implementation plan for achieving public transit for the Seneca Nation of Indians.

Report Access: Not available online

**Seneca Nation of Indians 2011 Comprehensive Economic Development Strategy (CEDS)**, Seneca Nation of Indians, 2011

Relevant economic development projects specified in the 2011 Seneca Nation CEDS as being suggested and/or vital projects were included in the Suggested Projects list and Vital Projects list of this CEDS.

The Plan indicates that *“Advantages such as federal credits and property tax breaks, less stringent permitting requirements, available workforce, established infrastructure, and regional resources are benefits that the Nation can promote to attract outside businesses that ultimately will help diversify the Nation’s economy and provide employment opportunities to community members thus improving the quality of life.”*

The plan also identifies the following assets of the Nation:

- *“Abundant natural resources*
- *Scenic, natural beauty of the area*
- *Proximity to the Buffalo metropolitan area*
- *Access to higher education, including 20 colleges and universities in a 50 mile radius*
- *Excellent transportation access*
- *Tax and other financial incentives to business development*
- *Proximity to international markets (Canada)*
- *Low cost of living*
- *Entrepreneurial spirit*
- *Available workforce*
- *A proud history that the community wants to preserve*
- *Varied recreational opportunities*
- *Strong regional tourism base*
- *History, culture, arts and crafts that appeal to travel industry*
- *Class III (Las Vegas style) gaming exclusive in western NYS”*

The plan also identifies the following major issues/challenges facing the Nation:

- *“Lack of family sustaining jobs*
- *Low percentage of college-bound youth*
- *High rates of disease and drug/alcohol abuse*
- *Lack of political stability*
- *Loss of educated youth from the community and inability to draw them back*
- *Lack of available land for development*
- *Infrastructure not keeping up with development – stressed*
- *Lack of funding to pursue major development projects*
- *Lack of professional capacity to drive development and implement projects*
- *Reluctance to implement land use, zoning or other codes/ordinances*
- *Contentious relationship with State (and City of Salamanca) government(s)*
- *Historical exploitation of natural resources by non-natives have left environmental scars and depleted some resources”*

The plan’s specification of goals, objectives and strategies were considered in developing the content of this CEDS.

Report Access: Not available online

## Other Southern Tier West Planning Documents

Interested readers are encouraged to reference the following supplemental strategic planning documents prepared by Southern Tier West. These documents may be downloaded without charge from the Publications page of Southern Tier West's web site ([www.southerntierwest.org](http://www.southerntierwest.org)):

- **Statistical Abstract:** most recently updated in 2009, statistical data and maps for the region.
- **Regional Development Strategy:** most recently updated in 2006, a comprehensive development strategy covering other topical areas in addition to economic development; also includes detailed information about the region, regional priorities and organizational data.
- **Comprehensive Project List:** most recently updated in 2006, a listing and description of all proposed projects for the region – information obtained from project sponsors, county planning and health departments, and other third party sources.
- **Regional Economic Development Strategic Plan:** originally published in 2000, updated in 2001 and re-published in 2002, a policy-based perspective on regional economic development strategy prepared for the Commission for the Future.

Additionally, Southern Tier West has recently published the following project-specific planning documents, which also may be downloaded without charge from the Publications page of Southern Tier West's web site ([www.southerntierwest.org](http://www.southerntierwest.org)):

- **Southern Tier West Regional Transportation Strategy:** published in 2009, a strategic plan for the maintenance and improvement of the region's transportation (highway, railroad, aviation, mobility management) infrastructure system.
- **US Route 219 Planning Study:** published in 2009, a study report containing (a) an analysis of safety issues in regard to accident rates along the current two-lane Route 219 highway, (b) potential land use for highway interchanges and feeder roads along the proposed improved four-lane Route 219 highway, (c) a comparative analysis of the impact that the two-lane Route 219 highway has and the impact that a four-lane Route 219 highway would have on the western New York economy, and (d) an analysis of the projected traffic volume impact that a four-lane highway would have on I-86.
- **Truck-Rail Freight Transload Facility and Business Park Feasibility Study:** published in 2009, a study report (a) evaluating potential locations in the region of a transload facility, a business park, and potential future phase developments, (b) discussing freight flows and evaluating the feasibility of these developments in the region, and (c) providing a strategic plan for the development of these developments in the region.
- **Truck-Rail Freight Transload Facility and Business Park Preliminary Engineering Report:** published in 2009, a study report containing a preliminary site layout for the proposed potential phased development, aerial maps and a site survey, recommendations for a final plan, a geotechnical and soils review, a traffic analysis, an environmental assessment, a budgetary cost estimate, and findings and recommendations.