



Southern Tier West Regional Planning & Development Board
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2012 Southern Tier West Region

Comprehensive Economic Development Strategy

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Introduction and Executive Summary

Introduction

This **2012 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 opportunities and problems (Chapter 2, with supporting data including in the Appendix); a listing of economic development goals, objectives and strategies (Chapter 3); a discussion of the development and implementation of the CEDS (Chapter 4); 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 maps showing various characteristics of the region; provides descriptive data supporting the analysis of the region’s economic condition, contained in Chapter 1; provides further discussion of regional innovation, industry clusters, and occupation clusters, concepts that are summarized in Chapter 1 and 2; provides a bibliography of local, regional, state, and federal strategic planning documents utilized in developing this CEDS; and identifies other relevant recent 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 three-county Southern Tier West region, located in southwestern New York State at the northern tip of the historically economically distressed Appalachian region, has experienced economic distress exceeding that of either the state or the nation as a whole. In recent decades, regional unemployment rates often have exceeded State and national unemployment rates; regional per capita income levels often have been below State and national per capita income levels; regional per capita income levels often have failed to keep pace with inflation; and businesses and residents have emigrated from the region.

Along with the rest of the nation, the Southern Tier West region has struggled to revive its economy and remain economically competitive during the recessionary period over the last decade. Despite somewhat spotty statistical indications that the nation may be slowly recovering somewhat from the economic downturn, the region has continued to experience economic dislocation in the form of layoffs, unemployment, business closures and outmigration, and population outmigration.

In the future, the region's economic health and quality of life will be dependent upon its ability to regain and improve on its economic competitiveness, a goal that will be made more difficult by the dynamic restructuring of and challenges facing the regional, national, and global economies. The region, like the nation as a whole, is experiencing a long-term transformation from a commodity-based manufacturing-based economy into a service-based economy. Developing foreign economies, domestic relative comparative disadvantages, and the restructuring of the global financial, product, and services markets all contribute to pressures on domestic regional economies such as ours.

In order to maintain and improve its standard of living, our region must transform its regional economy into a regional-net-export-surplus, knowledge-based, innovation-based economy that is more internally self-sufficient, i.e., that is less dependent upon the extra-regional economy. It is essential for the region to maintain and cultivate the value-added regional-net-export-surplus sectors of the regional economy – be they manufacturing, service, or agricultural – in industry clusters and occupation clusters in which the region enjoys a competitive or niche advantage, in which there is opportunity and capacity for innovation, and in which there is significant growth potential.

Fortunately, our region has a number of significant economic and human resource assets that not only form the foundation for our current regional economy, but that also can be utilized to achieve sustainable and globally competitive economic development. It is essential that we, as a region, build upon these assets to capture opportunities that are available, at the regional, county, and local levels.

In this regard, Southern Tier West has developed this CEDS strategic economic development plan to achieve the following five economic development goals (as are discussed in Chapter 3 of this CEDS):

- Goal 1: Brainpower** – to develop a skilled labor force capable of creating a knowledge-based and innovation-based economy, and that encourages businesses to start, locate, and expand in the region
- Goal 2: Innovation and entrepreneurship networks** – to provide the process and the temperament and skills to translate ideas into wealth through new products, new services, and new markets, and to enhance the development of value-added businesses and other businesses that will augment and / or diversify the region's economic base
- Goal 3: Quality, connected places** – to create quality, connected, safe, convenient and healthy places to live and work, that make the region attractive for residential, commercial, and industrial development

- Goal 4: Branding and story-telling** – to create value for the region’s products and services for international buyers, and to create the sense of identity necessary to spur collaboration throughout the region
- Goal 5: Collaborative leadership** – to create places in the region in which focused conversations about complex issues can take place and solutions can be agreed upon and implemented, and the improvement of regional coordination and cooperative partnering efforts

The above five goals are consistent with the five critical ingredients for competitive regions in today’s global economy, as specified in the EDA-sponsored study report “Crossing the Next Regional Frontier: Information and Analytics Linking Regional Competitiveness to Investment in a Knowledge-Based Economy.” This document is available on the web at the URL indicated below.

The strategic recommendations (i.e., strategies, projects, programs, and other activities) contained in Chapters 3, 5, and 6 of this CEDS are consistent with these five stated goals.

For the first time, this edition of the regional CEDS document takes advantage of data-driven analytical techniques, developed by Purdue University, Indiana University, and other study partners, using EDA funding, for evaluating the region and establishing effective strategies for economic development. This CEDS is the first CEDS in the northeastern USA to use these analytical techniques to evaluate the region’s capacity for innovation, to identify target industry clusters, and to identify significant occupational clusters, and to discuss the development of strategies and projects based on these analytical results. In doing so, Southern Tier West has made use of the following resources:

- **“Unlocking Rural Competitiveness: The Role of Regional Clusters,”** Purdue University, Indiana University, et al, January 2007.
http://www.statsamerica.org/innovation/reports/unlocking_rural_competitiveness_full_report.pdf
This EDA-commissioned study report provides an introduction to:
 - **Industry clusters** – a tool for identifying the most significant sectors of the regional economy and developing strategies based upon that information
- **“Crossing the Next Regional Frontier: Information and Analytics Linking Regional Competitiveness to Investment in a Knowledge-Based Economy,”** Purdue University, Indiana University, et al, October 2009.
http://www.statsamerica.org/innovation/reports/crossing_regional_frontier_full_report.pdf
This EDA-commissioned study report provides an introduction to:
 - **Occupation clusters** – a tool for assessing the regional workforce and human capital asset
 - **Innovation index** – a tool for assessing the region’s capacity to innovate
 - **Regional strategy and investment framework** – a tool that provides guidance for developing a regional strategy from the information developed from the analytical tools

- **“A Practitioner’s Guide To Economic Development Tools for Regional Competitiveness in a Knowledge-Based Economy,”** Purdue University, Indiana University, et al
http://www.statsamerica.org/innovation/guide/practitioners_guide.pdf
This EDA-commissioned guide provides a hands-on guide for utilizing the various analytical tools described in the above two documents.
- www.statsamerica.org/innovation
This web site, commissioned by EDA and hosted by Indiana University, provides (a) county and regional innovation data, industry cluster data, and occupation cluster data; (b) tools; (c) an economic development practitioner’s guide; and (d) a roadmap for developing a regional strategy.
- http://data.bls.gov/location_quotient/ControllerServlet
This web site, hosted by the US Department of Labor Bureau of Labor Statistics, also provides data (including industry cluster data and occupation cluster data at the regional and county levels).

The Appendix contains a discussion of the analysis of regional innovation capacity, industry clusters, and occupational clusters, developed using the www.statsamerica.org/innovation and http://data.bls.gov/location_quotient/ControllerServlet data for the three county Southern Tier West region. Southern Tier West has prepared study reports using the Purdue/Indiana analytical tool, which it has used to describe and evaluate the region’s innovation capacity, to identify the region’s most significant industry clusters and occupation clusters, and to outline the strategic implications of these findings. The Appendix also provides web URLs for obtaining the reports.

(The Appendix also contains expanded data and maps sections, which provide the most current descriptive data on the region and its economy – including significantly more descriptive data on the region’s agriculture sector – and provide additional descriptive maps that present an enhanced geographic context for the region.)

By incorporating these analytical techniques relating to innovation and cluster, and by re-thinking the implications of the need for a knowledge-based, innovation-based economy, Southern Tier West is using this CEDS to attempt to transform the paradigm of economic development within the region from a philosophy that often is “deal-driven” or “specific-opportunity-driven” and sometimes even reactive, to a philosophy that clearly also embraces and encourages a reinvigorated emphasis on proactive initiatives related to economic inputs, knowledge, and innovation.

The result is the continuance in this version of the CEDS of many of the strategic foci of prior CEDS documents (e.g., transportation infrastructure, broadband infrastructure, basic municipal infrastructure, development finance, skills training, etc.), but also a new and greater strategic focus on the following topics:

- Targeting significant industry clusters and occupation clusters
- Enhancing the region’s capacity for innovation
- Encouraging entrepreneurship
- Developing a highly skilled, tech-savvy regional labor force
- Augmenting the region’s educational services to encourage improved STEM (Science, Technology, Engineering, and Mathematics) skills and entrepreneurial skills

It is Southern Tier West’s hope that in the months and years to come, this refocusing of strategic emphasis onto developing a knowledge-based, innovation-based regional economy will lead to a

broader portfolio of strategic economic development initiatives (i.e., projects and programs) designed to build on regional strengths and enhance regional competitiveness. This paradigm shift will require forward thinking and a willingness to invest in the future by building capacity and enhancing regional assets. The results of this paradigm shift should include:

- A stronger, more comprehensive CEDS containing higher impact projects and programs.
- Increased utilization of the Regional Investment Portfolio Tool (mentioned above) for prioritizing projects and programs, resulting in a consensus approach to selecting the highest impact projects.
- A stronger monitoring and evaluation process for refining our knowledge of what the results of our economic development strategy has been, and for developing and implementing new initiatives moving forward.

and most importantly,

- Increased success in our shared regional economic development mission, which will be reflected in an increased economic growth and an improvement in economic indicators.

In a region such as ours, which is rural and economically challenged, and which often must limit the expenditure of its financial resources to essential services, programs, and initiatives, it will be a challenge to bring about an evolutionary revision of the region's economic development paradigm. In the economic development realm, future returns from building capacity initially may not seem as guaranteed or even as intuitive as a case-by-case development focus on immediate opportunities. However, it is Southern Tier West's hope that this CEDS represents the start of a regional dialogue that will result in a shared consensus that capacity building is essential to the region's economic future. As this vision becomes more generally accepted and incorporated into our regional strategy, our region will become a national leader in making progress toward becoming a rural region with a healthy, competitive, sustainable economy.

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

- September 2012

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.

Geography

- The region is comprised of three counties (Chautauqua, Cattaraugus, and Allegany). 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, which can limit large scale enterprises requiring large amounts of flat land. Primary regional 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 either tribally sponsored or else 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 historically has prepared its own CEDS document; relevant descriptive and strategic excerpts from the Seneca Nation of Indians' most recent (2012) 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.

Population

- 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 has a low population density, owing to its rural character and large geographic size.
- The region is experiencing several structural population changes:
 - **Total Population:** The region's population is decreasing, negatively impacting the region's labor force. 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% (from 273,632 to 264,168),

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. Demographers indicate that 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 the 1980 to 2010 period and the 2000 to 2010 period.)

- **Outmigration:** The region is experiencing high rates of outmigration (especially the skilled and young population, in search of employment). 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.
- **Dependent Population:** The region is experiencing an increase in the dependent population (particularly the 65+ age cohort). 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.
- **Racial Composition:** The region is experiencing an ongoing increase in both racial diversity and diversity of origin. Please refer to the data in the Appendix for a discussion of racial diversity and diversity of origin.

Economy

- Although the region is economically distressed, the region nonetheless did not experience the drastic swings in its economy as did some other regions around the country. In part, this is because the region did not experience an overvaluing of housing markets and an overextension of personal borrowing, as did other regions of the country, which were significant factors contributing to the significant downturns in many other regions.
- However, although the "trough was not as deep" as in other regions, the region nonetheless experienced a downturn. Unfortunately, the region's historical experience is that the region does not recover from recessions as quickly as do other regions of the country.
- Taking a longer term perspective, the region has experienced long-term economic distress, higher unemployment, lower per capita income, higher poverty rates, and higher relative public assistance and income assistance burdens, over the long term, relative to state and national levels.
 - **Unemployment.** 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 2011, Allegany County's unemployment rate was 8.7%, Cattaraugus County's unemployment rate was 8.7%, Chautauqua County's unemployment rate was 7.9%, and New York State's unemployment rate was 8.2%; per the U.S. Bureau of Labor Statistics, the U.S. unemployment rate was 8.95%. 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 most recently in 2011) 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, and most recently, in 2011). 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.

- **Per capita personal income levels.** 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 71% of New York State per capita personal income in 1970 to 63% of New York State per capita personal income in 2010. This placed Cattaraugus County 40th out of 62 counties in New York State in 2010, Chautauqua County 54th, and Allegany County 62nd. In 2010, personal per capita income was \$26,953 in Allegany County, \$30,543 in Cattaraugus County, \$33,508 in Chautauqua County, and \$48,596 in New York State as a whole. The personal per capita income for the U.S. as a whole in 2010 was \$39,937. (Similarly, in 2009 estimated nominal median household income 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. The data also show the similar parallel that the average wage per industry sector in most sectors was significantly lower in the region in 2009 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.
- **Poverty rates.** 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.
- **Public assistance/income assistance burdens.** 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 experiencing ongoing structural economic changes:
 - **Shifting sectoral composition.** Mirroring the national economic transformation, the region has been undergoing a transformation from an economy featuring many high-skill, high-wage unionized jobs to an economy that features an increasing number of relatively low-skill, low-wage service and commercial employment, often part-time in nature and offering few benefits, such as health insurance and retirement benefits.

- **Decline of manufacturing sector.** As a component of this shift in sectoral composition, the region's manufacturing sector is experiencing an ongoing decline in terms of employment. 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 extra-regional markets. Extra-regional sales (i.e., exports to other regions) bring new wealth into the region and have been a traditional foundation for the region's standard of living.
- **Growth of services and trade sector.** As noted, 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, a number 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, a substantial portion of the region's services and trade sector does not involve export activity, and thus does not bring new wealth into the region.

As a consequence of these structural dynamics, certain cornerstone institutions (e.g., hospitals, schools and other community institutions) face threats from decreases in population and standard of living.

- Global competition and general macroeconomic conditions have negatively impacted the region's economy, resulting in job losses, business closures, and increased absentee business ownership. There also is the sense that there will be additional negative events in the world economy that will continue to place pressure on domestic regional economies such as ours.
- Despite improvements in recent years, New York State remains a relatively high-cost business operating environment, including tax, regulatory, and workman's compensation burdens.
- However, New York State also has a dynamic economy heavily integrated into the global economy, and containing significant technology clusters and research centers, and a high productivity workforce.
- The region is experiencing inadequate levels of entrepreneurship, technology transfer and adoption, and export activity. There are certain specific ongoing and proposed initiatives in the region that are intended to address these situations.

Workforce Development and Use

- The workforce is productive with a good work ethic. However, businesses often complain that the workforce lacks basic employment skills and advanced technical skills, despite the existence of significant training resources within the region.
- The region has high levels of primary and secondary school educational attainment, and high levels of post-secondary associates degree attainment, compared to State and national levels. However, compared to State and national levels, the region has low levels of post-secondary bachelor and post-graduate degree educational attainment.
- The region's educational and training system is a strong, comprehensive system of entities ranging from primary to graduate schools, County departments, Workforce Investment Boards, and a network of training institutions. This system focuses on both general education and developing the labor force's workforce skills.
- The region's labor force experiences unemployment rates that often equal or exceed State and national rates. However, certain geographic segments of the region and certain sectors and industry

clusters in 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.

Transportation Access

- The region is served by two interstate highways, a network of federal, state and local highways, two Class 1 rail lines and three short line rail lines, one airport with scheduled passenger service, several general aviation airports, and an evolving mobility management (public transportation) infrastructure.
- The region's distance from metropolitan centers, primary passenger 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 infrastructure. Continuing deficiencies need to be addressed through 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, grape, etc.) production and forest products industries. However, the region's short growing season constrains certain 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. However, the region's environment faces varying levels of threats from air, soil and water contamination, and from development in floodplains and wetlands.
- Several brownfield and Superfund sites have been identified within the region. The region should remediate these sites, some of which could represent economic development assets once properly remediated.
- One specific significant environmental issue is the ongoing process of clean-up of the former West Valley Nuclear Services Center facility.

- As mentioned above, the region has untapped Marcellus and Utica shale gas resources that are potential sources of value-added regional export activity and job and wealth creation. However, there is disagreement as to the potential environmental impacts of extracting shale gas.

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 overall poverty rates that are above State and national levels.
- The region is experiencing relatively high public assistance and income assistance burdens, although the incidence of social service transfer payments is lower than it has been in the past.

Infrastructure

- The region does have some specific infrastructure strengths at the community level. Certain communities have infrastructure capacity and service in one or more types of utility infrastructure (e.g., water, wastewater, communications, broadband, natural gas, electricity, etc.) that is adequate for both local quality of life and the existing business community, and that also is adequate to permit and even catalyze business development.
- However, various locations across the region have utility infrastructure capacity and/or service that is inadequate for local residential and business uses and that may not support or permit additional business development.
- With respect to improving and maintaining global competitiveness, telecommunications and broadband infrastructure in particular are seen as being significant and essential drivers of economic development in the region. The installation of the ION fiber cable loop through the region is scheduled to be completed in late 2012. It will provide both improved access to high speed internet and service redundancy, last mile providers are still needed for the more rural areas of the region. Additionally, competitive service options also are not present everywhere in the region at present. Southern Tier West has been active in developing public-private partnerships to address the lack of service in the more rural parts of the region.

Other Community Assets and Quality of Life Services

- As has been noted elsewhere, educated and intelligent people and high-growth companies are mobile, and can locate virtually anywhere. They will choose to locate in regions that value connected, safe, convenient and healthy places to live, work, and do business. Although connectivity requires basic infrastructure (e.g., strategic transportation links and information technology connections), connectivity extends beyond these physical connections to activities that explicitly focus on building networks among people, e.g., fostering the development of “civic spaces.” As a region that clearly value quality of life, the region has many of these civic spaces, and should continue to develop even more of them to improve its positioning as a place to live, work, and do business.
- On the whole, the region enjoys a high quality of life, with engaging cultural and recreational resources, low-crime rates, an attractive small-town rural lifestyle, a relatively clean environment, stable housing markets, and relatively good health care. However, like many other regions across the country, each of these components of the region’s quality of life has challenges, constraints, or room for improvement, as follows:

- **Recreational and cultural assets and services.** For a rural region, the region has a surprising number of recreational and cultural assets that contribute both to quality of life and economic development. Nonetheless, the region also has underutilized recreational and cultural assets, and there are 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 recreational and cultural assets and services for both economic development and quality of life.
- **Crime.** While the region’s crime rate is low relative to that of more urban areas, the region nonetheless does have public safety concerns.
- **Environment.** Although the region’s environment is largely a clean, rural environment not subject to many of the issues experienced by many urban regions, the region’s environmental quality of life is threatened to various degrees by air, soil and water contamination. There is a perception that the region has to do more, not only to maintain and preserve its regional environment, but also to improve its regional environment. These environmental interests sometimes are seen as being incompatible with economic development, but in the long term, a failure to address environmental issues appropriately will be counterproductive as regards maintaining a healthy regional economy.
- **Education.** 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. In particular, there is room for increased emphasis on STEM (science, technology, engineering, and mathematics) education and entrepreneurial education. The region also could encourage its population to obtain post-secondary bachelors and advanced degrees to improve the skill level in the workforce. 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. Additionally, at a more basic level, innovative programs are being developed that fill the gaps between traditional educational and job training programs, such as the Career Pathways structure of Literacy West, and the Community Opportunities for Rural Education (CORE) Collaborative among over 75 agencies and departments.
- **Housing.** Although the region’s housing market is stable, and hasn’t experienced the over-valuation and subsequent price-depression cycle experienced by many regions, the region’s housing market still has weakness that include: median housing prices that are 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.
- **Community centers.** Many communities in the region have downtown centers that continue to be idyllic small town environments for living and working. However, many communities are experiencing threats to their downtown business districts, including urban sprawl, the entry of big box and other non-locally-owned competitors into local marketplace, and the migration of downtown retail and service business out of downtown business districts. There is a perception

that the region needs to concentrate economic and community development initiatives toward preserving and enhancing the vitality and centrality of these downtown centers.

- **Health care.** Although the larger communities in the region typically are centers for health care with service levels proportional to their size, the adequacy of the regional healthcare system in fact varies across the region. Certain communities are underserved by comprehensive health care services. Certain health care institutions in the region face ongoing challenges to their viability and competitiveness in response to the dynamics of technology advances and insurance and regulatory environments. Health care costs increasingly are a burden to regional employers and residents. A number of regional residents do not have adequate health care insurance, or cannot afford proper treatment. Although many of these health care services issues are local manifestations of the macro-level (i.e., national) structural health care industry environment, and are not capable of being successfully remediated exclusively through local initiatives, there remain significant local opportunities for improving health care access across the region, which the region should address.
- **Community comprehensive plans.** Southern Tier West has been an advocate for increased levels of planning and the community and county level. In the last several years, Allegany and Chautauqua Counties have completed updates of their county comprehensive plans, and Cattaraugus County is undergoing this same process in 2012. A number of municipalities also are updating or creating comprehensive plans. This process is extremely important, as it creates a shared local consensus about direction and strategies, and provides a list of strategic initiatives for achieving the goals of the comprehensive plan. Southern Tier West makes use of these plans when developing its regional CEDS.

Chapter 2 – Analysis of Economic Development Opportunities and Problems

This chapter includes an in-depth analysis of the region’s economic development opportunities and problems. The analysis identifies strengths and weaknesses in the regional makeup of human and economic assets, and opportunities presented and problems posed by external and internal forces that affect the regional economy. The discussion of regional economic assets includes a discussion of significant industry clusters and significant occupation clusters. The discussion of regional economic weaknesses includes a discussion of the region’s inadequate capacity for innovation.

Please note that some of the elements of strengths, weaknesses, opportunities, and threats 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 sections (a) on regional descriptive data for further information on various data sets referenced in this chapter, (b) on regional innovation capacity for further discussion of this topic, and (c) on regional clusters for further discussion of industry and occupation clusters.

In terms of structure, this chapter is organized as follows:

- A discussion of the region’s **economic development opportunities**, which include capitalizing on its strengths in the regional makeup of its human and economic assets. These assets also include the region’s most significant industry clusters and occupation clusters, which are identified and discussed separately herein.
- A discussion of **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. One specific regional weakness is the region’s inadequate capacity for innovation, which is discussed separately herein.
- A discussion of the **strategic implications** of the region’s economic development strengths and opportunities and weaknesses and constraints.
- An overview of certain relevant government-sponsored plans (see the Appendix for a bibliography), including workforce plans, and a commentary on their consistency with and relevancy to the regional plan.
- A survey of certain past, present, and projected future economic development investments in the region.

Economic Development Opportunities, including Strengths in the Regional Makeup of Human and Economic Assets and Opportunities Posed by External and Internal Forces that Affect the Regional Economy

- **Labor force.** The region has a labor supply surplus of unutilized and underutilized workers, and, compared to many other domestic regions, the region has a productive work force with a good work ethic. The region’s labor force also is capable of being trained for new skills required for current and future employment opportunities. However, the region’s labor force currently does have shortages of many types of skilled labor.

- **Manufacturing expertise.** The region historically has had a strong manufacturing sector, which has diminished in recent decades, but the presence of numerous manufacturing businesses in the region presents certain advantages for the location and growth of additional manufacturing operations within the region. Also, from a labor force perspective, according to New York State Empire State Development, New York State ranks 9th 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.
- **Labor force training system.** The region has an aggressive network of public and private human resource and training organizations that provide workforce training and other human resource assistance, including the Workforce Investment Boards, Board of Cooperative Educational Services, colleges, the Regional Technology Development Center for Western New York (Insyte Consulting), etc.
- **Educational system.** The region has a significant capable and productive system of primary, secondary, and post-secondary education institutions.
- **Research Institutions.** The region is advantageously located in the center of a number of research institutions (in the villages of Alfred and Fredonia in Allegany and Chautauqua Counties, respectively, and in nearby Pittsburgh, Cleveland, Buffalo, Rochester, and Ithaca) which afford the region's business community significant opportunity for technological advancement, and which also offer opportunities for technology transfer leading to new business development. Within the region, the technology-based research with perhaps the most significant economic development potential is being done in the ceramics, glass, and advanced materials cluster at Alfred University.
- **Significant natural resource base and development assets.** The region's significant natural resources and development assets include:
 - **Farmland and agricultural resources.** The climate, soils, and topography of the region has contributed to the region being a center of activity in dairy, vegetable, fruit (including especially grapes), maple syrup, livestock (including poultry and equine), nursery/greenhouse and other agricultural production crops. Increasing the amount of secondary processing would provide substantial economic benefit to the region.
 - **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.
 - **Water.** The region has an abundant supply of clean uncontaminated fresh water suitable for both potable and process needs.
 - **Marcellus and Utica shale gas.** The region is located in a larger multi-state region of deposits of shale gas resources, which could provide both energy opportunities and business development opportunities. There is, however, significant disagreement about the environmental implications of extracting this resource.
 - **Geothermal.** This is a relatively untapped energy source that is available in the region.

- **Wind resources.** The location of the region just east of Lake Erie positions the region (and especially the western-most portion of the region) as a good location for wind energy generation.
- **Lake Erie coastland.** This holds potential for increased development to support tourism and commercial activity, and perhaps for freight and passenger shipping facilities and operations.
- **Locational advantages.** The region's 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) provide advantages for the location of businesses needing accessibility to customers and inputs, for business in general and, perhaps, agribusinesses in particular.
- **Broadband service.** Our rural region has been fortunate to receive ongoing investment in its broadband capacity, which has included 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 fiber loop trunk line being constructed across the region is scheduled to be completed by the end of calendar 2012. The expansion of the region's broadband network allows for the development of internet-related, location-neutral businesses in the region's rural location. 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.** These programs include State technical and funding assistance programs and the technical assistance programs operated by the Regional Technology Development Center for Western New York (Insyte Consulting).
- **Tourism assets.** The region's tourism assets include numerous natural and built tourism destination facilities, recreational and cultural assets, and events.
- **Small business and entrepreneurial assistance resources.** There is ample opportunity for small business development and entrepreneurship in the region, and with several small business incubators and numerous assistance and funding programs that are in place in the region to catalyze small business development and entrepreneurial activity.
- **Quality of life.** The region has an attractive rural quality of life and a relatively healthy environment in which to live and do business.
- **Seneca Nation of Indians.** As is indicated in the Seneca Nation of Indians most recent CEDS, the Seneca Nation of Indians' territories have a number of economic assets, including:
 - **Natural resources.** These include natural gas deposits, sand and gravel deposits, wildlife and fish resources, and the potential for wind energy and ground source heat pumps.
 - **Land.** The Nation has developable land, and certain sites have adjacency to land assets including Allegany State park, the Allegany River, Cuba Lake, and Lake Erie.
 - **Labor force.** The Nation's membership represents a significant labor force base that is an economic development asset.

- **Tax exempt status.** The tax exempt status of the Nation is an advantage to Nation-owned and joint venture opportunities with non-Native American partners.
- **Casino revenues:** The Nation has an opportunity to utilize revenues from casino resort operations to diversify the Nation’s economic base so as to provide more diverse employment opportunities for members of the Seneca Nation and for the general non-Native American population, and also to insulate itself from external threats to tobacco and gasoline sales and casino operations.
- **Specialized development infrastructure.** The Seneca Holdings, LLC and the Seneca Nation Economic Development Corporation are assets that the Seneca Nation can utilize to catalyze business development activity.

Identification of Significant Industry Clusters Within the Region

Industry Cluster: A geographically proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and complementarities.

- Professor Michael E. Porter, Harvard University

Industry clusters can be thought of as groupings of businesses with similar processes, products, inputs, or technologies. However, industry clusters also may include businesses with similar key suppliers, other related businesses from other sectors that rely on other shared features (e.g., shared workforce, knowledge transfer, etc), and even other institutions that compliment the businesses in the cluster (e.g., research universities, training academies, etc.).

One of the basic tenets of current thinking in economic development is that regions should invest resources in industry 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 involve value-added net export activity that brings new money into the region. In other words, the region should think of its significant industry clusters as economic assets.

Using the data-driven analytical techniques developed by Purdue University, Indiana University, and others (see www.statsamerica.org/innovation/), the region has identified the following significant target or niche clusters meeting the above three criteria in which the region should focus investment:

- Fabricated Metal Product Manufacturing
- Machinery Manufacturing
- Agribusiness, Food Processing and Technology
- Glass and Ceramics
- Forest and Wood Products
- Information Technology and Telecommunications
- Education and Knowledge Creation
- Biomedical/Biotechnical (Life Sciences)
- Arts, Entertainment, Recreation, and Visitor Industries
- Transportation and Logistics
- Mining
- Computer and Electronic Products

The analysis that Southern Tier West undertook to arrive at the above list of significant industry clusters is presented in a report titled, “STW Regional Industry Cluster and Occupation Cluster Analysis, June 2012,” which is available at:

<http://www.southerntierwest.org/pdfs/ceds/2012/STW%20Regional%20Industry%20Cluster%20and%20Occupation%20Cluster%20Analysis%20-%20STW%20June%202012.pdf>.

As is noted in the above report and also in the Appendix of this CEDS, a number of local strategic economic development planning documents have been published within the region over the years, and there is some variation in the 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 also may be explained by newly developing opportunities, or by smaller-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.

The region should focus increased attention on value-added, net-export economic activity in the significant industry clusters identified above, so as to enhance the vitality and economic development impact of these clusters, and to capitalize upon them as economic development assets. It is in knowledge-based manufacturing and 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 commodity-based manufacturing operations.

In the past, there also has been 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.

Although 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, it may be difficult to seize opportunities in these 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.

Identification of Significant Occupation Clusters Within the Region

Occupation clusters are a relatively new concept in economic development thinking, as compared to industry clusters. Occupation clusters essentially are groups of occupations based on common and complementary knowledge and skills. Often, occupation clusters are linked to the industry clusters in which they are present. In fact, some think of occupation clusters as a specific type of industry cluster – viewed from the input side of business operations, i.e., businesses that share the same types of workforce in terms of skills, expertise, and knowledge.

Similar to current thinking in economic development relative to industry clusters, the implication is that regions should invest resources in occupation clusters in their regions (a) in which they have significant strengths and hence comparative advantage with respect to other regions from a business inputs perspective and (b) that exhibit the opportunity for growth, and (c) that involve value-added net export activity that brings new money into the region. Research to date suggests that occupation clusters may be at least as important as industry clusters in driving regional competitive advantage.

Using the data-driven analytical techniques developed by Purdue University, Indiana University, and others (see www.statsamerica.org/innovation/) and also data provided the US Department of Labor Bureau of Labor Statistics (see http://data.bls.gov/location_quotient/ControllerServlet), the region has

identified the following significant occupation clusters meeting the above three criteria in which the region should focus investment:

- Advanced Materials
- Agribusiness, Food Processing & Technology
- Computer & Electronic Product Manufacturing
- Fabricated Metal Product Manufacturing
- Forest & Wood Products
- Glass & Ceramics
- Machinery Manufacturing
- Manufacturing Supercluster
- Primary Metal Manufacturing

The analysis that Southern Tier West undertook to arrive at the above list of significant occupation clusters is presented in a report titled, “STW Regional Industry Cluster and Occupation Cluster Analysis, June 2012,” which is available at:

<http://www.southerntierwest.org/pdfs/ceds/2012/STW%20Regional%20Industry%20Cluster%20and%20Occupation%20Cluster%20Analysis%20-%20STW%20June%202012.pdf>.

As is noted in the above report, there never has been an identification of significant occupation clusters in our region in any of the strategic economic development planning documents have been published within the region over the years, or a recommendation to direct economic development strategies to capitalize on this information.

Another point noted in the above report is that the following industry groups are both regionally significant industry clusters and regionally significant occupation clusters:

- Agribusiness, Food Processing & Technology
- Computer & Electronic Product Manufacturing
- Fabricated Metal Product Manufacturing
- Forest & Wood Products
- Glass & Ceramics
- Machinery Manufacturing

Those industry groups in the Southern Tier West region that are both significant industry clusters and significant occupation clusters can be thought of as representing the most significant competitive advantage assets for economic development in the region. The implication is that the Southern Tier West region should use this information to try and build upon the region’s competitive advantage, and determine the most effective ways of doing so.

Economic Development Problems, including Weaknesses in the Regional Makeup of Human and Economic Assets, and Problems Posed by External and Internal Forces that Affect the Regional Economy

- **Human capital issues**
 - **Structural population changes.** As indicated above, the region is experiencing a declining population, a net outmigration of population, and a net migration of the skilled and young population. These demographic changes to the labor force increasingly pose challenges to

regional business operations and business development activity.

- **Labor force productivity.** Despite having a relatively high productivity and trainable labor force, the region nonetheless is experiencing both a decline in the relative productivity of its work force, and an ongoing 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 retains an abundance of older workers whose skill sets are tailored to low-skill, industry-specific jobs; consequently, a high-tech, high-skill labor force that can catalyze the growth of the region's technology business sector never has developed.

With few high-tech, high-skill jobs available 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 relatively low-tech-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.

There also is a shortage of non-high-tech skilled labor in the region, e.g., welders, CNC machine operators, etc. This shortage also constrains business development in industry clusters dependent upon such labor skills.

- **Education.** As mentioned previously, despite having both high levels of primary and secondary school educational attainment and high levels of post-secondary associates degree attainment, compared to State and national levels, the region does lag both the State and nation as a whole in terms of the percentage of residents with bachelors and advanced degrees, which is an obstacle to attracting employers requiring a high-skill labor force to the region. Additionally, as a consequence of many factors, including State assistance, the region also is at a critical juncture with respect to the fiscal viability of its primary and secondary educational system. These challenges pose economic development problems for the region, as the ability of a region to provide adequate educational services facilitates the retention and attraction of both residents (i.e., employees) and businesses.
- **Entrepreneurial capacity.** The region does not have a strategy in place for "developing an adequate-sized pipeline" of individuals with the requisite skills and knowledge and intentions necessary to catalyze a high level of entrepreneurship in the region. As a consequence, the region is experiencing inadequate levels of entrepreneurship. Research has shown that an entrepreneurial culture within a region is essential to creating an innovation culture within the regional economy.
- **Operating constraints to development**
 - **Productivity and competitiveness issues.** Certain significant portions of the region's economic base (certain manufacturing and non-manufacturing companies as well as certain elements of the government sector) utilize older technologies and practices that are not globally competitive. These institutions are less productive and are at an operational disadvantage compared to more recent market entrants that utilize newer technologies and practices. To become competitive, the region's private and public sectors both need to adopt the technologies practices of the future.

Demand side. While some companies and units of government 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 led certain companies and units of government in the region to operate with decades-old thinking, technologies, and practices.

Supply side. The region is experiencing inadequate levels of technology transfer from both regional and extra-regional research institutions and sources.

- **Capital market constraints to development.** There is a need for increased availability of equity and debt capital to support entrepreneurship and business development in the region.

Private equity capital. With respect to equity capital, the capacity of the private sector to undertake economic development projects is directly related to the health of personal and commercial credit markets. As indicated above, over the long term, the region's per capita personal income levels are below State and national per capita incomes, and have deteriorated relative to State and national per capita incomes. Poverty levels also are higher than State and national levels. In addition to the impact that the region's low relative per capita income and median household income have on the quality of life for employees and residents in the region, they also afford residents and entrepreneurs little equity capital for use as risk capital to invest in the regional economy, an obstacle to regional economic development. The region has inadequate private equity and capital funding resources to augment personally held wealth resources, including especially initial stage funding and micro-equity venture capital.

Private debt 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 (i.e., 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 also is 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. However, despite the participation of public sector loan funds in commercial lending packages, leveraging commercial banks into senior collateral positions on larger collateral asset bases, commercial banks often are unwilling to undertake what they perceive to be risky loans, even with public sector loan guarantees.

Public debt and equity capital. 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, there are gaps in the State's provision of direct business loan incentive financing. Third, there are gaps in the State's provision of grant and loan funds for municipal economic projects and infrastructure projects, especially for projects with speculative or unspecified impact.

- **Infrastructure constraints to development**

- **Basic utilities.** Some communities have infrastructure service capacities (including competitive-rate local water and wastewater systems, natural gas capacity, electric service capacity, and broadband telecommunications capacity) that are capable of sustaining economic growth. However, in other communities in the region, such capacities 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.
- **Energy utilities.** Natural gas service is unavailable in several of the region's smaller communities. This is problematic given that natural gas currently is a cost competitive heating solution for many businesses. With respect to electricity, 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. And even communities with adequate capacity energy utility services can find themselves at a competitive disadvantage in terms of attracting business in comparison to other regions that offer lower cost utility services.
- **Broadband service.** In many of the region's larger communities (cities and villages), broadband service is adequate to support business activity. However, despite service improvements made in recent years, broadband service still is not uniformly available throughout the region, especially in the more rural areas of the region. Aggregate service capacity problems and a lack of redundancy in some communities can constrain business development. Also, a lack of competitive alternate service providers in some communities may keep broadband service costs high in those communities.
- **Transportation infrastructure.** The region's federal, State, and local highway and bridge system, mainline and shortline railroad system, air transportation system, and mobility management system, all need to be maintained and upgraded to better support both the intra-regional and the inter-regional economies.
- **Industrial sites and buildings.** A limited amount of adequately serviced shovel-ready industrial sites and of competitive, move-in-ready 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 as a location that can support competitive business activity. 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.

- **Quality of life forces and issues**

Although the region has an overall positive quality of life, like many other regions it nonetheless has certain quality of life concerns that could be addressed to improve the region's overall economic

appeal.

- **Health care.** Health care is not only a quality of life issue; it is a business location and employee recruitment parameter. Adequate health care is a requisite for retaining and attracting employees and employers in the region. 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. However, this issue is not exclusively to our region. Nonetheless, companies may compare health care environments (and especially the cost of health care environments) between regions and states when making location decisions.
- **Environment and conservation practices.** As a rural region, the region does not experience many of significant environmental issues present in more urban environments. However, the region is not immune to environmental and conservation issues.

Proper conservation practices are critical to preserving the environment, retaining the natural resource base, and preserving the rural 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 can pose threats to the 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. One specific instance in which environmental considerations seem to be at odds with economic development issues, at least in the public and industry perceptions, is Marcellus and Utica shale gas extraction.

- **Housing.** 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.
- **Community institutions.** With the erosion of net-export sectoral activity and the reduction in the bringing of new wealth into the region, community institutions of all types (e.g., hospitals, schools, parks, man-made and natural recreational assets, etc.) may face threats related to the financial capacity of the region to maintain and improve them. These cornerstone institutions are essential to retaining and attracting the region's population and, especially, the younger skilled demographic.

- **External Structural Forces and Issues**

- **State business climate.** Despite improvements in recent years, New York State remains a relatively high-cost business operating environment. Relative to the business operating environments in other states, New York State's corporate and personal income tax burdens, regulatory and compliance requirements, workman's compensation burdens, utility costs, winter heating costs, high transportation costs, rising health care costs, etc. remain burdensome to businesses and constrain business attraction, retention, and development.
- **State and local government operating costs.** High state and local municipal operating costs are passed on to businesses and residents, making businesses less competitive and discouraging residents from living in the State. Certain local municipal operating costs originate from State mandates, regulatory and compliance requirements, and other miscellaneous municipal operating issues (e.g., rising health care costs, State pension fund costs, etc.). The effects on businesses of the State's own fiscal situation also have been somewhat problematic for the private sector business community.
- **State labor force climate and legal environment.** Additionally, New York State's labor force and labor legal environment both are sometimes perceived to be more unfriendly toward business and management than is substantiated by reality. As a consequence, 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 does have extensive labor regulations and a relatively empowered labor force, any cost disadvantages attendant to these factors often are offset by the relatively 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, these studies indicated 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.

In sum, while the negative perception of New York's labor climate and legal environment is perhaps overstated, its persistence may be a deterrent to regional business development.

- **Macroeconomic issues.** Global competition, general macroeconomic conditions, and global political and financial instability all have negatively impacted the region's economy, resulting in job losses, business closures, and increased absentee business ownership. Homeland security issues also continue, constraining and adding costs to the domestic economy.
- **Seneca Nation of Indians.** In its 2012 CEDS, the Seneca Nation of Indians has identified the following challenges and threats to the development of the Seneca Nation's economy:
 - Low percentage of college-bound youth
 - Loss of educated youth from the community and inability to draw them back
 - High rates of disease and drug/alcohol abuse
 - Lack of political stability
 - Lack of diverse housing options
 - Lack of available land for development
 - Need for more attractive residential and commercial developments

- Need for enhanced streetscapes and infrastructure to stimulate economic development and private investment
- Reluctance to implement land use, zoning, or other codes/ordinances
- Contentious relationship with the New York State government, including:
 - State superseding federal treaties
 - State legislation that supports large non-local corporations over the interests of Seneca entrepreneurs
 - Constant State threats to the Nation’s tax-free retail
- Other Federal and state actions
 - The Federal PACT (Prevent All Cigarette Trafficking) Act, halting the distribution of tobacco products and mail-order sales through the U.S. Postal Service.
 - New York state law taxing wholesale transactions with Indian retailers
 - Competitive gaming enterprises in neighboring Pennsylvania and New York State-sanctioned “racinos,” and seven (7) inclusive resorts and casinos set to open in neighboring Ohio in 2012 and 2013
 - The State proposal to legalize gambling in New York
- The skill sets of the (plentiful) available workforce do not necessarily match today’s “new economies”
- The disappearance of the region’s manufacturing jobs and industries such as furniture construction, textiles, machine parts, steel, and lumber
- Impact of global competition
- State personal and corporate taxes, workers compensation, and disability program expenses are among the highest in the country, making business recruitment and retention extremely challenging

Prior Seneca Nation of Indians CEDS documents also noted economic development problems related to inadequate infrastructure (e.g., water, wastewater, broadband, etc.), inadequate transportation infrastructure (e.g., local roads and bridges, etc.), 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.

The 2012 Seneca Nation of Indians CEDS also notes that “gaming is not the answer, however, for the future of the Seneca economy. The casinos have required an investment of hundreds of millions of dollars, and it will be years before those debts are paid. With the future of the gaming industry in a continuous state of flux, the Seneca Nation is cognizant of the need to diversify its economy and provide relevant job opportunities to build a stable and promising future for the community.”

Analysis of the Region’s Innovation Capacity

It is now widely agreed that a region’s capacity to innovate is a precursor to the development of a healthy, globally competitive, sustainable regional economy. Recently, EDA has funded a research study project, undertaken by Purdue University, Indiana University, and other study partners, to develop a data-driven analytical tool (the “**Innovation Index**”) to evaluate the innovative capacity of regions across

the USA. This tool is available on the Internet for use by regions such as the Southern Tier West region for evaluating their capacity to innovate.

Southern Tier West used this Innovation Index tool to analyze the region's capacity for innovation. This analysis is presented in a report titled, "Southern Tier West Regional Innovation Analysis, May 2012," which is available at:

<http://www.southerntierwest.org/pdfs/ceds/2012/STW%20Regional%20Innovation%20Analysis%20-%20STW%20May%202012.pdf>.

This May 2012 report discusses the various components of the Innovation Index, contains data (for the region and for each of the three counties in the Southern Tier West region) that populate the region's calculated Innovation Index, and presents an analysis of the region's innovation capacity (i.e., its Innovation Index), including strategic economic development implications. The Appendix contains a section in which there is additional discussion about the Innovation Index tool and the analytical results for the Southern Tier West region.

The following are the summary results of the Innovation Index analysis for the three Southern Tier West counties, in comparison to the state and nation as a whole, as found in the May 2012 report:

- 1. The Southern Tier West region has a lower cumulative Innovation Index than the state and nation as a whole. This implies that the region is less prepared and capable to generate innovation-based economic development, which the theory asserts is essential for a long-term healthy economy.** Accordingly, the region's inadequate innovation capacity should be considered a structural weakness of the region's economy and a constraint to economic development.
- 2. The Southern Tier West region's lower cumulative Innovation Index is in part a function of its relative inadequacies in both human capital and economic assets. Human capital (labor force) shortcomings** include a low incidence of bachelor's degrees amongst the region's residents, a significantly higher rate of decrease in the region's population of younger working age persons (ages 25 to 44), a lower percentage representation of high-tech employees in the employment base, and a lower tech-based knowledge occupation cluster employment share. **Economic asset shortcomings** include the unavailability and/or lack of use of venture capital for business ventures in the region, low broadband penetration rates (despite reasonable levels of broadband availability), low rates of establishment churn in the region, a lower incidence of small-sized businesses establishments as compared to the state, and a higher incidence of large establishments as compared to the state.
- 3. At the state level, New York State is not as competitive with other states with respect to the resources available to entrepreneurs and businesses (as measured by the number of science and engineering graduates and R&D intensity).**
- 4. The Southern Tier West region's lower cumulative Innovation Index is in part a function of its ability to translate inputs into productive outcomes, e.g., employment in high-technology firms, greater output per worker, the creation of patents, etc.** On the one hand, the region lags the state and nation in changes in high tech employment, job growth, GDP per worker, and average patents per worker. But on the other hand, the region is fairly close to and competitive with the state and nation in terms of economic well being. This is borne out by mixed results for the region's average poverty rate (higher than the state and national rates), the region's average unemployment rate (higher than the state rate but lower than the national rate), net in-migration rates into the region (lower than state rates), the region's average per capita personal income growth rate (comparable to the national rate, and only slightly lower than the state rate), and the region's compensation growth rates (lower than state and national rates).

The data-driven regional innovation analysis indicates that the following factors appear to be especially important for increasing economic growth in the Southern Tier West region:

- educational attainment
- young-adult population growth
- high-tech employment growth
- venture capital availability and use
- availability of business development funding
- broadband density and penetration
- the number of small establishments

Based on the innovation capacity analytical model, the Southern Tier West region should consider the above list to be target areas for economic development objectives that strategic economic development initiatives / projects should be designed to improve upon.

Strategic Implications

The various economic development issues, strengths, weaknesses, opportunities, threats, and constraints discussed above imply a number of strategic directions that the region should embrace in order to remove these obstacles to creating a healthy, competitive, and sustainable economy.

While certain issues (e.g., state corporate and personal income tax burdens, state regulatory climate and compliance burdens, state workman’s compensation burdens, macroeconomic conditions, utility costs, winter heating costs, unfunded mandates, high transportation costs, rising health care costs, high municipal operating costs, labor force and labor legal environment, etc.) are structural in nature and remediating them is beyond the scope of a regional comprehensive economic development strategy, nonetheless there are many strategic steps that the region can take to respond to many of the other economic development problems that it faces.

Similarly, while certain strengths and opportunities may be beyond the realistic capacity of the region to capitalize upon (e.g., owing to financial and political constraints, imperfect knowledge, etc.), nonetheless there are many strategic steps that the region can take to capitalize on many of the economic development opportunities available to it.

These strategy directions can be categorized into the following five categories of strategic investment (as specified in the “Crossing the Next Regional Frontier: Information and Analytics Linking Regional Competitiveness to Investment in a Knowledge-Based Economy” document – see the Appendix reference document bibliography) that are critical ingredients for competitive regions in today’s global economy. While the five primary category titles in the following list are as specified in this reference document, the bullet list items under each of the five primary categories are specifically relevant to the Southern Tier West region:

- 1. Brainpower** – to develop a labor force capable of creating a knowledge-based and innovation-based economy
 - Retention of regional residents
 - Attraction of younger demographic with skills

- Improve primary, secondary and post-secondary education to improve the labor force’s educational attainment, including STEM, entrepreneurial educational offerings, and other knowledge-based skill sets
 - Focus on building and capitalizing on regionally significant occupational clusters as a development asset
- 2. Innovation and entrepreneurship networks** – to provide the process and the temperament and skills to translate ideas into wealth through new products, new services, and new markets
- Encouragement of increased levels of entrepreneurship through both “widening the pipeline” (e.g., through increased entrepreneurial education, innovative programs such as entrepreneurial mentoring and internships, etc.) and enhanced assistance to prospective entrepreneurs and startups (e.g., business planning and counseling, marketing assistance, technological assistance, innovative financial assistance such as enhanced venture capital availability and enhanced debt and equity assistance, etc.)
 - Encouragement of increased levels of tech transfer at both the supply side (e.g., at both regional technology research institutions and extra-regional technology research institutions) and the demand side (i.e., in the business and entrepreneurial communities)
 - Encouragement of increased levels of adoption of technologies to increase business productivity and competitiveness
 - Increased collaboration between the university, business, and economic development communities, especially as regards industry cluster building
 - Focus on building and capitalizing on regionally significant industry clusters with significant potential for growth, which involve value-added activity, and which involve exports from the region to markets and customers outside the region
 - Development of a diverse portfolio of high-tech firms so that individuals with a wide variety of high-tech skill sets can find employment
- 3. Quality, connected places** – to create quality, connected, safe, convenient and healthy places to live and work
- Improvement of infrastructure, including basic infrastructures, energy infrastructure, broadband infrastructure, transportation infrastructure, and shovel ready industrial sites and buildings
 - Enhance availability of development finance, including both debt and equity capital. This would include both additional public sector loan fund capitalization, and the creation and increased capitalization of public sector or community-based equity capital funds (especially seed or first stage capital funds).
 - Enhance the region’s environment, civic places, recreational assets, cultural assets and services, and housing stock
 - Enhance the efficiency of local government operations, so as to reduce personal and business taxes to retain residents and positively impact the competitiveness of the region’s businesses
- 4. Branding and story-telling** – to create value for the region’s products and services for international buyers, and to create the sense of identity necessary to spur collaboration throughout the region
- Creation of regional brands

- Increase regional marketing activities
- Use of regional ambassadors

5. Collaborative leadership – to create places in the region in which focused conversations about complex issues can take place and solutions can be agreed upon and implemented

- Increase inter-sectoral partnerships and collaboration
- Improvement, creation, and utilization of “civic spaces,” both physical and virtual, and other cornerstone community institutions

Relevant Material from Other Government-Sponsored or Supported Plans

The Appendix contains a bibliography listing other government-sponsored or supported plans. In developing this regional CEDS, Southern Tier West has strived to incorporate regionally relevant economic development wisdom from these plans, while recognizing that individual counties and communities may have unique local differences that imply additional economic development foci.

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 “Cattaraugus-Allegany Workforce Investment Area DRAFT FY12 Local Plan August 2012,”** the **Chautauqua Workforce Investment Board’s “Chautauqua Workforce Investment Board: DRAFT Local Plan 2012 – 2013,”** and the four Western New York Workforce Investment Boards’ **“Western New York Regional Plan Workforce Development One-Stop System, 2012 – 2013”**) are consistent with the analysis indicated herein. All three plans feature an analysis of the labor supply and labor force in their service areas that are consistent with the analysis herein, and all three plans have similar goals, objectives, and strategic programmatic foci that are consistent with the CEDS. See the Appendix for web URLs for these documents. (The first two of the above numerated plans are in draft form as of the preparation of the CEDS.)

The **Western New York Regional Economic Development Council’s** five county Western New York regional economic development strategy plan (**“A Strategy for Prosperity in Western New York”**) also “includes an array of initiatives aimed at improving the match between education and training and jobs in the region and strengthening the connections between the “P-12” system, higher education, and business,” which is consistent with the CEDS. See the Appendix for a web URL for this document. Further, as is indicated on the Cattaraugus-Allegany Workforce Investment Board’s web site, *“the four WIBs in WNY prepared (the four Western New York Workforce Investment Board’s ‘Western New York Regional Plan Workforce Development One-Stop System, 2012 – 2013’) to detail how we will work together to support the strategies included in the Regional Economic Development Council’s plan to prepare our workforce. This plan provides task and deliverables that the WIBs will work together on to ensure that these strategies are carried out in all 5 counties of WNY.”*

The most recent State workforce investment strategy – the **New York State Department of Labor’s “New York State DRAFT Workforce Investment Act and Wagner-Peyser Act 5 year Strategic Plan”** – 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 and other specific issues. The plan identifies specific workforce development strategies and initiatives that the State is or will be undertaking, including STEM education,

entrepreneurship education, basic skills education and training, and cluster-specific education and training. See the Appendix for a web URL for this document. (This State workforce investment strategy plan is in draft form as of the preparation of the CEDS.)

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

Significant past and present economic investments in the region have included:

- Investment in various types of infrastructure, including:
 - The ongoing improvements being made to the region’s highway infrastructure, including construction of I86 and ongoing improvements to US 219
 - The ongoing improvements being made to the region’s short line and mainline railroad system
 - The ongoing improvements being made to the region’s airports
 - The ongoing evolution and improvements being made to the region’s mobility management system
 - The construction and/or expansion of industrial parks in all three counties of the region
 - Municipal infrastructure service systems, including extensions of water and wastewater service and access roads to serve scattered site industrial firms, development sites, and business parks
 - The expansion of broadband service and service alternatives to a larger portion of the region
 - The construction of speculative industrial buildings
 - The retrofitting of older buildings into modern productive facilities
 - The construction and operation of business incubators in all three counties, and the offering of assistance and incentives to the creation and growth of businesses that utilize these incubators
 - The remediation of brownfield acreage and buildings and redevelopment of these assets into productive uses
- Investment in colleges and universities in the region, notably expansion of community college campus centers
- Employee and labor force training programs and projects
- Business development zones, industrial development agencies, and incentive programs including industrial incentive financing, industrial revenue bonds, revolving loan funds, etc.
- Technical assistance to business and entrepreneurs, including business planning, counseling, procurement, export, and marketing assistance
- Construction by Seneca Nation of Indians of the Seneca Allegany Casino Resort
- Investment in creating and improving publicly-owned and privately-owned parks and recreational facilities and cultural and tourism attractions, including the region’s ski resort facilities and other recreational businesses and infrastructure

- Marketing of the region and specific individual buildings and sites
- Undertaking of the five-county Western New York Region “Cleaner, Greener Communities Regional Sustainability Planning Program,” funded through NYSERDA, to create a comprehensive smart growth plan for regional sustainability.

Projected future economic investments in the region include:

- **Investments in the region’s infrastructure**, including:
 - Municipal water and wastewater systems and access roads
 - Regional broadband and communications infrastructure
 - Publicly-owned and privately-owned parks and recreational facilities and cultural and tourism attractions, including the region’s ski resort facilities and other recreational businesses and infrastructure
- **Transportation infrastructure improvement projects and corridor development projects**, such as:
 - 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 other highway trade corridors, including local and State highways
 - Additional investment in railroad infrastructure
 - Additional investment in aviation infrastructure and service
 - Additional investment in mobility management infrastructure and service
- **Site and building development projects** to facilitate business development, such as:
 - Site development along highway corridors
 - Site development along rail corridors
 - Site development of site locations identified in broadband study
 - Expansion of existing industrial and business parks and construction of new industrial and business parks
 - 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
- **Assistance to businesses and entrepreneurs**, including:
 - “Widening the entrepreneurial pipeline” through increased entrepreneurial education, entrepreneurial mentoring and internships, etc.
 - Technical assistance to business, entrepreneurs, and prospective entrepreneurs, including business planning, counseling, procurement, export, marketing, and technological assistance

- Continued use of business development zones, industrial development agencies, and innovative incentive programs including industrial incentive financing, industrial revenue bonds, revolving loan funds, venture capital financing, etc.
- Continued use of employee and labor force skills training services
- Expanded entrepreneurial assistance activities, including business incubator initiatives and the offering of assistance and incentives to the creation and growth of businesses that utilize these incubators
- Encouragement of increased levels of tech transfer at both the supply side (e.g., at both regional technology research institutions and extra-regional technology research institutions) and the demand side (i.e., in the business and entrepreneurial communities)
- Encouragement of increased levels of adoption of technologies to increase business productivity and competitiveness
- Increased collaboration between the university, business, and economic development communities, especially as regards industry cluster building
- Targeting development programs toward regionally significant industry clusters and occupation clusters with significant potential for growth, which involve value-added activity, and which involve exports from the region to markets and customers outside the region
- **Expanded regional marketing activities**, including marketing of the region and specific individual buildings and sites
- **Labor force and work force development assistance**, including:
 - General and specialized training projects
 - Improvements in educational offerings, especially in STEM
 - Apprenticeship and other job preparation programs
- **Continued investment in colleges and universities in the region**
- **Implementation of strategic projects identified in the comprehensive smart growth plan for regional sustainability** developed through the five-county Western New York Region “Cleaner, Greener Communities Regional Sustainability Planning Program” funded through NYSERDA.
- **Seneca Nation of Indians initiatives**, including:
 - Expansion of the Seneca Allegany Casino Resort
 - Seneca Energy LLC project
 - Salamanca Rail Yard Site Clean-Up and Re-Use Project
 - Enterprise diversification through Seneca Holdings
 - Utility Formation Project
 - Small Business Development Business Incubator Program Project
 - Community Development Financial Institution Project
 - Various vocational training projects

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

Through its CEDS planning process, Southern Tier West has identified five regional economic development **goals** that any strategic project, program, or activity identified in the CEDS should work toward attaining. Goals are broad, primary regional expectations. Progress made toward attaining each goal should improve the region’s economy, which is the ultimate aim of the region’s CEDS.

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

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.

A central tenant underlying the CEDS economic development goals is that public sector investment in economic development has a 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 in innovation clusters.

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

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

- Goal 1: Brainpower** – to develop a skilled labor force capable of creating a knowledge-based and innovation-based economy, and that encourages businesses to start, locate, and expand in the region
- Goal 2: Innovation and entrepreneurship networks** – to provide the process and the temperament and skills to translate ideas into wealth through new products, new services, and new markets, and to enhance the development of value-added businesses and other businesses that will augment and / or diversify the region’s economic base
- Goal 3: Quality, connected places** – to create quality, connected, safe, convenient and healthy places to live and work, that make the region attractive for residential, commercial, and industrial development
- Goal 4: Branding and story-telling** – to create value for the region’s products and services for international buyers, and to create the sense of identity necessary to spur collaboration throughout the region
- Goal 5: Collaborative leadership** – to create places in the region in which focused conversations about complex issues can take place and solutions can be agreed upon and implemented, and the improvement of 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: Brainpower – to develop a skilled labor force capable of creating a knowledge-based and innovation-based economy, and that encourages businesses to start, locate, and expand in the region

This goal involves both the improvement of the skills of the work force through enhanced education and skills training and also the increase in the number of persons in the labor force (specifically the younger demographic).

Objectives:

1. Encourage improvements in primary, secondary, and post-secondary education

Strategies:

- Encouragement of increased STEM (science, technology, engineering, and mathematics) education in the region at all levels
- Improvement of math, science, and English competency so as to foster workforce creativity and reasoning skills
- Improve entrepreneurial education and technological literacy
- Invest in career talent pipeline initiatives, including, for example:
 - 1) Invest in career talent pipeline initiatives in the strategic industry sectors such as Dream It Do It for the manufacturing industry and iSciWNY, a program designed for career readiness in the health care industry
 - 2) Develop internship and training career pathways to expand training opportunities for high school and college students
 - 3) Engage business and industry representatives within individual school districts (such as to work with teachers and add rigor and practicality to programs; this is the goal of STEM (science, technology, engineering, and mathematics) and BOCES (Board of Cooperative Educational Services)
- Encouragement of education and transferable skills training related to current and future employer-specific and cluster-specific needs that can be delivered with flexible, staff-able and alternative delivery methods, including:
 - 1) creation of multi-skills-set training programs that address current and future employment opportunities and develop “soft skills”
 - 2) institution of flexible models for delivery of post secondary education (compress post-secondary training into shorter timeframes and/or develop other out-of-classroom models to develop competencies in alternate settings)
 - 3) job-related use of technology to facilitate training, increase productivity on the job and increase skills
- Investment in colleges and universities in the region, especially public sector institutions
- Promotion of cooperation between local educational institutions

2. Widen the range of educational services for diverse demands

Strategies:

- Investment in skills upgrading, basic training, and literacy programs
- Encouragement of education and training related to employer-specific and cluster-specific needs
- Improve entrepreneurial education and technological literacy
- Create and / or expand apprenticeship and pre-apprenticeship programs to provide a bridge to employment
- Establish a sourcing portal for assessment, career planning, job listings, and training opportunities to augment capacities of existing one-stop centers

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
- Market the quality of life in the region, including rural character, low crime rates, education and health services, recreational and cultural opportunities, etc.
- Encourage high-wage, high-skill businesses to develop in the region to increase demand for this demographic of worker
- Invest in high-end housing and other housing alternatives
- Improve quality of life and basic regional appeal

Goal 2: Innovation and entrepreneurship networks – to provide the process and the temperament and skills to translate ideas into wealth through new products, new services, and new markets, and to enhance the development of value-added businesses and other businesses that will augment and / or diversify the region’s economic base

Objectives:

1. Growth of employment in target industry and occupation clusters

Strategies:

- Assistance to existing businesses in the target clusters
- Encouragement of entrepreneurship in the target clusters
- Marketing of opportunities in the region to businesses in the target clusters, and encouragement of their attraction to regional locations
- In-person contact and surveys of businesses within the target clusters to determine their needs and their suggestions for initiatives and assistance to catalyze business development within the target clusters
- Encouragement of cross-contact between businesses in the target clusters, and between the business community and university research community, in order to enable businesses in the target clusters to discover and capture potential opportunities that may be present
- Determination of labor force needs of businesses in selected target clusters, and the encouragement of targeted secondary and post-secondary education college educational offerings and skills training programs to meet these needs
- Cluster-specific initiatives targeting the region’s significant industry and occupation clusters, including but not limited to the incentivization of increased business activity in the:
 - Ceramics, glass, and advanced materials cluster, through technology transfer from research institutions to the business and entrepreneurial communities in the cluster, and through assistance in capturing opportunities by businesses in this cluster, and through startup of new cluster businesses
 - Agribusiness, food processing and technology cluster, especially in primary production and secondary processing, through assistance in capturing opportunities by businesses in this cluster, and through startup of new cluster businesses
 - Information technology and telecommunications cluster through increased utilization of broadband infrastructure, e.g., attraction of back offices, call centers, regional data storage, increased web marketing presence, etc., through assistance in capturing opportunities by businesses in this cluster, and through startup of new cluster businesses
 - Forest and wood products cluster, through promotion of increased secondary processing (e.g., dimensioning, furniture manufacturing, etc.) activities, and through assistance in capturing opportunities by businesses in this cluster, and through startup of new cluster businesses
 - Arts, entertainment, recreation and visitor industries cluster, through enhanced development of recreational and tourism destination facilities and cultural assets and services, creation of year-round tourism at destinations that currently are seasonal destinations, increased integration of heritage and cultural tourism with non-

heritage/cultural tourism to increase the number and duration of visitor stays, and enhanced centralization and coordination of tourism and recreational marketing and promotion and event scheduling

- Education and knowledge creation cluster through assistance with developing innovative educational programs to improve STEM literacy and foster entrepreneurship, and capture other local development opportunities requiring specialized education and/or training
- Biomedical/biotechnical (life sciences) cluster through developing increased linkages to the economic development and technology initiatives being undertaken in Erie County in this cluster, through targeted assistance to capturing opportunities by businesses in this cluster, and through startup of new cluster businesses
- Transportation and logistics cluster, through enhanced access to transportation infrastructure and services, through development of sites and building attuned to cluster business needs, through marketing of locations within the region to cluster businesses, and through targeted incentives and other assistance to existing and prospective cluster businesses
- Computer and electronic products, through targeted assistance to capturing opportunities by businesses in this cluster, and through startup of new cluster businesses
- Green and alternative energy business cluster through targeted assistance to development and incorporation of new technologies and startup of new businesses

2. Growth of employment in innovation clusters

Strategies:

- Identification of innovation clusters
- Creation and implementation of programs to promote business development in identified innovation clusters, including:
 - Incubator business development programs
 - Programs to catalyze entrepreneurship amongst college graduates in technology-related educational programs
- Development of improved linkages between businesses and educational institutions, including but not limited to:
 - Encouragement of increased levels of technology transfer at both the supply side (e.g., at both regional technology research institutions and extra-regional technology research institutions) and the demand side (i.e., in the business and entrepreneurial communities)
 - Internship placement activities
 - Mentoring activities
 - Technical consulting activities

3. Increased levels of entrepreneurship within the region

Strategies:

- Enhanced entrepreneurship education, through:
 - Inclusion of entrepreneurship concepts in-school curricula (K-12), preferably using

- experiential learning techniques
 - Integration of entrepreneurship into a wide range of courses and disciplines at post-secondary education institutions
 - Development of programs encouraging student-created enterprises
 - Creation of business plan competitions and other innovative methods of encouraging entrepreneurship
- Adult entrepreneurship training and technical assistance, through:
 - Business development training and technical assistance to aspiring and existing entrepreneurs, including basic business planning, marketing assistance, and other technical and management assistance
 - High-quality and accessible basic financial education
 - Product development and marketing assistance
 - Assistance with utilizing web-based infrastructure and services and other technologies
 - Export assistance
 - Mentoring and entrepreneurial internship programs
- Improved access to capital, through:
 - Insuring an adequate and appropriate supply of equity and debt financing to meet the needs of entrepreneurs at different levels of development
 - Increased the use of public sector guarantee programs (SBA 7A, USDA RD B&I, etc.) to encourage commercial lenders to provide debt financing to start-ups
 - Development and utilization of non-traditional public business financing sources (e.g., public sector equity/venture capital fund, etc.), including Western and Central New York's Region Entrepreneurship Action Plan (REAP) program
 - Improved access to private sector angel and venture capital small business financing
- Access to networks and entrepreneurial culture, through:
 - Creation of networks, mentoring, and ambassadors programs that allow entrepreneurs to share ideas, learn from one another, and conduct business together, linking them to new markets, new sources of capital, new employees, strategic alliance partners, and service providers
 - Cultural, social, and civic engagement that encourages, nurtures, and raises the profile of entrepreneurs.”
- Programs to catalyze entrepreneurship (“creating a pipeline of entrepreneurs”) by:
 - current and dislocated employees of selected target cluster businesses
 - college students upon graduation
 - individuals who previously had out-migrated from the region
- The creation of a non-traditional ownership form (e.g., publicly owned, quasi-public-owned, or private-non-profit-owned) start-up/spin-off program to catalyze new business creation
- Incubator business development programs

4. Retention and expansion of existing regional businesses

Strategies:

- The implementation of a business visitation program targeting existing businesses

- The provision of assistance, including marketing, export, productivity enhancement, new technology, human resource development, vending, procurement, operational, environmental / other compliance, and other technical and financial assistance, etc., to existing regional businesses
- Development of programs to assist businesses with utilizing their excess production capacity and labor force surpluses
- Promotion and development of multi-firm operating and/or marketing initiatives
- Encouragement of shared supplier networks, government procurement, and regional and international exports
- Encouragement 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 takeover of a failing or otherwise exiting business by employees (e.g., an ESOP), and provision of assistance to employee-owned businesses
- Marketing of the region within the region

5. Attraction of new businesses to the region

Strategies:

- Marketing activities, including:
 - Development and maintenance of databases of buildings and sites within the region, in conjunction with the private sector real estate brokerage community
 - Increased utilization of BNE and NYS ESD marketing programs
 - Increased direct marketing activities to business in target clusters
 - Increased utilization of site development publications and consultants
 - General direct extra-regional marketing activities involving marketing the entire region as a brand, at the three-county and five-county Western New York levels
- Increased readiness for business development, including development of shovel-ready sites, construction of speculative buildings, renovation of redevelopable buildings, remediation of brownfield sites and buildings, enhancement of utility and other required services, etc.
- Development and utilization of project teams that will respond to individual businesses interested in locating within the region

6. Increased private sector access to business development financing

Strategies:

- Increased private sector access to private sector financing, through:
 - Encouragement of commercial banks to offer aggressive, development-oriented non-traditional lending practices to the specific selected target clusters
 - Increased utilization of SBA, B&I, and other loan guarantees of commercial bank loans
 - Improved access to private sector angel and venture capital small business financing
 - Development of local- or community-based equity fund vehicles to attract businesses to communities in the region

- Increased access to public sector development incentive financing, through:
 - 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
 - Streamlining access to existing public revolving loan funds
 - Development and utilization of non-traditional public business financing sources (e.g., public sector equity/venture capital fund, etc.), including Western and Central New York's Region Entrepreneurship Action Plan (REAP) program

7. Improvement of business productivity and competitiveness

Strategies:

- Analysis of the productivity and technology utilization of individual businesses to develop business-specific assistance
- Education of individual businesses regarding the technologies, improvements, and productivity enhancements that might be appropriate for and available to them
- Provision to the business community of financial, technical, and training assistance necessary to incentivize adoption of new technologies and other productivity-enhancing improvements, including:
 - Replacement, upgrading, and updating of obsolete and inefficient physical plants, machinery, and equipment
 - Increased utilization of computerization, robotics, telecommunications infrastructure, internet, etc. in business operations
- Encouragement of technology transfer between research institutions and the business community
- 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
- Encouragement of workforce productivity enhancement programs, including:
 - Increased implementation of workforce development and training programs, including skills upgrading, basic training, and literacy programs
 - Reduction of workplace substance abuse
 - Increased availability of affordable child, elder, and dependent day care
 - Increased availability of health insurance and wellness programs to improve workforce health and productivity

8. Improvement of the public sector's capacity to provide technical assistance to the private sector

Strategies:

- Enhanced business and management counseling assistance, business crisis assistance, and specialized assistance (including engineering assistance, environmental compliance assistance, etc.)

- Development and utilization of a standardized team-based client/prospect management system to be used by economic development and human resource organizations, to include:
 - An integrated internet-based site/building database, including protocols and lead agency system for client/prospect management
 - An integrated internet-based economic development program database
 - Training of system users to improve networking amongst economic development and human resource organizations, to increase understanding of each other's capabilities and missions, to improve referral performance, and to reduce response times and costs experienced by target clients/prospects

Goal 3: Quality, connected places – to create quality, connected, safe, convenient and healthy places to live and work, that make the region attractive for residential, commercial, and industrial development

Recognizing that a healthy regional economy requires an adequate and attractive place to live and do business, this goal is directed at maintaining and improving regional quality of life assets, including infrastructure services. Infrastructure includes highway system, rail system, aviation system, mobility management system, water, wastewater, natural gas, electricity, telecommunications, technology, access roads, etc.

Objectives:

1. Maintenance and improvement of the region’s cornerstone and community-based institutions and quality of life assets, capacities, and services to improve area quality of life

Strategies:

- Enhancement of regional housing stock
- Enhancement of local educational systems
- Enhancement of local health services
- Enhancement of public safety services
- Enhancement of regional cultural (arts, historical, and entertainment) capacity, institutions, and offerings
- Develop and enhance civic institutions and facilities
- Enhancement of man-made recreational and tourist opportunities (facilities and attractions)
- Marketing and promotion of tourism, cultural, entertainment, and recreational opportunities, and the coordination and marketing of attractions, activities, events, etc., as appropriate

2. Continued and improved transportation planning activities

Strategies:

- Continuously update the Regional Strategic Transportation Plan
- Continuously develop a current priority transportation investment schedule for the region’s transportation infrastructure that considers economic development issues
- Specific topical transportation planning activities
- Highway and rail infrastructure improvement plans
- Highway and rail corridor strategic development plans and land use plans

3. Improvement and investment in the region’s highway system

- Maintenance and improvements to existing highway and bridge system infrastructure
- Investment in the region’s highway trade corridors, including:
 - Continued construction of US-219 as primary north-south limited-access highway corridor
 - Upgrade of NYS Routes 16, 19, 60, and 62

- Shovel-ready site development along highway corridors and at interstate interchanges

4. Investment in the region's short line and mainline railroad system, including:

- Upgrade and maintenance of existing railroad system to maximum practical FRA standards for freight handling capacity
- Construction that removes clearance obstructions and/or weight limitations
- Phased construction of freight transfer transload facility in region
- Construction of rail sidings
- Shovel-ready site development along rail corridors

5. Improvement and investment in the region's aviation system

- Maintenance and improvements to existing airports and other aviation infrastructure

6. Improvement and extension of the region's mobility management (public transportation) system

- Encouragement of increased usage of systems
- Encouragement of coordination of system services with user needs
- Encouragement of enhanced operational and purchasing practices to improve financial stability of systems

7. Development and expansion of industrial sites, acreage, parks, and buildings

Strategies:

- Shovel-ready site development along highway corridors, at interstate interchanges, and along rail corridors, including:
 - Development at I-86 Exit 6 (Sherman, Chautauqua County)
 - Development at I-86 Exit 13 (Falconer, Chautauqua County)
 - Development at I-86 Exit 17 (Steamburg, Cattaraugus County)
 - Development at I-86 Exit 23 (Limestone, Cattaraugus County)
 - Development at I-86 Exit 24 (Allegany, Cattaraugus County)
 - Development at I-86 Exit 27 (Hinsdale, Cattaraugus County)
 - Development at I-86 Exit 28 (Cuba, Allegany County)
 - Development at I-86 Exit 29 (Friendship, Allegany County)
 - Development at I-86 Exit 30 (Amity, Allegany County)
 - Development at I-90 Exit 61 (Ripley, Chautauqua County)
 - Development at I-90 Exit 60 (Westfield, Chautauqua County)
 - Development at I-90 Exit 59 (Dunkirk, Chautauqua County)
 - Development at I-90 Exit 58 (Irving, Chautauqua County)
- Shovel-ready site development along fiber optic loop line and at nodes
- Expansion and improvement of existing industrial parks and construction of new industrial parks, including especially targeted parks such as green parks, alternative energy parks, etc., including:
 - Phased construction of business park at I-86 Exit 17 (Steamburg, Cattaraugus County)

- Phased construction of Crossroads business park at I-86 Exit 30 (Amity, Allegany County)
- Development of speculative industrial buildings, multi-tenant facilities, and incubator facilities
- Retrofitting of older buildings into modern productive facilities
- Improvement and extension of industrial access roads
- Pursuing appropriate brownfield remediation and redevelopment projects
- Marketing of industrial buildings and sites
- Expansion of technical and financial assistance for industrial development projects

8. Improve and maintain municipal and private utilities infrastructure

Strategies:

- Improvement and enhancement of the region's water and wastewater systems
- Encouragement of regionalization (consolidation and / or joint operation) of publicly owned infrastructure systems, including but not limited to:
 - Northern Chautauqua County sub-region water system
- Encouragement of intermunicipal partnerships to enhance and extend utilities service
- 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

9. 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

10. Increased technical and financial assistance for all types of infrastructure projects

Strategies:

- Utilization of funding assistance from the Southern Tier West Development Foundation to promote infrastructure planning and preliminary engineering
- Technical assistance from County Departments of Planning and Development and County Industrial Development Agencies to promote infrastructure planning and preliminary engineering

11. Enhancement and utilization of the region's natural resources in an environmentally sensitive manner

Strategies:

- Promotion of increased environmentally sound utilization of the region's natural resources, and improved business compliance with environmental regulations

- Encouragement and enhancement of renewable energy exploration and production in an environmentally sensitive manner
- Maintenance and improvement of natural recreational and tourist opportunities (facilities and attractions)
- Promotion of the region as a destination for outdoor recreation activities while preserving the natural rural environment (enhancement of access to nature and environmental preservation)

Goal 4: Branding and story-telling – to create value for the region’s products and services for international buyers, and to create the sense of identity necessary to spur collaboration throughout the region

Objectives:

1. Creation and enhancement of regional brands

Strategies:

- Creation of regional brands
- Facilitation and Incentivization of the utilization of regional brands by regional businesses and other regional entities

2. Increase regional marketing activities

Strategies:

- Increased use of traditional site and building marketing vehicles
- Increased participation in global trade shows
- Increased use of US DOC International Trade Administration and NYS ESD channels for international marketing
- Increased utilization of “smart” and targeted web-based marketing efforts
- Increased utilization of social media in economic development marketing activities
- Development and use of regional ambassadors

3. Utilization of regional brands to spur collaboration throughout the region

- Development of brand-based strategic initiatives designed to capitalize on the brand, e.g., encouragement and incentivization of private sector business activity that utilizes a regional brand

Goal 5: Collaborative leadership – to create places in the region in which focused conversations about complex issues can take place and solutions can be agreed upon and implemented, and the improvement of regional coordination and cooperative partnering efforts

Objectives:

1. Encouragement of dialogue leading to increased strategic economic development planning and project development

Strategies:

- Enhancement of networking between communities, businesses, universities, and economic development organizations
- Encouragement of municipal, county, and regional strategic economic development planning communication and strategic economic development plan development, and the implementation of recommendations contained in those plans, including specifically but not limited to:
 - Innovation enhancing activities and initiatives
 - Activities and initiatives that building upon industry and occupation cluster strengths
 - Entrepreneurial development
 - Feasibility studies that support subsequent economic development projects
 - Sector-specific or local-opportunity-specific studies and plans
 - 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 and encouragement of the enhancement of industry cluster networks, involving businesses, universities, and other relevant parties

2. Encourage preparation of communities, economic development organizations, and other economic development project sponsors, for achieving economic development success

Strategies:

- Encouragement of readiness for implementation of economic development projects through the provision of technical assistance to potential and actual project sponsors
- Achievement of consensus and agreement amongst project participants as to individual organizational roles and responsibilities and commitments
- Development of financial capital resources necessary to undertake economic development projects, e.g., capital reserve accounts, grantsmanship, provision for public-private partnering, etc.
- 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

3. Centralize and coordinate regional economic development activities

Strategies:

- Regional marketing activities
- Coordination of development, renovation, and marketing of small business incubators
- Coordination of educational, cultural, tourism, and recreational activities, events, and sponsorships
- Development and utilization of a standardized team-based client/prospect management system to be used by economic development and human resource organizations, to include:
 - An integrated internet-based site/building database, including protocols and lead agency system for client/prospect management
 - An integrated internet-based economic development program database
 - Training of system users to improve networking amongst economic development and human resource organizations, to increase understanding of each other's capabilities and missions, to improve referral performance, and to reduce response times and costs experienced by target clients/prospects
- Promotion of environmentally sound utilization of natural resources and compliance with environmental regulations so as to prevent regional environmental degradation
- Streamlining of regulatory processes and provision of consistent information and/or contact information at municipal and county offices

4. 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
- Promotion of consolidation and shared services initiatives

Seneca Nation of Indians Goals and Objectives

The Seneca Nation of Indians' 2012 CEDS contains the following specification of goals and objectives:

A. Goals of the Seneca Nation of Indians

Education & Workforce Development

- Encourage more young Senecas to earn college degrees and increase the college graduation rates.
- Promote further collaboration between the Nation, job and training resources, and employers to identify skill areas in demand and provide the programming to meet those needs.
- Require more tracking and communication with Higher Ed students to insure that they are aware of potential jobs/careers on the territories.
- Focus training programs on the job skills that match the jobs being created by the Nation's economic and enterprise development efforts.
- Place more emphasis on job preparedness.

Essential Services

- Develop and implement aggressive programs for preventive health and wellness.
- Enforce drug and alcohol abuse policies and provide drug and alcohol abuse programs to prevent and deal with unemployment caused by these social issues.

Infrastructure

- Continue to upgrade and expand the water, wastewater, and sewer systems.
- Upgrades must present solutions to not only current needs, but also projected commercial and residential needs.
- Support increased travel and traffic through the territories and upgrade and expand infrastructure accordingly.

Quality of Life

- Support tribal initiatives and wellness policies to insure the health, safety, and attractiveness of the residential communities.
- Increase access to health, recreation, and transportation opportunities.
- Provide additional housing options to attract the educated Seneca youth back to the territories.
- Expanded day care and cultural education opportunities to engage women in the workforce and attract community members back to the territories.

Economic Development

- Promote diversification strategies to insure a strong and stable economy in the future.
- Pursue opportunities and projects that create new jobs and stream revenue into the Nation.
- Support opportunities and projects that reflect the Nation's values and maintain a balance between economic success and cultural preservation.
- Continue to collaborate with county and regional economic developers and development agencies to maximize cluster opportunities and shared resources.

B. Goals and Objectives Resulting from CEDS Activities

The following section outlines the goals and objectives that resulted from the assessment of the Seneca Nation's opportunities and challenges.

1A. 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.
- Execute a strategy to concentrate new development in focus areas (Allegany Territory and Cattaraugus Territory).
- Facilitate public and private investment that is consistent with Seneca culture, values, and goals and promote the Nation's attractions, events, and venues on the Nation's five non-contiguous territories.
- Continue energy planning and identify development strategies for the Nation by researching renewable and non-renewable energy opportunities, and assessing opportunities for energy self-sufficiency.

1B. 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.
- Improve collaboration with regional economic development groups and industrial development agencies to maximize opportunities and attract targeted employers.
- Promote the Nation territories as competitive business locations.
- 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 that 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.
- Further develop financial and regulatory incentives to stimulate new development.
- Continue to pursue development through relationships with capital investors, public-private partnerships, and entrepreneurs.
- Develop policies and codes that facilitate development while protecting the cultural, environmental, and legal context of the Seneca community.
- Complete necessary upgrades to water, wastewater, electric, and gas infrastructure to accommodate planned and future economic growth.
- Create shovel-ready sites where commercial growth can be appropriately accommodated.

- Increase access to broadband services.
- Conduct market study and feasibility study for the Irving Catalyst Site.
- Conduct market study and feasibility study for the Allegany Catalyst Site.
- Implement five distinct physical and comprehensive master plans for the five territories.
- Promote the heritage and history, as well as heighten the visibility and image, of the Seneca Nation by developing events, exhibits, and value-added attractions.
- Encourage tourism infrastructure featuring Seneca culture and heritage such as trail interpretative programs, way-finding signage, and historic plaques.
- Develop a compelling environment, strengthen community identity, and integrate the Buffalo Creek Casino into Buffalo's Inner Harbor and surrounding neighborhoods.
- Partner with community stakeholders, community-based organizations, and city and county officials to revitalize the area through the Buffalo Creek Community Development Fund.
- Enhance visitor experiences to the Cattaraugus Territory. Integrate cultural elements into a current infrastructure project, *the Cattaraugus Territory Route 5/20 Bridge, Roundabout, and Public Space Project*, to engage visitors. Educate visitors on the history and heritage of the Seneca Nation in the planned pocket park.
- Partner with local and regional tourism agencies and state agencies (Erie Canal Harbor Development Commission and Niagara USA Corporation) to collaborate on events, itineraries, and promotional strategies.
- Provide guidance to Tribal Council and the Executive Office on regional renewable and non-renewable energy issues, such as hydro relicensing.
- Consolidate the activities of several current Nation departments into a single entity.

2A. Quality of Life Goals:

- Improve the well being of the community through the expansion of programs and services.
- Address the prevailing health issues with programs that promote preventive care and foster 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.

2B. 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 activities and programs to support traditional sports and keep the youth engaged in positive, drug-free activities.
- Upgrade sewer, water, and wastewater treatment facilities to meet increased and projected residential demand and to support commercial expansion.
- Improve access to quality health care.
- Stabilize housing stock and provide access to adequate housing.
- Enforce workplace alcohol/drug abuse programs and policies.
- Improve road safety and access to transportation; continue to 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.
- Construct a senior center for elders on the Allegany Territory to provide access to age-appropriate health and wellness activities as well as to address socialization needs.
- Enhance access to broadband service to increase community access to social, educational, medical, and business applications.
- Coordinate efforts between the Executive Office, Tribal Council, and external consultants to establish a credit union on Seneca land to provide access to affordable credit, capital, and financial services.
- Coordinate with Tribal Council, Executive Office, and external consultants to establish a community financial cooperative, or credit union, to provide a quality source of borrowing and moderately priced financial services to the Seneca Nation.
- Collaborate with *the Seneca Nation of Indians Economic Development Company (SNIEDC)* to develop a Community Development Financial Institution (CDFI) and provide important financial education services, asset building programs, and access to affordable capital and credit.
- Meet with Tribal Council, Executive Office, and post-secondary institutions to determine program budget, program courses, program timeline, and program partner responsibilities for the Seneca Nation Small Business Development Incubator Program.
- Establish the credit union as umbrella organization with the integration of a small business development incubator and Community Development Financial Institution (CDFI) within one to three years.

The goals and objectives and strategies contained in Southern Tier West's 2012 CEDS are consistent with the goals and objectives outlined in the Seneca Nation of Indians' 2012 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 2012 CEDS is prepared consistent with U.S. Department of Commerce Economic Development Administration (EDA) guidelines for planning 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, acts as the CEDS Committee or Planning Organization in the preparation of the 2012 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 acts as Strategy Committee in the preparation of the 2012 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. A number of sub-regional planning documents whose content has been incorporated into the 2012 CEDS also include the participation of and input provided by the private sector.

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 and Planning Boards, 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 **broadband roll-out** and utilization
- Working with private companies and local residents on the **local foods project**

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 planning and development, construction of this fiber loop system is scheduled to be completed in late 2012.
- **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** – A historical example of public-private collaboration in a cluster was Southern Tier West’s efforts with respect to the **ceramics, glass, and advanced materials cluster**.

A more recent 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.

Another example of public-private collaboration in a cluster is the **local foods project**, in which Southern Tier West is working toward a number of goals, including the increased sourcing of locally produced foods by the regional population in general and by institutions such as schools and restaurants. Southern Tier West also is working to create a regional brand for foods produced within the region. Another proposed element is the creation of one or more foods hubs in the region, and possibly community kitchens, to encourage local-food-based entrepreneurship by local food producers and other regional entrepreneurs.

Chapter 5 – Strategic Projects, Programs, and Activities

This chapter of the CEDS contains a project list that identifies regional economic development projects, programs, and activities that are intended and designed to implement the Goals and Objectives of the CEDS, as listed in Chapter 3 herein. The project list is comprised of ready-to-go economic development projects that are planned by sponsors to be implemented over the next 12 to 18 months. Readers of the CEDS should note certain overarching "themes" for regional economic development (e.g., infrastructure development, technology, labor force, etc.) and also see the projects in the project list in terms of prior related investments.

In EDA CEDS parlance, all of the projects in the project list are Suggested Projects; many of these Suggested Projects are also designated as Vital Projects. The presence of an "X" in one or both of the two left-most columns in the project list below will indicate the specific designations. A description of both the Suggested Project and the Vital Project designations is provided below.

The project list has four sections: Allegany County Projects, Cattaraugus County Projects, Chautauqua County Projects, Regional Projects, and Seneca Nation of Indians Projects. Projects are listed randomly within each of these four sections, with the exception that within a given section, Vital Projects are listed first. There is no other ordering or ranking within a given section, or as between the four sections.

The projects sponsored by the Seneca Nation of Indians have been excerpted from the Seneca Nation of Indians' 2012 CEDS; the designation of Seneca Nation of Indians projects as Vital Projects is per the specification of the Seneca Nation of Indians' 2012 CEDS.

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). (Exception: Projects sponsored by the Seneca Nation of Indians may involve creation or retention of jobs provided by the Seneca Nation of Indians or one of its affiliated corporations.)

Projects included in this project list include but are not limited to those projects that propose the use of either or both ARC or EDA funds as project funding source(s).

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 3 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 3 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 or N/A = to be determined or not applicable or 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
<u>Allegany County Projects</u>				
X	X	NYS Route 417 East Waterline Extension Project Total cost: \$930,000; sources: ARC (\$150,000), Allegany County IDA (\$780,000), to be reduced contingent upon potential awards from EDA, USDA RD RUS, NYS ESD)	Town of Wellsville	800 R
X	X	Swain - Canaseraga Sewer Mainline and Collection System Project Total cost: \$2,000,000; sources: TBD	Allegany County IDA	50 C / 100 R
X	X	Cuba Hospital/Stonebridge Crossing [Independent & Assisted Living Complex] Project Total cost: \$15,000,000; sources: TBD	Cuba Memorial Hospital	35 C / 240 R
X	X	Alfred Center for Technology Transfer Project Total cost: \$1,050,000; sources: TBD	Allegany County IDA / Alfred State College / Alfred University	100 C
X	X	Alfred University Integrated Manufacturing Center Total cost: \$10,050,000; sources: TBD	Alfred University	7 C

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VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOB CREATED/ RETAINED
X	X	Zero Energy Manufactured Home Assembly Facility Project Total cost: \$2,500,000; sources: TBD	Alfred State College / Allegany County IDA	30 C
X	X	Small Wind Laboratory Project Total cost: \$562,000; sources: ARC (\$150,000), NYSERDA (\$150,000), SUNY ASC (\$262,500)	Alfred State College	50 C
X	X	Dresser Rand (Wellsville) Siding Reinstallation & Mainline Bridge Obstruction Remediation Project Total cost: \$1,650,000; sources: TBD	STERA	TBD
X	X	County Route 20 Water System (Crossroads Development) Project Total cost: \$6,000,000; sources: TBD	Allegany County	100 C / 250 R
X	X	S-Curves Railroad Spur & Switch Gears Project Total cost: \$500,000; sources: TBD	Allegany County IDA	50 C
X	X	S-Curves Industrial Access Road Project Total cost: \$750,000; sources: TBD	Allegany County IDA	50 C
X	X	STAR Career Pathways Project Total cost: \$150,000; sources: TBD	Literacy West / Allegany County	60 C
X	X	Access to Self Sufficiency and Economic Security Project Total cost: \$129,000; sources: NYS DHCR RARP, TBD	ACCORD Corporation	N/A

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VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOB CREATED/ RETAINED
	X	CNG Fleet Conversion and Fueling Facilities Project Total cost: \$500,000; sources: TBD	Alfred State College & Allegany County	10 C
	X	Genesee River Wilds Pocket Parks Project Total cost: \$400,000; sources: TBD	Genesee River Wilds, Inc.	20 C / 5 R
Cattaraugus County Projects				
X	X	Bonaventure Square Project Total cost: \$9,597,532; sources: EDA (\$4,798,766), Private (\$4,798,766)	Town of Allegany	300 C
X	X	Allegany (Town) I-86 Interchange Infrastructure Development Project Total cost: TBD; sources: Cattaraugus County, Town of Allegany, HUD	Town of Allegany	100 C
X	X	Gowanda Tri-County Hospital Infrastructure Project Total cost: TBD; sources: TBD	Village of Gowanda	TBD
X	X	Hollywood Theater Restoration Project Total cost: \$686,500; sources: TBD	Gowanda's Historic Hollywood Theater, Ltd.	TBD
X	X	Gowanda Zoar Valley Gateway Park Project Total cost: \$666,667; sources: TBD	Gowanda Area Redevelopment Corporation	TBD

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VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOB CREATED/ RETAINED
X	X	Olean Property Improvement Program Total cost: \$250,000; sources: TBD	Rural Revitalization Corporation	TBD
X	X	Town of Ellicottville Regional Water Project Total cost: \$1,340,000; sources: TBD	Town of Ellicottville	196 C
	X	Bradner Stadium Renovation Project Total cost: TBD; sources: TBD	City of Olean Local Development Corporation	TBD
	X	McNaille Building Phase 1 Renovation Project Total cost: \$327,433; sources: TBD	Randolph Area Community Development Corporation	TBD
	X	Onoville Marina Expansion Project Total cost: TBD; sources: TBD	Cattaraugus County	TBD
	X	Buffalo Crushed Stone Siding Installation Project Total cost: TBD; sources: TBD	STERA	TBD
Chautauqua County Projects				
X	X	Equestrian Trail System Project Total cost: \$296,000; sources: ARC (\$148,000), Chautauqua County (\$98,500), Chautauqua County IDA (\$8,000), Local Municipalities (\$30,000), Local Private (\$11,500)	Chautauqua County	20 C

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VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOB CREATED/ RETAINED
X	X	3-D Forensics Project Total cost: \$253,306; sources: ARC (\$126,471), Local public (\$126,835)	Jamestown Community College	400 C / R
X	X	C-PACE Project Total cost: \$269,957; sources: ARC (\$134,910), Local Public (\$113,807), Local Private (\$6,450), Local Foundation (\$21,240)	SUNY Fredonia	1 C / 15 R
X	X	Chadwick Bay Regional Water System Project Total cost: TBD; sources: TBD	Chadwick Bay Regional Development Corporation	TBD
X	X	New York State Gateway Center Project Total cost: \$17,000,000; sources: TBD	NYS / Chautauqua County / Chautauqua County IDA / Public Authority	TBD
X	X	Ripley Interstate Site Infrastructure Project Total cost: TBD; sources: TBD	Chautauqua County IDA	300 C - 600 C
X	X	Lister Street (Jamestown) Closure & Rail Siding Installation Project Total cost: \$663,950; sources: NYS DOT (\$168,950), other sources TBD	STERA	TBD
X	X	Chautauqua County Wireless Broadband Project Total cost: \$106,000; sources: ARC (\$53,000), STWDF (\$53,000)	Southern Tier West RP & DB	10 C

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VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOB'S CREATED/ RETAINED
X	X	City of Dunkirk Main Street Program Total cost: \$422,500; sources: TBD	City of Dunkirk	N/A
X	X	JLDC 2012 - Downtown Redevelopment Project Total cost: \$250,000; sources: TBD	Jamestown Local Development Corporation	N/A
X	X	JCC Advanced Manufacturing Machinists Training Program Total cost: \$151,770; sources: TBD	Jamestown Community College	N/A
X	X	Village of Bemus Point Waterfront Revitalization Program Total cost: \$750,000; sources: TBD	Village of Bemus Point	N/A
X	X	Improvements to the Lucille Ball Memorial Park Total cost: \$150,000; sources: TBD	Village of Celoron	N/A
X	X	Mom's Market Project Total cost: \$329,742; sources: TBD	Town of Poland	N/A
X	X	Westfield Main Street Project Total cost: \$473,778; sources: NYS DHCR \$284,267, Private for profit \$189,611	Chautauqua Opportunities, Inc.	N/A
X	X	1998 Local Waterfront Revitalization Plan Update Project Total cost: \$90,000; sources: TBD	Chautauqua County or Chadwick Bay Regional Development Corporation	TBD

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VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOB CREATED/ RETAINED
Regional Projects				
X	X	Stormwater Management Project Total cost: \$263,294; sources: ARC (\$131,636), Local public (\$129,158), Local private (\$2,500 program income)	Southern Tier West RP & DB	N/A
X	X	Food Aggregation Facility Study Project Total cost: \$51,792.40; sources: USDA RD (\$25,864), Local public (\$25,928.40)	Southern Tier West RP & DB / TBD	255 C
X	X	Food Aggregation Facility Implementation Project Total cost: TBD; sources: TBD	Southern Tier West RP & DB	TBD
X	X	US Route 219 Supplemental EIS Funding Project Total cost: \$2,500,000; sources: TBD (NYS DOT, US DOT, NYS ESD)	Southern Tier West RP & DB	TBD
X	X	Site Development Planning Project Phase 1 Total cost: TBD; sources: TBD	Southern Tier West RP & DB	N/A
X	X	Western Region Corporation Community Revitalization Program Total cost: \$10,000,000; sources: NYS ESD (\$5,000,000), Local private (\$5,000,000)	Western Region Corporation	200 C
X	X	Transload Facility Project Phase 1 Total cost: TBD; sources: TBD (EDA, NYS DOT, FRA, Private)	Southern Tier Extension Railroad Authority	10 + C

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VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOB CREATED/ RETAINED
X	X	Rail Siding and Interchange Access Project Total cost: TBD; sources: TBD	Southern Tier Extension Railroad Authority	TBD
X	X	Railroad Rehabilitation Project Total cost: \$15,000,000; sources: TBD (EDA, NYS DOT, FRA, Private)	Southern Tier Extension Railroad Authority	50 C
Seneca Nation of Indians Projects				
X	X	Gas Well Inventory Project Total cost: TBD; source: BLM	Seneca Nation of Indians	TBD
X	X	Gas Wells Plugging & Abandonment Project Total cost: \$450,000; source: CIA	Seneca Nation of Indians	TBD
X	X	Scattered Residential Septic Sites Project Total cost: \$340,000; source: IHS	Seneca Nation of Indians	N/A
X	X	Allegany Vacuum Station Odor Control Project Total cost: \$100,000; source: EPA	Seneca Nation of Indians	TBD
X	X	Indian Hill Tank Project Total cost: \$45,000; source: EPA	Seneca Nation of Indians	2 C

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VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOB CREATED/ RETAINED
X	X	Richardson Road Well House Project Total cost: \$720,000; sources: EPA, ARRA, HIS	Seneca Nation of Indians	2 C
X	X	Irving Wastewater Treatment Plant Project Total cost: \$55,000; source: EPA	Seneca Nation of Indians	TBD
X	X	Buffalo Creek Community Development Fund Project Total cost: \$1,000,000; source: Seneca Gaming Corporation	Seneca Nation of Indians	TBD
X	X	Early Childhood Learning Center Project Total cost: \$115,000; source: BIA-CSBG	Seneca Nation of Indians	34 - 50 C
X	X	Allegany Senior Center Project Total cost: \$35,000 design costs, \$600,000 to \$1,000,000 facility construction costs; sources: BIA, SNI	Seneca Nation of Indians	10 C
X	X	Tracewell Property Development Project Total cost: TBD; source: TBD	Seneca Nation of Indians	80 - 100 C
X	X	Tribal Response Program (Brownfields) Project Total cost: \$152,931; source: EPA	Seneca Nation of Indians	1 C
X	X	Rail Yard Site Clean-Up and Re-Use Project Total cost: \$200,000 source: EPA	Seneca Nation of Indians	1 - 5 C
X	X	Buffalo Creek Casino Project Total cost: \$130,000,000; sources: SNI, Seneca Gaming Corporation, Bond	Seneca Nation of Indians	500 C

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VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOB CREATED/ RETAINED
X	X	Highbanks Campground Project Total cost: TBD; source: SNI	Seneca Nation of Indians	6 C
X	X	Physical Plans for Development Zones in Nation's Five Territories Total cost: \$45,000; source: SNI	Seneca Nation of Indians	4 C
X	X	Irving Catalyst Site and Allegany Catalyst Site – Market Studies and Feasibility Studies Total cost: \$64,000; source: SNI	Seneca Nation of Indians	2 C
X	X	Seneca Holdings Total cost: TBD; source: SNI	Seneca Nation of Indians	7 C
X	X	Seneca Broadcasting Total cost: \$775,000 initial seed capital; source: SNI	Seneca Nation of Indians	7 C
X	X	Seneca Telecommunications, LLC Total cost: \$485,000; source: Seneca Holdings LLC	Seneca Nation of Indians	3 C
X	X	Seneca Imports, LLC Total cost: \$37,000; source: Seneca Holdings LLC	Seneca Nation of Indians	1 C
X	X	Seneca Construction Management Corporation Total cost: TBD; source: SNI	Seneca Nation of Indians	23 C

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VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOBS CREATED/ RETAINED
X	X	Seneca Construction Management Corporation, LLC Total cost: \$500,000 initial seed capital; source: SNI	Seneca Nation of Indians	3 C
X	X	Seneca Niagara Casino & Hotel Total cost: \$10,400,000; source: SNI	Seneca Nation of Indians	TBD
X	X	Seneca Allegany Casino & Hotel Total cost: \$53,000,000; source: SNI	Seneca Nation of Indians	TBD
X	X	Seneca Buffalo Creek Casino Total cost: \$130,000,000; source: SNI	Seneca Nation of Indians	500 C
X	X	Seneca Artists Virtual Incubator (SAVI) Total cost: \$120,000; source: ARC, SNI	Seneca Nation of Indians	1 C
X	X	New Museum Facility/ Museum Expansion Project Total cost: \$50,000; source: SNI, IMLS	Seneca Nation of Indians	TBD
X	X	Niagara County Community College Culinary Arts Institute Total cost: \$1,270,000; source: Seneca Gaming Corporation	Seneca Nation of Indians	TBD
X	X	Basic Construction Training Program Total cost: TBD; source: Tribal 477	Seneca Nation of Indians	TBD
X	X	Vocational Training Total cost: TBD; source: Tribal 477	Seneca Nation of Indians	TBD

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VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOB CREATED/ RETAINED
X	X	Summer Youth Employment Program Total cost: TBD; source: SNI, Tribal 477	Seneca Nation of Indians	TBD
X	X	Lifeguard Training Total cost: TBD; source: SNI, Tribal 477	Seneca Nation of Indians	TBD
X	X	Water Safety Instructor Training Total cost: TBD; source: SNI, Tribal 477	Seneca Nation of Indians	TBD
X	X	Lifeguard Instructor Training Total cost: TBD; Source: Tribal 477	Seneca Nation of Indians	TBD
X	X	Career Readiness Workshops Total cost: TBD; source: Tribal 477	Seneca Nation of Indians	TBD
X	X	Office Tech Class Total cost: TBD; source: Tribal 477	Seneca Nation of Indians	TBD
X	X	Computer Training Total cost: TBD; source: Tribal 477	Seneca Nation of Indians	TBD
X	X	Career Fest Total cost: TBD; source: Tribal 477	Seneca Nation of Indians	TBD
X	X	Developmental Disabilities Awareness Day Total cost: TBD; source: Tribal Vocational Rehabilitation	Seneca Nation of Indians	TBD

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VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOB'S CREATED/ RETAINED
X	X	Basic Energy Efficiency Training Total cost: TBD; source: Tribal 477	Seneca Nation of Indians	TBD
X	X	Basic Safety Training Total cost: TBD; source: Tribal 477	Seneca Nation of Indians	TBD
X	X	Introduction to Construction Math Course Total cost: TBD; source: Tribal 477	Seneca Nation of Indians	TBD
X	X	Your Role in the Green Environment Training Total cost: TBD; source: Tribal 477	Seneca Nation of Indians	TBD
	X	Wind Assessment Project (Cattaraugus Territory) Total cost: \$88,000; sources: SNI, BIA	Seneca Nation of Indians	TBD
	X	Utility Formation Project Total cost: TBD; sources: DOE, CIA, Bond, Private, TBD	Seneca Nation of Indians	20 C
	X	Natural Gas Production Assessment Project Total cost: \$275,000; source: BIA	Seneca Nation of Indians	TBD
	X	Energy Efficiency and Conservation Project Total cost: \$148,000; source: DOE	Seneca Nation of Indians	6 - 10 C
	X	Natural Gas Pipeline Upgrade Project (Cattaraugus Territory) Total cost: \$750,000; source: BIA	Seneca Nation of Indians	TBD

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VITAL PROJECT	SUGGESTED PROJECT	PROJECT NAME / FUNDING	PROJECT SPONSOR	JOB'S CREATED/ RETAINED
	X	Broadband Development Project Total cost: TBD; sources: TBD	Seneca Nation of Indians	N/A
	X	Cuba Lake Property Development Total cost: TBD; source: TBD	Seneca Nation of Indians	6 - 8 C
	X	Small Business Development Business Incubator Program Project Total cost: \$600,000; source: SNI	Seneca Nation of Indians	2 - 4 C
	X	Community Development Financial Institution Project Total cost: \$46,708; source: U.S. Dept. of Treasury	Seneca Nation of Indians	TBD
	X	Career Development Program at Casinos Total cost: \$150,000 annually; source: Seneca Gaming Corporation	Seneca Nation of Indians	200 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

Goal 1: Brainpower

In order to develop a skilled labor force capable of creating a knowledge-based and innovation-based economy, and that encourages businesses to start, locate, and expand in the region, the region and Southern Tier West will:

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

- support for and increased utilization of 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
- encouragement of development based on certain specific skilled trades for which there is an available labor force
- encouragement of increased post-secondary educational training, especially as regards four year bachelors degree programs
- encouragement of increased availability of and enhanced provision of STEM educational offerings, including application practicums through education and business partnerships
- increased utilization of mentoring, internship, and apprenticeship programs, in both traditional and non-traditional applications

Goal 2: Innovation and entrepreneurship networks

In order to provide the process and the temperament and skills to translate ideas into wealth through new products, new services, and new markets, and to enhance the development of value-added businesses and other businesses that will augment and / or diversify the region's economic base, the region and Southern Tier West will:

A. Undertake and encourage business development strategies designed to improve the region's innovation capacity, including:

- improved access to and increased use of broadband services
- 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

B. Undertake and encourage business development strategies designed to improve the region's level of entrepreneurship, including:

- continuation and expansion of existing technical assistance and financial incentivization programs targeting entrepreneurs
- development of new and innovative technical assistance and financial incentivization programs targeting entrepreneurs
- entrepreneurial education programs targeting primary and secondary school students, post secondary school students, and adults, that include strong experiential content
- development of new initiatives for recruiting prospective entrepreneurs
- creation of mentoring activities
- creation of peer-to-peer entrepreneurial networks

C. Undertake and encourage other business development strategies, including:

- business development in target industry clusters and occupation clusters
- business outreach and mentoring activities
- regional business development planning and priority project implementation

- development of municipal infrastructure, shovel-ready industrial sites and buildings (including sites along transportation corridors and broadband fiber trunk nodes), and business incubators
- 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
- increased marketing of the region’s electrical power, water, and other resources as assets to businesses that could locate in the region
- encouragement of “buy local” programs and other local vendor sourcing programs
- internal and external marketing activities designed to enhance our regional image and / or to attract business development, including especially the attraction of high-paying value-added net-export services and trade employers to the region

Goal 3: Quality, connected places

In order to create quality, connected, safe, convenient and healthy places to live and work, that make the region attractive for residential, commercial, and industrial development, the region and Southern Tier West will:

A. 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 highway corridors and bridges
- additional build-out of region’s mobility management (i.e., public transportation) system
- improvements and upgrades to the region’s aviation system

B. 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

C. Undertake and encourage environmental and conservation-based economic development strategies, including:

- remediation and redevelopment of regional brownfield sites and buildings
- improvement of and maintenance of the region’s water quality
- improvements in green energy and environmental conservation by businesses and entrepreneurs

Goal 4: Branding and story-telling

In order to create value for the region’s products and services for international buyers, and to create the sense of identity necessary to spur collaboration throughout the region, the region and Southern Tier West will:

A. Undertake and encourage economic development strategies involving branding, including:

- the development of regional brands
- the usage of regional brands by goods and services producers
- purchase of regional brands by local and extra-regional purchasers

B. Undertake and encourage economic development strategies involving story-telling, including:

- marketing the region, both within the region, and outside the region
- regional ambassadors
- virtual civic spaces
- peer-to-peer business and entrepreneurial networking

Goal 5: Collaborative leadership

In order to create places in the region in which focused conversations about complex issues can take place and solutions can be agreed upon and implemented, and the improvement of regional coordination and cooperative partnering efforts, the region and Southern Tier West will:

A. Undertake and encourage increased intersectoral partnership, including:

- increased partnerships between workforce and training and education institutions and organizations and the economic development community
- increase partnerships and networking between the business community and the economic development and local government communities
- increase partnerships and networking between the business community and the educational community

B. Encourage planning activities and the implementation of strategic initiative included in plans, including:

- Regional plans, including the WNY Regional Council plan, the regional Workforce Investment Board plans, the Southern Tier West CEDS, and the Seneca Nation of Indians CEDS
- County plans, including comprehensive plans and economic development strategic plans
- Local (municipal or community) comprehensive plans and economic development strategic plans

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 in the past has sent 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.

The 2010 version of Southern Tier West's CEDS is listed as a source document for the development of the Western New York Regional Economic Development Council's strategic plan document, the most recent version of which was published in the fall of 2011 (see Regional Strategies and Studies > Regional Strategies at <http://regionalcouncils.ny.gov/content/western-new-york>). Similarly, there are other regions across New York State, each with a regional strategic plan, a structure and process instituted by New York State's leadership and facilitated by New York State Empire State Development, the economic development division of the New York State government. Southern Tier West has used strategic content from the Western New York Regional Economic Development Council's 2011 strategic plan document, "A Strategy for Prosperity in Western New York" (<http://regionalcouncils.ny.gov/themes/nyopenrc/rc-files/westernny/FINALPLAN.pdf>) in preparing the 2012 CEDS. Examples of this are the strategic foci on labor force development, implementing smart growth, and fostering entrepreneurship, and the sector-based strategies contained in the 2011 Western New York plan.

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 the Annual Report that Southern Tier West submits to 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 be proactive, and 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.
- **We must develop a means of investing in economic development.** 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 improve our region’s capacity for innovation.** 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. This is a broad category encompassing everything from improving telecommunications infrastructure, encouraging use of broadband by the region’s businesses and institutions, encouraging technology transfer between the educational and business communities, improving entrepreneurial rates and improving entrepreneurial performance, etc.
- **We must build on the strengths represented by our significant regional industry clusters and occupation clusters.** As has been indicated elsewhere herein, these clusters provide a competitive advantage for economic development in our region.
- **We must “widen the entrepreneurial pipeline.”** As we have too low rates of entrepreneurship to support an innovation economy, we must act to increase the levels of entrepreneurship in our region, and to assist entrepreneurs so that their failure rate decreases.
- **We must improve the skill sets and capacities of our regional labor force.** Economic development in any region is constrained by the quality and quantity of its labor force. Our region is hindered by

a lack of quality jobs requiring higher skill levels. Nonetheless, if we are to achieve a sustainable globally competitive regional economy, we must improve the skill level of our regional labor force.

- **We must encourage value-added and export activities.** Only by value-added activity can we create wealth in our region, and only by bringing new money into our region from outside the region (i.e., goods and services export), can we maintain our quality of life and standard of living.
- **We must improve the region's transportation infrastructure.** As a rural region that is spread out over a large geographic area, we must concern ourselves with passenger and freight transportation, both within the region, and to and from points outside the region. Service must be timely and cost effective.
- **We must continue to work toward the retention and expansion of our region's 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.** The county health departments are good overseers of municipal water and wastewater systems, and are aware when certain systems need improvements. The county planning and development departments can be good sources of assistance to municipalities with respect to development projects to effect needed improvements.
- **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.** Currently, this role is filled by the CEDS. The value of the CEDS is as good as there is comprehensive information provided during the development of the CEDS, and also is as good as there is consensus as to the strategic content of the CEDS and the political will to implement the strategic content of the CEDS.

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.

However, 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 2012, 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 2012, 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	
Vacant	Chautauqua County	
Vacant	Chautauqua County	
Lucille White	Seneca Nation of Indians	
Curtis Crandall	Allegany County	Ex-officio

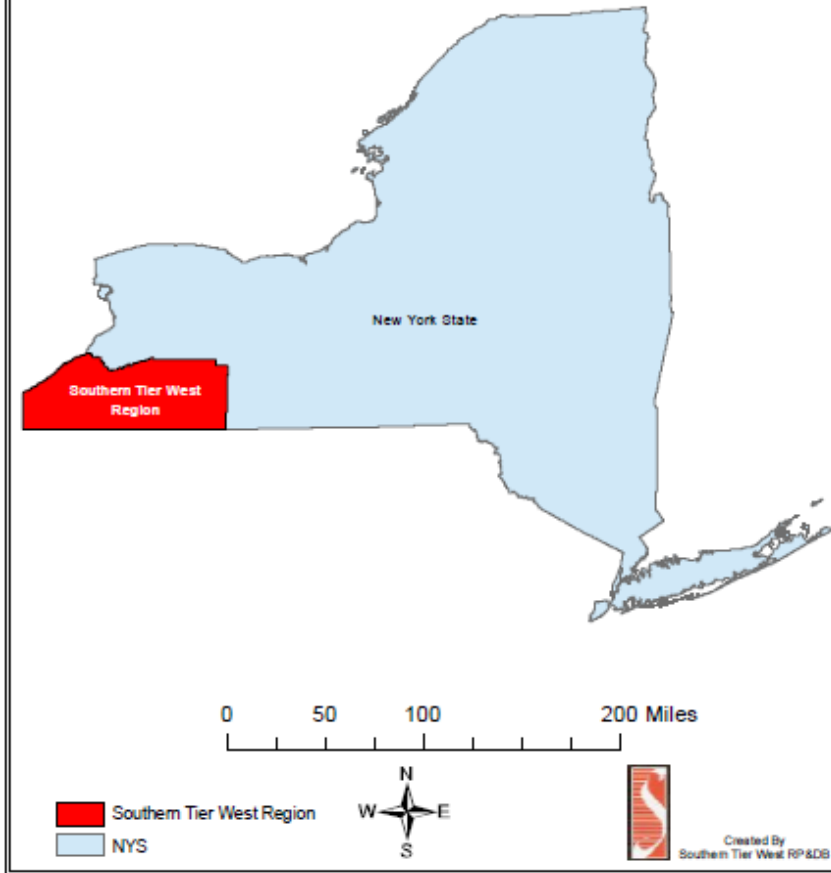
Maps of the Region

This section of the Appendix presents a series of descriptive maps relating to the region, to provide readers a better understanding of the region's geographic composition and assets.

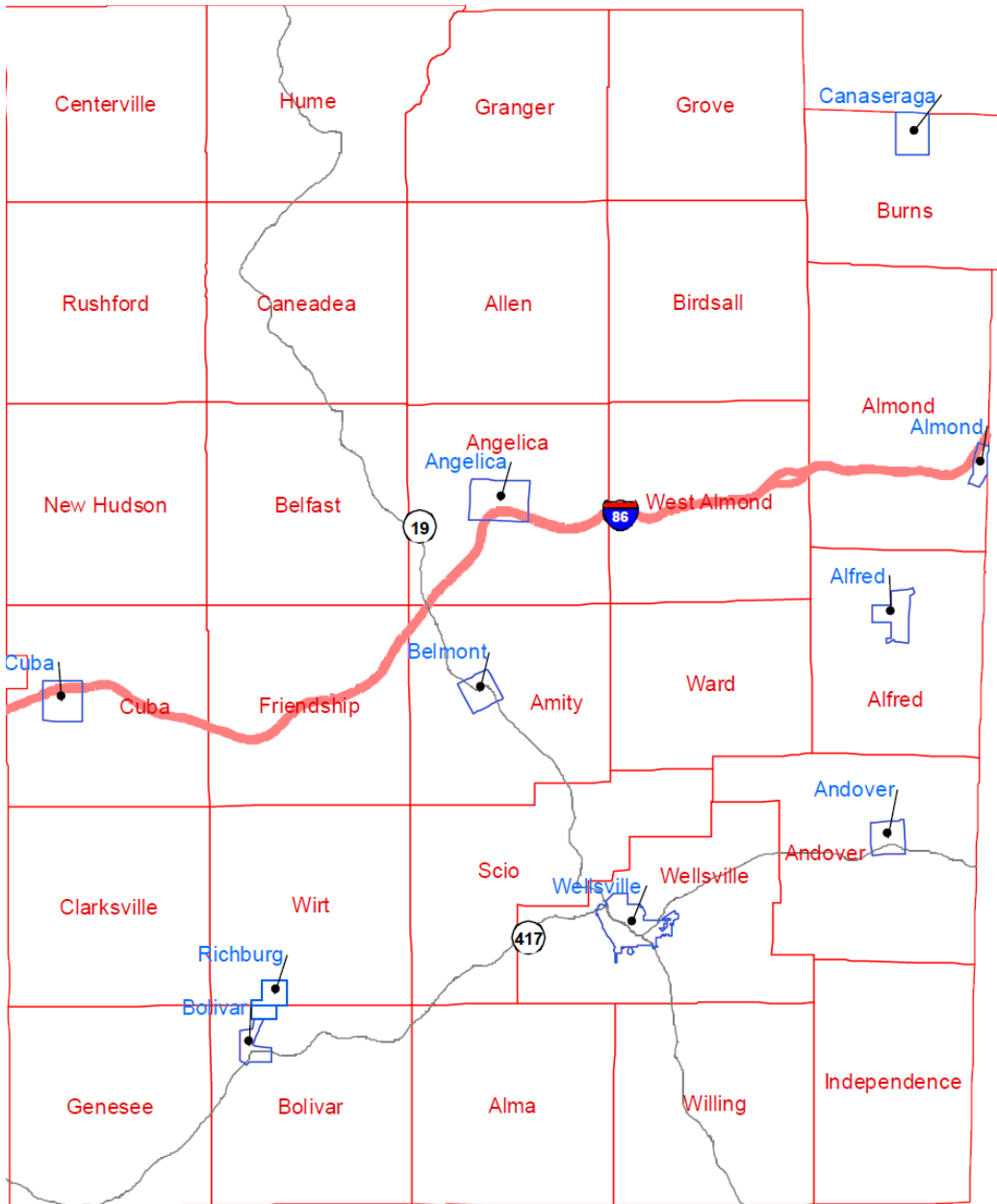
This section of the Appendix includes the following maps:

- Map of New York State showing the three county Southern Tier West Region as an inset
- Map showing Allegany County Towns and Villages
- Map showing Cattaraugus County Cities, Towns, and Villages
- Map showing Chautauqua County Cities, Towns, and Villages
- Map showing the two Congressional districts in the three county Southern Tier West Region
- Map showing the State Assembly and Senate districts in the three county Southern Tier West Region
- Map showing the major highways in the three county Southern Tier West Region
- Map showing the railroad system in the three county Southern Tier West Region
- Map showing the primary airports in the three county Southern Tier West Region
- Map showing natural gas company service territories in the three county Southern Tier West Region
- Map showing private and municipal electric service territories in the three county Southern Tier West Region
- Map showing post secondary educational institutions in the three county Southern Tier West Region
- Map showing unified school districts in the three county Southern Tier West Region
- Map showing hospitals (including satellite hospital facilities) and county health clinics in the three county Southern Tier West Region
- Map showing gas production by town in 2009 in the three county Southern Tier West Region
- Map showing oil production by town in 2009 in the three county Southern Tier West Region
- Map showing the agricultural districts in the three county Southern Tier West Region
- Map showing farmers markets in the three county Southern Tier West Region
- Map showing the economic status designation of the three counties in the Southern Tier West Region for FY 2013, as designated by the Appalachian Regional Commission
- Regional map showing localized areas of economic distress in the in the three county Southern Tier West Region for FY 2013, as designated by the Appalachian Regional Commission
- Individual maps showing localized areas of economic distress (Jamestown, Dunkirk, Salamanca, and Olean) in the in the three county Southern Tier West Region for FY 2013, as designated by the Appalachian Regional Commission
- Map showing the primary watersheds and the primary waterways in the three county Southern Tier West Region
- Map showing locations in the three county Southern Tier West Region needing environmental remediation

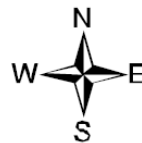
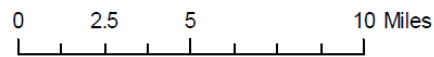
New York State Southern Tier West Region



Allegany County Towns & Villages

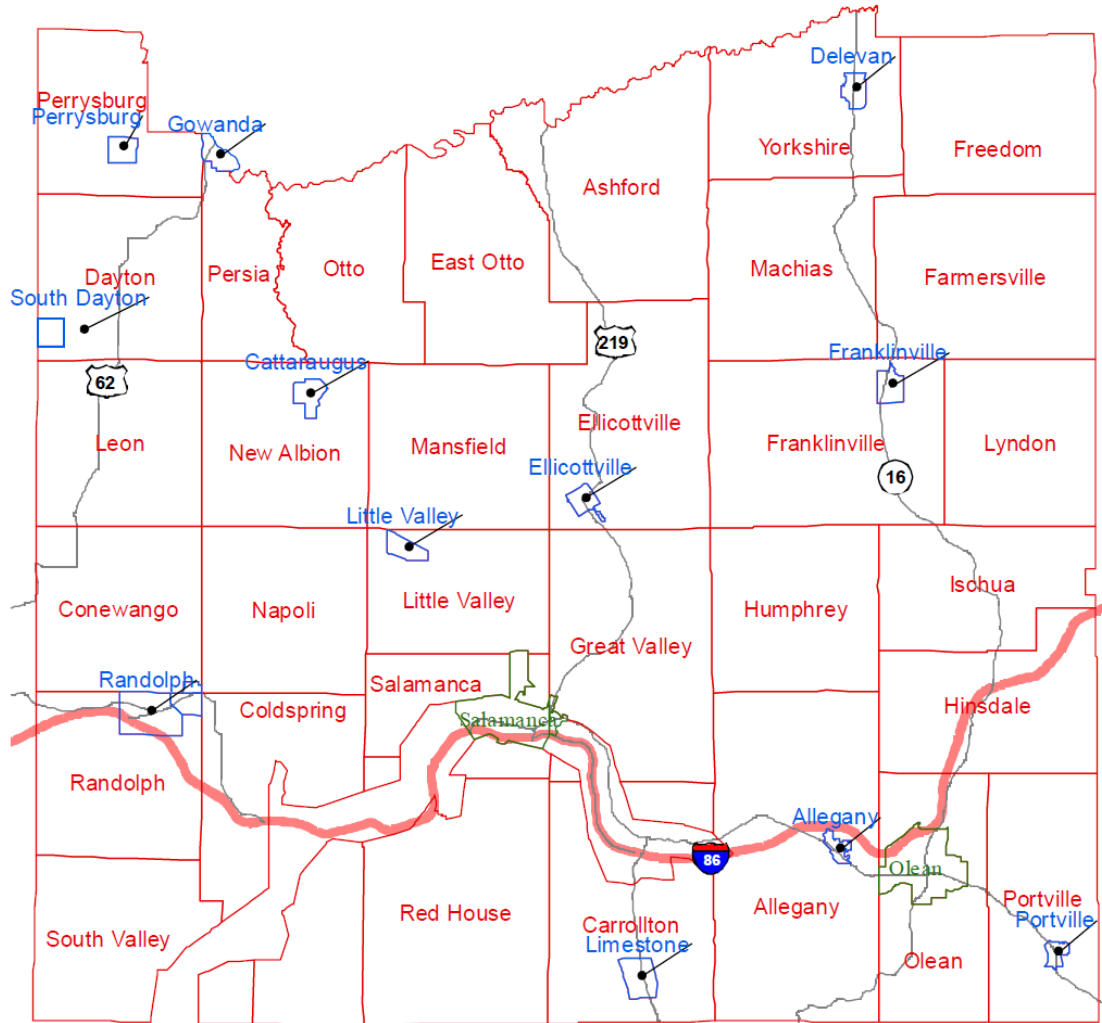


- Major Roads
- I-86
- Towns
- Villages



Map Creator By:
Southern Tier West RP&DB

Cattaraugus County Cities, Towns, & Villages



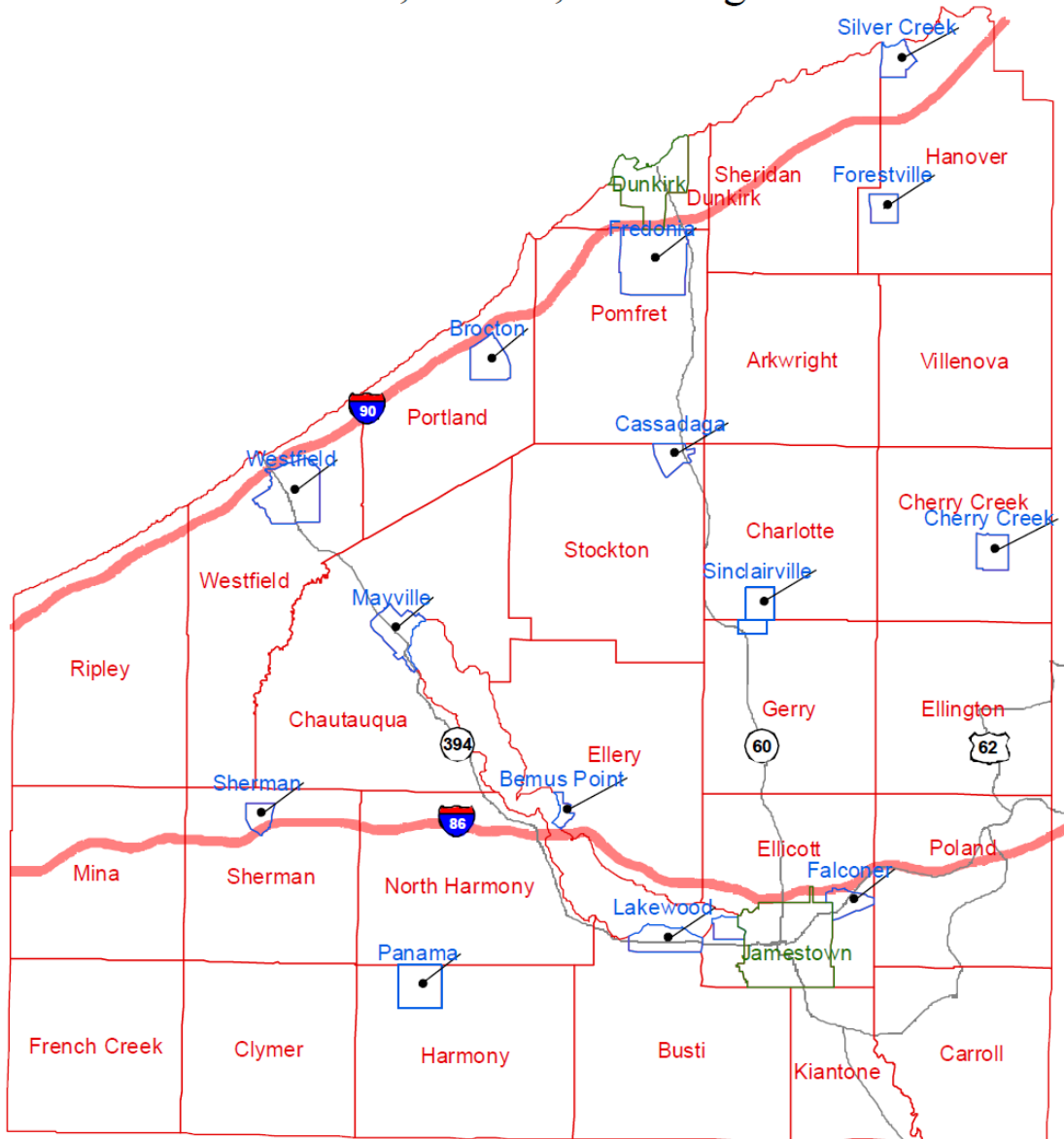
- Cities
- Villages
- Towns
- Major Roads
- I-86

0 3.75 7.5 15 Miles

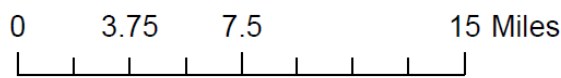


Map Creator By:
Southern Tier West RP&DB

Chautauqua County Cities, Towns, & Villages



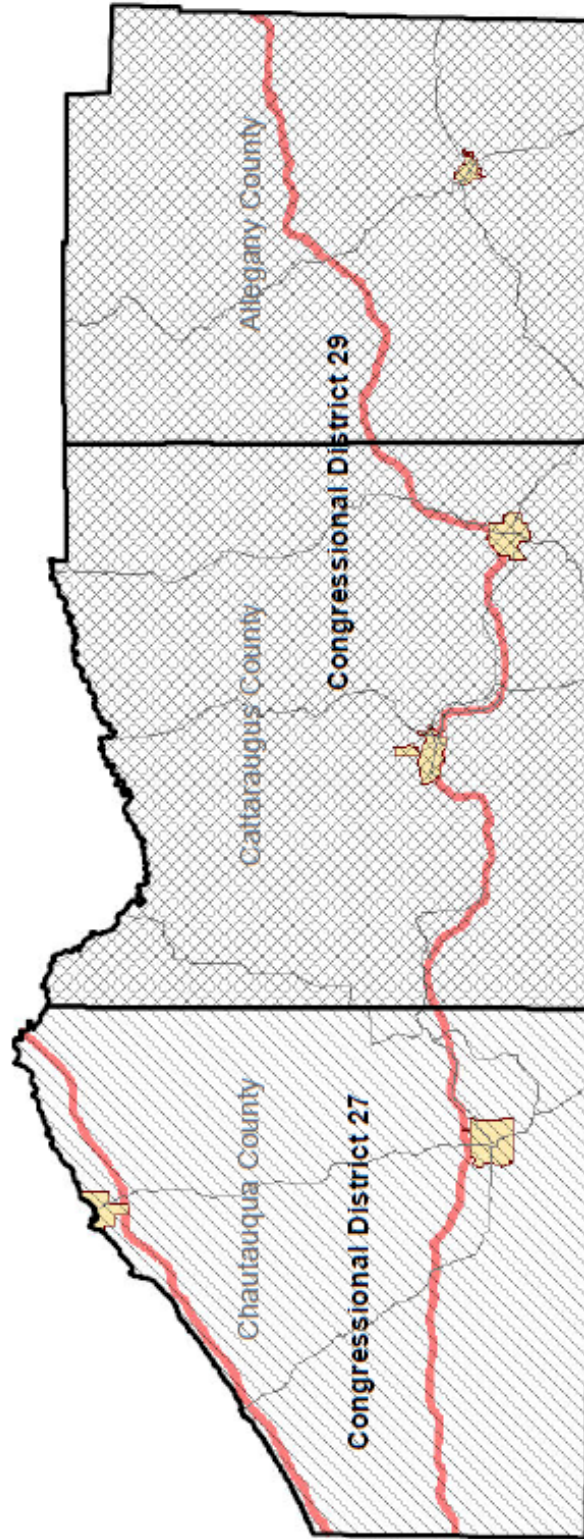
- Cities
- Villages
- Towns
- Major Roads
- I-86 & I-90









Map Creator By:
Southern Tier West RP&DB

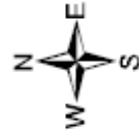
Congressional Districts

Southern Tier West Region



Congressional District

-  Congressional District 27
-  Congressional District 29
-  Major Roads
-  Major Places
-  Interstates
-  Counties



40 Miles

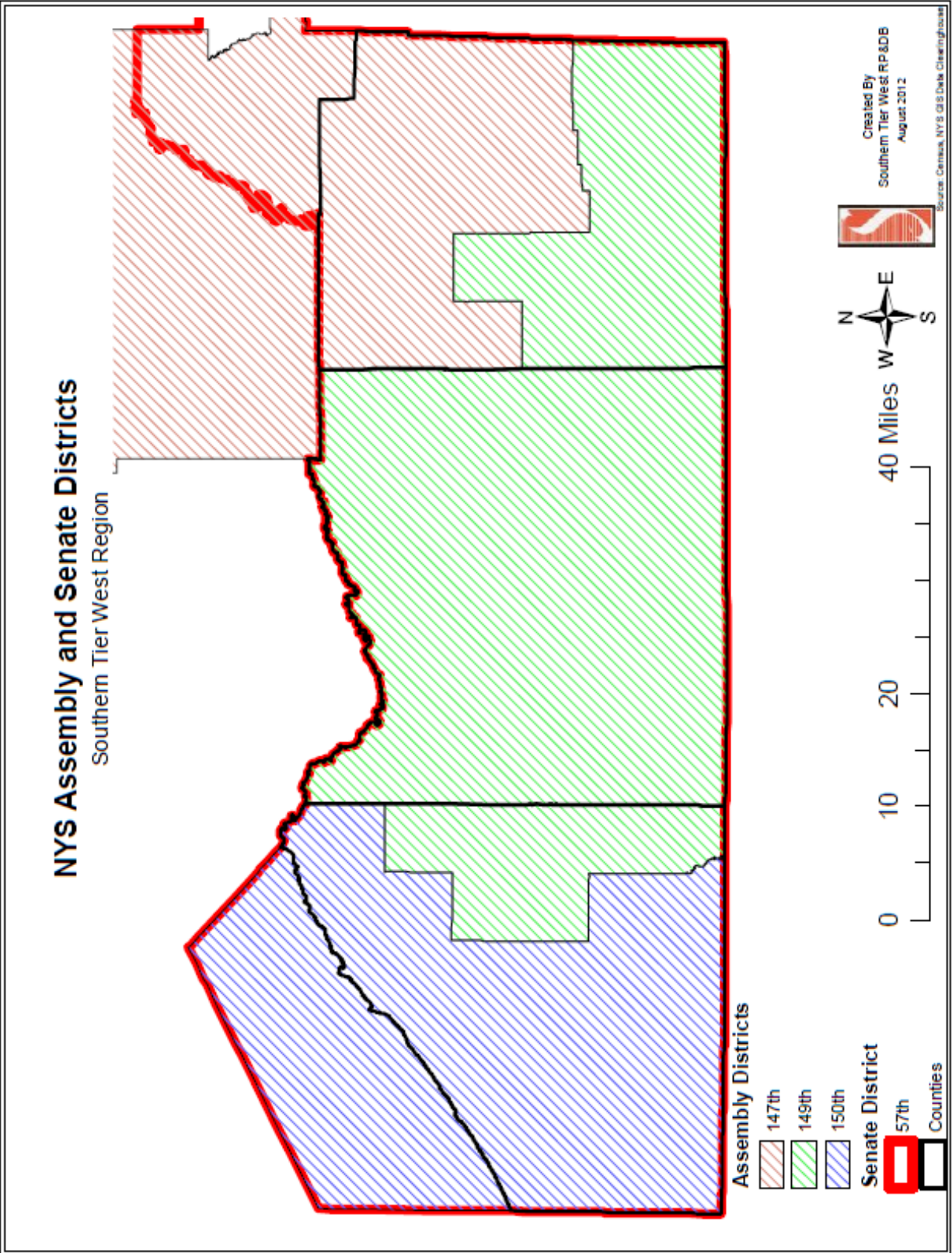
20

10

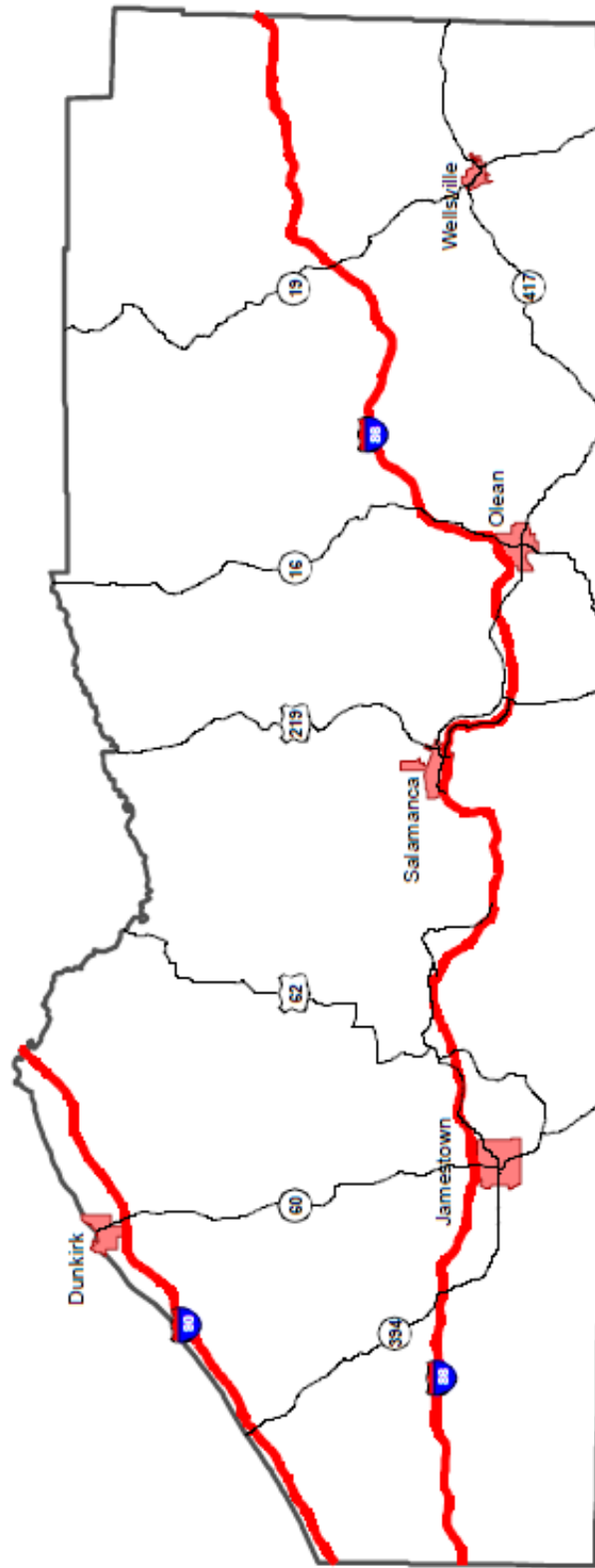
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Created By
Southern Tier West RP&DB
August 2012

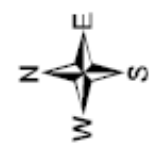
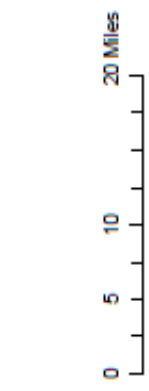
Source: Census, ARC



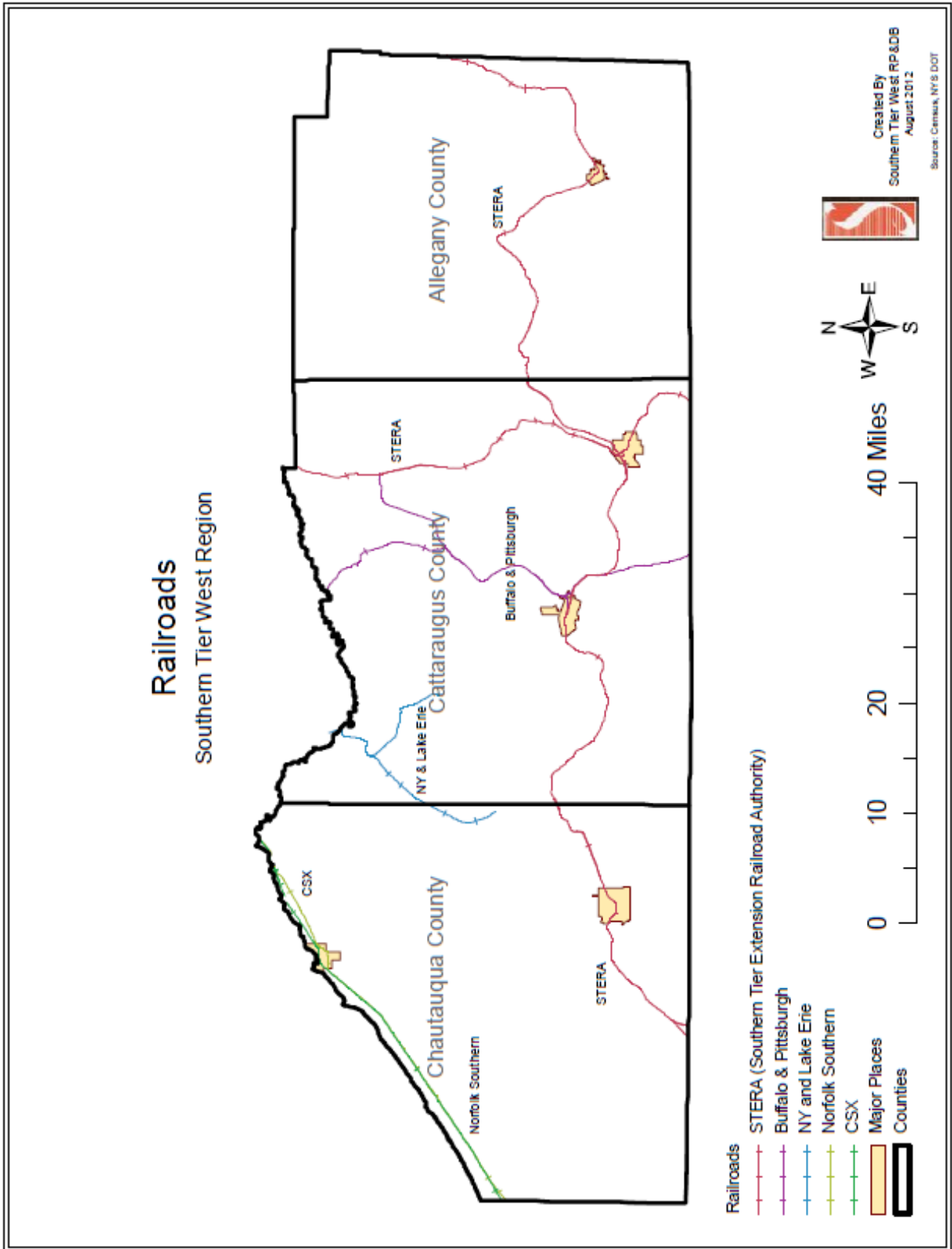
Major Roadways Southern Tier West Region



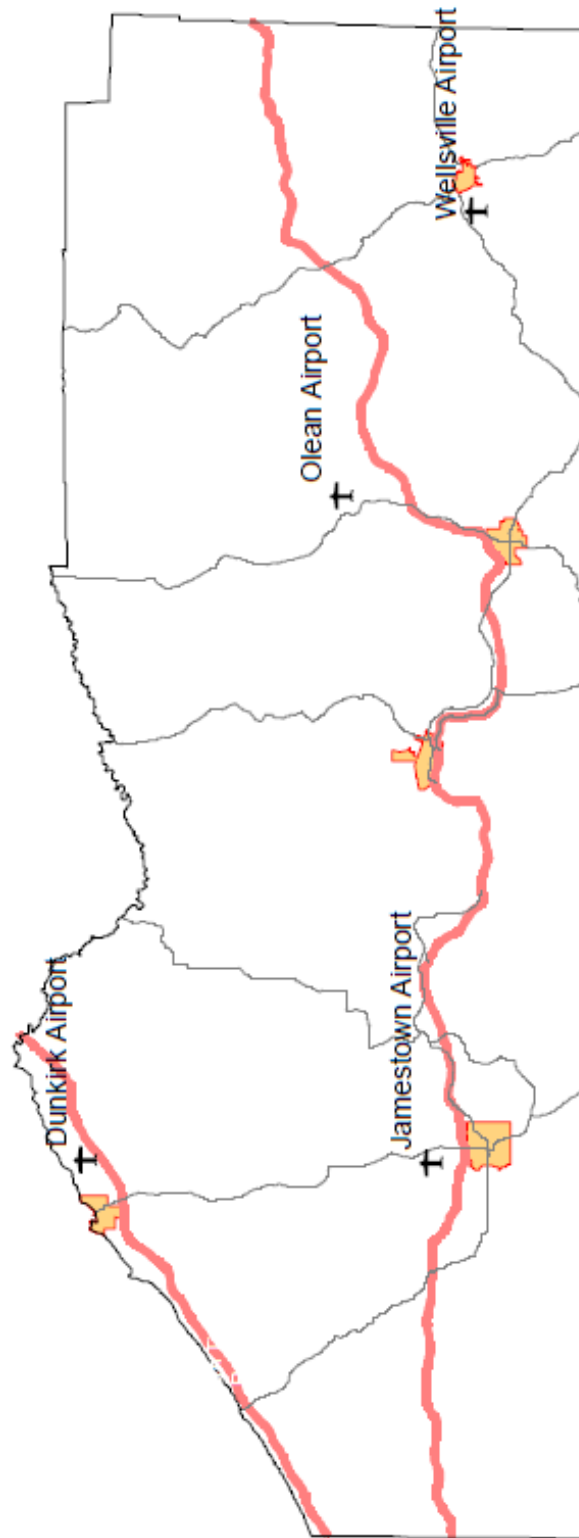
- Major Roads
- I-86 & I-90
- Southern Tier West
- Major Places



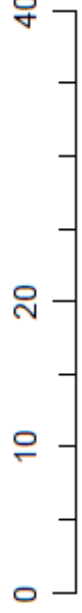
Map Created By:
Southern Tier West RP&DB



Primary Airports Southern Tier West Region

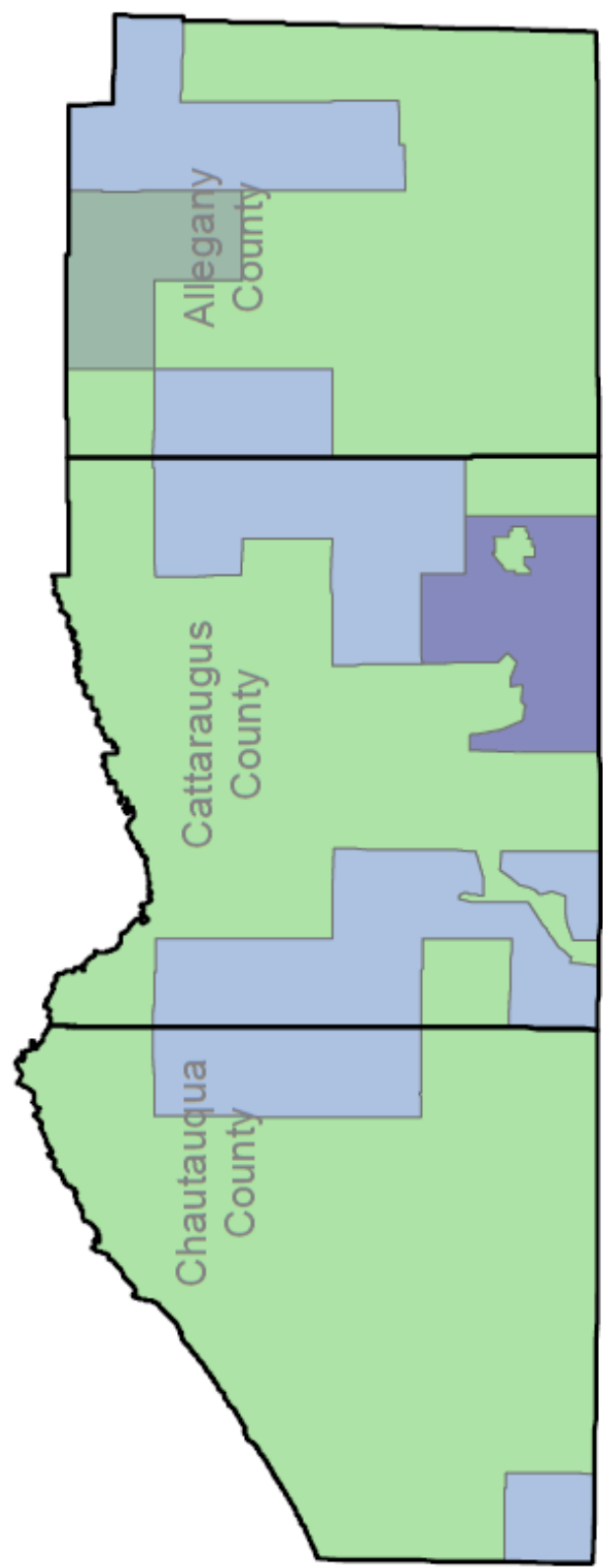


- Airport
- Southern Tier West Region
- Major Roads
- Interstates
- Major Places



Created By
Southern Tier West RP&DB

Gas Service Territory Southern Tier West Region



- Fillmore Gas Company
- NYSEG
- National Fuel
- None
- Counties

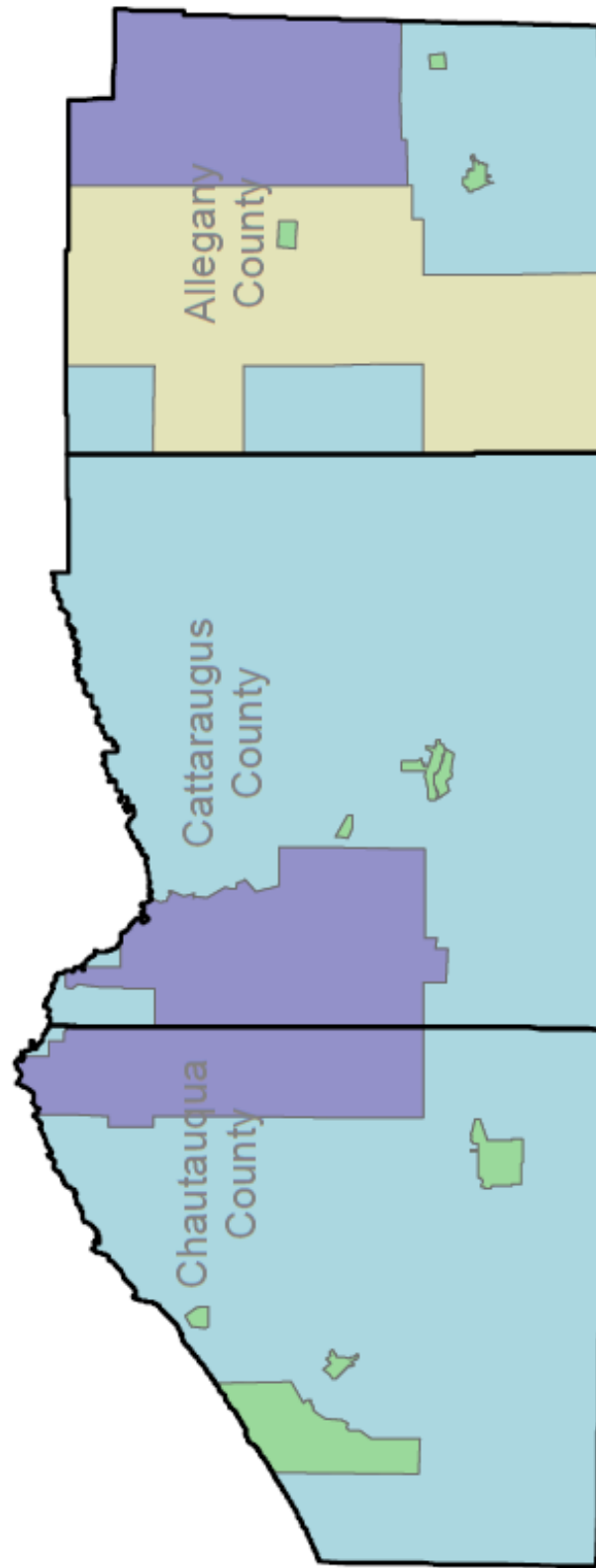


Created By
Southern Tier West RP.8.DB
August 2012

Source: Census, NYS DOT, NYS PSC

Electric Service Territory

Southern Tier West Region



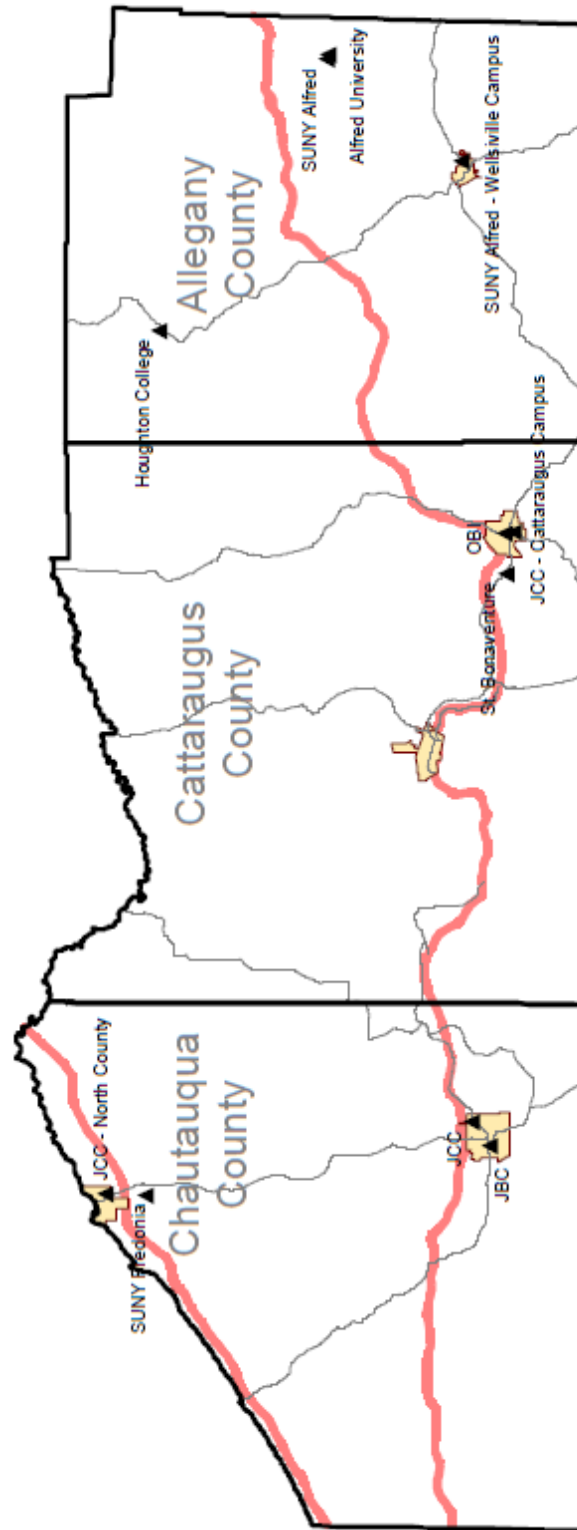
- Municipal Utilities
- NYS Electric and Gas (NYSEG)
- Niagara Mohawk Power (NMPG)
- Rochester Gas and Electric (RGE)
- Counties



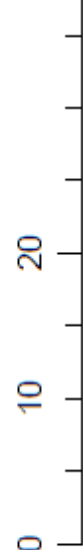
Created By
Southern Tier West RP & DB
August 2012

Source: Centex, NYS DOT, NYS PSC

Post Secondary Educational Institutions Southern Tier West Region



40 Miles
W E
S



Education Institutions
Major Roads
Major Places
Interstates



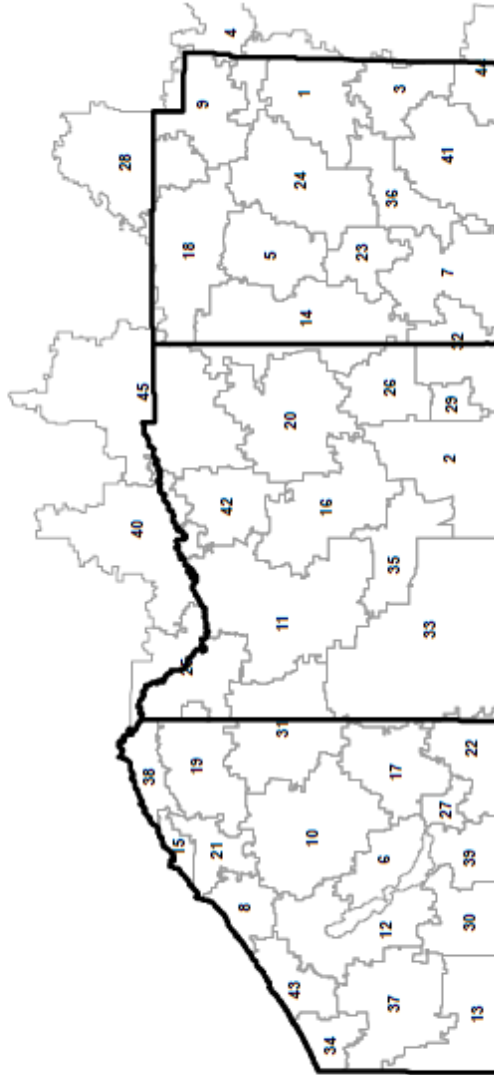
Created By
Southern Tier West RP&DB
August 2012

Source: Census, NYS DOT, NYS DORM

Unified School Districts

Southern Tier West Region

- Unified School Districts
- 1 Alfred-Almond Central School District
 - 2 Allegany-Limestone Central School District
 - 3 Andover Central School District
 - 4 Arkport Central School District
 - 5 Belfast Central School District
 - 6 Bemus Point Central School District
 - 7 Bolivar-Richburg Central School District
 - 8 Brodton Central School District
 - 9 Canaseraga Central School District
 - 10 Cassadaga Valley Central School District
 - 11 Cattaraugus-Little Valley Central School District
 - 12 Chautauque Lake Central School District
 - 13 Clymer Central School District
 - 14 Cuba-Rushford Central School District
 - 15 Dunkirk City School District
 - 16 Elliottsville Central School District
 - 17 Falconer Central School District
 - 18 Filmore Central School District
 - 19 Forestville Central School District
 - 20 Franklinville Central School District
 - 21 Fredonia Central School District
 - 22 Frewsburg Central School District
 - 23 Friendship Central School District
 - 24 Genesee Valley Central School District at Angelica-Belmont
 - 25 Gowanda Central School District
 - 26 Hinsdale Central School District
 - 27 Jamestown City School District
 - 28 Keshequa Central School District
 - 29 Clean City School District
 - 30 Panama Central School District
 - 31 Pine Valley Central School District
 - 32 Portville Central School District
 - 33 Randolph Central School District
 - 34 Ripley Central School District
 - 35 Salamanca City School District
 - 36 Solo Central School District
 - 37 Sherman Central School District
 - 38 Silver Creek Central School District
 - 39 Southwestern Central School District
 - 40 Springville-Griffith Institute Central School District
 - 41 Wellsville Central School District
 - 42 West Valley Central School District
 - 43 Westfield Central School District
 - 44 Whitesville Central School District
 - 45 Yorkshire-Pioneer Central School District
- Counties



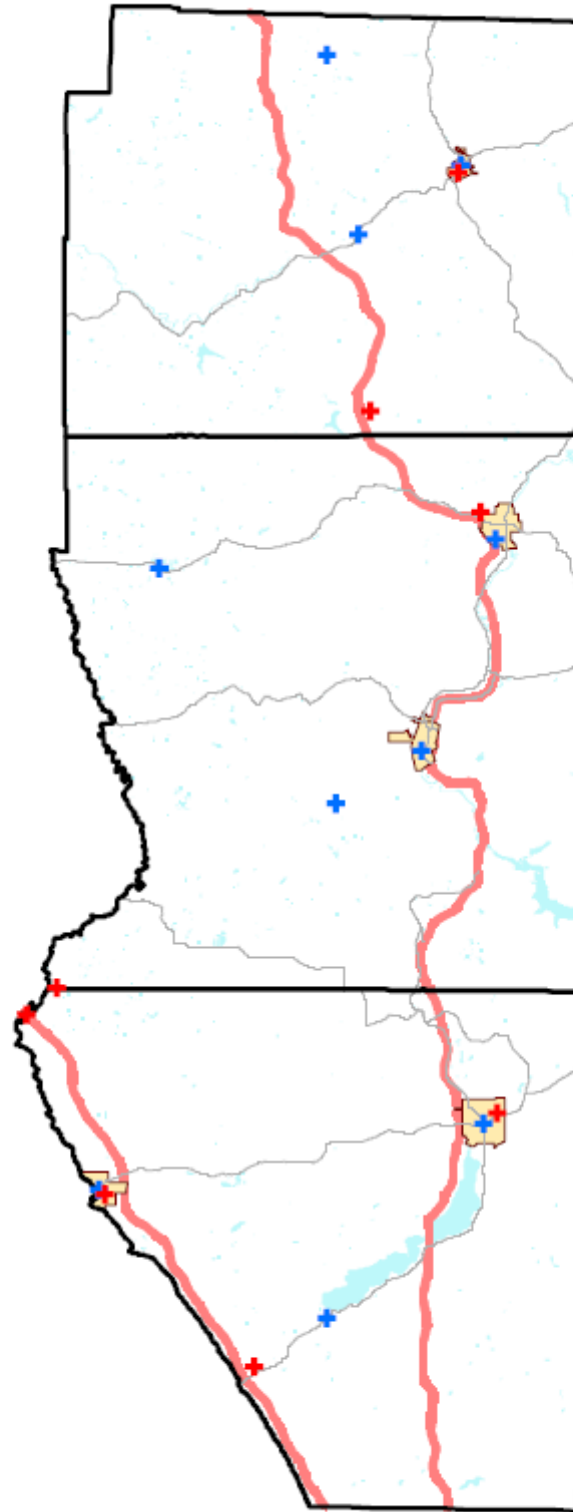
0 12.5 25 50 Miles

Created By
Southern Tier West RP&DB
August 2012

Source: Cermak, NYSED

Hospitals and County Health Clinics

Southern Tier West Region



- County Health Clinics
- Hospitals
- Counties
- Major Places
- Interstates
- Major Roads



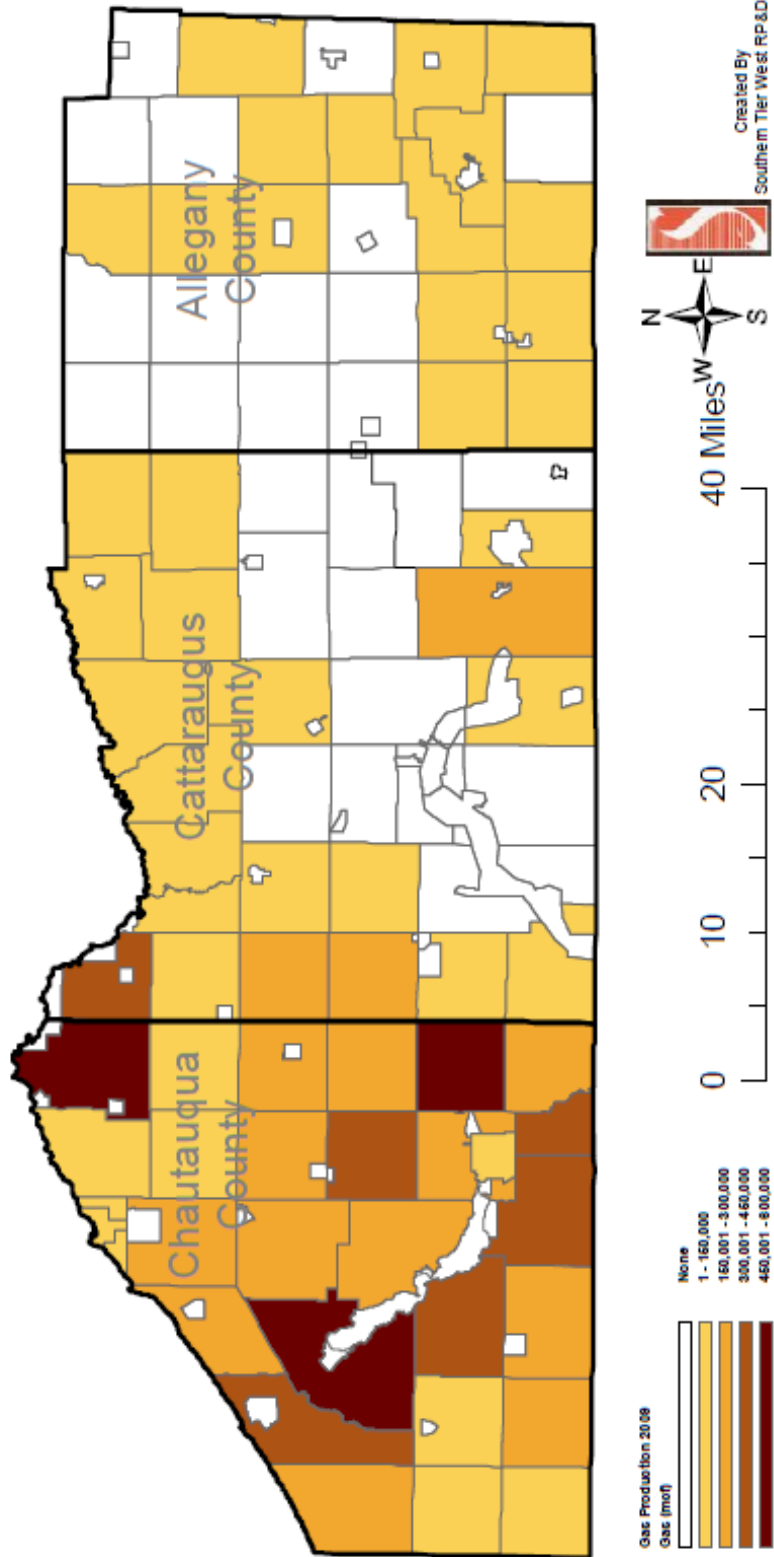
40 Miles

Created By
Southern Tier West RP&DB
August 2012

Source: Census, NYS DOT, County Health Dept.

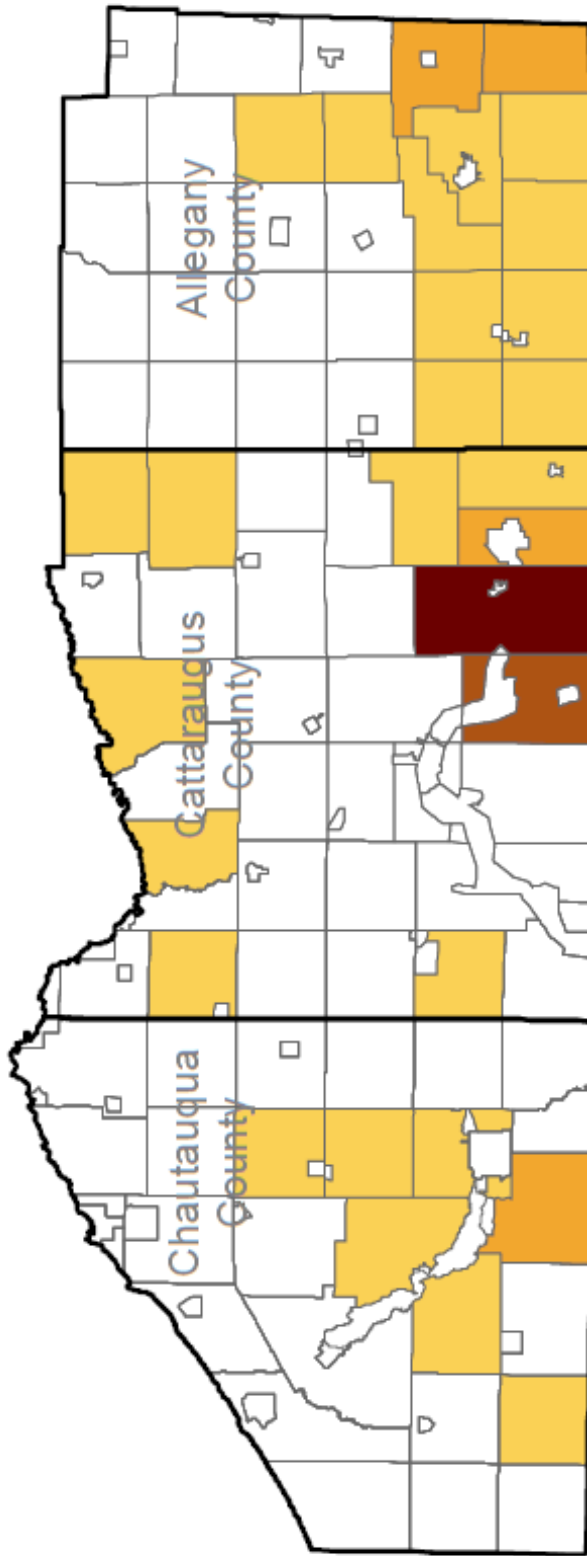
Gas Production by Town, 2009

Southern Tier West Region



Oil Production by Town, 2009

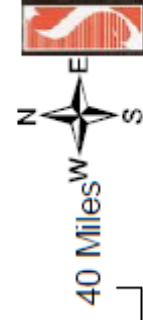
Southern Tier West Region



Oil Production 2009

Oil (bbl)

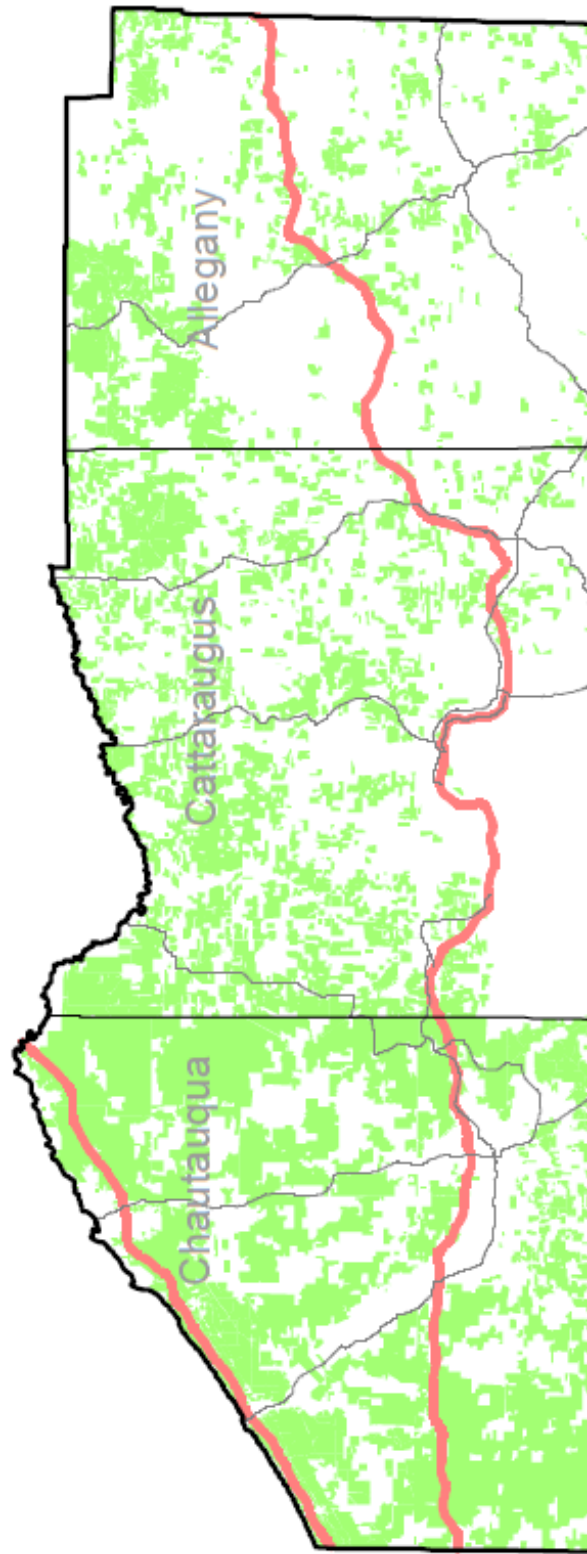
- None
- 1 - 10,000
- 10,001 - 50,000
- 50,001 - 100,000
- 100,001 - 250,000








Created By
Southern Tier West RP&DB
August 2012

Source: Cenreak, NYS DOT, NYS DOM&E

Agricultural Districts Southern Tier West Region



-  Counties
-  Southern Tier West Region
-  Major Roads
-  Interstates
-  Agricultural Districts

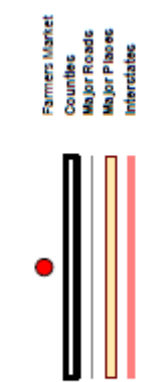
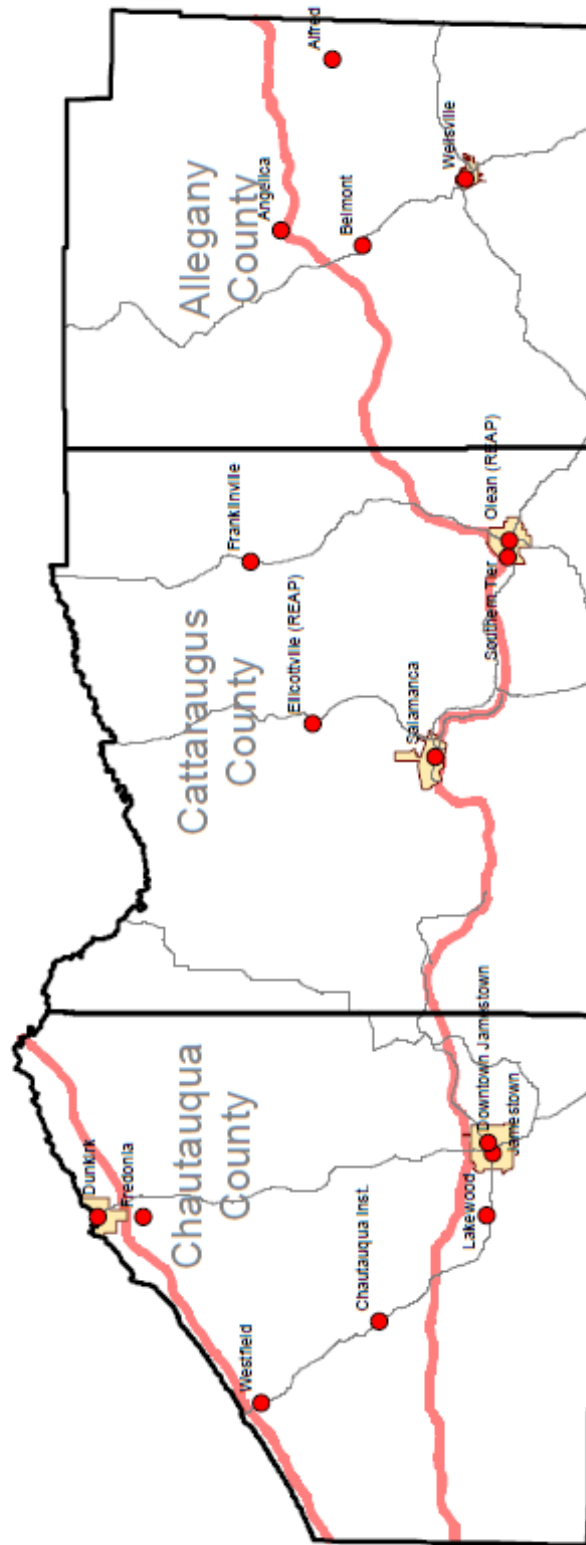


Created By
Southern Tier West RP & DB

Source: Census, CUGIR

Farmers Market Locations

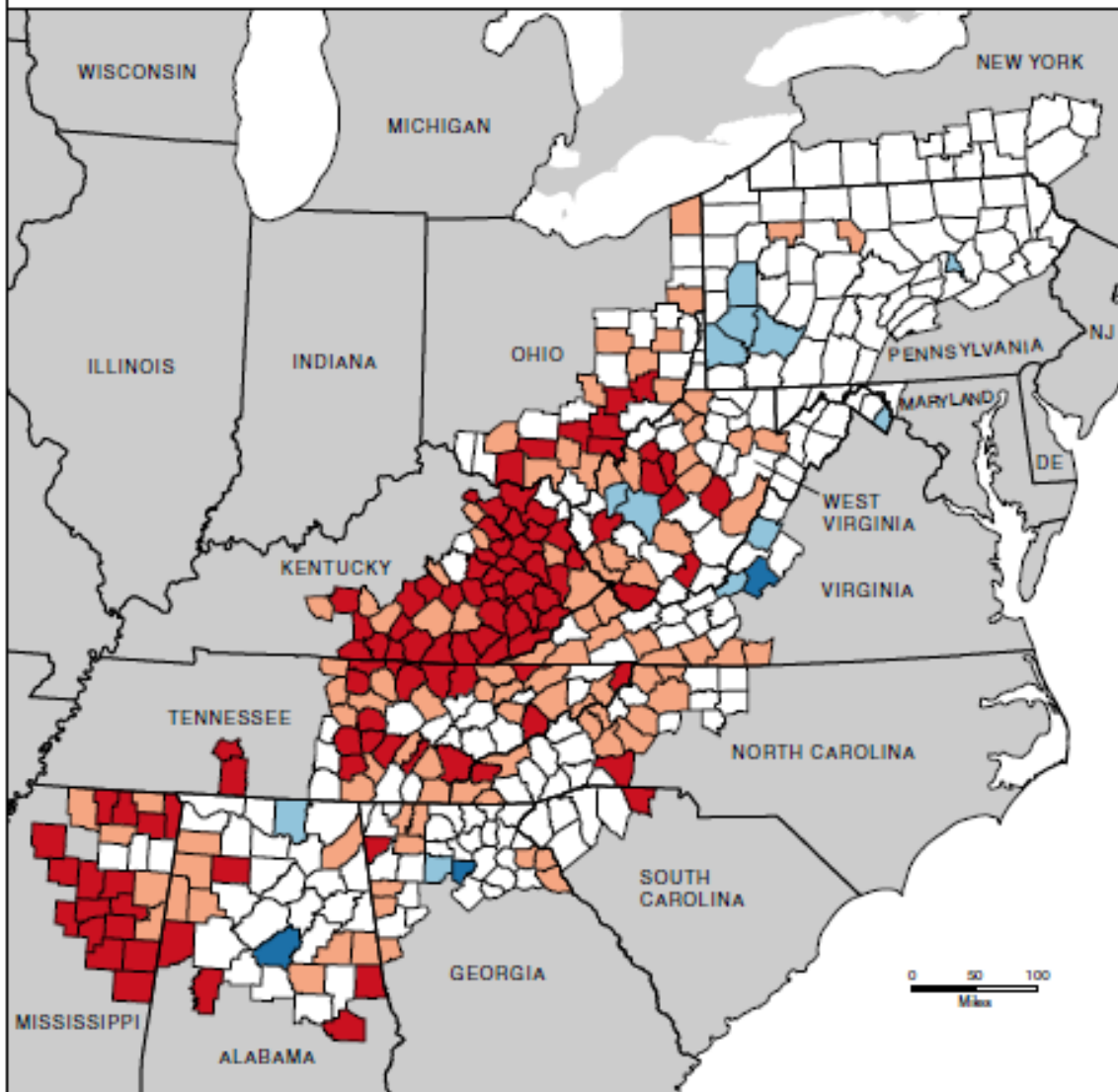
Southern Tier West Region



Created By
Southern Tier West RP SDB
August 2012

Source: Census, NYS DOT, Survey

County Economic Status in Appalachia, Fiscal Year 2013 (Effective October 1, 2012 through September 30, 2013)



The Appalachian Regional Commission uses an index-based county economic classification system to identify and monitor the economic status of Appalachian counties. See the reverse side for a description of each economic level.

County Economic Levels

- Distressed (98)
- At-Risk (99)
- Transitional (208)
- Competitive (12)
- Attainment (3)



Map Created: March 2012

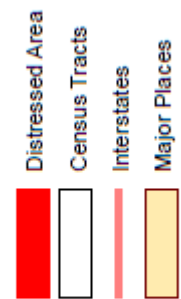
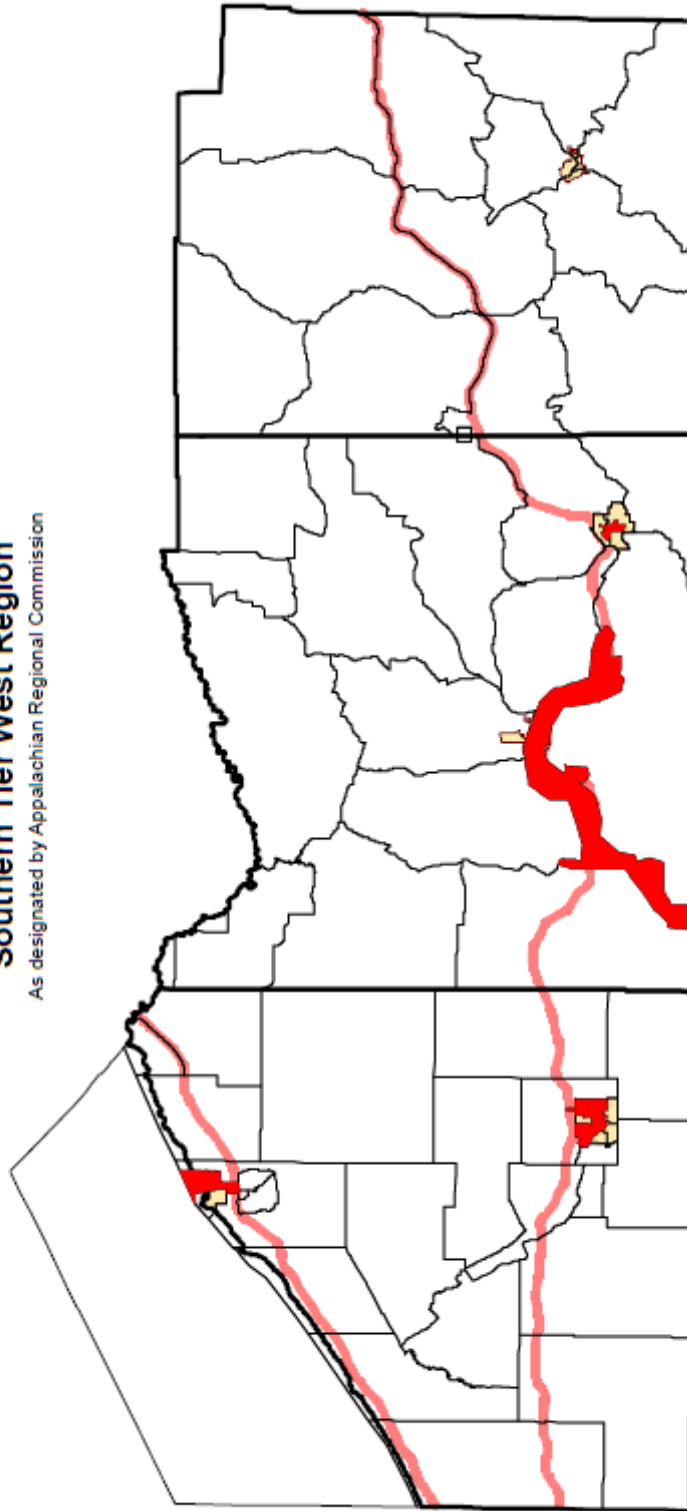
Data Sources:

Unemployment data: U.S. Bureau of Labor Statistics, LAUS, 2008–2010

Income data: U.S. Bureau of Economic Analysis, REIS, 2009

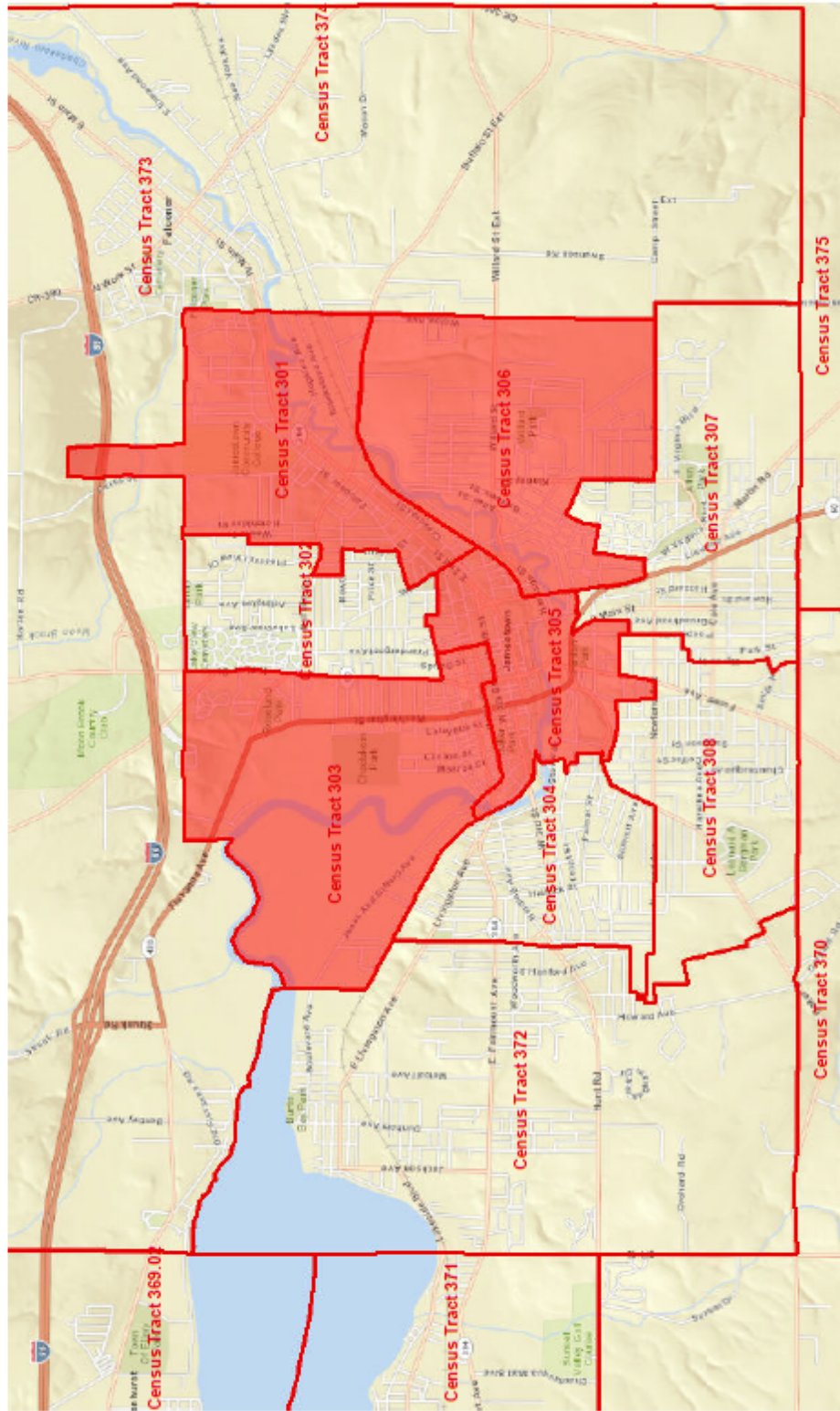
Poverty data: U.S. Census Bureau, American Community Survey, 2006–2010

**Distressed Census Tracts
Fiscal Year 2013
Southern Tier West Region**
As designated by Appalachian Regional Commission



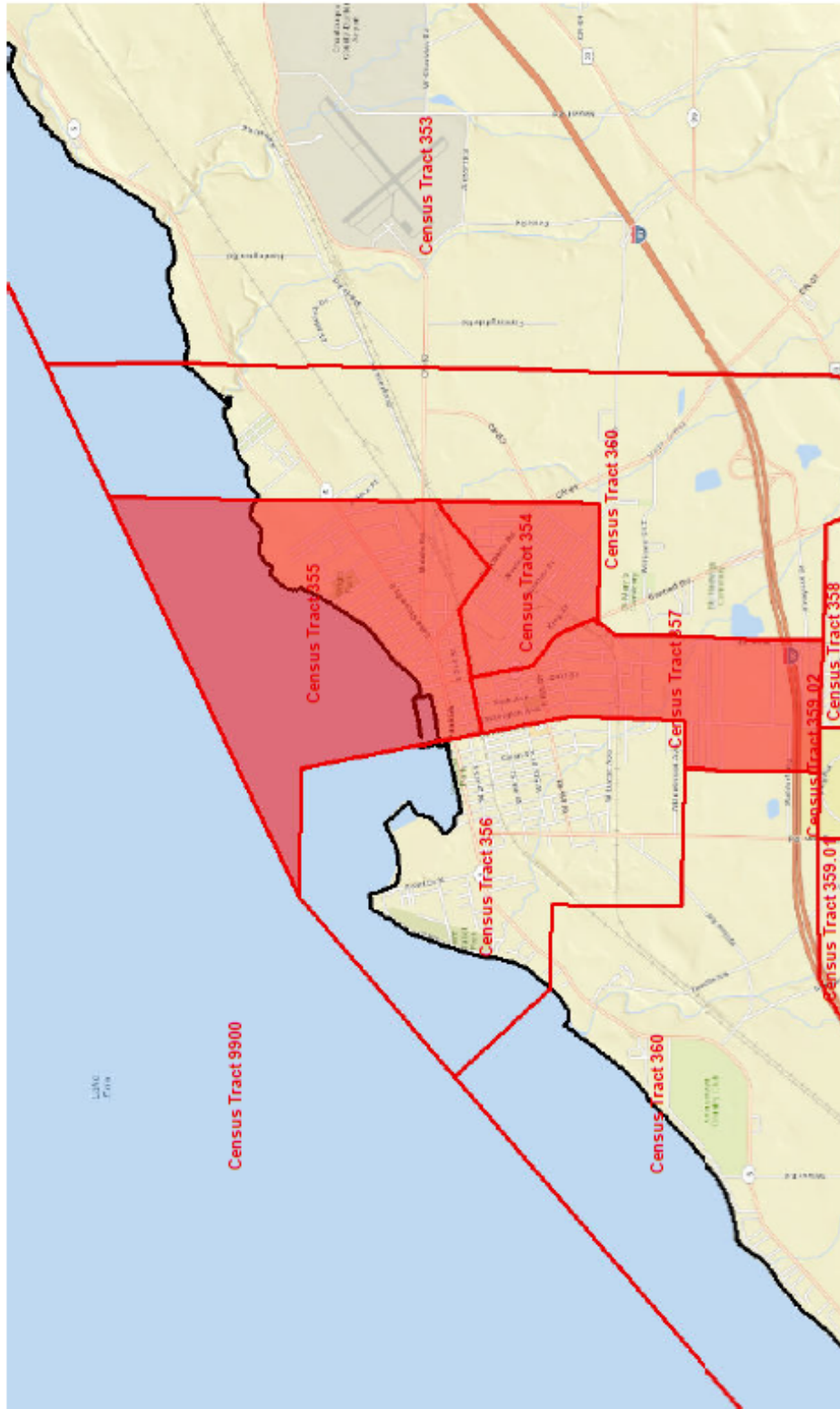
Created By
Southern Tier West RP&DB
August 2012
Source: Census, ARC

Jamestown, NY
Distressed Census Tracts
Fiscal Year 2013
 As designated by Appalachian Regional Commission

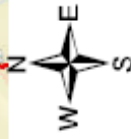


Created By
 Southern Tier West RP&DB
 August 2012
 Source: Census, ARC

Dunkirk, NY
Distressed Census Tracts
Fiscal Year 2013
 As designated by Appalachian Regional Commission



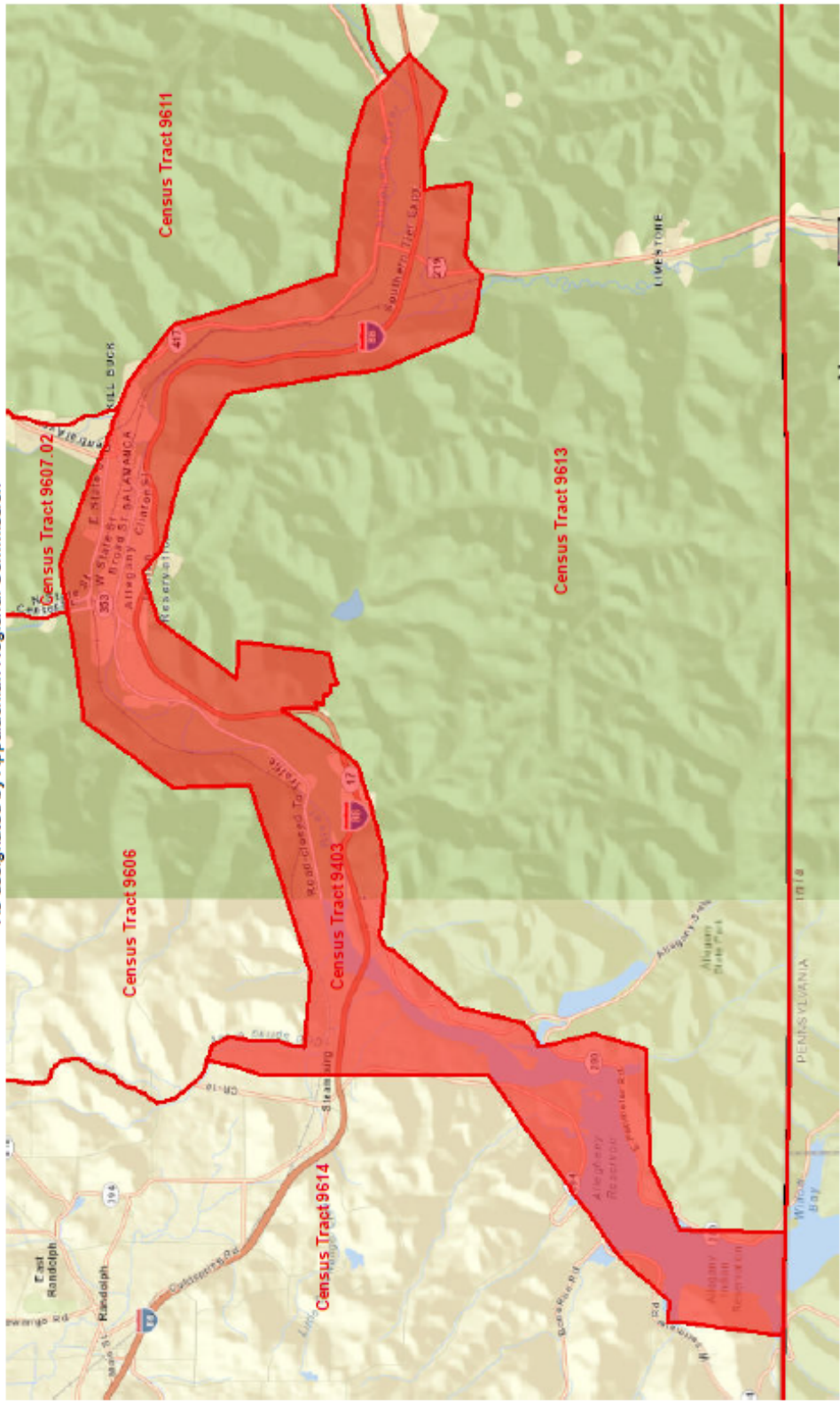
 Distressed Areas
 Census Tracts



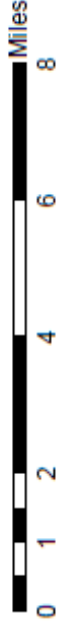
Created By
 Southern Tier West RP&DB
 August 2012
 Source: Census, ARC

Salamanca Area, NY Distressed Census Tracts Fiscal Year 2013

As designated by Appalachian Regional Commission

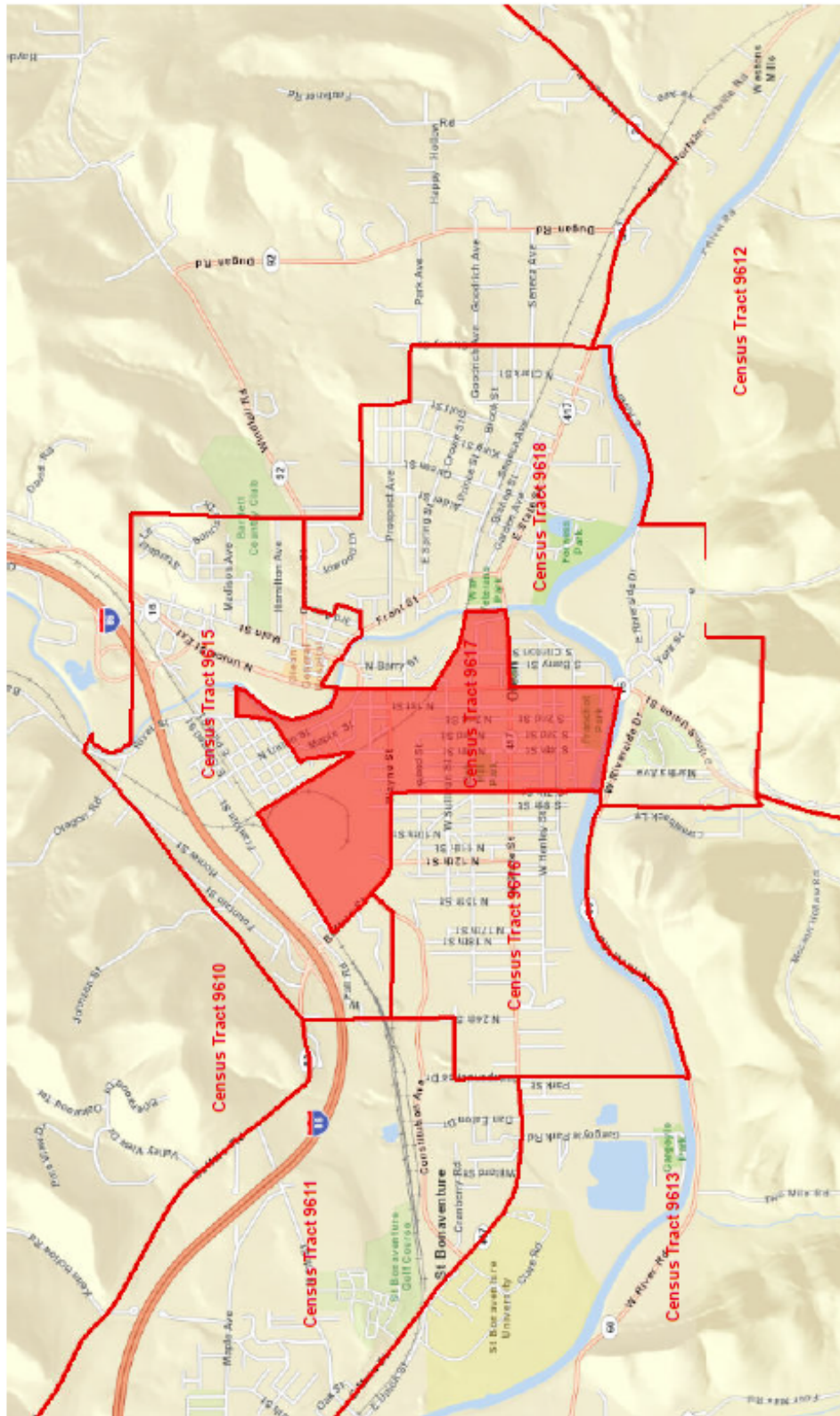


Distressed Area
 Census Tracts

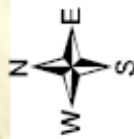


Created By
 Southern Tier West R.P.&DB
 August 2012
 Source: Census, ARC

Olean, NY
Distressed Census Tracts
Fiscal Year 2013
 As designated by Appalachian Regional Commission

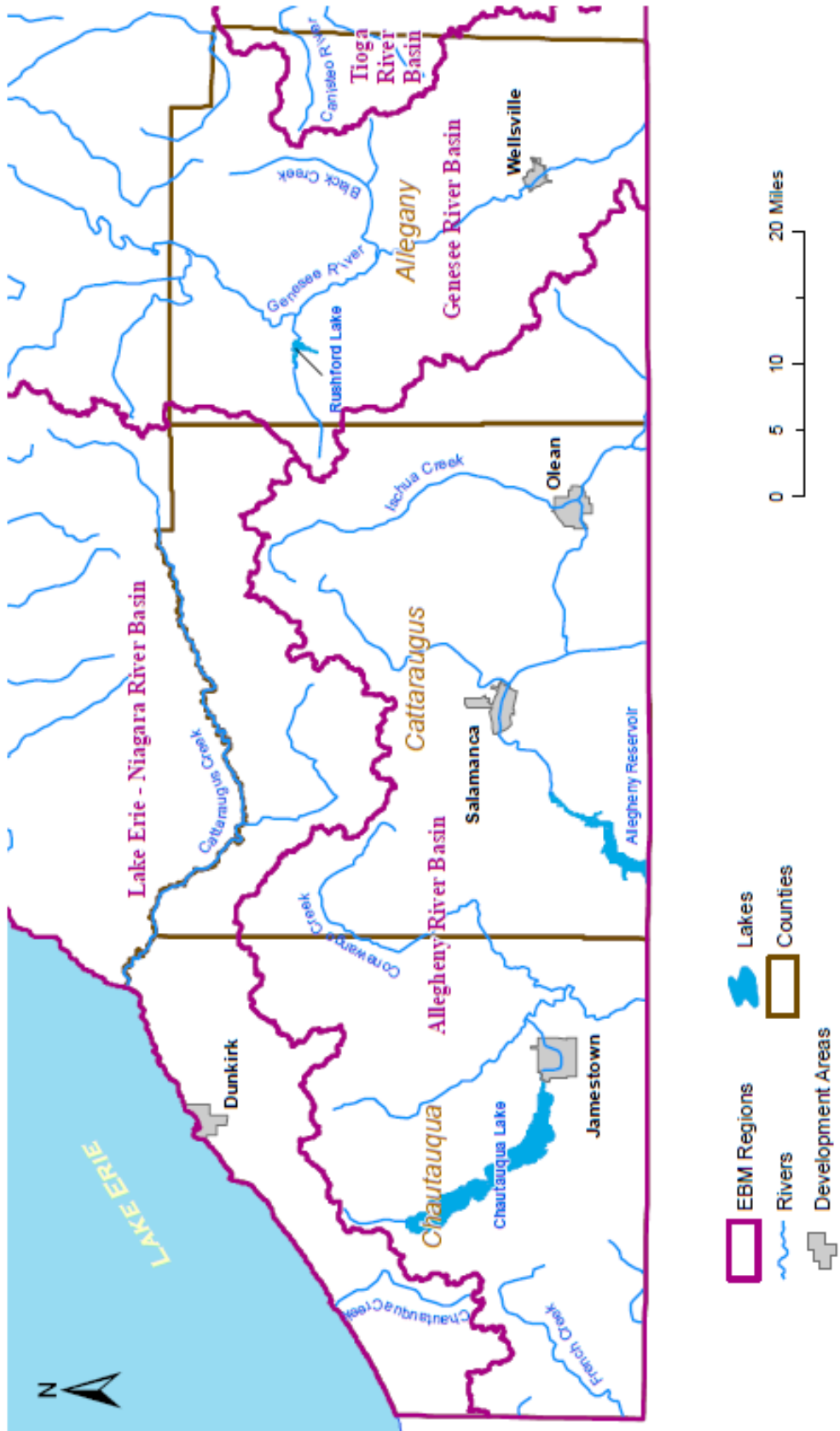


Created By
 Southern Tier West RP&DB
 August 2012
 Source: Census, ARC



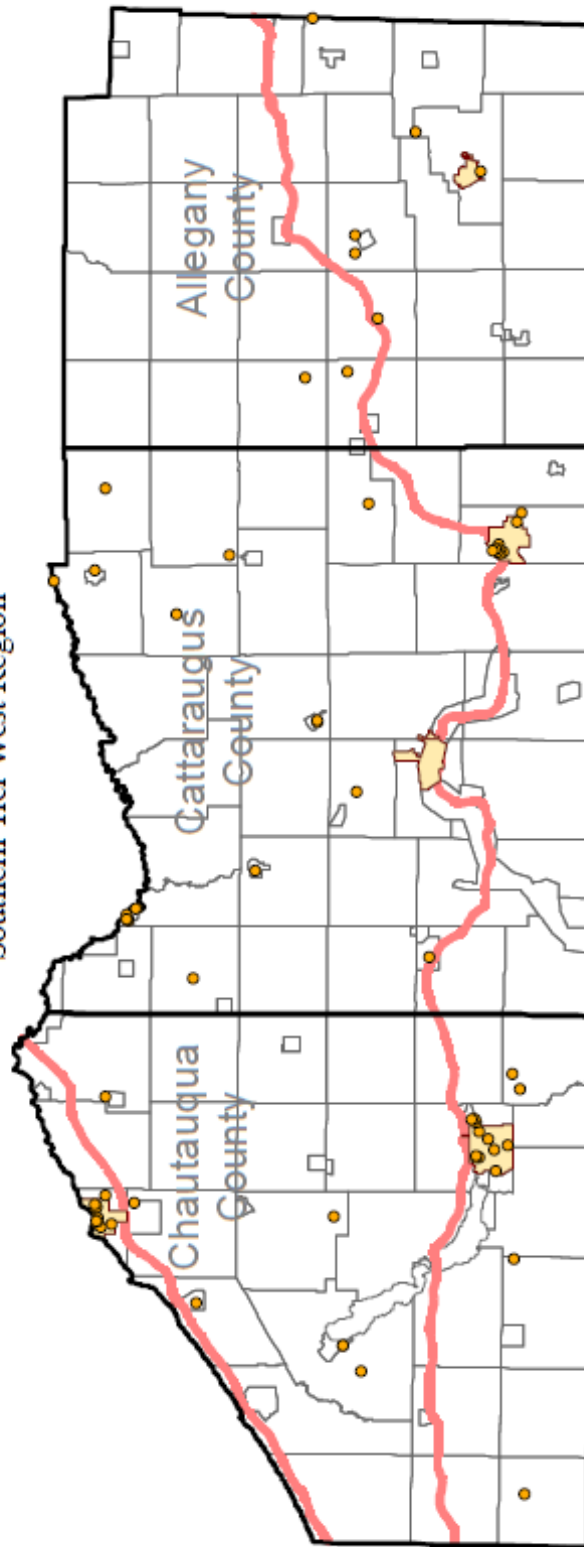
- Distressed Area
- Census Tracts

Southern Tier West Region Major Watersheds and Waterways



Environmental Remediation Sites NYS DEC

Southern Tier West Region



- DEC Environmental Remediation sites
- Major Places
- Intertates

This database contains records of the sites being addressed under one of DEC's remedial programs - State Superfund, Brownfield Cleanup, Environmental Restoration and Voluntary Cleanup. This database also includes the Registry of Inactive Hazardous Waste Disposal Sites.

Created By
Southern Tier West RP & DB
August 2012

Source: CEMSA, NYS DOT, NYS DEC

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

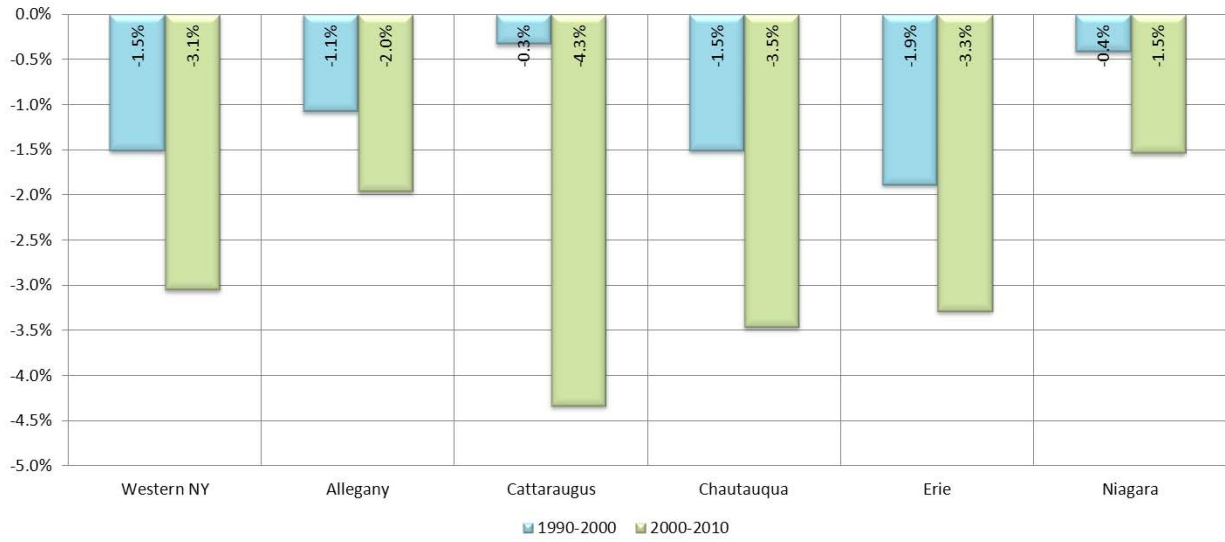
Source: U.S. Census Bureau (1980, 1990, 2000, 2010 Census)

Population and population change by county in Western NY

	<u>Change (count)</u>			<u>Change (%)</u>			
	<u>4/1/1990</u>	<u>4/1/2000</u>	<u>4/1/2010</u>	<u>1990-2000</u>	<u>2000-2010</u>	<u>1990-2000</u>	<u>2000-2010</u>
New York State	17,990,455	18,976,457	19,378,102	986,002	401,645	5.5%	2.1%
Western NY	1,465,887	1,443,743	1,399,677	-22,144	-44,066	-1.5%	-3.1%
Allegany	50,470	49,927	48,946	-543	-981	-1.1%	-2.0%
Cattaraugus	84,234	83,955	80,317	-279	-3,638	-0.3%	-4.3%
Chautauqua	141,895	139,750	134,905	-2,145	-4,845	-1.5%	-3.5%
Erie	968,532	950,265	919,040	-18,267	-31,225	-1.9%	-3.3%
Niagara	220,756	219,846	216,469	-910	-3,377	-0.4%	-1.5%

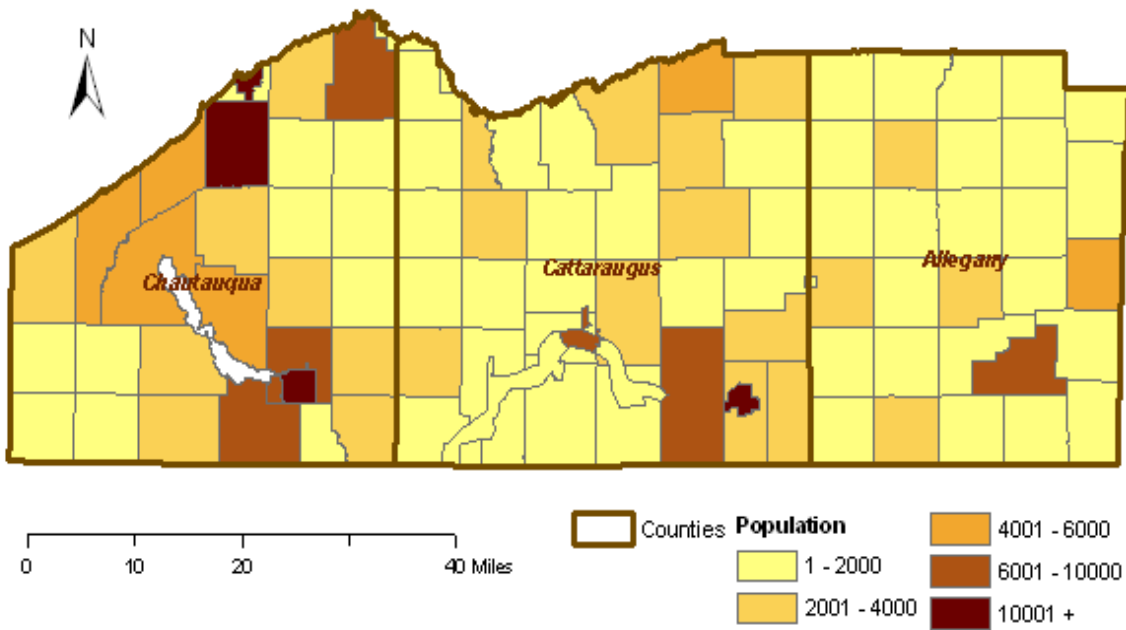
Source: U.S. Census Bureau (1990, 2000, 2010 Census), as reported by Cornell University (2011)

Percentage change 1990-2000 compared to percentage change 2000-2010 (Western NY, by county)

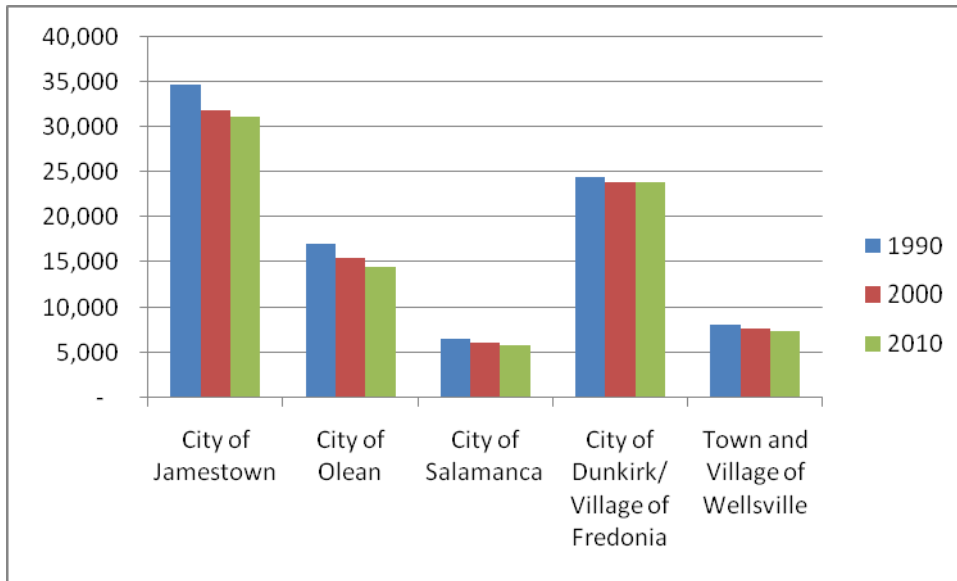


Source: U.S. Census Bureau (1990, 2000, 2010 Census), as reported by Cornell University (2011)

Population Density and Distribution



Population Change in Urban Centers



	<u>1990</u>	<u>2000</u>	<u>2010</u>	Total Change	Percentage Change
City of Jamestown	34,681	31,730	31,146	-3,535	-10.19%
City of Olean	16,946	15,347	14,452	-2,494	-14.72%
City of Salamanca	6,566	6,097	5,815	-751	-11.44%
City of Dunkirk/ Village of Fredonia	24,425	23,837	23,793	-632	-2.59%
Town and Village of Wellsville	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>
Allegany County	-2,796	3,947	-6,743	-13.03%
Cattaraugus County	-5,380	7,808	-13,188	-15.39%
Chautauqua County	-12,020	6,997	-19,017	-12.94%
Southern Tier West Region	-20,196	18,752	-38,948	-13.70%
New York State	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>
Allegany County	-744	384	-1,128	-2.26%
Cattaraugus County	-3,702	1,079	-4,781	-5.69%
Chautauqua County	-5,736	250	-5,986	-4.28%
Southern Tier West Region	-10,182	1,713	-11,895	-4.35%
New York State	446,320	684,179	-237,859	-1.25%

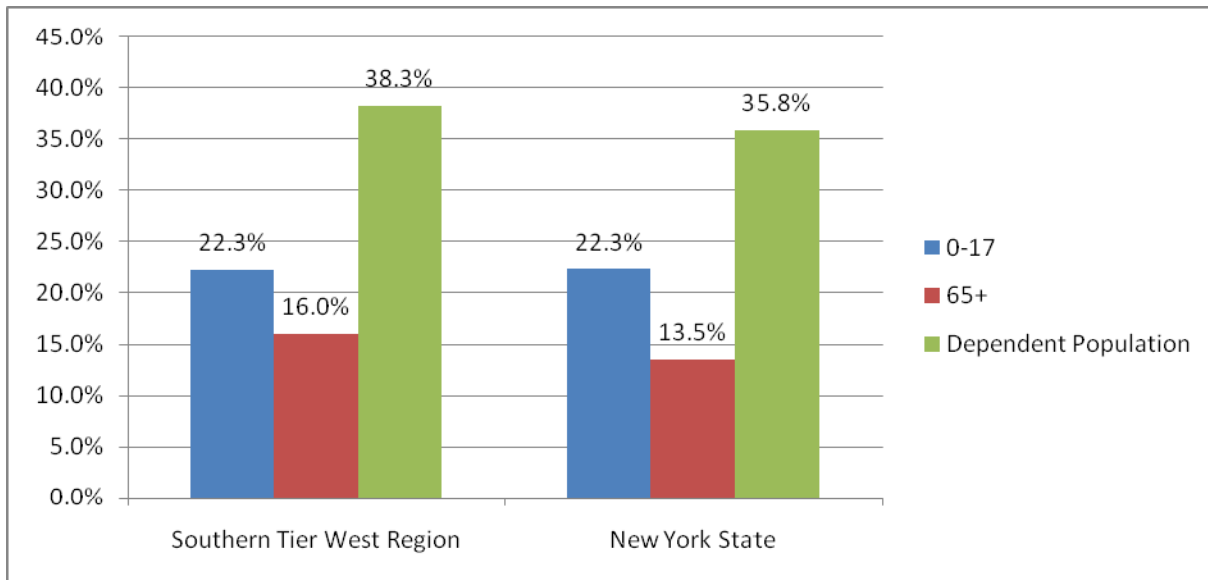
Source: U.S. Census Bureau (2000 Census, & 2007 Intercensal Estimates)

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

	<u>Southern Tier West Region</u>	<u>New York State</u>	<u>United States</u>
Median Age, 2010	40.3	38.0	37.2
Median Age, 2000	37.2	36.9	35.3
Median Age, 1990	33.4	33.8	32.8
Median Age, 1980	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
White	262,062	95.8%	250,957	95.0%	13,275,834	70.0%	13,155,274	67.9%
Black or African American	5,321	1.9%	7,061	2.7%	3,234,165	17.0%	3,334,550	17.2%
American Indian and Alaska Native	4,059	1.5%	4,873	1.8%	171,581	0.9%	221,058	1.1%
Asian	1,595	0.6%	2,236	0.8%	1,169,200	6.2%	1,579,494	8.2%
Native Hawaiian and Other Pacific Islander	119	0.0%	156	0.1%	28,612	0.2%	36,423	0.2%
Some other race	3,615	1.3%	3,861	1.5%	1,721,699	9.1%	1,684,388	8.7%
Total population	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
White	216,930,975	77.1%	231,040,398	74.8%
Black or African American	36,419,434	12.9%	42,020,743	13.6%
American Indian and Alaska Native	4,119,301	1.5%	5,220,579	1.7%
Asian	11,898,828	4.2%	17,320,856	5.6%
Native Hawaiian and Other Pacific Islander	874,414	0.3%	1,225,195	0.4%
Some other race	18,521,486	6.6%	21,748,084	7.0%
Total population	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

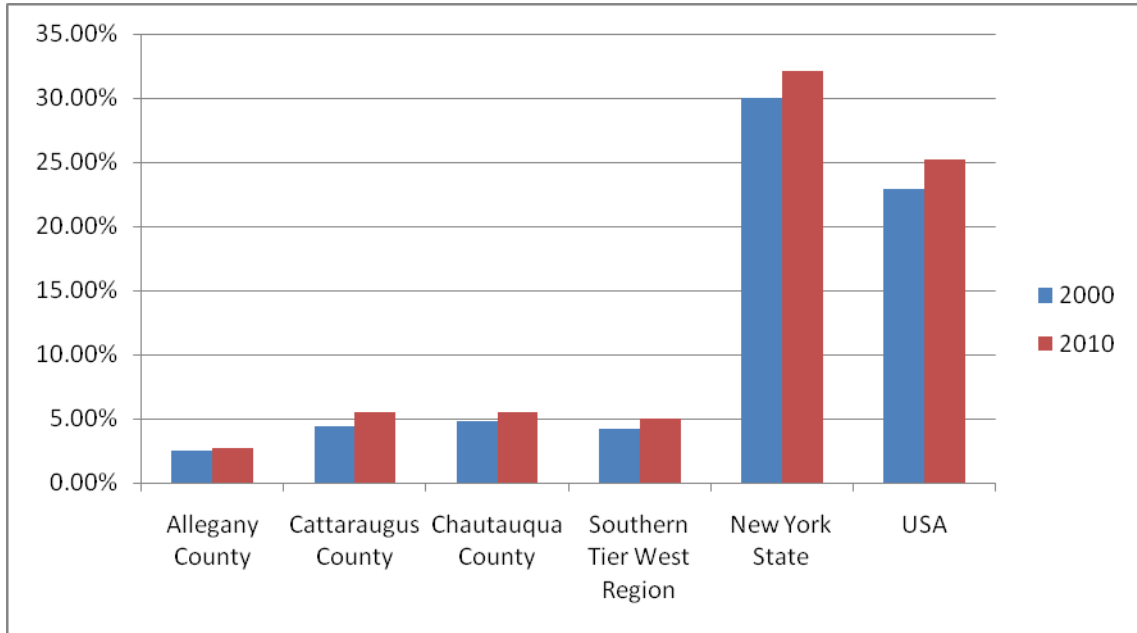
	STW Region				NYS			
	2000		2010		2000		2010	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent
Hispanic or Latino (of any race)	7,146	2.6%	10,256	3.9%	2,867,583	15.1%	3,416,922	17.6%
Not Hispanic or Latino	266,486	97.4%	253,912	96.1%	16,108,874	84.9%	15,961,180	82.4%
Total population	273,632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

	USA			
	2000		2010	
	Total	Percent	Total	Percent
Hispanic or Latino (of any race)	35,305,818	12.5%	50,477,594	16.3%
Not Hispanic or Latino	246,116,088	87.5%	258,267,944	83.7%
Total population	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)

Per Capita Personal Income

	<u>1970</u>	<u>1975</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>
<u>Allegheny County</u>					
Personal income (thousands of dollars)	147,418	226,642	356,250	481,704	658,581
Population (persons) 1/	46,729	51,450	51,785	50,723	50,522
Per capita personal income (dollars) 2/	3,155	4,405	6,879	9,497	13,036
Percent of NYS	64.81%	63.20%	62.62%	56.66%	54.98%
<u>Cattaraugus County</u>					
Personal income (thousands of dollars)	268,554	409,062	647,189	918,698	1,207,777
Population (persons) 1/	82,173	84,958	85,806	85,545	84,455
Per capita personal income (dollars) 2/	3,268	4,815	7,542	10,739	14,301
Percent of NYS	67.13%	69.08%	68.66%	64.07%	60.32%
<u>Chautauqua County</u>					
Personal income (thousands of dollars)	541,319	783,957	1,241,794	1,737,861	2,157,615
Population (persons) 1/	147,815	149,039	146,961	144,052	142,054
Per capita personal income (dollars) 2/	3,662	5,260	8,450	12,064	15,189
Percent of NYS	75.23%	75.47%	76.92%	71.98%	64.06%
<u>Southern Tier West Region</u>					
Personal income (thousands of dollars)	957,291	1,419,661	2,245,233	3,138,263	4,023,973
Population (persons) 1/	276,717	285,447	284,552	280,320	277,031
Per capita personal income (dollars) 2/	3,459	4,973	7,890	11,195	14,525
Percent of NYS	71.07%	71.36%	71.83%	66.79%	61.26%
<u>New York State</u>					
Personal income (thousands of dollars)	88,952,953	125,678,064	192,978,500	298,210,285	427,267,570
Population (persons) 1/	18,271,605	18,032,254	17,566,754	17,791,678	18,020,784
Per capita personal income (dollars) 2/	4,868	6,970	10,985	16,761	23,710
<u>United States</u>					
Personal income (thousands of dollars)	832,238,000	1,329,714,000	2,292,903,000	3,482,520,000	4,831,282,000
Population (persons) 1/	203,798,722	215,456,585	227,224,719	237,923,734	249,622,814
Per capita personal income (dollars) 2/	4,084	6,172	10,091	14,637	19,354

(Additional Per Capita Personal Income time series data continues on next page)

Per Capita Personal Income (continued from prior page)

	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
<u>Allegheny County</u>				
Personal income (thousands of dollars)	798,395	947,140	1,108,351	1,319,400
Population (persons) 1/	51,251	49,819	49,768	48,951
Per capita personal income (dollars) 2/	15,578	19,012	22,270	26,953
Percent of NYS	57.47%	54.91%	54.17%	55.46%
<u>Cattaraugus County</u>				
Personal income (thousands of dollars)	1,436,743	1,743,948	2,179,677	2,689,011
Population (persons) 1/	85,040	83,927	82,039	80,250
Per capita personal income (dollars) 2/	16,895	20,779	26,569	33,508
Percent of NYS	62.33%	60.02%	64.63%	68.95%
<u>Chautauqua County</u>				
Personal income (thousands of dollars)	2,545,875	2,955,871	3,391,159	4,117,567
Population (persons) 1/	142,542	139,593	136,139	134,813
Per capita personal income (dollars) 2/	17,861	21,175	24,910	30,543
Percent of NYS	65.89%	61.16%	60.60%	62.85%
<u>Southern Tier West Region</u>				
Personal income (thousands of dollars)	4,781,013	5,646,959	6,679,187	8,125,978
Population (persons) 1/	278,833	273,339	267,946	264,014
Per capita personal income (dollars) 2/	17,147	20,659	24,927	30,779
Percent of NYS	63.26%	59.67%	60.64%	63.34%
<u>New York State</u>				
Personal income (thousands of dollars)	502,112,752	657,894,432	786,512,129	942,522,791
Population (persons) 1/	18,524,104	19,001,780	19,132,610	19,395,206
Per capita personal income (dollars) 2/	27,106	34,623	41,108	48,596
<u>United States</u>				
Personal income (thousands of dollars)	6,194,245,000	8,554,866,000	10,476,669,000	12,353,577,000
Population (persons) 1/	266,278,393	282,162,411	295,516,599	309,330,219
Per capita personal income (dollars) 2/	23,262	30,319	35,452	39,937

Legend/Footnotes

Data source: U.S. Bureau of Economic Analysis

1/ Census Bureau midyear population estimates. Estimates for 2000-2010 reflect county population estimates available as of April 2012.

2/ Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2000-2010 reflect county population estimates available as of April 2012.

All state and local area dollar estimates are in current dollars (not adjusted for inflation).

Last updated: August 25, 2012 - new estimates for 2010; revised estimates for 2000-2009.

Per Capita Personal Income, New York State and Counties, 2010
(nominal dollars)

New York state total	48,596				
New York, NY	111,386	Rensselaer, NY	37,956	Madison, NY	32,341
Westchester, NY	73,159	Ulster, NY	37,741	Cayuga, NY	32,176
Nassau, NY	65,615	Kings, NY	37,527	Herkimer, NY	32,082
Putnam, NY	52,273	Steuben, NY	37,447	Montgomery, NY	31,887
Rockland, NY	52,030	Greene, NY	36,665	Washington, NY	31,825
Suffolk, NY	49,994	Sullivan, NY	35,764	Chenango, NY	31,792
Richmond, NY	47,444	Tompkins, NY	34,713	Otsego, NY	31,700
Albany, NY	45,764	Wayne, NY	34,649	Lewis, NY	31,335
Dutchess, NY	43,730	Oneida, NY	34,560	Delaware, NY	31,323
Saratoga, NY	43,428	Broome, NY	34,334	Livingston, NY	30,706
Jefferson, NY	42,661	Tioga, NY	34,327	Bronx, NY	30,551
Monroe, NY	42,083	Schoharie, NY	34,120	Chautauqua, NY	30,543
Schenectady, NY	41,025	Chemung, NY	34,104	Cortland, NY	30,477
Queens, NY	40,285	Fulton, NY	33,997	Yates, NY	30,259
Ontario, NY	39,730	Seneca, NY	33,886	Oswego, NY	29,997
Onondaga, NY	39,611	Schuyler, NY	33,873	Wyoming, NY	29,150
Columbia, NY	39,490	Niagara, NY	33,613	Franklin, NY	28,726
Erie, NY	39,369	Clinton, NY	33,521	Orleans, NY	28,381
Hamilton, NY	39,105	Cattaraugus, NY	33,508	St. Lawrence, NY	27,809
Orange, NY	38,399	Essex, NY	33,088	Allegany, NY	26,953
Warren, NY	38,147	Genesee, NY	32,940		

Ranks:

Cattaraugus County	40 th out of 62 counties
Chautauqua County	54 th out of 62 counties
Allegany County	62 nd out of 62 counties

Data source: U.S. Bureau of Economic Analysis, 2010

**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

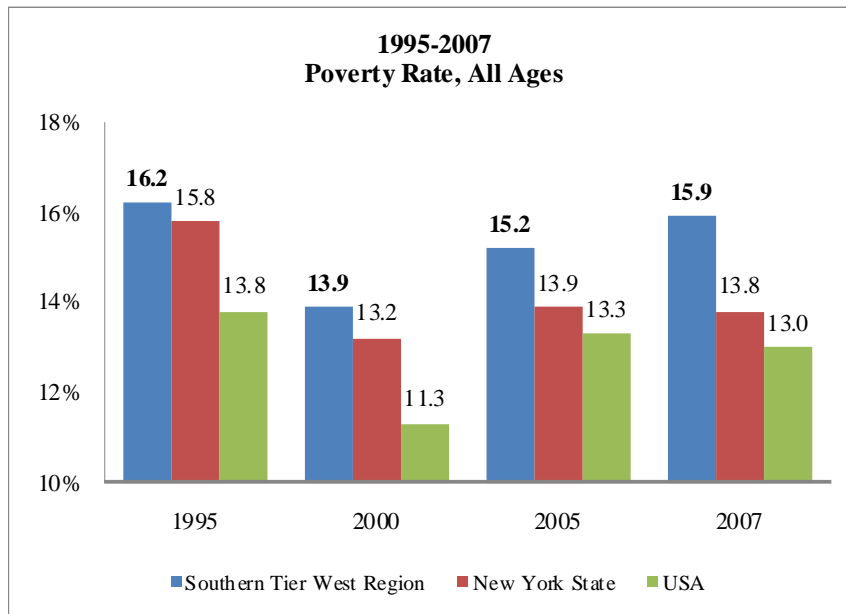
	Families Below Poverty Level (%)	Individuals Below Poverty Level (%)
Allegany County	11.1	16.8
Cattaraugus County	10.9	15.7
Chautauqua County	11.7	16.3
New York State	10.5	13.8
U.S.	9.9	13.5

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			
United States	5.00%	\$32,930	12.40%	100.00%	100.00%	100.00%	-	-	-
New York State	4.90%	\$38,889	14.60%	96.90%	118.10%	117.90%	-	-	-
County									
Cattaraugus	5.50%	\$21,285	13.70%	110.60%	64.60%	110.90%	125.4	1,834	3
Chautauqua	4.90%	\$19,622	13.80%	98.20%	59.60%	111.80%	125.9	1,850	3
Allegany	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>
Allegany County						
Labor Force	22,400	23,200	22,800	23,600	24,300	8.48%
Employed	20,900	21,400	21,700	22,200	22,100	5.74%
Unemployed	1,500	1,800	1,100	1,300	2,200	46.67%
Unemployment Rate (%)	6.50%	7.70%	4.90%	5.90%	9.10%	40.00%
% of Regional Labor Force	17.30%	17.78%	17.34%	17.81%	18.21%	5.26%
Cattaraugus County						
Labor Force	39,000	39,700	41,100	42,200	41,200	5.64%
Employed	36,500	36,700	39,300	39,900	37,500	2.74%
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%	2.92%
Chautauqua County						
Labor Force	68,100	67,600	68,100	67,200	64,800	-4.85%
Employed	64,200	63,600	65,400	64,000	59,100	-7.94%
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%
Southern Tier West Region						
Labor Force	131,490	130,500	131,500	132,500	130,300	-0.91%
Employed	121,600	121,700	126,400	125,600	118,700	-2.38%
Unemployed	7,900	8,800	5,700	7,500	11,600	46.84%
Unemployment Rate (%)	6.17%	7.07%	4.47%	5.40%	8.90%	44.25%
New York State						
Labor Force	8,808,900	8,676,800	9,167,000	9,421,400	9,586,900	8.83%
Employed	8,339,800	8,125,800	8,751,400	8,947,100	8,762,300	5.07%
Unemployed	469,100	551,000	415,500	474,300	824,700	75.80%
Unemployment Rate (%)	5.30%	6.40%	4.50%	5.00%	8.60%	62.26%
United States						
Civilian Labor Force	125,840,000	132,304,000	142,583,000	149,320,000	153,885,100	22.29%
Employed	118,793,000	124,900,000	136,891,000	141,730,000	139,069,500	17.07%
Unemployed	7,047,000	7,404,000	5,692,000	7,591,000	14,815,400	110.24%
Unemployment Rate (%)	5.60%	5.60%	4.00%	5.10%	9.63%	71.49%

Source: NYS Department of Labor; U.S. data is from the U.S. Bureau of Labor Statistics, 2010 U.S. data are averages of monthly data

(Additional Labor Force time series data continues on next page)

**Labor Force Average Annual Figures for the Population Aged 16 Years and Older
(continued from prior page)**

	<u>2010</u>	<u>2011</u>	<u>% Change, 2010-2011</u>
Allegany County			
Labor Force	24,300	23,800	-2.06%
Employed	22,100	21,700	-1.81%
Unemployed	2,200	2,100	-4.55%
Unemployment Rate (%)	9.10%	8.7%	-4.40%
% of Regional Labor Force	18.2%	18.7%	3.02%
Cattaraugus County			
Labor Force	41,200	40,300	5.64%
Employed	37,500	36,800	2.47%
Unemployed	3,700	3,500	48.00%
Unemployment Rate (%)	9.10%	8.7%	44.44%
% of Regional Labor Force	31.00%	31.7%	2.94%
Chautauqua County			
Labor Force	64,800	63,000	-5.14%
Employed	59,100	58,000	-8.10%
Unemployed	5,700	5,000	46.15%
Unemployment Rate (%)	8.80%	7.9%	54.39%
% of Regional Labor Force	48.61%	49.6%	-7.57%
Southern Tier West Region			
Labor Force	130,300	127,100	2.63%
Employed	118,700	116,500	2.80%
Unemployed	11,600	10,600	1.27%
Unemployment Rate (%)	8.90%	8.3%	47.57%
New York State			
Labor Force	9,586,900	9,504,200	6.27%
Employed	8,762,300	8,729,600	5.60%
Unemployed	824,700	774,700	75.68%
Unemployment Rate (%)	8.60%	8.2%	62.26%
United States			
Civilian Labor Force	153,885,100	153,615,800	22.29%
Employed	139,069,500	139,873,200	17.06%
Unemployed	14,815,400	13,742,500	110.37%
Unemployment Rate (%)	9.63%	8.95%	71.43%

*Source: NYS Department of Labor; U.S. data is from the U.S. Bureau of Labor Statistics, 2010 and 2011
U.S. data are averages of monthly data*

Unemployment Rates (Summary)

	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>2011</u>
Allegany County	6.50%	7.70%	4.90%	5.90%	9.40%	8.7%
Cattaraugus County	6.30%	7.60%	4.50%	5.40%	9.10%	8.7%
Chautauqua County	5.70%	5.90%	4.00%	4.90%	8.80%	7.9%
New York State	5.30%	6.40%	4.50%	5.00%	8.60%	8.2%
U.S.	5.60%	5.60%	4.00%	5.10%	9.60%	8.95%

Source: NYS Department of Labor; U.S. data is from the U.S. Bureau of Labor Statistics, 2010 and 2011
U.S. data are averages of monthly data

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

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

Farms and Land in Farms, by County, 2009-2010

<u>County</u>	<u>Number of farms</u>		<u>Land in farms (acres)</u>	
	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>
Allegany	850	845	149,300	147,200
Cattaraugus	1,130	1,120	181,500	179,000
Chautauqua	1,670	1,655	233,400	230,100

Source: United States Department of Agriculture Natural Agricultural Statistics Service

Cash Receipts from Farm Marketings, by County, 2008-2009

<u>County</u>	<u>All Crops</u>		<u>All Livestock</u>		<u>All Products</u>	
	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>
Allegany	7,389	6,195	38,931	28,159	46,320	34,354
Cattaraugus	19,466	16,322	57,926	41,898	77,392	58,220
Chautauqua	74,151	62,174	78,008	56,423	152,159	118,597

Source: United States Department of Agriculture Natural Agricultural Statistics Service

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

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>
HOUSING OCCUPANCY										
Total housing units	25,047	100%	40,612	100%	65,907	100%	7,950,035	100%	127,699,712	100%
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)
UNITS IN STRUCTURE										
Total housing units	25,047	100%	40,612	100%	65,907	100%	7,950,035	100%	127,699,712	100%
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%
YEAR STRUCTURE BUILT										
Total housing units	25,047	100%	40,612	100%	65,907	100%	7,950,035	100%	127,699,712	100%
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%
HOUSING TENURE										
Occupied housing units	18,646	100%	32,639	100%	54,457	100%	7,137,013	100%	112,611,029	100%
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)
HOUSE HEATING FUEL										
Occupied housing units	18,646	100%	32,639	100%	54,457	100%	7,137,013	100%	112,611,029	100%
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

(Additional Housing time series data continues on next page)

Housing Data, 2005 - 2009 (continued from prior page)

	<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>
VALUE										
Owner-occupied units	13,960	100%	23,981	100%	38,094	100%	3,977,522	100%	75,320,422	100%
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)
MORTGAGE STATUS										
Owner-occupied units	13,960	100%	23,981	100%	38,094	100%	3,977,522	100%	75,320,422	100%
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 ¹
Private nonfarm employment, percent change 2000-2008	10.2%	3.6% ¹

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%

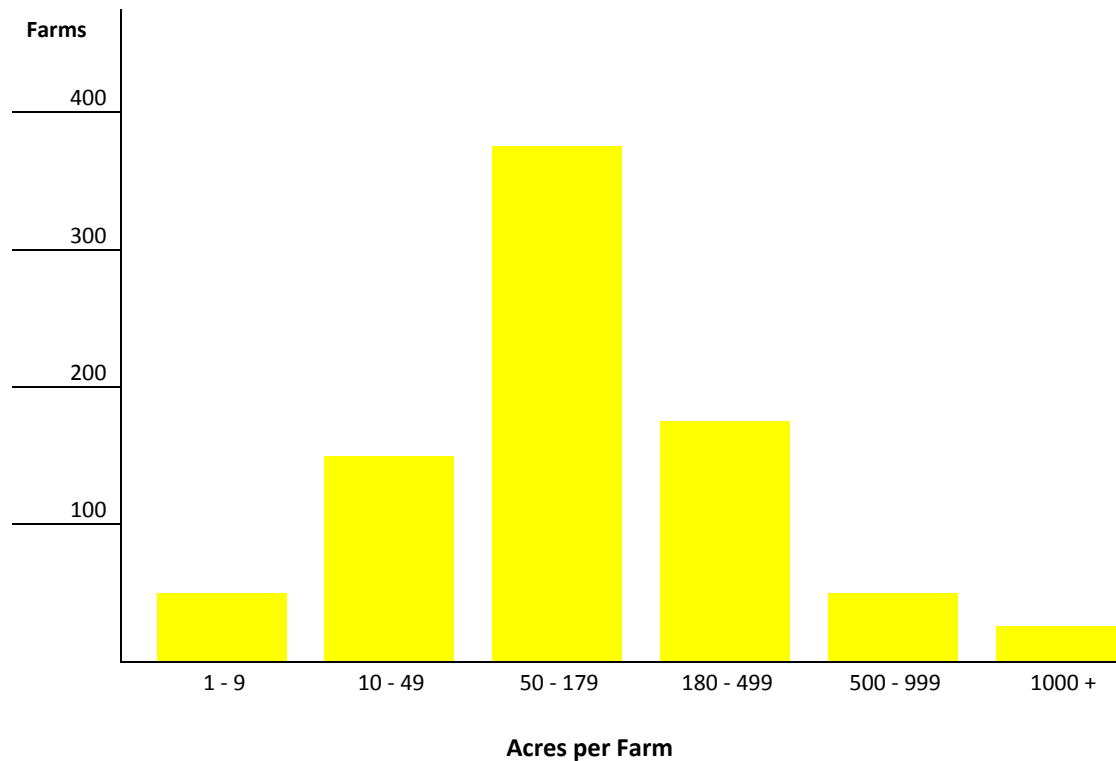
*Average January - June job count.

Data Source: New York State Department of Labor

Allegany County 2007 Census of Agriculture County Profile

	<u>2007</u>	<u>2002</u>	<u>% change</u>
Number of Farms	847	867	- 2
Land in Farms	150,832 acres	180,169 acres	- 16
Average Size of Farm	178 acres	208 acres	- 14
Market Value of Products Sold	\$46,068,000	\$45,563,000	+ 1
Crop Sales	\$5,760,000 (13 percent)		
Livestock Sales	\$40,308,000 (87 percent)		
Average Per Farm	\$54,390	\$52,553	+ 3
Government Payments	\$1,285,000	\$2,178,000	- 41
Average Per Farm Receiving Payments	\$4,387	\$8,509	- 48

Allegany County Farms by Size



**Allegheny County Land in Farms
(by type of land)**

Cropland	49.48%
Woodland	29.84%
Pasture	11.79%
Other Uses	8.89%

**Allegheny County Agricultural Rankings
(Ranked items among the 62 state counties and 3,079 U.S. counties, 2007)**

Item	Quantity	State Rank	Universe ¹	U.S. Rank	Universe ¹
MARKET VALUE OF AGRICULTURAL PRODUCTS SOLD (\$1,000)					
Total value of agricultural products sold	46,068	37	61	1,637	3,076
Value of crops including nursery and greenhouse	5,760	44	61	2,169	3,072
Value of livestock, poultry, and their products	40,308	32	58	934	3,069
VALUE OF SALES BY COMMODITY GROUP (\$1,000)					
Grains, oilseeds, dry beans, and dry peas	2,282	30	54	1,745	2,933
Tobacco	-	-	-	-	437
Cotton and cottonseed	-	-	-	-	626
Vegetables, melons, potatoes, and sweet potatoes	267	54	59	1,372	2,796
Fruits, tree nuts, and berries	46	54	58	1,740	2,659
Nursery, greenhouse, floriculture, and sod	838	42	61	1,166	2,703
Cut Christmas trees and short rotation woody crops	217	17	54	222	1,710
Other crops and hay	2,110	33	55	829	3,054
Poultry and eggs	826	14	57	1,027	3,020
Cattle and calves	6,877	18	54	1,489	3,054
Milk and other dairy products from cows	29,350	29	54	232	2,493
Hogs and pigs	(D)	3	55	(D)	2,922
Sheep, goats, and their products	154	18	55	790	2,998
Horses, ponies, mules, burros, and donkeys	(D)	(D)	57	(D)	3,024
Aquaculture	(D)	33	40	(D)	1,498
Other animals and other animal products	181	28	57	737	2,875
TOP CROP ITEMS (acres)					
Forage - land used for all hay, haylage, grass silage, & greenchop	44,367	19	54	369	3,060
Corn for silage	6,678	28	52	228	2,263
Corn for grain	4,409	35	53	1,446	2,634
Oats for grain	1,089	22	51	342	1,957
Nursery stock	961	2	54	53	1,756
TOP LIVESTOCK INVENTORY ITEMS (number)					
Cattle and calves	45,801	10	54	342	2,627
Colonies of bees	25,057	25	55	1,132	3,060
Layers	(D)	4	55	(D)	2,958
Horses and ponies	1,702	21	58	735	3,066
Sheep and lambs	1,500	18	55	641	2,891

See "Census of Agriculture, Volume 1, Geographic Area Series" for complete footnotes, explanations, definitions, and methodology.

(D) Cannot be disclosed.

(Z) Less than half of the unit shown.

¹ Universe is number of counties in state or U.S. with item.

² Data were collected for a maximum of three operators per farm.

Other Allegany County Agricultural Highlights

<u>Economic Characteristics</u>	<u>Quantity</u>
Farms by value of sales:	
Less than \$1,000	277
\$1,000 to \$2,499	106
\$2,500 to \$4,999	100
\$5,000 to \$9,999	112
\$10,000 to \$19,999	69
\$20,000 to \$24,999	11
\$25,000 to \$39,999	37
\$40,000 to \$49,999	6
\$50,000 to \$99,999	44
\$100,000 to \$249,999	42
\$250,000 to \$499,999	24
\$500,000 or more	19

Total farm production expenses (\$1,000)	39,661
Average per farm (\$)	46,826

Net cash farm income of operation (\$1,000)	103746
Average per farm (\$)	12,248

<u>Operator Characteristics</u>	<u>Quantity</u>
Principal operators by primary occupation:	
Farming	400
Other	447
Principal operators by sex:	
Male	722
Female	125
Average age of principal operator (years)	56.2
All operators by race ² :	
American Indian or Alaska Native	6
Asian	-
Black or African American	3
Native Hawaiian or Other Pacific Islander	-
White	1,217
More than one race	7

All operators of Spanish, Hispanic, or Latino Origin ²	11
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See "Census of Agriculture, Volume 1, Geographic Area Series" for complete footnotes, explanations, definitions, and methodology.

(D) Cannot be disclosed.

(Z) Less than half of the unit shown.

¹ Universe is number of counties in state or U.S. with item.

² Data were collected for a maximum of three operators per farm.

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 over this period.

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). (In 2010, Allegany County's per capita personal income (PCPI) of \$26,953 still ranked 62nd in the state and remained at 55% of the state average PCPI (\$48,956).) 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 ¹
Private nonfarm employment, percent change 2000-2008	-1.1%	3.6% ¹

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%

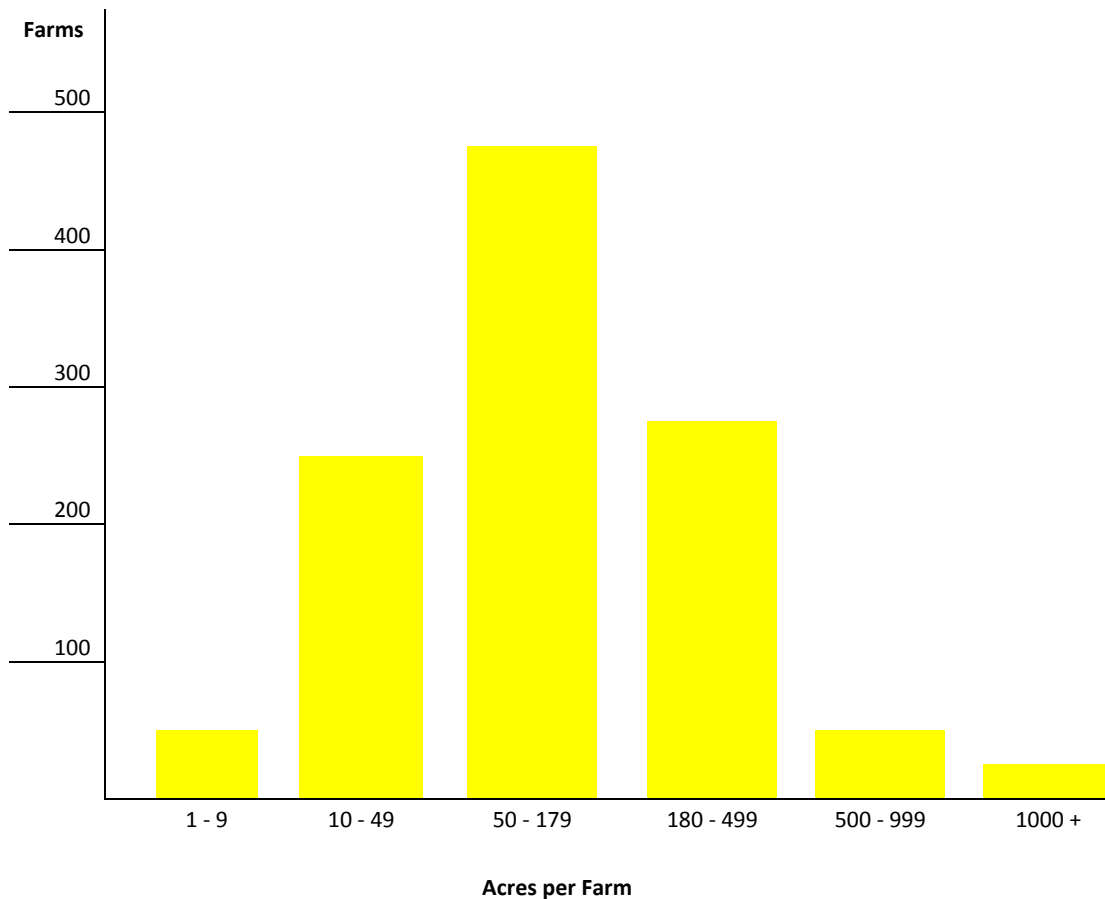
*Average January - June job count.

Data Source: New York State Department of Labor

Cattaraugus County 2007 Census of Agriculture County Profile

	<u>2007</u>	<u>2002</u>	<u>% change</u>
Number of Farms	1,122	1,157	- 3
Land in Farms	183,439 acres	201,913 acres	- 9
Average Size of Farm	163 acres	175 acres	- 7
Market Value of Products Sold	\$75,152,000	\$58,352,000	+ 29
Crop Sales	\$15,176,000 (20 percent)		
Livestock Sales	\$59,975,000 (80 percent)		
Average Per Farm	\$66,980	\$50,434	+ 33
Government Payments	\$1,102,000	\$2,227,000	- 51
Average Per Farm Receiving Payments	\$2,656	\$6,852	- 61

Cattaraugus County Farms by Size



**Cattaraugus County Land in Farms
(by type of land)**

Cropland	49.91%
Woodland	28.09%
Pasture	12.57%
Other Uses	9.43%

**Cattaraugus County Agricultural Rankings
(Ranked items among the 62 state counties and 3,079 U.S. counties, 2007)**

<u>Item</u>	<u>Quantity</u>	<u>State Rank</u>	<u>Universe¹</u>	<u>U.S. Rank</u>	<u>Universe¹</u>
MARKET VALUE OF AGRICULTURAL PRODUCTS SOLD (\$1,000)					
Total value of agricultural products sold	75,152	23	61	1,166	3,076
Value of crops including nursery and greenhouse	15,176	27	61	1,626	3,072
Value of livestock, poultry, and their products	59,975	18	58	688	3,069
VALUE OF SALES BY COMMODITY GROUP (\$1,000)					
Grains, oilseeds, dry beans, and dry peas	3,138	23	54	1,652	2,933
Tobacco	-	-	-	-	437
Cotton and cottonseed	-	-	-	-	626
Vegetables, melons, potatoes, and sweet potatoes	846	36	59	867	2,796
Fruits, tree nuts, and berries	1,759	21	58	322	2,659
Nursery, greenhouse, floriculture, and sod	6,997	11	61	372	2,703
Cut Christmas trees and short rotation woody crops	161	23	54	288	1,710
Other crops and hay	2,275	30	55	765	3,054
Poultry and eggs	155	30	57	1,313	3,020
Cattle and calves	6,554	20	54	1,522	3,054
Milk and other dairy products from cows	50,612	18	54	146	2,493
Hogs and pigs	115	22	55	1,352	2,922
Sheep, goats, and their products	(D)	(D)	55	(D)	2,998
Horses, ponies, mules, burros, and donkeys	341	34	57	700	3,024
Aquaculture	(D)	8	40	(D)	1,498
Other animals and other animal products	1,392	4	57	133	2,875
TOP CROP ITEMS (acres)					
Forage - land used for all hay, haylage, grass silage, & greenchop	47,032	15	54	325	3,060
Corn for silage	10,373	18	52	121	2,263
Corn for grain	5,746	28	53	1,371	2,634
Oats for grain	2,471	8	51	151	1,957
Nursery stock	(D)	2	57	(D)	2,130
TOP LIVESTOCK INVENTORY ITEMS (number)					
Cattle and calves	32,248	18	55	983	3,060
Colonies of bees	(D)	1	54	(D)	2,640
Layers	3,987	28	57	842	3,024
Horses and ponies	2,506	9	58	376	3,066
Sheep and lambs	1,790	13	55	546	2,891

See "Census of Agriculture, Volume 1, Geographic Area Series" for complete footnotes, explanations, definitions, and methodology.

(D) Cannot be disclosed.

(Z) Less than half of the unit shown.

¹ Universe is number of counties in state or U.S. with item.

² Data were collected for a maximum of three operators per farm.

Other Cattaraugus County Agricultural Highlights

<u>Economic Characteristics</u>	<u>Quantity</u>
Farms by value of sales:	
Less than \$1,000	361
\$1,000 to \$2,499	104
\$2,500 to \$4,999	100
\$5,000 to \$9,999	123
\$10,000 to \$19,999	98
\$20,000 to \$24,999	28
\$25,000 to \$39,999	67
\$40,000 to \$49,999	23
\$50,000 to \$99,999	87
\$100,000 to \$249,999	77
\$250,000 to \$499,999	30
\$500,000 or more	24

Total farm production expenses (\$1,000)	61,062
Average per farm (\$)	54,422

Net cash farm income of operation (\$1,000)	20,626
Average per farm (\$)	18,383

<u>Operator Characteristics</u>	<u>Quantity</u>
Principal operators by primary occupation:	
Farming	550
Other	572
Principal operators by sex:	
Male	931
Female	191
Average age of principal operator (years)	56.7
All operators by race ² :	
American Indian or Alaska Native	2
Asian	-
Black or African American	2
Native Hawaiian or Other Pacific Islander	-
White	1,688
More than one race	8

All operators of Spanish, Hispanic, or Latino Origin ²	7
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See "Census of Agriculture, Volume 1, Geographic Area Series" for complete footnotes, explanations, definitions, and methodology.

(D) Cannot be disclosed.

(Z) Less than half of the unit shown.

¹ Universe is number of counties in state or U.S. with item.

² Data were collected for a maximum of three operators per farm.

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. (In 2010, Cattaraugus County had a per capita personal income (PCPI) of \$33,508, ranking the County 40th in the state, and at 69 percent of the state average, \$48,596.) 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 Sothern 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 ¹
Private nonfarm employment, percent change 2000-2008	-4.1%	3.6% ¹

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%

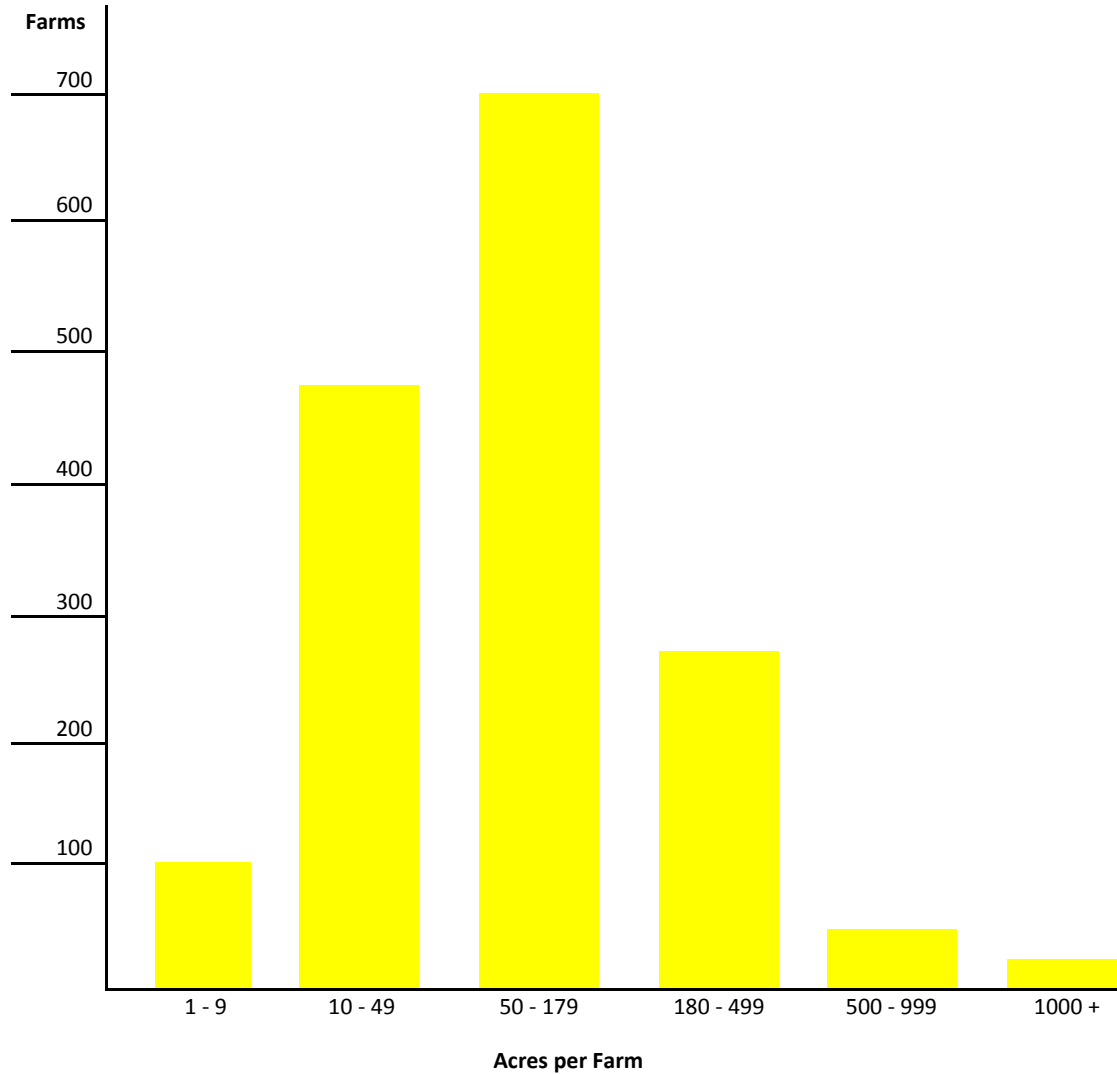
*Average January - June job count.

Data Source: New York State Department of Labor

Chautauqua County 2007 Census of Agriculture County Profile

	<u>2007</u>	<u>2002</u>	<u>% change</u>
Number of Farms	1,658	1,734	- 4
Land in Farms	235,858 acres	255,896 acres	- 8
Average Size of Farm	142 acres	148 acres	- 4
Market Value of Products Sold	\$138,578,000	\$99,240,000	+ 40
Crop Sales	\$57,810,000 (42 percent)		
Livestock Sales	\$80,768,000 (58 percent)		
Average Per Farm	\$83,581	\$57,232	+ 46
Government Payments	\$1,882,000	\$3,626,000	- 48
Average Per Farm Receiving Payments	\$5,936	\$10,693	- 44

Chautauqua County Farms by Size



**Chautauqua County Land in Farms
(by type of land)**

Cropland	53.95%
Woodland	25.24%
Pasture	10.77%
Other Uses	10.04%

**Chautauqua County Agricultural Rankings
(Ranked items among the 62 state counties and 3,079 U.S. counties, 2007)**

Item	Quantity	State Rank	Universe ¹	U.S. Rank	Universe ¹
MARKET VALUE OF AGRICULTURAL PRODUCTS SOLD (\$1,000)					
Total value of agricultural products sold	138,578	10	61	603	3,076
Value of crops including nursery and greenhouse	57,810	8	61	751	3,072
Value of livestock, poultry, and their products	80,768	13	58	503	3,069
VALUE OF SALES BY COMMODITY GROUP (\$1,000)					
Grains, oilseeds, dry beans, and dry peas	2,940	25	54	1,669	2,933
Tobacco	-	-	-	-	437
Cotton and cottonseed	-	-	-	-	626
Vegetables, melons, potatoes, and sweet potatoes	4,895	18	59	335	2,796
Fruits, tree nuts, and berries	41,001	3	58	72	2,659
Nursery, greenhouse, floriculture, and sod	6,010	13	61	415	2,703
Cut Christmas trees and short rotation woody crops	25	48	54	832	1,710
Other crops and hay	2,940	24	55	580	3,054
Poultry and eggs	231	23	57	1,232	3,020
Cattle and calves	9,674	14	54	1,215	3,054
Milk and other dairy products from cows	69,704	12	54	98	2,493
Hogs and pigs	83	30	55	1,426	2,922
Sheep, goats, and their products	(D)	(D)	55	(D)	2,998
Horses, ponies, mules, burros, and donkeys	368	31	57	657	3,024
Aquaculture	(D)	13	40	(D)	1,498
Other animals and other animal products	292	20	57	540	2,875
TOP CROP ITEMS (acres)					
Forage - land used for all hay, haylage, grass silage, & greenchop	59,290	7	54	179	3,060
Corn for silage	22,276	1	53	11	2,040
Corn for grain	12,826	16	52	91	2,263
Oats for grain	8,026	20	53	1,250	2,634
Nursery stock	3,070	17	58	267	2,794
TOP LIVESTOCK INVENTORY ITEMS (number)					
Cattle and calves	43,921	11	55	706	3,060
Colonies of bees	5,573	22	57	774	3,024
Layers	2,739	4	58	314	3,066
Horses and ponies	2,206	4	54	279	2,640
Sheep and lambs	1,689	2	55	35	2,574

See "Census of Agriculture, Volume 1, Geographic Area Series" for complete footnotes, explanations, definitions, and methodology.

(D) Cannot be disclosed.

(Z) Less than half of the unit shown.

¹ Universe is number of counties in state or U.S. with item.

² Data were collected for a maximum of three operators per farm.

Other Chautauqua County Agricultural Highlights

<u>Economic Characteristics</u>	<u>Quantity</u>
Farms by value of sales:	
Less than \$1,000	355
\$1,000 to \$2,499	122
\$2,500 to \$4,999	137
\$5,000 to \$9,999	175
\$10,000 to \$19,999	199
\$20,000 to \$24,999	53
\$25,000 to \$39,999	113
\$40,000 to \$49,999	59
\$50,000 to \$99,999	159
\$100,000 to \$249,999	163
\$250,000 to \$499,999	79
\$500,000 or more	44

Total farm production expenses (\$1,000)	105,339
Average per farm (\$)	63,534

Net cash farm income of operation (\$1,000)	43,371
Average per farm (\$)	16,158

<u>Operator Characteristics</u>	<u>Quantity</u>
Principal operators by primary occupation:	
Farming	887
Other	771
Principal operators by sex:	
Male	1,430
Female	228
Average age of principal operator (years)	56.6
All operators by race ² :	
American Indian or Alaska Native	3
Asian	4
Black or African American	-
Native Hawaiian or Other Pacific Islander	-
White	2,423
More than one race	22

All operators of Spanish, Hispanic, or Latino Origin ²	26
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See "Census of Agriculture, Volume 1, Geographic Area Series" for complete footnotes, explanations, definitions, and methodology.

(D) Cannot be disclosed.

(Z) Less than half of the unit shown.

¹ Universe is number of counties in state or U.S. with item.

² Data were collected for a maximum of three operators per farm.

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. (In 2010, Chautauqua County had a per capita personal income (PCPI) of \$30,543, ranking it 54th in the state, at 63 percent of the state average, \$48,596.) 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.

Regional Innovation Analysis

Note: To read the full report on the innovation capacity of the Southern Tier West region, read “STW Regional Innovation Analysis, May 2012” at:

<http://www.southerntierwest.org/pdfs/ceds/2012/STW%20Regional%20Innovation%20Analysis%20-%20STW%20May%202012.pdf>

In 2012, Southern Tier West began an analytical approach to incorporating regional-innovation-based economic development into the Comprehensive Economic Development Strategy. In doing so, it becomes the first region in New York State to do so, and it begins to more closely develop strategies and initiatives consistent with the current state of economic development science and literature. To do so, Southern Tier West has utilized an analytical tool and data made available through EDA.

EDA had funded an econometric study undertaken by Purdue University, Indiana University, and other partner organizations (the “2007 Rural Competitiveness Project”), to determine the causes of economic growth in regions, and to learn about industry clusters and occupation clusters as they inform strategic economic development thinking at the regional level.

One of the central tenets of this research is that regional economic growth is a function of the level of innovation present in a given regional economy. The US Department of Commerce defines innovation as “the design, invention, development and/or implementation of new or altered products, services, processes, systems, organizational structures, or business models for the purpose of creating new value for customers and financial returns for the firm.” The research team looked at both inputs and outputs to innovation in regional economies, and developed a database of relevant data, which is available on a web site (www.statsamerica.org) served by Indiana University. The web site is designed so that regions such as the Southern Tier West region can use the web site to find the data-driven Innovation Index for their regions, which they can use in the development of their Comprehensive Economic Development Strategies (CEDS). The innovation-related data for the Southern Tier West region and the three constituent counties, in comparison to the state and nation as a whole, can be found in the report noted above.

The “Purdue model” states that a region’s innovation capacity is a function of the following 20 variables:

Inputs:

A. Human Capital

1. Educational Attainment
2. Population Growth Rates
3. High-Tech Employment Share
4. Technology-Based Knowledge Occupations

B. Economic Dynamics

5. Average Venture Capital
6. Broadband Density and Penetration
7. Establishment Churn
8. Establishment Sizes

C. New York State Reference Data (State data that is provided as reference data; unavailable for counties and regions)

9. Science and Engineering Graduates from All Institutions
10. R&D Intensity
11. Industry R&D per \$1,000 Compensation

Outputs:

D. Productivity and Employment

12. Change in High Tech Employment
13. Job Growth
14. Gross Domestic Product per Worker
15. Average Patents per 1,000 Workers

E. Economic Well-Being

16. Average Poverty Rate
17. Average Unemployment Rates
18. Average Net Migration
19. Average PCPI Growth
20. Compensation

The research has provided a cumulative Innovation Index, which consists of five components, with the weight assigned to each component:

1. Human Capital: 30%
2. Economic Dynamics: 30%
3. Productivity and Employment: 30%
4. Economic Well-Being: 10%
5. State Context (for reference only)

Please review the “STW Regional Innovation Analysis, May 2012” report at the URL indicated at the beginning of this Appendix section in order to obtain the county and regional data for the above 20 variables, for the five primary category indices, for the overall Innovation Index, and for a discussion of the strategic implications of the findings.

Cluster Analysis

Note: To read the full report on the significant industry and clusters in the Southern Tier West region's economy, read "Analysis of Industry Clusters and Occupation Clusters in the Southern Tier West Region, June 2012" at:

<http://www.southerntierwest.org/pdfs/ceds/2012/STW%20Regional%20Industry%20Cluster%20and%20Occupation%20Cluster%20Analysis%20-%20STW%20June%202012.pdf>

The EDA-funded studies by Purdue University, Indiana University, and other partner organizations have led to a greater understanding of how regional industry clusters and occupation clusters can impact economic growth in regions, and how regions should use this knowledge to inform strategic economic development thinking at the regional level.

In 2012, Southern Tier West began an analytical approach to incorporating regional cluster-based economic development into the Comprehensive Economic Development Strategy. In doing so, has utilized analytical tools and data made available through EDA. Southern Tier West becomes the first region in New York State to use the data-driven EDA analytical model to prepare its CEDS, and in doing so, it feels that the CEDS strategies and initiatives will be more consistent with the current state of economic development science and literature.

The Southern Tier West report identified above provides both an Industry Cluster Analysis and an Occupation Cluster Analysis for the Southern Tier West region, and for its three individual constituent counties. These analyses include the specification of industry and occupation cluster data for the three counties and region as a whole, an identification of significant industry and occupation clusters for the three counties and the region as a whole, and the strategic economic development implications for this target cluster specification.

(It also should be noted that historically, many local and regional plans contained an identification of target industry clusters for localities, counties, and the region, but none – including past CEDS documents – were supported by a data-driven analytical model. Additionally, there has been no identification of significant occupation clusters in any local or regional plans. There is a certain amount of both commonalities and divergences as between the three individual counties' significant industry and occupation clusters. The commonalities give rise to a shared strategic vision, and the divergences may imply a need for additional customized local strategic approaches.)

This section of the Appendix is structured as follows:

- 1. The Vocabulary of Regional Innovation Cluster Theory** – an introduction to terms used in cluster theory.
- 2. Regional Innovation Cluster Theory** – a discussion of what regional innovation cluster theory is, what the basic jargon is, and what it implies for economic development strategies.

1. The Vocabulary of Cluster Theory

The following is a short summary of some of the relevant conceptual vocabulary of cluster theory:

- **Industry Clusters:** EDA defines Regional Innovation Clusters (RIC's), or industry clusters, as *"networks of similar, synergistic, or complementary entities that support a single industry sector and its various supply chains. In general, RIC's:*
 - A. *Are based on a geographic area that may cross municipal, county, and other jurisdictional boundaries;*
 - B. *May include catalysts of innovation and drivers of regional economic growth, such as universities, government research centers, and other research and development resources;*
 - C. *Have active channels for business transactions and communication; and*
 - D. *Depend upon specialized infrastructure, labor markets, and services that build on the unique competitive assets of a location, including talent, technology, services, and hard and soft infrastructure, to spur innovation, job creation, and business expansion."*

Thus, industry clusters can be thought of as being broad networks of companies, suppliers, service firms, academic institutions, and organizations in related industries that, together, bring new products or services to market. Industry clusters are regional concentrations of competitive firms that:

- Buy and sell from each other
- Use similar or related technologies
- Share a labor pool
- Share supply chains or are part of a supply chain
- Include supporting services (including area colleges) and specialized infrastructure
- Include both high and low-value added employment
- Produce for export outside the region

The Brookings Institute indicates that an industry cluster *"arises and grows because of the mutual benefits (that cluster firms) derive from proximity and the powerful synergies it makes possible, whether of knowledge exchange, mutual access to skilled labor pools, or the use of shared public goods."*

Industry cluster analysis essentially is a structural analysis that assesses the existing industry mix in a region and notes areas of distinct specialization. It provides a picture of established and emerging groups of businesses that may be thought of as being associated horizontally, vertically, or through some similarity such as skilled labor force, materials inputs, production process, etc. A region's significant clusters represent the concentration of firms where the regional economy currently is generating its wealth. These clusters indicate market niches where there is some sort of commercial viability, perhaps even competitive advantage and potential for business development.

When using location quotients (LQ, see below), an LQ of 1.2 is usually considered the base point for determining whether an industry cluster or an occupation cluster (see below) has a significant "concentration" in the region. If it does, then the region may have a competitive advantage in that particular industry cluster or occupation cluster.

- **Types of Industry Clusters:**
 - **Local clusters:** These essentially are clusters in which the output – products and/or services – is mainly consumed or traded within the region, such as construction, retail, and services.
 - **Traded clusters:** These essentially are clusters in which the output – products and/or services – is exported outside the region, bringing new wealth into the region. Each regional economy

normally has a relatively small number of traded clusters in which the region is truly competitive with other regions and countries. Traded clusters are the underlying drivers of prosperity; because they serve broader markets, they can grow employment and exports well beyond local needs. They also typically have far higher average wages than more localized industries, and they create the income to afford sophisticated local services and the demand for local industries to grow beyond the size of the local population per se.

- **Resource-based clusters:** These essentially are clusters in which the output – products and/or services – is based on natural resources, such as coal, oil, and forestry. Note that these can also be classified as traded clusters because of their export potential.
- **Identification of significant (or target) industry clusters:** While the existence of industry clusters has long been recognized, the ability to systematically measure clusters and examine their influence on regional performance is relatively recent. Harvard Business School researchers developed an employment and location-based analytical technique for defining significant regional industry clusters, providing a sounder basis for cluster-based economic development than previous ad hoc approaches. As indicated above, a region's significant or target industry clusters normally are those clusters in a region whose Location Quotient is greater than 1.2.
- **Occupation clusters:** Occupation clusters are groups of occupations that share similar knowledge, skills, and other characteristics such as formal education levels, wage levels, and availability of benefits.

Changes in Occupation Cluster LQ's and employment in an occupation cluster can be calculated, and may imply changes in the ability of an industry cluster to support economic growth. Occupation cluster analysis can identify the fastest growing occupations in a region. By understanding the dynamics of growth within an occupation cluster, regions can encourage more effective communication between businesses, educators, and workforce development professionals to build a talent pipeline needed to support businesses within the region.

Occupation cluster analysis can help identify which clusters of occupations provide the best opportunities for investment and which occupation clusters show a competitive skills advantage in the region. Regions should concern themselves with (a) occupation clusters having a location quotient (LQ, see below) higher than 1.2, (b) occupation clusters having the highest rate of growth in employment, and (c) occupation clusters having the highest percentage rate of growth in LQ. These regionally significant occupation clusters should be compared with the region's significant industry clusters to discern needs for expanded training and development of the skills embedded in the clusters. Occupation cluster analysis also can help identify potential matches or gaps when compared with localized industry cluster data and industry staffing needs.

An EDA funded study performed by Purdue University and others (see below) in 2007 used 15 knowledge-based occupation clusters and three sub-clusters, as follows:

Occupation Cluster Name

Agribusiness and Food Technology

Arts, Entertainment, Publishing and Broadcasting

Building, Landscape and Construction Design

Engineering and Related Sciences

Health Care and Medical Science (Aggregate)

Health Care and Medical Science (Medical Practitioners and Scientists)

Health Care and Medical Science (Medical Technicians)

Health Care and Medical Science (Therapy, Counseling, Nursing and Rehabilitation)

Information Technology

Legal and Financial Services, and Real Estate

Managerial, Sales, Marketing and HR

Mathematics, Statistics, Data and Accounting

Natural Sciences and Environmental Management

Personal Services

Postsecondary Education and Knowledge Creation

Primary/Secondary and Vocational Education, Remediation and Social Services

Public Safety and Domestic Security

Skilled Production Workers: Technicians, Operators, Trades, Installers and Repairers

Why is knowledge of regionally significant occupation clusters useful? According to Indiana University, one of the participants in the 2007 Purdue project,

“The swift transformation taking place in the global economy makes occupation cluster analysis particularly valuable. The global integration of markets has eliminated many regional competitive advantages. Low-cost land with transportation and communications infrastructure in place is no longer scarce. Technology quickly jumps national borders. Costs for reliable labor are lower in many places across the globe. In this low-cost competitive environment, a region’s best chance to differentiate itself is with its brainpower: the education, knowledge, skills, and abilities of its workforce. From this perspective, every region has the potential to be competitive. In addition to globalization, the retirement of the Baby Boom generation and the move of businesses toward more innovative, knowledge-based markets have combined to make the skills of the workforce central to economic development. The extensive array of labor force data compiled by the U.S. Department of Labor is giving regional leaders a greater understanding of this economic development asset. Exploring occupation clusters within one’s region represents a first step. Occupation cluster analysis can help identify which clusters of occupations provide the best opportunities for investment to build different types of skills, supporting existing or emerging industry clusters, and which occupation clusters show a competitive skills advantage in the region.”

From Indiana University’s www.statsamerica.org web site, an understanding of a region’s occupation clusters can help a region to:

- *“Analyze the regional knowledge-based workforce in greater detail.*
- *Determine how well occupation cluster strengths align with the region’s industry cluster strengths.*
- *Understand the local workforce and educational situation within the broader regional economic development context.*
- *Bridge the gap between workforce and economic development when constructing a regional economic development strategy.*
- *Diagnose how well positioned the region is to participate effectively in a knowledge-based innovation economy.”*

In sum, the purpose of creating and using both occupation clusters and industry clusters is to develop additional dimensions for analyzing and describing a regional economy.

- **Location Quotient:** The Location Quotient (or LQ) technique is a commonly utilized economic analysis methodology. This technique compares a local economy to a reference economy, so as to identify specializations in the local economy. Location Quotients can be calculated for both industry clusters and occupation clusters. Industry cluster LQs describe the concentration of the defined cluster industries in a given region. Likewise, occupation cluster LQs describe concentrations of the defined occupation clusters in a given region.

For example, with respect to industry clusters, the Location Quotient of an industry cluster in a region is the ratio of industry cluster employment in the region to employment in all clusters in the region, all divided by the ratio of the same industry cluster's employment in the base area (e.g., the state or nation as a whole) to employment in all clusters in the base area.

Location quotients are calculated for all industries in a region to determine whether or not the region's economy has a greater share of each industry than expected when compared to a reference economy. (For example, if one industry cluster's LQ in a region is 1.8, then that cluster is 80% more concentrated than that cluster is in the base area.) If an industry in a region has a greater share than expected of a given industry, then that industry is assumed to be a significant or primary cluster in a region because those "extra" industry jobs are above what a local economy should have to serve local needs. The U.S. Bureau of Labor Statistics makes available a web-based tool, the BLS Location Quotient Calculator, for the calculation of LQ's for any state, county, or region in the U.S.

The basic uses of industry cluster LQ's and occupation cluster LQ's are as follows:

- **To determine which industries make a regional economy unique.** Industry LQ's are calculated by comparing the industry's share of regional employment with its share of national employment, a measure of local versus national concentration.
- **To identify the "export orientation" of an industry, to identify the most export-oriented industries in a region, and to identify emerging export industries beginning to bring money into a region.** Industries with high LQ are typically (but not always) export-oriented industries, which are important since they bring new money into the region, as opposed to simply circulating money that already is in the region (as most retail stores and restaurants do). Industries which have both high LQ's and relatively high total job numbers typically form a region's economic base. Economic developers and government officials should pay particular attention to these industries, not only for the jobs they provide, but also for their multiplier effect—the jobs they create in other dependent industries like retail trade and food services.
- **To identify endangered export industries that could erode the region's economic base.** LQ is augmented by two other pieces of information: size of industry/cluster/occupation in terms of jobs, and percent change in LQ over a given time period. A high-LQ industry with a small number of jobs may be an export-oriented industry, but is not vital to the region's economy. A large, high-LQ industry with declining LQ or declining employment over time, however, is endangering the regional economy. Growing employment paired with declining LQ, however, merely indicates that the industry is not growing as fast in the region as it is in the national economy.

- **Occupation Cluster LQ's** are simply a more workforce-oriented way of examining industry trends. Occupation data, e.g., occupational growth and decline, are tied to the performance of the major industries that employ workers in those occupations.
- **LQ for Demographic Groups** - Location quotient is useful in demographic studies because it shows what makes the region's demographics unique in comparison to its state and/or the nation. For example, if age groups over 60 have an LQ greater than 1, then the region has a higher than average concentration of residents over 60. If the percent change in LQ is positive, then the over-60 age group in the region is also growing faster than the nation.

LQ numbers can be useful for many different analyses, such as the challenge of an aging workforce or the need to create more employment opportunities for a certain ethnic group. Suppose 25% of the population of a region is composed of people with Hispanic ethnicity, while only 10% of the national population has Hispanic ethnicity. The LQ of Hispanics in the region as compared to the nation (national LQ) is thus $(25 / 10) = 2.5$, meaning that Hispanics are 2.5 times more concentrated in the region than the nation. This helps to quantify the region's demographic uniqueness and thus inform policy.

2. Regional Innovation Cluster Theory

EDA has funded several important studies advancing the use of cluster concepts in economic development:

- Competitiveness in Rural U.S. Regions: Learning and Research Agenda, Michael Porter, Harvard University, 2004
- Unlocking Rural Competitiveness: The Role of Regional Clusters, Purdue University, Indiana University, and others, 2007
- Regionalism and Clusters for Local Development Needs Assessment Results, Western Carolina University and others, 2007
- A Practitioner's Guide To Economic Development Tools for Regional Competitiveness in a Knowledge-Based Economy, Purdue University, Indiana University, and others, 2007, 2012

There also are a number of other significant cluster studies and papers of significance to regions preparing economic development strategies, including:

- Regional Innovation Clusters: A New Paradigm for Federal Economic Development Policy, Phillip A. Singerman, 2010
- The New 'Cluster Movement': How Regional Innovations Clusters Can Foster the Next Economy, Brookings Institute, 2010

(See the Reference Bibliography section of the Appendix for web URLs for the above documents.)

The 2004 Harvard report indicated that clusters “significantly enhance the ability of regional economies to build prosperity because they act as incubators for innovation.” Further, “regions with successful clusters enjoy higher average wages, productivity, rates of business formation, and innovation.” Additionally, “without a strong conceptual framework (such as the framework relying on cluster-based innovation-based economic development), it is not surprising that economic development efforts for rural regions have been particularly vulnerable to political pork battles between small but well-

organized interest groups, frequent institutional redesigns without lasting effect, and the re-invention of old policies under new names.”

The 2007 Purdue report indicated that the three clusters with the strongest rural orientations are agribusiness, food processing and technology; forest and wood products; and mining.” However, “contrary to traditional thinking, most rural economies are not dependent upon agriculture.” Further, “the clusters most strongly associated with higher levels of economic performance are business and financial services; information technology and telecommunications; and printing and publishing.” Also, “human capital (as measured by educational attainment) is the primary factor related to differences in income growth among counties.”

The 2010 Brookings Institute paper indicated that “through the bottom-up development of strong, place-based clusters, (a region) stands a better chance to build unique new industries that will be harder to off-shore.” Brookings notes that “significant new empirical research suggests the potential of vibrant local clusters to help deliver high quality, productive growth in the medium term in several ways:

- **“Innovation.** ... Firms and inventors located in clusters are significantly more inventive. ...
- **“Entrepreneurship.** ... New firm starts and employment increase with the density of local employment in an entrepreneur’s industry. ... Likewise, ... location within a cluster (has) strong positive effects on the survival of new firms. Cluster-embedded start-ups also generated more jobs, higher tax payments, and higher wages. Finally, ... industries located in regions with strong clusters experience higher growth in new business formation and start-up employment. ... Strong clusters are also associated with the formation of new establishments of existing firms and start-up survival.
- **“Firms and industries.** ... Clusters ... foster productivity and growth. ... The presence of other firms in the same industry and the same county dramatically increases firm productivity. ... Geographical clusters ... leads to superior industrial performance. Most notably, this inquiry concludes that when industries locate in (a) region with a critical mass of related industries they tend to generate both higher incomes and rates of employment growth.
- **“Regions.** ... The strength of local clusters strongly influences the performance of regional economies. ... The relative strength of a U.S. region’s leading clusters contributes to the employment and patent growth of other clusters in the region. Similarly, ... (regions) with a higher percentage of employment in clusters have enjoyed better economic performance (as reflected in income levels and employment growth) than places in which cluster-based employment is less prevalent.”

The challenge is to use cluster analysis to develop and implement new economic development strategies and initiatives. In this regard, the 2007 Purdue report indicates that “a cluster strategy will typically call for action in several areas such as workforce training and education curricula, as well as infrastructure, communications and energy issues. Additionally, a cluster strategy can serve as a vehicle for collaboration and increase the cohesiveness of public policy initiatives.”

The Brookings Institute paper also provides the following guidance:

1. **“Don’t try to create clusters.** Clusters can’t be created out of nothing and cluster initiatives should only be attempted where clusters already exist. The preexistence of a cluster means that an industry hotspot has passed the market test. By contrast, efforts at wholesale invention will likely be fraught with selection issues, inefficiency, and probable failure and waste.

2. **Use data and analysis to target interventions, drive design and track performance.** Cluster strategies or policy interventions—when attempted—should be grounded in rigorous empirical information and analysis so that decision-makers can make objective assessments about the nature, competitive prospects, and specific needs of different regional industry concentrations. Cluster strategies also need to be held accountable so performance measurement is critical.
3. **Focus cluster initiatives on clusters where there is objectively measured evidence of under-capacity.** Work to upgrade an identified cluster should be tightly focused on attacking specific, documented constraints, institutional deficiencies, or resource shortcomings.
4. **Maximize impact by leveraging cluster-relevant preexisting approaches, programs and initiatives.** Specific, targeted cluster-oriented initiatives are clearly justifiable, but equal value and added impact may well come from drawing other, more generally relevant programs into the cluster orbit. For example, at the federal level programs like the R&D tax credit as well as SBI and SBTT grants, workforce training programs, and small business finance may all be rightly viewed as “cluster” programs, just as banking regulations, tax credits for venture capital, and education policy may be at the state level. In this way, “clusters” and cluster strategies are less a specific program than a framework through which to shape and coordinate disparate policies.
5. **Align efforts “vertically” as well as horizontally.** The cluster paradigm can—and should—be used to organize the disconnected policy offerings of any one level of government in service of clusters’ needs in a region, but it also provides a framework for coordinating them up and down the tiers of federalism to avoid policy conflict, redundancy, or missed opportunities for synergy.
6. **Let the private sector lead.** Clustering is a dynamic of the private economy in the presence of public goods. Cluster strategy should be pursued with humility as a matter of supporting, connecting, filling gaps, and removing obstacles to private enterprise while making sure certain public and quasi-public goods are available.”

Further, the Brookings paper indicates that:

- **“Regional leaders should identify cluster challenges and coordinate cluster actors.** Regional intermediaries should work to identify and describe local clusters, identify their binding constraints, and facilitate regional joint action to implement needed exchanges and initiatives.
- **“Local policymakers should bring to tools to influence on-the-ground implementation of cluster-oriented economic development.** They should manage zoning and permitting issues to benefit the physical infrastructure in which clusters exist, and they should keep an eye out for the broader demographic and social context in which new industry clusters might form and to which existing ones must adjust.”

Cluster initiatives are formally organized efforts, often undertaken and operated by the public sector, to promote cluster growth and competitiveness through collaborative activities among cluster participants. Again, per Brookings, “cluster initiatives seek to compensate for the fact that the unattended marketplace will generate too few of such efforts given the presence of multiple market failures, given the partially shared, quasi-public goods nature of clusters, within which no individual actor can capture all of the benefits of participation given that ideas leak, workers are shared, and suppliers can sell to multiple buyers.” Examples of cluster initiatives include convening cluster participants in ad hoc groups or through the start-up of formal cluster groups, encouraging networking within the cluster, education and training activities, encouraging technology transfer activities, encouraging labor force development

and sharing initiatives, encouraging relationship building, facilitation of market development through joint market assessment and marketing, fostering innovation and its diffusion, cluster advocacy, etc.

At the regional or local level, Brookings sees that the role of the public sector is transforming from assistance to individual firms (e.g., funding assistance, procurement assistance, export assistance, etc.) to a role of providing assistance to the cluster as a whole (e.g., providing information, facilitating collaborative public-private partnerships, etc.).

In recent years, a number of federal funding programs have been created that require a focus on cluster development. These programs could be of use in the Southern Tier West region, if the region were positioned to obtain funding from them.

The implication is that rural regions need to develop comprehensive cluster-based approaches to economic development in order to (a) implement effective economic development strategies and (b) take advantage of federal funding opportunities as currently prioritized.

Two recent strategic economic development planning documents have included a comprehensive cluster-based approach to economic development:

- **A Strategy for Prosperity in Western New York**, Western New York Regional Economic Development Council, November 2011
Report access: <http://nyworks.ny.gov/themes/nyopenrc/rc-files/westernny/FINALPLAN.pdf>
- **Positioning Buffalo-Niagara for the Next Economy**, Brookings Institute, June 2012
Report access: <http://regionalcouncils.ny.gov/themes/nyopenrc/rc-files/westernny/2012-06-13-BrookingsPPT-REDC%20Mtg.pdf>

The first of the above two documents is the Western New York Regional Economic Development Council's strategic economic development plan for the five Western New York counties, which includes the three counties in the Southern Tier West region. Both of these documents demonstrate the consensus in Western New York regarding the importance of a cluster-based approach to economic development.

Please review the "Analysis of Industry Clusters and Occupation Clusters in the Southern Tier West Region, June 2012" report at the URL indicated at the beginning of this Appendix section in order to obtain the county and regional industry cluster and occupation cluster data, for a specification of the regionally significant industry and occupation clusters, and for an identification of the clusters that are both significant industry clusters and significant occupation clusters in the region.

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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):

- **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):

- **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. This strategic plan identifies fourteen regional transportation infrastructure system priorities:
 1. Completion of State Route 219 as a four-lane limited access highway
 2. Creation of a standardized road scoring system for all local roads
 3. Upgrade of the existing 60/62 corridor in Chautauqua County
 4. Increase mobility between I-86 and the Village of Wellsville in Allegany County
 5. Investment in rail infrastructure to preserve existing mainline and shortline operators
 6. Development of multimodal facilities
 7. Explore opportunities to capitalize on ports such as New York, New Jersey, Buffalo, and Dunkirk
 8. Investigate strategically located Park & Ride lots
 9. Investigate the feasibility of creating a regional public transportation authority or transportation management associations
 10. Construct multimodal facility to accommodate rail, truck and bus – freight and passenger
 11. Support all highway improvement projects in the three-county region
 12. Investigate the feasibility of creating a regional aviation authority
 13. Secure funding for self-service fuel farms at the four system airports
 14. Increase marketing efforts of the region's system airports
- **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.