

# Final Report

November, 2018

## Executive Summary

The Schoharie County economic development strategy provides a long-term approach for Schoharie County to support economic growth in the context of the conditions of the 21<sup>st</sup> Century economy. The strategy emerged through a variety of approaches to information gathering and analysis. These included analysis of quantitative data, mapping of spatial data through a Geographic Information System, and continual outreach to stakeholders and the general public, including over 30 interviews, meetings and focus groups to understand the issues and opportunities facing Schoharie County firms. The results of this work are reflected in the strategy and its goals and objectives.

### The Strategy: Building a competitive advantage by supporting value-added activities

The overall premise and approach of this strategy is to position Schoharie County's economy so that it becomes a desirable location for businesses in each of the three regions in which it is located: the Albany Metro Area the Mohawk Valley and the Catskills/Appalachian region.

To do this, Schoharie County must support the ability of businesses in the County to add value to their enterprises. Firms that improve their ability to add value are able to participate in more types of economic activity. For example, extra value firms can generate for customers puts those firms in a better position to participate into existing value chains—the networks of buyers and suppliers that collaborate in delivering goods and services to end users—whether those value chains are found in the Mohawk Valley, the Albany MSA, Greater Central New York, or across the globe. The strategy addresses four factors that can affect the competitiveness of a local economy:

1. *Appropriate policies and regulations intended to create a conducive business environment.*
2. *Hard connectivity* that physically links businesses to sites with essential services of transportation communications, water and power.
3. *Soft connectivity linking organizations and people together to foster economic productivity and community quality of life.*
4. *Institutional capacity measured by shared leadership and vision, along with clear alignment of government institutions and strong public-private collaboration<sup>1</sup>*

### The Goals

From this framework come the strategy's goals—the broad purposes the strategy seeks to achieve. Under each goal is found its objectives—the specific activities that need to be completed in order to accomplish the goal. These goals and objectives are the foundation of the workplan detailed in the implementation section of the full report.

Goal 1. Building Institutional Capacity: Establish the Schoharie County Economic Development Organization and the Economic Alliance

Objective 1-1. Establish the Economic Development Organization.

Objective 1-2. Create the Schoharie County Economic Alliance.

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<sup>1</sup> Adapted by Fairweather Consulting from *Competitive Cities and their Connections to Global Value Chains*. World Economic Forum, June 2016, p. 14.

Goal 2. Building hard connectivity: Prepare sites and workforce for development

Objective 2-1. Develop shovel ready sites.

Objective 2-2. Establish a strategic workforce development initiative for the County.

Objective 2-3. Create transformational incentives.

Goal 3. Building soft connectivity: Create networks of organizations to sustain growth

Objective 3-1. Establish a business retention and expansion (BR&E) program.

Objective 3-2. Support and, as necessary, lead cluster and sector-based initiatives in such areas as agriculture and food, tourism, and downtown business development.

Objective 3-3. Foster initiatives to improve quality of life and thereby talent retention and attraction throughout the county.

Objective 3-4. Lead tourism coordination and external marketing

Goal 4. Ensure effectiveness of local policies and regulations

Objective 4-1. Identify and address critical county-level policy and regulatory impediments.

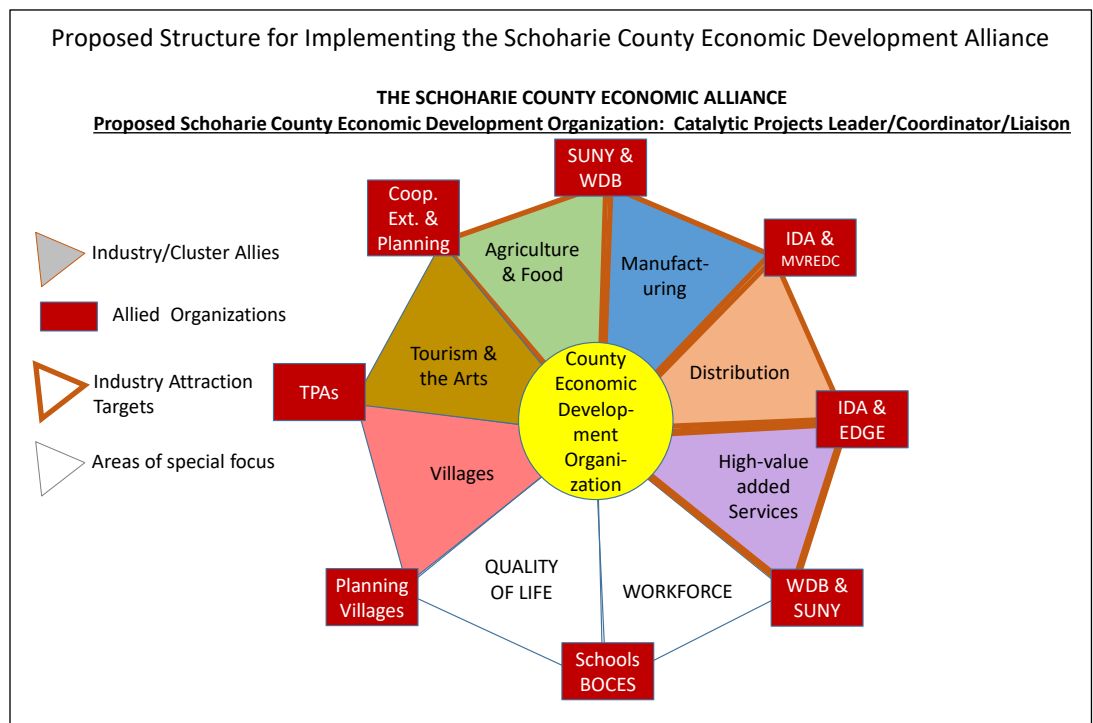
Objective 4-2. Work with municipalities to address issues in local policies and regulations.

The Importance of Partnerships for Economic Success

The strategy calls for the creation of a Schoharie County Economic Development Organization to spearhead this effort. That organization must create and cultivate a network of partners. This diagram illustrates what such a network would look like.

The intent is to create a mechanism that is flexible, agile and responsive to the needs of businesses in the County.

It seeks to bring the public and private sectors into a partnership to enable Schoharie County to meet the economic challenges and opportunities it faces.



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## Introduction

“Fortune favors the prepared.”

-Louis Pasteur

The 21<sup>st</sup> Century has been a time of innovation, opportunity and disruption in the US economy. Technologies such as big data are revolutionizing industries throughout the economy. 3-D printing continues to affect manufacturing. Ecommerce, coupled with big data, is changing the face of retail, affecting both major retail chains and small “mom & pop” operations. Despite its bucolic image, agriculture is on the forefront of this innovation and disruption in the light of new technologies for breeding and cultivation along with the integration of unmanned vehicles and aircraft into the management of crops and livestock.

As with any economic transition, the opportunities and challenges it bestows are not evenly distributed. There has been growing recognition that these new economic conditions have different effects of metropolitan versus rural areas, with rural areas often suffering disproportionate losses.<sup>1</sup> Yet there are also myriad cases of small towns and rural areas surviving and even thriving.<sup>2</sup> There appears to be no magic bullet for rural areas. It is often a matter, as Louis Pasteur pointed out, of being prepared, understanding the challenges and opportunities facing a community and taking sustained action to build upon the assets it has and the opportunities before it. It is typically a matter of supporting local businesses as they seek new ways to compete in this changing climate.

## The Purpose

The purpose of this economic development strategy is to provide a long-term approach for Schoharie County to support economic growth in the context of the conditions of the 21<sup>st</sup> Century economy. This economic development strategy has been created based upon an assessment of the County’s economic strengths and weaknesses along with the opportunities and threats it faces. The end result is an action plan to define and build upon sources of competitive advantage for Schoharie County’s businesses and to identify opportunities to attract new businesses to the County.

## The Process

This strategy emerged through a variety of approaches to information gathering and analysis. These included analysis of quantitative data, mapping of spatial data through a Geographic Information System, and continual outreach to stakeholders and the general public, including over 30 interviews, meetings and focus groups to understand the issues and opportunities facing Schoharie County firms. The results of this work are reflected in the strategy and its goals and objectives. Details are included in the appendices to this report.

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<sup>1</sup>Cf., Annie Lowery, “2016: A Year Defined by America’s Diverging Economies,” *The Atlantic*, Dec 30, 2016. (<https://www.theatlantic.com/business/archive/2016/12/2016-diverging-economies/511838/>). Janet Adamy and Paul Overberg, “Rural America is the New ‘Inner City,’” *Wall Street Journal*, May 26, 2017. (<https://www.wsj.com/articles/rural-america-is-the-new-inner-city-1495817008>)

<sup>2</sup> Cf., Joel Kotkin and Mark Schill, “Where Small Town America Is Thriving,” *Forbes*, Mar 8, 2018. (<https://www.forbes.com/sites/joelkotkin/2018/03/08/where-small-town-america-is-thriving/#e2d35d138b80>)



## The Importance of Private-Sector Leadership

The strategic planning process was initiated by Schoharie County government. It was conceived as a means to understand and address the economic needs and concerns of County residents by creating a catalyst to support private sector efforts improve the County economy. The strategic planning process was overseen by the Economic Development Committee of the Board of Supervisors. Its members include:

### **Economic Development Committee**

Hon. Leo McAllister, Chair, Town of Cobleskill  
Hon. Tony Van Glad, Town of Gilboa  
Hon. Alex Luniewski, Town of Wright  
Hon. Harold Vorman, Town of Summit  
Hon. Alan Tavenner, Town of Schoharie

The effort was also supported by a technical advisory committee consisting of representatives of the public and private sector. This group was responsible for reviewing the analyses and conclusions and providing guidance with respect to interpretation of the data, additional information sources to be consulted and potential recommendations to address the issues found in the data.

### **Technical Advisory Committee**

Lisa Thom, County Real Property Tax Services	Nan Stolzenberg, Community Expert -- Planning
Brian Fleury, County Planning & Development	Paul Conroy, Community Expert -- Marketing
Alicia Terry, County Office of Agricultural Development	Lillian Bruno, County Planning & Development
Shane Nickle, County Planning & Development	Zach Thompson, County Planning & Development
Ron Filmer, Schoharie County IDA	Madison Wellman, Schoharie County IDA
Jason Evans, SUNY Cobleskill	Dr. Amy Gildemeister, County Health Department

In addition to the advisory committee, this effort has also been observed by a business investment committee consisting of leaders from the County's private sector and major institutions.

### **Business Investment Committee**

Eric Stein, Basset Healthcare	Richard Ball, Schoharie Valley Farms
Jim Becker, Midtel	Marion Terenzio, SUNY Cobleskill
Thomas Putnam, Fenimore Assets Management	Jason Evans, SUNY Cobleskill
Steve DiMeo, Mohawk Valley Edge	

What follows is a description of the economic development strategy proposed for Schoharie County. The recommendations for this strategy outline a service delivery structure for the County's economic development initiatives that is driven by private sector leadership. The intent is to create a mechanism that is flexible, agile and responsive to the needs of businesses in the County, bringing the public and private sectors into a partnership that can prepare Schoharie County to meet the economic challenges and opportunities it faces.

## Overview of Economic Conditions

The following pages provide an overview of the existing conditions of the Schoharie County economy. The overarching theme of this analysis is that Schoharie County's economy is on the edge. This is true in three ways. The County is on the edge of three distinct regions in New York State: the Albany Metropolitan Statistical Area, the Mohawk Valley, and the Catskills/Appalachian region (referred to here as the greater Central New York region). Schoharie County's economy is on the edge in another way. This is a time where all economies throughout the United States are undergoing profound transformations, particularly in such bellwether sectors as agriculture, manufacturing and retail. Finally, Schoharie County's economy is on the edge in that change is already underway in the County. There are individuals and enterprises that are transforming their business models and the economic potential of the County in myriad ways. In that sense, the County is on the edge in that, just below the surface, there is impetus and pressure to change the way various sectors have been operating for decades.

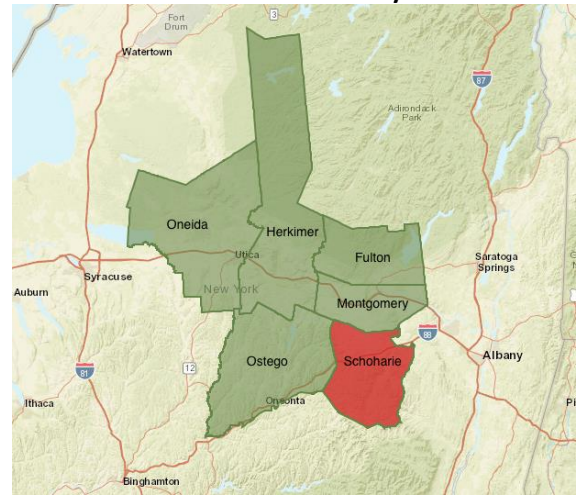
### On the Edge Geographically

Figure 1 illustrates the way in which Schoharie County is on the edge geographically. It is on the far western edge of the Albany Metropolitan Statistical Area (MSA). It is also on the far eastern edge of the Mohawk Valley region. And as shown in Figure 1, it is on the northern edge of the Catskills/Appalachian region. This has profound implications for the County's economy.

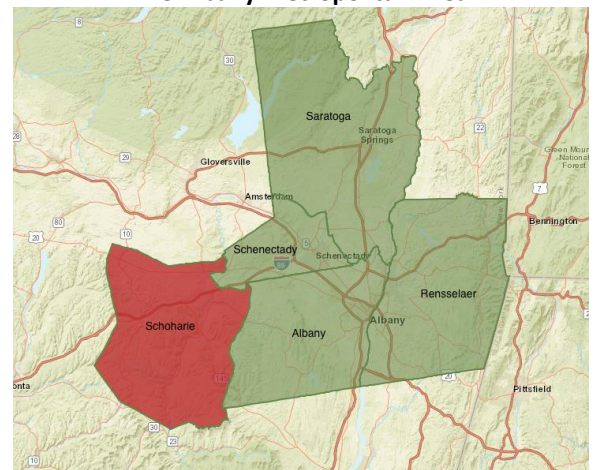
### On the Edge Economically

One of the important distinguishing characteristics in the United States economy is the differences between metropolitan and nonmetropolitan economies. Metropolitan economies tend to have a higher concentration of employment in services and less in manufacturing. Those economies also tend to have more employment concentrated in financial services and professional and technical services. Nonmetropolitan economies (e.g., rural areas) tend to have more of their

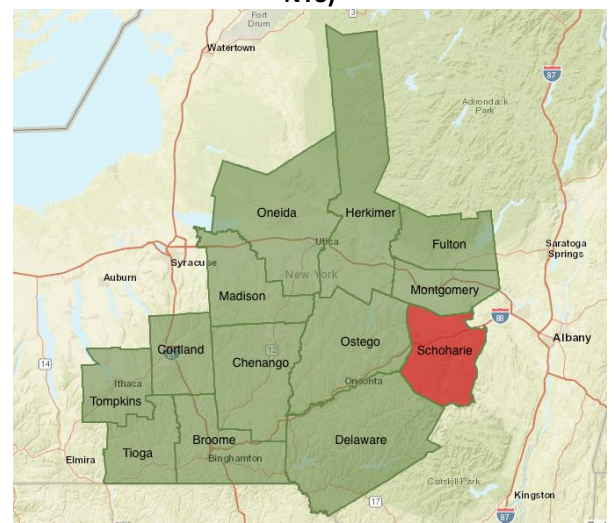
Figure 1. Schoharie County (in red) at the Edge of 3 Regions  
**The Mohawk Valley**



**The Albany Metropolitan Area**



**The Catskills/Appalachian Region (Greater Central NYS)**





employment concentrated in such sectors as agriculture extractive industries (i.e., mining), and manufacturing.

With an economy that more closely resembles a nonmetropolitan economy, Schoharie County is a lower cost location than metropolitan centers. Table 1 illustrates this fact. First note that the three rural areas in the table (Schoharie County, the Mohawk valley and the Greater Central New York Region all lost population from 2009 to 2017. Note also that Schoharie County has the lowest cost of living index of the five areas included in Table 1, along with the lowest average earnings, even when adjusted for cost of living.

Table 1. Comparison of Schoharie County to the 3 Regions and New York State.					
	Schoharie County	Mohawk Valley	Greater Central NYS	Albany-Schenectady-Troy, NY	NYS
Population (2009)	32,775	499,610	1,911,134	869,337	19,307,114
Population (2017)	31,086	486,655	1,900,613	883,955	19,803,765
Population Change %	(5%)	(3%)	(1%)	2%	3%
Cost of Living Index (US = 100)	105.6	106.0	107.7	111.2	114.5
Cost-of-Living-Adjusted Current Average Earnings	\$45,804	\$48,567	\$56,151	\$60,887	\$70,959

Source: compiled by Fairweather Consulting using data from EMSI (economicmodeling.com). Cost of Living Index compiled by the Council for Community and Economic Research.

The lower costs associated with rural areas are reflected in the housing market also. As shown in Table 2, based upon a recent study by the National Association of Realtors, Schoharie County's housing costs reflect its "edge" status. Its median home price of \$155,313 is the lowest among the counties in the Albany/Schenectady Metropolitan Statistical Area and also lower than Tompkins County (all highlighted in blue), but higher than all of the counties in two other regions (highlighted in red).

The edge status of Schoharie County is reinforced when examining its property tax rates compared to those in the counties with lower housing prices (highlighted in red in Table 2). As shown in Table 3, when median equalized property tax rates are calculated for these counties, Schoharie County ranks fourth among the twelve counties. While there is a fair amount of variation in tax rates within each county, Schoharie is generally cheaper than the counties in the Albany metropolitan area, but relatively more expensive than many of the counties in the other two regions with which Schoharie County is associated.

Table 2. Counties Ranked by Median Home Price, 2017.					
			Monthly Payment for Typical Mortgage with interest of:		
Rank	County	Median Home Price, Second Quarter, 2017	3.50%	4.20%	5.00%
1	Saratoga	\$251,664	\$1,017	\$1,108	\$1,216
2	Albany	\$218,019	\$881	\$960	\$1,053
3	Tompkins	\$208,016	\$841	\$916	\$1,005
4	Rensselaer	\$189,686	\$767	\$835	\$916
5	Schenectady	\$173,956	\$703	\$766	\$840
6	Schoharie	\$155,313	\$628	\$684	\$750
7	Otsego	\$147,937	\$598	\$651	\$715
8	Madison	\$139,261	\$563	\$613	\$673
9	Delaware	\$137,163	\$554	\$604	\$663
10	Oneida	\$122,481	\$495	\$539	\$592
11	Tioga	\$113,351	\$458	\$499	\$548
12	Schuyler	\$112,403	\$454	\$495	\$543
13	Broome	\$112,389	\$454	\$495	\$543
14	Cortland	\$112,092	\$453	\$493	\$542
15	Fulton	\$112,092	\$453	\$493	\$542
16	Montgomery	\$105,255	\$425	\$463	\$509
17	Herkimer	\$103,094	\$417	\$454	\$498

Compiled by Fairweather Consulting from data median housing values from the National Association of Realtors.

Table 3. Comparing 2015 Tax Rates in Greater Central NY Region				
Rank	County	Low Tax Rate	High Tax Rate	Median Tax Rate
1	Cortland	31.30	48.37	38.20
2	Montgomery	27.42	51.60	37.58
3	Broome	18.34	59.02	36.10
4	Schoharie	22.85	49.92	35.15
5	Tioga	20.18	55.24	34.33
6	Madison	27.01	43.45	33.86
7	Oneida	11.46	46.88	32.85
8	Tompkins	26.37	41.97	30.36
9	Herkimer	11.04	54.41	29.38
10	Fulton	15.59	51.95	28.82
11	Otsego	14.77	34.79	25.38
12	Delaware	16.20	40.99	25.25

Source: Compiled by Fairweather Consulting using NYS Tax Data.

## On the Edge of Change

As indicated above, the economies of rural areas have greater concentration of employment in agriculture, manufacturing, and retail. At the national level, each of these sectors is undergoing a profound transformation. Our research and interviews have suggested that this is also the case in Schoharie County. While this presents many challenges to the business community in the County, it also comes with many new opportunities that individual and businesses in the County are already pursuing. A substantial part of this economic development strategy is therefore devoted to defining ways by which the County's economic development efforts can support and enhance these creative and innovative approaches.

### Potential Industry Opportunities for Schoharie County

Part of the economic development strategic planning process involves analyzing the economic conditions facing the County to identify sectors or clusters that may represent economic opportunities for Schoharie County. These could involve opportunities to expand and strengthen businesses that are already in the County, along with the potential for attracting businesses in those sectors or clusters to the County. The section following this one provides an overview of the economic analyses involved in identifying such opportunities.

The opportunities identified through those analyses are described below. They are placed in two categories: Strong opportunities are sectors or clusters that already exist in the County and for which the County appears to be at least a reasonably competitive location. Stretch opportunities are sectors that may or may not already exist in the County, but certainly exist in at least one of the regions to which Schoharie County belongs. The question regarding these opportunities is whether the County can assemble the assets these sectors or clusters require (e.g., sites, appropriate workforce, infrastructure, etc.). The promising sectors or clusters are listed below in two categories. Those listed as "strong opportunities" are clusters that already have a significant presence in the County or are a logical outgrowth of existing businesses (i.e., value-added agriculture). "Stretch opportunities" are those that currently do not have a sizeable presence in the County, but are found in the Albany MSA. The stretch opportunities would require the County's economy to improve its ability to attract and retain the workforce needed to support these clusters.

#### ***Strong Opportunities:***

Food Processing & Food Manufacturing: According to the US Cluster Mapping Project, "this cluster includes firms involved in the processing of raw food materials and the manufacturing of downstream food products for end users. This includes millers and refineries of rice, flour, corn, sugar, and oilseeds. These upstream products contribute in part to producing specialty foods, animal foods, baked goods, candies, teas, coffees, beers, wines, other beverages, meats, packaged fruits and vegetables, and processed dairy products." From artisanal cheese to animal feed to craft beer and spirits, Schoharie County is already home to processors of various sizes and descriptions. Given the strong agricultural base in the County and surrounding area and its relatively ready access to New York City and other metropolitan markets, the County, Food Processing and Food Manufacturing are logical opportunities for the County.

**Diversified Agriculture:** The County's 2016 Farmland Protection Plan recommends the introduction of new crops and practices into the County to improve the profitability of its agricultural operations. This is particularly important given the current emphasis on dairy operations and the problems in that industry related to national policies and the dynamics of the dairy market.<sup>3</sup>

**Tourism and the Arts:** According to the US Clusters Mapping Project, the Hospitality and Tourism cluster "contains establishments related to hospitality and tourism services and venues. This includes sport venues, casinos, museums, and other attractions. It also includes hotels and other accommodations, transportation, and services related to recreational travel such as reservation services and tour operators." Arts-related enterprises are complementary to tourism and include the performing arts, music production, and the production of artistic works in a variety of materials and media.

**Advanced Manufacturing:** According to EMSI—an economic modeling and database firm—advanced manufacturing "uses innovative technology to improve products or processes and usually requires fewer (higher-skill, higher-paid) workers than traditional manufacturing. That's because many lower-skill processes have been automated."<sup>4</sup> This is not limited to computers and their components, but includes such sectors as plastics, fabricated metal manufacturing and other specialty lines.

**Distribution:** The US Cluster Mapping Project defines this as Distribution & Electronic Commerce. "This cluster consists primarily of traditional wholesalers as well as mail order houses and electronic merchants. The companies in this cluster mostly buy, hold, and distribute a wide range of products such as apparel, food, chemicals, gasses, minerals, farm materials, machinery, and other merchandise. The cluster also contains firms that support distribution and electronic commerce operations, including packaging, labeling, and equipment rental and leasing." The County's ready access to I-88 and the Interstate Highway system makes it a good candidate for wholesalers, fulfillment operations and similar types of enterprises.

### ***Stretch Opportunities:***

**High-value-added Services:** While services are often thought of as low-paying industries, some are based upon high-value-added processes and consequently are able to pay high wages to employees. Financial services, research and development, and design professions are all good examples of these. They have a significant presence in the Albany MSA (and can also be found in Schoharie County). As technology causes these firms to become smaller and more focused on particular industries, it may be possible to attract or grow them in Schoharie County to serve enterprises in the Albany area and beyond.<sup>5</sup>

**Technology-based Enterprises:** "Tech means more than just producing hardware or software," said Mark Zandi, the chief economist at Moody's Analytics. "It is synonymous with innovation, research and

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<sup>3</sup> *Schoharie County Agricultural and Farmland Protection Plan*, December 2016 Draft, p. 44.

<sup>4</sup> Laura Pizzo, "Defining Advanced Manufacturing at the Industry Level and Pinpointing Its Growing Hubs," EMSI, October 2, 2015. (<http://www.economicmodeling.com/2015/10/02/defining-advanced-manufacturing-at-the-industry-level-and-pinpointing-its-growing-hubs/>)

<sup>5</sup> Economist Intelligence Unit, *Smarter, Value-driven Partnerships: Rethinking professional services in an age of disruption*, 2018.

development, long-term thinking.”<sup>6</sup> In addition to high-value-added services, Schoharie County may be able to attract firms engaged in these opportunities that are serving other enterprises in the Albany metropolitan area. Access to a workforce with the requisite skills and the presence of appropriate technology infrastructure are among the key factors that will determine the County’s success in trying to build these clusters.

Again, the intent of this effort is not solely to identify new types of industries to be recruited into the County. This analysis describes a variety of enterprises that already play a role in the County’s economy. Retaining and growing such enterprises is the primary focus of economic development. Indeed, success in retaining and growing existing businesses is the pathway to effectively recruiting new firms.

### **An Overview of Schoharie County’s Physical Assets**

The strategic planning process includes the identification and mapping of the County’s physical assets related to its natural resources, land use and public infrastructure. Mapping these assets is an important part of the assessment of non-labor resources and critical for determining the availability of potential developable sites for catalytic economic development projects and related opportunities. The following information provides the methods used in the mapping of existing physical assets.

#### **Identifying Potential “Shovel Ready” Sites**

As shown in Figure 5, this summary focuses on sites that have the capability to serve as “shovel ready” economic development sites. Such sites are suitable for larger scale development projects and—in certain cases—industrial parks. These sites are valuable in that they can support projects large enough to have a county-wide impact on employment. Note, however, that the full analysis of the towns’ physical assets identifies opportunities for smaller scale, locally oriented development.

The selection process for these larger sites considered different attributes that may make sites more viable for specific uses (e.g. dairy or food processing requiring highway access, sewer and water, proximity to producers) or generally just more conducive than others for economic development purposes. Specific criteria were used to identify sites from previous mapping that could then undergo further evaluation for industrial and commercial uses. These criteria considered the following in identifying potential development sites:

#### **Parcel Size**

- Parcels equal to or greater than 20 acres as potential “shovel ready” industrial sites
- Parcels between 1 and 19 acres that could be used for commercial uses and/or as smaller industrial sites

#### **Land Use Factors**

- Parcels identified as vacant

#### **Transportation Factors**

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<sup>6</sup> Jim Kerstetter, “Why Some Start-up Businesses are Called Technology Businesses and Others Are Not,” New York Times, August 2, 2015. (<https://bits.blogs.nytimes.com/2015/08/02/in-search-of-the-slippery-definition-of-the-modern-tech-company/>)



- Parcels within 100 feet of a NYS highway
- Parcels within 1 mile of an entrance or exit ramp to I-88
- Parcels within 100 feet of an active rail lines (for potential industrial sites only)

#### **Utilities Infrastructure Factors**

- Parcels within approximately one-quarter mile of a water district
- Parcels within approximately one-quarter mile of a water main where extension may be feasible
- Parcels within approximately one-quarter mile of a sewer district
- Parcels within approximately one-quarter mile of a sewer main where extension may be feasible

#### **Evaluating the Sites: 3 Tiers**

Sites that met most of the criteria were assigned to Tier 1 as a potentially viable (shovel-ready) site for industrial purposes if 20 acres or greater, or for commercial or smaller industrial purposes if less than 20 acres.

Tier 2 sites met many of the criteria for consideration as a potentially viable site for industrial or commercial uses. Tier 2 sites may lack certain attributes that keep it out of the Tier 1 category, such as a lack of sewer or water. Tier 1 and Tier 2 sites are identified on the Map of Countywide Potential Economic Development Sites.

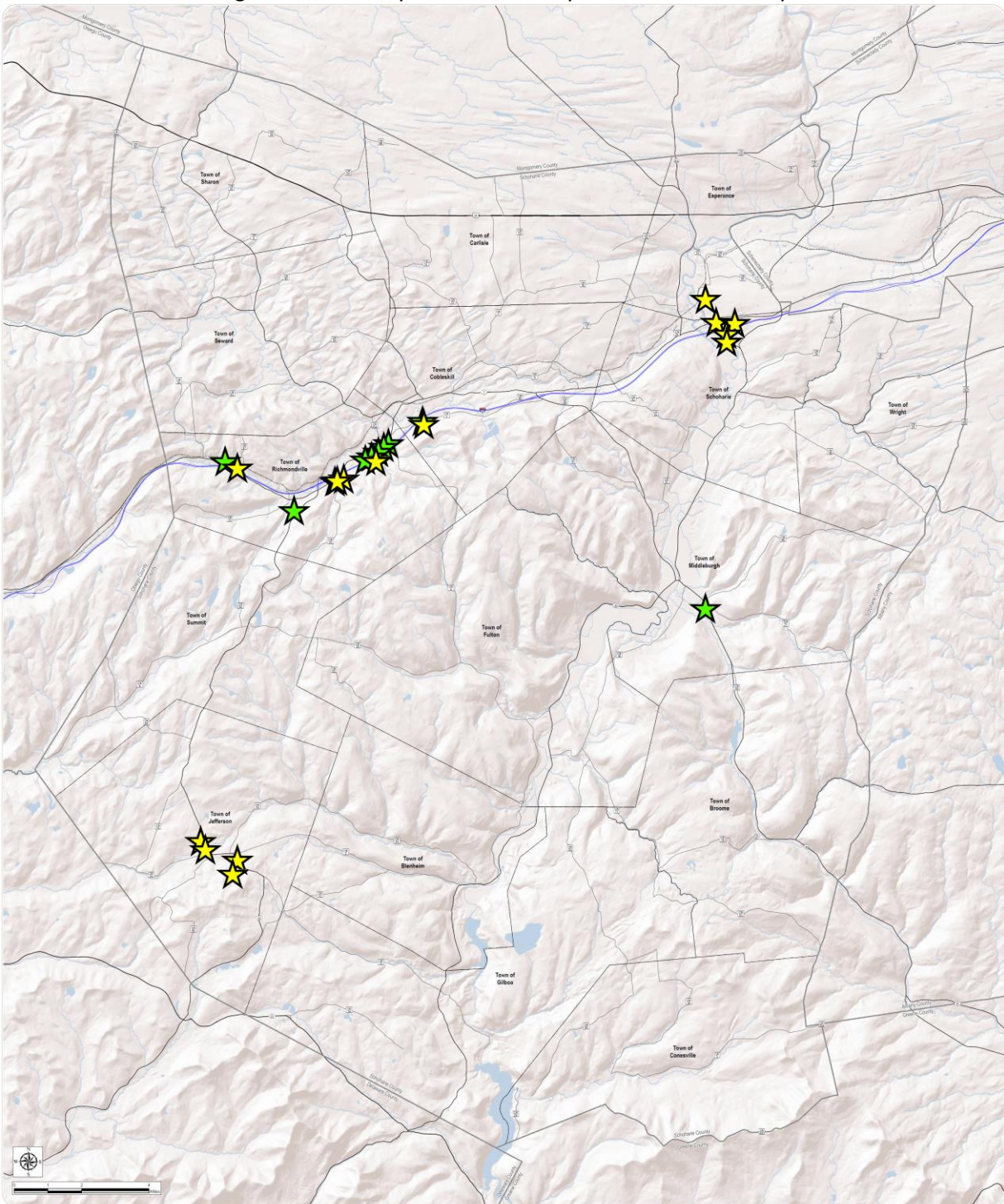
Sites that remain (identified on each of the Town Maps titled Shovel Ready Sites) that do not meet the majority of criteria and that are not considered as Tier 1 or Tier 2 sites may still have development potential for a variety of uses, possibly at a more local level. These sites may still have some development potential for certain types of use, but do not appear to have conditions favorable for catalytic projects. In many cases these sites are vacant but lack critical infrastructure necessary for large types of development. But at a local level they may be suitable for small industrial or commercial uses.

#### **Additional Site Suitability Factors**

The final step of the process reviewed all Tier 1 and Tier 2 sites identified from Step 3 in greater detail by considering additional factors including slope information, land cover, site access, zoning, and nearby land use. Recent aerial photography was used in this analysis. The results further refined the potential viability of each site. Some sites were eliminated due to severe slope conditions or other factors that adversely affect their viability.

A summary of the results of this process are provided in Figure 2. Not surprisingly, the “Tier 1” sites are clustered along the I-88 corridor. Nonetheless, as noted above, virtually every community has some economic development potential from a physical assets perspective. As part of this review, the criteria are being reviewed to ensure they provide the most effective guide to identifying larger scale sites. In addition, as the process is completed, town-by-town maps will be available in the appendices to this report in final form.

Figure 2. Summary of Site Inventory for Schoharie County



### Schoharie County Economic Development Plan

Schoharie County, New York

#### Potential Economic Development Sites

Notes: 1. Base map: ESRI StreetMap North America, 2012. 2. This map was generated in ArcMap on June 26, 2018. 3. This is a color graphic. Reproduction in grayscale may misrepresent the data.



Tier 1 Higher Potential Site



Tier 2 Moderate Potential Site



Interstate



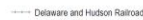
US Route



State Route



County Route



Delaware and Hudson Railroad



Waterbody



County Boundary



Town Boundary

The potential economic development sites are labeled by municipality, Industrial (I) or Commercial (C) use, tier 1 (higher potential) or tier 2 (moderate potential), and site identifier (e.g., a, b, c, etc.).

Example: Town of Richmondville Site I-1a

Total Number of Industrial Sites: 9

Total Number of Commercial Sites: 15



## Shaping the Way Forward: Compiling a SWOT Analysis, Defining a Strategy and a Work Plan

This section begins the process of setting out Schoharie County's economic development strategy. The strategy defines an overall approach to improving the County's economic competitiveness. The assessment of existing conditions that has been completed serves as the foundation for the strategy. In order to develop a comprehensive and consistent response to the challenges and opportunities represented by these conditions, the findings are summarized in a SWOT analysis as explained below. Using that analysis, an overall strategy is defined for the economic development of the County. A pay-off matrix is then used to set the priorities for action under the strategy. Following this work, a detailed implementation plan is provided. The workplan will be based upon creation of an economic development office that will operate within a network of countywide partnerships. The work plan outlines the steps to be taken, the responsible parties, the schedule for implementation and metrics for monitoring progress.

### I. SWOT Analysis

SWOT Analysis is a technique for summarizing analytical findings into a preliminary assessment of Schoharie County's competitive situation describing the County's Strengths, Weaknesses, Opportunities and Threats (hence the term SWOT analysis). SWOT analysis is illustrated in Figure 3. As shown in the figure, strengths are conditions internal to the County that can be

Figure 3. The SWOT Analysis Matrix

	Favorable Condition for Growth	Unfavorable Condition for Growth
Internal Environment	<b>STRENGTHS</b>	<b>WEAKNESSES</b>
External Environment	<b>OPPORTUNITIES</b>	<b>THREATS</b>

employed to support economic growth, weaknesses are conditions internal to the County that could hamper its ability to support economic growth, opportunities consist of conditions in the environment in which the County acts that could be mobilized to generate economic growth and threats are conditions in the environment that could diminish the possibility for growth in the County.

### Schoharie County's SWOT Analysis

The following section summarizes County's economic strengths and weaknesses along with the opportunities and threats it faces. The SWOT analysis is summarized in Figure 4.

Figure 4. Schoharie County's SWOT Analysis

	Favorable Condition for Growth	Unfavorable Condition for Growth
Internal Environment	<b>STRENGTHS</b> <ul style="list-style-type: none"> <li>Existing cadre of economic development entrepreneurs &amp; organizations</li> <li>Strong workforce development providers</li> <li>SUNY Cobleskill as economic catalyst</li> <li>A diversity of successful businesses</li> <li>Multiple interchanges on I-88</li> <li>Village centers with "good bones"</li> </ul>	<b>WEAKNESSES</b> <ul style="list-style-type: none"> <li>Economic development activities are almost all isolated/siloed</li> <li>Slow growth in "middle skills" workforce</li> <li>Limited transportation access other than I-88</li> <li>Low diversity in agriculture</li> <li>No shovel ready sites</li> <li>Limited lodging options</li> <li>Condition of municipal infrastructure</li> <li>Lack of confidence as a community</li> </ul>
External Environment	<b>OPPORTUNITIES</b> <ul style="list-style-type: none"> <li>Sectors/Clusters of Opportunity               <ul style="list-style-type: none"> <li>Ag &amp; Food</li> <li>Advanced Manufacturing</li> <li>Tourism &amp; the Arts</li> <li>Villages</li> <li>Distribution</li> <li>High-value-added Services</li> </ul> </li> <li>Creating a sustained workforce development initiative</li> <li>Drawing from all three regions for target industries</li> </ul>	<b>THREATS</b> <ul style="list-style-type: none"> <li>Inaction</li> <li>Acceleration of the concentration of high-value-added activity in metropolitan centers</li> <li>Continued retail disruption &amp; its impact on centers</li> <li>"Burnout" of a limited cadre of volunteers</li> </ul>

### STRENGTHS

**Existing cadre of economic development "entrepreneurs" & organizations:** While Schoharie does not, at present, have a central office for economic development, there are a variety of economic development initiatives taking place, both by organizations and private business throughout the County. For example, many villages have their own development organization focused on improving village vitality. Recent years seen a variety of important economic development projects come forward, from Hooper Feeds in Central Bridge to the Valley Market in Middleburgh. At the same time the county Industrial Development Agency, the Mohawk Valley Regional Economic Development Council and the Mohawk Valley Regional Economic Development District have assisted economic development projects in the county. Since there is no one office to serve as a clearing house for information on economic development projects, many of these efforts garner only local notice. Yet, taken together, they provide an important impetus for economic



growth in the County. And it is a testimony to the vitality of the economy that these initiatives are found dispersed throughout the County.

**Strong workforce development providers:** as the existing condition or indicates, Schoharie County has strong workforce development providers. These include the Capital Region BOCES as well as SUNY Cobleskill and the entire workforce development system serving the county.

**SUNY Cobleskill as an economic catalyst:** in addition to being an important workforce development resource, SUNY Cobleskill also provides other types of economic development resources to the county. For example, the College's Institute for Rural Vitality is proving to be an important resource for channeling the colleges expertise to address local problems ranging from agricultural diversification to business development to strengthening arts programming. In addition, the College's ability to partner with local businesses through START-UP New York and other programs provide additional benefits to the County's economy.

**Diversity of Successful Existing Businesses:** Schoharie County is also fortunate that a number of existing businesses in a variety of sectors. These range from Harva and Universal Plastics in manufacturing to a variety of agri-tourism businesses including the Carrot Barn and Barber's Family Farm, as well as successful operations in agriculture, hospitality, financial services, and a variety of other enterprises. Research shows that the bulk of new jobs in any economy come from firms that are already there. These firms in Schoharie County are the "seed stock" to create more jobs.

**Multiple interchanges on interstate Highway 88:** Many counties feel blessed if they have two or three interstate interchanges within their borders. Schoharie County is fortunate to have six interchanges along Interstate 88. This provides the county with ready access to markets to the East such as Albany and New England, as well as points West, including Southern tier, Pennsylvania, etc.

**Village centers with "good bones"/walkable mixed-use cores:** Schoharie County is fortunate to have a number of villages that have kept their traditional pedestrian-oriented settlement patterns intact, providing the foundation for walkable, mixed-use downtowns. These include Cobleskill, Esperance, Middleburgh, Schoharie, Sharon Springs, and Richmondville. Such centers will be increasingly important to the county's economy given the role played by experienced-based retail and walkable community centers in attracting tourism as well as providing the quality of life to support a talented workforce while providing these benefits for County residents in general.

## **WEAKNESSES**

**Economic development activities are almost all isolated or in "siloes:"** As mentioned above, Schoharie County is fortunate to have a great deal of locally-based economic development is taking place. However, they almost all operating in isolation from one another. While there is some collaboration between the villages, it remains the exception rather than the rule. In addition, whether it is agriculture, tourism, manufacturing, the arts, important initiatives in each sector are almost always carried out in isolation and often unknown to the other businesses in the area or in the industry. This can prevent alliances and partnerships from forming that would strengthen or extend these local successes. It also contributes to



a lack of visibility of the economic progress taking place in the County, which can be demoralizing to those seeking to foster growth in the County.

**Slow growth in “middle skills” workforce:** Economic success is increasingly driven by an adequate supply of “middle skills” workers. These workers, whose education levels extend from high school completers to those with associates degrees, fill many of the operator and technician positions found in manufacturing and services, particularly in rural counties. While Schoharie County has a fairly high concentration of workers in the middle skills category, the workforce itself is growing slowly and many employers report shortages in their abilities to secure workers with such skills. This can hamper the ability of existing firms to expand and can discourage other firms from considering relocating into Schoharie County.

**Limited transportation accessibility other than I-88:** While I-88 provides excellent transportation access to and from Schoharie County, it is largely the only major thoroughfare for either rail or road that extends throughout the County. While it does provide excellent East-West access, North-south access to and from the county remains uneven at best.

**Low diversity in Agriculture:** Agriculture remains a strong sector in Schoharie. However, as the data in the existing conditions report makes clear, the sector is still highly concentrated in dairy operations. The current system of dairy price supports provides strong incentives for dairy operations to become ever larger and seek economies of scale. This is particularly challenging in Schoharie County where the topography makes it difficult for farmers to assemble holding of the size required to achieve the requisite scale. Thus, with its traditional concentration in dairy, the county’s agricultural is especially susceptible to disruptions related to the Federal pricing system in that sector.

**A lack of shovel ready sites to host larger-scale industrial and commercial development:** In order for Schoharie County to effectively accommodate larger business expansions or to compete for new businesses relocating from outside the county, it must have sites that can easily and expeditiously be developed for industrial commercial uses. At the present time, the county has no sites that are “shovel ready,” that is, sites that are served by sewer and water infrastructure and have the municipal approvals in place to support larger-scale industrial or commercial uses. This can reduce the economic competitiveness of the county by requiring longer lead times for businesses to construct the facilities they need to meet market opportunities.

**Limited lodging options:** like many counties, Schoharie County has a shortage of a range of lodging facilities that can serve business travelers and middle-to-higher end leisure travelers. This is partly due to the diversity of the tourism market in the County that require different options. For destinations attracting large numbers of visitors, it is important to have branded hotels of reliable quality that can serve tour buses and well as individual travelers. For more niche destinations, the need is for a diversity of smaller inns and bed-and-breakfast accommodations. Improving the diversity of lodging in the County is essential if the county is to attract more overnight stays, which, in turn, bring much more tourism spending into the county than day visits.

**Municipal infrastructure:** Given the role village centers are expected to play in economic development in the County, it is important that the municipal sewer and water infrastructure for those jurisdictions be of sufficient capacity and quality to accommodate growth in both population and commercial and industrial uses. While it is not uncommon for municipalities in the County to have excess capacity in their systems, like virtually every other village in New York State, the county's villages could all use improvements to their sewer and water infrastructure to meet current needs while also being able to accommodate growing demand.

**Lack of Confidence as a Community:** During the course of interviews and meetings completed the study, one recurring theme has been a lack of confidence that occasionally exhibits itself in the public life of the County. For example, when the confronted with a large-scale development project or other initiative, it is not unusual for there to be a general sentiment that the project will either underperform or fail altogether. These can make it difficult for either individual entrepreneurs, business organizations, or communities to undertake projects that involve any risk, due to fear of failure and the ensuing disgrace that it may cause. While no one would advocate rash or risky behavior in the use of either public or private investments, a prudent accommodation of some risk is an important ingredient in fostering economic growth and development in the 21<sup>st</sup> century. In its public discourse about development and in the creation of economic development policies, the County as a whole should seek to strike a balance that, while cautious, still encourages new enterprises and innovation and seeks to minimize—while not stigmatizing—failure.

## **OPPORTUNITIES**

**Sectors/Clusters of Opportunity:** the economic analysis interviews and meetings conducted for this project have led to the dedication of several economic sectors or clusters that presents interesting opportunities for the county's economy. They are described in detail in the Existing Conditions analysis and are listed below:

- Agriculture & Food
- Advanced Manufacturing
- Tourism & the Arts
- Villages
- Distribution
- High-Value-Added Services

**Creating a sustained workforce development initiative:** An adequate supply of skilled workers is the most important ingredient for successful economic development. This is particularly true in rural areas. Given the quality of workforce development providers in the county, there is an opportunity for Schoharie County to build a pipeline of “middle skills” workers that will improve the competitiveness of the county's current businesses while making the county and even more attractive place for new and existing businesses. This would be a long-term effort that would require putting together the recruiting mechanisms, training programs and placement systems to meet the needs of existing employers while continually building and expanding the system over the long-term, even as the labor market softens during

the next recession. If the county can continue this effort during an economic downturn, if you go into the next expansion well-prepared to serve its existing businesses, while being better able to attract new businesses into the county.

**Drawing opportunities from all three regions for target industries:** As outlined in the existing conditions report, Schoharie County currently participates in three regional economies: the Albany Metropolitan statistical area, the Mohawk Valley region, and the greater Central New York/Catskills/Appalachian region. Each of these areas has a distinct mix of economic activities, from a technology-based concentration in the Albany area to a traditional manufacturing focus and Mohawk Valley and a world economic focus in the greater Central New York region. Therefore, it may be possible for Schoharie County to build upon its participation in each of these regions to develop a greater diversity of industries through business retention, expansion and attraction.

## THREATS

**Inaction:** One of the distinguishing features of the 21<sup>st</sup> Century economy is its inherent dynamism. Whether it is agriculture, advanced manufacturing, retail or tourism, each of these sectors has been experiencing ongoing technological and market transformations. Consequently, if Schoharie County is to take advantage of the opportunities presented by these sectors, it must be willing to adapt and change to capture those opportunities. Therefore, the greatest threat facing the county is inaction. The county must develop and implement a sustained program to support innovative approaches to business development in the industries that provide opportunities for the county's economy. This is particularly true given the amount of locally based, isolated entrepreneurial activity in the County. If these local initiatives remain in isolation, they could easily succumb to a lack of adequate resources and erosion of the volunteer support that keeps them alive. Consequently, any County action in economic development should seek to build linkages and synergy among these grass-roots efforts.

**Acceleration of concentration of high-value-added economic activity in metropolitan areas:** 21<sup>st</sup>-century economy is increasingly characterized by accelerating innovation. One aspect of this acceleration is increased concentration of innovative enterprises in larger metropolitan areas. Should this trend continue—in Schoharie County does not develop the means to participate in this—the ongoing innovation in the larger economy could leave the county at great economic disadvantage.

**Continued retail disruption & impact on centers:** Online shopping and e-commerce continually create greater and greater competitive pressure on existing “bricks and mortar” retail operations. Left unchecked, this trend could seriously undermine the vitality of Schoharie County's village centers and their retail operations. It is therefore important that this economic development strategy provide a framework through which the villages and their merchants can develop effective solutions to offset the competitive pressures of retail disruption, while strengthening their abilities to provide experience-based retail and tourism related activities in the County's historic centers.

**“Burnout” of a limited cadre of volunteers:** Whether it is arts, culture, or community-based economic development, small towns and rural areas are highly dependent upon cadres of volunteers in their communities to keep communities and their local institutions vibrant and economically sustainable. As mentioned above, it is therefore important to identify ways to continue to grow each communities volunteer cadre, while also finding new ways to undertake and sustain the cultural and economic activities that are important for the long-term economic growth of the County.

## II. Defining a Strategy: Defining an Overall Approach to Economic Development in Schoharie County

The SWOT analysis provides a synthesis of the competitive position of Schoharie County's economy. And from that synthesis comes the county's economic development strategy: an overall approach by which the county can compete for jobs and investment. In essence, the strategy seeks to build upon the strengths of the county's economy to exploit the opportunities found there and to minimize the threats it faces.

### *The Strategy: Building a competitive advantage by supporting value-added activities*

As described in the analysis of existing conditions, Schoharie County is on the edge of three separate economies: the Albany Metro Area the Mohawk Valley and the Catskills/Appalachian region. Each has its opportunities. But, as long as Schoharie County remains peripheral to these economies, it must be willing to accept whatever opportunities happen to come to the County as a residue of the normal workings of those economies.

This strategy seeks to change that. Its overall premise and approach is to position Schoharie County's economy so that it becomes a desirable location for businesses in each of these regions. To do this, Schoharie County must support the ability of businesses in the County to add value to their enterprises. Firms that improve their ability to add value are able to participate in more types of economic activity. For example, extra value firms can generate for customers puts those firms in a better position to participate into existing value chains—the networks of buyers and suppliers that collaborate in delivering goods and services to end users--whether those value chains are found in the Mohawk Valley, the Albany MSA, Greater Central New York, or across the globe.<sup>7</sup> Thus supporting firms in their attempts to add value also improves the County's competitiveness as a location for businesses for firms looking to locate in the area.

In its analysis of globally competitive cities, the World Economic Forum has defined four components of any location's effort to help their firms tap into value chains. They are:

*Appropriate policies and regulations intended to create a conducive business environment. . . .  
connected to larger markets and a trading vocation*

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<sup>7</sup> *Competitive Cities and their Connections to Global Value Chains*. World Economic Forum, June 2016, p. 4.

*Hard connectivity* that physically links businesses to sites with essential services of transportation communications, water and power

*Soft connectivity linking organizations and people together to foster economic productivity and community quality of life. Such connections can include:*

- A qualified and educated labor force closely aligned with the demands of the market
- Policies and institutions necessary to attract talent from other regions and from abroad, including . . . a liveable and pleasant community
- A strong supplier base of . . . investors
- Innovation and R&D policies to foster . . . task, product and process upgrading and lead the way
- Trade facilitation and logistic policies to expedite movement of goods
- Policies and decisions that link and involve people, encourage their positive identification with the [community] and contribute to [community] branding

*Institutional capacity measured by shared leadership and vision, along with clear alignment of government institutions and strong public-private collaboration<sup>8</sup>*

In order to succeed, Schoharie County's economic development strategy must address all four of these approaches. This section provides a summary of what that will look like, starting with policies/regulations and working towards institutional capacity.

### 1. Appropriate Policies/Regulations

A competitive economy is governed by regulations and policies that are clear and unambiguous. This does not mean that they are lax or do not provide rigorous protections to the environment and consumers. Rather, it means that policies and regulations affecting business clearly state and explain:

- the intent of the regulation or policy
- the means of compliance
- the criteria used to evaluate compliance
- procedures to address noncompliance, including remedial approaches and penalties involved

While this may seem self-evident, over time, policies and regulations can remain static while the conditions they are seeking to address can change dramatically. At the same time, piecemeal attempts to improve or fine-tune policies and regulations often produce unanticipated consequences. Therefore, it can be very helpful to regularly review such regulations for clarity, consistency and usefulness. Actions taken in this regard can include:

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<sup>8</sup> Adapted by Fairweather Consulting from *Competitive Cities and their Connections to Global Value Chains*. World Economic Forum, June 2016, p. 14.



*Review of County Policies/Regulations:* Schoharie County government should undertake a review of major County regulations & policies that affect business, ranging from the Administrator's Office, to Planning to the Health Department. Again, the intent of such a review is not to provide a way to avoid compliance, but rather to ensure that compliance can be achieved as quickly, effectively and inexpensively as possible.

*Partner with Towns & Villages to Improve Local Regulations:* While it is important to ensure that County regulations and policies are appropriately focused, much of the policies and regulations that most directly affect business (particularly as it involves expansion or relocation) are under the jurisdiction of the County's towns and villages. In a home rule state like New York, County government has no direct control of these policies and regulation. Rather the County should seek to partner with local government to ensure their regulations and policies align with their preferences for growth and development and the possibilities available in the County & regional economies.

## 2. Hard Connectivity

A competitive economy has "hard" connectivity, meaning that locations that are suitable for business are physically connected to transportation systems and public sewer and water and utilities, including telecommunications infrastructure.

The mapping completed for this strategy provides baseline information regarding hard connectivity in the County. The information gathered in this exercise defines potential sites for development that are linked to appropriate transportation infrastructure, municipal services, utilities and telecommunications. This connectivity needs to be taken to the next level. This includes:

*Creating Shovel-ready sites capable of accommodating large expansion and/or attraction efforts (e.g., an industrial park).* Such sites are of county-wide significance. While the land use regulations involved in creating shovel ready sites will remain the responsibility of the town and/or village involved, the process of assembling the site, ensuring it has the hard connections with infrastructure and moving it through the local, county and State approvals processes needs to be undertaken by an entity with county-wide responsibility that also can tap into the expertise and resources needed to complete such a task and to ensure that such sites are connected to prospective developers through marketing efforts including webpages. This will be discussed further under "institutional capacity."

*Assisting towns and villages to identify and prepare smaller sites* in their jurisdictions to provide infill opportunities for business expansion and attraction efforts. While a County-level effort should lead the development of larger, shovel-ready sites, towns and villages have the primary responsibility for smaller parcels. It is important that they be provided with the planning and regulatory assistance they may need to bring these smaller sites to their highest use economically.

## 3. Soft Connectivity

"Soft" connectivity may be even more important for economic competitiveness. This involves the creation of networks among different parts of the local economy: businesses in and across various clusters, municipalities, economic development organizations, etc. Such soft connectivity includes:

*Creating networks and networking opportunities* for clusters/sectors, downtowns, tourism/arts, economic development organizations focused on the County, municipalities so that the entities can identify common opportunities and issues and develop coordinated responses that may extend beyond a single industry cluster or location.

*Promoting talent attraction/retention by building quality of life in the County*, encompassing tourism and the arts, downtown vitality, housing, the local education system and workforce development. This soft connectivity improves the ability of firms to retain or attract workers due to the enhanced quality of life in the community.

*Internal and External Marketing:* As a location becomes more successful, it is critical that it has the ability to connect to its target audiences, whether that it firms it wishes to attract or visitors it wishes to bring in as either tourists or full-time skilled labor.

*Enhancing opportunities for international trade* through the designation of a Foreign trade Zone, working with the Capital District Regional Planning Commission, Empire State Development, etc.

#### 4. Institutional Capacity

It is essential to secure adequate institutional capacity to sustain the strategy. Defining and creating this capacity can be complex since it encompasses a variety of very different activities, including:

- workforce development
- site development
- technical assistance for downtowns
- Business retention & expansion
- tourism coordination and external marketing
- industry-specific initiatives in such fields as agricultural diversification, expanding lodging options in the County and others

Much of the institutional capacity needed to implement an economic development strategy for the County already exists. But, as indicated above, the capacity needed to drive this strategy must be built upon a shared vision and a clear alignment of government institutions with strong public-private collaboration. The implementation section of this report recommends a private-sector-led Economic Development Organization working within an alliance of public and private partners as a means to marshal the needed capacity.

#### Schoharie County's Strategy & Its Compatibility with Regional Strategies

Note that this strategy dovetails closely with the Mohawk Valley Regional Economic Development Council's economic development strategy. Like the MVREDC's strategy, Schoharie County is also focusing on Place-making and Tourism (e.g., tourism and the arts), Craft Manufacturing and Food Systems (e.g., food and agriculture) as well as STEM-Intense Industries (e.g., advanced manufacturing and sophisticated services). This strategy also closely aligns with the Urban Revitalization Initiative of 2015, that identified STEM-intensive industries and Agri-business as important foci. These regional strategies have set the larger context in which Schoharie County is now defining its own path to success.

### III. Setting Strategic Priorities: A Payoff Matrix for Schoharie County's Economic Development Strategy

Once an overall strategic approach has been articulated, it is often useful to create a “pay off matrix” to begin the process of developing and assessing the potential actions involved in implementing the strategy. Like the SWOT analysis, the payoff matrix divides the range of possible responses into distinct categories via a nine-cell matrix. One dimension of the matrix sorts potential responses on the basis of their potential for creating sustained improvements in the County's ability to support businesses adding value to their enterprise: is the likelihood of sustained improvements be high, moderate or low? The other dimension

Figure 5. A Payoff Matrix

Likelihood of Sustained Impact	Effort/Resources Required		
	Low	Moderate	High
High	Potential High-Priority Action	Potential High-Priority Action	Potential High-Priority Action
Moderate	Potential High-Priority Action	Potential Medium-Priority Action	Potential Low-Priority Action
Low	Potential Medium-Priority Action	Potential Low-Priority Action	Potential Low-Priority Action

■ Potential High-Priority Action     
 ■ Potential Medium-Priority Action     
 ■ Potential Low-Priority Action

categorizes potential actions by the level of difficulty or investment required to take on such tasks: are they of high difficulty, moderate difficulty or low difficulty (easy)? This enables decision makers to consider each potential initiative in terms of its potential for sustained improvement versus its level of difficulty or cost. The payoff matrix is summarized in Figure 5.

Actions landing in the green “potential high-priority” cells have a high potential for sustain impact or a high potential for a moderate impact with a low level of difficulty. Actions falling into the red “potential low-priority” cells are likely to produce low impacts at moderate or high costs/effort, or moderate impacts at high or moderate costs/effort. Items arrayed in the yellow “medium-priority” cells fall between these two extremes.

Figure 6 contains an example of a draft payoff matrix for Schoharie County, providing an illustration of how this technique can be used to identify and prioritize strategic initiatives. We begin by discussing initiatives found in the top row of the matrix, those showing high likelihood of sustained impact.

Figure 6. An Illustrative Payoff Matrix for Schoharie County

Likelihood of Sustained Impact on County's Ability to Support Adding Value	Effort/Resources Required		
	Low	Moderate	High
High	<ul style="list-style-type: none"> <li>Building connections within &amp; across sectors/clusters &amp; across municipalities &amp; other organizations</li> </ul>	<ul style="list-style-type: none"> <li>Business Retention/Expansion Programming</li> <li>Technical Planning Assistance to Villages &amp; Towns on Quality of Life &amp; Expeditious Regulation</li> <li>Review County Procedures for Business-friendliness</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive Cluster-based Workforce Development</li> <li>Creation of Shovel Ready Sites</li> <li>Provide Transformational Incentives</li> <li>Agricultural Diversification</li> <li>Expand Lodging Options</li> </ul>
Moderate	<ul style="list-style-type: none"> <li>Participation in region-wide external marketing campaign to attract businesses</li> </ul>	<ul style="list-style-type: none"> <li>Establish Foreign Trade Zone in County</li> <li>Create County-wide economic development web portal</li> </ul>	<ul style="list-style-type: none"> <li>Seek municipal consolidation as cost-saving measure</li> </ul>
Low	<ul style="list-style-type: none"> <li>Advocate for more business-friendly State policies</li> </ul>		<ul style="list-style-type: none"> <li>County-only external marketing campaign to attract businesses</li> </ul>

Potential High-Priority Action
  Potential Medium-Priority Action
  Potential Low-Priority Action

### Potential High Priority Actions

As explained above, the payoff matrix can help set priorities among the possible range of initiatives to address the SWOT analysis for the County's economy. Listed below is a summary of the actions that have the potential for high sustained impact at various levels of effort/resources, along with initiatives with the potential for moderate impact with low requirements for effort/resources.

### Initiatives with High Likely Impact and Low Required Effort/Resources—building “soft connectivity” within the County

These initiatives to improve connections among economic actors in the County can be thought of a “low hanging fruit.” They have the potential to have a high sustained impact at a very low cost. For Schoharie County, it appears that there could be a high impact on economic activity in the County simply by building connections among businesses and other organizations with and across sectors.

For example, in tourism, building a shared events calendar among municipalities will enable them to better coordinate events to avoid scheduling them in competition with one another and to create multi-day schedule of events to build synergy and visitation among events. Similarly, the extent to which manufacturers or farmers in the County can better identify common needs or opportunities, it may be

possible to create shared responses such as programs for technical assistance or worker training. Sharing information also allows word to spread about success stories in various sectors in the County, helping to build Schoharie's reputation for success. Building these "soft connections" also helps identify and lay the groundwork for new policies, institutional capacity and "hard connections" needed by the County's business community.

### Initiatives with High Likely Impact and Moderate Required Effort/Resources—policy changes and institutional capacity

These initiatives would have high impact on the County with the expenditure of more substantial resources that in the case of the "low hanging fruit." Among these initiatives is:

Institutional capacity: creation of a Business Retention/Expansion program. This involves building a system that supports regular visits to employers throughout the County to learn of issue or opportunities they are facing to remain competitive or even expand their businesses and then supporting employers as they address those problems by bringing expertise, funding and other resources to the table. This initiative has at least moderate requirements in terms of effort or resources, involving dedicated staff time to arrange and conduct the employer visits, as well as time to follow up to address issues and opportunities identified during visits.

Institutional capacity: providing technical planning assistance to Village and Towns to strengthen quality of life in centers and to foster effective, expeditious review of economic development projects.

Policies & regulations: review of County procedures and policies related to economic development. Conducting a review of County procedures and policies to ensure that they provide effective and expeditious guidance for business without unnecessary delays or burdens in another example of an initiative that has the potential for high sustained impact at a moderate expenditure of effort/resources.

### Initiatives with High Likely Impact and High Required Effort/Resources—hard connectivity and institutional capacity

These initiatives can be thought of a "heavy lifts" to build stronger physical connections and facilities as well as promoting policies conducive to adding value. They have the potential to have a high sustained impact on the County's economy but come at a fairly high cost in terms of effort/resources. Initiatives in this category include:

Institutional capacity: creating a comprehensive cluster-based workforce development program, focused on—but not limited to—middle skills occupations. As described above, this would involve working with employers to define needed skills, as well as defining a system of recruitment, training and placement in cooperation with the employers and workforce development providers in the County.

Hard connectivity: creating shovel-ready sites for larger scale industrial and commercial development. This initiative would enable the County to respond quickly to accommodate larger scale development coming either from businesses already in the County that are seeking to expand, or firms looking to establish a location in Schoharie County. This could involve working with private landowners, local governments, County Planning regional and state economic development organizations and other parties



as appropriate to build the tangible connections provide a suitable site for development with the transportation access, physical infrastructure and government approvals it needs to support the relocation and/or expansion of a business.

Institutional capacity: provide transformational incentives. Incentives only make sense if they are used to induce investments or behavior that are important to implement the County's economic development strategy and are otherwise not likely to happen in the absence of such incentives. In this case, the strategy can benefit from creating the capacity to provide incentives that support the ability of firms to add value.

START-UP NY is one example. Under the State's START-UP NY program, companies that relocate to or expand within designated zones in New York and partner with a college or university in that zone are given special tax breaks. The program is intended to enable businesses to tap into expertise and other resources found on the campuses, while providing faculty and students with research and learning experiences. SUNY Cobleskill's Center for Business Development is already working with several firms on START-UP NY-related projects.

In the case of larger expansions or relocation projects, the County Industrial Development Agency could also participate in the provision of incentives targeted toward firms that demonstrate an ability to contribute to the value-added ecosystem. The criteria for such a program could include:

- Demonstration that the firm receiving the incentives either participates with or supplies technology-based enterprises (e.g., firms that develop or use nanotechnology)
- Documentation that the firm receiving the incentives will engage in international export of much or all of its products and/or services
- Demonstration of the use of high-value-added processes as documented through high median wages for the firm

An additional set of transformation incentives can be created for the Village through the creation of a competitive grants program for the County's downtown. Such a program could provide small grants for projects with the best prospects for preserving, enhancing or creating economic vitality within the central business districts of the villages. Projects could range from market studies to façade improvement programs to renovations of catalytic spaces to plans for fostering an increased residential presence in the downtowns.

Institutional capacity/soft connectivity: Support ongoing efforts to diversify agriculture in the County. Diversification of agriculture would involve supporting growers identifying new value-added opportunities in dairy as well as diversification of farm operations into other crops and markets. This would require ongoing partnerships between farmers, Cornell Cooperative Extension, SUNY Cobleskill and others.

Institutional capacity: expand lodging options. This could involve close cooperation among property owners, hospitality developers, local governments, the Industrial Development Agency and others to define appropriate locations and types of accommodations, perform feasibility studies, secure local approvals and construct the facilities.

### Potential Medium-Priority Actions

There are other actions which may not have as substantial an impact on the County's economy as those listed above but are likely to benefit the County economy and therefore may still be worth pursuing. Two examples are given below.

Soft connectivity: enabling a Foreign Trade Zone in Schoharie County. A Foreign Trade Zone is a district created to facilitate the import and export of foreign goods to a location in the US in a manner that strengthens the ability of firms located in the FTZ to conduct international business. According to the Capital District Regional Planning Commission's website:

A Foreign-Trade Zone is a secured, designated location in the United States, in or near a U.S. Customs Port of Entry, where foreign and domestic merchandise is generally considered to be in international commerce (i.e., outside of the U.S. Customs territory).

The purpose of Foreign-Trade Zones is to stimulate international trade and create jobs and investment in the United States rather than abroad. Foreign merchandise may enter a Foreign-Trade Zone without a formal Customs entry or the payment of Customs duties or government excise taxes. If the final product is exported, no U.S. Customs duties or excise taxes are levied. If the final product is imported into the United States, Customs duties and excise taxes are due only at the time of transfer from the FTZ. If authorization has been granted, the duties paid are the lower of those applicable to the final product itself or its component parts (inverted tariff option).<sup>9</sup>

While Schoharie County is currently not one of the 10 counties participating in the Capital District FTZ, it can be so designated by the State Legislature:

Depending upon the location, the company may need to obtain NYS enabling legislation providing [Capital District Regional Planning Commission] with the authority to establish a Foreign-Trade Zone within the county.<sup>10</sup>

Hard connectivity: creating a County-wide economic development web portal: As the County positions itself for development through the creation of shovel-ready sites, addressing workforce needs, providing technical assistance to local governments, etc., It may prove valuable to build hard connectivity via a county-wide website to showcase the County's advantages and available sites to the outside world. The Village of Cobleskill has created such a site for itself (<https://www.cobleskillvillage.com/development-investors>) that can serve as one example of a county-wide web presence.

### Potential Low Priority Actions

The matrix also identifies two potential low-priority actions. These have low likelihood of sustained impact or a moderate likelihood of impact with moderate expenditure of resources required. One example is the consolidation of municipal services to reduce costs. These initiatives tend to be very labor intensive and provide modest reduction in service costs. While there may be important and worthwhile reasons for taking on municipal consolidation, it would have only a modest impact on economic

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<sup>9</sup> <http://cdrpc.org/programs/economic-development/foreign-trade-zone-121/>

<sup>10</sup> <http://cdrpc.org/programs/economic-development/foreign-trade-zone-121/ftz-sites/>

development, despite the high effort or cost involved. Advocating for more “business friendly” state policies is also classified as low priority. While the advocacy would require relatively low effort or cost, there is little likelihood that the County would have much success in changing State policy to improve the business climate.

## IV. Goals & Objectives

Once priorities have been identified, goals and objectives serve as a guide for timely and effective implementation of those priorities. This section lays out the strategy’s goals—the broad purposes the strategy seeks to achieve. Under each goal is found its objectives—the specific activities that need to be completed in order to accomplish the goal. These goals and objectives are the foundation of the workplan detailed in the implementation section.

### Goal 1. Building Institutional Capacity: Establish the Schoharie County Economic Development Organization and the Economic Alliance

As mentioned above, it is critical that the economic development strategy be launched with adequate institutional capacity, involving shared leadership and vision, along with clear alignment of government institutions and strong public-private collaboration. The structure proposed to oversee the strategy be constituted as a catalytic organization operating within an economic development alliance, a network of public and private partners.

Thus, Schoharie County’s Economic Development Organization is not intended to be a comprehensive bureaucracy operating all aspects of economic development in the county. Rather it is intended to be a catalytic hub of a network of the county’s economic development stakeholders supported by a combination of public and private funding, led by the private sector. Private sector leadership is essential if the organization is to have credibility among the county’s business community as well as the ability to identify and respond to the key issues and opportunities facing business in Schoharie County.

*Objective 1-1. Establish the Economic Development Organization.* Implementation of this strategy will require multifaceted, sustained action that can only be carried out by professional staff. Therefore, one of the first steps in implementation will be to create and staff an Economic Development Organization for Schoharie County. Recommendations for this structure are included in the “implementation” section of this document.

*Objective 1-2. Create the Schoharie County Economic Alliance.* As indicated above, Schoharie County’s economic development efforts are to be coordinated by an Economic Development Organization that will broker a partnership of public and private organizations. This partnership (the Economic Alliance) will involve the creation of formal and informal relationships between the Economic Development Organization and the other entities whose expertise and resources are required to implement the County strategy. Potential partners in the Alliance are described in the “implementation” section.

### Goal 2. Building hard connectivity: Prepare sites and workforce for development

A competitive location is distinguished by its hard connectivity, that is, the existence of physical links between key development sites and the infrastructure needed to bring about the intended development.

The county Economic Development Organization should have the following roles in building hard connectivity in Schoharie County:

*Objective 2-1. Develop shovel ready sites.* Shovel ready sites are important asset for Schoharie County if it wishes to support the expansion and/or attraction of firms to the county, particularly firms that are seeking to add new value to their goods or services. This strategic planning process has identified several sites that have the potential to serve as shovel ready sites. Since this is important countywide asset, it is logical that the countywide Economic Development Organization would be the lead player in this effort. It should be noted, however, that this effort would be undertaken in close coordination with local governments in the county as well as such organizations as the county health department the county planning department, etc., as well as Empire State Development, particularly should it prove to be advantageous to secure ESD certification under its Shovel Ready program.

*Objective 2-2. Establish a strategic workforce development initiative for the County.* As indicated earlier, workforce development may be the single most important factor in building the economic competitiveness of the county's economy. While Schoharie County is fortunate to have a number of strong workforce development providers in the Capitol Region BOCES, Otsego Northern Catskills BOCES, SUNY Cobleskill, and Fulton, Montgomery, and Schoharie Counties Workforce Development Board, it should be noted that all of these organizations have responsibilities that extend beyond Schoharie County alone. The county Economic Development Organization will have a unique responsibility to ensure that these resources can be focused on key workforce development issues a strategic importance to the county's economy. In essence, this role will involve building relationships with the regional workforce development providers to address the specific needs of Schoharie County's economy and the businesses within it. This work will build upon such initiatives as the Mohawk Valley's sector-based strategies for industry-aligned workforce pipeline development launched in 2016.<sup>11</sup>

*Objective 2-3. Create transformational incentives.* The thrust of this strategy is to assist firms to add value to their products and processes. One way this can occur is if incentives are created that help firms overcome obstacles or costs associated with this effort. Implementation of this strategy will involve identifying and assembling incentives that provide impetus for companies to undertake transformational steps to add value (e.g., invest in capital equipment, adopt new technology, train workers in new process or practices, etc.) Participants in such an effort are likely to include the County IDA, SUNY Cobleskill and others.

### Goal 3. Building soft connectivity: Create networks of organizations to sustain growth

In addition to these hard connections, a competitive economy also needs a network of relationships, or soft connectivity, in order to be competitive. The county Economic Development Organization should have the following roles in building soft connectivity in Schoharie County:

*Objective 3-1. Establish a business retention and expansion (BR&E) program.* The vast majority of new economic activity in any economy comes from existing businesses. Therefore, it is important that Schoharie County establish its own business retention and expansion program is one of the first steps in implementing this economic development strategy. This program consists of two elements. First, regular

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<sup>11</sup> Mohawk Valley Regional Economic Development Council, 2017 Progress Report, page 34.

visits by representatives of the economic development office to existing businesses throughout the county. During these visits, the businesses communicate to the BR&E representative about what the company is seeking to do to respond to issues or new opportunities that the business may be able to take advantage of. The second aspect of the business retention and expansion program is creating a network of service providers that can be called in to assist the business in addressing the issues or opportunities. This could include bringing in the BOCES to set up a program to train employees in new technology. It might be matching the company up with SBA loans or other financing necessary to add a new product line. SUNY Cobleskill's Institute for Rural Vitality may be brought in to help an agricultural enterprise transition to new markets.

*Objective 3-2. Support and, as necessary, lead cluster and sector-based initiatives in such areas as agriculture and food, tourism, and downtown business development.* One of the important thrusts of this economic development strategy will be a series of cluster specific or sector specific initiatives designed to take advantage of the target opportunities defined during the planning process. For example, the economic development office can be expected to be working on issues related to agricultural diversity and food manufacturing opportunities. In addition, in the tourism sector, the Economic Development Organization will be working to diversify and expand lodging opportunities in the county. It will also be working with villages on downtown business development opportunities, particularly overseeing the competitive grants program for villages. In some cases, the Economic Development Organization will be taking the lead in such initiatives. Lodging development would seem to be such a case. In other situations, such as agricultural diversification, the organization may be serving as a catalyst or supporter of existing and/or new efforts to promote agricultural diversity by such organizations as local farmers, Cooperative extension, SUNY Cobleskill, and others.

*Objective 3-3. Foster initiatives to improve quality of life and thereby talent retention and attraction throughout the county.* In years past, addressing the quality of life of the place was seen as a civic responsibility, but had very little to do with economic development. In the current talent driven economy, quality-of-life and sense of place are important sources of economic competitiveness. The extent to which the villages are seen as lively, desirable places to live, they will be more attractive to businesses and the employees they need to succeed. Thus, it will be important for the Economic Development Organization to serve as a catalyst and/or supporter for local efforts to improve quality of life and make the area more attractive to employees as places to live. This could involve a variety of initiatives ranging from downtown revitalization to housing development to improving cultural offerings within the county.

*Objective 3-4. Lead tourism coordination and external marketing.* The coordination of tourism and the oversight of external marketing play an important role in building hard connectivity between Schoharie County businesses and potential markets outside the County. Tourism has an essential role both as an industry in its own right, but also as a means to highlight the county's quality of life to potential investors as well as employers' prospective employees. In addition, an important aspect of hard connectivity for Schoharie County is to make sure that it is fully connected to the whole range of economic development opportunities that exist in the areas beyond the County's boundaries. This external marketing will take several forms. First, it will build upon tourism marketing efforts as a way of highlighting Schoharie County and its positive aspects as a site for business and is a place to live. From a broader economic development perspective, initial efforts of external marketing should be done in coordination with existing

organizations such as the Mohawk Valley Regional Economic Development Council, Mohawk Valley EDGE and other organizations that are already promoting the Schoharie County area to outside interests. As Schoharie County develops its own “products” for development (e.g., sites), it will become increasingly important for the county to do its own external marketing. But at the beginning at least, it will be both more cost-effective and more fruitful for Schoharie County to participate in the external marketing efforts of these established regional organizations.

#### Goal 4. Ensure effectiveness of local policies and regulations

In addition to building hard and soft connectivity, it is important for the Economic Development Organization to play a role in improving the ability of local governments to effectively regulate economic activity and environmental protection without excessively burdening the businesses involved. Clearly, in a home-rule state like New York, this is the responsibility of the towns and villages. But there is a role for the Economic Development Organization to play in promoting creative and effective responses to local business-related policies and regulations, in cooperation with such entities as the county planning department, the county health department and others.

*Objective 4-1. Identify and address critical county-level policy and regulatory impediments.* The Economic Development Organization should convene working groups of businesses and county department heads to identify existing county policies and regulations that are unnecessarily burdensome on businesses and—where possible—make recommendations to achieve the goals of the regulations and policies with less cost to business.

*Objective 4-2. Work with municipalities to address issues in local policies and regulations.* The Economic Development Organization will offer to work with towns and villages in the County to help them improve policies and regulations that may be unnecessarily burdensome to business. This will involve cooperating with the County Planning Department and possibly other organizations with expertise in this area.

## V. Implementing the Strategy

In order to serve as an effective catalyst in the network of economic development organizations and businesses in the county, Schoharie County’s economic development organization must have the following capabilities:

*The ability to engage the private sector.* If this economic development strategy is to succeed, the private sector must be effectively engaged these partners so that they can leave the effort, as well as help define key initiatives to the county needs to support to foster economic growth. Thus, it is very important that as it is structured, this Economic Development Organization provides adequate opportunity for participation and leadership by the private sector.

*The ability to structure and close complex real estate and economic development deals.* While much of the economic development work in Schoharie County will involve working with existing businesses, there will be times when projects will require an ability to structure and complete complicated real estate transactions, involving assembling parcels, ensuring adequate infrastructure to the site, and working with local governments on improvements. It is expected that Schoharie County’s Economic Development



Organization will have some expertise in this regard, but even more importantly, will have allied organizations they can draw upon with such expertise when these situations arise.

Grants writing and administration. Securing federal and state grants is an important part of economic development. These grants could involve direct assistance to businesses, infrastructure development, or resources for improved marketing, etc. Therefore, it is important that the Economic Development Organization of Schoharie County have expertise in both grants writing in grants administration.

Experience in securing private and public sector financing for projects. Economic development often comes down to whether or not the financing exists to help a project forward. Therefore, the county economic development office must have strained in securing public and/or private sector financing for projects. This will require close working relationships with

Fostering business development in villages and hamlets. As a indicated above, strong vital hamlets and villages are an important component for Schoharie County's economic competitiveness. Therefore, the county's Economic Development Organization will be involved on a regular basis in issues related to downtown business development. Consequently, the organization needs to have expertise in this area.

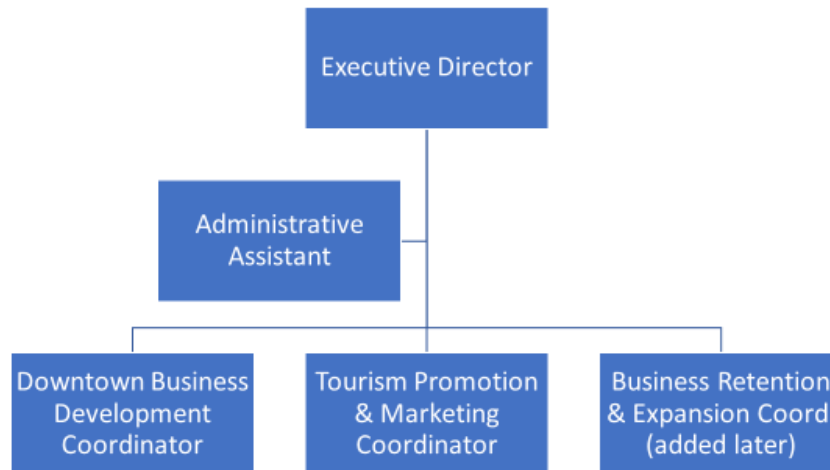
Marketing. As indicated earlier, tourism and external marketing is important part of the Schoharie County economy. Therefore, the ability to promote and coordinate tourism activity, particularly focusing on external marketing, will be important to the County's success. As the strategy is implemented, it will be important that word get out about Schoharie Counties success and improved competitiveness. Therefore, the county Economic Development Organization must have expertise in external marketing, including the ability to engage markets ranging from high-end tourists coming of the New York City area to traditional manufacturers looking to relocate to the county from other parts of New York State or the United States. At its beginning, the marketing program should seek to leverage existing regional external marketing and advertising efforts in both tourism and business attraction.

### **Institutional Capacity: the Economic Development Organization**

As indicated above, sustaining this strategy requires shared leadership and vision, along with clear alignment of government institutions and strong public-private collaboration. This will require full-time professional staff. Further, since much of the work of this strategy involves building and maintaining partnerships, it is important that the Economic Development Organization be created as a stand-alone

private entity. This enables it to work among private and public organizations as a neutral third party. It also gives the organization greater flexibility in hiring and in conducting private discussions with businesses, not subject to Freedom of Information regulations.

Figure 7. Proposed Organization Structure for the Economic Development Organization.



Given the roles and responsibilities of Schoharie County's Economic Development Organization, the following structure is recommended: as shown in Figure 7, the organization would initially consist of three professional positions and one administrative support position. Over time, it is expected that an additional position would be added to oversee the business retention and expansion program.

The Executive Director would be the chief executive officer of the Economic Development Organization. That position would provide overall leadership for the organization, serve as the is on with the organization's board of directors, and carry out many of the key functions of the organization, including interface with most key partners, grants writing, etc.

The Downtown Business Development Coordinator would be the primary liaison between the Economic Development Organization and the villages and hamlets in the county. It is envisioned that this position would be an important intermediary between the villages and such organizations as the county planning department and key funders for downtown initiatives.

Tourism Promotion and Marketing Coordinator would be responsible for the internal and external marketing conducted by the Economic Development Organization and would work closely with regional economic development organizations and regional tourism promotion agencies to enhance the visibility of Schoharie County to important prospective employers, tourists, and even potential workers.

The Administrative Assistant position reports the executive director and be responsible for carrying out administrative tasks essential to the office. This could include grants administration, records management, basic bookkeeping, etc.

The Business Retention and Expansion Coordinator position would be added as that program grew over the first few years. Initially, the Executive Director would be responsible for the BR&E program. But as the program expands, it is expected that it would require a full-time coordinator to manage the outreach to businesses and the coordination with agencies and organizations recruited to address the issues and opportunities identified by the businesses.

### The Importance of Partnerships for the Economic Alliance

While the Schoharie County Economic Development Organization has a central role to play in implementing the economic development strategy, it cannot succeed on its own. Indeed, the only way the County can fully respond to the economic opportunities and challenges it faces is by creating and cultivating a network of working partnerships with a wide variety of organizations.

Figure 8. Proposed Structure for Implementing the Schoharie County Economic Development Alliance

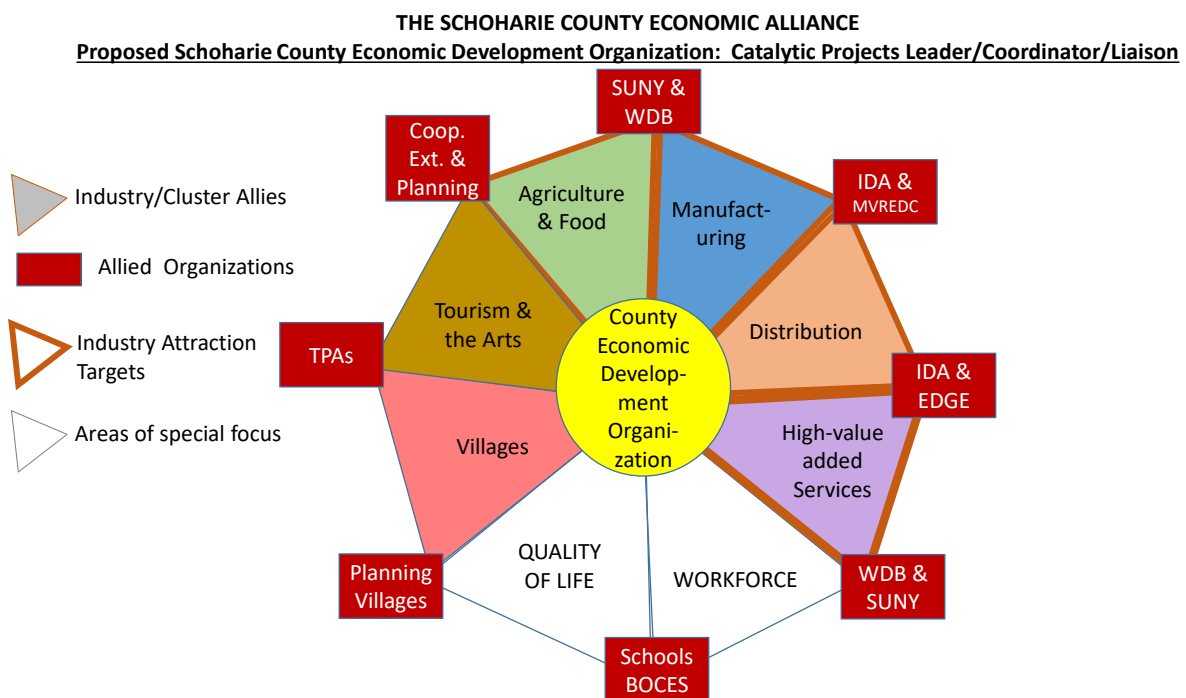


Figure 8 provides a conceptual framework for this network, termed the Schoharie County Economic Alliance and how the network would be catalyzed by the county-wide Economic Development Organization (depicted in yellow as the hub of the alliance). Some of the key partners are illustrated in Figure 8. A partial listing of potential partners is given below in alphabetical order.

NOTE: This list represents a preliminary set of partners. Over time, as the strategy is implemented and new issues and opportunities are identified, this list will be added to.

**BOCES:** the Capital Region BOCES and Otsego Northern Catskills BOCES are already important partners in meeting the workforce development needs of firms in the County, both through their regular school programs and customized training.

**County Health Department:** The Health Department will be an important partner in the process of reviewing County policies and regulations.

**County Industrial Development Agency (IDA):** the Schoharie County IDA has a successful track record in assisting businesses in the County with financing and incentives. That role will continue under this economic development strategy.

**County Planning:** County Planning will play an important role in assisting with the review of policies and regulations. They will play a key role in working with local municipalities to improve their land use policies.

**Healthcare:** Availability of quality healthcare is a key indicator of community life, especially for young families with children and the elderly, and healthcare is one of the larger economic clusters in the county. For example, Cobleskill Regional Hospital directly and indirectly generates \$53 million in economic activity in Schoharie County, provides 400 jobs and is the source of \$6,100,000 in tax dollars.

**Mohawk Valley Economic Development District:** the MVEDD will be an important conduit for funds from the US Economic Development Agency for infrastructure and other projects.

**Mohawk Valley EDGE:** as a leading regional development organization, EDGE will be an important resource for industry attraction and external marketing, real estate development and other aspects involved in completing complex economic development transactions.

**Mohawk Valley Regional Development Council/Empire State Development:** In addition to its role in awarding funds through the Consolidated Funding Application process, the MHREDC is staffed by the regional office of Empire State Development, an important partner for external marketing, site development and other aspects of the development process.

**Regional Tourism Promotion Agencies (TPAs):** the Saratoga Capital Region, the Mohawk Valley Region and the Catskills Association for Tourism Services play an important role in marketing regions in which Schoharie County is located. They will be important resources in the County's external marketing and tourism promotion efforts.

**School Districts:** Schoharie County's school districts have two important roles to play. First, they are the "front line" in addressing the workforce needs of County employers. The extent to which they succeed in their educational mission, the County can become ever stronger economically. Second, the schools are an important ingredient in the County's quality of life, potentially enabling workers with families to select the County as a home because of the quality education offered here along with the cultural and community resources found in the County's schools.

**SUNY Cobleskill:** The partnership with SUNY has the potential to be one of the most comprehensive resources in fostering economic development in the County. It is a major participant in workforce

development, industrial innovation, community quality of life and other facets of economic development in the County.

**Village Development Groups:** Schoharie County's villages are already playing an active role in economic development. One of the major thrusts of the strategy is to better coordinate their contributions with county efforts and with the creative work being done in other municipalities in the County.

**Workforce Development Board:** The Fulton, Montgomery and Schoharie Counties Workforce Solutions System is the major resource the County can draw upon to address the current workforce needs of County businesses. The County Economic Development Organization should draw upon the resources of this organization as it responds to emerging needs of employers in the County.

### The Work Plan: Four Phases

Using a detailed work plan to set clear priorities and metrics for success helps address one of the County's key weaknesses: its lack of community confidence. The following workplan has been devised to effectively achieve the goals and objects of the strategy. It seeks to do so in a manner that will secure early successes, followed by increasingly comprehensive and powerful responses to support firms seeking to add value to their products and processes, thus creating short-term success that builds confidence and leads to even greater accomplishments in the long term.

The work plan is organized into four phases.

**Phase 1: Start Up:** Year one is considered a "start-up" year, with much of the activity focused on creating and staffing the Economic Development Organization as well as the Economic Development Alliance.

**Phase 2: Expansion:** Year two is an "expansion" year, bringing on line the major initiatives outlined in this strategic plan.

**Phase 3: Full Implementation:** Years three and four mark the full implementation of the plan, with virtually all of the strategy's initiatives coming on line and being fully operational at that point.

**Phase 4: Harvesting the Rewards:** By year five, the strategy is fully implemented. Work will focus on realizing the benefits from the County's increased competitive advantage. This is also the phase to begin considering an update to the strategy itself.

The matrix below outlines how this process will take place in each of these phases. It indicates the goals/objectives being addressed, the outcome being sought in that particular year, metrics for measuring success in that year and the organization(s) responsible for meeting those metrics. This is offered as a starting point for developing a full implementation plan. It is expected that final implementation will look somewhat different from these detailed steps as circumstances dictate. Nonetheless, the matrix below is intended as a template to ensure that the important work of this strategy is implemented in a timely and effective manner.

YEAR ONE: START UP			
Goal/Objective	Outcome	Metric	Responsible Partner(s)
Goal 1. Building Institutional Capacity			
1-1. Establish the Economic Development Organization	EDO created as separate not-for-profit organization.	Board created and incorporation papers filed.	County administrator's office
		Contract with County signed & private funding secured.	County administrator's office & EDO Board
		3 professional positions created & staffed.	EDO Board
1-2. Create the County Economic Development Alliance	Membership and structure of the Economic Development Alliance defined.	Memoranda of Understanding signed between EDO and partners.	EDO Executive Director
Goal 2. Building hard connectivity			
2-1. Develop shovel-ready sites	One or two sites confirmed for development as shovel ready sites.	Sites with willing owners identified.	EDO Executive Director
2-2. Establish a strategic workforce development initiative	Identify partners and create formal partnership.	Memoranda of Understanding signed between EDO and partners.	Strategic Workforce Development Coordinator
2-3. Create transformational incentives	Work with IDA to identify program components.	Criteria for eligible projects and incentives identified.	EDO Executive Director, IDA and SUNY Cobleskill, Villages and others.
Goal 3. Building soft connectivity			
3-1. Establish a business retention & expansion program	Structure of BR&E program created.		
	Create interview form & outreach methodology.	Report on interview form & outreach methodology presented to EDO board.	EDO Executive Director
	Identify partners service providers and create referral mechanism.		EDO Executive Director
3-2. Support &/or lead cluster-based initiatives	Inventory existing cluster-based initiatives in County and 3 regions.	Inventory report submitted to EDO board.	EDO Executive Director
3-3. Foster quality of life initiatives	Inventory Q of L and downtown business development initiatives in villages.	Inventory report submitted to EDO board	Downtown Business Development Coordinator



YEAR ONE: START UP			
Goal/Objective	Outcome	Metric	Responsible Partner(s)
3-4. Lead tourism coordination & external marketing	A county wide inventory of tourism events and attractions is created	County-wide events calendar created/updated and presented to the EDO board	Tourism & External Marketing Coordinator
Goal 4. Ensure effectiveness of local policies & regulations			
4-1. Identify & address critical county-level issues	Critical county-level issues identified.	Report submitted to EDO board and County Economic Development Committee	County Administrator and EDO Executive Director
4-2. Work with municipalities to address local policies & regulations	Convening of municipalities to discuss local regulatory barriers to economic development.	Meeting convened	Downtown Business Development Coordinator and County Planning Department

YEAR TWO: EXPANSION			
Goal/Objective	Outcome	Metric	Responsible Partner(s)
Goal 1. Building Institutional Capacity--Accomplished			
Goal 2. Building hard connectivity			
2-1. Develop shovel-ready sites	Regulatory reviews begin for shovel ready sites.	Lead agency for SEQR designated. SEQR scoping completed. Required permits & reviews identified and process begun	EDO Executive Director & County Planning Department
2-2. Establish a strategic workforce development initiative	Strategic workforce development programming is developed and launched.	Report defines target industries and critical skills they require and first round of initiatives needed to address them.	Strategic Workforce Development Coordinator and partner organizations.
2-3. Create transformational incentives	Transformational incentive program implemented.	Program elements formally adopted by partners (e.g., IDA and SUNY Cobleskill); Village grant program launched.	EDO Executive Director, IDA and SUNY Cobleskill, Villages and others.
Goal 3. Building soft connectivity			
3-1. Establish a business retention & expansion program			
	Business Retention program formally launched.	At least 10 businesses receive BR&E visits with at least 5 referrals for assistance made.	EDO Executive Director
3-2. Support &/or lead cluster-based initiatives	Explore the feasibility of creating (or the EDO attending) regular meetings of businesses in the following clusters: Agriculture & food Advanced manufacturing Tourism & the Arts Etc.	EDO representative convenes and/or attends at least one meeting for each of the clusters and defines and/or agrees to assist with an ongoing initiative for each cluster (e.g., shared training, marketing, technical assistance, etc.)	EDO Executive Director
3-3. Foster quality of life initiatives	A formal workplan to promote quality of life in the County is implemented.	A 3-year workplan to complete specific initiatives related to Quality of Life is presented to the EDO board.	Downtown Business Development Coordinator and County Planning Department
3-4. Lead tourism coordination & external marketing			
	Create preliminary marketing strategy for tourism & external marketing.	Preliminary marketing strategy submitted to EDO board identifying	Tourism & External

YEAR TWO: EXPANSION			
Goal/Objective	Outcome	Metric	Responsible Partner(s)
		critical initiatives and partners for both tourism and external marketing.	Marketing Coordinator
	Necessary options for improving lodging are identified by tourism segment by canvassing tourism destinations/events to identify the types of lodging requested by their visitors.	A report on the required options for lodging is presented to the EDO board with recommendations for action to address shortcomings.	Tourism & External Marketing Coordinator
Goal 4. Ensure effectiveness of local policies & regulations			
4-1. Identify & address critical county-level issues	Recommendations made to address critical regulatory and policy barriers to economic development.	A report is submitted to the EDO board and the County Economic Development Committee identifying steps to be taken.	County Administrator's Office and EDO Executive Director
4-2. Work with municipalities to address local policies & regulations	Local municipalities	At least 3 local municipalities agree to work with County Planning Department & Downtown Business Development Coordinator to revise policies and regulations to support business development.	County Planning Department and Downtown Business Development Coordinator

YEARS THREE & FOUR: FULL IMPLEMENTATION			
Goal/Objective	Outcome	Metric	Responsible Partner(s)
Goal 1. Building Institutional Capacity--Accomplished			
Goal 2. Building hard connectivity			
2-1. Develop shovel-ready sites	Shovel ready sites(s) are designated.	Site(s) have received necessary permits, SEQR FGEIS is complete. As appropriate, site(s) received NYSESD certification.	EDO Executive Director, SEQR designated lead agency
2-2. Establish a strategic workforce development initiative	Program is fully operational.	Coordinated workforce development initiatives are in place in schools, BOCES, SUNY Cobleskill and industry partners.	Strategic Workforce Development Coordinator
2-3. Create transformational incentives	Program is fully operational. IDA, SUNY Cobleskill and Villages all have incentive programs.	Five business per year are provided incentives through this program.	EDO Executive Director, Downtown Business Development Coordinator and Partners.
Goal 3. Building soft connectivity			
3-1. Establish a business retention & expansion program	Program is fully operational with Business Retention & Expansion Coordinator position created and filled.	At least 150 company visits are made each year, with at least 30 referrals to service providers for assistance.	Business Retention & Expansion Coordinator
3-2. Support &/or lead cluster-based initiatives	Clusters including Agriculture & Food, Advanced Manufacturing, Tourism and the Arts, Villages and Sophisticated Services, Distribution demonstrate the capability to address shared problems/opportunities.	Regular (at least yearly) cluster meetings Common training programs Technical assistance FTZ established	EDO Executive Director
3-3. Foster quality of life initiatives	Quality of Life plan is implemented.	Key initiatives of the Quality of Life plan are implemented according to the plan's schedule.	EDO Executive Director
3-4. Lead tourism coordination & external marketing	Schoharie County has a stand-alone program for tourism & external marketing, while maintaining a presence in regional promotional efforts.	Schoharie County has a fully implemented tourism and external marketing campaign & is a partner with tourism promotions run by ????	Tourism & External Marketing Coordinator
Goal 4. Ensure effectiveness of local policies & regulations			
4-1. Identify & address critical county-level issues	Critical county-level policies and regulations have been resolved.	Issues with policies and regulations identified in the County's report have been resolved.	County Administrator and EDO Executive Director
4-2. Work with municipalities to address local policies & regulations	Municipalities are addressing issues with policies and regulations.	Each year, at least 3 municipalities report changes in local policies and regulations (e.g., zoning, site plan review, etc.) that have been barriers for local business expansion/relocation.	EDO Executive Director and County Planning Department

**Phase 4: Harvesting the Rewards.** This is the final part of the 10-year plan stretching from about year 4 through 10. The shovel ready site(s) will be fully capable of hosting new and expanding businesses. The on-going business retention and expansion program will be proactively providing a wide variety of support for the County's businesses. The County will see continuing village-based downtown business and housing development. The County's strategic workforce development initiative will be providing a growing pipeline of skilled workers through programs with workforce development providers, industry and other relevant partners. Schoharie County will also benefit from on-going business innovation/incubator at the Institute for Rural Vitality at SUNY Cobleskill. After year 5, the Economic Development Organization should consider updating this economic development strategy in consultation with its partners.

## Appendix 1. Interviews/Focus Groups/Meetings held

### Individual Interviews Completed

<u>Name</u>		<u>Affiliation</u>
Jim	Becker	Mittel
Paul	Conroy	Marketing Executive
Jerrine	Corallo	SALT Development
Jason	Evans	SUNY Cobleskill
Ron	Filmer	IDA/RPC
Sara	Goodrich	SALT
Jen	Gregory	Southern Tier East Regional Planning Board
Jacqui	Hauser	Studio for Art & Craft
Ron	Ketelson	Sharon Springs Chamber/The Roseboro
Carle	Kopecky	Old Stone Fort
Don	Massey	Harva Company
Susan	McGiver	Harva Company
Christian	Mercurio	Mohawk Valley EDGE
Lisa	Ovitt	Schoharie County Community Theater Project
Michael	Piccolo	Village of Cobleskill Code Enforcement
Martin	Solberg	Blenheim Hill Farm
Eric	Stein	Basset Health Care
Nan	Stolzenberg	Community Planning & Environmental Associates
Marion	Terenzio	SALT
Ryan	Van Amburgh	Saratoga EDC
Georgia	Van Dyke	Director Emerita, Chamber of Commerce
Brad	Wagner	Hoober Feeds
Madison	Wellman	IDA/RPC
Jody	Zakrevsky	Otsego NOW



## **Focus Groups Completed**

### **Village of Middleburgh, June 29, 2018**

Matt Attabile	Village
Bill Morton	Village
Lillian Bruno	County Planning
Steve Coonradt	W. Whitman Books
Pete Coppolo	Town Supervisor
Brian Dunn	Middleburgh Central School District

### **Village of Cobleskill, May 9, 2018**

Rebecca Stanton-Terk	Village Trustee
Michael Piccolo	Village Code Enforcement
Nancy Van Deusen	Village Trustee
Chris Guldner	Bulls Head Inn/Tourism/Chamber
Alicia Terry	Schoharie County
Christian Cooper	Schoharie County Intern
Linda V. Holmes	Village Mayor
Matthew Loder	Country Boy Realty
Sandy Poole	Howard Hanna Real Estate Svcs.

### **Village of Schoharie, June 27, 2018**

Joseph J. Kopacz	Land Owner
Lee Ann Arnold	NBT Bank
Nan Stolzenburg	CP&EA, Schoharie Village
Alan Tavenner	Schoharie Supervisor
Larry Caza	Village Deputy Mayor
Jay Balliett	Village Trustee
Madison Wellman	Schoharie CDC

### **Village of Sharon Springs, June 28, 2018**

Sandra Manko	Town of Sharon
Ron Ketelsen	Sharon Springs Chamber/Schoharie Tourism
Maureen Lodes	Cobbler & Company
Denise Kelly	Village Trustee
Patsy Nicosia	Times Journal/Resident
Phoebe MacGillivray	Sharon Springs Chamber
Louise Mahar-Johnson	Skyhill Farm
Geri Dunne	Sharon Springs Chamber/Sharon Natural Soap

### **Youth Leaders, April 19, 2018**

### **Financial Services**

Heather Kelly	National Bank of Coxsackie
Jamie Casterlin	National Bank of Coxsackie
Steve Harris	Sterling Insurance Company
Jim Warren	National Bank of Coxsackie

### **Entrepreneurs**

Ryan A. McGiver	Scrumpy Ewe Cider
Shannon Hayes	Sap Bush
Justin L. Behan	Green Wolf Brewing Company

### **Agriculture (value added), May 9, 2018**

Shannon Finn	Cowbella Creamery
Jim Barber	Barber Family Farm/Barber's Farm Distillery
Alicia Terry	Schoharie County Ag. Development
Duane Spaulding	Hoober Feeds
Ann Diefendorf	Dairy Farmer

### **Agriculture (dairy), May 2, 2018**

John Radliff	Dairy Farmer/County Farm Bureau
David Lloyd	Dairy Farmer
Alicia Terry	Schoharie County Ag. Development
Art Graulich	Dairy Farmer, Carlisle
Paul Van Amburgh	Dairy Farmer

### **Agriculture (direct sales), May 10, 2018**

Carrie Edsall	Black Willow Pond Farm
Victor Putnam	Maple Hill Farms
Alicia Terry	Schoharie County Ag. Development

### **Workforce Development, May 3, 2018**

Jason Paden	Catskill Center for Independence
Karen Larkin	Schoharie County DSS
Roger Cosano	Kintz Plastics, Inc.
Nancy Reccio	FMS Workforce Solutions
Mark Rubensein	ACCESS-VR
Jeanette Spalding	Schoharie County CAP
Rita Franko	Walmart Distribution
Linda Serdy	SUNY Cobleskill
Gail Breen	FMS Workforce Solutions
Jim Haas	Capital Region BOCES

Nancy Liddle                      Capital Region BOCES

**Aging/Health, May 10, 2018**

Christine Kraemer	Schoharie Co. Transportation
Eric Stein	Cobleskill Regional Health
Nancy Dingee	Schoharie Co. Office for the Aging

**Arts, June 29, 2018**

William Deane	Greene County Arts Council
Dennis Shaw	Greene County Arts Council
Cornelia McGiver	Panther Creek Arts
Anne Morton	Greene County Arts Council

**Community Meetings Held**

May 2:    St. Vincent DePaul, 138 Washington Ave, Cobleskill  
May 9:    Middle School, 291 Main Street, Middleburgh  
June 27:   Town of Gilboa Town Hall

## Appendix 2. Background Analyses

## EXISTING CONDITIONS ANALYSIS

### Contents

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## Introduction

The following pages provide an overview of the existing conditions of the Schoharie County economy. The overarching theme of this analysis is that Schoharie County's economy is on the edge. This is true in three ways. The County is on the edge of three distinct regions in New York State: the Albany Metropolitan Statistical Area, the Mohawk Valley, and the Catskills/Appalachian region (referred to here as the greater Central New York region). Schoharie County's economy is on the edge in another way. This is a time where rural economies throughout the United States are undergoing profound transformations, particularly in such bellwether sectors as agriculture, manufacturing and retail. Finally, Schoharie County's economy is on the edge in that change is already underway in the County. There are individuals and enterprises that are transforming their business models and the economic potential of the County in myriad ways. In that sense, the County is on the edge in that, just below the surface, there is impetus and pressure to change the way various sectors have been operating for decades.

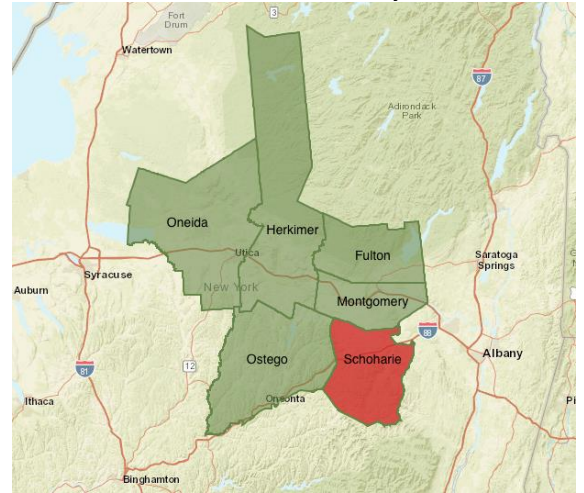
### On the Edge Geographically

Figure 1 illustrates the way in which Schoharie County is on the edge geographically. It is on the far western edge of the Albany Metropolitan Statistical Area (MSA). It is also on the far eastern edge of the Mohawk Valley region. And as shown in Figure 1, it is on the northern edge of the Catskills/Appalachian region. This has profound implications for the County's economy.

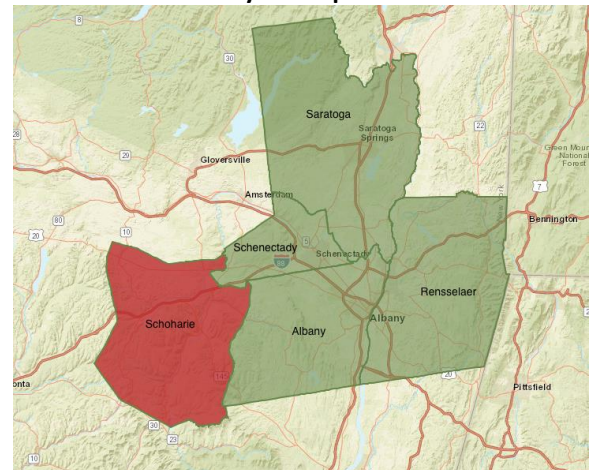
### On the Edge Economically

One of the important distinguishing characteristics in the United States economy is the differences between metropolitan and nonmetropolitan economies. Metropolitan economies tend to have a higher concentration of employment in services and less in manufacturing. Those economies also tend to have more employment concentrated in financial services and professional and technical services. Nonmetropolitan economies (e.g., rural areas) tend to have more of their

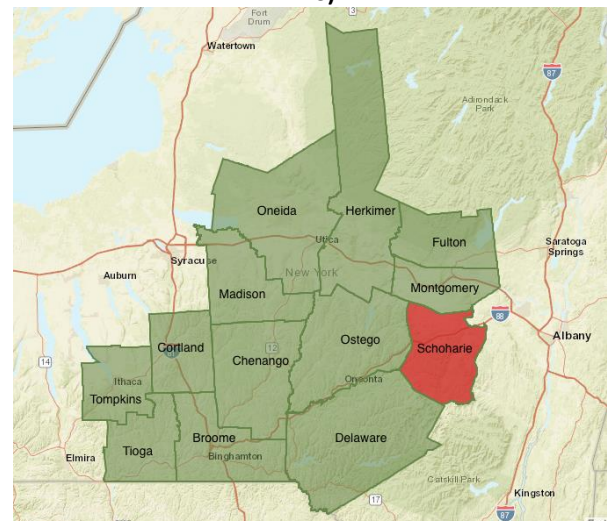
Figure 1. Schoharie County (in red) at the Edge of 3 Regions  
**The Mohawk Valley**



**The Albany Metropolitan Area**



**The Catskills/Appalachian Region (Greater Central NYS)**





employment concentrated in such sectors as agriculture extractive industries (i.e., mining), and manufacturing.

Figure 2, 3 and 4 illustrate the economic consequence of Schoharie County being located on the geographic edge. The first pie chart shows the composition of employment in metropolitan areas in New York State in 2016. The second shows employment by sector in the nonmetropolitan areas of the state. The final pie chart shows the employment composition of Schoharie County for that same time.

As you can see, Schoharie Counties employment composition more closely mirrors the trends in the nonmetropolitan areas of the state, rather than metropolitan areas. Note that this is so despite the fact that, in a strictly technical sense, Schoharie County is considered part of the Albany Metropolitan Statistical Area. But as a consequence of being on the far edge of that much Albany area, the County clearly has an economic base that is much more rooted in the rural parts of the state, rather than its Metropolitan centers.

As a result, Schoharie County is a lower cost location than metropolitan centers. Table 1 illustrates this fact. First note that the three rural areas in the table (Schoharie County, the Mohawk valley and the Greater Central New York Region all lost population from 2009 to 2017. Note also that Schoharie County has the lowest cost of living index of the five areas included in Table 1, along with the lowest average earnings, even when adjusted for cost of living.

Table 1. Comparison of Schoharie County to the 3 Regions and New York State.					
	Schoharie County	Mohawk Valley	Greater Central NYS	Albany-Schenectady-Troy, NY	NYS
Population (2009)	32,775	499,610	1,911,134	869,337	19,307,114
Population (2017)	31,086	486,655	1,900,613	883,955	19,803,765
Population Change %	(5%)	(3%)	(1%)	2%	3%
Cost of Living Index (US = 100)	105.6	106.0	107.7	111.2	114.5
Cost-of-Living-Adjusted Current Average Earnings	\$45,804	\$48,567	\$56,151	\$60,887	\$70,959

Source: compiled by Fairweather Consulting using data from EMSI (economicmodeling.com). Cost of Living Index compiled by the Council for Community and Economic Research

The lower costs associated with rural areas are reflected in the housing market also. As shown in Table 2, based upon a recent study by the National Association of Realtors, Schoharie County's housing costs reflect its "edge" status. Its median home price of \$155,313 is the lowest among the counties in the Albany/Schenectady Metropolitan Statistical Area and also lower than Tompkins County (all highlighted in blue), but higher than all of the counties in two other regions (highlighted in red).

Table 2. Counties Ranked by Median Home Price, 2017.					
			Monthly Payment for Typical Mortgage with interest of:		
Rank	County	Median Home Price, Second Quarter, 2017	3.50%	4.20%	5.00%
1	<b>Saratoga</b>	<b>\$251,664</b>	<b>\$1,017</b>	<b>\$1,108</b>	<b>\$1,216</b>
2	<b>Albany</b>	<b>\$218,019</b>	<b>\$881</b>	<b>\$960</b>	<b>\$1,053</b>
3	<b>Tompkins</b>	<b>\$208,016</b>	<b>\$841</b>	<b>\$916</b>	<b>\$1,005</b>
4	<b>Rensselaer</b>	<b>\$189,686</b>	<b>\$767</b>	<b>\$835</b>	<b>\$916</b>
5	<b>Schenectady</b>	<b>\$173,956</b>	<b>\$703</b>	<b>\$766</b>	<b>\$840</b>
6	Schoharie	\$155,313	\$628	\$684	\$750
7	<b>Otsego</b>	<b>\$147,937</b>	<b>\$598</b>	<b>\$651</b>	<b>\$715</b>
8	<b>Madison</b>	<b>\$139,261</b>	<b>\$563</b>	<b>\$613</b>	<b>\$673</b>
9	<b>Delaware</b>	<b>\$137,163</b>	<b>\$554</b>	<b>\$604</b>	<b>\$663</b>
10	<b>Oneida</b>	<b>\$122,481</b>	<b>\$495</b>	<b>\$539</b>	<b>\$592</b>
11	<b>Tioga</b>	<b>\$113,351</b>	<b>\$458</b>	<b>\$499</b>	<b>\$548</b>
12	<b>Schuyler</b>	<b>\$112,403</b>	<b>\$454</b>	<b>\$495</b>	<b>\$543</b>
13	<b>Broome</b>	<b>\$112,389</b>	<b>\$454</b>	<b>\$495</b>	<b>\$543</b>
14	<b>Cortland</b>	<b>\$112,092</b>	<b>\$453</b>	<b>\$493</b>	<b>\$542</b>
15	<b>Fulton</b>	<b>\$112,092</b>	<b>\$453</b>	<b>\$493</b>	<b>\$542</b>
16	<b>Montgomery</b>	<b>\$105,255</b>	<b>\$425</b>	<b>\$463</b>	<b>\$509</b>
17	<b>Herkimer</b>	<b>\$103,094</b>	<b>\$417</b>	<b>\$454</b>	<b>\$498</b>

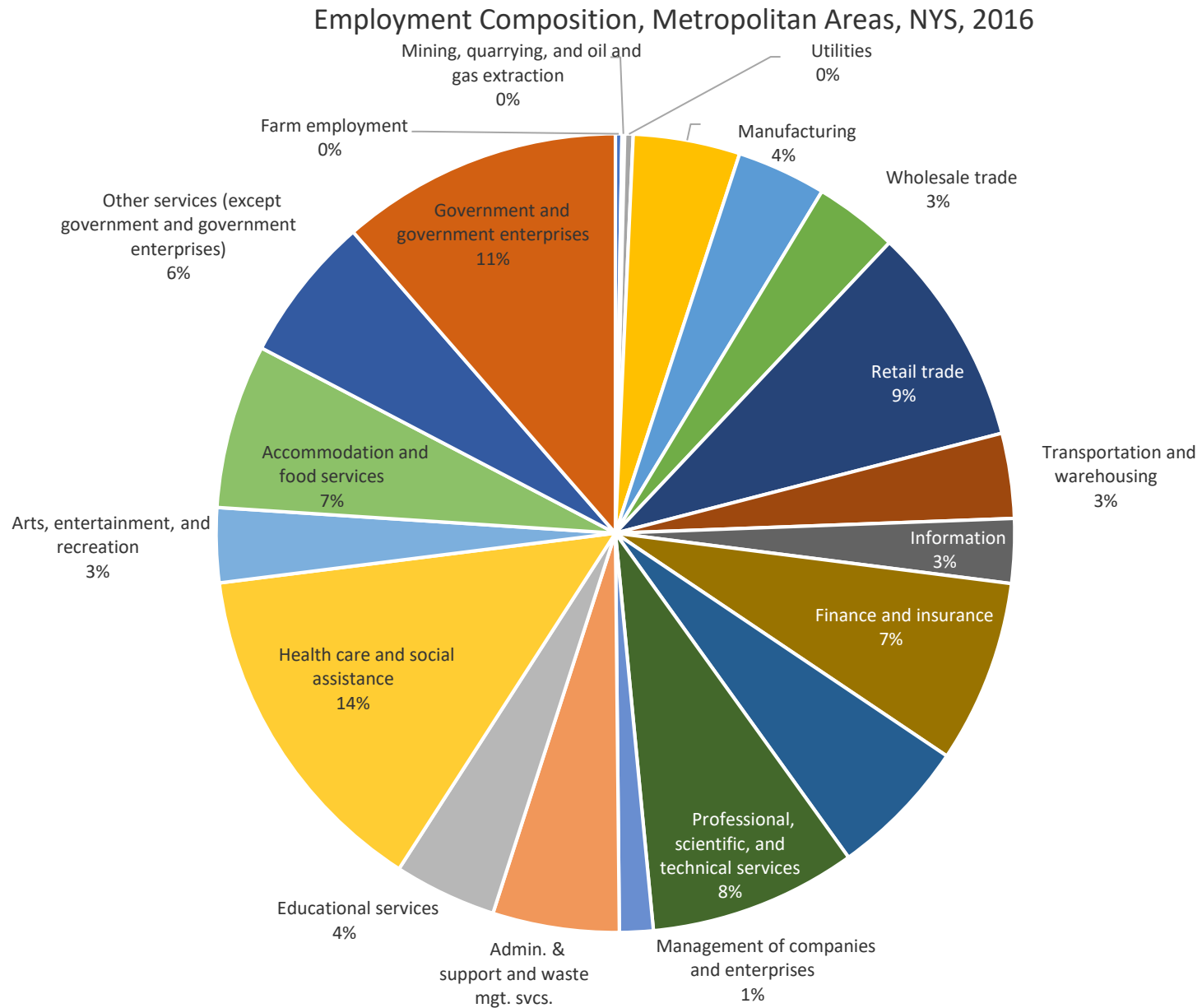
Compiled by Fairweather Consulting from data median housing values from the National Association of Realtors.

The edge status of Schoharie County is reinforced when examining its property tax rates compared to those in the counties with lower housing prices (highlighted in red in Table 2). As shown in Table 3, when median equalized property tax rates are calculated for these counties, Schoharie County ranks fourth among the twelve counties. While there is a fair amount of variation in tax rates within each county, Schoharie is generally cheaper than the counties in the Albany metropolitan area, but relatively more expensive than many of the counties in the other two regions with which Schoharie County is associated.

Table 3. Comparing 2015 Tax Rates in Greater Central NY Region				
Rank	County	Low Tax Rate	High Tax Rate	Median Tax Rate
1	Cortland	31.30	48.37	38.20
2	Montgomery	27.42	51.60	37.58
3	Broome	18.34	59.02	36.10
4	Schoharie	22.85	49.92	35.15
5	Tioga	20.18	55.24	34.33
6	Madison	27.01	43.45	33.86
7	Oneida	11.46	46.88	32.85
8	Tompkins	26.37	41.97	30.36
9	Herkimer	11.04	54.41	29.38
10	Fulton	15.59	51.95	28.82
11	Otsego	14.77	34.79	25.38
12	Delaware	16.20	40.99	25.25

Source: Compiled by Fairweather Consulting using NYS Tax Data.

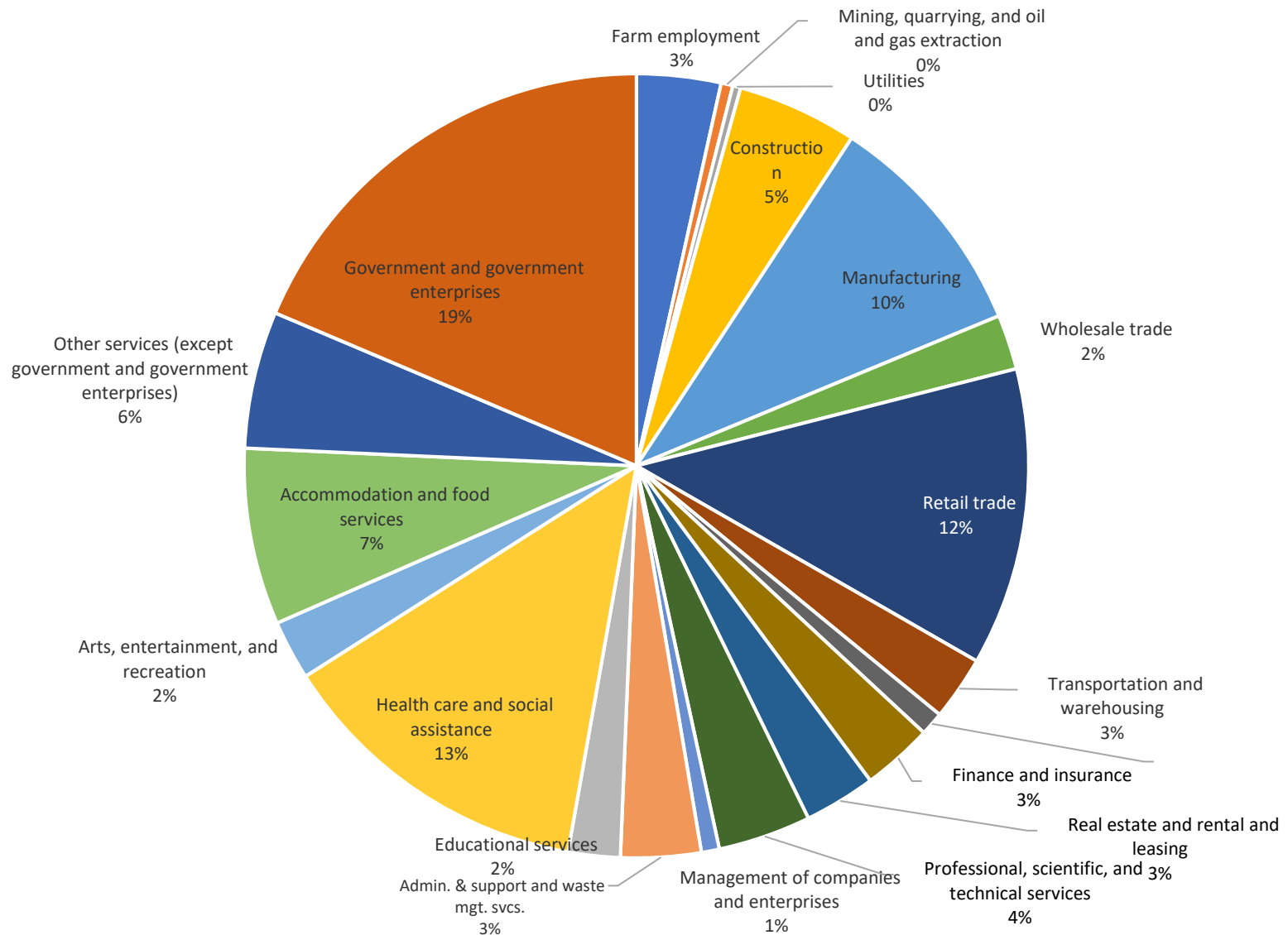
Figure 2.



Source: US Bureau of Economic Analysis.

Figure 3.

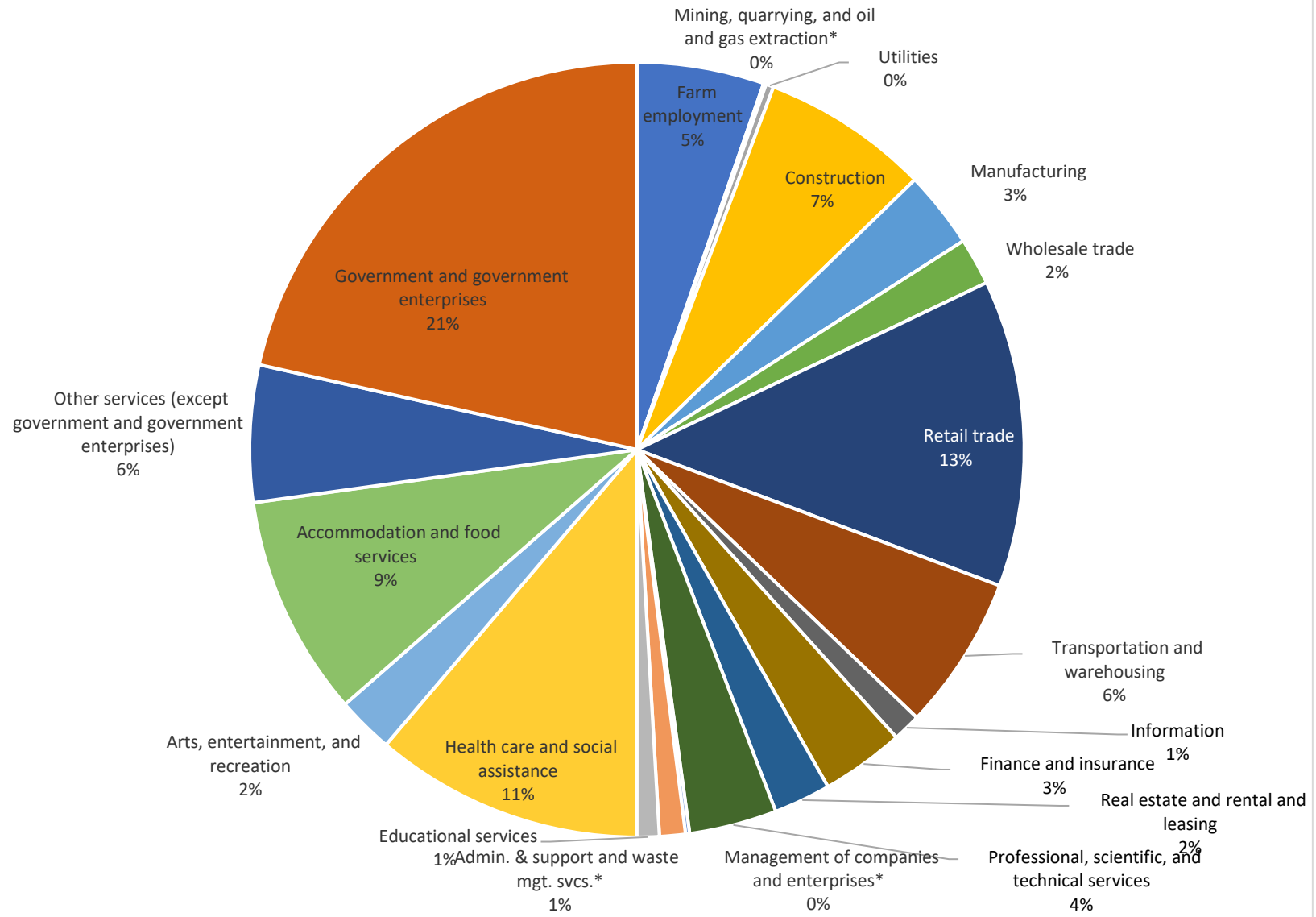
### Employment Composition, Nonmetropolitan Areas, NYS, 2016



Source: US Bureau of Economic Analysis.

Figure 4.

### Employment Composition, Schoharie County, 2016



Source: US Bureau of Economic Analysis



## On the Edge of Change

As indicated above, the economies of rural areas have greater concentration of employment in agriculture, manufacturing, and retail. At the national level, each of these sectors is undergoing a profound transformation. Our research and interviews have suggested that this is also the case in Schoharie County. While this presents many challenges to the business community in the County, it also comes with many new opportunities that individual and businesses in the County are already pursuing. A substantial part of this economic development strategy is therefore devoted to defining ways by which the County's economic development efforts can support and enhance these creative and innovative approaches.

## Potential Industry Opportunities for Schoharie County

Part of the economic development strategic planning process involves analyzing the economic conditions facing the County to identify sectors or clusters that may represent economic opportunities for Schoharie County. These could involve opportunities to expand and strengthen businesses that are already in the County, along with the potential for attracting businesses in those sectors or clusters to the County. The section following this one provides an overview of the economic analyses involved in identifying such opportunities. The opportunities identified through those analyses are described below. They are placed in two categories: Strong opportunities are sectors or clusters that already exist in the County and for which the County appears to be at least a reasonably competitive location. Stretch opportunities are sectors that may or may not already exist in the County, but certainly exist in at least one of the regions to which Schoharie County belongs. The question regarding these opportunities is whether the County can assemble the assets these sectors or clusters require (e.g., sites, appropriate workforce, infrastructure, etc.). The promising sectors or clusters are listed below in two categories. Those listed as "strong opportunities" are clusters that already have a significant presence in the County or are a logical outgrowth of existing businesses (i.e., value-added agriculture). "Stretch opportunities" are those that currently do not have a sizeable presence in the County, but are found in the Albany MSA. The stretch opportunities would require the County's economy to improve its ability to attract and retain the workforce needed to support these clusters.

### ***Strong Opportunities:***

Food Processing & Food Manufacturing: According to the US Cluster Mapping Project, "this cluster includes firms involved in the processing of raw food materials and the manufacturing of downstream food products for end users. This includes millers and refineries of rice, flour, corn, sugar, and oilseeds. These upstream products contribute in part to producing specialty foods, animal foods, baked goods, candies, teas, coffees, beers, wines, other beverages, meats, packaged fruits and vegetables, and processed dairy products." From artisanal cheese to animal feed to craft beer and spirits, Schoharie County is already home to processors of various sizes and descriptions. Given the strong agricultural base in the County and surrounding area and its relatively ready access to New York City and other metropolitan markets, the County, Food Processing and Food Manufacturing are logical opportunities for the County.

Diversified Agriculture: The County's 2016 Farmland Protection Plan recommends the introduction of new crops and practices into the County to improve the profitability of its agricultural operations. This is

particularly important given the current emphasis on dairy operations and the problems in that industry related to national policies and the dynamics of the dairy market.<sup>1</sup>

Tourism and the Arts: According to the US Clusters Mapping Project, the Hospitality and Tourism cluster “contains establishments related to hospitality and tourism services and venues. This includes sport venues, casinos, museums, and other attractions. It also includes hotels and other accommodations, transportation, and services related to recreational travel such as reservation services and tour operators.” Arts-related enterprises are complementary to tourism and include the performing arts, music production, and the production of artistic works in a variety of materials and media.

Advanced Manufacturing: According to EMSI—an economic modeling and database firm—advanced manufacturing “uses innovative technology to improve products or processes and usually requires fewer (higher-skill, higher-paid) workers than traditional manufacturing. That’s because many lower-skill processes have been automated.”<sup>2</sup> This is not limited to computers and their components, but includes such sectors as plastics, fabricated metal manufacturing and other specialty lines.

Distribution: The US Cluster Mapping Project defines this as Distribution & Electronic Commerce. “This cluster consists primarily of traditional wholesalers as well as mail order houses and electronic merchants. The companies in this cluster mostly buy, hold, and distribute a wide range of products such as apparel, food, chemicals, gasses, minerals, farm materials, machinery, and other merchandise. The cluster also contains firms that support distribution and electronic commerce operations, including packaging, labeling, and equipment rental and leasing.” The County’s ready access to I-88 and the Interstate Highway system makes it a good candidate for wholesalers, fulfillment operations and similar types of enterprises.

***Stretch Opportunities:***

High-value-added Services: While services are often thought of as low-paying industries, some are based upon high-value-added processes and consequently are able to pay high wages to employees. Financial services, research and development, and design professions are all good examples of these. They have a significant presence in the Albany MSA (and can also be found in Schoharie County). As technology causes these firms to become smaller and more focused on particular industries, it may be possible to attract or grow them in Schoharie County to serve enterprises in the Albany area and beyond.<sup>3</sup>

Technology-based Enterprises: “Tech means more than just producing hardware or software,” said Mark Zandi, the chief economist at Moody’s Analytics. “It is synonymous with innovation, research and development, long-term thinking.”<sup>4</sup> In addition to high-value-added services, Schoharie County may be able to attract firms engaged in these opportunities that are serving other enterprises in the Albany

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<sup>1</sup> *Schoharie County Agricultural and Farmland Protection Plan*, December 2016 Draft, p. 44.

<sup>2</sup> Laura Pizzo, “Defining Advanced Manufacturing at the Industry Level and Pinpointing Its Growing Hubs,” EMSI, October 2, 2015. (<http://www.economicmodeling.com/2015/10/02/defining-advanced-manufacturing-at-the-industry-level-and-pinpointing-its-growing-hubs/>)

<sup>3</sup> Economist Intelligence Unit, *Smarter, Value-driven Partnerships: Rethinking professional services in an age of disruption*, 2018.

<sup>4</sup> Jim Kerstetter, “Why Some Start-up Businesses are Called Technology Businesses and Others Are Not,” *New York Times*, August 2, 2015. (<https://bits.blogs.nytimes.com/2015/08/02/in-search-of-the-slippery-definition-of-the-modern-tech-company/>)

metropolitan area. Access to a workforce with the requisite skills and the presence of appropriate technology infrastructure are among the key factors that will determine the County's success in trying to build these clusters.

Again, the intent of this effort is not solely to identify new types of industries to be recruited into the County. This analysis describes a variety of enterprises that already play a role in the County's economy. Retaining and growing such enterprises is the primary focus of economic development. Indeed, success in retaining and growing existing businesses is the pathway to effectively recruiting new firms.

### [An Overview of Schoharie County's Physical Assets](#)

The strategic planning process includes the identification and mapping of the County's physical assets related to its natural resources, land use and public infrastructure. Mapping these assets is an important part of the assessment of non-labor resources and critical for determining the availability of potential developable sites for catalytic economic development projects and related opportunities. The following information provides the methods used in the mapping of existing physical assets.

#### **Identifying Potential "Shovel Ready" Sites**

As shown in Figure 5, this summary focuses on sites that have the capability to serve as "shovel ready" economic development sites. Such sites are suitable for larger scale development projects and—in certain cases—industrial parks. These sites are valuable in that they can support projects large enough to have a county-wide impact on employment. Note, however, that the full analysis of the towns' physical assets identifies opportunities for smaller scale, locally oriented development.

The selection process for these larger sites considered different attributes that may make sites more viable for specific uses (e.g. dairy or food processing requiring highway access, sewer and water, proximity to producers) or generally just more conducive than others for economic development purposes. Specific criteria were used to identify sites from previous mapping that could then undergo further evaluation for industrial and commercial uses. These criteria considered the following in identifying potential development sites:

#### **Parcel Size**

- Parcels equal to or greater than 20 acres as potential "shovel ready" industrial sites
- Parcels between 1 and 19 acres that could be used for commercial uses and/or as smaller industrial sites

#### **Land Use Factors**

- Parcels identified as vacant

#### **Transportation Factors**

- Parcels within 100 feet of a NYS highway
- Parcels within 1 mile of an entrance or exit ramp to I-88
- Parcels within 100 feet of an active rail lines (for potential industrial sites only)

### **Utilities Infrastructure Factors**

- Parcels within approximately one-quarter mile of a water district
- Parcels within approximately one-quarter mile of a water main where extension may be feasible
- Parcels within approximately one-quarter mile of a sewer district
- Parcels within approximately one-quarter mile of a sewer main where extension may be feasible

### **Evaluating the Sites: 3 Tiers**

Sites that met most of the criteria were assigned to Tier 1 as a potentially viable (shovel-ready) site for industrial purposes if 20 acres or greater, or for commercial or smaller industrial purposes if less than 20 acres.

Tier 2 sites met many of the criteria for consideration as a potentially viable site for industrial or commercial uses. Tier 2 sites may lack certain attributes that keep it out of the Tier 1 category, such as a lack of sewer or water. Tier 1 and Tier 2 sites are identified on the Map of Countywide Potential Economic Development Sites.

Sites that remain (identified on each of the Town Maps titled Shovel Ready Sites) that do not meet the majority of criteria and that are not considered as Tier 1 or Tier 2 sites may still have development potential for a variety of uses, possibly at a more local level. These sites may still have some development potential for certain types of use, but do not appear to have conditions favorable for catalytic projects. In many cases these sites are vacant but lack critical infrastructure necessary for large types of development. But at a local level they may be suitable for small industrial or commercial uses.

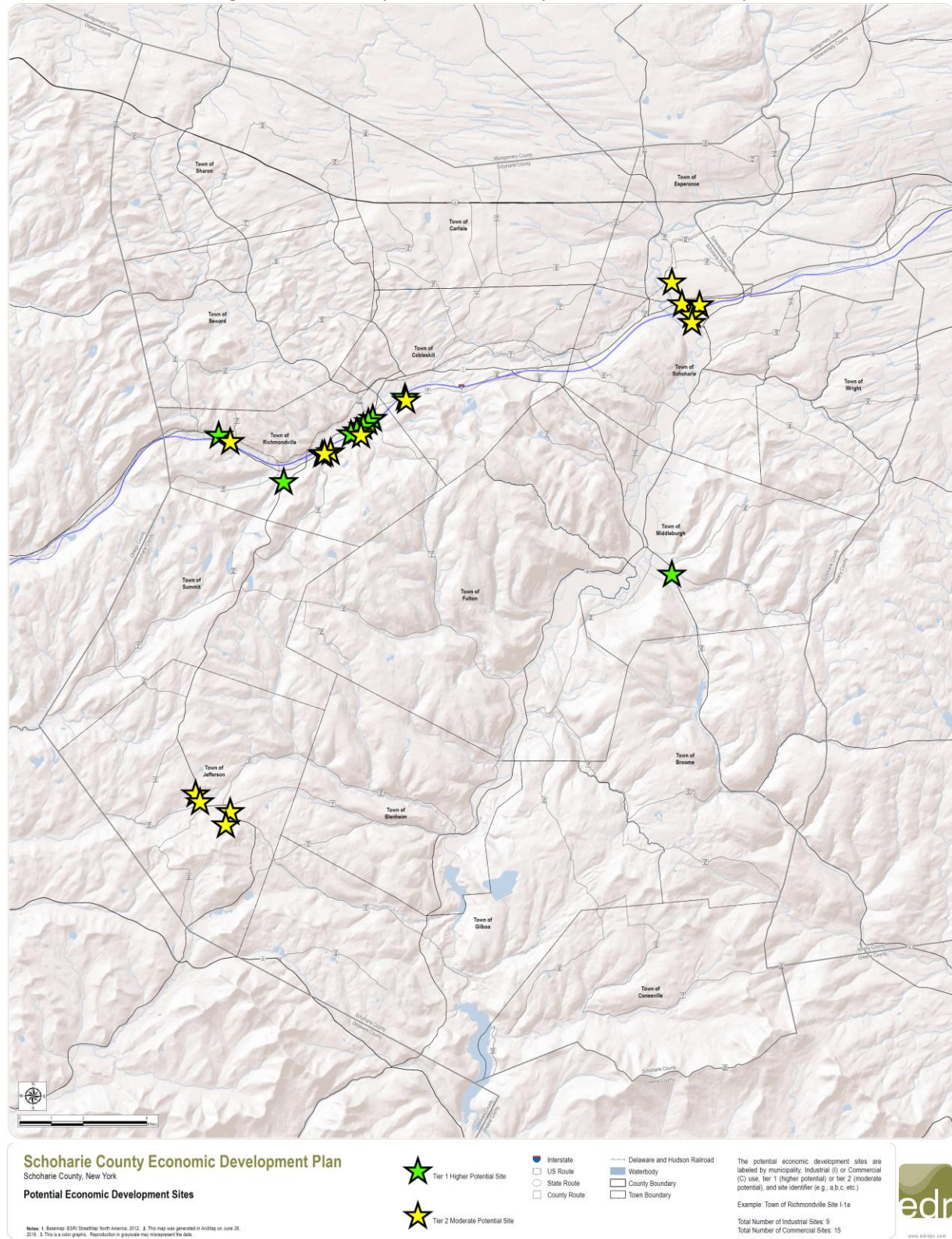
### **Additional Site Suitability Factors**

The final step of the process reviewed all Tier 1 and Tier 2 sites identified from Step 3 in greater detail by considering additional factors including slope information, land cover, site access, zoning, and nearby land use. Recent aerial photography was used in this analysis. The results further refined the potential viability of each site. Some sites were eliminated due to severe slope conditions or other factors that adversely affect their viability.

A summary of the results of this process are provided in Figure 5. Not surprisingly, the “Tier 1” sites are clustered along the I-88 corridor. Nonetheless, as noted above, virtually every community has some economic development potential from a physical assets perspective. As part of this review, the criteria are being reviewed to ensure they provide the most effective guide to identifying larger scale sites. In addition, as the process is completed, town-by-town maps will be available in the appendices to this report in final form.



Figure 5. Summary of Site Inventory for Schoharie County



## Existing Economic Conditions

This section provides an overview of the current economic conditions in Schoharie County. It is on the basis of these findings that the preliminary identification of industry opportunities has been made.

### A NOTE ON LIMITATIONS OF DATA ANALYSIS FOR RURAL AREAS

There are real limitations to using data to understand rural economies. Many sectors in rural areas have relatively few employers. This can lead to data being withheld by the New York State Department of Labor so that the reported numbers cannot be used by competitors in that sector to glean information about individual companies. For example, the jobs in mining, quarry and oil & gas extraction shown below in Table 4 are estimates generated by EMSI, a labor market information firm, since the labor department suppresses the data not to disclose competitive information when there are one or two firms in the area that dominate the industry. In those situations, EMSI develops an estimate using the data that are disclosed about the industry. This estimate would be the number of workers that are listed as employed at locations in Schoharie County. In a small industry in a small area, it is not unusual for these estimates to be imprecise. We can certainly check in with Carver and Cobleskill Stone to see if they would be willing to share estimates of their employment in the County.

Agriculture is another sector for which standard employment data can be misleading. This is because Many jobs in agriculture are not covered by unemployment insurance and therefore not included in regular employment numbers. Typically, agricultural employment reported through the Labor Department's Quarterly Census of Employment and Wages includes only a fraction of those actually employed in agriculture—rarely the farm workers themselves. It is the nature of the limitations of data used in understanding rural areas. This is true of the data reported for Agriculture, Forestry, Fishing and Hunting in Table 4.

Education employment data can also create misleading impressions. For example, in Table 4, the education numbers are private education. School district employment is aggregated under Government. Thus, while the employment data generally provides reasonable estimates of economic activity by sector, that data is never completely reliable within the sectors of a rural economy that has small numbers of either employers or employees. This is why the analyses presented below have been supplemented with a variety of interviews, focus groups and community meetings involving employers and others with first hand experience and knowledge of the Schoharie County economy.

Table 4 provides an overview of Schoharie County versus the three regions in which it is located and New York State as a whole. The table contains each of the major sectors of the economy described in six rows. The first row shows the percentage change in jobs from 2009 to 2017. The second row shows employment in 2009. The third row shows employment in 2017. The fourth row contains the cost of living adjustment wages salaries and proprietor earnings in that sector for the geography listed at the top of the column. This is based upon the cost of living index produced by the Council on Community Economic Research.

The fifth row provides a location quotient for that sector in the geography listed at the top of the column. The location quotient measures the relative concentration of employment in the sector compared to the US as a whole. If the location quotient is 1.0, the geography in question has a concentration of employment in that sector that is equal to the US as a whole. If the location quotient is greater than 1.0, employment in that sector for that region is at a higher concentration than for the US as a whole. If the location quotient is below 1.0, then employment in that sector for the region is lower as a percentage of total than it is for the US as a whole.

The sixth row under each sector shows the competitive effect of the local area using shift-share analysis. This analysis calculates how much of the job growth in that sector in that region is due to the relative economic strength of that sector in the region compared to its strength in the US as a whole. For example, in Table 4 the competitive effect of the local area for agriculture forestry fishing and hunting for Schoharie County is 36 jobs. This means that the relative strength of Schoharie County in agriculture compared to the US as a whole produced an extra 36 jobs in that sector in the County.

In Table 4, the titles of sectors for which Schoharie County has a high location quotient and a strong competitive effect are highlighted in green. Consistent with its rural nature, the sectors that appear strongest for the County include Agriculture, Forestry, Fishing & Hunting, Manufacturing and Accommodation and Food Services. The one unusual sector that shows up as strong for the County in Table 4 is educational services. This is due to the presence in the County of the State University of New York at Cobleskill.

Note that for every sector but Construction, Finance & Insurance and Accommodation & Food Services, Schoharie County has the lowest cost-of-living-adjusted earnings compared to the three regions and New York State. This is likely another consequence of the County's "edge" location, with the wage structure reflecting a rural economy, while housing values (and thereby the cost of living) is boosted by the County's location in the Albany Metropolitan Statistical Area.

Table 4. Employment Trends in Schoharie County and Benchmark Regions (Sectors appearing stronger for Schoharie County highlighted in Green.)					
	Schoharie County	Mohawk Valley	Greater Central NYS	Albany- Schenectady- Troy, NY	NYS
<b>Agriculture, Forestry, Fishing and Hunting</b>					
Job Change %	17%	10%	6%	(7%)	5%
Jobs (2009)	273	1,570	5,979	2,209	42,938
Jobs (2017)	320	1,732	6,329	2,056	45,294
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$23,918	\$25,349	\$27,555	\$27,483	\$27,193
Loc. Quot. (2017) 1.00 = US avg.	2.66	0.69	0.57	0.36	0.37
Competitive Effect of Local Area	36	101	117	(238)	685
<b>Mining, Quarrying, and Oil and Gas Extraction</b>					
Job Change %	Insf. Data	(15%)	11%	51%	(10%)
Jobs (2009)	39	319	1,336	453	4,960
Jobs (2017)	<10	270	1,482	684	4,444
COL Adjusted Wages, Salaries, & Proprietor Earnings	Insf. Data	\$51,879	\$54,723	\$56,751	\$56,287
Loc. Quot. (2017) 1.00 = US avg.	0.25	0.33	0.41	0.37	0.11
Competitive Effect of Local Area of Local Area	(27)	(34)	210	253	(277)
<b>Utilities</b>					
Job Change %	(2%)	(29%)	(14%)	7%	(4%)



Table 4. Employment Trends in Schoharie County and Benchmark Regions (Sectors appearing stronger for Schoharie County highlighted in Green.)					
	Schoharie County	Mohawk Valley	Greater Central NYS	Albany- Schenectady- Troy, NY	NYS
Jobs (2009)	42	735	3,615	1,503	39,221
Jobs (2017)	41	520	3,111	1,610	37,848
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$81,276	\$102,293	\$101,606	\$106,786	\$104,934
Loc. Quot. (2017) 1.00 = US avg.	1.18	0.72	0.97	0.97	1.07
Competitive Effect of Local Area	(1)	(213)	(491)	113	(1,227)
<b>Construction</b>					
Job Change %	(5%)	(13%)	(3%)	4%	8%
Jobs (2009)	687	8,393	39,186	20,907	435,318
Jobs (2017)	655	7,300	37,901	21,732	471,596
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$52,476	\$40,998	\$49,719	\$54,163	\$55,322
Loc. Quot. (2017) 1.00 = US avg.	1.20	0.64	0.75	0.84	0.85
Competitive Effect of Local Area	(78)	(1,649)	(3,884)	(562)	7,402
<b>Manufacturing</b>					
Job Change %	45%	0%	5%	28%	(6%)
Jobs (2009)	259	18,157	69,191	20,915	486,615
Jobs (2017)	375	18,241	72,323	26,753	455,575
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$38,010	\$45,551	\$61,724	\$72,617	\$56,668
Loc. Quot. (2017) 1.00 = US avg.	0.48	1.12	1.00	0.71	0.57
Competitive Effect of Local Area	104	(729)	32	4,900	(52,838)
<b>Wholesale Trade</b>					
Job Change %	(19%)	(6%)	(3%)	(1%)	1%
Jobs (2009)	159	4,747	23,782	12,775	339,666
Jobs (2017)	128	4,472	23,018	12,591	343,072
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$49,774	\$49,741	\$57,906	\$64,185	\$72,894
Loc. Quot. (2017) 1.00 = US avg.	0.34	0.57	0.67	0.70	0.90
Competitive Effect of Local Area	(39)	(508)	(1,934)	(812)	(13,300)
<b>Retail Trade</b>					
Job Change %	(1%)	(3%)	(1%)	1%	8%
Jobs (2009)	1,209	24,265	98,224	48,251	902,590
Jobs (2017)	1,196	23,639	97,171	48,706	971,201
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$24,486	\$25,317	\$26,212	\$26,909	\$30,177
Loc. Quot. (2017) 1.00 = US avg.	1.16	1.10	1.03	0.99	0.93
Competitive Effect of Local Area	(110)	(2,562)	(8,887)	(3,394)	(3,382)
<b>Transportation and Warehousing</b>					

Table 4. Employment Trends in Schoharie County and Benchmark Regions (Sectors appearing stronger for Schoharie County highlighted in Green.)					
	Schoharie County	Mohawk Valley	Greater Central NYS	Albany- Schenectady- Troy, NY	NYS
Job Change %	0%	(0%)	3%	7%	13%
Jobs (2009)	774	8,479	23,347	12,047	269,335
Jobs (2017)	775	8,465	24,093	12,948	305,023
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$40,419	\$39,993	\$41,307	\$42,060	\$43,152
Loc. Quot. (2017) 1.00 = US avg.	2.23	1.17	0.75	0.78	0.86
Competitive Effect of Local Area	(162)	(1,803)	(4,182)	(1,641)	(21,150)
Information					
Job Change %	(7%)	(23%)	(13%)	(10%)	6%
Jobs (2009)	117	3,420	16,284	9,499	267,833
Jobs (2017)	109	2,621	14,155	8,522	284,440
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$33,956	\$40,855	\$59,463	\$70,163	\$100,700
Loc. Quot. (2017) 1.00 = US avg.	0.59	0.68	0.83	0.97	1.51
Competitive Effect of Local Area	(8)	(819)	(2,226)	(1,034)	15,011
Finance and Insurance					
Job Change %	(8%)	(8%)	(5%)	0%	2%
Jobs (2009)	282	8,546	35,490	20,446	515,843
Jobs (2017)	260	7,873	33,717	20,464	525,471
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$79,052	\$59,434	\$70,216	\$75,062	\$192,732
Loc. Quot. (2017) 1.00 = US avg.	0.67	0.98	0.95	1.11	1.34
Competitive Effect of Local Area	(34)	(1,033)	(3,267)	(843)	(12,090)
Real Estate and Rental and Leasing					
Job Change %	(31%)	(19%)	4%	6%	7%
Jobs (2009)	59	1,813	10,180	5,986	209,395
Jobs (2017)	41	1,469	10,586	6,359	224,441
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$30,767	\$31,000	\$37,536	\$40,313	\$58,976
Loc. Quot. (2017) 1.00 = US avg.	0.25	0.42	0.69	0.80	1.33
Competitive Effect of Local Area	(22)	(460)	(245)	(10)	1,648
Professional, Scientific, and Technical Services					
Job Change %	(29%)	(8%)	(2%)	(0%)	16%
Jobs (2009)	320	6,421	48,494	33,025	655,362
Jobs (2017)	227	5,897	47,511	32,964	763,359
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$36,621	\$51,837	\$70,596	\$74,298	\$89,838
Loc. Quot. (2017) 1.00 = US avg.	0.36	0.44	0.81	1.08	1.18
Competitive Effect of Local Area	(150)	(1,666)	(9,612)	(5,938)	(8,624)
Management of Companies and Enterprises					

Table 4. Employment Trends in Schoharie County and Benchmark Regions (Sectors appearing stronger for Schoharie County highlighted in Green.)					
	Schoharie County	Mohawk Valley	Greater Central NYS	Albany- Schenectady- Troy, NY	NYS
Job Change %	(47%)	(13%)	7%	4%	9%
Jobs (2009)	30	1,408	8,824	6,427	130,636
Jobs (2017)	16	1,231	9,441	6,669	142,978
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$56,896	\$60,020	\$67,091	\$68,852	\$126,265
Loc. Quot. (2017) 1.00 = US avg.	0.11	0.42	0.72	0.99	0.99
Competitive Effect of Local Area	(20)	(489)	(1,344)	(1,185)	(16,678)
Administrative and Support and Waste Management and Remediation Services					
Job Change %	13%	1%	6%	9%	20%
Jobs (2009)	111	5,137	29,742	16,934	441,032
Jobs (2017)	125	5,182	31,446	18,542	530,374
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$20,449	\$27,163	\$30,617	\$31,842	\$41,117
Loc. Quot. (2017) 1.00 = US avg.	0.20	0.40	0.55	0.63	0.84
Competitive Effect of Local Area	(12)	(1,155)	(5,245)	(2,349)	(13,697)
Educational Services					
Job Change %	49%	44%	16%	9%	20%
Jobs (2009)	97	5,262	47,840	20,716	382,864
Jobs (2017)	145	7,571	55,656	22,511	459,619
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$21,407	\$24,038	\$39,559	\$38,372	\$42,540
Loc. Quot. (2017) 1.00 = US avg.	0.56	1.41	2.35	1.84	1.76
Competitive Effect of Local Area	31	1,391	(535)	(1,821)	9,918
Health Care and Social Assistance					
Job Change %	(5%)	7%	7%	9%	15%
Jobs (2009)	1,277	37,530	129,558	61,627	1,365,242
Jobs (2017)	1,216	40,218	138,443	67,297	1,573,239
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$30,363	\$38,584	\$40,369	\$40,681	\$42,861
Loc. Quot. (2017) 1.00 = US avg.	0.96	1.53	1.19	1.12	1.23
Competitive Effect of Local Area	(301)	(4,362)	(15,452)	(5,906)	(48,467)
Arts, Entertainment, and Recreation					
Job Change %	(12%)	3%	9%	14%	17%
Jobs (2009)	156	3,111	12,580	6,286	185,390
Jobs (2017)	138	3,204	13,755	7,139	217,232
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$20,780	\$22,318	\$21,007	\$21,205	\$40,321
Loc. Quot. (2017) 1.00 = US avg.	0.80	0.90	0.87	0.87	1.25
Competitive Effect of Local Area	(45)	(453)	(1,030)	(250)	(674)
Accommodation and Food Services					

Table 4. Employment Trends in Schoharie County and Benchmark Regions (Sectors appearing stronger for Schoharie County highlighted in Green.)					
	Schoharie County	Mohawk Valley	Greater Central NYS	Albany- Schenectady- Troy, NY	NYS
Job Change %	81%	15%	17%	22%	32%
Jobs (2009)	634	13,303	58,675	28,477	584,179
Jobs (2017)	1,149	15,250	68,793	34,811	773,576
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$22,957	\$17,402	\$18,001	\$18,769	\$23,893
Loc. Quot. (2017) 1.00 = US avg.	1.34	0.85	0.87	0.85	0.89
Competitive Effect of Local Area	378	(921)	(2,531)	196	63,461
Other Services (except Public Administration)					
Job Change %	(34%)	(2%)	2%	1%	12%
Jobs (2009)	500	7,661	36,388	19,318	438,921
Jobs (2017)	329	7,524	37,119	19,508	489,908
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$19,534	\$20,761	\$25,215	\$28,216	\$30,145
Loc. Quot. (2017) 1.00 = US avg.	0.69	0.76	0.84	0.86	1.01
Competitive Effect of Local Area	(186)	(351)	(281)	(348)	38,777
Government					
Job Change %	(11%)	(10%)	(7%)	(5%)	(4%)
Jobs (2009)	3,058	49,938	206,838	108,604	1,547,303
Jobs (2017)	2,730	44,976	192,312	103,155	1,481,818
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$38,423	\$42,978	\$47,493	\$52,041	\$52,408
Loc. Quot. (2017) 1.00 = US avg.	1.78	1.41	1.37	1.42	0.95
Competitive Effect of Local Area	(310)	(4,668)	(13,308)	(4,809)	(56,373)
Unclassified Industry					
Job Change %	110%	206%	193%	178%	124%
Jobs (2009)	10	133	665	381	23,406
Jobs (2017)	21	407	1,947	1,058	52,322
COL Adjusted Wages, Salaries, & Proprietor Earnings	\$22,931	\$20,526	\$24,852	\$26,234	\$42,006
Loc. Quot. (2017) 1.00 = US avg.	1.20	1.09	1.18	1.24	2.88
Competitive Effect of Local Area	5	188	851	430	13,753

Source: compiled by Fairweather Consulting using data from EMSI (economicmodeling.com)

### Refining the Understanding of Competitive Sectors through Shift/Share Analysis

Shift Share Analysis attempts to determine how much of job growth can be attributed to national trends, how much is due to industrial factors, and how much is related to the locality of the industry. Essentially, shift/share analysis compares growth over a given time period (e.g., between 2009 and 2016) between a location and the larger region in which it is located across a variety of industries. The analysis looks at two aspects of the change over time for each industry:

1. How does the Local Competitive Effect shape job growth in the local area? Has job growth in the industry locally exceeded or trailed job growth in the industry for the larger region? If the local industry growth is faster than the regional industry growth (or that the local industry has declined at a slower rate than the industry at the regional level), it suggests that the local area may be an advantageous location for that particular industry. When local growth in an industry exceed the industry's growth in the larger region, it is said to have a positive local competitive effect.
2. How does the Industrial Mix in the local economy affect job growth? Is local job growth (or decline) driven by the fact that the local economy is made up of industries that happened to be growing (or declining) in the larger region, irrespective of what is happening locally?

As indicated above, the “competitive effect” contained in Table 4 compared the job growth in industries in Schoharie County to job growth in those industries at the national level. The following analysis refines that approach by comparing growth by industry in Schoharie County to New York State as a whole, and to the two regions for which comparable data are available: the Mohawk Valley Region and the Albany Metropolitan Statistical Area. The intent with this analysis is to identify strengths that Schoharie County's economy may have vis a vis the State and these two regions. The results of this analysis are presented in tables 5 through 13.<sup>5</sup>

Schoharie County versus New York State: Tables 5 through 7 compare growth in Schoharie County from 2008 to 2015 to New York State as a whole. Table 5 shows those industries for which Schoharie County has both a positive local competitive effect and a positive industry mix. One can think of these as “Strong Potentials” for the County. That is, these are industries that are strong in New York State, and also show Schoharie County's outperforming New York State in those particular industries. Table 6 shows those industries in which Schoharie has demonstrated strength (via a positive local competitive effect), but that have a negative industrial mix effect (e.g., they have experienced job loss at the State level). These can be thought of a “Niche Potentials” for the County. They are industries in which the County may have strength, but whose prospects may be dampened by statewide stagnation or decline. Finally, in Table 7, industries are listed that show strong statewide growth (a positive industrial mix), but for which Schoharie County has yet to show any competitive advantage (i.e., the County has a negative competitive effect in those industries when compared to New York State as a whole. These can be thought of as “Stretch Potentials” for the County.

Table 5. Shift Share Analysis: Schoharie County Vs. New York State  
STRONG OPPORTUNITIES:  
Selected Sectors with a positive local competitive share & a positive industrial mix

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<sup>5</sup> Note that, as with any local area, the analysis summarized here is constrained by data availability. The Department of Labor suppresses employment data in sectors that are dominated by one or two firms on the grounds that disclosing such data will provide inside information about these firms to their competitors. Thus, the resultant analysis cannot be definitive for all sectors, but for those for which data are reported. While data are reported for almost all sectors, this analysis has been limited by situations where data has been suppressed. This is particularly true for the manufacturing sector. This will be addressed by the cluster analysis summarized in the next section of this report.

Industry Title	Local Competitive Effect Component, Jobs	Industrial Mix Component, Jobs
NAICS 111: Crop Production	15.82	4.70
NAICS 561: Administrative and Support Services	369.17	1.41
NAICS 621: Ambulatory Health Care Services	506.21	65.69
NAICS 72: Accommodation and Food Services	1768.10	128.39
NAICS 722: Food Services and Drinking Places	147.14	113.68
NAICS 81: Other Services, Ex. Public Admin	1282.50	19.05
Source: Compiled by Fairweather Consulting using Data from the NYS Labor Department.		

Table 6. Shift Share Analysis: Schoharie County Vs. New York State NICHE OPPORTUNITIES: Selected Sectors with a positive local competitive share & a negative industrial mix		
Industry Title	Local Competitive Effect Component, Jobs	Industrial Mix Component, Jobs
NAICS 221: Utilities	149.63	-2.52
NAICS 236: Construction of Buildings	215.48	-3.25
NAICS 339: Miscellaneous Manufacturing	54.46	-1.90
NAICS 423: Merchant Wholesalers, Durable Goods	1008.90	-16.56
NAICS 424: Merchant Wholesalers, Nondurable Goods	93.29	-1.18
NAICS 51: Information	149.87	-4.29
NAICS 522: Credit Intermediation & Related Activity	56.17	-9.63
NAICS 523: Financial Investment & Related Activity	125.95	-4.98
NAICS 53: Real Estate and Rental and Leasing	42.89	-0.92
NAICS 623: Nursing and Residential Care Facilities	464.99	-3.97
Source: Compiled by Fairweather Consulting using Data from the NYS Labor Department.		

Table 7. Shift Share Analysis: Schoharie County Vs. New York State

STRETCH OPPORTUNITIES: Selected Sectors with a Negative Competitive Share and a Positive Industrial Mix		
Industry Title	Local Competitive Effect Component, Jobs	Industrial Mix Component, Jobs
NAICS 112: Animal Production	-2.36	6.53
NAICS 519: Other Information Services	-7.43	10.80
NAICS 54: Professional and Technical Services	-204.71	12.93
NAICS 551: Management of Companies and Enterprises	-57.39	1.83
NAICS 71: Arts, Entertainment, and Recreation	-101.79	12.87
NAICS 721: Accommodation	-54.47	10.15
NAICS 811: Repair and Maintenance	-79.33	1.93
Source: Compiled by Fairweather Consulting using Data from the NYS Labor Department.		

From a Statewide perspective, strong industries in which Schoharie County also exhibits strength include Crop Production and various services (including some health services and Accommodation & Food Services). Among the industries that were declining Statewide in which Schoharie showed relative strength are Construction, Merchant Wholesalers (e.g., enterprises that directly buy goods for resale to retailers), and Financial Services. As shown in Table 7, the industries which show statewide strength, but in which Schoharie County appears relatively weak (i.e., has a negative competitive effect vis a vis New York State) are Animal Production, Professional & Technical Services, Arts & Entertainment, Accommodation and Repair & Maintenance. Conceptually, these are industries in which Schoharie County could succeed if it were able to improve its competitive advantage in them.

Schoharie County versus the Mohawk Valley: The next step in the analysis is to bring it down to the regional level, to define those regional industries that may be opportunities for Schoharie County. We begin by comparing job growth in the County to the Mohawk Valley.

Table 8 lists those industries for which Schoharie County has a positive competitive effect and for which the Mohawk Valley has a positive industrial mix, the “Strong Potentials” for the County in the Mohawk Valley. These include Crop Production, both Merchant and Broker Wholesalers, Financial Services and Health Services including Ambulatory Services and Nursing and Residential Care Facilities.

Table 8. Shift Share Analysis: Schoharie County Vs. Mohawk Region STRONG OPPORTUNITIES: Selected Sectors with a positive local competitive share & a positive industrial mix		
Industry Title	Local Competitive Effect Component, Jobs	Industrial Mix Component, Jobs
NAICS 111: Crop Production	22.27	5.53
NAICS 424: Merchant Wholesalers, Nondurable Goods	95.69	0.37
NAICS 425: Electronic Markets and Agents/Brokers	2.00	3.37
NAICS 519: Other Information Services	4.42	0.27



NAICS 522: Credit Intermediation & Related Activity	56.29	1.68
NAICS 523: Financial Investment & Related Activity	119.26	5.96
NAICS 621: Ambulatory Health Care Services	575.87	23.44
NAICS 623: Nursing and Residential Care Facilities	458.06	19.66
Source: Compiled by Fairweather Consulting using Data from the NYS Labor Department.		

Table 9 lists the County's "Niche Potentials" vis a vis the Mohawk Valley, those industries for which Schoharie County has a positive competitive effect, even though employment in them is declining regionally. Sectors listed here include construction, some manufacturing, wholesaling and a variety of services.

Table 9. Shift Share Analysis: Schoharie County Vs. Mohawk Region NICHE OPPORTUNITIES: Sectors with a positive competitive share & a negative Industrial Mix		
Industry Title	Local Competitive Effect Component, Jobs	Industrial Mix Component, Jobs
NAICS 221: Utilities	155.15	-4.09
NAICS 236: Construction of Buildings	233.29	-13.17
NAICS 339: Miscellaneous Manufacturing	57.56	-4.08
NAICS 423: Merchant Wholesalers, Durable Goods	1013.46	-9.28
NAICS 51: Information	181.55	-24.63
NAICS 53: Real Estate and Rental and Leasing	54.12	-7.90
NAICS 541: Professional and Technical Services	978.09	-1.31
NAICS 55: Management of Companies and Enterprises	287.32	-0.52
NAICS 561: Administrative and Support Services	380.26	-4.61
NAICS 81: Other Services, Ex. Public Admin	1343.50	-5.43
Source: Compiled by Fairweather Consulting using Data from the NYS Labor Department.		

Table 10 lists the “Stretches” vis a vis the Mohawk Valley, sectors that are growing regionally, but in which the County is lagging in job growth. This include several agriculture-related sectors, mining, and sectors related to the arts and tourism.

Table 10. Shift Share Analysis: Schoharie County Vs. Mohawk Region STRETCH OPPORTUNITIES: Selected Sectors with a Negative Competitive Share and a Positive Industrial Mix		
Industry Title	Local Competitive Effect Component, Jobs	Industrial Mix Component, Jobs
NAICS 112: Animal Production	-10.12	18.13
NAICS 113: Forestry and Logging	-2.86	0.39
NAICS 212: Mining (except Oil and Gas)	-5.58	1.11
NAICS 484: Truck Transportation	-53.33	5.02
NAICS 71: Arts, Entertainment, and Recreation	-87.87	13.42
NAICS 721: Accommodation	-68.12	34.94
Source: Compiled by Fairweather Consulting using Data from the NYS Labor Department.		

Schoharie County versus the Albany Metropolitan Area: Table 11 lists the “Strong Potentials” for Schoharie County versus the Albany Metro Area. These include Animal Production, Merchant Wholesalers and Administrative Services. Table 12 lists the “Niche Potentials” for the County in the Albany Metro Area, including sectors related to agriculture, financial services, professional and technical services and health care. As shown in Table 13, the “Stretch” potentials vis a vis the Albany Metro Area include Forestry, Mining, Construction, a variety of services, including Accommodation.

Table 11. Shift Share Analysis: Schoharie County Vs. Albany MSA STRONG OPPORTUNITIES: Selected Sectors with a Positive Competitive Share and a Positive Industrial Mix		
Industry Title	Local Competitive Effect Component, Jobs	Industrial Mix Component, Jobs
NAICS 112: Animal Production	3.77	1.83
NAICS 221: Utilities	139.95	8.63
NAICS 423: Merchant Wholesalers, Durable Goods	405.89	590.87
NAICS 424: Merchant Wholesalers, Nondurable Goods	77.23	16.35
NAICS 561: Administrative and Support Services	364.40	8.06
Source: Compiled by Fairweather Consulting using Data from the NYS Labor Department.		

Table 12. Shift Share Analysis: Schoharie County Vs. Albany MSA  
NICHE OPPORTUNITIES:

Selected Sectors with a Positive Competitive Share & Negative Industrial Mix		
Industry Title	Local Competitive Effect Component, Jobs	Industrial Mix Component, Jobs
NAICS 11: Agriculture, Forestry, Fishing and Hunting	25.35	-1.68
NAICS 111: Crop Production	24.00	-0.77
NAICS 519: Other Information Services	16.77	-12.91
NAICS 522: Credit Intermediation & Related Activity	74.73	-23.93
NAICS 523: Financial Investment & Related Activity	139.10	-16.55
NAICS 541: Professional and Technical Services	1178.49	-215.86
NAICS 621: Ambulatory Health Care Services	835.51	-253.39
NAICS 623: Nursing and Residential Care Facilities	578.60	-111.36
Source: Compiled by Fairweather Consulting using Data from the NYS Labor Department.		

Table 13. Shift Share Analysis: Schoharie County Vs. Albany MSA Selected Sectors with a Negative Competitive Share & Positive Industrial Mix		
Industry Title	Local Competitive Effect Component, Jobs	Industrial Mix Component, Jobs
NAICS 113: Forestry and Logging	-5.50	2.39
NAICS 212: Mining (except Oil and Gas)	-117.52	110.01
NAICS 22: Utilities	-69.24	77.83
NAICS 236: Construction of Buildings	-168.23	383.40
NAICS 339: Miscellaneous Manufacturing	-7.39	60.29
NAICS 531: Real Estate	-53.35	22.02
NAICS 551: Management of Companies and Enterprises	-136.41	82.85
NAICS 56: Administrative and Waste Services	-213.75	153.11
NAICS 624: Social Assistance	-1020.58	778.06
NAICS 721: Accommodation	-183.20	143.03
NAICS 81: Other Services, Ex. Public Admin	-495.03	1810.19
NAICS 811: Repair and Maintenance	-163.49	89.52
Source: Compiled by Fairweather Consulting using Data from the NYS Labor Department.		

## Further Refinement through the US Cluster Mapping Project

As indicated in footnote 1, our analysis of Schoharie County's industries has been limited by the data limitation of data reported by the New York State Department of Labor. Consequently, as we seek to identify potential targets of opportunity for Schoharie County, the analysis must go beyond these limitations. Fortunately, the US Economic Development Administration has created a tool for just this purpose. Created for the EDA by the Harvard Business School, the US Cluster Mapping Project seeks to identify those portions of the local economy that are exporters of goods and services and importers of income and wealth. This is a very important distinction for economic development purposes:

Industries are first classified as "traded" or "local." Traded industries are industries that are concentrated in a subset of geographic areas and sell to other regions and nations. Local industries are industries present in most (if not all) geographic areas, and primarily sell locally. Within the two large groups, sets of traded industries are then organized into traded clusters based on an overall measure of relatedness between individual industries across a range of linkages, including input-output measures, use of labor occupations, and co-location patterns of employment and establishments. Local industries are grouped primarily based on similarities in activities reflected in aggregated U.S. industry categories<sup>6</sup>. . . .

. . . . The main underlying data source for the generation of benchmark cluster definitions is the U.S. Census Bureau's County Business Patterns dataset on employment, establishments, and wages by six-digit NAICS code (North American Industry Classification System), collected at the regional level of states, economic areas, metropolitan and micropolitan statistical areas, and counties.<sup>7</sup>

In this analysis, the Cluster Mapping Tool is deployed to identify strong local and traded clusters in Schoharie County, the Mohawk Valley Region and the Albany MSA. Rather than focus on sectors by size of current employment, this analysis examines each sector based upon its past growth patterns. Figures 6 through 11 below display clusters (both "traded" and "local") that have exhibited employment growth during the course of the economic recovery. In each figure, the bars showing employment growth by industry also include horizontal dashes for each industry. This shows how much that cluster would have grown had it matched the national growth rate in that sector. Clearly, clusters that match or exceed national growth trends are even more attractive opportunities for Schoharie County.

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<sup>6</sup> Author's note: The traded category is an important component of an economic base. These are industries whose customers primarily come from outside the County. These traded clusters thus constitute the primary means by which a local economic generates new income, jobs and wealth.

<sup>7</sup> Source: <http://www.clustermapping.us>

We begin by examining the employment growth in clusters in Schoharie County. Figure 6 shows growth in Schoharie County's "local" sectors from 2008 to 2015. Five sectors show strong growth, each of them exceeding the growth that would be expected had they simply adhered to national growth trends. Note that the growing sectors (including local hospitality, commercial services, personal services and local entertainment and media) are typically associated with villages and other commercial centers. This growth suggests that there is potential to continue to strengthen the central business districts in the County.

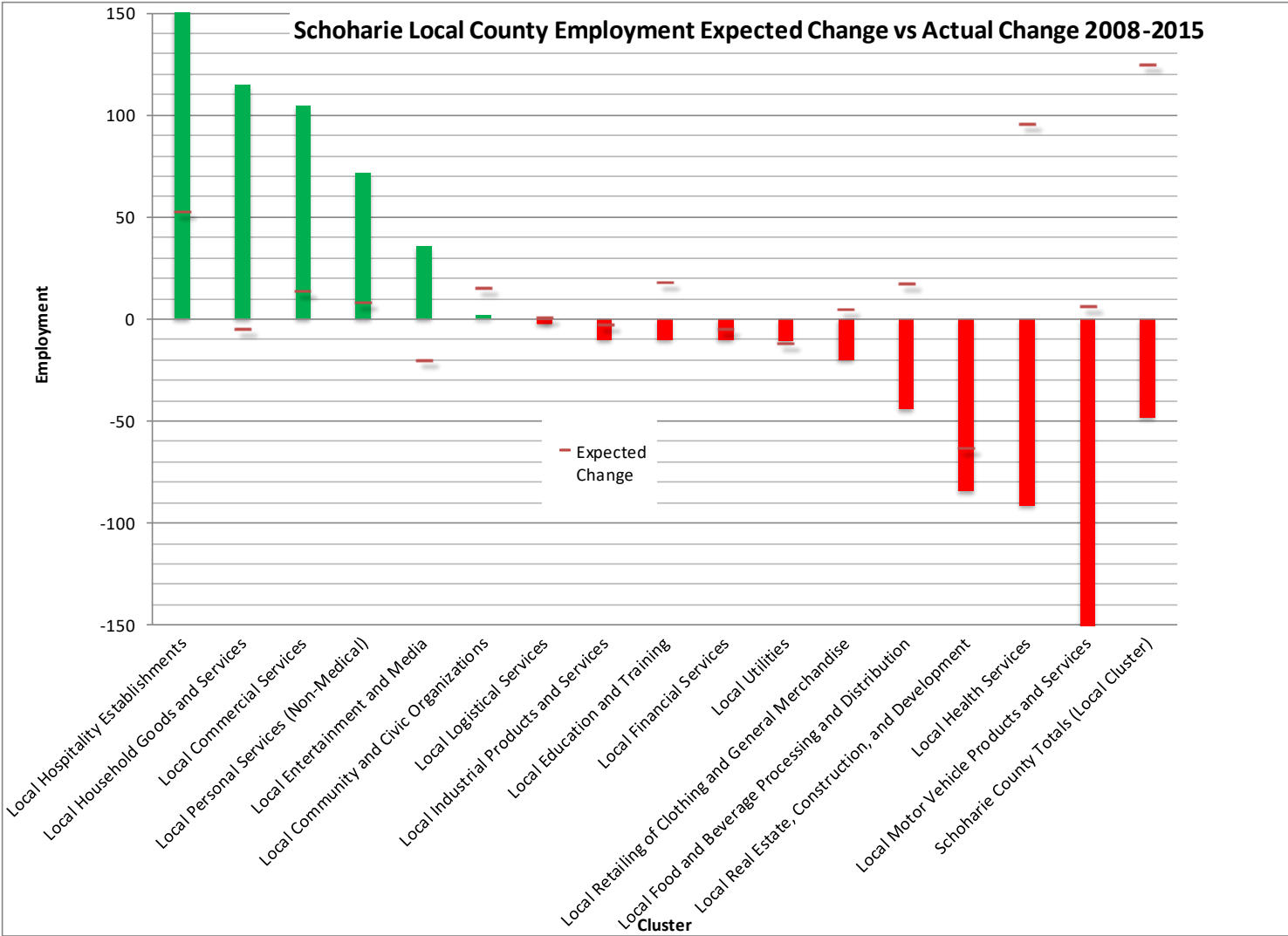
Figure 7 displays the employment trends for Schoharie County's "traded clusters." These speak to the role of the County as an edge location, with strengths in sectors primarily associated with more rural economies: distribution, food processing, wood products, livestock processing, etc. In every case, the growing clusters outperformed their national counterparts. Note that there are other traded clusters (depicted with red bars) that lost employment in this period, with the biggest losses coming in business services, nonmetal mining and plastics. Not only did these clusters lose employment, but they did so at rates that exceeded the national average for their respective clusters.

The next series of figures examines the regional clusters in the Mohawk Valley region and the Albany Metropolitan Statistical Area (MSA). Both local and traded clusters are included in this analysis because regional local clusters can potential serve as traded clusters for Schoharie County. That is to say, the economic activity supporting the local clusters in the Mohawk Valley or the MSA may come from within that region, but still could be attracted into Schoharie County as new income or employment for the County. NOTE: these figures only include the growing clusters in the two regions. This simplifies the figures and recognizes that a declining regional cluster is not likely to serve as an opportunity for Schoharie County.

Figure 8 displays the local clusters in the Mohawk Valley region that have experienced growth from 2008 to 2015. As with the County's local clusters, many of these are activities associated with central business districts, further indicating the potential for strengthening economic activity in the County's villages. The growing traded clusters in the Mohawk Valley shown in Figure 8 are a more diverse array than found in the County itself. It includes clusters associated with rural economies, such as manufacturing and food processing. But it also includes growth in information technology employment and communications equipment and services. Thus, this suggests there are opportunities for Schoharie to the extent to which the County can more broadly participate in the economy of the Mohawk Valley.

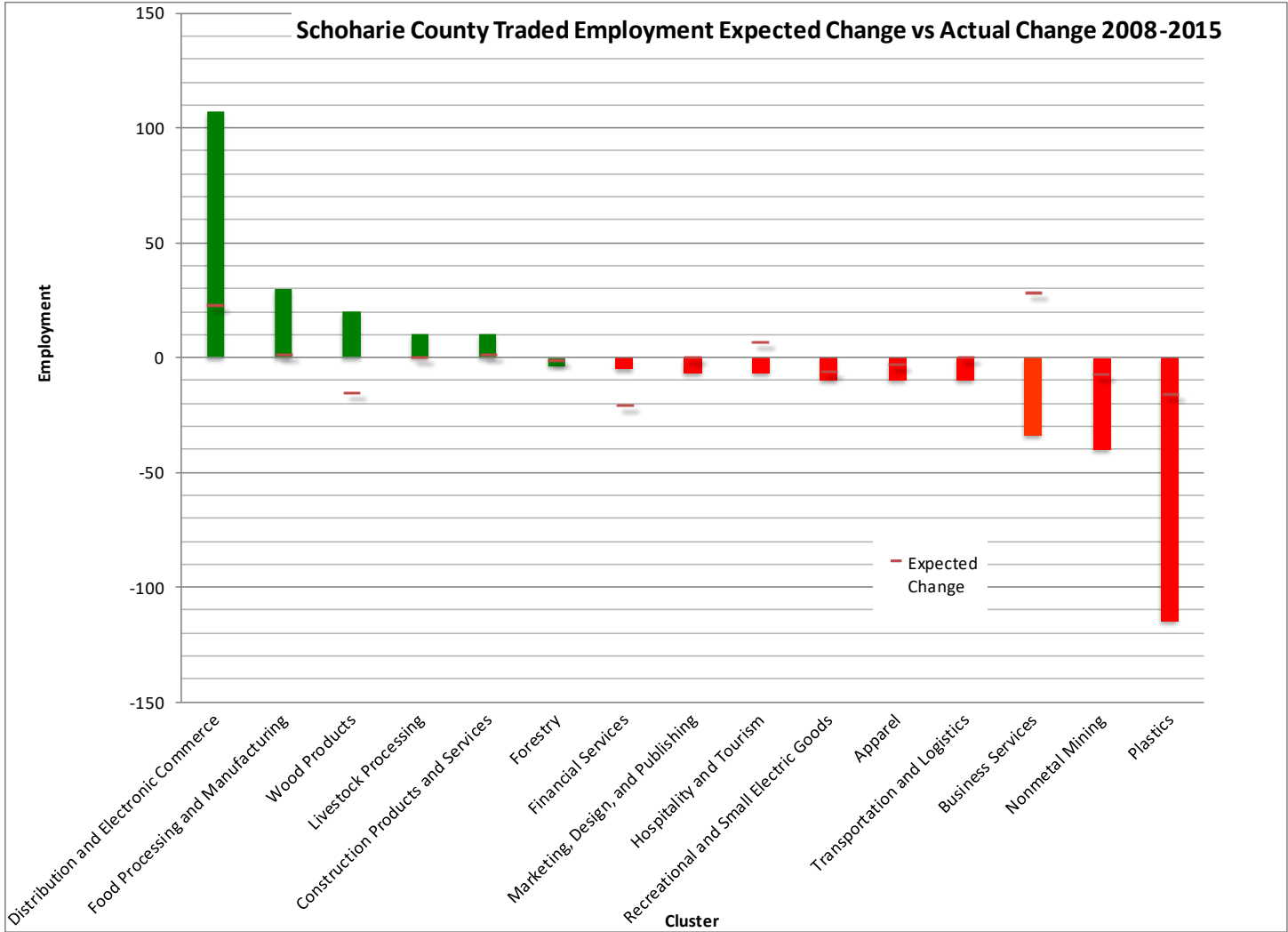
Figures 10 and 11 show growing clusters in the Albany Metro area's local and traded clusters. In Figure 9, note that, in addition to the types of local clusters associated with downtowns, the MSA also shows strength in local food and beverage processing. This suggests that Schoharie County might be able to draw upon this to help develop its traded cluster in food processing. Figure 10 clearly demonstrates that the economy of the Albany MSA is participating in the innovative sectors associated with more metropolitan areas. From information technology to electric power generation, the area includes technology-driven enterprises ranging from Global Foundries to General Electric. Again, these are potential opportunities for Schoharie County if it can better integrate itself into the economy of the Albany Metropolitan Area.

Figure 6.



Source: compiled by Fairweather Consulting from the US Cluster Mapping Project.

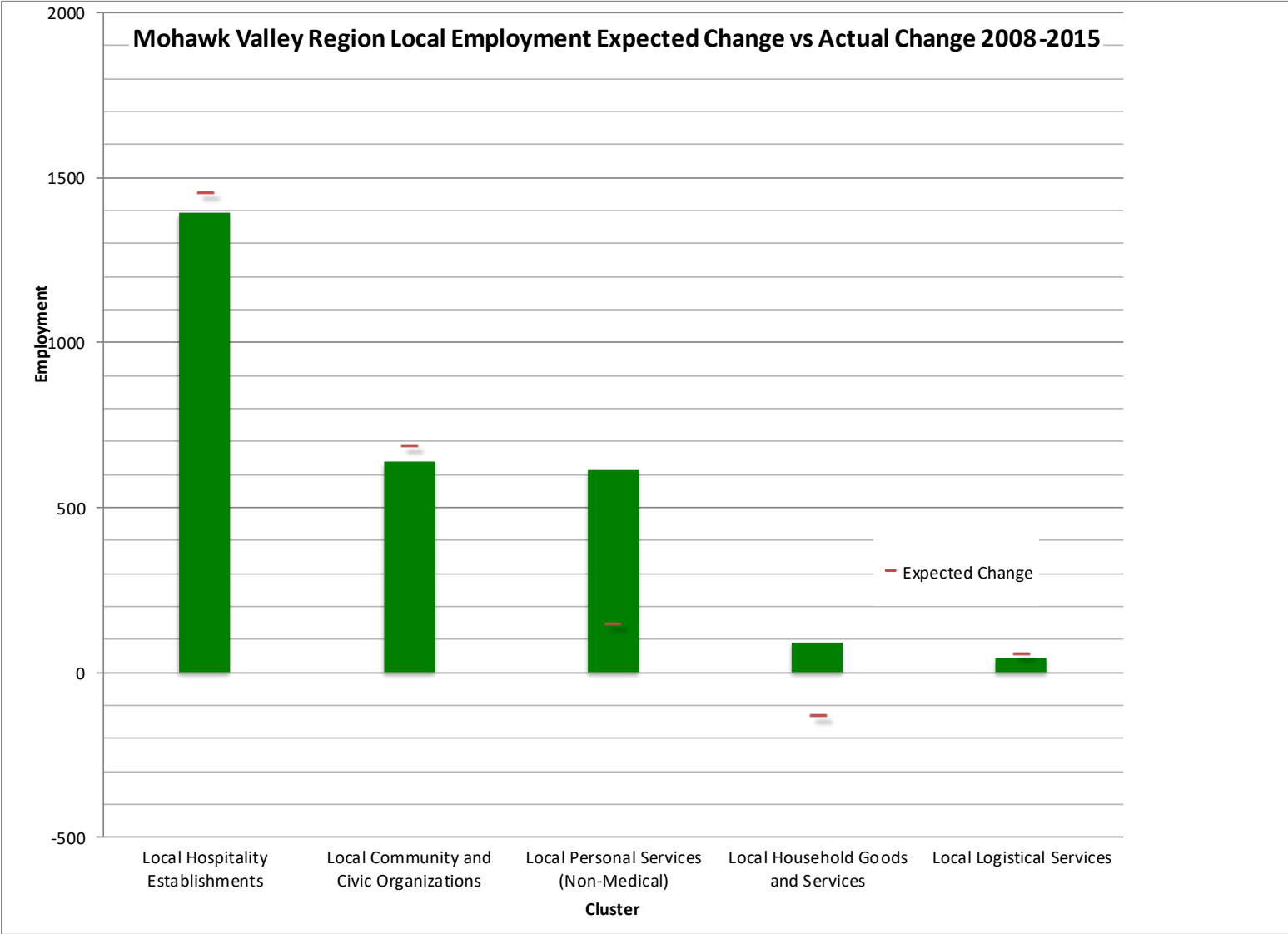
Figure 7.



Source: compiled by Fairweather Consulting from the US Cluster Mapping Project.

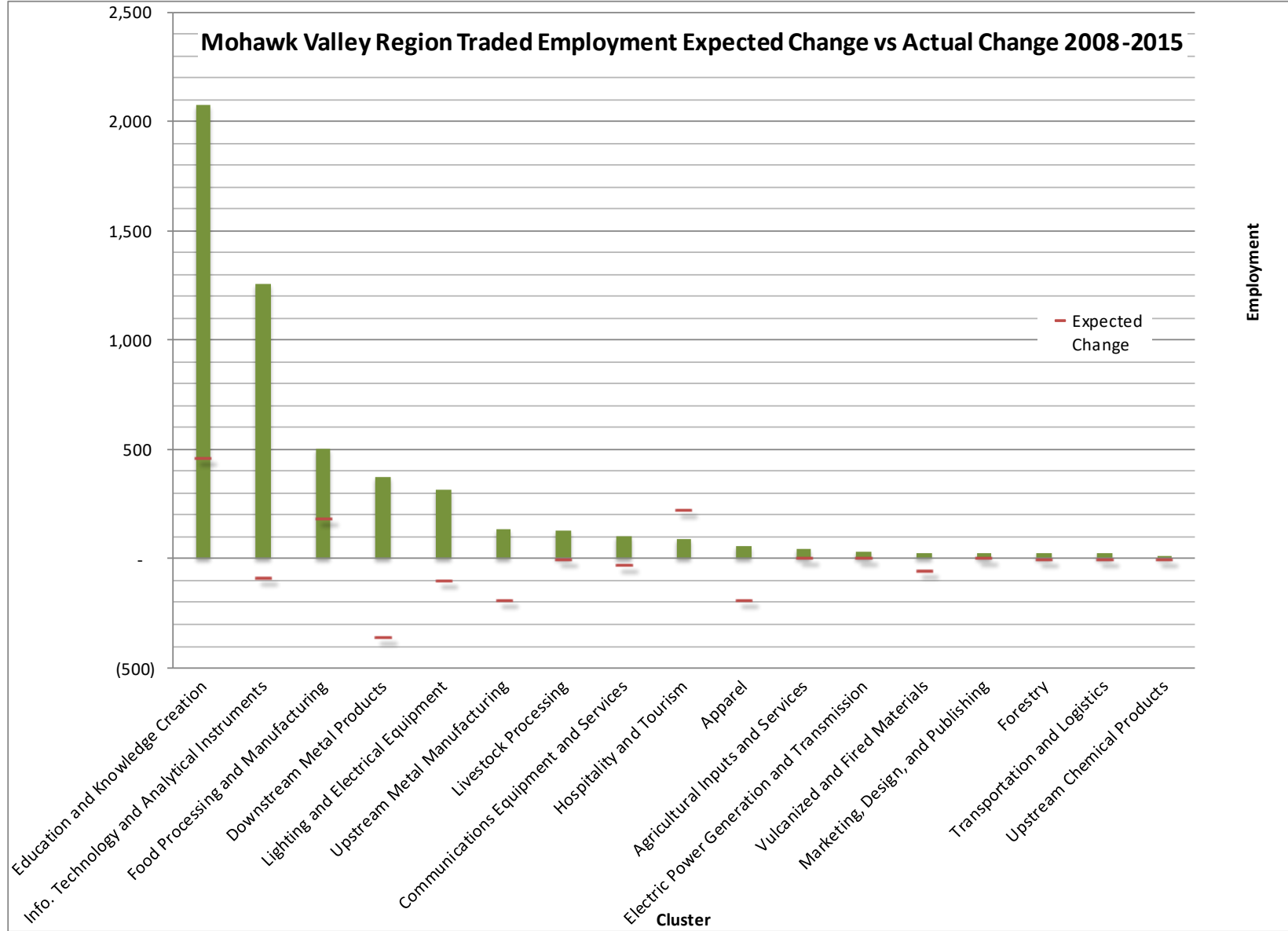


Figure 8.



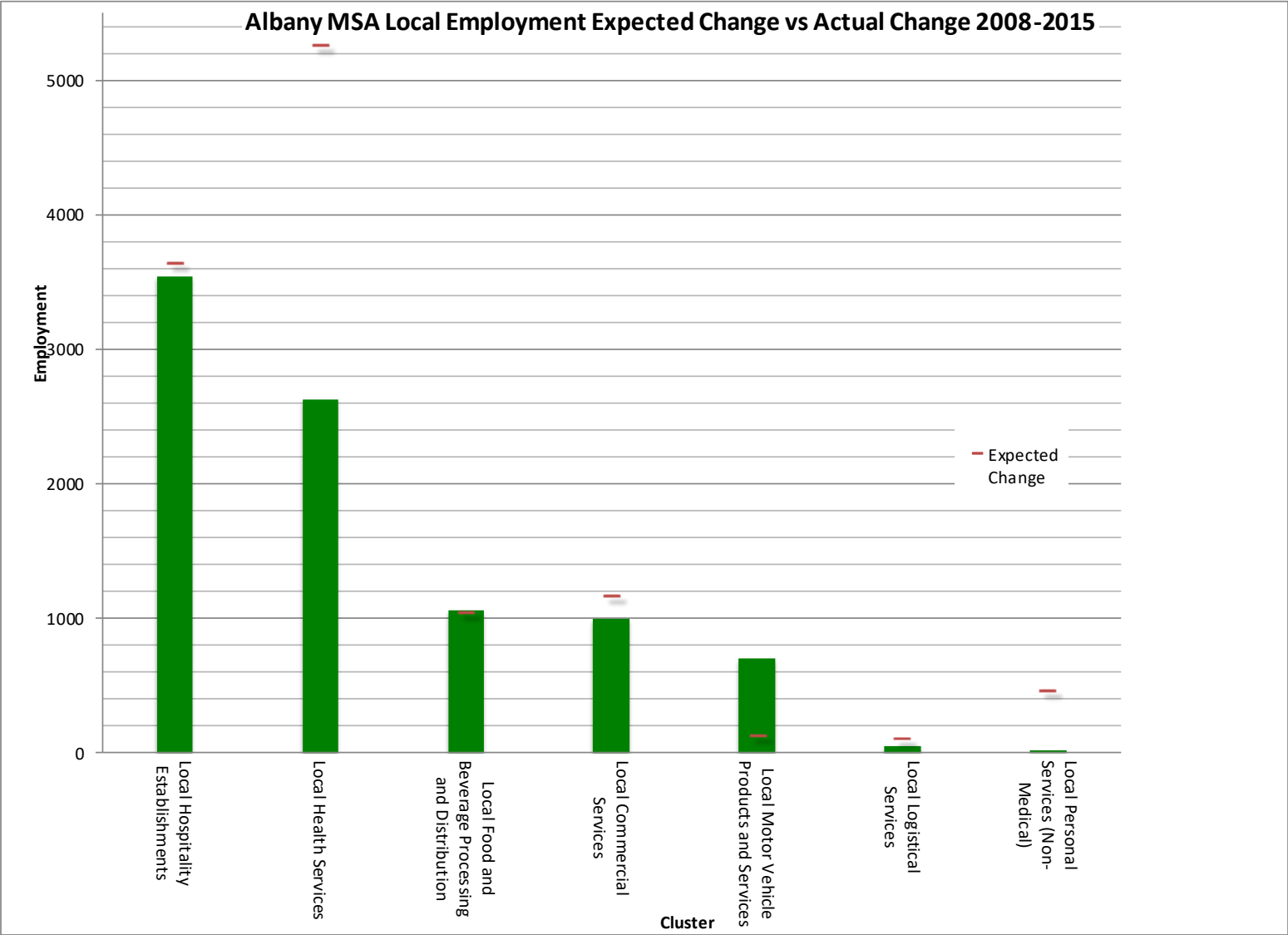
Source: compiled by Fairweather Consulting from the US Cluster Mapping Project.

Figure 9.



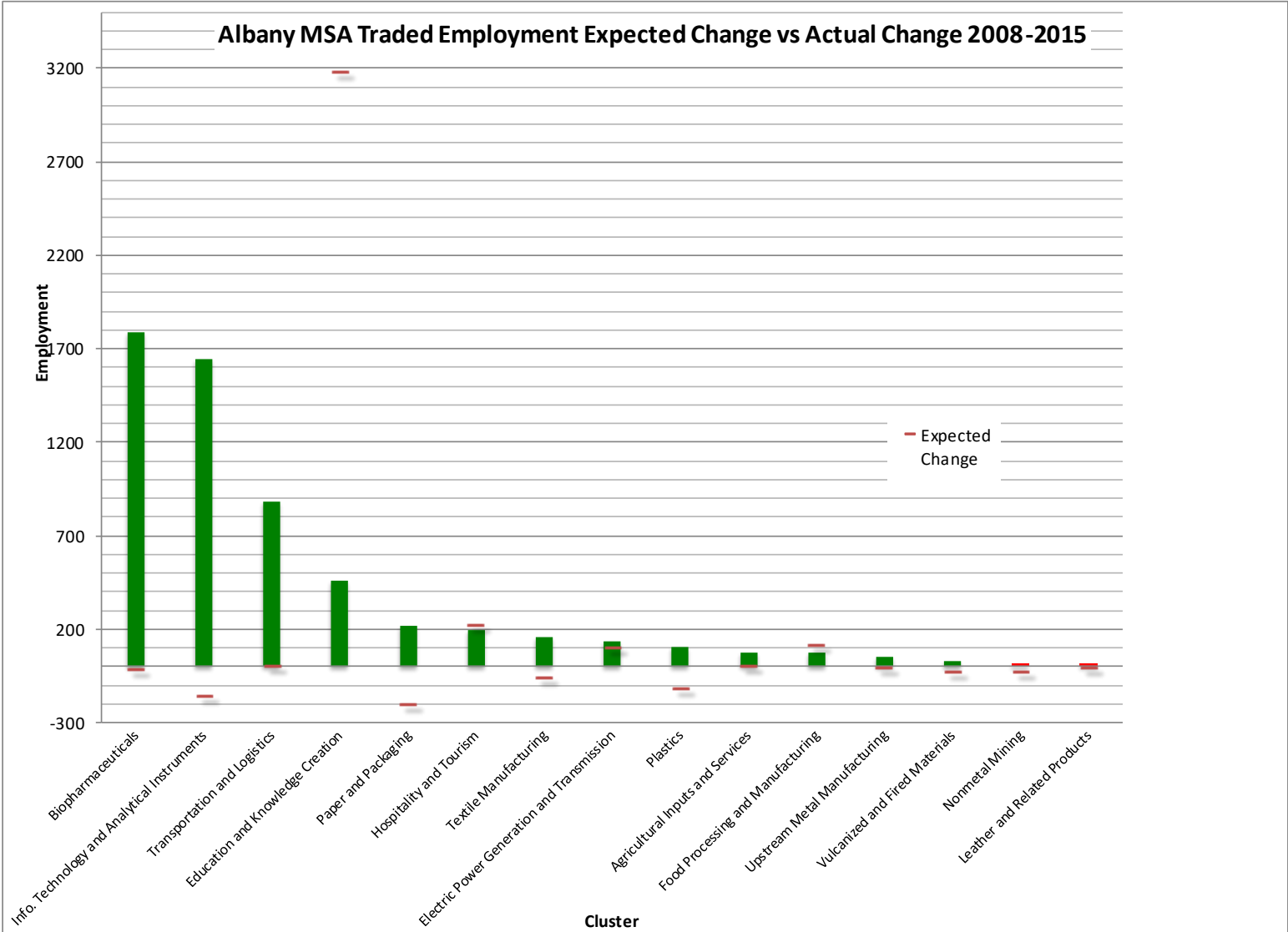
Source: compiled by Fairweather Consulting from the US Cluster Mapping Project.

Figure 10.



Source: compiled by Fairweather Consulting from the US Cluster Mapping Project.

Figure 11.



Source: compiled by Fairweather Consulting from the US Cluster Mapping Project.

## Agriculture Overview

The most current analysis of Schoharie County is found in the County's Farmland Protection Plan of December, 2016. The 2017 Census of Agriculture (the best source of detailed statistics at the County level) is due to come out later this year. Consequently, the 2012 Census is the most recent. This was the data to inform the County's Farmland Protection Plan. This analysis draws upon that work to characterize agriculture in Schoharie County.

Like many other counties in New York, the data reveal Schoharie County's agricultural sector is in a time of transition. Dairy has long dominated Schoharie County agriculture and remains an important component to this day. The good news: the County boasts a number of dairy farms with long histories of success. The bad news: the County's farm economy is particularly susceptible to the national crisis in the dairy industry, as excess supply and downward pressures on dairy prices are creating pressures for consolidation on both farms and processors (including cooperatives).<sup>8</sup>

The Farmland Protection Plan provided some comparison between Schoharie County's farm sector and peer counties of Otsego, Montgomery and Delaware. It describes a relatively small agricultural base that generates a healthy sales per farm, under a variety of economic pressures. According to the Plan, Schoharie County:

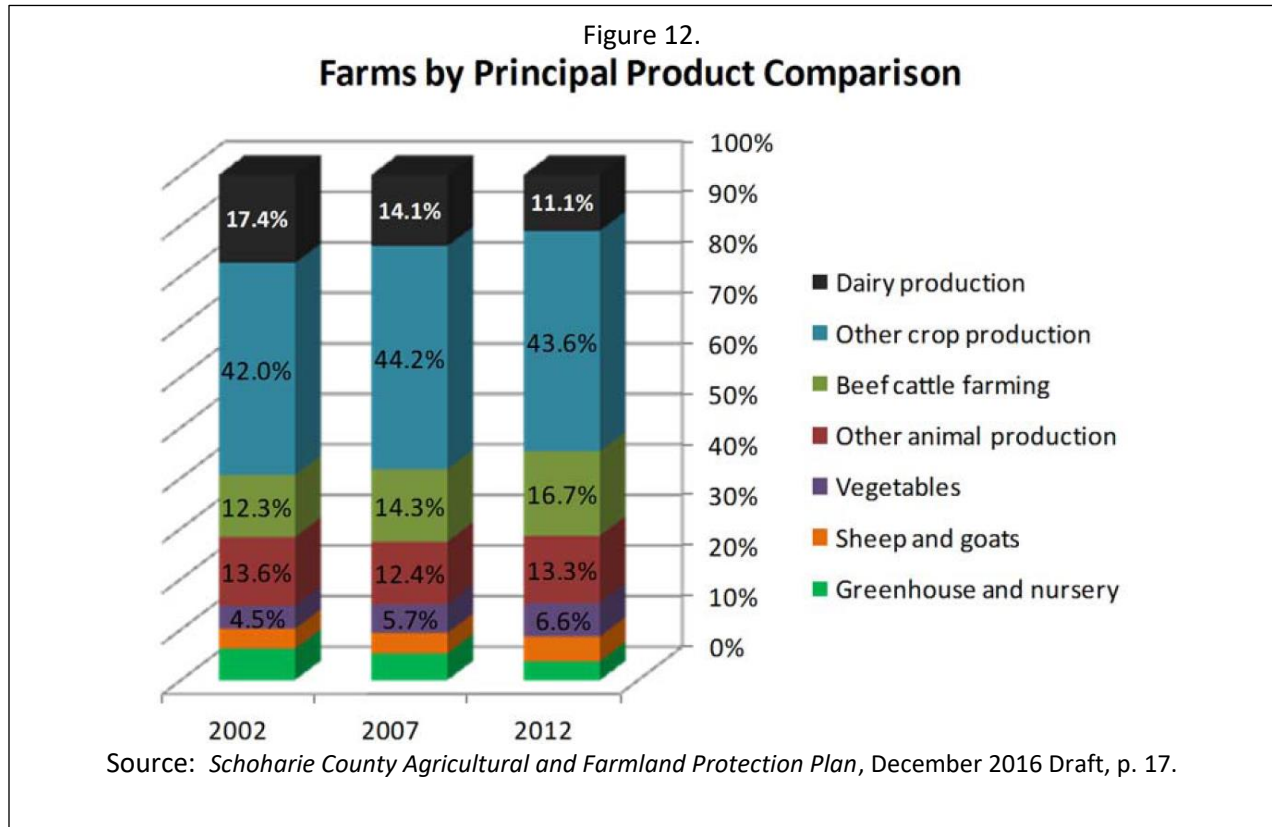
- Had higher average sales per farm in 2012 (\$74,248) than the counties of Otsego (\$67,095) and Delaware (\$67,735) but fewer farms than the comparison areas.
- Has the smallest amount of land in farms as measured by acreage, but has a higher percentage of its total land area in farms (24.7%) than the state average (23.8%).
- Is remarkably like Otsego County with respect to the average acreage per farm and the percentage of large farms with 500 acres or more. Montgomery and Delaware Counties have a higher proportion of large farms.
- The rate of decline in the number of farms between 2002 and 2012 (-8.1%) exceeded the state average (-4.6%). Only Delaware County experienced a steeper rate of decline (-10.7%).
- Lost farmland at a rate that was twice the state average between 2002 and 2012, but far less than in the counties of Montgomery or Delaware. Delaware County, in fact, lost farmland at nearly four times the state average.
- Had lower farm sales in 2002, 2007, and 2012 than in each of the other counties.
- Had a smaller proportion of profitable farms (38.7%) than its peer counties in 2012.<sup>9</sup>

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<sup>8</sup> Natasha Vaughn, "Why low milk prices are really bad for New York farms," *Rochester Democrat and Chronicle*, March, 2018. (<https://www.democratandchronicle.com/story/news/politics/albany/2018/03/08/why-low-milk-prices-really-bad-new-york-farms/384592002/>)

<sup>9</sup> *Schoharie County Agricultural and Farmland Protection Plan*, December 2016 Draft, p. 21.

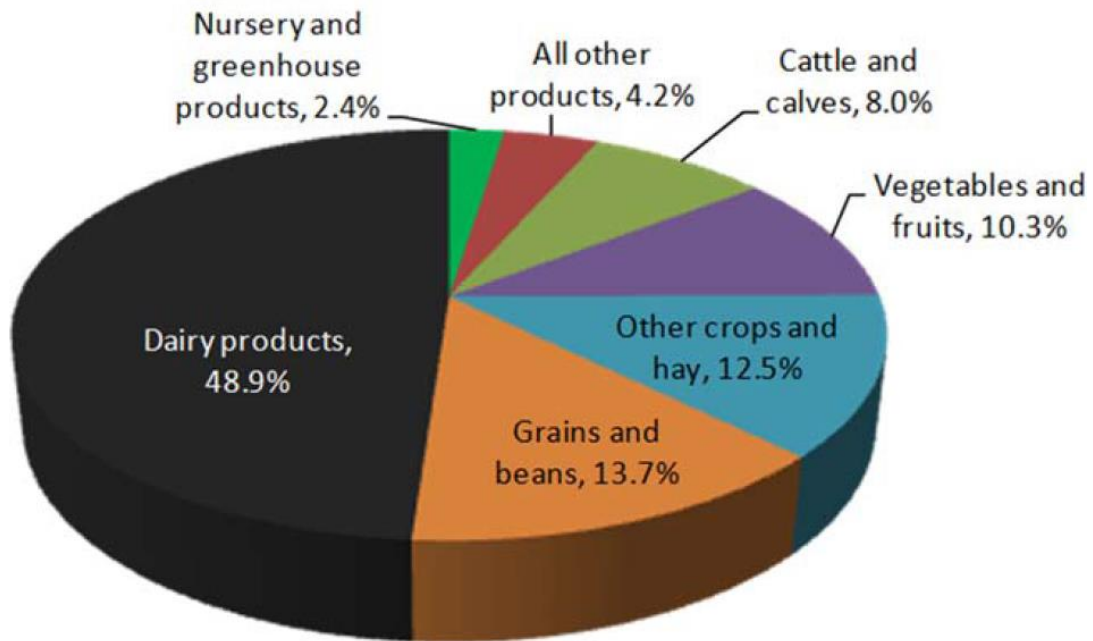
Several figures from the Farmland Protection Plan tell the story. As shown in Figure 13, dairy still dominates that County, but some diversification is taking place, as farms producing primarily dairy products went from accounting for 17 percent of all farms in 2002, to comprising 11 percent of farms in 2012. At the same time, with the exception of farms operating primarily as greenhouses and nurseries, the County saw an increase in the share of all other types of farms.



However, Figure 13 shows how dairy still dominates the business of farming in the County. In 2012, it still accounted for 49 percent of farm sales in the County. Figure 14 provides a quick summary of the issue facing Schoharie County's dairy farmers. Despite the oversupply of fluid milk in the market, farms continue to become ever more efficient and capable of producing ever more milk, leading to further downward pressure on prices.

Figure 13.

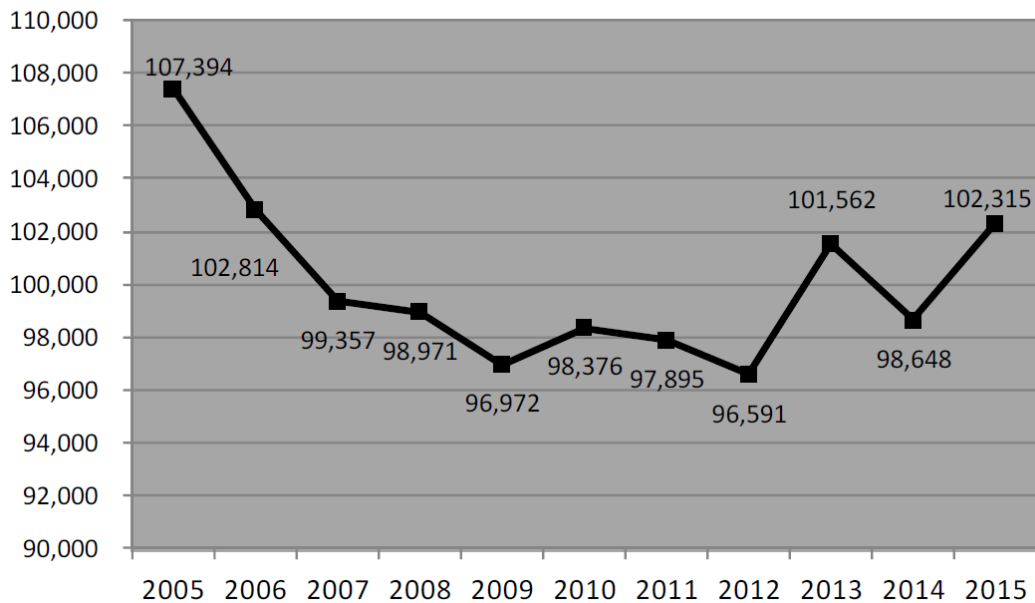
### Sales by Agricultural Product, 2012



Source: Schoharie County Agricultural and Farmland Protection Plan, December 2016 Draft, p. 17.

Figure 14.

### Annual Milk Production (1,000 lbs.)



Source: Schoharie County Agricultural and Farmland Protection Plan, December 2016 Draft (Federal Milk Marketing Administration data), p. 18.



The Plan highlighted some of the ways farmers in the County are responding:

- The market value of agricultural products sold in Schoharie County appears to have increased nearly 50%, from \$27.0 million in 2002 to \$39.5 million in 2012, with increases in the sales of both crops and animal products. . . Adjusting all figures to 2012 dollars, however, the real value of farm sales increased by 15%. Moreover, sales of livestock and animal products decreased by about 3%. . . .
- In 2012, Schoharie County ranked #9 in the state in the number of goats (983), #12 in the value of hogs and pigs sold (\$538,000), and #15 in the value of sheep, goats, and their products (\$423,000). It ranked #43 in overall agricultural sales.
- Seventeen farms in Schoharie County sold organic products in 2012, reaching \$425,000 in sales. This was an increase of 87.2% from 2002.
- An increasing number of Schoharie County farmers sell their products directly to consumers through such venues as farm stands and farmers markets. The value of direct-to-consumer sales in 2012 was more than \$2.6 million, compared to \$1.2 million in 2002.
- The Agricultural Census reports that in 2012, 44 Schoharie County farms (8.3%) produced or sold value-added commodities; 36, or 6.8%, marketed their products direct to retail outlets; and 13 (2.4%) had an on-farm packing facility. Only 4 farms in the County earned income through agritourism and recreational services, down from 12 in 2007.<sup>10</sup>

Clearly, the County's farmers are responding to these challenges. In terms of the County's economic development strategy, it should seek to support farmers' efforts as they:

- Continue to seek ways to diversify their crops and livestock
- Seek out opportunities to add value to their products through processing and other activities
- Participate in emerging opportunities in agri-tourism, direct marketing and farm-to-table activities

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<sup>10</sup> *Schoharie County Agricultural and Farmland Protection Plan*, December 2016 Draft, pp. 18-19.

## Workforce Analysis

Workforce is one of the most important ingredients for the economic success of a region. From agriculture to manufacturing to hospitality, as more work uses information technology, businesses are increasingly reliant on a skilled workforce to remain economically competitive. Essentially, Schoharie County's workforce reflects the County's long-standing concentration in agriculture and traditional manufacturing, with higher concentrations of workers with high school education through 2-year degrees.

However, as technology pervades more and more industries, Schoharie County faces the same shortage of workers for "middle skills" (those that require more education and training than a high school diploma but less than a four-year college degree) as most of the United States.<sup>11</sup> As shown earlier in Table 1, Schoharie County is constrained in this regard, given its weak population growth. It is therefore important to assess the current workforce available to County businesses and identify ways to ensure an adequate supply of skilled workers. This section provides an overview of the current condition of the County's workforce.

### Commuting Patterns

As part of this assessment, it is important to understand the commuting patterns of the workforce. These are summarized in tables 14 and 15. Table 14 shows counties in the Mohawk Valley, Greater Central NYS region and Albany MSA ranked by the portion of out-commuters as a percentage of total jobs. Schoharie County is ranked 9<sup>th</sup> among these counties, with a net-out-commutation equal to approximately 20 percent of all jobs. Note also that only five counties in this group have net in commutation: Albany, Tompkins, Broome Oneida and Madison.

Table 15 shows two types of commuting information. The top half of the table shows where workers in Schoharie County live. The

Table 14.  
Counties in Three-Region Area Ranked by % of Out-commuting

County Name	2017 Jobs	2017 Resident Workers	2017 Net Commuters	Net Commuters as % of Jobs
Tioga	14,515	24,732	(10,217)	-70.4%
Herkimer	18,247	28,610	(10,363)	-56.8%
Rensselaer	58,707	83,454	(24,747)	-42.2%
Schenectady	67,337	90,665	(23,328)	-34.6%
Saratoga	94,332	118,498	(24,166)	-25.6%
Chenango	18,706	23,122	(4,416)	-23.6%
Montgomery	20,583	25,388	(4,805)	-23.3%
Fulton	18,532	22,236	(3,704)	-20.0%
Schoharie	10,006	11,981	(1,975)	-19.7%
Cortland	19,755	21,872	(2,117)	-10.7%
Delaware	16,431	17,859	(1,428)	-8.7%
Otsego	26,255	26,708	(453)	-1.7%
Madison	24,695	23,773	922	3.7%
Broome	92,826	88,060	4,766	5.1%
Oneida	114,440	105,261	9,179	8.0%
Tompkins	59,246	49,939	9,307	15.7%
Albany	245,697	148,945	96,752	39.4%

Source: compiled by Fairweather Consulting using data from [www.economicmodeling.com](http://www.economicmodeling.com)

<sup>11</sup> Accenture, Burning Glass Technologies, and Harvard Business School, *Bridge the Gap: Rebuilding America's Middle Skills*, 2014.

bottom half of the table shows where residents of Schoharie County work. The Village of Cobleskill is an important location in terms both of where workers live and where Schoharie County residents work.

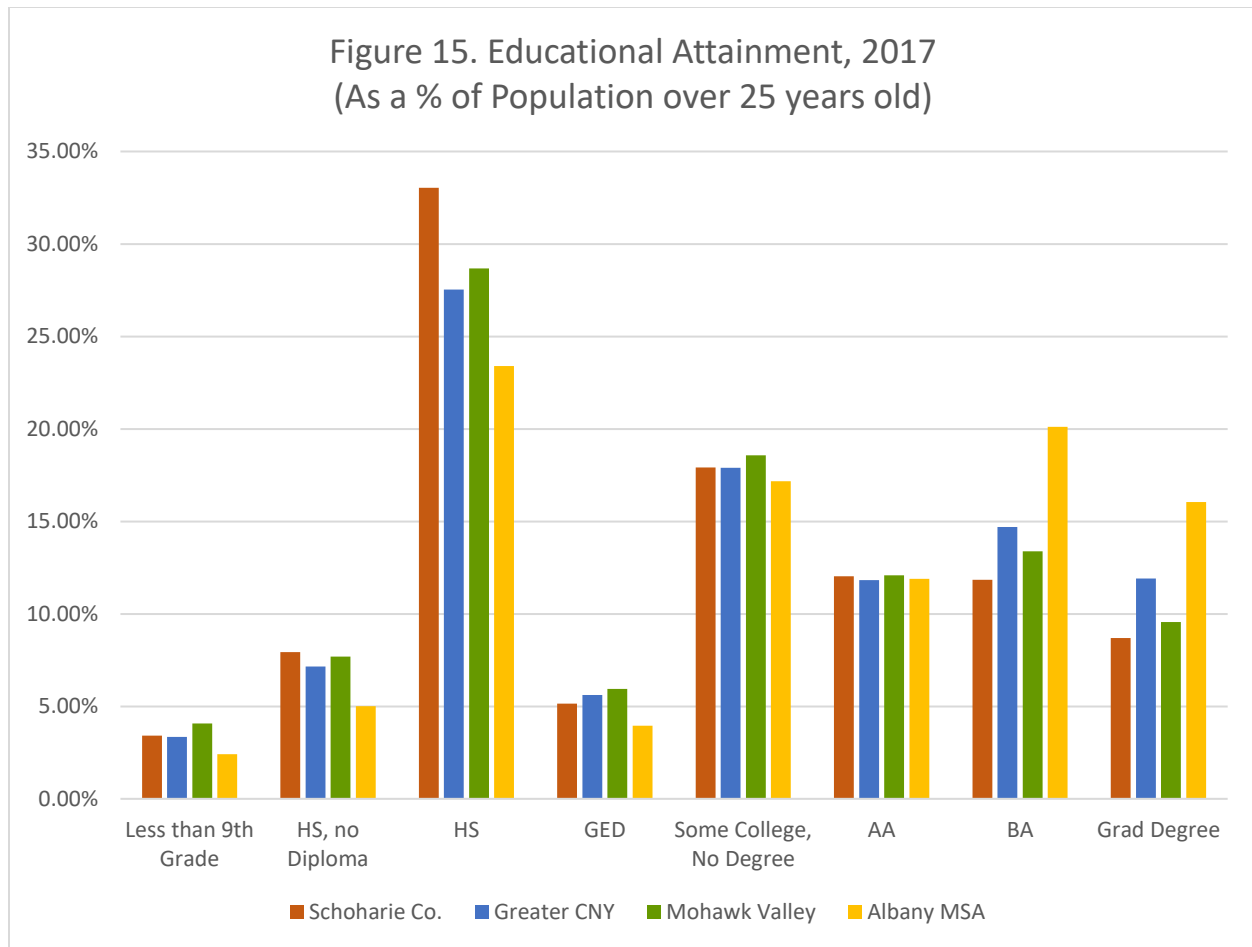
Note that the origins of the County's workers are fairly dispersed. Other than Cobleskill, no other geographic area claims more than 2.5 percent of all workers. Indeed, New York City is second on the list in part due to the large population base and land area of the City compared to the other many places of origin for workers in the County. Among people who are coming into the County for work the Albany Metropolitan Area and the Mohawk Valley, particularly Utica and Rotterdam are the other areas with any concentration of workers.

Approximately one of every five working residents of the County work in either Cobleskill or Schoharie, no doubt a reflection of the presence of SUNY in Cobleskill and County government in Schoharie. New York City also shows up high on the list, again reflected the relative dispersion of those living in the County and where they work. (Note also that this data series is derived from a Census questionnaire asking people where they are working on a particular day. Thus, someone going to New York City for a conference or meeting would report that as their destination. Similarly, someone living in New York and coming to the County for a meeting would report their destination in the County as where they worked on that day.) In any case, the data clearly indicate that workers typically reside and/or work in the County and the three regions in which it is located.

Table 15. Commuting Patterns, All Jobs, 2015		
Where People Who Work in Schoharie County Live		
	Count	Share
Cobleskill village, NY	634	7.3%
New York city, NY	205	2.4%
Middleburgh village, NY	179	2.1%
Schenectady city, NY	107	1.2%
Richmondville village, NY	106	1.2%
Schoharie village, NY	106	1.2%
Sharon Springs village, NY	106	1.2%
Albany city, NY	88	1.0%
Amsterdam city, NY	72	0.8%
Rotterdam CDP, NY	61	0.7%
All Other Locations of those working in County	7,041	80.9%
Where People Who Live in Schoharie County Work		
	Count	Share
Cobleskill village, NY	1,529	14.0%
Schoharie village, NY	765	7.0%
New York city, NY	491	4.5%
Albany city, NY	484	4.4%
Middleburgh village, NY	319	2.9%
Sharon Springs village, NY	184	1.7%
Cooperstown village, NY	176	1.6%
Utica city, NY	155	1.4%
Schenectady city, NY	125	1.1%
Oneonta city, NY	105	1.0%
All Other Work Locations for those living in County	6,577	60.3%
Source: compiled by Fairweather Consulting from US Census Journey to Work Data.		

### Workforce Characteristics

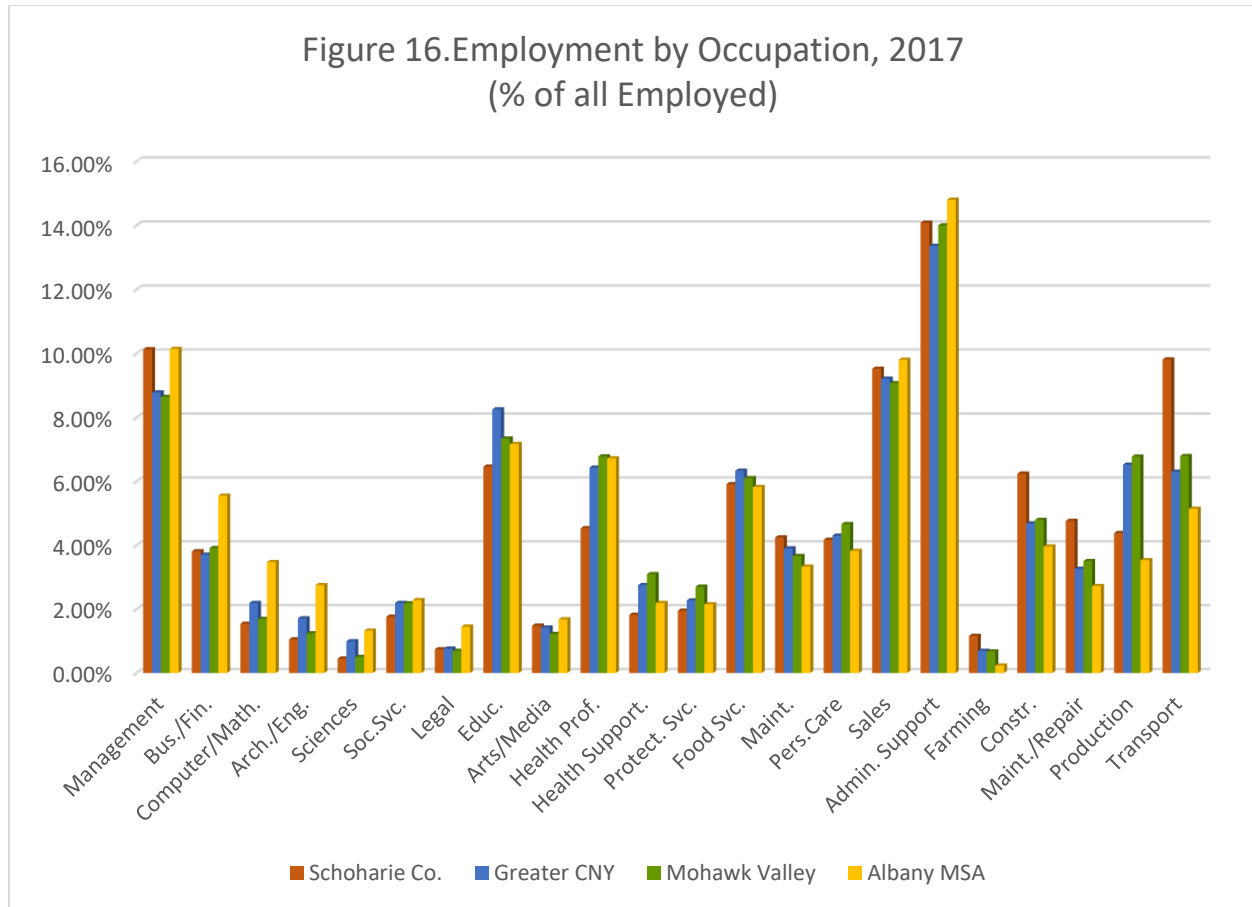
Figures 14 and 15 provide a sense of the composition of the workforce in Schoharie County and the three regions.



Source: Compiled by Fairweather Consulting using ESRI Business Analyst.

As shown in Figure 15, typical of a more rural economy, Schoharie County has a higher concentration of workers with only a high school diploma. One-third of Schoharie County residents' highest education attainment is a High School Degree. This is a higher concentration than the proportion in Mohawk Valley, Albany MSA, and the Greater Central New York area. As may be expected, the residents of the Albany MSA have the highest level of education attainment from residents, as 20 percent obtained a bachelor's degree and 16 percent obtained a graduate degree. Schoharie County has a similar proportion of its population with some college and an associate degree, but trails behind all three regions in terms of the population with either a bachelor's degree or a graduate degree.

This difference in educational attainment may be understood in terms of differences in occupational composition between Schoharie County and the three regions.



Source: Compiled by Fairweather Consulting using ESRI Business Analyst.

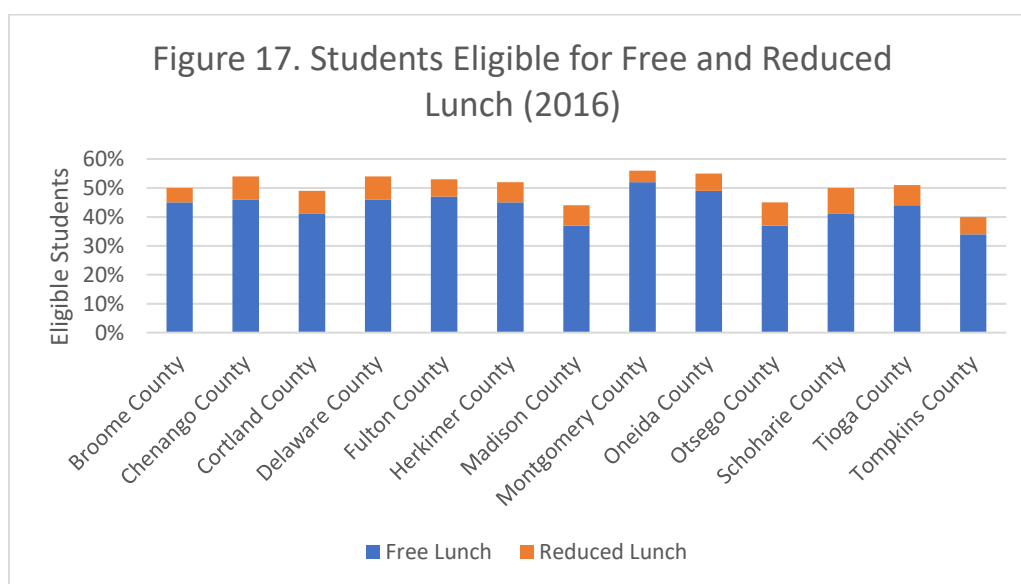
As shown in Figure 16, the County has a greater concentration of its workforce in blue collar occupations. Administrative support is the largest occupation within Schoharie County and the comparison areas. Management is the second largest occupation within these areas. Typical of a more rural economy, Schoharie County has a higher concentration of workers in occupations related to farming, manufacturing, trades and transportation.

## The Workforce “Pipeline:” Student Achievement & Academic Programs

In addition to understanding the composition of the current workforce, it is important to understand the capability of the County’s educational institutions to meet current and future workforce needs. This analysis will look at this in two ways. The first will involve a review of student performance as measured through standardized tests. The second examines the education offerings available to prepare students for the workforce through the Capital Region BOCES and SUNY Cobleskill.

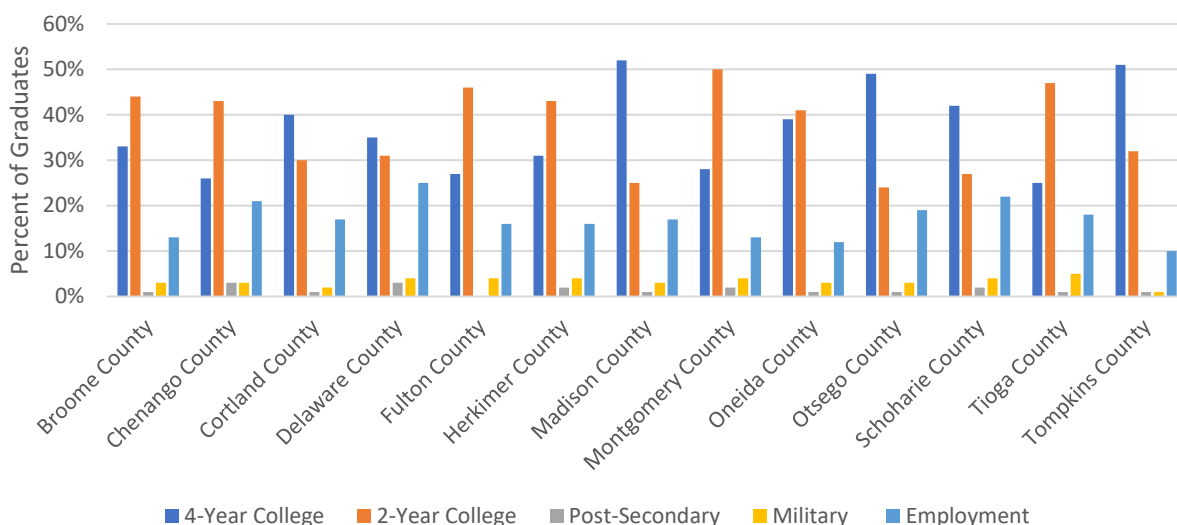
The following section examines student performance data to compare Schoharie County to the surrounding comparison areas. For purposes of this comparison, the County’s test scores are compared to similarly resourced communities, mainly the counties in the Greater Central New York region.

Figure 17 shows the percentage of students in each county eligible for free and reduced-price lunch. This is generally used as a proxy to assess the socio-economic status of the school population. Schoharie County has 41 percent of students that are eligible for free lunch, and nine percent that are eligible for reduced lunch, totaling 50 percent of students eligible for assistance, comparable to many of the comparison counties. Montgomery County has the greatest percent of students eligible (56 percent), and Madison County has the fewest percent eligible with 44 percent. This suggests that, in terms of socio-economic conditions, Schoharie County’s school population is comparable to the larger region.



Source: Compiled by Fairweather Consulting using NYS Education Department Data.

Figure 18. 2016 Post-Graduation Plans



Source: Compiled by Fairweather Consulting using NYS Education Department Data.

County	4-Year College	2-Year College	Post-Secondary	Military	Employment
Broome	33%	44%	1%	3%	13%
Chenango	26%	43%	3%	3%	21%
Cortland	40%	30%	1%	2%	17%
Delaware	35%	31%	3%	4%	25%
Fulton	27%	46%	0%	4%	16%
Herkimer	31%	43%	2%	4%	16%
Madison	52%	25%	1%	3%	17%
Montgomery	28%	50%	2%	4%	13%
Oneida	39%	41%	1%	3%	12%
Otsego	49%	24%	1%	3%	19%
Schoharie	42%	27%	2%	4%	22%
Tioga	25%	47%	1%	5%	18%
Tompkins	51%	32%	1%	1%	10%

Source: Compiled by Fairweather Consulting using NYS Education Department Data.

Figure 18 and Table 16 show the post-graduation plans for high school seniors in each county. Schoharie County differs from the others in the proportion of students who say they will be heading directly to employment after graduation. Forty-two percent of Schoharie County students after graduation, attend a four-year college. The distributions of post-graduation plans look similar across all counties, with attending a two or four-year college being the most likely post-graduation plans. Schoharie County has



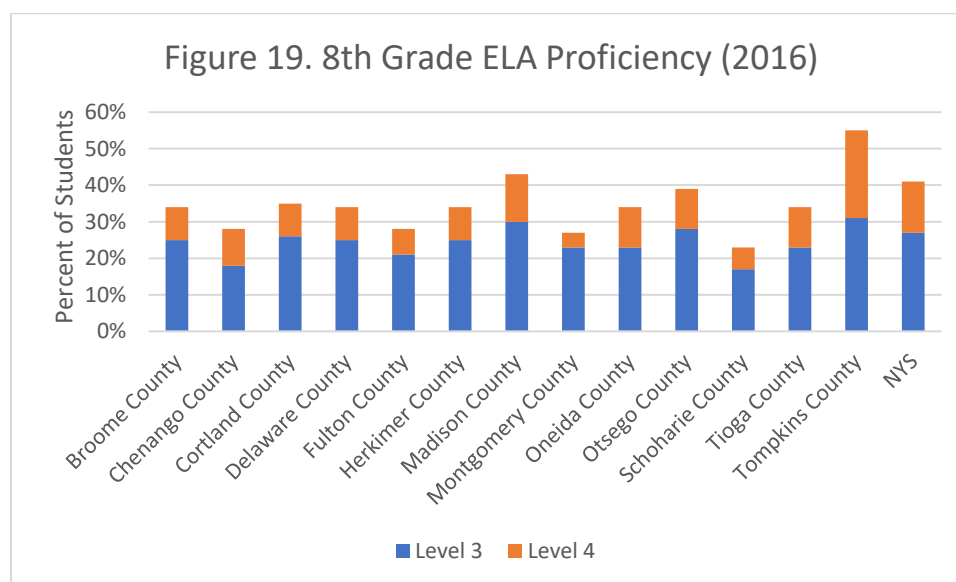
the second highest percentage of students seeking employment following graduation (22 percent) behind Delaware County (25 percent).

### 8<sup>th</sup> Grade Test Performance Levels

To compare Schoharie County's student performance to the surrounding counties ability to prepare students for state tests, the 8<sup>th</sup> grade tests results were compared for science, math, and English Language Arts (ELA).

The following section examines the 2016 8<sup>th</sup> grade ELA, Math, and Science scores. A level 3 score indicates that students are proficient in standards for their grade. They demonstrate knowledge, skills, and practices embodied by the New York State P-12 Common Core Learning Standards that are considered sufficient for the expectations at this grade. A level 4 score indicates that students performing at this level excel in standards for their grade. They demonstrate knowledge, skills, and practices embodied by the New York State P-12 Common Core Learning Standards that are considered more than sufficient for the expectations at this grade

#### 8<sup>th</sup> Grade ELA



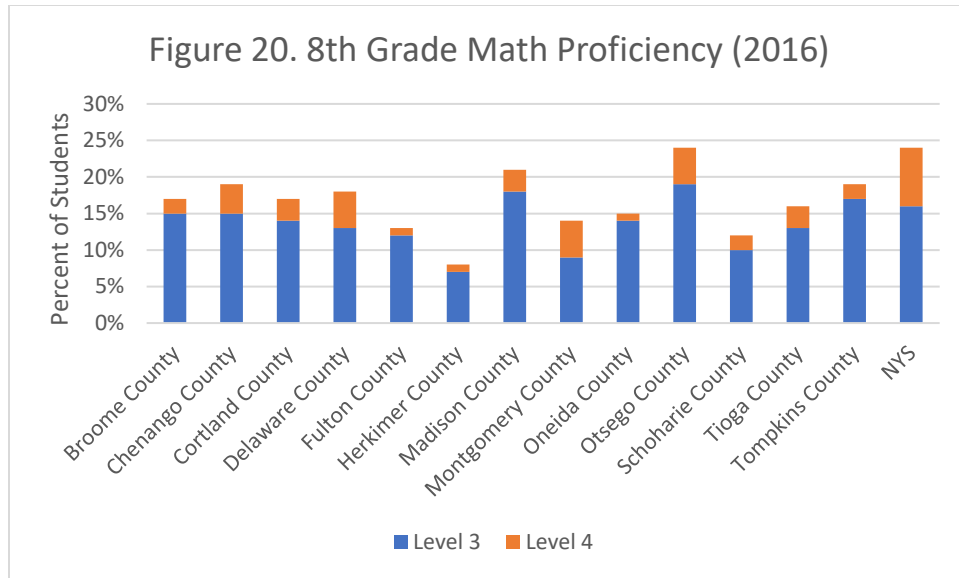
Source: Compiled by Fairweather Consulting using NYS Education Department Data.

As shown in Figure 19 and Table 17, Schoharie County 8<sup>th</sup> Grade ELA scores are significantly lower than the comparison counties and the State averages. Only 17 percent of 8<sup>th</sup> graders receive a Level 3 score and 6 percent score a Level 4. Tompkins County displays the highest level of proficiency, with 31 percent of students receiving a level 3 and 24 percent receiving a Level 4 score.

Table 17. 8 <sup>th</sup> Grade English Language Arts Proficiency			
Entity Name	Level 3	Level 4	Mean Score
Broome County	25%	9%	298
Chenango County	18%	10%	293
Cortland County	26%	9%	297
Delaware County	25%	9%	293
Fulton County	21%	7%	295
Herkimer County	25%	9%	298
Madison County	30%	13%	305
Montgomery County	23%	4%	290
Oneida County	23%	11%	295
Otsego County	28%	11%	300
Schoharie County	17%	6%	292
Tioga County	23%	11%	299
Tompkins County	31%	24%	310
NYS	27%	14%	-
Source: Compiled by Fairweather Consulting using NYS Education Department Data.			

### 8<sup>th</sup> Grade Math Test Scores

As shown in Figure 20 and Table 18, in Schoharie County 12 percent of 8<sup>th</sup> graders displayed proficiency, meaning they scored a 3 or a 4 on the test. Otsego County displayed the highest level of proficiency, as 24 percent of students scored a 3 or 4. Delaware and Otsego County had the greater percent of Level 4 scores on the test (5 percent). New York State as a whole displayed 24 percent proficiency, with 8 percent scoring a Level 4.



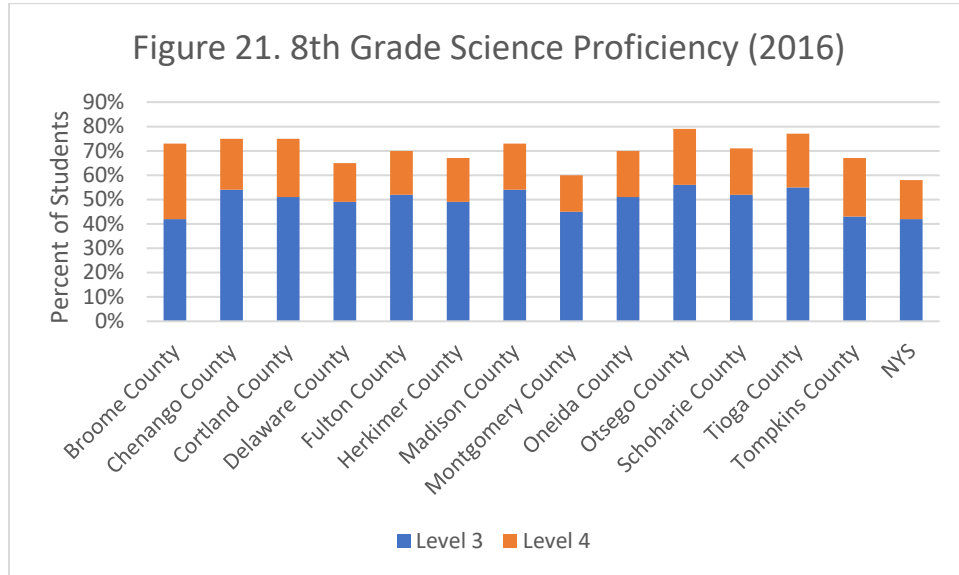
Source: Compiled by Fairweather Consulting using NYS Education Department Data.

Table 18. 8 <sup>th</sup> Grade Math Proficiency (2016)			
Entity Name	Level 3	Level 4	Mean Score
Broome County	15%	2%	288
Chenango County	15%	4%	291
Cortland County	14%	3%	286
Delaware County	13%	5%	286
Fulton County	12%	1%	284
Herkimer County	7%	1%	281
Madison County	18%	3%	292
Montgomery County	9%	5%	281
Oneida County	14%	1%	286
Otsego County	19%	5%	291
Schoharie County	10%	2%	283
Tioga County	13%	3%	292
Tompkins County	17%	2%	287
NYS	16%	8%	-
Source: Compiled by Fairweather Consulting using NYS Education Department Data.			

### 8<sup>th</sup> Grade Science Test

Compared to the other two categories (and especially surprising, given how important reading and math are for understanding science), Schoharie County displayed a high level of proficiency on the 8<sup>th</sup> grade

science test, as 71 percent scored either at Level 3 of 4. This level of proficiency is seen throughout the Greater Central New York region. Otsego County had the highest level of proficiency, with 56 percent of students receiving a 3 and 23 percent of students receiving a 4. (See Figure 21 and Table 19.)



Source: Compiled by Fairweather Consulting using NYS Education Department Data.

Table 19. 8 <sup>th</sup> Grade Science Proficiency (2016)			
Entity Name	Level 3	Level 4	Mean Score
Broome County	42%	31%	73
Chenango County	54%	21%	73
Cortland County	51%	24%	73
Delaware County	49%	16%	67
Fulton County	52%	18%	70
Herkimer County	49%	18%	70
Madison County	54%	19%	72
Montgomery County	45%	15%	66
Oneida County	51%	19%	70
Otsego County	56%	23%	74
Schoharie County	52%	19%	72
Tioga County	55%	22%	73
Tompkins County	43%	24%	70
NYS	42%	16%	-
Source: Compiled by Fairweather Consulting using NYS Education Department Data.			

### **Workforce-related Educational Programs: Capital Region BOCES and SUNY Cobleskill**

Schoharie County has two educational institutions providing career-related training: the Capital Region BOCES at the secondary level and the State University of New York at Cobleskill at the post-secondary level.

#### **Capital Region BOCES**

The BOCES provides a wide variety of programs in Career and Technical Education to the County's high school students. These are summarized below. Note that the programs listed in italics are available within the County at the BOCES Schoharie Center.

##### **Architecture and Construction**

- Building Trades (Albany Campus)
- Carpentry Services (Albany Campus)
- *Commercial Construction/Heavy Equipment (Schoharie Campus)*
- Electrical Trades (Albany Campus)
- Heating, Ventilation, Air Conditioning and Refrigeration (HVAC/R) (Albany Campus)
- *Residential Construction/Heavy Equipment (Schoharie Campus)*
- Theatre and Film Production Technology I and II (Center for Advanced Technology at Mohonasen)

##### **Government and Public Administration**

- *Criminal Justice (Albany and Schoharie Campuses)*
- New Visions: Law & Government (Off Campus)

##### **Health Science**

- New Visions: Health Careers – Ellis & St. Peter's Hospitals (Off Campus)
- Sterile Processing Technician (Center for Advanced Technology at Mohonasen)
- Two-Year Sequence of Health Careers (Albany Campus)

##### **Hospitality**

- *Culinary Arts and Hospitality Technology (Albany and Schoharie Campuses)*
- Culinary Arts Tech Prep/ College in the High School (Albany Campus)
- Culinary – Food Services (Albany Campus)

##### **Information Technology**

- Computer & Network Technician/Information Technology (Albany Campus)
- Game Design and Implementation (Center for Advanced Technology at Mohonasen)
- Internet Application Design (Albany Campus)

##### **Manufacturing**

- Engineering Technician (Center for Advanced Technology at Mohonasen)
- Manufacturing and Machining Technology (Center for Advanced Technology at Mohonasen)
- Welding and Metal Fabrication (Albany Campus and Center for Advanced Technology at Mohonasen)

## Retail and Office Services

- *Cosmetology (Albany and Schoharie Campuses)*
- Global Fashion Studies I and II (Albany Campus)
- Pet Tech (Albany Campus)
- Retail and Office Services (Albany Campus)
- Vocational Training and Transition (Albany Campus)

## Transportation, Distribution and Logistics

- Auto Body Collision Repair (Albany Campus)
- Automotive Services/Small Engine Repair (Albany Campus)
- *Automotive Trades Technology (Albany & Schoharie Campus)*
- Automotive Tech Prep (Albany Campus)
- Auto Body Refinishing (Albany Campus)
- Automotive Youth Educational Systems (AYES) Automotive Technician (Albany Campus)
- Diesel Tech I and II (Albany Campus)

SOURCE: compiled by Fairweather Consulting from the Capital Region BOCES website (<http://www.capitalregionboces.org/career-technical-education/courses-programs/>).

Table 20. Career & Technical Education (CTE) Program Results Capital Region BOCES			
	Capital Region BOCES		BOCES Statewide Average
	Count	Percentage	Percentage
All CTE Programs			
Enrolled during 2015-16	244	--	--
Continuing Enrollment after 2015-16	29	11.89%	16.10%
Completed or Left During 2015-16	180	73.77%	84.89%
Left Prior to Completion During 2015-16	44	<b>24.44%</b>	13.48%
Completed by the End of 2015-16	170	94.44%	87.31%
Completed or Left During 2015-16 and Status Known	119	<b>66.11%</b>	71.30%
Completed/Left/Status Known and Successfully Placed	105	<b>88.24%</b>	77.06%
Completed but Not seeking Employment	14	8.24%	3.15%
Non-Traditional CTE Programs			
Enrolled in Non-Traditional Programs During 2015-16	30	--	--
Under-Represented Gender Members Enrolled During 2015-16	30	--	--
Completed a Non-Traditional Program By the End of 2015-16	25	83.33%	77.98%
Under-Represented Gender Members Who Completed	25	83.33%	78.22%
Source: compiled by Fairweather Consulting from Albany-Schoharie-Schenectady-Saratoga (Capital Region) BOCES Report Card, 2016-17.			

Its most recent New York State Report Card suggests that the BOCES provided good completion outcomes. As shown in Table 20, in the 2015-16 school year, the BOCES Career and Technical Education programs served 244 students. 180 completed or left during the school year. 44 left prior to completion, a 24 percent rate that exceeded the Statewide average for all BOCES (13.48%). On the other hand, 170 of the 180 students completed their program by the end of the 2015-16 year, a 94 percent rate, well in excess of the Statewide average of 87.31 percent.

Table 20 also shows that the proportion of program leavers or completers whose status is known is only 66 percent (119 of 180 student) for the Capital Region BOCES compared to 71.3 percent for all BOCES. But while the Capital Region does not track its students as well as the Statewide average, among those it is able to track, 88 percent are successfully placed (either in employment, the military or further education) compared to only 78 percent in BOCES Statewide. Clearly, the data would provide a more complete picture if there was better tracking of those completing or leaving the programs. But the data as it exists suggests the BOCES has a success rate equal to or above all BOCES Statewide.

### **State University of New York at Cobleskill**

Table 21 shows the graduates by program area for SUNY Cobleskill in 2016. It also shows the related job openings for those graduates in the County, as well as average wages and employment levels in 2016 and 2017 for those jobs. Several of the programs are clearly “flagships” for SUNY Cobleskill and attract students from outside the area. Programs in agriculture and natural resources clearly fit this category, with enrollments that far outpace job openings in the County itself. For most of the programs, the number of annual openings in the County exceeds the number of graduates, suggesting that these programs are serving a local need and provide an important source of labor to the County’s employers.



Table 21.  
SUNY Cobleskill Graduates/Completions by Programs, 2016 compared to Job Openings in the County

Program	Graduates/ Completions (2016)	Job Openings in the County (2016)	Median Hourly Earnings	Jobs in the County (2016)	Jobs in the County (2017)	% Jobs Change (2016- 2017)
Agriculture, Agriculture Operations, And Related Sciences	219	142	\$14.77	1,037	1,057	2%
Natural Resources And Conservation	62	18	\$22.72	165	167	1%
Communication, Journalism, And Related Programs	17	43	\$25.52	266	285	7%
Computer And Information Sciences And Support Services	29	22	\$24.38	257	256	(0%)
Personal And Culinary Services	29	255	\$11.00	1,217	1,254	3%
Education	23	130	\$21.72	1,194	1,220	2%
Engineering Technologies And Engineering-related Fields	24	61	\$24.88	423	447	6%
Family And Consumer Sciences/human Sciences	1	87	\$13.17	625	628	0%
Liberal Arts And Sciences, General Studies And Humanities	47	32	\$29.36	167	186	11%
Biological And Biomedical Sciences	12	35	\$30.25	199	219	10%
Physical Sciences	0	35	\$30.91	192	212	10%
Science Technologies/technicians	24	2	\$20.36	15	16	7%
Psychology	5	37	\$27.53	226	247	9%
Public Administration And Social Service Professions	14	79	\$29.20	627	645	3%
Mechanic And Repair Technologies/technicians	18	29	\$19.40	244	248	2%
Visual And Performing Arts	15	45	\$23.47	295	315	7%
Health Professions And Related Programs	18	170	\$21.78	1,578	1,571	(0%)
Business, Management, Marketing, And Related Support Services	114	465	\$17.34	3,322	3,381	2%
Source: Compiled by Fairweather Consulting using data from economicmodeling.com. Program completion data derived from the Integrated Postsecondary Education Data System.						

### *The Institute for Rural Vitality*

While technically, not directly related to workforce issues, SUNY Cobleskill's Institute for Rural Vitality is an important resource to mention. It is intended to bring the resources of the College to bear on important issues facing Schoharie County, with particular attention to economic problems. The Institute is composed of five on-campus centers. They include:

- The Center for Farm and Food Entrepreneurship cultivates farm-centric and food-centric businesses to ensure the full and profitable use of the region's considerable natural resources.
- The Center for Community Advancement promotes public-private partnerships that enhance the quality of life within and beyond the communities that surround the College. It coordinates student-driven community service and serves as a training hub and think tank for educational professionals.
- The Center for Business Development encourages new business development, job creation, and an enlivened local economy through collaborations between SUNY Cobleskill students, faculty, and staff and the surrounding non-profit and business communities.
- The Center for Arts and Culture coordinates collaboration among the SUNY Cobleskill Arts and Humanities faculty and regional arts and cultural organizations to cultivate art and culture as drivers of economic development.
- In partnership with Albany Law School, the Center for Rural Legal and Policy Services focuses on the legal and policy issues that affect rural businesses and communities. It offers legal consultation, educational programming, and advocacy on behalf of rural constituents.

Clearly, the Center for Farm and Food Entrepreneurship, the Center for Community Advancement and the Center for Business Development have the potential to be important resources for economic and workforce development in Schoharie County.

### Village Retail Opportunities: Surplus and Leakage Analysis

Villages and hamlets play an important role in a local economy, providing a center for services and shopping as well as gathering places for families, residents and business people. Retail has long been an anchor economic activity for these community centers. In light of the major disruption taking place in that sector due to on-line shopping, questions have been raised about the viability of village or hamlet retail. In fact, many downtowns have been able to adapt to this trend by ensuring that their patrons have access to an experience that goes far beyond simply shopping:

The bottom line seems to be that while most "stuff" can be bought online, people will still go to brick-and-mortar locations to have "experiences." These experiences can be wide-ranging, and include the following:

- Personal services such as nail and beauty salons.
- Health and fitness facilities such as yoga, massage and meditation studios, as well as traditional gyms.
- Restaurants.
- Cinemas and theaters that present plays, concerts, comedy shows, lectures and more.
- Art galleries and stores.<sup>12</sup>

Thus, it is possible for downtown areas to survive and possibly thrive in this new retail environment. In order to assess the potential for this approach, it is important to have a basic understanding of the

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<sup>12</sup> Maria Sicola, "The Rise of Experiential Retail," *NAIOP Commercial Real Estate Development Association, Development Magazine*, Summer, 2016.

dynamics of the local retail market. This can be done through the use of what is termed “leakage/surplus” analysis.

Leakage/Surplus measures the balance between the volume of retail sales generated by retail businesses and the volume of retail potential produced by household spending on retail goods within the same industry. Spending for residents in an area is estimated by matching the population in an area to demographic information linked to spending patterns as captured in the National Consumer Expenditures Survey. The sales for stores is generated using the Economic Census that provides retail sales by categories for geographic areas. The difference between the estimated spending in a category for a geographic area and estimated sales in that category for that area determine if there is a surplus or leakage.

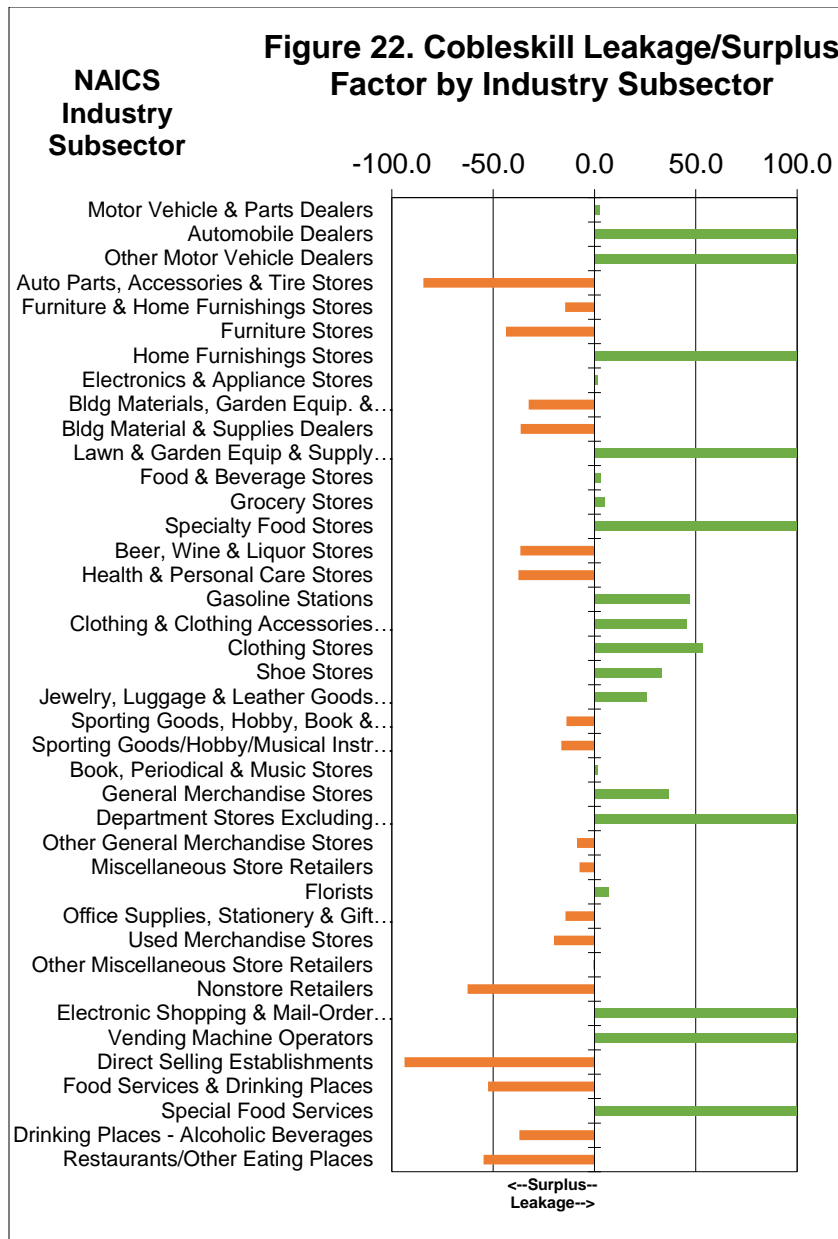
**Leakage** in an area represents a condition where sales by a category of stores in the area (supply) is less than the spending by the area’s residents in that same category (demand). In other words, residents are leaving the area to go to retailers outside the market area to meet their demand. Therefore, demand is “leaking” out of the trade area. Leakage may present an opportunity for new retailers to enter the trade area or for existing retailers to extend their marketing outreach to accommodate the excess demand.

**Surplus** in an area represents a condition where sales by stores in the area (supply) exceeds the spending by the area’s residents in that category (demand). Retailers are attracting shoppers that reside outside the trade area. The “surplus” is in market supply. The area in question is drawing in shoppers for those particular types of stores.

Figures 22 through 27 provide surplus/leakage summaries for each of Schoharie County’s villages. For the purposes of this analysis, the area being considered is limited to each village. The data on these Figure should be considered a preliminary indication of retail activity in the Village, given the limitations of the data. For example, as is explained below, the grocery sales that are reported for a Walmart will be classified as General Merchandise sales, not Grocery sales (since Walmart is a General Merchandise store, not a Grocery). Nonetheless, the data can provide some overall indication of the condition of the local retail market.

Not surprisingly, there is a consistent trend of Schoharie County villages experiencing leakage, indicating that consumers are traveling to spend outside of village to meet some of their shopping needs. On the other hand, the existence of surplus in various categories in a village would indicate that those are the goods and/or services that currently attract shoppers into that village. This begins to describe the current and potential niche for that village in the County’s retail sector.

Among the County’s six villages, Cobleskill, Esperance, Middleburgh, Sharon Springs and Schoharie show varying degrees of surplus that suggest a role as a retail center. These are described in more detail in tables 22 through 27 below. Note that regardless of the quality of estimation processes used, any data estimates for small-scale geography can sometimes prove inaccurate. Consequently, this information is being shared with local officials and merchants in each of the villages to identify and correct inconsistencies and inaccuracies. Our work thus far suggests that, despite a few minor issues here and there, the data do provide a reasonable overview of retail activity in the villages.



Source: Compiled by Fairweather Consulting using ESRI Business Analyst.



Source: Compiled by Fairweather Consulting using ESRI Business Analyst.



Source: Compiled by Fairweather Consulting using ESRI Business Analyst.



Source: Compiled by Fairweather Consulting using ESRI Business Analyst.





Source: Compiled by Fairweather Consulting using ESRI Business Analyst.



Source: Compiled by Fairweather Consulting using ESRI Business Analys

### Identifying Potential Local Specializations through Retail Categories with Surplus

Again, noting the potential for occasional inconsistencies and inaccuracies, the following section examines the market surplus for each of the villages. Industries that experience large amounts of surplus could be considered to serve as a local specialization (i.e., shoppers come from outside the area for such goods or services). Surplus was calculated using data from the 5-minute drive time from the geographic center of each village. As indicated above, the existence of surplus suggests that shoppers are coming into the village to buy goods or services in that particular category. NOTE: the presence of surplus only suggests a potential specialization. While the data generally provide a good guide in this regard, in some localities, the way retail sales or spending is classified can distort the results. For example, in a community with a Walmart, the grocery store category may show leakage because the dollars being spent on groceries at the Walmart may be categorized as spending in the General Merchandise category. Thus, this analysis is presented as a preliminary indication of potential specializations for the villages, but will require further reflection to determine the extent to which the data have accurately defined the opportunities.

The data for the Village of Cobleskill indicates a potential surplus in the motor vehicle and parts dealers and auto parts accessories, and tire stores also experience a surplus of \$6,424,743. The two general merchandise stores draw consumers from outside the local area, totaling a surplus of \$24,558,094. General merchandise stores in neighboring villages are likely unable to compete with the prices and selection offered by these stores—particularly Walmart and its ability to use its scale of operations to keep costs low. Any stores that open in neighboring villages should focus on a specialization and provide expertise that larger merchandise stores do not provide. Note also that one of these stores is a Walmart with a groceries section, which could distort the findings of this analysis as described in the paragraph above since Walmart’s grocery sales are listed under the category of General Merchandise.

Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Number of Businesses
Automobile Dealers	\$6,653,530	\$8,346,628	-\$1,693,098	2
Auto Parts, Accessories & Tire Stores	\$627,634	\$7,052,377	-\$6,424,743	4
Furniture Stores	\$711,523	\$1,898,504	-\$1,186,981	3
Electronics & Appliance Stores	\$1,405,814	\$1,729,503	-\$323,689	4
Bldg Material & Supplies Dealers	\$2,034,451	\$4,839,020	-\$2,804,569	6
Beer, Wine & Liquor Stores	\$542,821	\$1,026,796	-\$483,975	2
Health & Personal Care Stores	\$3,383,838	\$7,608,543	-\$4,224,705	3

Table 22. Village of Cobleskill - Surplus Only				
Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Number of Businesses
Sporting Goods/Hobby/Musical Instr Stores	\$909,413	\$1,186,861	-\$277,448	4
General Merchandise Stores	\$4,565,415	\$29,123,509	-\$24,558,094	2
Other General Merchandise Stores	\$1,769,783	\$2,622,122	-\$852,339	2
Miscellaneous Store Retailers	\$1,467,269	\$2,151,024	-\$683,755	8
Office Supplies, Stationery & Gift Stores	\$444,195	\$979,870	-\$535,675	3
Used Merchandise Stores	\$183,551	\$281,369	-\$97,818	2
Other Miscellaneous Store Retailers	\$718,884	\$776,720	-\$57,836	2
Direct Selling Establishments	\$161,361	\$6,257,023	-\$6,095,662	2
Drinking Places - Alcoholic Beverages	\$235,113	\$553,944	-\$318,831	3
Restaurants/Other Eating Places	\$3,687,678	\$13,111,069	-\$9,423,391	21
Source: Compiled by Fairweather Consulting from ESRI business analyst online.				

As shown in Table 23, the Village of Esperance has a potential specialization in sporting good, hobby, book, and music stores. The Village of Cobleskill and Middleburgh also experience a surplus in sporting good, hobby, book, and music stores however, the Village of Esperance generates the largest surplus among the three villages.

Table 23. Village of Esperance - Surplus Only				
Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Number of Businesses
Beer, Wine & Liquor Stores	\$123,021	\$267,106	-\$144,085	1
Sporting Goods, Hobby, Book & Music Stores	\$236,475	\$623,276	-\$386,801	1
Miscellaneous Store Retailers	\$308,945	\$324,692	-\$15,747	2
Used Merchandise Stores	\$39,255	\$161,830	-\$122,575	1
Other Miscellaneous Store Retailers	\$143,425	\$162,863	-\$19,438	1
Source: Compiled by Fairweather Consulting from ESRI business analyst online.				

The surplus data in Table 24 suggest that the Village of Middleburgh specializes in a few sectors. Health and Personal Care, as the two stores experience a surplus of \$1,517,488. The Village of Cobleskill is the only other village that experiences a surplus in this category.

Table 24. Village of Middleburgh- Surplus Only				
Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Number of Businesses
Auto Parts, Accessories & Tire Stores	\$382,878	\$955,750	-\$572,872	2
Beer, Wine & Liquor Stores	\$324,012	\$529,348	-\$205,336	1
Health & Personal Care Stores	\$2,024,771	\$3,542,259	-\$1,517,488	2
Gasoline Stations	\$2,363,759	\$4,562,778	-\$2,199,019	1
Sporting Goods/Hobby/Musical Instr Stores	\$540,779	\$877,109	-\$336,330	2
Used Merchandise Stores	\$103,993	\$287,094	-\$183,101	2
Drinking Places - Alcoholic Beverages	\$143,655	\$161,384	-\$17,729	1
Source: Compiled by Fairweather Consulting from ESRI business analyst online.				

The Village of Richmondville experiences a slight surplus in drinking places (\$6,609), and a large surplus in gas stations (3,642.655). This is likely because of its location on Route 7 for people in the nearby area making convenience stops.

Table 25. Village of Richmondville – Surplus Only				
Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Number of Businesses
Gasoline Stations	\$1,116,913	\$4,759,568	-\$3,642,655	1
Drinking Places - Alcoholic Beverages	\$65,272	\$71,881	-\$6,609	1
Source: Compiled by Fairweather Consulting from ESRI business analyst online.				

The Village of Schoharie (Table 26) has a specialization in the local area in stores that sell building material, garden equipment and supply stores. The two stores experience a \$1,879,837 surplus. The four miscellaneous retail stores also experience a surplus of \$515,539.

Table 26. Village of Schoharie – Surplus Only				
Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Number of Businesses
Lawn & Garden Equip & Supply Stores	\$70,375	\$2,117,801	-\$2,047,426	1
Beer, Wine & Liquor Stores	\$186,047	\$420,446	-\$234,399	1
Gasoline Stations	\$1,262,237	\$4,919,123	-\$3,656,886	1
Miscellaneous Store Retailers	\$487,157	\$1,002,696	-\$515,539	4
Office Supplies, Stationery & Gift Stores	\$147,939	\$236,306	-\$88,367	2
Used Merchandise Stores	\$60,073	\$719,280	-\$659,207	2
Source: Compiled by Fairweather Consulting from ESRI business analyst online.				

The Village of Sharon Springs experiences a surplus for miscellaneous store retailers and office supplies, stationery and gift stores. This emphasis on gifts and specialty retail is consistent with the Village's role as a tourist destination.

Table 27. Village of Sharon Springs- Surplus Only				
Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Number of Businesses
Miscellaneous Store Retailers	\$126,646	\$181,234	-\$54,588	1
Office Supplies, Stationery & Gift Stores	\$36,301	\$103,675	-\$67,374	1
Source: Compiled by Fairweather Consulting from ESRI business analyst online.				