CONNECTIONS

NEW YORK STATE OF OPPORTUNITY.

Mohawk Valley Regional Economic Development Council

MVREDC

MEETING

PROGRESS REPORT
09.10.15

AGENDA

NEW YORK STATE OF OPPORTUNITY.™ | **Mohawk Valley Regional Economic Development Council**

- **2015 Progress Report & Implementation Plan**

- **MV500 Update**

- **Upstate Revitalization Discussion**

09.10.2015

MOTION: Approve 2015 CFA Scores

- Motion: That the Mohawk Valley Regional Economic Development Council approves and adopts the proposed list of Consolidated Funding application projects and scores as presented to the Council and agreed upon in Executive Session prior to this session.

MOHAWK VALLEY REDC

Connections

NEW YORK STATE OF OPPORTUNITY. **Mohawk Valley Regional Economic Development Council**
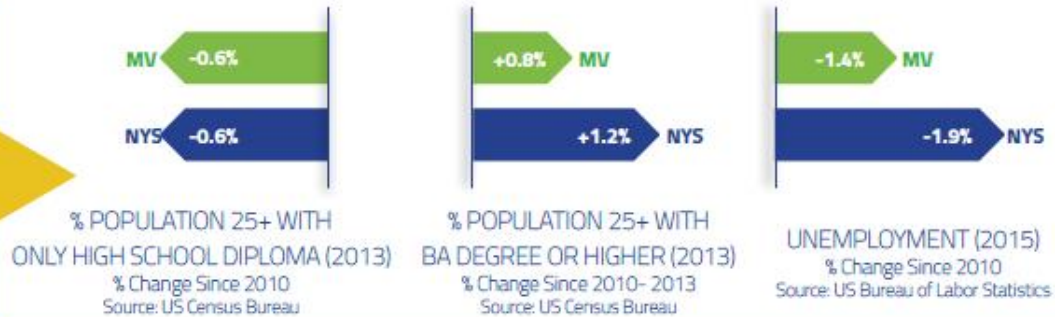
2015 Progress Report

REGIONAL PERFORMANCE METRICS ◄

WORKFORCE

The Mohawk Valley needs to build and maintain an education and workforce development pipeline if we are to sustain our economic growth. Our investment in training and education programs needs to promote inclusivity as the region needs to create pathways that will help vulnerable and hard to place workforce achieve economic success. In Utica and Rome alone, 40% of working age individuals are living in or near poverty- by increasing access to middle-skills job training and an increase the number of job openings, we can reverse this trend. According to the UB Regional Institute advancing the economic prospects of the region's vulnerable populations lies in occupations that require education or training and pay higher wages- especially STEM industries which command up to a 10% higher wage while requiring only a two-year degree or specialized training certificate.

MV -0.6%
NYS -0.6%

% POPULATION 25+ WITH
ONLY HIGH SCHOOL DIPLOMA (2013)
% Change Since 2010
Source: US Census Bureau

+0.8% **MV**
+1.2% **NYS**

% POPULATION 25+ WITH
BA DEGREE OR HIGHER (2013)
% Change Since 2010- 2013
Source: US Census Bureau

-1.4% **MV**
-1.9% **NYS**

UNEMPLOYMENT (2015)
% Change Since 2010
Source: US Bureau of Labor Statistics

ECONOMY

According to UB Regional Institute- the Mohawk Valley is poised for growth in several key industries, including STEM Intensive Industries, Agribusiness and Tourism. We are uniquely poised to build on key partnerships to connect our STEM industries to agriculture R&D and tourism destinations. To fully create an innovation ecosystem within the region we will increase R&D at area colleges, work to retain our highly-skilled graduates and grow local production and exports. Data from the NYS Department of Labor shows that exporting in the Mohawk Valley alone has grown by 31% in recent years; tourism was accounted for 10% of the region's global exporting.

MV +1.4%   **NY** +1.1%
2013
17%

METRO POVERTY RATE (2013)
% Change Since 2010
Source: US Census Bureau

MV +11.8%   **NY** +11.8%
2013
$10.2 B

GROSS DOMESTIC PRODUCT (2013)
% Change Since 2010
Source: Bureau of Economic Analysis

QUALITY OF LIFE

As our region transitions to an innovation-rich economy, it is imperative that the condition of the human habitat align with the preferences and pursuits of a new and expanding workforce. Pedestrian-friendly downtowns, diverse amenities, and neighborhood-connected waterfronts comprise the foundation of a healthy urban ecosystem. Our goal is to transform the physical landscape of the Mohawk Valley from a series of isolated, tired rustbelt communities to an archipelago of verdant, connected, and vibrant communities.

+2.4% **MV**
+4.3% **NYS**

MEDIAN HOUSEHOLD INCOME (2013)
% Change Since 2010
Source: US Census Bureau

$23,950 **MV**
$32,514 **NYS**

PER CAPITA INCOME (2013)
Source: US Census Bureau

PUBLIC PARTICIPATION ◄

The Mohawk Valley Regional Economic Development Council (MVREDC) has embraced a new type of public participation model with the formation of MV500. MV500 was specifically created to draft the MVREDC's Upstate Revitalization Initiative, but the group has evolved into an engine of unity and collaboration that has encompassed the entire REDC process.

Over the past eight months MV500 has cultivated support from critical sectors across the region, including public and private sectors, government and education, and has had active participation from representatives in all six counties by creating several teams and workgroups to undertake the creation of the URI plan as well as spur the development of key elements of the MVREDC strategies.

The MV500 Strategy Team- which has over 50 members has developed into an inclusive body that challenge and support one another. The Team has developed a common agenda: no easy feat for a region that has long been characterized, as disjointed and divided. From these meetings, workgroups popped up to address shared needs and weaknesses, for example how can we connect precision agriculture UAV testing in Oneida County to needs of farmers in Schoharie or Otsego County? Or how can we make sure there are educational and workforce development opportunities available for the 25% of Mohawk Valley residents living in or near poverty.

To answer some of these questions, MV500 and the MVREDC launched an exploratory quantitative survey and begun a series of outreach meetings to the entire region in April. Public responses received shout for the same thing, as if in chorus: well-paying jobs; a well-educated workforce; safe spaces to live, work and play and prosperity. The Mohawk Valley has never experienced such regional unity.

OUTREACH AND ENGAGEMENT MEETINGS

MV County Leadership Summit
    Featuring Rich Tobe
HUD Strengthening Communities Summit
    Communities from MV & Capital District (300+ attendees)
Global NY Craft Brewers Micro-Summit
    More than 60 craft beverage producers and stakeholders
2015 Clean Energy Economy Conference
    Partnership between MVREDC & NCREDC (200+ attendees)
MV500 Regional Outreach
    Cobleskill MV500 Community Briefing
    Oneonta MV500 Business & Community Leadership Briefing
Mohawk Valley Mighty Waters Interagency Think-Tank
    Regional strategy for brownfields and waterfronts

41
MEETINGS,
WORKGROUPS
AND OUTREACH
EVENTS

STATUS OF PAST CFA PROJECTS BY YEAR ◄

PROJECT STATUS	2011	2012	2013	2014	TOTAL	% of Projects
Complete	35	29	18	0	82	34%
On Schedule	16	20	49	52	137	57%
Progressing	2	7	6	0	15	6%
Concerns	0	0	1	6	7	3%
Contract not Executed	0	0	0	0	0	0%
Cancelled or Declined	11	13	9	1	34	14%
TOTALS	64	69	83	59	275	100%

ECONOMIC CLUSTER PLAN ◄

CYBERSECURITY conti.

The MVREDC has selected cybersecurity as its regional cluster industry since this industry is expected to exhibit dramatic growth and the region has the potential to leverage its competitive strengths and capabilities that exist within the Upstate corridor. The largest concentration of cybersecurity expertise and activity is centered in the Utica Rome MSA although there are important industry and university linkages elsewhere in New York that are critical to building a more robust cluster in this technology area.

The presence of the Air Force Research Laboratory's C4I Directorate at Rome is a critical R&D asset for the Utica-Rome MSA but also has strong connectivity with other important industry and university assets throughout New York State. The lab has nearly 1,200 employees and in-house contractors with an annual research and operating budget in excess of $1 billion. The lab has established strong financial relationships with other federal defense and related agencies. In addition to funding that the lab receives from its AFRL headquarters, the lab oversees contracting and research work in C4I technologies from other Air Force organizations, other military services (i.e., Navy and Army), DARPA, the Intelligence Community, Department of Homeland Security, SBIR funding, and other federal agencies. The lab's world-class reputation as a leader in pressing research and development challenges in the areas of command and control, communications and networking, computational sciences, intelligence exploitation, and cyber security science and technology ensures the effective ability to process raw data and intelligence into ac-

tionable information[1]. This is a major reason why so many federal agencies choose to work with AFRL Rome on defense and national security C4I issues.

There is a critical mass of national and locally grown defense contractors that are involved in working with AFRL's C4I Directorate. BAE, AIS, Exelis, Booz Allen Hamilton, Northrup Grumman, Andro, Black River Systems, CUBRC, Research Associates, Capraro Technologies, PAR Government Systems, Quanterion Solutions, NYSTEC, AX Enterprize and others are critical parts of the Utica-Rome MSA economy.

Outside of the Utica Rome MSA, the region has critical industry partners with SAAB Sensis, SRC, Lockheed Martin, Wetstone Technologies, IBM, and Harris Corporation to name just a few. The lab also has strong academic ties with most of the key public and private universities. Cornell, Clarkson, RIT, Syracuse, Binghamton University, RPI, University at Albany and Stony Brook are critical partners in terms of sourcing talent for the lab but also collaborating on critical R&D projects. Locally, Utica College and SUNY Polytechnic Institute who are forging strong collaborative partnerships to expand the lab's capability to build more cyber security expertise in non-defense areas and in the convergence of cyber with nano and UAS applications. The region's local community colleges at MVCC and HCCC are also aligning some of their curriculum to help produce an education pipeline for cyber professionals.

The lab also has a national network of academic and industry partners with partnership agreements with over 150 universities and 70 companies. These universities send faculty and students to Rome each year to work in the lab on critical research problems that helps build a much more robust cyber and C4I ecosystem.

The Lab's presence has also contributed to the growth of key academic and industry concentrations within the Upstate corridor. Given the Utica-Rome MSA's concentration of C4I and cyber assets, the Utica-Rome MSA participated in the Brookings Institution's Metropolitan Business Plan (November 2013) for the Centerstate New York Region, an area that encompasses 12 upstate counties. The Utica Rome MSA along with the Syracuse MSA and Ithaca MSA are the three largest population centers that were part of this Metropolitan Business Plan strategy. The Centerstate NY
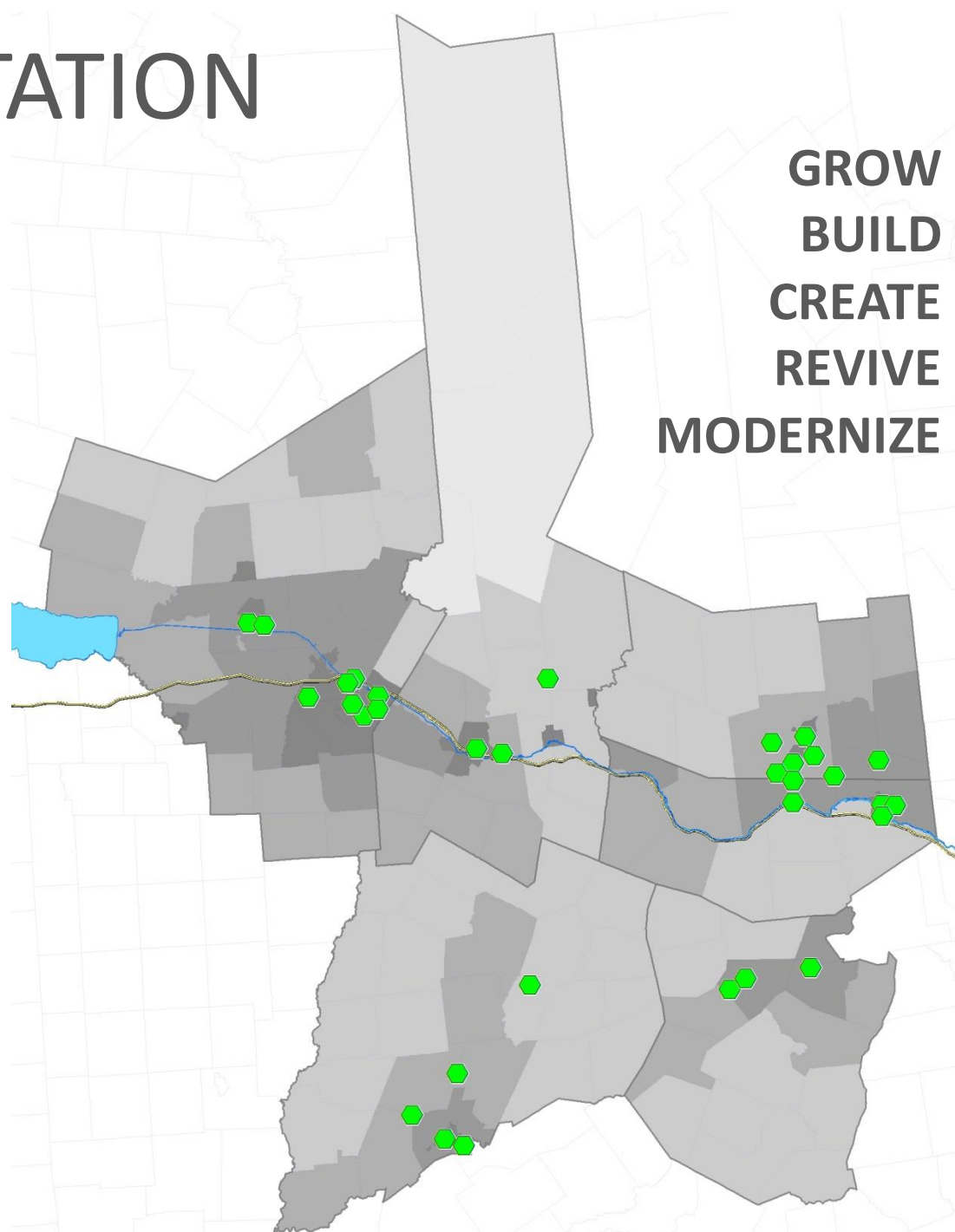
1 C4I Information Directorate, Air Force Research Laboratory, Annual Review with an Economic Impact Analysis, Fiscal Year 2014.

IMPLEMENTATION STRATEGY

32 PRIORITY PROJECTS (ESD Capital) $30 Million

50 "Other" Agency Priorities

GROW
BUILD
CREATE
REVIVE
MODERNIZE

PROGRESS REPORT

SUNY Cobleskill
Mohawk Valley Agribusiness Incubator (Schoharie County)

Village of Mohawk
Fulmer Green Plain Park North (Herkimer County)

New Age Renewable Energy
Johnstown Renewables (Fulton County)

Mair Magaw Information Systems LLC (Montgomery County)

PAR Technology Corporation
Facility and Equipment Upgrade (Oneida County)

Fort Schuyler Management Corporation
Advanced Manufacturing Workforce Development Center (Oneida County)

Hartwick College
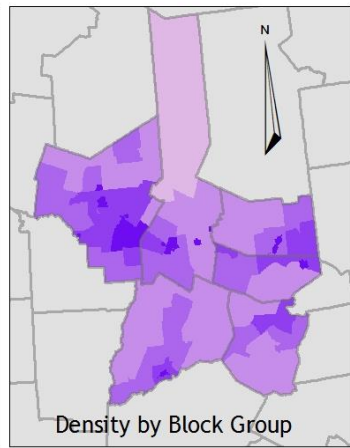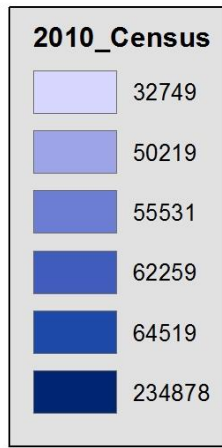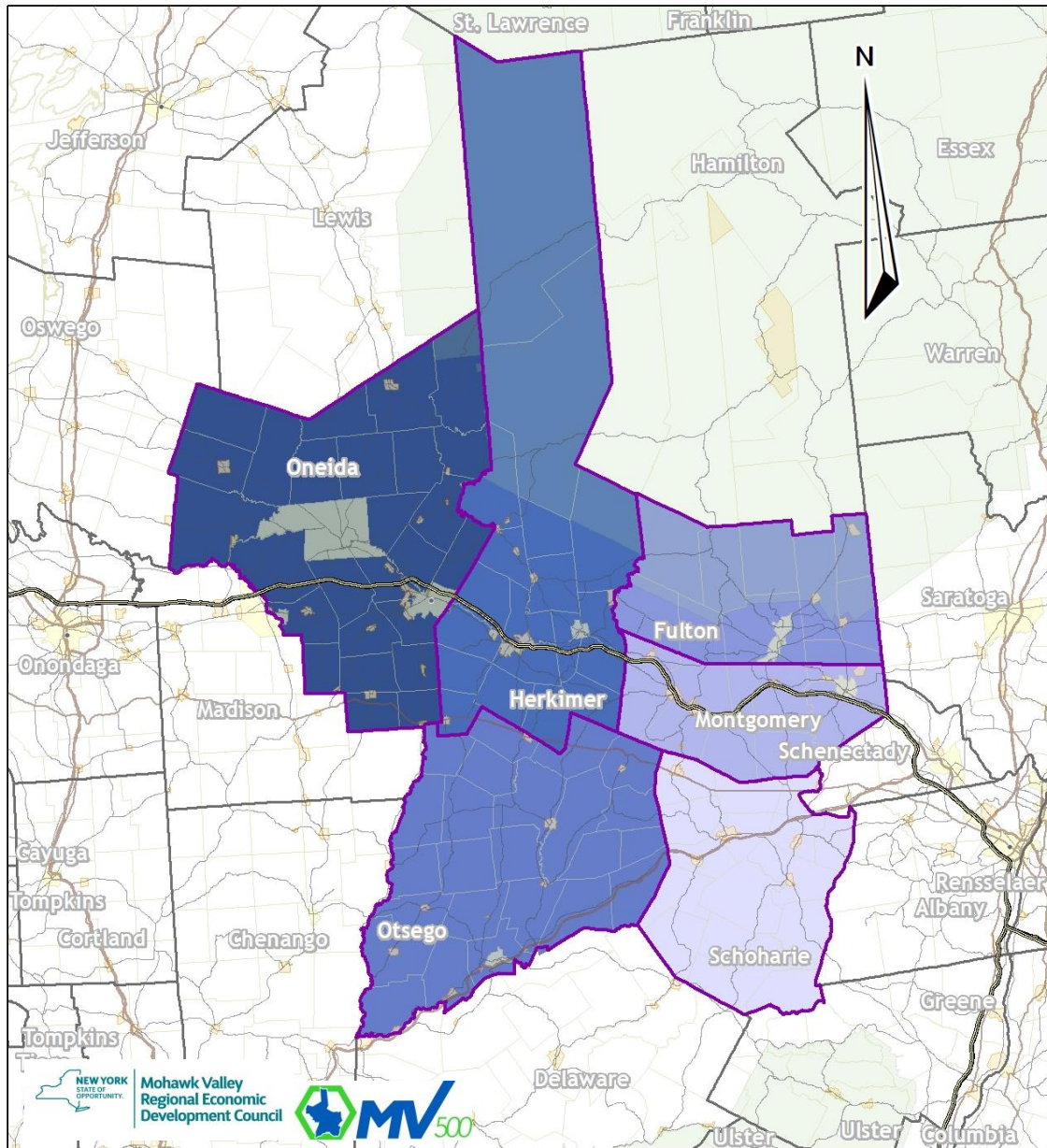Center for Craft Food and Beverage (Otsego County)

Motion: That the Mohawk Valley Regional Economic Development Council approves and adopts the 2015 Mohawk Valley Regional Economic Development Council Progress Report (also known as the "Action Plan") as presented and delegates its authority to the Council's Executive Committee to complete the editing and submission of the plan to New York State.
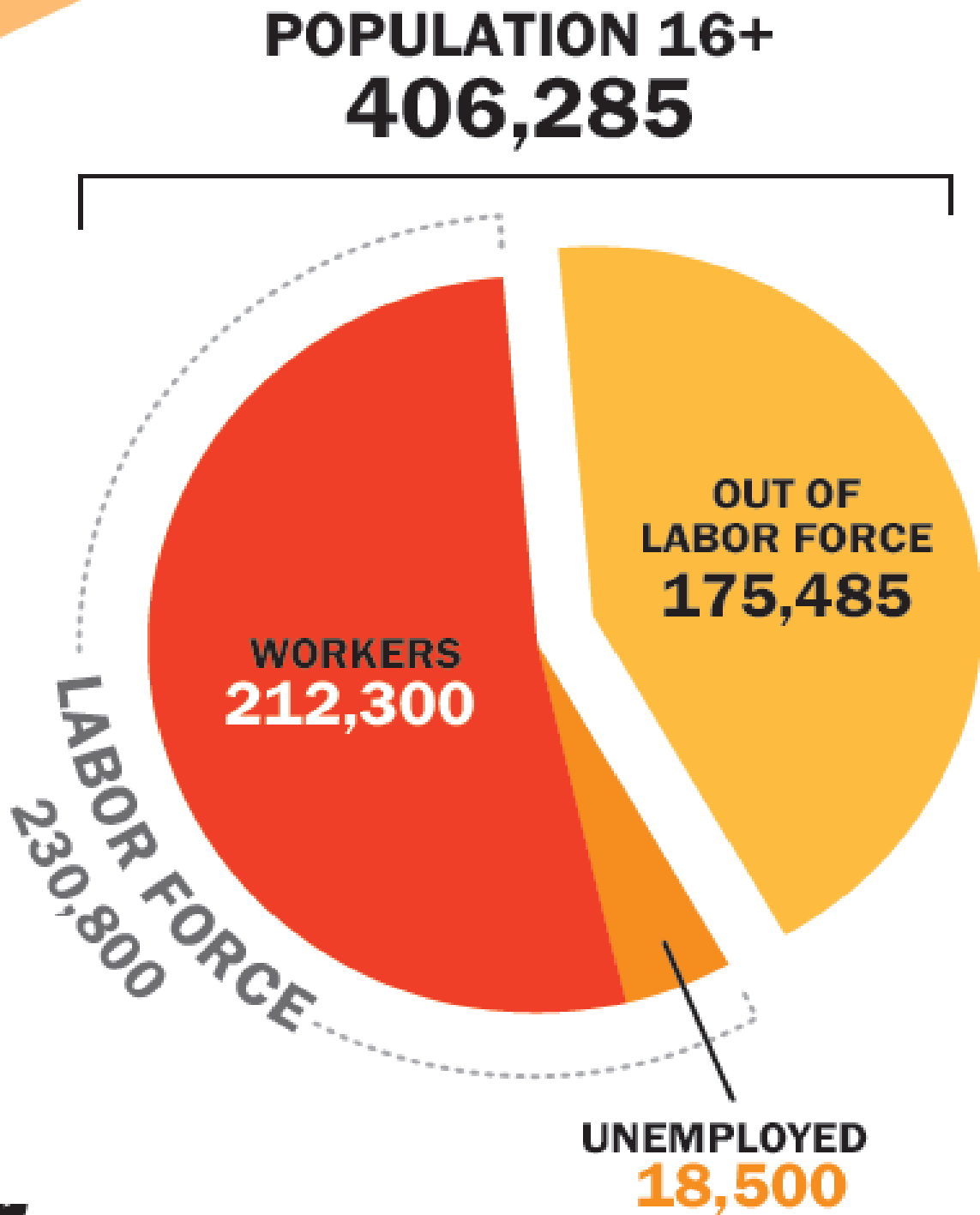
MV500 UPDATE

Targeting Drivers of Exponential Growth
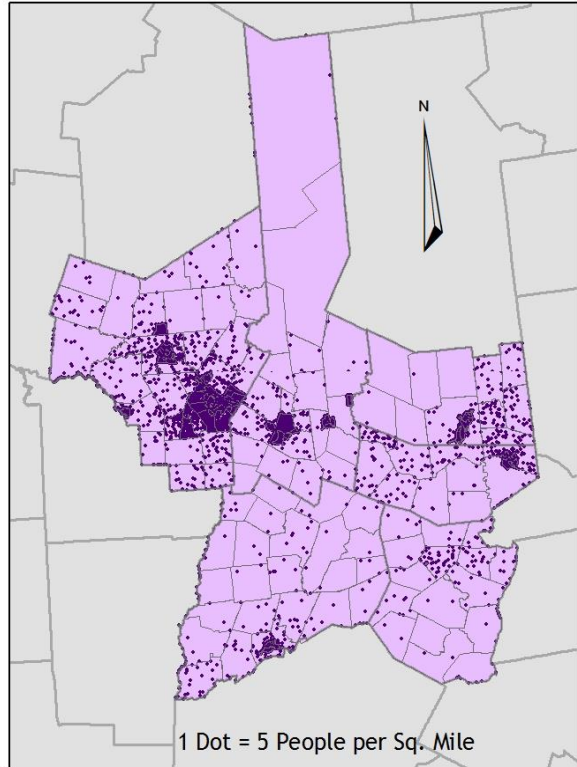
MV POPULATION CENTERS

2010_Census
- 32749
- 50219
- 55531
- 62259
- 64519
- 234878

Density by Block Group

1 Dot = 5 People per Sq. Mile

Mohawk Valley Regional Economic Development Council

NEW YORK STATE OF OPPORTUNITY.

MV500

Nearly ½ of our labor force is parked on the sidelines; while 40% of workers are living at or near the poverty line.

POPULATION 16+
406,285

OUT OF LABOR FORCE
175,485

WORKERS
212,300

LABOR FORCE
230,800

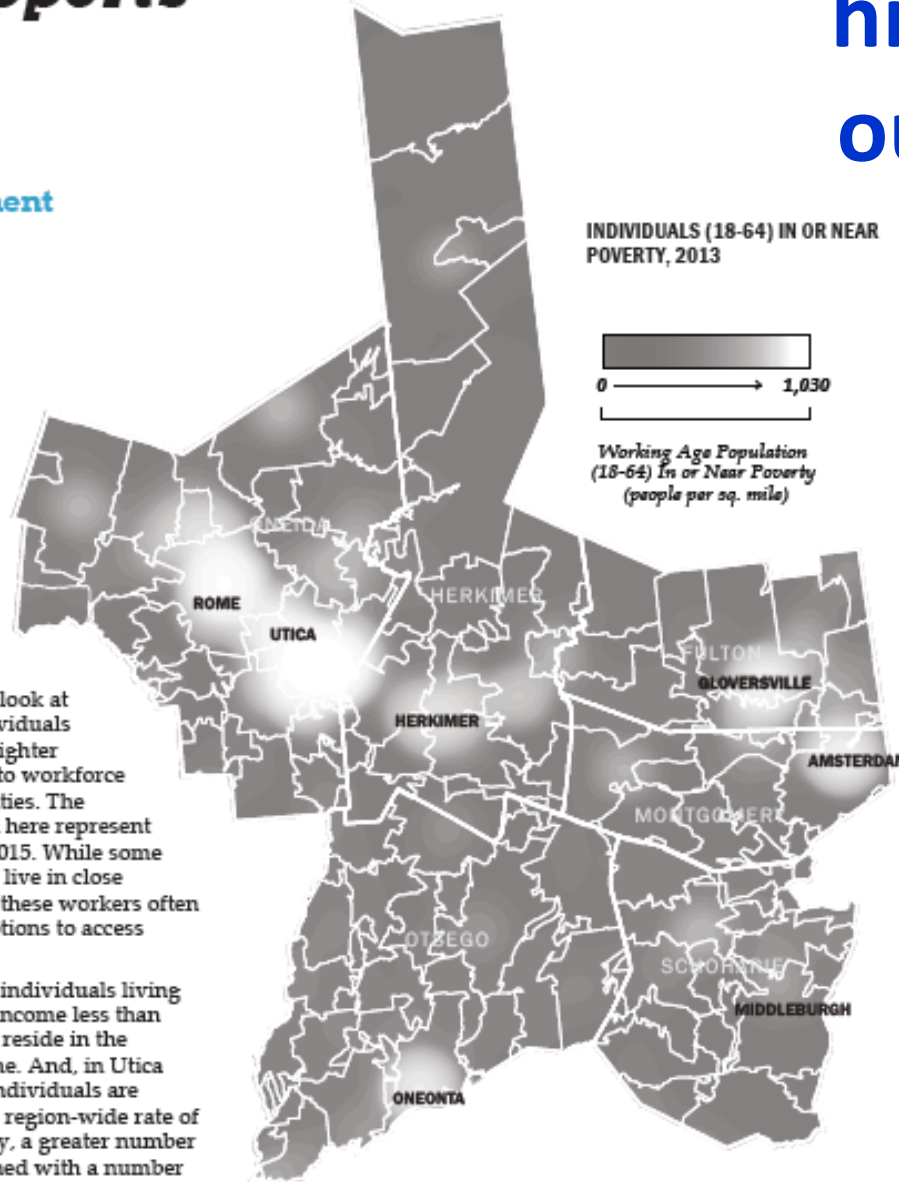UNEMPLOYED
18,500

Connecting low income workers with jobs and workforce supports

INITIATIVE #1
Workforce Alignment
TARGETED RESEARCH

Where are the vulnerable working populations?

In order to effectively target workforce development initiatives, it is important to look at where concentrations of working age individuals living in or near poverty (represented by lighter shading on the maps) are located relative to workforce training, transportation and job opportunities. The available job openings by ZIP code shown here represent a snapshot of all job openings from May 2015. While some populations living in or near poverty may live in close proximity to job openings, the majority of these workers often need training and better transportation options to access higher paying jobs.

Of the region's nearly 94,000 working age individuals living in or near poverty (defined as earning an income less than double the federal poverty line), a quarter reside in the region's two largest cities — Utica and Rome. And, in Utica and Rome alone, 40% of all working age individuals are living in or near poverty (compared to the region-wide rate of 25%). Despite this concentration of poverty, a greater number of job openings in Utica and Rome combined with a number of training centers and a public transportation system could provide an opportunity to help combat these high poverty levels.

INDIVIDUALS (18-64) IN OR NEAR POVERTY, 2013

0 → 1,030

Working Age Population (18-64) In or Near Poverty (people per sq. mile)

ROME
UTICA
HERKIMER
FULTON
GLOVERSVILLE
HERKIMER
AMSTERDAM
MONTGOMERY
OTSEGO
SCHOHARIE
MIDDLEBURGH
ONEONTA

...but so is job density

High vacancy areas on inset map represent **256** COMMERCIAL VACANCIES

High vacancy areas on inset map represent **219** COMMERCIAL VACANCIES

COMMERCIAL VACANCY RATES VS JOB DENSITY
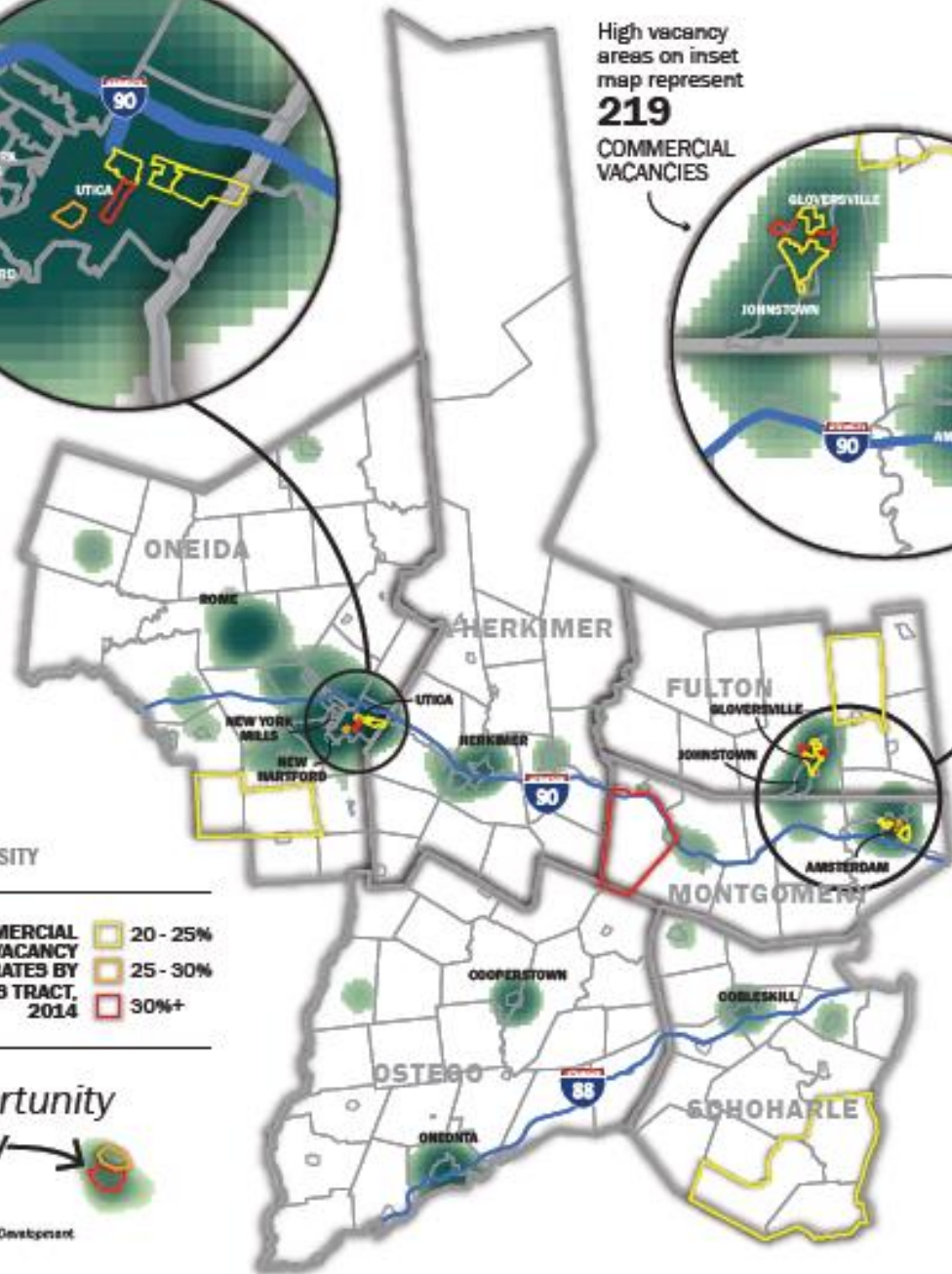
JOB DENSITY PER SQ. MI. (2011)

50 JOBS → 2,300 JOBS

COMMERCIAL VACANCY RATES BY CENSUS TRACT, 2014
- ☐ 20 - 25%
- ☐ 25 - 30%
- ☐ 30%+

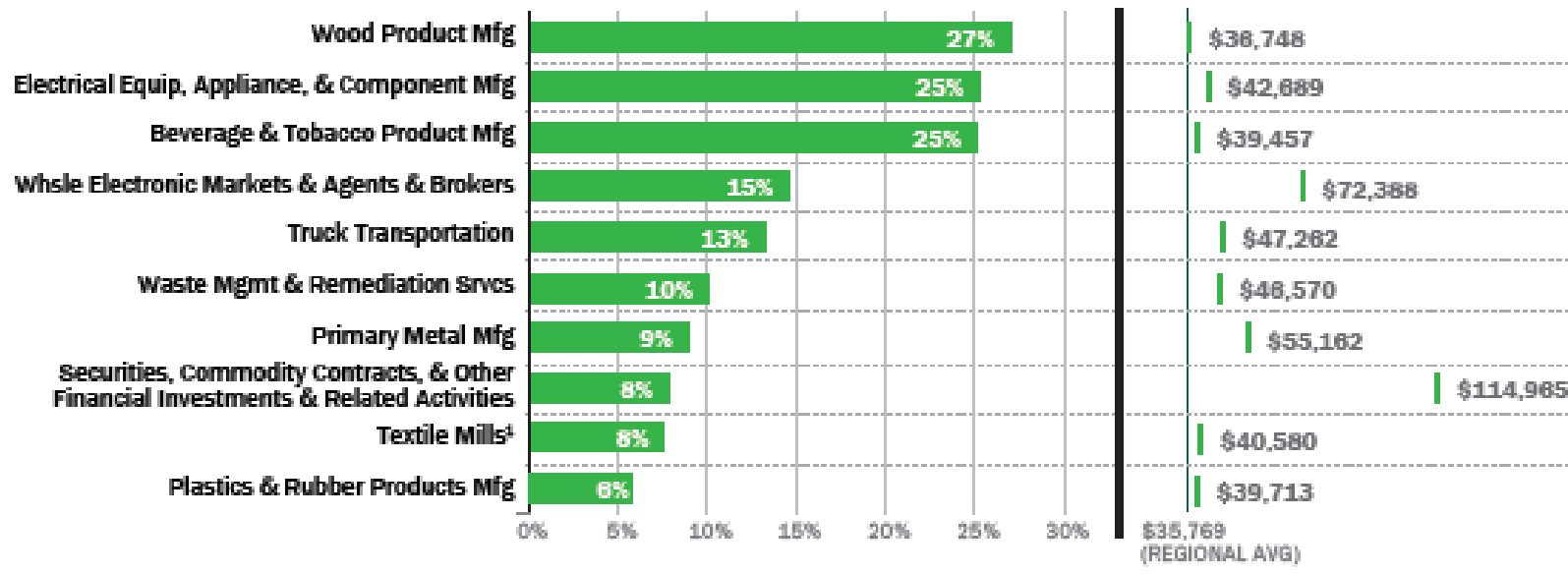Areas of greatest opportunity exist where **job density** and **vacancy** overlap

Source: U.S. Census Bureau; U.S. Department of Housing and Urban Development

ONEIDA • ROME • HERKIMER • UTICA • NEW YORK MILLS • NEW HARTFORD • HERKIMER • FULTON • GLOVERSVILLE • JOHNSTOWN • AMSTERDAM • MONTGOMERY • COOPERSTOWN • COBLESKILL • OTSEGO • ONEONTA • SCHOHARIE

STEM jobs pay an average of 1.5-2x higher than average wages

HIGH GROWTH, HIGH WAGE INDUSTRIES, 2009-2013

Industry	Regional Employment Growth	Average Wage
Wood Product Mfg	27%	$36,748
Electrical Equip, Appliance, & Component Mfg	25%	$42,689
Beverage & Tobacco Product Mfg	25%	$39,457
Whsle Electronic Markets & Agents & Brokers	15%	$72,388
Truck Transportation	13%	$47,262
Waste Mgmt & Remediation Srvcs	10%	$48,570
Primary Metal Mfg	9%	$55,162
Securities, Commodity Contracts, & Other Financial Investments & Related Activities	8%	$114,965
Textile Mills[1]	8%	$40,580
Plastics & Rubber Products Mfg	6%	$39,713

$35,769 (REGIONAL AVG)

REGIONAL EMPLOYMENT GROWTH PER INDUSTRY

AVERAGE WAGE PER INDUSTRY

TOP GROWING STEM-INTENSIVE INDUSTRIES AND AVERAGE WAGES, 2009-2013[1]

$35,769 (REGIONAL AVG)

$58,756 (REGIONAL STEM AVG)

Industry	Region Employment Growth	Average Wage
Mgmt & Tech Consulting Srvcs	100%	$49,803
Other Electrical Equip & Component Mfg	33%	$39,618
Computer Systems Design & Related Srvcs	9%	$81,740
Industrial Machinery Mfg	6%	$57,276
Scientific Research & Development Srvcs	0%	$83,080

REGION EMPLOYMENT GROWTH PER INDUSTRY
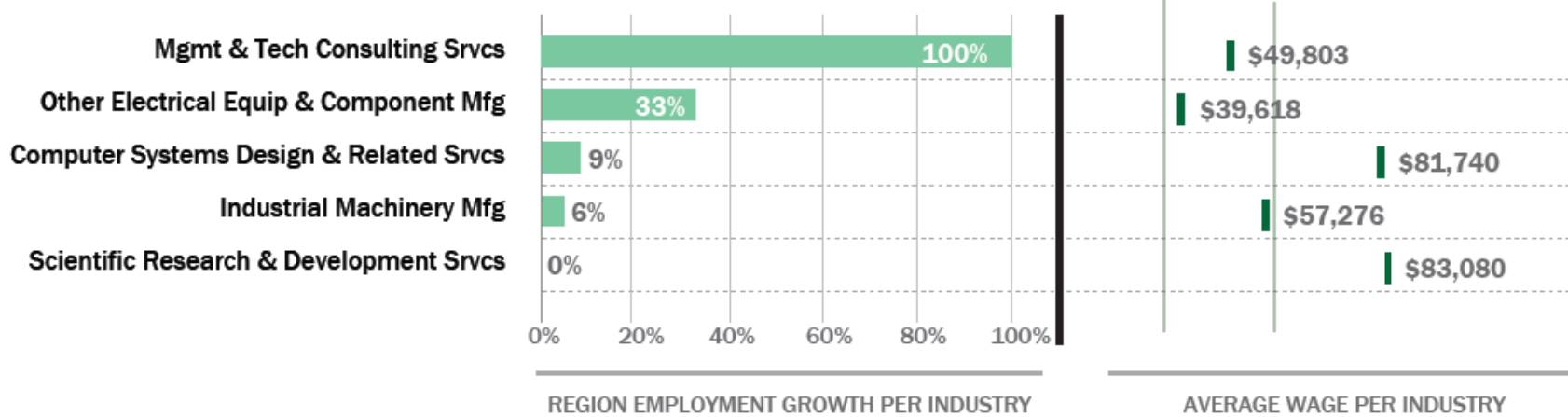
AVERAGE WAGE PER INDUSTRY

WHY STEM INDUSTRIES?

KEY INVESTMENT STRATEGIES

STEM INDUSTRIES

Semiconductor & Advanced Manufacturing

AG & Food Systems

Agricultural Asset Mapping

TOURISM

Regional Ticketing & Mobile Marketing Technology

STEM INDUSTRIES

AGRICULTURE & FOOD SYSTEMS

TOURISM

MODERNIZE

VIBRANT COMMUNITIES

MV500 STRATEGIES

MOTION: Authorize Submission of URI Plan

Motion: That the Mohawk Valley Regional Economic Development Council **adopts the MV500 investment strategies and signature initiatives** as presented and delegates its authority to the Council's Executive Committee **to oversee the completion of the MV500 Upstate Revitalization Initiative Competition Plan**, and subsequent submission of the plan to New York State.

MV500 STRATEGIES

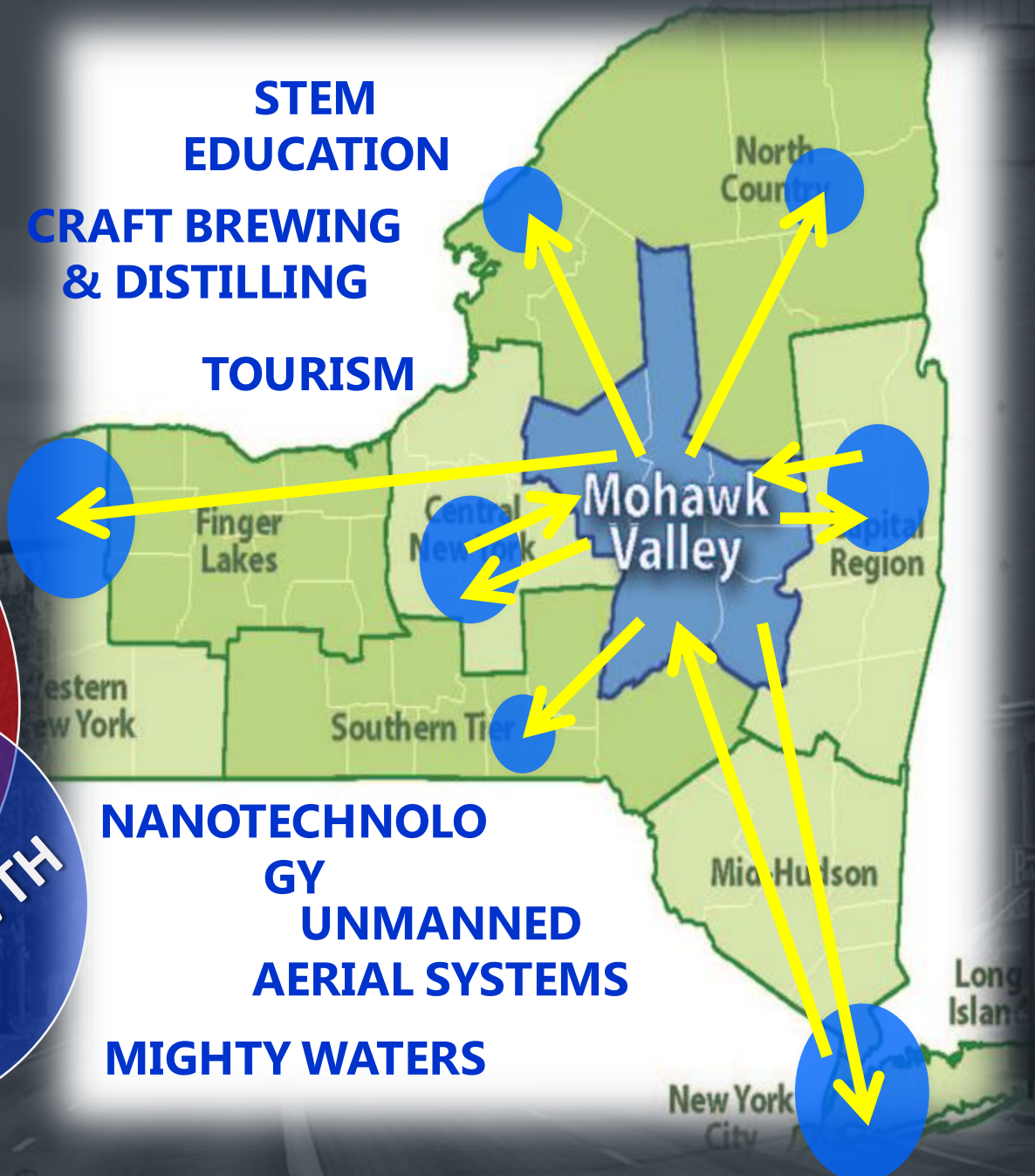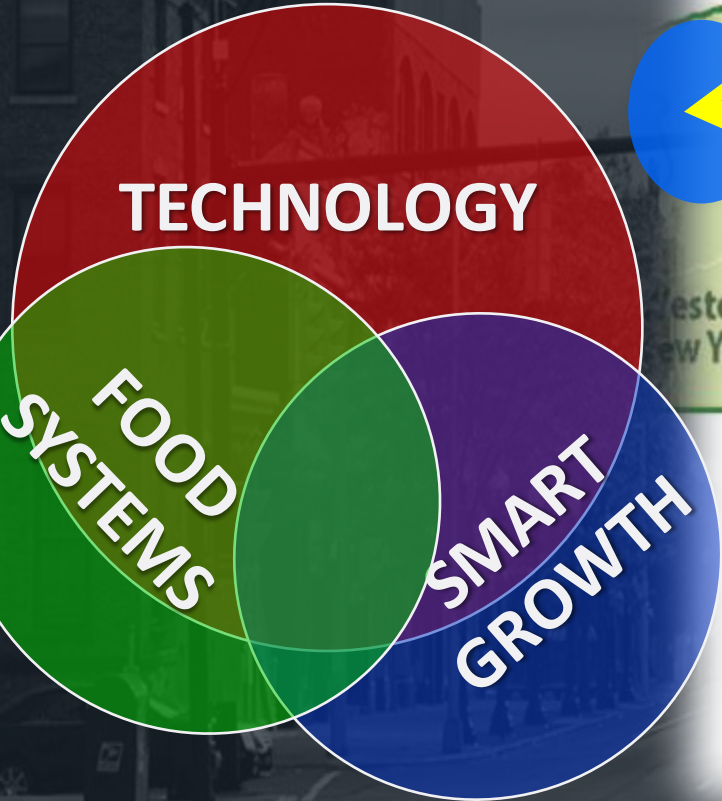INITIATIVES THAT CONNECT OUR COMMUNITIES...

STEM INDUSTRIES

AGRICULTURE

INNOVATION

TOURISM

DOWNTOWNS
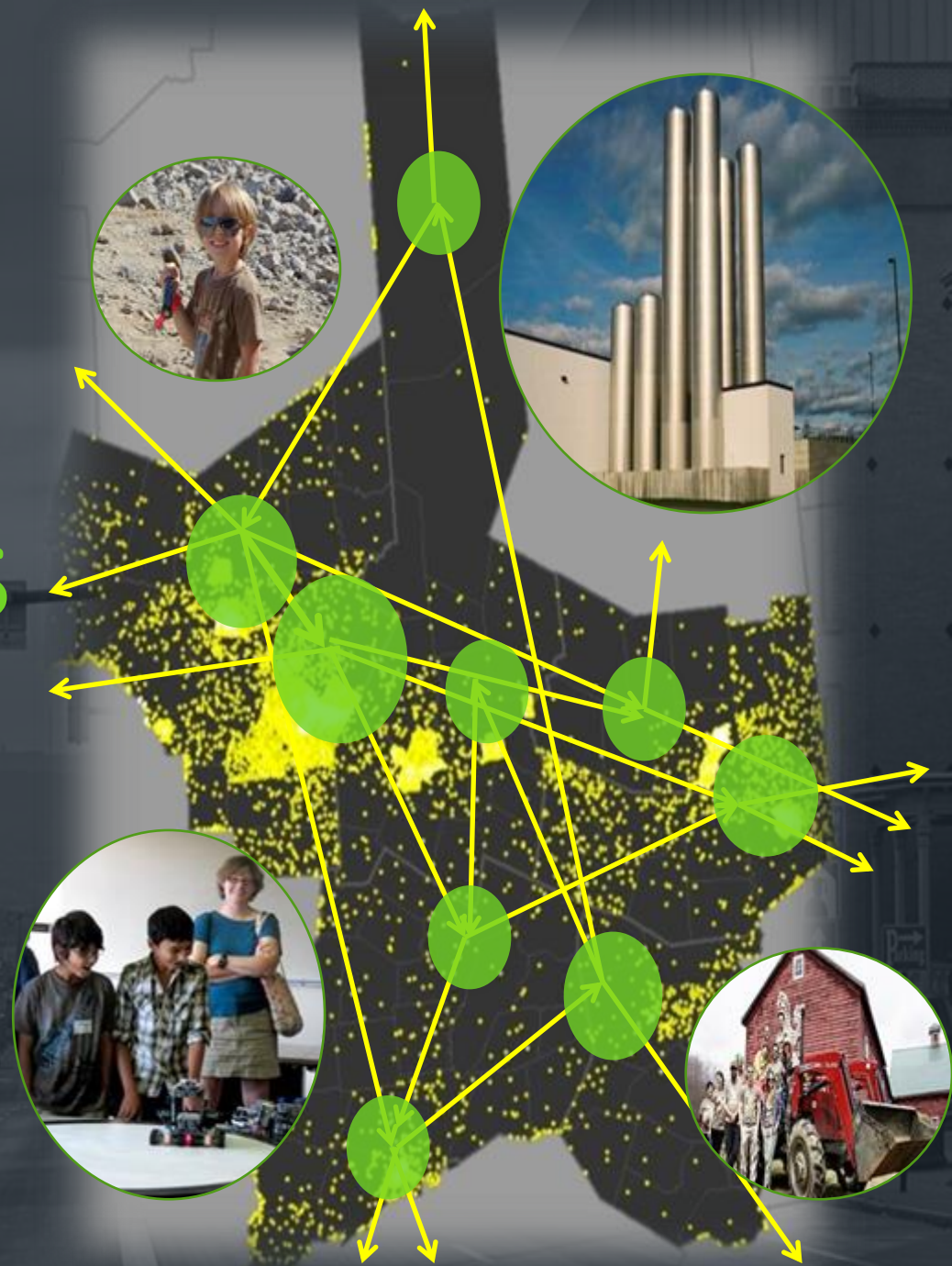
Pamela Underhill Karaz ©

MV500 VIDEO

&

URI DISCUSSION

MV500 Outreach