

Presentation:

COLLABORATING FOR OUR FUTURE



Greater Binghamton, New York

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PROGRAM

1. Greater Binghamton Today
2. Target Industries
3. What it Takes to Compete!
4. Best Practices
5. Your Priorities

"THE BC PLAN" – 2002

Broome
County
Plan for
Sustainable
Economic
Development



Conducted by:

 **Angelou Economics**
technology-based economic development

ACTION PLAN FOUR
IMPLEMENTATION PLAN
AUGUST 2002



 theBCplan.com 

PUBLIC SECTOR CLIENTS



PRIVATE SECTOR CLIENTS



What is Economic Development?

*“Life isn't about finding yourself.
Life is about creating yourself.”*

– George Bernard Shaw

Greater Binghamton, New York

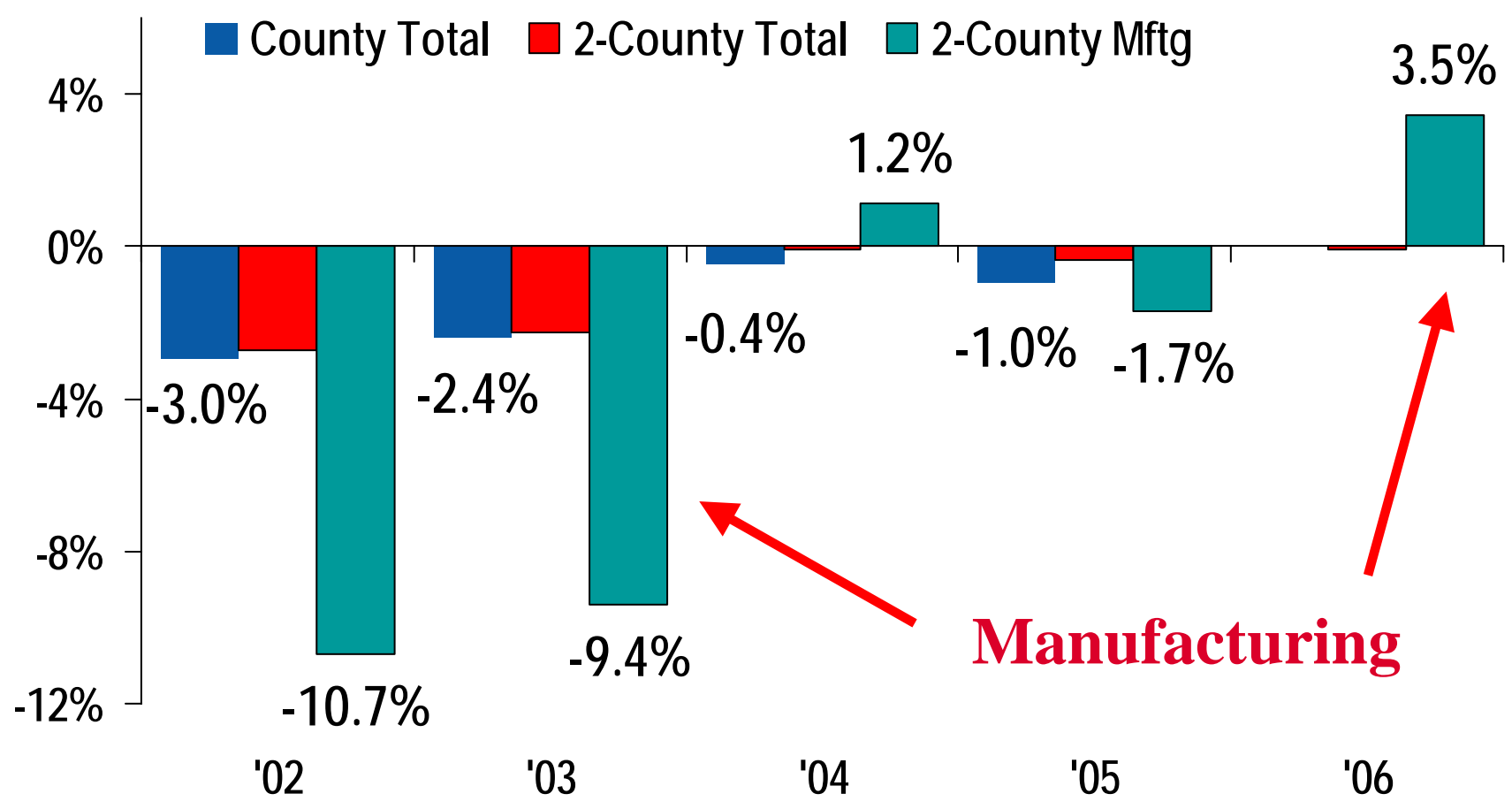
Greater Binghamton Today

Broome County Today

	<u>2005</u>
Employment	93,278
Net New Jobs	-906 (-0.96%)
New Home Permits	267 (-2.6%)
Unemployment Rate	4.9%
Population	196,947 (-0.49%)
Net Migration	-1,008

EMPLOYMENT GROWTH, '02-'05

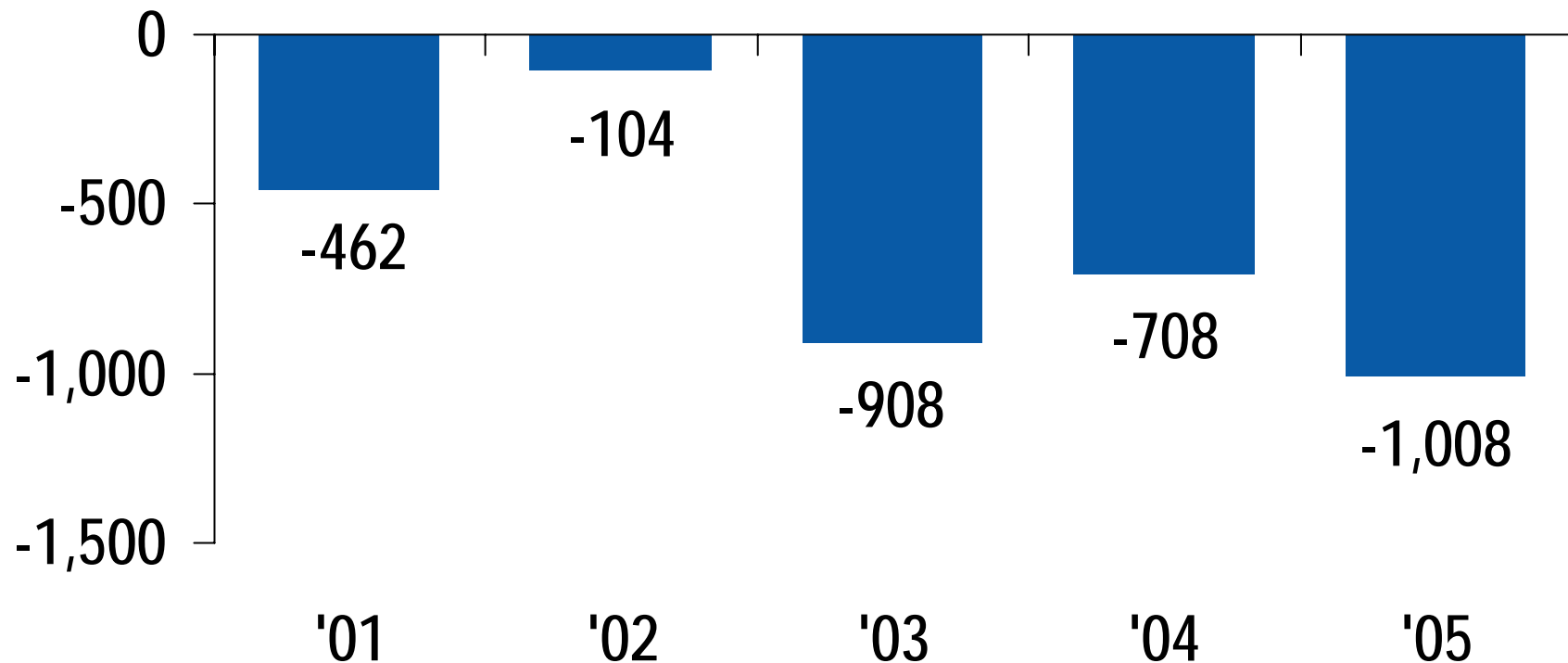
Annual Growth



Source: Bureau of Labor Statistics

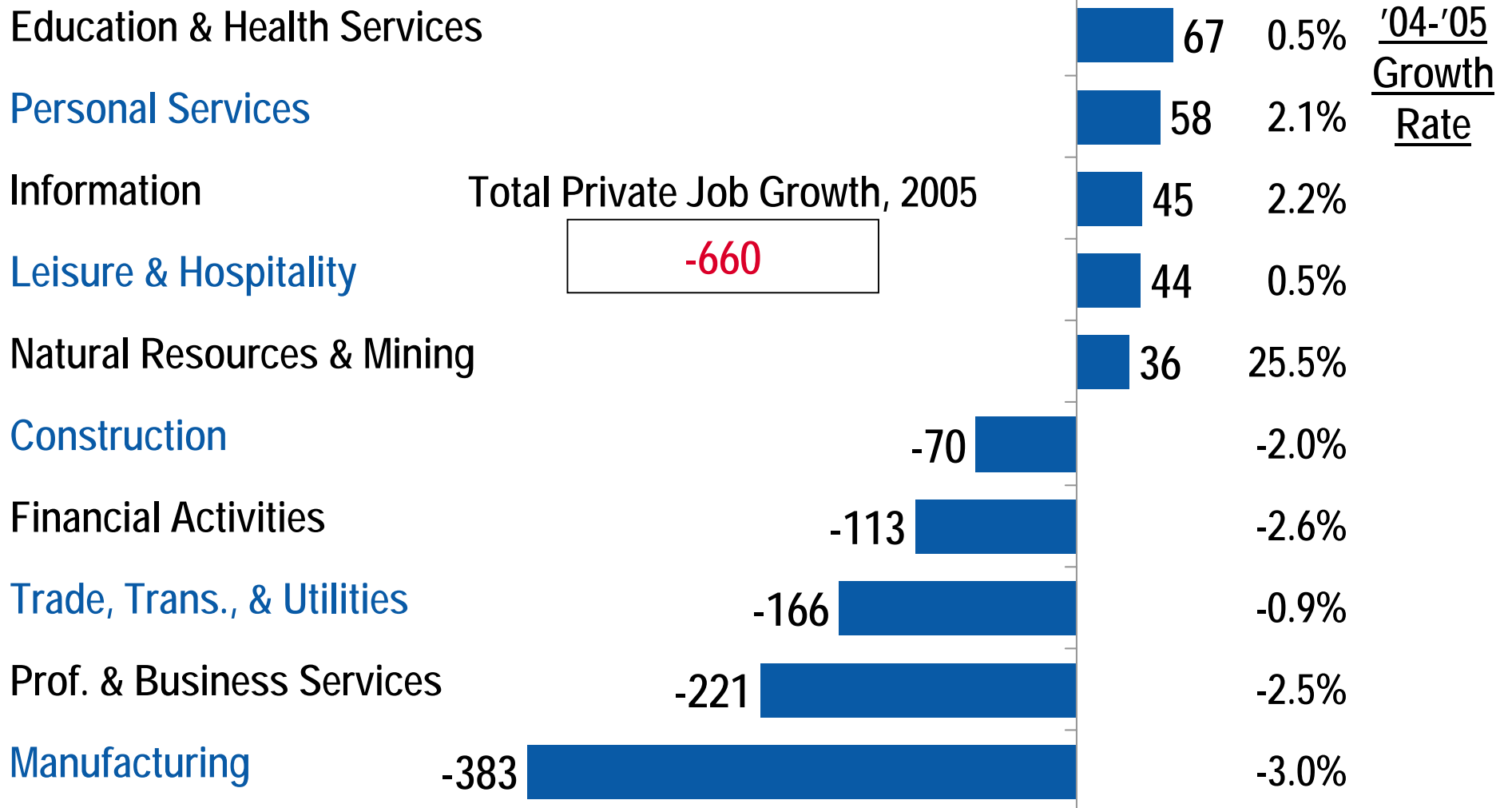
MIGRATION TRENDS, 2001-2005

Net New Persons, Broome County



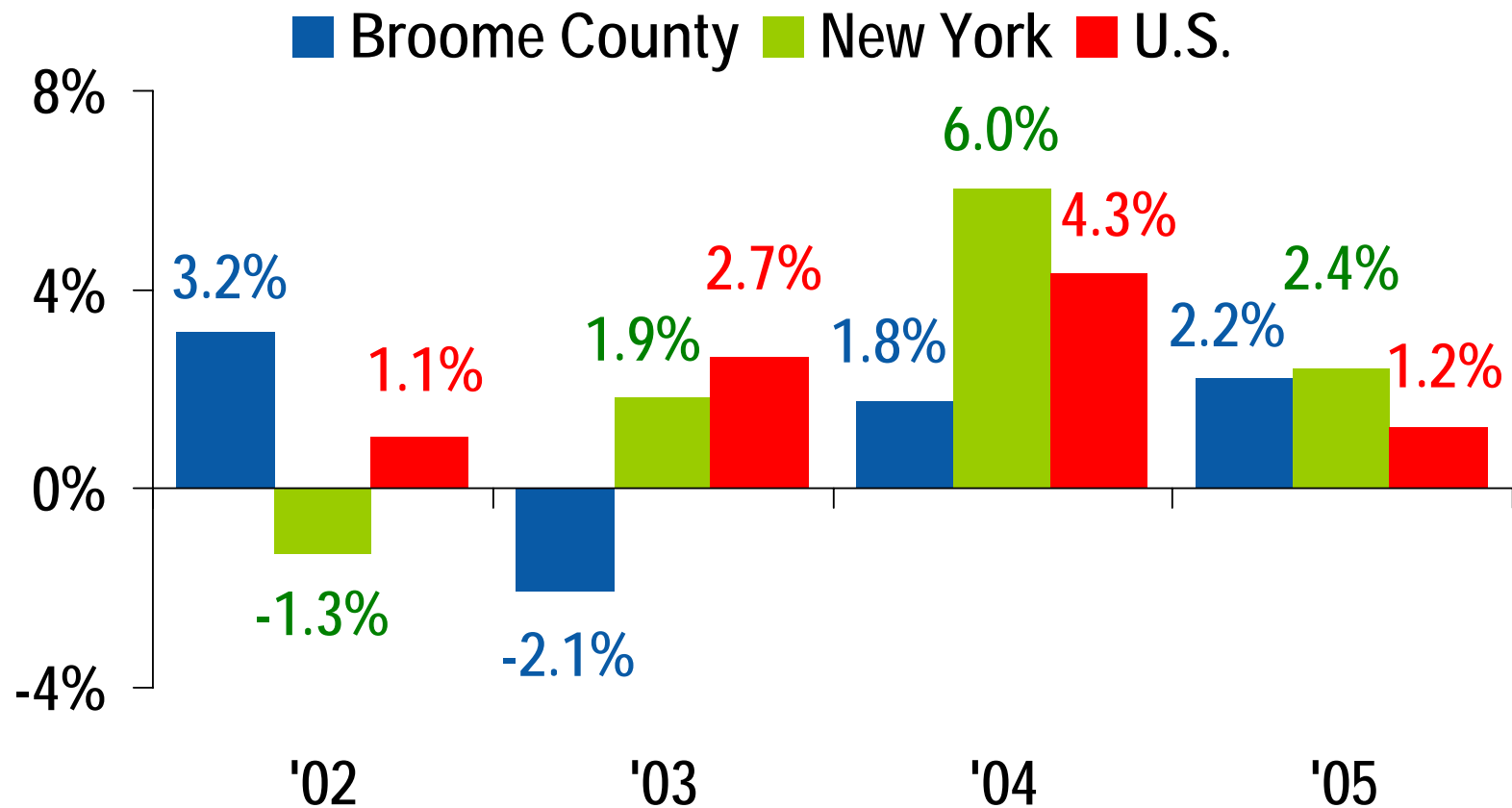
Source: Census

BROOME COUNTY JOB GROWTH, 2005



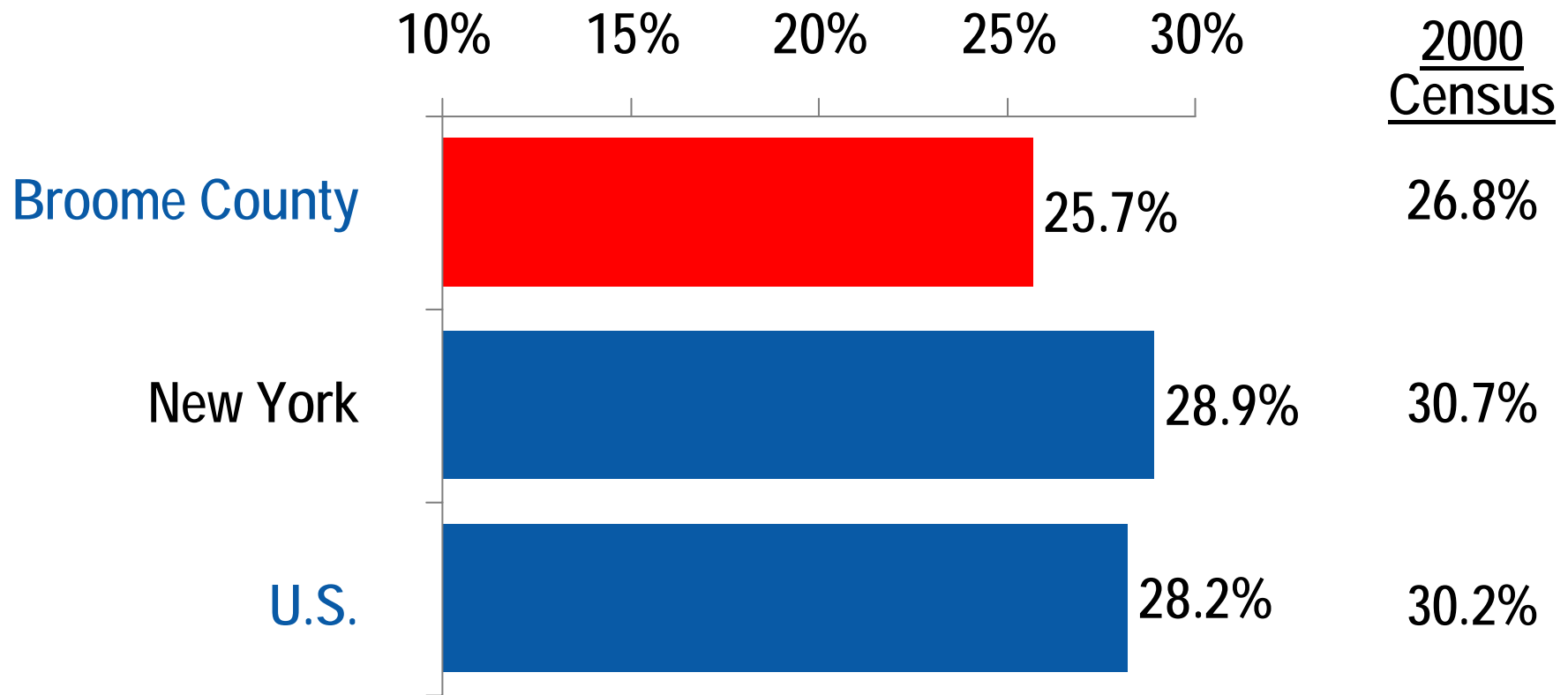
AVERAGE WAGE GROWTH, 2002-2005

Private Sector



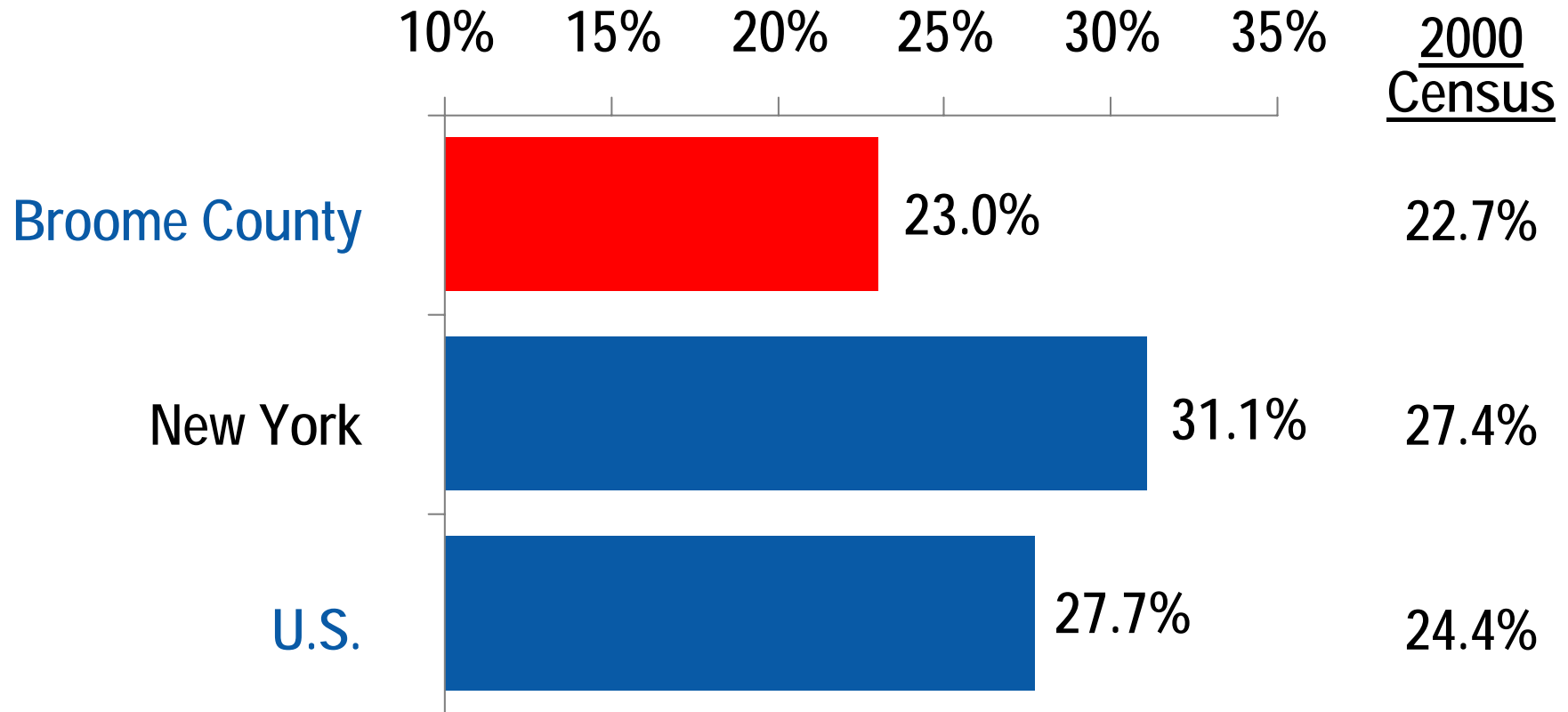
Source: Bureau of Labor Statistics

% OF POPULATION AGES 25 to 44, 2005



Source: U.S. Census Bureau

% BACHELOR'S DEGREE OR HIGHER, 2005



Source: U.S. Census Bureau

MEDIAN HH INCOME, 2005

Median HH Income

	<u>2005</u>	<u>5-year Growth</u>	<u>% of HHs \$75,000 +</u>
Broome Co.	\$38,716	9.5%	19.7%
New York	\$47,592	9.1%	30.5%
U.S.	\$46,350	9.7%	27.5%

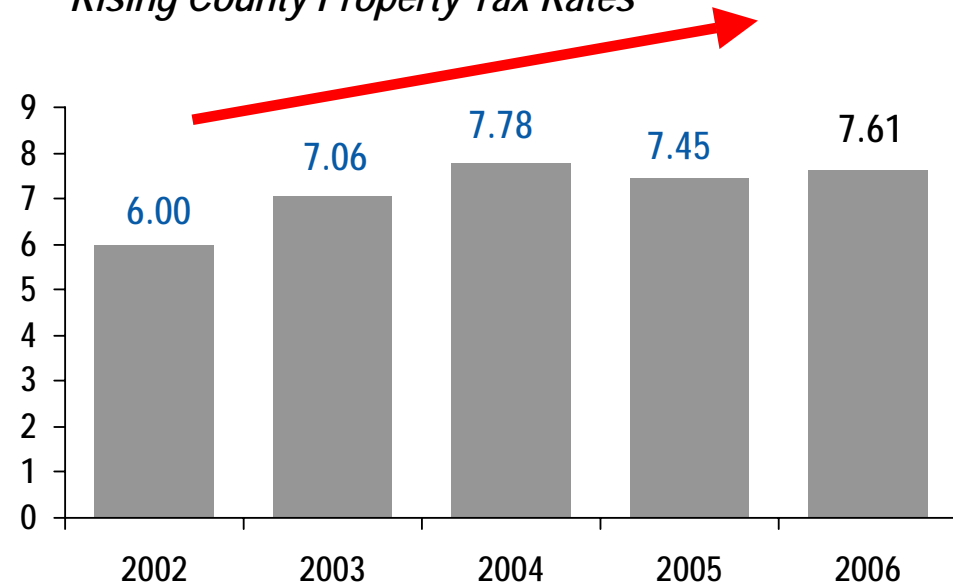
Source: U.S. Census Bureau

THE BOTTOM LINE

What is the bottom-line impact of a stagnant economy?

Economic development seeks to expand the economy, expand the tax base, ultimately **reduce the tax burden on existing residents and companies.**

Rising County Property Tax Rates



Source: Broome County

Greater Binghamton, New York

Target Industries

GOOD INDUSTRIES TO TARGET

In Technology:

- Advanced Security
- Clean Energy
- Life Sciences
- Software & Electronics Design
- Data Centers

Still Target Manufacturing?

- Output continues to grow steadily in manufacturing, but technology investments translate into a shrinking manufacturing job base.
- Industries that are growing and good to target:
 - Food processing – we always need to eat
 - Wood products – mostly for construction
 - Fabricated metal – to support Auto & Aerospace
 - Construction machinery – infrastructure
 - Auto & Aerospace
- Not growing, bad targets: clothing, furniture, electronic components

THE BC PLAN – TARGETS

In 2002, we recommended:

Keep?

- Computer equipment & electronics X
- Communications Services Yes
- Food processing Yes
- Health Services Yes
- Biotechnology Yes

Consider adding: Back office, call centers, defense

Greater Binghamton, New York

What it Takes to Compete

WHAT IT TAKES TO COMPETE

- ✓ *Leadership and Vision*
- ✓ *A Plan and its Implementation*
- ✓ *Aggressive Economic Development Entity*
- ✓ *Financial Resources*
- ✓ *Long Term Tenacity*
- ✓ *Marketing & PR*
- ✓ *Regional Effort*

THE BC PLAN, 2002

Top Recommendations

Status

- | | |
|---|-------------|
| ▪ <i>Regional organization (one point of contact)</i> | <i>Yes</i> |
| ▪ <i>Strong Website</i> | <i>Yes</i> |
| ▪ <i>Involve Binghamton University</i> | <i>Yes</i> |
| ▪ <i>Target marketing campaign</i> | <i>No</i> |
| ▪ <i>Brownfield redevelopment</i> | <i>Some</i> |
| ▪ <i>Downtown revitalization</i> | <i>Some</i> |
| ▪ <i>New entrepreneurship focus</i> | <i>Some</i> |
| ▪ <i>Young professionals focus</i> | <i>Yes</i> |
| ▪ <i>Stable Funding for E.D.</i> | <i>No</i> |

WHAT IT TAKES TO COMPETE

- There is still much to be done implementing the BC Plan

- Determine Who you want to BE and where you want to Go!

NEW PRIORITIES

Economic Development Agency

- Stable funding
 - Should be private and public money
- Fund an external marketing campaign
 - Revisit your target industries
 - Commit to a regional name:
- Brownfields redevelopment
- Get more people involved



WHAT IT TAKES TO COMPETE

- Economic Development must become everybody's business
- A community of positive thinkers will be become a marketing machine

RECENT FUNDRAISING

Economic Development Agencies

	Amount
Houston	\$30 m
Nashville	\$15 m
Austin	\$14 m
Denver	\$13.3 m
Dallas	\$7.5 m
Oklahoma City	\$16 m
Greater Philadelphia	\$16 m

Source: AngelouEconomics

CASH INCENTIVES

The role of incentives has grown.

States that Have Cash Grant Programs for E.D.

Michigan \$200M for next 2 years (just passed)

State of Texas \$400M / year allocated

Washington \$350M life sciences fund is close

Maine \$157M biotech R&D fund

California \$3 Billion bond for stem cell research

North Carolina \$100 M for bio

...PLUS MANY MORE

A dozen+ states have significant cash funds for e.d.
But Asian countries like Singapore are spending more.

YOU MUST FUND A MARKETING EFFORT

Typical Discretionary Marketing Budgets for Successful EDCs:

<100,000 Population	\$70,000
100-250,000 Population	\$120,000
250-500,000 Population	\$250,000

*Correlates to
about \$1 per
person, per year
(just marketing)*

Source: AngelouEconomics US Marketing Survey

Greater Binghamton should have **\$150-200,000 per year** to spend on discretionary marketing campaigns (Operations and Salaries require another 1-2x).

A total of \$500,000 in operational funds should be the 5-year goal.

BEST PRACTICES

I want to present several “best practices” in the U.S. that address your top priorities:

1. Brownfields redevelopment
2. Funding economic development
3. Marketing and branding

BEST PRACTICE – BROWNFIELDS

Brownfields Redevelopment:

Kalamazoo, Michigan

THE PROBLEM:

- ◆ 3 superfund sites and dozens of large/medium brownfield sites
- ◆ Industrial past in automotive and paper left many areas blighted
- ◆ Local leaders wanted to make brownfields redevelopment a top priority

BEST PRACTICE – BROWNFIELDS

Brownfields Redevelopment:

Kalamazoo, Michigan

THE SOLUTION:

- ◆ City committed \$500,000 on average per year to fund acquisition and clean up
- ◆ Strong state support through grants
- ◆ State limited the liability carry-over for cleaned sites
- ◆ Use of Tax Increment Financing to help reimburse costs
- ◆ 20 projects, \$115M invested, 1000 jobs

BEST PRACTICE – FUNDING

Economic Development Sales Tax:

Texas 4A/4B Cities

THE PROBLEM

- ◆ Poor funding power in smaller communities to operate economic development programs
- ◆ Perceived weak state agency vis-à-vis the rural areas
- ◆ High growth in Texas required more proactive investment in infrastructure

BEST PRACTICE – FUNDING

Economic Development Sales Tax:

Texas 4A/4B Cities

THE SOLUTION

- ◆ State legislative allowed a local option sales tax
- ◆ The tax is voter-approved
- ◆ ½ to 1 cent of every retail dollar
- ◆ Can fund diverse investments in community: infrastructure, facilities, or even marketing campaigns
- ◆ Highly successful: \$350 million raised in state each year

BEST PRACTICE – REBRANDING

Rebranding Campaign:

[Orlando, Florida](#)

THE PROBLEM:

- ◆ Brand was exclusive focused on Disney and tourism
- ◆ Significant hidden technology economy required a re-focus
- ◆ Strategic plan led to a new brand and marketing campaign

BEST PRACTICE – REBRANDING

Rebranding Campaign:

Orlando, Florida

THE SOLUTION:

- ◆ Tied past brand to new brand: “Putting Imagination to Work”
- ◆ Strong follow through on website, marketing, and new local tech-entrepreneur magazine
- ◆ Significant national recognition for marketing efforts



MORE ON BEST PRACTICE S

For more on these best practices, download our recent report on:

www.GreaterBinghamton.com

Additional best practices included:

- ◆ Regional Collaboration: St. Louis, MO
- ◆ Downtown Development: Chattanooga, TN
- ◆ Brownfields Redevelopment: Yonkers, Glen Cove, NY
- ◆ Funding: Greater Philadelphia

FINAL THOUGHTS

*Successful Economic Development
is a marathon, not a sprint !!!*

YOUR PRIORITIES

In summary, AngelouEconomics recommends the following priorities for Greater Binghamton:

- ◆ Fund an economic development organization
- ◆ Fund a marketing campaign

How?

- ✓ Sales tax
- ✓ Hotel/Motel room tax
- ✓ Rental car fee
- ✓ Foundations
- ✓ Federal/state funds for brownfields
- ✓ Private sector – through a professional fundraising firm

“Tell your Story”

“Next to doing the right thing, the most important thing is to let people know you are doing the right thing.”

– John D. Rockefeller

YOUR PRIORITIES

And finally:

- ◆ Prioritize brownfields redevelopment
- ◆ Energize your citizens about economic development
- ◆ Change attitudes

Change is an integral part of ED

“It is not the strongest of the species that survives, or the most intelligent. It is the one that is the most adaptable to change.”

- Charles Darwin

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