



Preliminary Draft Scope, Schedule and Budget

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to:

shol

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3 Attachments



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FairweatherDraftScope01222015.pdf

Hello Suzanne.

Here is a draft scope and budget as both a Word document and in PDF. It is meant as a discussion piece. I used an existing template to format the document, so it may look more finished than it actually is.

A few things to note:

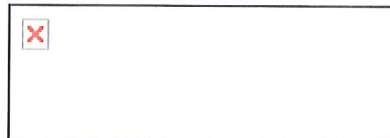
1. The analysis will provide you with a comparative "benchmark" analysis to see how Ulster County stacks up against locations with which it competes.
2. It is intended to build on your existing SWOT analysis, using additional data and benchmarking against other counties as two means of refining the SWOT. In addition, it is sometimes useful to have the industry interviewees review the SWOT as a way of drawing them out on how they view the County's competitiveness.
3. Task 5 involves identifying 3 or 4 "best practice" approaches to economic development. One of the reasons I've included this is that it will set a context for Ulster County's eventual approach. The County's approach will be able to be viewed as an outgrowth or amalgam of best practice. This is intended to help people understand some of the sources for the strategic approach and to see that it is not arbitrarily arrived at, but reflects "state of the art" thinking on how to do economic development.
4. The stakeholder outreach is at the center of this approach. By getting their insights on their own experiences in the County and to add their own perceptions on the County's SWOT, we should get a much finer-grained understanding of the County's true sources of economic competitiveness. This should enable us to craft a fairly precise strategy in terms of industry targets and the types of services required to build employment and investment in those target industries in the County.

Again, please treat this document as a draft. The budget came in about \$48,000. After looking at this, we can certainly provide you what you want for under \$50,000. I'm also open to ways to economize further. In general, any questions, comments, suggested revisions on the scope, budget and schedule are welcome. I'd be happy to have another meeting to discuss this and related topics. In addition, I'd be happy to expand this into a full, formal proposal if and when that makes sense.

I look forward to hearing from you.

Peter F

Peter Fairweather



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A. PROJECT DESCRIPTION

Ulster County is at a critical juncture in the transition of its economy. Since the closing of the IBM Kingston facility, there has been no one sector that has dominated the local economy like the computer giant. Health services, retail, tourism and other sectors have contributed to the local economy, often producing rates of job growth at or near the top of New York's counties. In the past decade or so, the outlines of a new economic base may have begun to emerge in the County. Local employers like Precision Flow, Markertek, Bread Alone and others have occupied specialized niches offering innovative products or processes to serve new markets. The Hudson Valley and Catskills regions emerged as major tourism destinations, their longstanding reputations for outdoor recreation now complemented by the Valley's emergence as an important wine and food destination.

Increasingly, quality of life is identified as an important contributor to an area's economic development potential. Ulster County has real strengths here as indicated by its scenic beauty, multiple opportunities for outdoor recreation and its thriving arts community.

The County is not without its challenges, but clearly there are elements here that can provide a basis for economic growth and prosperity in the years to come. The biggest challenge may be continuing to identify and cultivate niches of long-term competitive strength while responding to the day-to-day crises and opportunities associated with changes in the local, national and global economy.

We propose a strategy and action plan. It will identify and respond to immediate challenges facing the County's economy. At the same time, it will lay the ground work for long term strategic strength for Ulster County's economy. We propose to create this strategy and action using an approach that has worked well for our clients throughout New York State. This collaborative effort is described in the scope of work below.

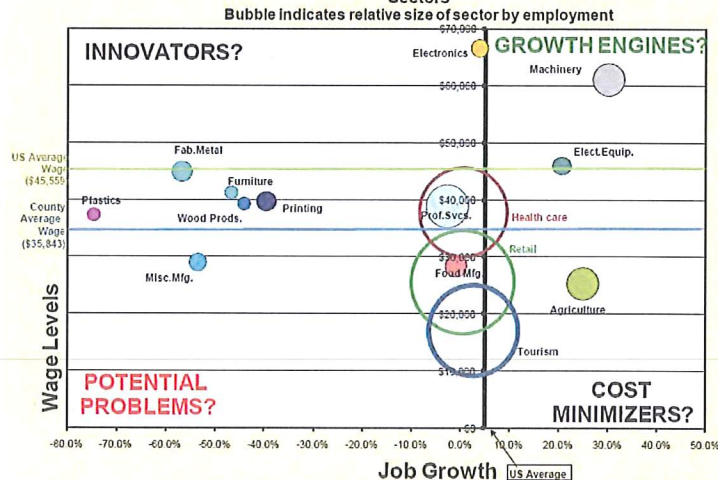
B. PROJECT PRODUCTS

This project will produce four products for the Ulster County Office of Economic Development (OED):

A Summary Assessment of the strengths, weaknesses, opportunities and threats facing Ulster County's economy in terms of its abilities to attract business investment and promote job growth compared to "benchmark" locations and as assessed by site location consultants.

A Description of County-wide Priorities for Economic Development tying them back to

An analysis of the structure of the Ulster County Economy
Ulster County Job Growth (2002-08) & Wage Levels (2008) for Selected Sectors



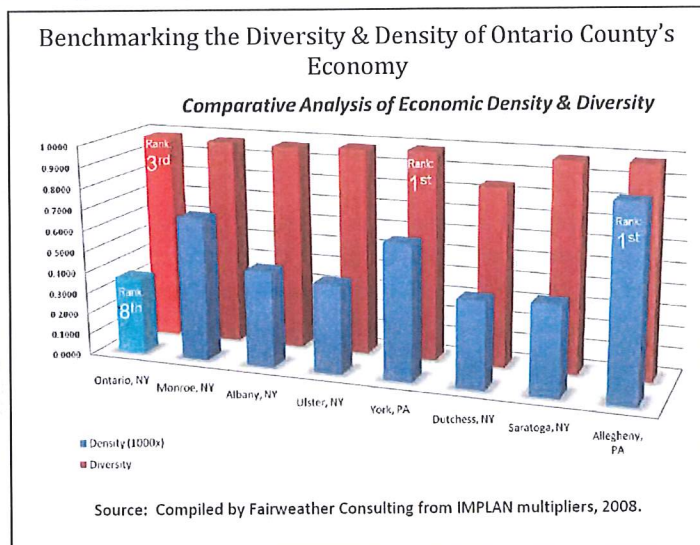
Source: compiled by Fairweather Consulting from NYS Department of Labor data.

the SWOT analysis and explaining how addressing these priorities will improve the economic competitiveness of each constituent member and the entire area.

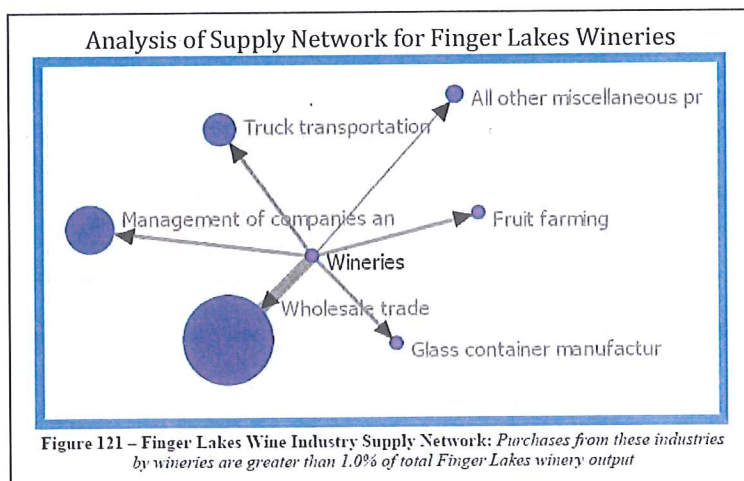
A Description of the Industry Targets and the Strategic Approach to Business Retention/Expansion/Attraction that defines the industries that are the core opportunities for Ulster County, while defining the ways in which Ulster County will pursue the opportunities identified (e.g., through advantageous access to markets, labor force, low cost location, etc.). The description will also specify the roles and responsibilities of public, private and not for profit organizations in implementing these strategic initiatives. Particular attention will be paid to opportunities to build upon existing employers and enterprises in the County as a way to grow the County's economic base and build momentum for future industry attraction efforts.

C. PROJECT SCOPE

Task 1. Project Initiation: The project will begin with a session with the OED and/or a project steering committee they appoint to review and confirm the project scope of work and schedule, incorporating any changes that may be required. Among the responsibilities for this group will be regular review of work completed by the project team, recruitment of other County stakeholders to participate in the creation of the strategy, and a general willingness to speak favorably on the importance of this process for improving the competitiveness and economic prospects for Ulster County. The identification and development of a key leadership group for creating, coordinating and implementing the strategy is one of the most essential steps in this process.



Task 2: Summary Assessment of the Regional and Local Economy & Setting: This step will consist of a preliminary inventory of the current conditions in Ulster County and the region. We will gather and review existing studies and analyses of the economies of Ulster County and the Hudson Valley region. We will also summarize economic trends from such sources as the US Census Bureau, the New York State Department of Labor, and other



data sources. This summary assessment will include:

- **A demographic and economic profile** of Ulster County using such indicators such as population, income, education, employment and data on where Ulster residents migrate to work, and where Ulster County workers reside.
- **A regional profile comparing Ulster with New York State and the Hudson Valley region** that also includes demographics comparable to those included in County demographic and economic profile detailed above.
- **An inventory of the types and size of businesses within Ulster County** categorizing the enterprises from such sources as D&B, infoUSA, the New York State Department of Labor, etc. This inventory will identify the major industries in Ulster and regionally and define key buyer/supplier relationships within the County and region using IMPLAN multipliers.
- **A summary description of the physical infrastructure assets of Ulster County** including road, rail, air and broadband and key industrial sites, with special emphasis on assets that may be unique to Ulster County such as agricultural activity, educational institutions, along with any unique natural assets such as climate, land, etc.
- **A baseline assessment versus “benchmark” counties.** Fairweather Consulting will assess economic condition of Ulster County in context of “benchmark” counties. We will work with the OED Long Range Planning Committee to identify up to six counties for comparison. These may be counties with similar demographics from the Hudson Valley, or could include “aspirational” counties (i.e., counties that currently have local economies—or other aspects—that Ulster County would hope to emulate. This analysis will provide some guidance with respect to how

Part of the “Benchmarking Analysis for Ontario County.
Benchmarking Ontario County versus Potential Rivals:

	Ontario County, NY	Rensselaer County, NY	Dutchess County, NY	Rochester, NY MSA	Albany, NY MSA	Austin, TX MSA	Raleigh-Durham, NC MSA	Salt Lake City, UT MSA
Metro Area GDP (Millions, 2006)	-	-	-	\$43,080	\$35,896	\$71,176	\$47,851	\$56,458
% of US Metro Portion (2006)	-	-	-	0.37%	0.30%	0.60%	0.41%	0.48%
Output/Worker (Dollars, 2006)	-	-	-	\$87,470	\$84,273	\$99,104	\$94,681	\$94,101
Total Employment (2006)	54,302	80,564	141,827	509,254	438,582	792,437	510,101	565,766
Employment Growth (01-06)	3.20%	2.83%	4.06%	-0.35%	3.56%	10.45%	14.38%	11.49%
Manufacturing Growth (97-02)	3.5%	-33.7%	63.0%	-27.1%	-22.5%	-28.1%	-60.2%	-35.6%
Total High Tech Employment (2002)	1,369	1,660-2,907	11,265-26,413	11,681-15,928	6,139-6,388	47,856	16,863-21,941	20,767-20,995
Computer & Electronics	751	0	10,000-24,000	6,821	763	22,250	4,012	8,712
Software & Publishers	0	250-499	0	1,110	748	8,802	5,252	2,233
Pub. & Broadcasting	0	0	0	0	0	394	0	100-249
ISPs, Web Search Portal, & Data Processing	0	500-999	0	1000-2499	1,448	6,352	2,579	5,381
Other Info. Services	102	500-999	100-249	250-499	250-499	108	20-99	20-99
Computer Systems Design	516	410	1,165	2,500-4,999	2,930	9,950	5,000-9,999	4,321

Sources: Bureau of Economic Analysis(2006), Bureau of Labor Statistics (2006), Economic Census (2002)

Ulster County is faring compared to peers or aspirational target counties.

During the benchmarking, we will indicate the extent to which the County is above, at, or below average when looking at job growth, population growth, economic diversity, etc. We will also describe the approaches to economic development taken by these counties and identify “best practices” that Ulster County should consider adopting.

This summary assessment will provide an overview of Ulster County’s general competitive position for attracting new industries, addressing the availability and cost of such factors as labor, shovel ready sites, etc. To the extent data are available, the analysis will also show how Ulster County compares in terms of tax burdens and other factors.

Task 3: Refinement of the SWOT Analysis for Ulster County: the results of the preceding tasks will be used to review and refine the SWOT analysis for the Ulster County economy as previously prepared by the Office of Economic Development. This analysis presents a summary of the Strengths, Weaknesses, Opportunities and Threats facing the County economy. The elements of the SWOT analysis will include summaries of:

STRENGTHS: What aspects of Ulster County’s demography, economy, location, infrastructure, etc. provide an advantage for the creation of wealth and jobs in the County?

WEAKNESSES: What aspects of the County make it less attractive as a location for the creation of wealth and jobs?

OPPORTUNITIES: What general economic, social or demographic trends can Ulster County take advantage of to create wealth and jobs?

THREATS: What general economic, social or demographic trends might damage Ulster County’s economy?

The preliminary SWOT analysis will be presented to the OED for discussion and, as appropriate, revision. As described below, this draft SWOT analysis will serve as the basis for some of the discussion with industry representatives and other stakeholders in Ulster County’s economy. Once reviewed and revised during this process, the full SWOT analysis will serve as the basis for creating the recommendations to update the County strategic plan.

Task 4. Outreach to key Economic Development Stakeholders: The Fairweather Consulting Team will systematically reach out to key stakeholders for Ulster County to gain their insights on niches of economic activity for which the County is currently an attractive location. In addition, this outreach will be used to identify any buyer/supplier links among key sectors in Ulster County that could serve as the basis for industry attraction efforts.

This outreach will involve the following efforts:

Interviews/focus groups with representatives of key industry niches: Fairweather Consulting will work with the OED to identify sectors and specific firms to be included in this outreach effort. Potential sectors could include advanced manufacturing, food processing, information/image processing and others identified via industry analysis and/or in consultation with the Office of Economic Development.

This outreach will focus on fully defining the ways in which Ulster County is a desirable location for these businesses, aspects of the County's business environment that could be improved and the prospects for attracting firms that currently supply or purchase from these enterprises.

Survey of site selectors active in New York State: In cooperation with the OED, Fairweather Consulting will identify up to fifteen site location consultants active in New York to be contacted regarding Ulster County's current competitiveness as a site for external attraction efforts. The site selectors will be identified in cooperation with the New York State Economic Development Council and through such resources as Area Development's databases, including <http://www.facilitylocations.com/site-selection-consultants>. Fairweather Consulting will complete at least five detailed interviews with these consultants.

Task 5. Defining Alternative "Best Practice" Models for County-wide Economic Development:

This task will provide a means for identifying the proper approach(es) for economic development in Ulster County. Fairweather Consulting will provide an overview of at least three different "best practice" approaches to economic development, identifying the advantages and disadvantages inherent with each approach in terms of the type and size of firms best served by them, the resources required to support such approaches (e.g., the real estate base, marketing capacity, etc.). The models to be considered include:

- *Real estate-based external attraction:* in which economic developers use special financing, publicly sponsored improvements and economic incentives to create low-cost sites to entice start-up companies or firms from outside the County.
- *Technology-based economic development:* in which economic developers build alliances with research universities and other sources of technological innovation to foster technological innovation in the local economy as a means of strengthening existing businesses and attracting new ones.
- *Economic gardening:* in which economic developers help existing businesses identify which issues are hindering their growth and then seek to address those issues through local policy or by delivering insights and information to the companies so that they may address constraints they are facing. (This model will have two variations, a general "economic gardening" approach and a second approach focused on "gazelle" enterprises—firms with at least \$250,000 in annual revenues with an annual growth rate of at least 20% per year over a four-year period.)

This typology will also be used to explain to a lay audience the various "best practice" approaches to economic development and how the approach recommended for Ulster County draws upon those approaches.

Task 6. Developing the Strategic Core: Vision, Industry Targets and Strategic Approach: Based upon the results of tasks 1 through 4, the Fairweather Consulting Team will compile the core components of the comprehensive economic development strategy: a strategic approach/vision, industry targets, key economic development assets in the County and an action plan to promote business investment and job growth in Ulster County.

Strategic Vision: The strategic vision will articulate Ulster County's competitive advantage for firms in target industries in a manner that indicates the ways in which the County can contribute to improve profitability for key industries. This approach will form the basis of the strategy resulting from these efforts.

Industry targets: The industry targeting effort will identify industries that are currently in the County and have the potential for expansion, as well as those industries that have the potential to be attracted to the County. Targeted industries will be identified through a variety of approaches including:

- results of the interviews/focus groups with local employers, site selection consultants and other important stakeholders
- examination/identification of existing industry clusters in the County and The Hudson Valley and their potential for expanding in the County
- strategic resources upon which economic activity can be created including access to particular markets, quantity and quality of skilled labor, etc.
- occupations/assets of resident population that can be mobilized in an economic development effort.

Key Assets: This will identify the key assets that will play a central role in the OED economic development strategy. These could include important sites, educational institutions, economic development tools and other elements that are expected to contribute to Ulster County's long term competitiveness and that require special attention to develop, preserve and/or enhance.

Strategic Approach: The strategic approach will define the types of actions Ulster County's Office of Economic Development will take and/or encourage to build upon the County's competitive advantage for firms in target industries. This approach will draw upon the various models for economic development outlined in Task 5.

Draft Action Plan: Based upon the recommendations developed under Task 5, Fairweather Consulting will create a detailed work plan to implement this update of the economic development strategy. The work plan will define key tasks the OED and allied organizations by professional position. It will provide sequencing for the tasks along with a recommended schedule for implementation.

Task 7. Defining Roles and Responsibilities and Model Tools for Implementing the Strategy:

The preliminary assignments of roles and responsibilities will be reviewed by the OED Long Range Planning Committee and then discussed with each of the organizations and/or individuals identified as part of the implementation team. The Fairweather Consulting Team will use this input to fully define and finalize the roles each member and other stakeholders will play in this effort. This will also involve providing the OED with model tools for implementing the strategy. These tools will include templates that the OED or its constituent members can use to begin to implement the strategy and action plan. As appropriate, such tools could include:

- Sample Business Retention Survey

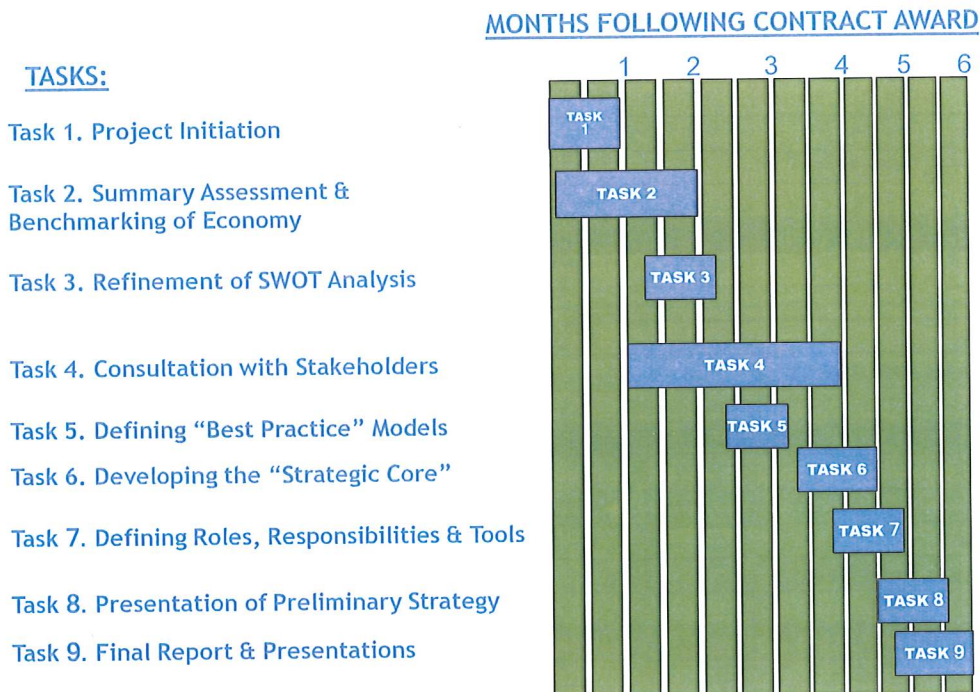
- Developer Solicitation Process/Packages
- Specification of Potential Sources of Financing & Incentives

Task 8. Presentation of Preliminary Economic Development Strategy: At the conclusion of Task 6, The Fairweather Consulting Team will present the preliminary recommendations of the Economic Development Strategy to a meeting of the OED. The intent of the presentation is for the OED to review, confirm and/or suggest revisions to the goals and strategic approach for the County's Economic Development Strategy. Following any revisions, Fairweather Consulting will be available to make up to three additional presentations to important stakeholder groups in the County (e.g., the County Legislature and/or key committees, the IDA board, etc.)

Task 9. Final Report on an Economic Development Strategy for Ulster County: The results of all project tasks will be compiled into an economic development strategy for Ulster County. This draft will include a definition of key economic opportunities, a statement of goals, benchmarks, action plans, and budgets for each of the five years of the strategy. The Fairweather Consulting Team will present the final strategy at a public meeting of the OED. As appropriate, comments and suggestions received from the Committee will be included in this final report on the economic development strategy, 10 hard copies of which will be delivered to the OED at the conclusion of Task 8, along with electronic versions of the strategy, action plan and associated presentations.

D. PROJECT SCHEDULE AND BUDGET

The work plan outlined above will be completed within six months at a cost of \$47,400. A detailed schedule and budget are provided below.



Proposed Project Budget	Rate:	Hours:	Budget:
Task 1. Project Initiation			
Total Task Budget:			\$ 970
Peter Fairweather	\$ 150	4	600
Research Assistance	\$ 60	2	120
Reimbursable Expenses (travel, etc.)			250
Task 2. Inventory & Benchmarking of the Regional & Local Economies			
Total Task Budget:			\$ 11,880
Peter Fairweather	\$ 150	40	6,000
Research Assistance	\$ 60	48	2,880
Reimbursable Expenses (travel, etc.)			3,000
Task 3. Refinement of SWOT Analysis			
Total Task Budget:			\$ 3,320
Peter Fairweather	\$ 150	16	2,400
Research Assistance	\$ 60	12	720
Reimbursable Expenses (travel, etc.)			200
Task 4. Outreach to Stakeholders			
Total Task Budget:			\$ 8,840
Peter Fairweather	\$ 150	46	6,900
Research Assistance	\$ 60	24	1,440
Reimbursable Expenses (travel, etc.)			500
Task 5. Defining Alternate "Best Practice" Models			
Total Task Budget:			\$ 1,630
Peter Fairweather	\$ 150	9	1,350
Research Assistance	\$ 60	3	180
Reimbursable Expenses (travel, etc.)			100
Task 6. Developing the Strategic Core			
Total Task Budget:			\$ 5,980
Peter Fairweather	\$ 150	32	4,800
Research Assistance	\$ 60	18	1,080
Reimbursable Expenses (travel, etc.)			100
Task 7. Defining Roles & Responsibilities			
Total Task Budget:			\$ 6,580
Peter Fairweather	\$ 150	36	5,400
Research Assistance	\$ 60	18	1,080
Reimbursable Expenses (travel, etc.)			100

DRAFT PROPOSED SCOPE OF WORK: COUNTY ECONOMIC DEVELOPMENT STRATEGY

Task 8. Presentation of Preliminary Strategy			
Total Task Budget:			\$ 3,680
Peter Fairweather	\$ 150	18	2,700
Research Assistance	\$ 60	8	480
Reimbursable Expenses (travel, etc.)			500
Task 9. Final Report on Economic Development Strategy			
Total Task Budget:			\$ 4,520
Peter Fairweather	\$ 150	24	3,600
Research Assistance	\$ 60	12	720
Reimbursable Expenses (travel, etc.)			200
TOTAL PROJECT BUDGET			\$ 47,400

Note: Totals may not "foot" due to rounding.

