



*The Canandaigua Economic
Development Partnership:
An Integrated Approach to Prosperity
The Strategic Economic Development Plan
for the City of Canandaigua, NY*

March 2012

Executive Summary

Maximizing the Return on Canandaigua's Economic Assets

The purpose of the strategic plan is to define ways by which the City of Canandaigua can improve its economic performance so that it maximizes the return on the high-quality economic assets it has at its disposal.

As indicated in the full Strategic Economic Development Plan, overall, the City has a relatively strong competitive position in terms of assets, but is not performing to full capacity. That produces acceptable results when the overall economy is growing. But during the coming period of slower growth, the City must maximize all competitive advantages. Note: this is not a case of the City trying to create economic opportunity by itself. Rather, the situation is that the City recognizes that its own policies, regulations and programs set the context for growth. In hard economic times, it is important that the City ensure that its own actions and investments run consistent with what is required to support drivers of growth in the local economy. And over the long term, Canandaigua cannot do this alone. Its partnerships must extend beyond local boundaries to build region-wide partnerships to keep the region strong so Canandaigua itself remains strong. Creating these partnerships is essential for the strategy's success.

The Need for a Proactive Role: Using Economic Development Tools to Benefit the City

There will be hunters and hunted, winners and losers. What counts in global competition is the right strategy and success.

- Heinrich von Pierer, CEO, Siemens, 1992-2005

In the era following World War II, New York State was filled with small towns with thriving economies. As global competition gradually intensified over the decades, *businesses* became much more vigilant and strategic in their approach. Most *communities* did not. Many of them saw their competitive advantages diminish in the face of stiffer competition as once prosperous communities became economic backwaters. In the global competition of the 21st Century, communities must compete for prosperity just as intensely and actively as businesses do.

This requires communities to take an active role as a steward of its economic assets. In order for Canandaigua to prosper in the years ahead, it must have the capacity to actively compete for jobs and economic activity. The City can do this by clearly identifying the outcomes it wants: what industries it seeks to cultivate and what sites it wishes to see improved. The Strategic Economic Development Plan enables the City to actively use economic development incentives such as low-cost financing and tax breaks so that—within limits—the market can produce the kinds of results desired by the City. This is a central premise of this strategic plan.

Recommendations: An Integrated Approach to Prosperity

As discussed throughout this document, Canandaigua has opportunities in three broad sectors:

- Retail/ Tourism
- Manufacturing & business services
- Health care

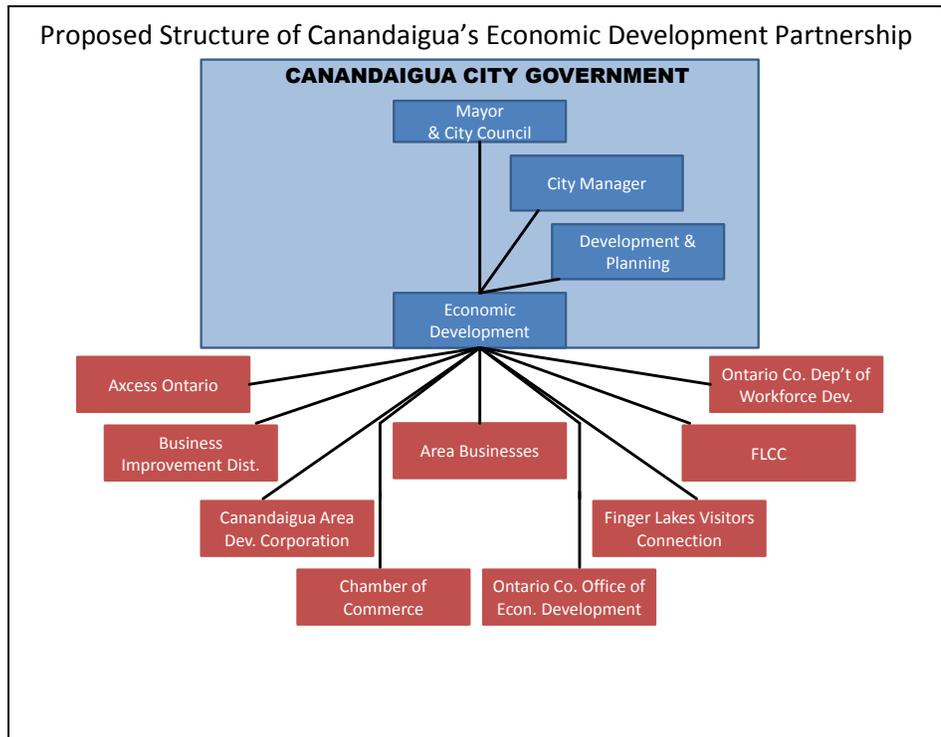
In essence, in order to maximize its long-term prospects for economic growth, Canandaigua must manage a portfolio of opportunities, continually rebalancing its programs, policies and regulations to ensure that each of the City's major sectors can make the necessary contributions to job formation and wealth creation. Success will come through an approach that integrates all of these opportunities and the stakeholders they involve into a single program focused on building prosperity in Canandaigua.

This section outlines steps to be taken to build the partnership necessary to enable the City of Canandaigua and its stakeholders to improve the return on the City's economic development assets. The recommendations are grouped into four categories: general recommendations that pertain to overall economic development in the City and sector-specific recommendations for the target industries of retail and tourism, manufacturing and business services and health care.

A. Overall Recommendations

A-1. Establish a position of economic development director

If, as recommended in this strategy, the City of Canandaigua is to assume a proactive role in economic development, it must address a variety of issues (ranging from land-use to workforce development) involving a wide range of stakeholders. This will require a central point of coordination. It is therefore recommended that the City of Canandaigua create a position of economic



development director for the City. While the precise configuration of this position will depend upon the financial resources available to City government, we recommend that the position be established as a full-time position either in the Department of Planning and Development or reporting directly to the City Manager. There also may be opportunities to establish the position through a consulting arrangement or contract with an outside agency. As described in the full report, the Economic Development Director position would have a lead role in initiating, coordinating and monitoring the individual elements of the economic development strategic plan.

Building an Economic Development Partnership: The foundation of the economic development strategic plan is to build a series of partnerships throughout the City and beyond. This will involve the following organizations as depicted in the diagram above.

A-2. Provide Business Retention & Expansion Services for firms located in the City:

Studies have shown that 80 percent of all jobs created come from existing businesses. Therefore, one of the most important economic development functions for the City is to establish regular contact with its business community to identify opportunities and obstacles that they face with regard to retaining or adding jobs. The County Office of Economic Development currently operates its own Business Retention and Expansion program involving regular visits to firms throughout the County with referrals generated for assistance with financing, training, etc. The referrals are entered into a database to track the results. The City should consider asking the OED if the City's Economic Development Director could be trained in that system and conduct BR&E interviews for firms in the City, and make appropriate referrals for assistance.

A-3. Use economic development tools to prepare and position sites for development/redevelopment

Almost all of Canandaigua's sites for potential development involve reuse of the site. Consequently, the economic development director's position must be able to deploy tools that help make sites in the City competitive with "greenfield" sites both in terms of costs and the process for redevelopment. In New York State, there are several economic development tools including:

- *PILOT agreements through the Ontario County Industrial Development Agency*
- *Tax Increment Financing*
- *485-b Business Investment Tax Exemptions*
- *Site assembly and administration:* The land potentially suitable for redevelopment in the City is dispersed among smaller parcels, making it difficult to attract a larger-scale expansion or relocation project. It is important for the City's economic development function to be able to, as necessary, work with property owners to assemble individual parcels into one larger site.
- *Securing Grants and other financial support for projects/infrastructure*

A-4. Work with the Chamber of Commerce and the Business Improvement District to promote business to business (B2B) opportunities.

The analysis in the appendices indicates that several industries either have strong buyer/supplier linkages in the area or have the potential to do so. Part of the strategic economic development plan should involve initiatives that seek to identify and strengthen

these connections as a way of capturing more economic activity within the City. As indicated in the analysis, those sectors that have the greatest potential in this regard are Health services, Agriculture & Food Products, Polystyrene Foam Production and Advanced Manufacturing.

A-5. Focus on Quality of Life Issues to Build Competitive Advantage. In the 21st Century economy, access to a talented workforce is a major (if not the major) factor in creating a competitive advantage for a location. Businesses find it much easier to attract and retain talent in locations that offer high quality of life.

A-6. Continually Strengthen the Business Climate in the City. The Economic Development Director should work closely with businesses to identify particular issues they have with regulatory standards or processes used by the City. The Director should continually identify any ways in which the regulatory standards or processes can be streamlined to achieve their intended outcomes while being less burdensome on businesses.

A-7. Maintain strong connections between tourism promotion and general economic development. Business people who first come to know the area as tourists or second home owners may eventually consider the area as a place to expand or even move their business. Thus, efforts to attract visitors to both downtown and the lakefront should incorporate opportunities for visitors to learn more about the possibilities of bringing their businesses to Canandaigua. In a way, every tourism promotion and event should also be seen as a potential opportunity to attract new investment in the City.

B. Sector-Specific Recommendations

B-1. Recommendations for the Retail/Tourism Sectors:

- Strengthen physical/programmatic links between City's downtown merchants and Lakefront as well as the wineries and culinary tourism opportunities
- Maintain liaison with major destinations: CMAC, NYWCC, FLCC, Historic Sites, etc. as well as the Finger Lakes Visitors Connection
- Work with Chamber and other organizations to coordinate major events and festivals in the City
- Oversee/encourage catalytic projects such as:
 - Re-use of the former Labelon Building
 - Coordination of Lakefront Development with Downtown development
 - Eventual re-use of the former Wegman's parcel at the intersection of 5 & 20 and South Main Street
 - Creation of pedestrian district near old Railroad Station on Ontario Street

B-2. Recommendations for Manufacturing and Business Services Sectors:

- Create "early warning" system to meet needs of large employers (e.g., SSTCC, Constellation & GateHouse Media). The City's business retention and expansion efforts should be focused on this issue.
- Focus efforts on easing the process of expanding existing businesses and/or attracting new ones to improve likelihood of economic diversification by:

- Assembling sites and “shepherding” major projects, particularly those involving re-use of industrial properties in the Southeast of the City
- Interacting with SSTCC to ensure they remain healthy and to maximize the potential spin-offs spin off into the City
- Creating a conduit for FLCC services/programs to flow into the City
- Creating a liaison with Ontario County Office of Economic Development and the Greater Rochester Enterprise for external marketing of City sites
- Foster expansion of telecommuting/knowledge worker opportunities by fostering 3rd places in the City and maximizing connections to Axxess Ontario

B-3. Recommendations for the Health Services Sector:

- Improving communication especially with regards to making sure that Canandaigua’s residents are aware of the health services available in the area.
- Making sure that the health sector continues to grow in order to stay competitive and meet the needs of the region by:
 - Working with health care providers to advocate with State and Federal agencies for expanded services
 - As needed by health care organizations, Identifying sites for expanded health care services
 - As indicated by market opportunities, developing Senior Home Care services to offset costs of traditional nursing homes and providing new opportunities in the health care sector.
- Seeking ways to integrate health, wellness, and economic vitality in order to create the highest possible quality of life. This will benefit the community as a whole, while also highlighting the importance of the health care sector in Canandaigua.

Implementation Plan

The Strategic Economic Development Plan is ambitious both in its intent and its scope. It will therefore require a phased approach to implementing its recommendations. The implementation plan outlines a series of discrete actions to be taken over a two year timeframe. The parentheses that follow the description of each action refer to the particular recommendation or recommendations being addressed by that action. The Implementation Plan is described in detail in the full report and summarized below:

<u>Implementation Plan for Strategic Economic Development Plan</u>												
ACTIONS:	YEAR 1				YEAR 2				YEAR 3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Year 1 Actions:												
1-1. Economic development director position created & filled. (A-1)												
1-2. Implement Business Retention & Expansion Program(A-2;B-2)												
1-3. Create inventory of appropriate sites (A-3, B-3)												
1-4. Establish the Economic Development Advisory Council. (A-1)												
1-5. Initiate or Participate in four “Catalytic Projects.”(B-1)												
Year 2 Actions:												
2-1. Explore creation/expansion of a “3 rd place” (B-2)												
2-2. Begin implementation of the recommendations from the Code Task Force (A-6)												
2-3. Begin the process of securing grants for preparation of key sites (A-3, B-2, B-3)												
2-4. Convene at least one “cluster meeting” (A-4)												
2-5. Work with OCIDA & GRE on Attraction Efforts (A-3, B-2)												

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Introduction

Over the past decade, the City of Canandaigua has created and/or enhanced a wide range of economic development assets.

- An increasingly successful downtown.
- A strong service industry anchored in successful health services including Thompson Health and the nearby Veterans Administration Center.
- Attraction and retention of world-class manufacturers such as Constellation Brands and the nearby Smart System Technology & Commercialization Center (SSTCC).
- A traditionally strong and ever-strengthening educational sector, anchored by the Finger Lakes Community College's Canandaigua Campus
- Increasingly stronger offerings in arts, entertainment and tourism led by such attractions as the Constellation Marvin Sand Performing Arts Center, the New York Wine and Culinary Center and other wine-related and hospitality attractions, along with Canandaigua's role as a gateway to the Finger Lakes wine region.
- A vibrant lakefront.
- An existing City infrastructure (including sewer, water, electric service, and broadband) that is strong and able to support increased growth.

The sum total of economic development assets available to Canandaigua is remarkable. However, they remain diffuse. The City has yet to fully realize the economic benefits that can come from marshalling these resources to build synergy among them and thereby maximizing their overall impact on Canandaigua's economic well-being.

The national, state and regional economies are just beginning to recover from the Great Recession, but growth should remain slow for the foreseeable future. While the potential for a "lost decade" presents its own challenges, it is an opportune time to bring together Canandaigua's substantial economic development assets into a single force to promote prosperity throughout the City. Indeed, this becomes imperative if the City wishes to prosper during a time of slow national economic growth.

What follows is a description of the City of Canandaigua's Strategic Economic Development Plan (SEDP). This report has been formatted so that it focuses almost entirely on stating the City's strategic position in the form of an analysis of its strengths, weaknesses opportunities and threats (SWOT analysis). It then delineates the recommendations to maximize the City's competitiveness in response to that SWOT analysis and includes an implementation plan and evaluation metrics. In order to make the SEDP readable and concise, the analyses that underlie the strategy are included in the appendices to this document. The sections below outline the strategic planning process, describe its results and outline a comprehensive approach to economic development in Canandaigua.

The Planning Process

The planning process began with an initial meeting with the City Council's planning committee to review the scope of work and identify important issues to be addressed and stakeholders to be interviewed. A series of stakeholder meetings and interviews were held, including the following:

Downtown Merchants' Session: July 19, 2011: 8:15 AM - 9:45 AM, Canandaigua Chamber of Commerce

Tourism Stakeholder's Session: July 19, 2011: 12:00PM – 1:30PM, Canandaigua Chamber of Commerce

Health Services Stakeholders' Session: July 19, 2011: 3:00 PM – 4:15 PM, Thompson Health Board Room

Planners and Economic Developers' Session: August 2, 2011: 3:00 to 4:30PM, Canandaigua Chamber of Commerce

In addition to these stakeholder meetings, other meetings and phone conversations were held with representatives of such institutions as Finger Lake Community College, Constellation Brands, the Finger Lakes Visitors Connection, etc. The results of all of these meetings are summarized in the appendices to this report.

Following the Downtown Merchants Stakeholder Session, Fairweather Consulting created a survey as was suggested to identify the needs, concerns, and opinions of Canandaigua's downtown merchants. The survey generated 74 respondents, the majority of whom own businesses in the city of Canandaigua. Most of these businesses are in professional services (45.8%) and retail (41.7%). The full survey results are included in the appendices.

While the stakeholder meetings were being held, Fairweather Consulting also produced a "benchmarking" report, showing how the City of Canandaigua compared to similar sized communities in the Finger Lakes region. In addition, an extensive analysis was made of the City's economy and land-use. These are included in the appendices to this report.

The preliminary results of the analysis were presented at a public meeting held at the Hurley Public Works Building on September 8th, 2011. Attendees were asked to share their concerns and hopes for the economic development strategy and to identify their highest priorities. The results of this meeting are detailed in the appendices.

The findings and implications from this work were reported to the City Council's Planning Committee on a regular basis. The presentations to the Committee can be found on the project website: <http://canandaigua.ning.com>.

The results of all of this analysis and outreach have been summarized into a SWOT Analysis: a statement of the City's strengths, weaknesses, opportunities and threats with regard to economic development. This became the basis for shaping the overall strategic approach.

SWOT Analysis

A SWOT analysis for the City of Canandaigua was conducted using the data gathered from the foregoing analysis of regional and local economic trends as well as the information provided by Canandaigua's key stakeholders and the community at large. A SWOT analysis is a procedure for evaluating and assessing an organization or municipality in terms of its:

- **Strengths:** What does Canandaigua have that is an advantage for the city's economy and its key stakeholders?
- **Weaknesses:** What are the aspects of Canandaigua that may hurt its economy and make it less able to serve its stakeholders?
- **Opportunities:** What general economic, social, and demographic trends can Canandaigua take advantage of?
- **Threats:** What trends are present that might diminish the chances for economic success in Canandaigua?

Strengths

As made clear from the analysis and stakeholder assessments found in the appendices, the City of Canandaigua has many strengths including:

- **Strong local employers**, including Constellation Brands, Smart System Technology and Commercialization Center, Thompson Health, the Veterans Administration and Gatehouse Media.
- **Strong regional clusters**, which manifest locally in Canandaigua, including:
 - The **Education and Knowledge Creation** cluster as represented by Finger Lakes Community College.
 - The **Local Hospitality Establishments** cluster tied into Canandaigua's tourism industry such as Steamboat Landing, the New York Wine and Culinary Center and the Inn on the Lake.
 - The **Local Health Services** cluster which is a large employer in Canandaigua, provides wages higher than the health services sectors in benchmark communities, and has a high level of sales per establishment.
 - The **Agricultural Products** cluster represented by Constellation Brands.
- The city's **tourism sector**, driven by the lake and wineries.
- An **active promotion of the City** through festivals and special events.
- A **culture of cooperation** embodying a spirit of volunteerism, leadership, and entrepreneurialism, cohesiveness among business owners, and a strong philanthropic capacity.

- An adequate **fiscal capacity** to afford services due to the city's high assessed value per square mile and a low proportion of tax exempt properties.
- **High quality government services** including the police department.
- A **high quality of life** deriving from the city's cultural and historical heritage, its proximity to the lake, its walking trails, and the general appearance, cleanliness, and sense of safety downtown.

Weaknesses

Considering Canandaigua's weaknesses are equally important in the process of creating an effective economic development strategy. The analyses identified the following weaknesses in the City's competitiveness for economic development:

- A **lack of clear vision** for the City of Canandaigua is at the root of many of the city's problems including the apparent lack of cohesiveness between the lakefront and the downtown, the lack of aesthetic appeal downtown, and the disconnect between the current local regulations, restrictions, and code enforcement policies and the goal of creating a nurturing, business-friendly environment.
- A **lack of commercial investment**, evident by the lack of hotels and the presence of empty storefronts downtown, could hinder Canandaigua's tourism potential.
- A **lack of residential investment**, evident by the older housing stock and limited high-quality apartments in the downtown, could diminish Canandaigua's high quality of life and deter young professionals from moving into the city.
- A **lack of pro-active capacity** which is necessary if the City seeks to take full advantage of its diverse economic assets. While City government cannot produce economic development by itself, it can work to create the conditions that make it easier for businesses and residents to succeed.
- The perception that the City's **code enforcement practices are not business-friendly**. Business people in a wide variety of sectors indicate that, while the City's regulations themselves are by in large reasonable, too often enforcement focuses on punishment, rather than problem-solving.

Opportunities

The opportunities facing Canandaigua are almost all related to assets that already exist in the City. These include:

- **Industry Targets** defined in the economic analysis section of the appendices include:
 - Manufacturing & Business Services
 - Health Care
 - Tourism & Retail, including opportunities to continue to draw second homeowners on the lakefront into the city.
- **Physical targets** to be developed and utilized including:
 - 2nd and 3rd floors of buildings in the downtown area
 - Vacant and underutilized properties in the South East of the City

- **Cultivation of large employers/institutions** including:
 - Constellation Brands, Smart System Technology and Commercialization Center (SSTCC), Thompson Health, the Veterans Administration and Gatehouse Media
 - Finger Lakes Community College and SUNY College of Nanoscale Science and Engineering overseeing the SSTCC.
 - Local institutions such as the Constellation/Marvin Sands Performing Arts Center and the New York Wine and Culinary Center which draw important market segments into the City for tourism and retail purposes.
 - Finger Lakes Community College which has the potential to enhance the City’s capacity for workforce development and cultural offerings
- **Coordination with Ontario County’s technology-led economic development strategy**, including taking advantage of the broadband available in the County and creating “third places” to encourage solo workers and telecommuters into the city.

Threats

There are several threats to the City of Canandaigua’s economic success that must be taken into consideration. These include:

- **Failing to maintain and strengthen the shopper and tourist experience in the downtown**, which could result in increased competition from other tourism destinations and the loss of retail business to large franchises and malls. This could lead to the loss of Canandaigua’s small-town feeling, persistent empty storefronts, and discord between the lakefront and the downtown.
- **The aging of the population**, which is a result of both a growing older population and a tendency for the younger population to leave the city due to lack of jobs.
- An **increased tax burden/loss of fiscal capacity** resulting from the inability to take full advantage of development potential in the city.
- **Regional Weaknesses in Industrial Clusters** that could negatively affect otherwise strong businesses in the city. Clusters that appear to have weaknesses regionally include:
 - Communication Equipment
 - Publishing and Printing
 - Analytical Instruments
 - Production Technology
 - Plastics
 - Metal Manufacturing
 - Motor Driven Products

Note that both Publishing and Printing and Plastics are major employing sectors in the City.

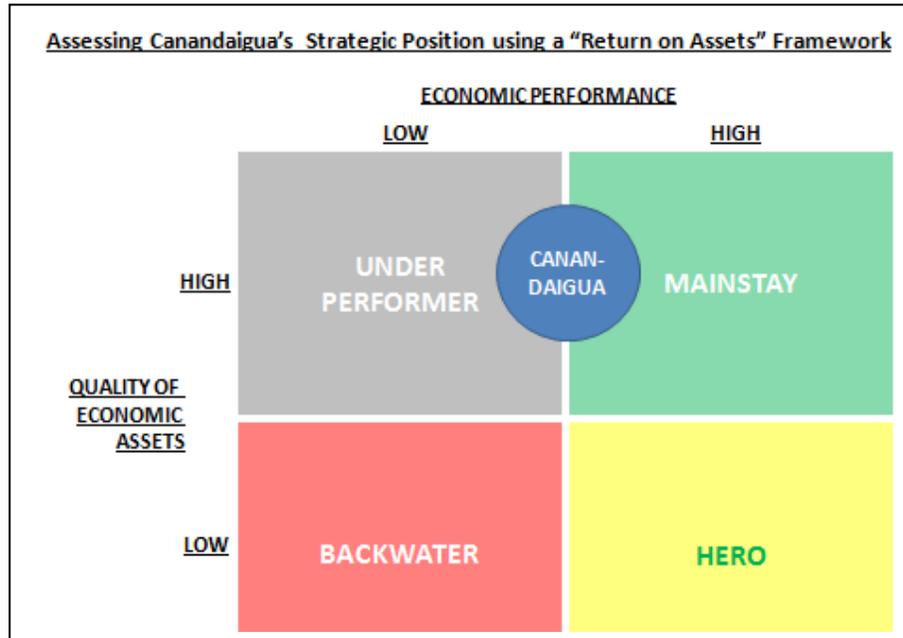
- A **lack of diversification in key sectors of the City’s economic base**, which is the “flip side” of the City’s traditional economic strengths. Health care dominates the City’s employment sector. Manufacturing employment in Canandaigua is concentrated in a handful of large firms. These are important assets for the City and need to be retained and grown. But, it is equally important that Canandaigua develop other sources of employment and wealth to ensure its economic health does not rest with only a few types of businesses.

Canandaigua's Overall Strategic Position

One way of assessing the competitiveness of a location is to examine it from a “return on assets” perspective. As shown in the diagram, this approach compares the quality of a location’s economic development assets with that location’s economic performance (e.g., job growth, ability to attract private investment, etc.). A community that has low-quality economic assets and low economic performance can be considered an economic “backwater.” In the 1970s, the borough of the Bronx had low-quality economic assets and a low level of economic performance. A community with low-quality economic assets that manages a high level of economic performance is termed a “hero.” In rural areas, occasionally communities can be found that, have little to offer in terms of sites, workforce, access to markets, etc., but somehow they acquire a core of high-performing businesses.

“Mainstay” communities have high-quality assets and perform at a high level economically. Boston, New York, San Jose, CA are all examples of economic mainstays. An “underperformer” is a community with high-quality economic development assets, but a low level of economic performance.

The benchmarking exercise for Canandaigua that is summarized in the



appendix to this report shows that the City’s economic performance is average-to-good compared to similar-sized communities in the Finger Lakes region. While many other communities would be very happy to have the results Canandaigua enjoys, the City is clearly underperforming given the high quality of its economic development assets.

The Strategic Approach: Maximizing the Return on Canandaigua's Economic Assets

The purpose of the strategic plan is to define ways by which the City of Canandaigua can improve its economic performance so that it maximizes the return on the high-quality economic assets it has at its disposal.

As indicated above, overall, the City has a relatively strong competitive position in terms of assets, but is underperforming. That produces acceptable results when the overall economy is growing. But during the coming “lost decade” of slow growth, the City must maximize all competitive advantages. Note: this is not a case of the City trying to create economic opportunity by itself. Rather, the situation is that the City recognizes that its own policies, regulations and programs set the context for growth. And in hard economic times, it is important that the City ensure that its own actions and investments run consistent with what is required to support drivers of growth in the local economy.

The Need for a Proactive Role: Using Economic Development Tools to Benefit the City

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In the era following World War II, New York State was filled with small towns with thriving economies. As global competition gradually intensified over the decades, *businesses* became much more vigilant and strategic in their approach. Most *communities* did not. Many of them saw their competitive advantages diminish in the face of stiffer competition as once prosperous “mainstay” communities became economic backwaters. In the global competition of the 21st Century, communities must compete for prosperity just as intensely and actively as businesses do.

This requires communities to take an active role as a steward of its economic assets. Are local employers getting the maximum return from the area's workforce? Is the community extracting the maximum return from its assets that have attracted businesses, shoppers, tourists? (In addition to workforce, these assets can include transportation infrastructure, municipal services, important natural and scenic resources, etc.) Is it taking steps to protect and/or strengthen those assets over the long-term? As will be discussed below, in order for Canandaigua to prosper in the years ahead, it must have the capacity to actively compete for jobs and economic activity. The City can do this by clearly identifying the outcomes it wants: what industries it seeks to cultivate and what sites it wishes to see improved. The Strategic Economic Development Plan enables the City to actively use economic development incentives such as low-cost financing and tax breaks so that—within limits—the market can produce the kinds of results desired by the City. This is a central premise of this strategic plan.

The Importance of Partnership:

City government has a vital role to play in fostering economic growth in Canandaigua. But it is a supporting role. Jobs and wealth will be produced in the City by the private sector. The City's role is to help create the conditions that make that possible. It is a role that requires the careful cultivation of and coordination among the diverse strengths and opportunities identified in the SWOT analysis above. In order to accomplish this, the City has to be an active, supportive partner with a wide variety of stakeholders in business, the not-for-profit sector and government.

Thus, this strategy is referred to as the Canandaigua Economic Development Partnership. As described below, it is intended to establish a set of working relationships between the City government and the many stakeholders involved in the process of creating jobs and wealth in the City. And over the long term, Canandaigua cannot do this alone. Its partnerships must extend beyond local boundaries to build region-wide partnerships to keep the region strong so Canandaigua itself remains strong. Creating these partnerships is essential for the strategy's success.

Recommendations: An Integrated Approach to Prosperity

As discussed throughout this document, Canandaigua has opportunities in three broad sectors:

- Retail/ Tourism
- Manufacturing & business services
- Health care

With the possible exception of health care, there is no one dominant sector in Canandaigua's economy. So problems in one sector can create serious problems for the City, but can't devastate it the way the decline in the auto industry damaged cities like Flint, MI. At the same time, this means that the City cannot look to one source to provide it with "boom" times. In essence, in order to maximize its long-term prospects for economic growth, Canandaigua must manage a portfolio of opportunities, continually rebalancing its programs, policies and regulations to ensure that each of the City's major sectors can make the necessary contributions to job formation and wealth creation. Success will come through an approach that integrates all of these opportunities and the stakeholders they involve into a single program focused on building prosperity in Canandaigua.

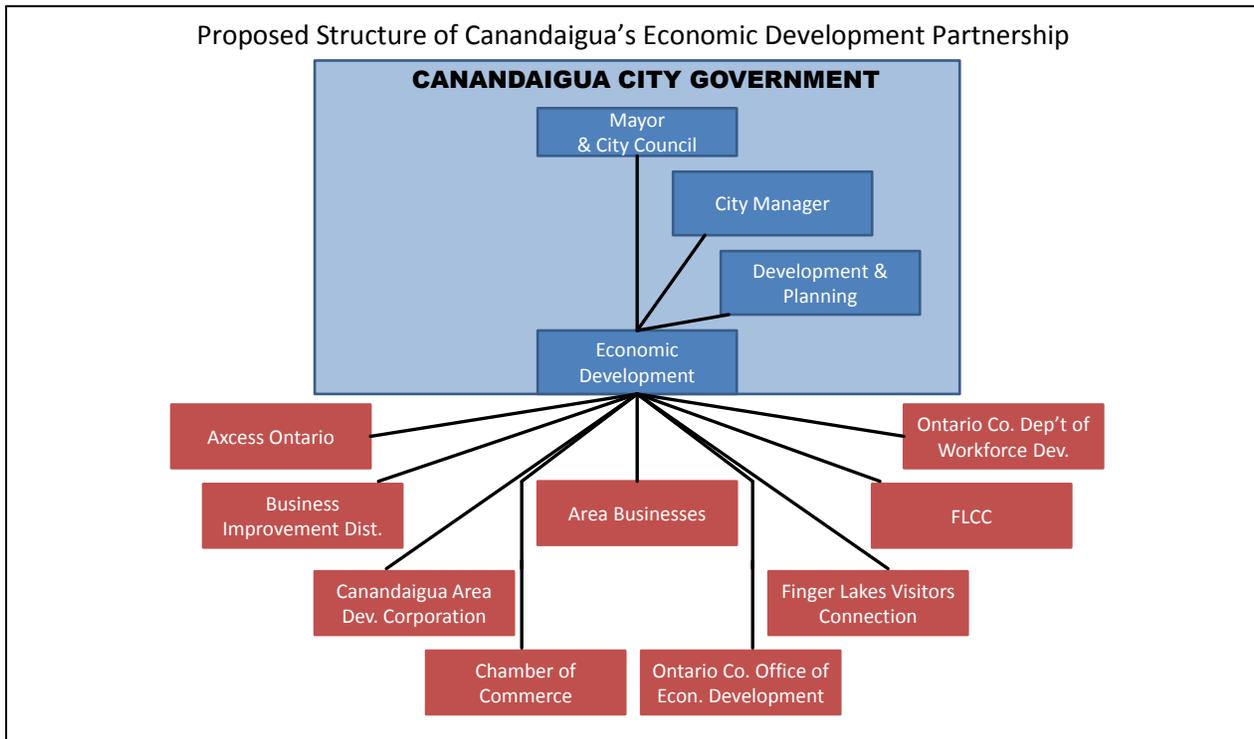
This section outlines steps to be taken to build the partnership necessary to enable the City of Canandaigua and its stakeholders to improve the return on the City's economic development assets. The recommendations are grouped into four categories: general recommendations that pertain to overall economic development in the City and sector-specific recommendations for the target industries of retail and tourism, manufacturing and business services and health care.

C. Overall Recommendations

A-1. Establish a position of economic development director

If, as recommended in this strategy, the City of Canandaigua is to assume a proactive role in economic development, it must address a variety of issues (ranging from land-use to workforce development) involving a wide range of stakeholders. This will require a central point of coordination. It is therefore recommended that the City of Canandaigua create a position of economic development director for the City. While the precise configuration of this position will depend upon the financial resources available to City government, we recommend that the position be established as a full-time position either in the Department of Planning and Development or reporting directly to the City Manager. As described in the sections below, the Economic Development Director position would have a lead role in initiating, coordinating and monitoring the individual elements of the economic development strategic plan.

Building an Economic Development Partnership: The foundation of the economic development strategic plan is to build a series of partnerships throughout the City and beyond. This will involve the following organizations as depicted in the diagram below:



City Government: Through the Economic Development Director, City government will have a major coordinating role supporting business investment and job growth. In order for that role to be fully effective, the Economic Development Director must work closely with others within City government, including the following positions/offices:

City Manager: The City Manager has administrative oversight over all City functions (prospectively including economic development). It is important that the Manager be continuously updated on the activities and plans of the economic development function. At the same time, the Economic Development Director should look to the City Manager’s office for

assistance and guidance in efforts to bring City government's activities in alignment with the requirements of effective economic development in Canandaigua.

Department of Development & Planning: As the department with lead responsibility in land-use planning and regulation, it is important that this department work very closely with the economic development office to ensure that City land-use and planning policies and practices are consistent with the City's economic development needs. At the same time, it is important that the City's economic development initiatives are consistent with and support the City's long-term plans to promote sustainable land-use and quality of life.

Mayor & City Council: Economic development is a major priority for the Mayor and City Council. In order to provide oversight and guidance to the economic development function, the Economic Development Director should provide regular reports to the Mayor and Council on its activities and how they correlate to the City's Economic Development Strategic Plan. The most effective way to accomplish this may be to have the Economic Development Director provide regular briefings to the Council's Planning Committee.

Canandaigua Area Chamber of Commerce: The Chamber can provide the Economic Development Director with direct input on business concerns regarding the City's overall climate for economic growth and any concerns the business community might have regarding City policies or practices that affect job growth and/or private investment in the City. In addition, as described in the recommendations section, the Economic Development Director should work with the Chamber to develop enhanced opportunities for local "B2B opportunities" (i.e., opportunities for business-to-business relationships that promote stronger buyer/supplier relationships in the Canandaigua area).

Canandaigua Business Improvement District: The Business Improvement District (BID) is a non-profit organization with a mission to promote, beautify and improve downtown Canandaigua for its residents, merchants and property owners. Supported by a special assessment on downtown properties, the BID has undertaken or participated in a wide array of projects to promote retail development and economic activity in the downtown area, with special focus on capital improvements, beautification, safety, promotions and recruitment of businesses into the downtown area. It is important that the City's economic development efforts be closely coordinated with the BID, particularly those initiatives involving tourism and retail development. Indeed, given the need for close coordination and scarcity of resources to support these efforts, there may be opportunities to consolidate some of the services provided by the BID with the City's Economic Development Director, potentially lowering the costs and improving the effectiveness of both operations.

Canandaigua Area Development Corporation: The CADC is a not-for-profit organization that is overseeing a proposed \$140 million mixed-use development that would include both housing and commercial space along Lakeshore Drive, north of Kershaw Park. This project has the potential to provide a major boost to the City's economy. It is therefore critical that the City's Economic Development Director closely monitor this effort and work closely with the CADC to ensure that this project moves forward in a timely manner and in a configuration that maximizes its long-term benefit to the City.

Access Ontario: A Local Development Corporation established in 2005, Access Ontario has built the open-access dark fiber infrastructure that dramatically increased broadband connectivity in the County. Among other outcomes, the availability of the bandwidth is intended to attract more telecommunication providers to bring more flexibility and competition to market, making local telecommunication services both more powerful and more affordable. Access Ontario's infrastructure extends through the City, creating the potential for broadband applications throughout much of the downtown area. The City's Economic Development Director should maintain close contact with Access Ontario so that it can facilitate the initiation of broadband services on the part of interested firms and other organizations within the City.

Ontario County Office of Economic Development: Ontario County's economic development office is a portal to a wide variety of economic development assistance that can potentially benefit firms and organizations within the City of Canandaigua. The OED provides administrative support and staffing for the County Industrial Development Agency (a source for industrial revenue bonds and such associated incentives for new investment as real property tax, sales tax and mortgage recording tax abatements), the Ontario County Economic Development Corporation (which administers the County's revolving loan fund) and the Ontario County Local Development Corporation (which provides tax-exempt financing for civic facilities constructed by not-for-profit organizations). In addition, the Office for Economic Development is the lead organization for external attraction efforts for the County, working closely in this capacity with the Greater Rochester Enterprise.

It is important that the City's Economic Development Director to work closely with the OED to ensure that existing and new businesses in the City have access to the full range of assistance and support that is available. It is equally important that the OED be continually provided with a current inventory of available industrial sites in the City and that the City's Economic Development Director is continually aware of the characteristics of sites and facilities that are required by the industries that are the focus of external attraction efforts by either the Office of Economic Development or the Greater Rochester Enterprise (the region's external marketing organization).

Finger Lakes Visitors Connection: The Finger Lakes Visitors Connection is the tourism promotion agency representing Ontario County in the Finger Lakes. They are responsible for the external promotion of Ontario County to tourists, tour group operators, and others in the tourism industry. Given the major investment in external marketing by the FLVC, it is important that the City closely coordinate its tourism promotion efforts with the Visitors Connection. The City's economic development office should continually be aware of the promotions and marketing campaigns being run by the Visitors Connection. At the same time, the economic development effort in the City should make sure that tourism promotions in the City are coordinated with the larger regional efforts of the Finger Lakes Visitors Connection.

Ontario County Department of Workforce Development/Finger Lakes Workforce Investment Board: The Ontario County Department of Workforce Development collaborates with the Finger Lakes Works Workforce Development System in the four-county Finger Lakes region to provide job seekers with training and job placement opportunities. It also provides employers with prospective employees. The City Economic Development Director should serve as a liaison between the Department of Workforce Development and the City's major employment sectors, working with the Department to ensure that firms in the City are able to access training resources for new and incumbent workers.

Finger Lakes Community College: Although not physically located within city limits, Finger Lakes Community College is a major economic development asset for the City. Its Office of Professional and Continuing Education is an important resource for workforce development. The Small Business Development Center provides services for small businesses and start ups. Its Office of Community Affairs can be an important connection to enable the City to take advantage of opportunities the College provides in terms of student demand for goods and services and College activities that could provide important economic opportunities for the City (e.g., the Woodsmen competitions, etc.)

In order to fully realize the potential of these partnerships, it is recommended that the City establish an economic development advisory council consisting of the organizations listed above. The advisory council would meet either quarterly or semiannually to provide advice regarding the City's economic development efforts. In addition to ex officio representation from the partners listed above, the City may also want to include representation from important local organizations such as Thompson Health and the SSTC.

A draft job description for the economic development director position is included in the appendices.

NOTE: the City has several options for creating this position these include:

1. Creating the position as a regular staff position in City government. The advantage of this approach is that it leaves the position under full control of the city government. The disadvantage is that the cost of the position may increase due to its eligibility for participation in the New York State Employees Retirement System and other benefits. In addition, once the position is created, it may prove difficult to eliminate in the future if it is determined that it has not produced sufficient returns upon the investment.
2. Filling the position through a consulting assignment given to an individual. The advantage of this approach is that it avoids some of the costs associated with adding a regular city position. In addition, it is simpler to change the work program for the position and/or terminate the position. On the other hand, a consultant position is not likely to dedicate full-time to the economic development needs of the City, and still maintain consultant status under the guidelines of the New York State Department of Labor.
3. Contracting with an outside agency to take on the economic development function. Under this approach, the City would contract with another organization such as a local development corporation, chamber of commerce or other agency to provide the staffing required to implement the strategy. As with the individual consultant position, this would provide the City with greater flexibility (and potentially—but not necessarily—lower costs) for staffing the strategy. This would require ensuring that the contracting agency has the capacity to support this effort and a mission that is complementary to the economic development interest of the City.

Each of these approaches has its advantages and disadvantages. The City may wish to explore them all before deciding on which approach works best for implementing this strategy.

A-2. Provide Business Retention & Expansion Services for firms located in the City:

Studies have shown that 80 percent of all jobs created come from existing businesses. Therefore, one of the most important economic development functions for the City is to establish regular contact with its business community to identify opportunities and obstacles that they face with regard to retaining or adding jobs. The County Office of Economic Development currently operates its own Business Retention and Expansion program involving regular visits to firms throughout the County with referrals generated for assistance with financing, training, etc. The referrals are entered into a database to track the results. The City should consider asking the OED if the City's Economic Development Director could be trained in that system and conduct BR&E interviews for firms in the City, and make appropriate referrals for assistance.

In addition, the business retention and expansion function in Canandaigua has a unique role to play. In virtually every interview and stakeholder session, participants indicated that it was often difficult for businesses to readily secure needed approvals from City government. In order to overcome the perception that the City is difficult to deal with, a major aspect of promoting local economic development in Canandaigua is to troubleshoot enforcement issues for businesses, especially those in the industry targets. Indeed, the frustration expressed over these issues strongly suggest that local businesses need an ombudsman with City government, and that City government needs an ombudsman with the business community.

Currently this role falls to the office of planning. Given its responsibility for code enforcement, such a role puts that office in an awkward position. While a code enforcement officer may sympathize with the trials of a business, the officer's ultimate obligation is to enforce the code as enacted by City government. Separating these roles will make it easier to both to enforce the code and provide businesses with a single source of information and support. It will also provide the City with continual feedback on ways in which to make its regulations and policies both more effective and easier to comply with.

A-3. Use economic development tools to prepare and position sites for development/redevelopment

as part of enabling existing firms to expand, or to enable the City to attract new firms into the City. In an increasingly competitive environment, businesses are often able to consider several locations when they are seeking to relocate or expand. In many cases, the some of the options being entertained by companies are sites on raw land that is relatively easy to develop. Almost all of Canandaigua's sites for potential development involve reuse of the site. Consequently, the economic development director's position must be able to deploy tools that help make sites in the City competitive with "greenfield" sites both in terms of costs and the process for redevelopment. In New York State, there are several economic development tools that

- *PILOT agreements through the Ontario County Industrial Development Agency:* According to its website, "the Ontario County Industrial Development Agency (OCIDA) provides a variety of tax incentives designed to help businesses looking to build or improve their manufacturing or production facilities. OCIDA's standard 10-year payment-in-lieu-of-tax agreement provides five years of abated real property taxes on construction-related assessment increases with a 20% step up for the remaining five years. Sales tax on all construction related costs and mortgage recording tax abatements are also important benefits to these transactions. Sales-tax only

products for one-time, large equipment purchases and for information technology purchases spanning a 10-year period are available on a stand-alone basis.” (<http://www.ontariocountydev.org/ontario-county-development/how-we-help/our-products>)

- *Tax Increment Financing:* Tax Increment Financing (TIF) is a technique to secure public financing for physical improvements necessary for economic development. Typically the projects are intended to assist existing businesses and to attract new ones into the community. The statutes governing tax increment financing are located in New York State’s General Municipal Law, Article 18-C. Municipal Redevelopment Law. A TIF requires the agreement of all taxing jurisdiction; typically the local government, school district and county government.

Tax increment financing is based upon dedicating future real property taxes generated by new development within a specified geographic area to repay debt taken on to finance improvements. The taxes generated as a result of the enhanced property values related to those improvements are used to fund those public improvements within the area and other incidental costs. When the bonds have been retired, the tax base that was “captured” to finance the improvements is returned to the general tax rolls.

- *485-b Business Investment Tax Exemptions:* Section 485-b of the Real Property Tax Law authorized a partial tax exemption from assessment increases due to commercial, business and industrial real property construction, alteration or improvements. A municipality can grant a tax exemption to nonresidential real property capital construction projects worth over \$10,000. The amount of exemption is limited, in the first year, to 50% of increase in assessed value attributable to the construction or improvement; in each succeeding year, the amount of exemption is decreased by 5% until the entire value of the project is returned to the tax rolls.
- *Site assembly and administration:* The land potentially suitable for redevelopment in the City is dispersed among smaller parcels, making it difficult to attract a larger-scale expansion or relocation project. It is important for the City’s economic development function to be able to, as necessary, work with property owners to assemble individual parcels into one larger site. This could range from simply coordinating the efforts of the individual owners to arranging for the securing of options on properties through working with partners such as the County IDA and others.
- *Securing Grants and other financial support for projects/infrastructure:* Often projects can be expedited or their costs reduced by securing federal and state grants through such programs as the New York Main Street Program, Rebuild New York, and other grant programs. In addition, financing can be secured for projects through applications for the County Revolving Loan Fund, the US Government’s New Market Tax Credits program and other sources.

A-4. Work with the Chamber of Commerce and the Business Improvement District to promote business to business (B2B) opportunities. The analysis in the appendices indicates that several industries either have strong buyer/supplier linkages in the area or have the potential to do so. Part of the strategic economic development plan should involve initiatives that seek to identify and strengthen these connections as a way of capturing more economic activity within the City. As indicated in the

analysis, those sectors that have the greatest potential in this regard are Health services, Agriculture & Food Products, Polystyrene Foam Production and Advanced Manufacturing.

The Business Retention & Expansion visits to firms in these industries should focus on ways in which they may take advantage of local sources of suppliers and customers. In addition, the Economic Development Director should collaborate with the Chamber of Commerce and the Business Improvement District to hold informal “cluster meetings” for these sectors in which representatives of firms in those sectors are invited along with representatives of firms interested in purchasing from or supplying to those businesses. These occasions would provide informal opportunities for the invited firms to explore opportunities to conduct business with each other

A-5. Focus on Quality of Life Issues to Build Competitive Advantage. In the 21st Century economy, access to a talented workforce is a major (if not *the* major) factor in creating a competitive advantage for a location. Businesses find it much easier to attract and retain talent in locations that offer high quality of life. In addition, both retail and tourism depend upon the quality of the experience offered by a place in order to successfully compete. Consequently, it is important that the SEDP focus on quality of life as part of creating a long-term competitive advantage for the City. The Economic Development Director should work closely with the City and its full range of partners to ensure that the quality of life in the City remains high and even increases. This would involve ensuring that new projects have high standards for physical design that complement or strengthen the existing built environment, advocating with the City on behalf of streetscape improvements in the downtown and lakefront areas, advocating for continual improvements in the offerings of the local school district and Finger Lakes Community College.

A-6. Continually Strengthen the Business Climate in the City. There is a widespread perception among the business community that the regulatory process in Canandaigua is not business-friendly. The Economic Development Director should work closely with businesses to identify particular issues they have with regulatory standards or processes used by the City. The Director should continually identify any ways in which the regulatory standards or processes can be streamlined to achieve their intended outcomes while being less burdensome on businesses.

A-7. Maintain strong connections between tourism promotion and general economic development. The Canandaigua area’s strength as a tourism destination and site for vacation homes creates additional opportunities for economic development. Business people who first come to know the area as tourists or second home owners may eventually consider the area as a place to expand or even move their business. Successful business executives from the Rochester area already own many lakefront homes near Canandaigua. Canadians are already a major segment of the Finger Lakes tourism market. In both cases, these visitors represent a pool of talent and investment capital that can be cultivated through tourism. Thus, efforts to attract visitors to both downtown and the lakefront should incorporate opportunities for visitors to learn more about the possibilities of bringing their businesses to Canandaigua. In a way, every tourism promotion and event should also be seen as a potential opportunity to attract new investment in the City.

D. Sector-Specific Recommendations

B-1. Recommendations for the Retail/Tourism Sectors: As indicated in the analyses contained in the appendices, the retail and tourism sectors in Canandaigua are dependent upon the creation and maintenance of compelling visitors experiences in the Downtown area and along the waterfront. As indicated in the analysis, the experience has many contributing elements: an attractive streetscape, an interesting mix of stores and shops, along with a diverse roster of promotions, festivals and other activities to draw visitors and shoppers into the area. In this context, the major role for the Economic Development Director is to coordinate the “experience” with the BID and other local agencies. This will include the following actions:

- Strengthen physical/programmatic links between City’s downtown merchants and Lakefront as well as the wineries and culinary tourism opportunities
- Maintain liaison with major destinations: CMAC, NYWCC, FLCC, Historic Sites, etc. as well as the Finger Lakes Visitors Connection
- Work with Chamber and other organizations to coordinate major events and festivals in the City
- Oversee/encourage catalytic projects such as:
 - Re-use of the former Labelon Building
 - Coordination of Lakefront Development with Downtown development
 - Eventual re-use of the former Wegman’s parcel at the intersection of 5 & 20 and South Main Street
 - Creation of pedestrian district near old Railroad Station on Ontario Street

B-2. Recommendations for Manufacturing and Business Services Sectors: The major emphasis in strengthening the manufacturing and business services sectors in the City is twofold: provide careful stewardship of existing businesses in those sectors (particularly the current large employers), while providing opportunities for start-ups, the expansion of existing firms and the attraction of new firms into the City. This will involve the following actions:

- Create “early warning” system to meet needs of large employers (e.g., Constellation & GateHouse Media). The City’s business retention and expansion efforts should be focused on this issue.
- Focus efforts on easing the process of expanding existing businesses and/or attracting new ones to improve likelihood of economic diversification. Creating such a “churn” of new activity can be supported by:
 - Assembling sites and “shepherding” major projects, particularly those involving re-use of industrial properties in the Southeast of the City
 - Interacting with SSTCC to ensure they remain healthy and to maximize the potential for spin-offs into the City
 - Creating a conduit for FLCC services/programs to flow into the City. Workforce development programming is one of the major benefits that the College can offer, along with assistance from the Small Business Development Center and technical expertise available through faculty.
 - Creating a liaison with Ontario County Office of Economic Development and the Greater Rochester Enterprise for external marketing of City sites understanding the types of sites currently sought by these organizations and making them aware of the sites available in the City.
 - Foster expansion of telecommuting/knowledge worker opportunities by fostering 3rd places in the City and maximizing connections to Axxess Ontario. Third places are shared gathering spaces where home-based workers and telecommuters can gather to both carry out their

work and build peer relationships. Experience in Michigan and elsewhere indicates these facilities can help grow start-up businesses and provide opportunities for one-person information-based businesses. Canandaigua CoWorking is a commercial “third place” currently operating in the City. A more detailed description of third places is included in the appendices.

B-3. Recommendations for the Health Services Sector: There is a three-fold focus for the recommendations regarding the health care sector:

1. Support the existing health services currently provided in the City
2. Encourage the development of new services to diversify the employment base in the sector
3. Continue to improve the quality of life in the City to enable firms and organizations in that sector to attract young professionals into the area.

The recommended actions include the following:

- Improving communication especially with regards to making sure that Canandaigua’s residents are aware of the health services available in the area.
- Making sure that the health sector continues to grow in order to stay competitive and meet the needs of the region.
 - Working with health care providers to advocate with State and Federal agencies for expanded services
 - As needed by health care organizations, identifying sites for expanded health care services
 - As indicated by market opportunities, developing Senior Home Care services to offset costs of traditional nursing homes and providing new opportunities in the health care sector.
- Seeking ways to integrate health, wellness, and economic vitality in order to create the highest possible quality of life. This will benefit the community as a whole, while also highlighting the importance of the health care sector in Canandaigua.

Implementation Plan

The Strategic Economic Development Plan is ambitious both in its intent and its scope. It will therefore require a phased approach to implementing its recommendations. The implementation plan outlines a series of discrete actions to be taken over a two year timeframe. The parentheses that follow the description of each action refer to the particular recommendation or recommendations being addressed by that action.

Year 1 Actions:

- 1-1. The Economic Development Director position is created & filled. (A-1)
- 1-2. Implement Business Retention & Expansion Program with first priority given to visits to large firms in manufacturing, health services and retail/tourism. (A-2;B-2)
- 1-3. Create inventory of appropriate sites with willing sellers for use by the County Office of Economic Development and the Greater Rochester Enterprise for Expansion/Attraction efforts. (A-3)

1-4. Establish the Economic Development Advisory Council. (A-1)

1-5. Initiate or Participate in four “Catalytic Projects.” The following are recommended as appropriate projects. Should conditions or opportunities change, the Economic Development Director may wish to pursue others. (B-1)

- Support Lakefront Revitalization that is consistent with the City’s goals for this area by working with the Canandaigua Area Development Corporation to secure necessary approvals, financing, etc.
- Reuse of the Labelon Building involving the following steps:
 - Work with the property owner to identify and/or confirm site constraints
 - Review the current asking prices versus market conditions with the listing realtor to assess the competitiveness of current pricing
 - develop plan to address site constraints, identifying any potential funding sources that could be used in this effort
- Create a coordinated events calendar with Downtown/BID, Chamber of Commerce, Lakefront properties/organizations, New York Wine and Culinary Center, Finger Lakes Community College, CMAC and the Finger Lakes Visitors Connection
- Create a Task Force to identify aspects of City’s zoning and building codes that may be constraints to development, redevelopment and expansion (A-6)

Year 2 Actions:

2-1. Explore creation/expansion of the “3rd place” concept for home-based businesses and telecommuters, possibly incorporating on-site SBDC services and broadband access via Axxess Ontario (B-2)

2-2. Begin implementation of the recommendations from the Code Task Force (A-6)

2-3. Begin the process of seeking and securing grants for site preparation of key active sites from such

<u>Implementation Plan for Strategic Economic Development Plan</u>												
<u>ACTIONS:</u>	<u>YEAR 1</u>				<u>YEAR 2</u>				<u>YEAR 3</u>			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<u>Year 1 Actions:</u>												
1-1. Economic development director position created & filled. (A-1)												
1-2. Implement Business Retention & Expansion Program(A-2;B-2)												
1-3. Create inventory of appropriate sites (A-3, B-3)												
1-4. Establish the Economic Development Advisory Council. (A-1)												
1-5. Initiate or Participate in four “Catalytic Projects.”(B-1)												
<u>Year 2 Actions:</u>												
2-1. Explore creation/expansion of a “3 rd place” (B-2)												
2-2. Begin implementation of the recommendations from the Code Task Force (A-6)												
2-3. Begin the process of securing grants for preparation of key sites (A-3, B-2, B-3)												
2-4. Convene at least one “cluster meeting” (A-4)												
2-5. Work with OCIDA & GRE on Attraction Efforts (A-3, B-2)												

sources as Rebuild New York, the New York Main Street program, etc. (A-3, B-2)

2-4. Convene at least one “cluster meeting” to foster local business-to-business relationships among firms in that industry and/or potential local suppliers/customers (A-4)

2-5. Work with Ontario County Office for Economic Development and Greater Rochester Enterprise on Industry Attraction Efforts (A-3, B2)

The Implementation Plan is summarized in the diagram above.

Metrics

Measuring the progress in implementing a strategy is one of the most important (and sometimes, most difficult) aspects of strategic planning. This section identifies metrics by which progress on the Strategic Economic Development Plan can be gauged. Two types of metrics are included: activity metrics and outcome metrics. Activity metrics measure the extent to which intended activities are completed. Outcome metrics indicate whether the activities produce the desired outcomes. NOTE: to the greatest extent possible, the metrics recommended in this section rely upon data that are already collected in one form or another. Thus evaluations can be conducted without additional data collection efforts.

Overall Metrics for the SEDP

Three outcome metrics provide the best means to assess the overall effectiveness of the SEDP. They are listed in the table below. Each metric is described and then the table provides the sources from which the metric can be compiled and the comparative benchmark to be used in assessing the metric. Note: as seen in the Table, sources such as the Bureau of Labor Statistics and the Census Bureau only report localized data every several years. For example, the only reasonably current data available on local employment is at the ZIP code level and it tends to lag by a year or two. Nonetheless, tracking this data overtime will provide a reasonable proxy of economic performance of the City of Canandaigua.

Metric	Source	Comparative Benchmark
Employment and Number of Establishments by North American Industrial Classification	US Census Bureau ZIP Business Patterns (NOTE: data is only available for the 14424 ZIP code) http://censtats.census.gov/cgi-bin/zbpnaic/zbpsect.pl	Comparable data for Ontario County and for the ZIP Codes of Benchmark Communities of Geneva, Ithaca, Victor, Corning, Skaneateles and Watkins Glen
Median Household Income in Constant Dollars (i.e., controlling for inflation)	US Census Bureau, American Community Survey, 5-year sample. (NOTE: the ACS is a sample, not a complete count. The data presented is a five year	Comparable data for Ontario County and for the Benchmark Communities of Geneva, Ithaca, Victor, Corning, Skaneateles and Watkins Glen

	rolling average from the sample.) http://factfinder2.census.gov	
Planned Investment in Commercial and Industrial Construction	City of Canandaigua Building Permits from the City Building Inspection Department	Comparable data is not readily available from the Benchmark communities.

Metrics should also be used to monitor progress on each of the recommendations in the SEDP. In this case, it is useful to compile both activity metrics and outcome metrics. The table below provides activity and outcome metrics for each of the recommendations listed above.

<u>Recommendation</u>	<u>Activity Metrics</u>	<u>Outcome Metrics</u>
A-1. Create Position of Economic Development Director	Position approved & funded by City Council	Economic Development Advisory Council Formed
A-2. Provide Business Retention & Expansion Services for firms located in the City	Develop BR&E program in concert with OCOED program	Number of enterprises & employees in target industries as reported annually by NYSDOL compared to similar measures for communities included "benchmark" analysis in Appendices
A-3. Use economic development tools to prepare and position sites for development/redevelopment	Incentives/financing arranged for sites	Value of new commercial and industrial construction as reported on City building permits Compared to previous year and to growth in Total Assessed Value in County
A-4. Work with the Chamber of Commerce and the Business Improvement District to promote business to business (B2B) opportunities.	Number of B2B events held/coordinated by Economic Development Director	Economic Development Director documents new buyer/supplier arrangements arising from the events.
A-5. Focus on Quality of Life Issues to Build Competitive Advantage.	Economic Development Director advocates for Qof L measures described in SEDP	
A-6. Continually Strengthen the Business Climate in the City.	Zoning & Codes Task Force Formed	Task Force Recommendations Adopted by City
Sector-Specific Recommendations		
B-1. Recommendations for the Retail/Tourism Sectors:		

City of Canandaigua Economic Development Partnership

<u>Recommendation</u>	<u>Activity Metrics</u>	<u>Outcome Metrics</u>
Strengthen physical/programmatic links between City's downtown merchants and Lakefront as well as the wineries and culinary tourism opportunities	Comprehensive Events Calendar Created	Number of Events and Number of Attendees reported on Events Permits compared to previous year
Maintain liaison with major destinations: CMAC, NYWCC, FLCC, Historic Sites, etc. as well as the Finger Lakes Visitors Connection	Economic Development Director meets with these organizations as part of BR&E effort	Reported attendance at destinations.
Work with Chamber and other organizations to coordinate major events and festivals in the City	Comprehensive Events Calendar Created	Number of Events and Number of Attendees reported on Events Permits compared to previous year
Oversee/encourage catalytic projects such as:		
Re-use of the former Labelon Building	Re-use plan created in cooperation with the property owner	Building is put into use
Coordination of Lakefront Development with Downtown development	Working with CADC and BID, Economic Development Director defines expected role each will play in tourism & retail experiences in Canandaigua	Economic Development Director can document how developments and activities in these two areas have been designed to be complementary
Eventual re-use of the former Wegman's parcel at the intersection of 5 & 20 and South Main Street	Economic Development Director works with property owner on reuse	Physical design and eventual uses on property serve as link between Downtown & Lakefront
Creation of pedestrian district near old Railroad Station on Ontario Street	Economic Development Director works with property owners on reuse	Pedestrian district created that links to Downtown & enhances downtown experience
B-2. Recommendations for Manufacturing and Business Services Sectors:		
Create "early warning" system to meet needs of large employers (e.g., SSTCC, Constellation & GateHouse Media). The City's business retention and expansion efforts should be focused on this issue.	Business Retention & Expansion effort focuses on major employers in first year	Economic Development Director provides report on issues facing employers and steps taken to address them.
Focus efforts on easing the process of expanding existing businesses and/or attracting new ones to improve likelihood of economic diversification.		
Assembling sites and "shepherding" major projects, particularly those involving re-use of industrial properties in the Southeast of the City	Economic Development Director assembles re-use project in Southeast corner as defined in SEDP appendices.	Site is converted to commercial/industrial reuse.
Interacting with SSTCC to ensure they remain healthy and to maximize the potential spin-offs spin off into the City	Economic Development Director establishes regular communication with SSTCC management.	At least one SSTCC spin-off is created in City within 3 years.

<u>Recommendation</u>	<u>Activity Metrics</u>	<u>Outcome Metrics</u>
Creating a conduit for FLCC services/programs to flow into the City	Economic Development Director establishes regular communication with FLCC leadership	FLCC expands training/SBDC offerings in City. City & FLCC coordinate activities around Woodsman Competition to bring some activity downtown. New business opportunities are identified for City businesses to serve FLCC students & faculty.
Creating a liaison with Ontario County Office of Economic Development and the Greater Rochester Enterprise for external marketing of City sites	Economic Development Director works with OED and/or GRE on external marketing	At least one new business is attracted to City every 2 years beginning in Year 3.
Foster expansion of telecommuting/knowledge worker opportunities by fostering 3 rd places in the City and maximizing connections to Axxess Ontario	Economic Development Director works with City, Axxess Ontario and Property owners to develop a "3rd place."	"3rd Place" is created in Downtown area.
B-3. Recommendations for the Health Services Sector:		
Improving communication especially with regards to making sure that Canandaigua's residents are aware of the health services available in the area.	Work with Chamber, BID, City and Health Care providers to create activities that foster greater community awareness of the role health care plays in the City.	During BR&E visits, Health Care providers report greater usage of local services by City residents
Making sure that the health sector continues to grow in order to stay competitive and meet the needs of the region.	Working with health care providers to advocate with State and Federal agencies for expanded services	At least one significant expansion or attraction of a health-services enterprise in 3 years involving at least \$500,000 in investment.
	As needed by health care organizations, Identifying sites for expanded health care services	Completion of expansion/attraction for health services organization in the City.
	As indicated by market opportunities, developing Senior Home Care services to offset costs of traditional nursing homes and providing new opportunities in the health care sector.	Successful development of new senior home care services and housing options in the City.
Seek ways to integrate health, wellness, and economic vitality in order to create the highest possible quality of life. This will benefit the community as a whole, while also highlighting the importance of the health care sector in Canandaigua.	Work with Chamber, BID, City and Health Care providers to promote Canandaigua as a "healthy city" as a way to market the City to attract business & talent.	

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Appendix A. Background Analysis

This appendix contains the background analyses of regional economic trends, a benchmark analysis comparing Canandaigua to similar localities, and information gathered through stakeholder interviews, focus groups, a survey, and a public meeting used to develop Canandaigua's Economic Development Strategic Plan.

The analysis begins with an assessment of Canandaigua's overall competitiveness through a comparison to several benchmark communities on subject areas including population trends, housing, economy, and government. Next it provides a broad view at the regional economic landscape, looking at the viability of industrial clusters in the Rochester Metropolitan Statistical Area and how they relate to the Canandaigua economy. This is followed by an analysis of the City's retail sector, an assessment of buyer/supplier links in the City's economy and a discussion of potential industry targets for the City.

Following the economic analysis there is a summary of the results of interviews and stakeholder focus groups held to date (with full summaries of the stakeholder meetings and public meetings contained in the report appendices). This is followed by an analysis of real estate and land use patterns in the City.

The document concludes with a summary of the City of Canandaigua's economic development strengths, weaknesses, opportunities and threats (SWOT analysis). The SWOT analysis concludes this report as a comprehensive synthesis of all the analysis included herein. It is intended to provide a concise overview of the City's strategic position for economic development.

Detailed descriptions of many of the analyses are included in the appendices following page 51.

1. Regional Benchmarking: Assessing Canandaigua's Overall Competitiveness

One of the first steps in assessing the economic potential of a location is to evaluate it against comparable locations in the same area. This section compares the City of Canandaigua with communities from the greater Finger Lakes region that are in some ways comparable to the City in terms of size, frontage on one of the Finger Lakes or other indications of a substantial tourism sector. Local demographic and economic trends were assessed by benchmarking, or comparing the City of Canandaigua to these other comparable localities. Table 1.1 lists the City of Canandaigua along with the other communities that were used for comparison. The following communities were chosen for their location in the Finger Lakes Region and for possessing a similar tourism potential to that of the City of Canandaigua. The Town of Victor has less of a tourism economy but was included as another benchmark community within Ontario County.

Table 1.1

Place	Population, 2010
Canandaigua City	10,545
Canandaigua Town	10,020
Corning City	11,183
Geneva City	13,261
Ithaca City	30,014
Seneca Falls Village	6,681
Watkins Glen Village	1,859
Victor Town	14,275

Benchmarking centered around four general metrics: population, housing, economics and government.

Population

The overall population in the City of Canandaigua saw a slight decrease between 2000 and 2010 as illustrated in Figures 1.1 and 1.2. This trend is unlike the population growth in the comparable cities of Corning and Ithaca, however it follows the population decline seen in the City of Geneva. This decline in the population might be due in part to the City of Canandaigua's older housing stock and therefore its inability to support an increasing amount of people.

Figure 1.1

Source: U.S. Census Bureau 2000, 2010

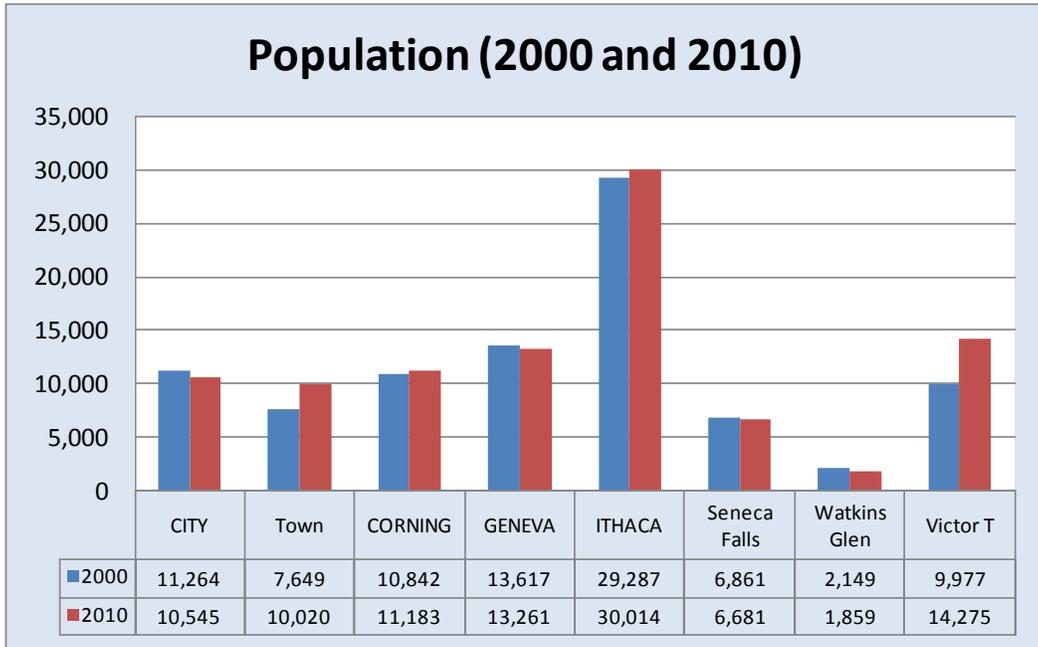
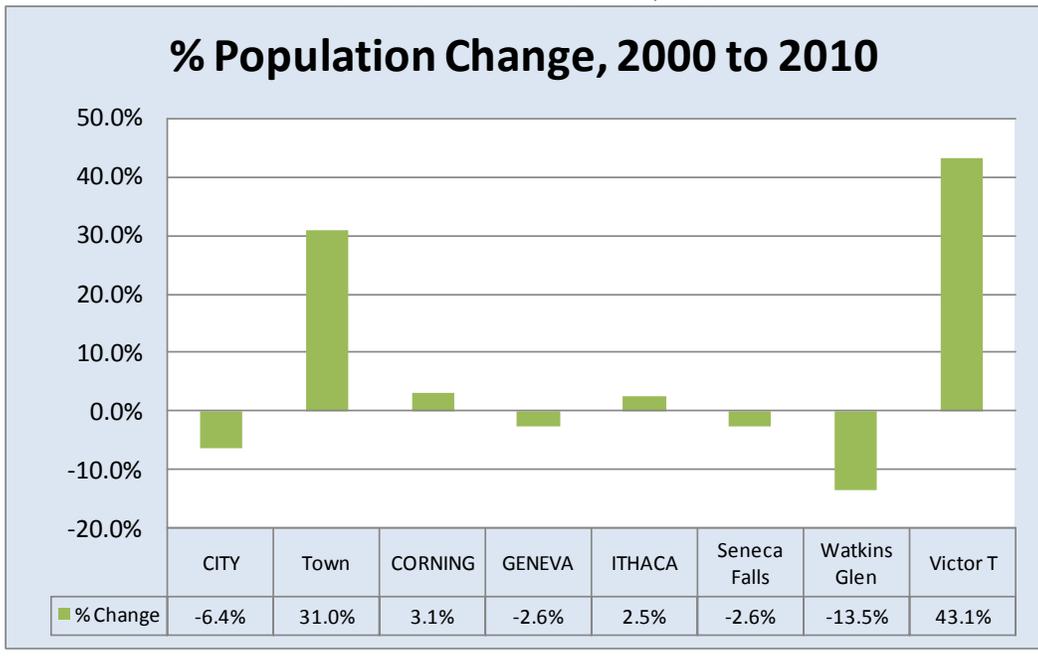


Figure 1.2

Source: U.S. Census Bureau 2000, 2010



Educational attainment levels in the City of Canandaigua are not unlike those of the benchmark localities. The City of Canandaigua has a slightly higher high school dropout rate relative to the Town of Canandaigua and the Town of Victor, however the rate is similar to that of the benchmark cities of Corning, Geneva, and Ithaca. Higher education attainment levels are comparable to levels in benchmark communities (see Figure 1.3).

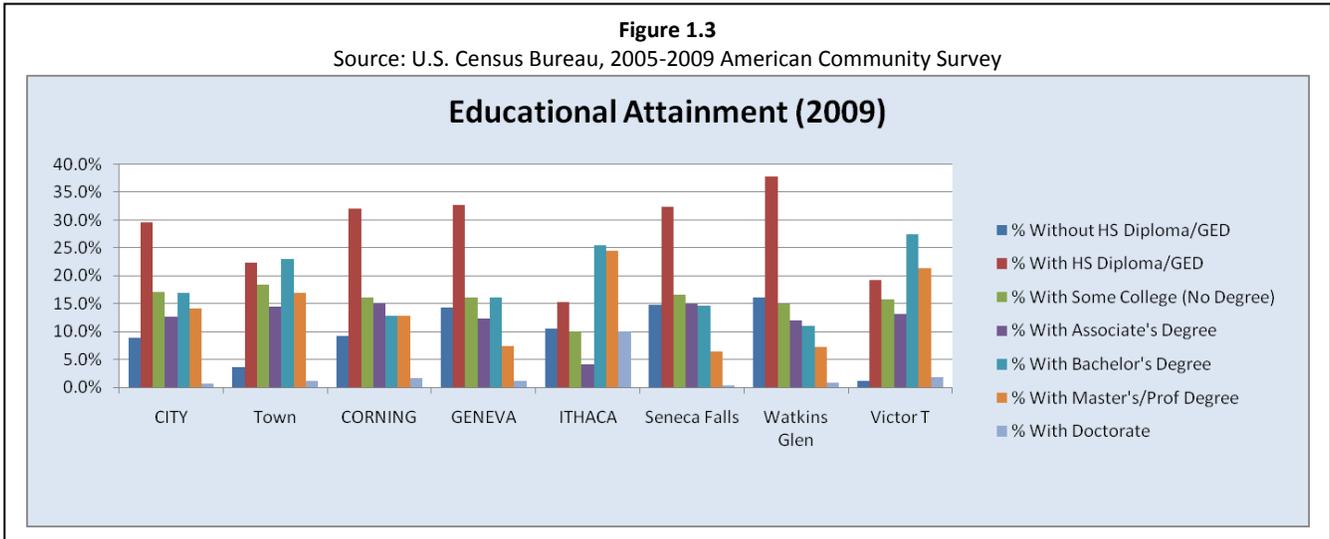
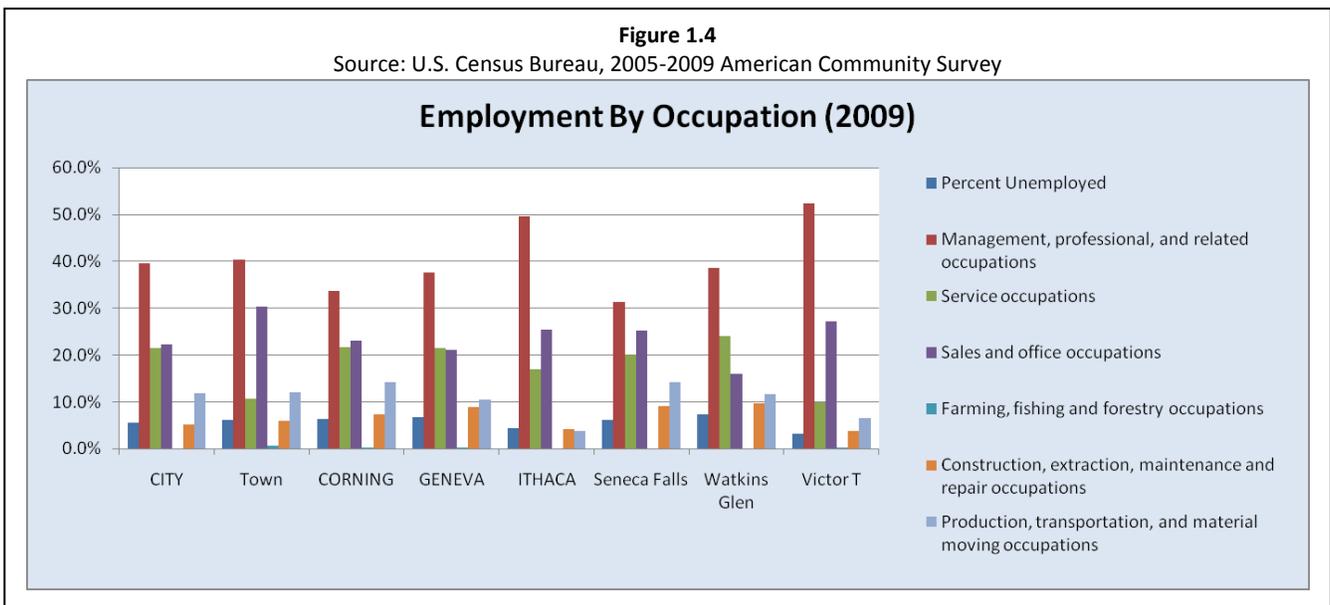
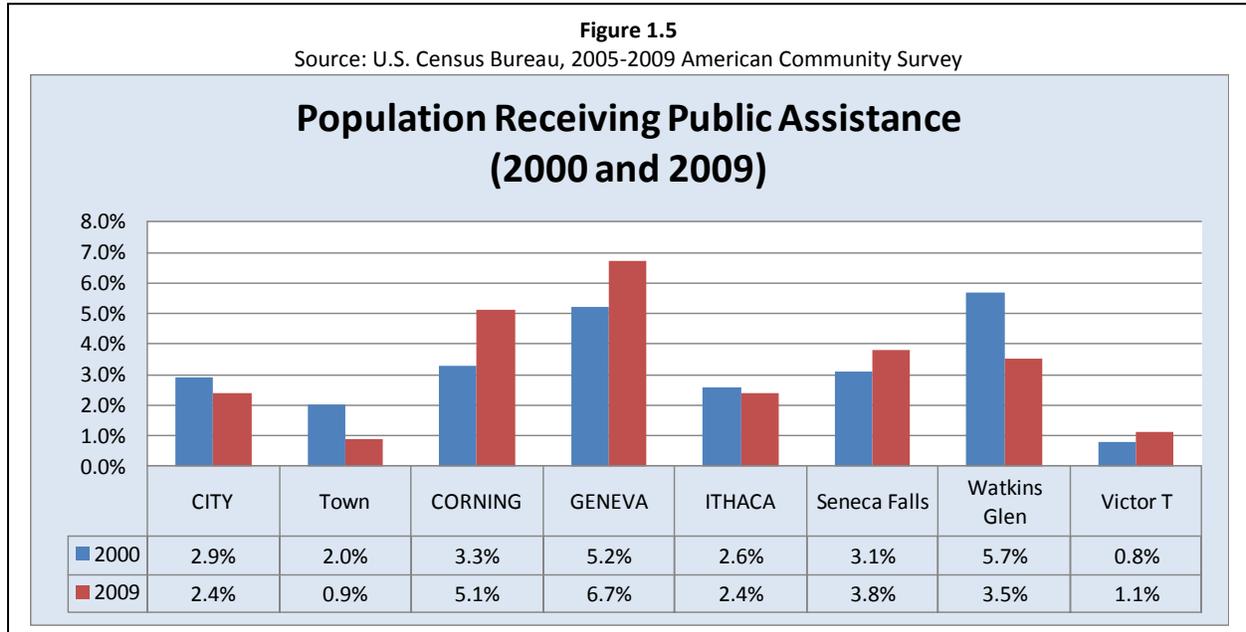


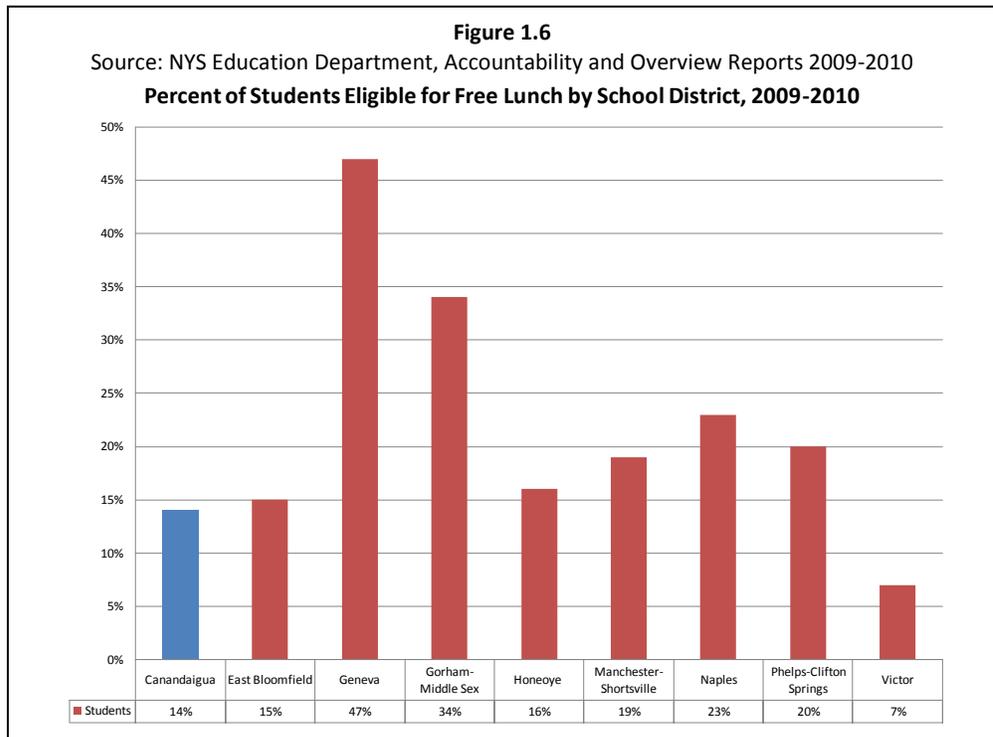
Figure 1.4 presents the percent of employment by occupation in each of the benchmark communities. The City of Canandaigua, like all other comparable localities, has the highest percentage of its population employed in management and professional occupations and a sizeable percentage of the population employed in service occupations and sales and office occupations. Unemployment levels in Canandaigua are average with respect to the benchmark localities.

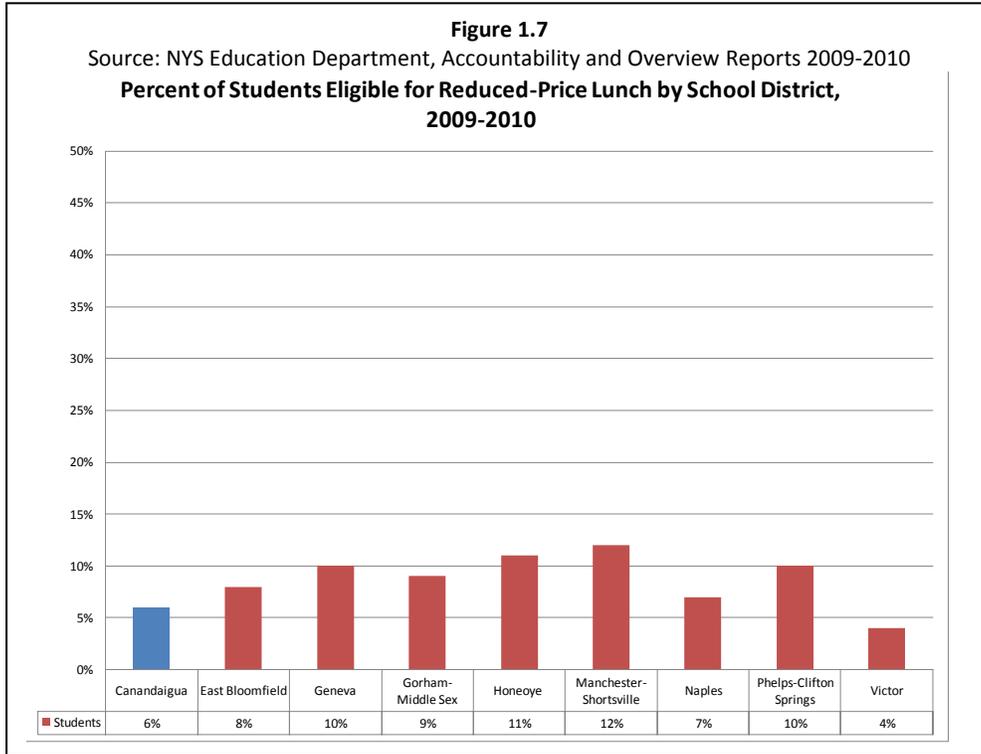


The percentage of the population receiving public assistance in the City of Canandaigua is relatively low in comparison to the benchmark cities of Corning and Geneva but similar with respect to Ithaca where a decrease in the percentage of the population on public assistance between the years of 2000 and 2009 is also apparent (see Figure 1.5).



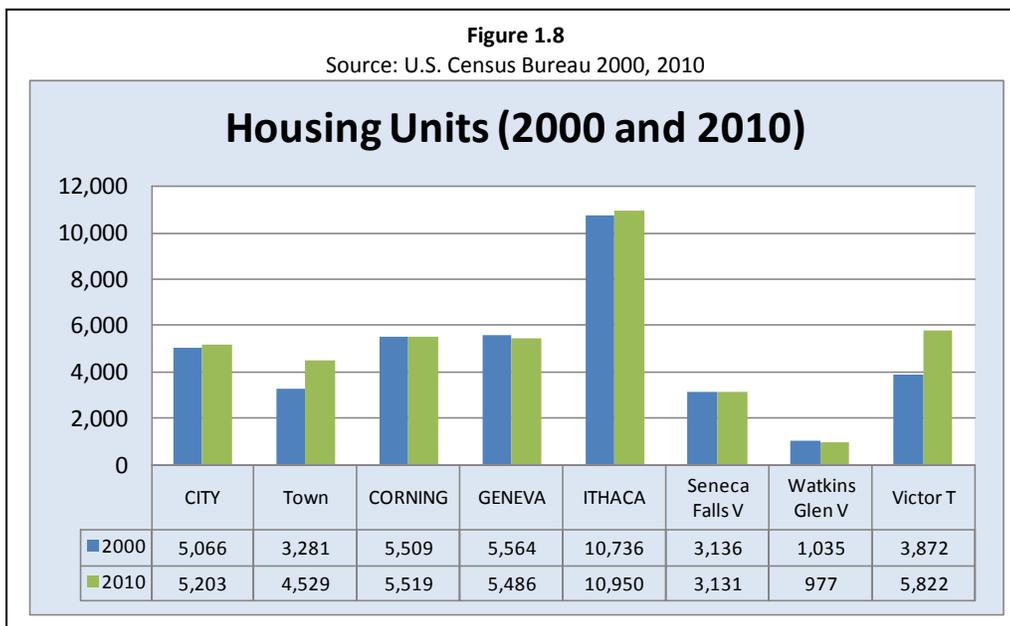
Looking further into public assistance programs in Canandaigua, we see that Canandaigua has a low percentage of students eligible for free lunch and reduced-price lunch relative to other school districts in Ontario County (see Figures 1.6 and 1.7).

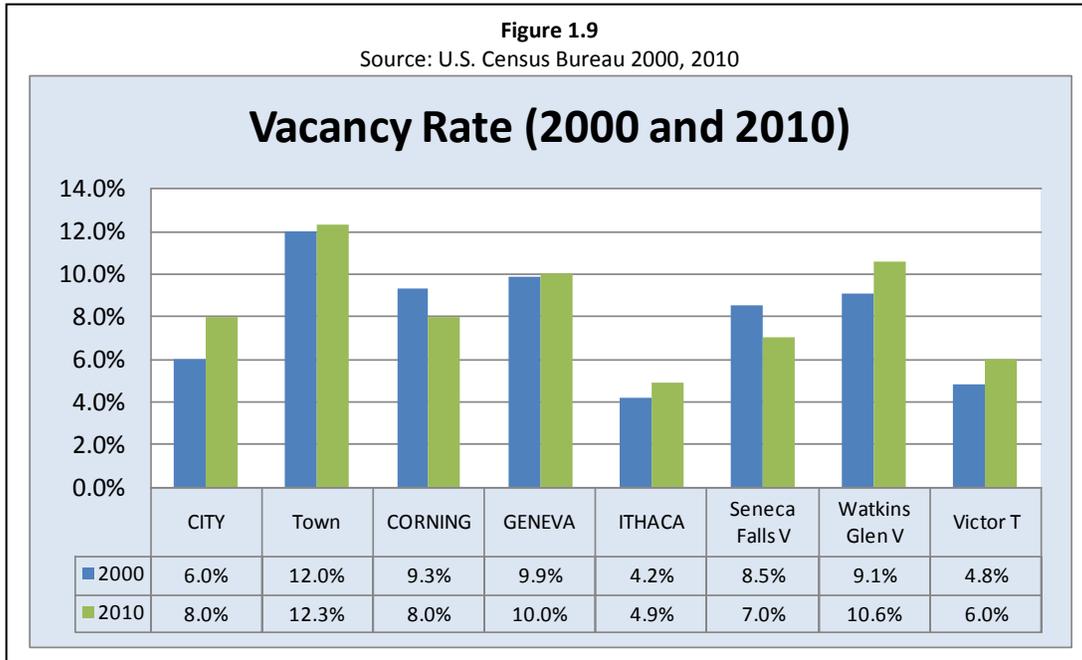




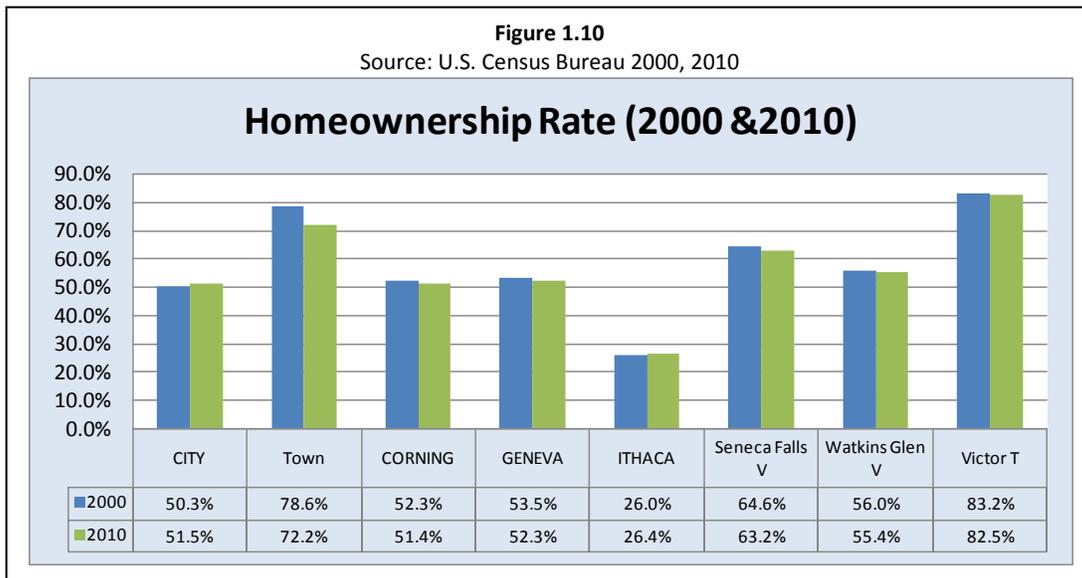
Housing

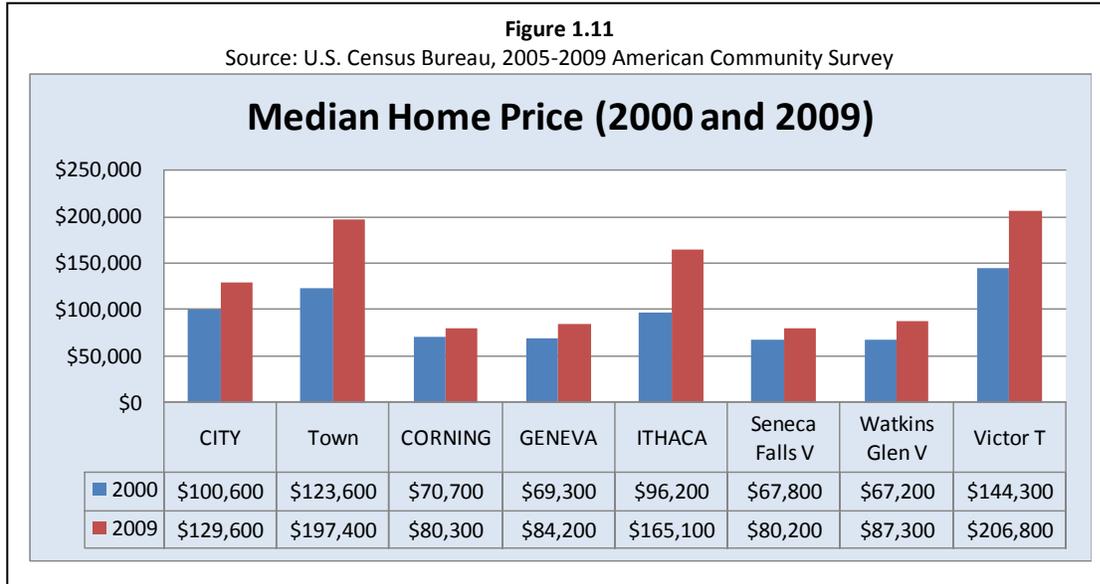
The number of housing units in the City of Canandaigua has remained relatively stable between 2000 and 2010 with only a slight increase. The number of housing units is comparable to the benchmark cities of Corning and Geneva (Figure 1.8). The housing unit vacancy rates increased in the City of Canandaigua by 2 percentage points, the highest increase relative to all other benchmark localities (Figure 1.9). The increase in vacancies may potentially be caused by the aging of the population and an eventually move by senior residents into senior housing facilities.





The homeownership rate in the City of Canandaigua increased between 2000 and 2010 while all other benchmark communities saw a decrease in homeownership rates, except for a slight increase in Ithaca (Figure 1.10). Median home prices also showed a healthy increase in the City of Canandaigua between 2000 and 2009 (Figure 1.11).





Economy

Local economic trends were assessed by benchmarking Canandaigua to other regional localities with respect to employment, wages, and sales in the retail trade, health care and social assistance, accommodation and food services, and manufacturing sectors.

Figure 1.12
Source: U.S. Census Bureau, Economic Census 2007
* Data suppressed to avoid disclosure

COMPARATIVE EMPLOYMENT vs. BENCHMARK LOCALITIES, 2007

	Total Population	RETAIL TRADE		HEALTH CARE AND SOCIAL ASSISTANCE		ACCOMODATION AND FOOD SERVICES		MANUFACTURING	
		Total Employment	% of Population Employed	Total Employment	% of Population Employed	Total Employment	% of Population Employed	Total Employment	% of Population Employed
Canandaigua City	11,202	1,813	16.2%	2,691	24.0%	1,046	9.3%	935	8.3%
Canandaigua Town	8,622	564	6.5%	447	5.2%	124	1.4%	*	*
Corning	10,263	665	6.5%	1,876	18.3%	743	7.2%	602	5.9%
Geneva	13,271	1,016	7.7%	1,571	11.8%	767	5.8%	783	5.9%
Ithaca	29,821	2,879	9.7%	1,677	5.6%	2,448	8.2%	1,462	4.9%
Seneca Falls V	6,494	200	3.1%	355	5.5%	94	1.4%	*	*
Skaneateles T	7,331	384	5.2%	165	2.3%	469	6.4%	1,529	20.9%
Victor T	12,076	3,813	31.6%	406	3.4%	1,459	12.1%	1,960	16.2%

Figure 1.13

Source: U.S. Census Bureau, Economic Census 2007

* Data suppressed to avoid disclosure

COMPARATIVE WAGES vs. BENCHMARK LOCALITIES, 2007

	RETAIL TRADE			HEALTH CARE AND SOCIAL ASSISTANCE			ACCOMODATION AND FOOD SERVICES			MANUFACTURING		
	Annual Payroll	Total Employment	Average Annual Wage	Annual Payroll	Total Employment	Average Annual Wage	Annual Payroll	Total Employment	Average Annual Wage	Annual Payroll	Total Employment	Average Annual Wage
Canandaigua City	\$38,433,000	1,813	\$21,199	\$119,414,000	2,691	\$44,375	\$13,901,000	1,046	\$13,290	\$35,864,000	935	\$38,357
Canandaigua Town	\$16,437,000	564	\$29,144	\$11,168,000	447	\$24,984	\$1,823,000	124	\$14,702	*	*	*
Corning	\$14,148,000	665	\$21,275	\$63,544,000	1,876	\$33,872	\$9,551,000	743	\$12,855	*	602	*
Geneva	\$22,538,000	1,016	\$22,183	\$56,780,000	1,571	\$36,143	\$10,642,000	767	\$13,875	\$30,124,000	783	\$38,473
Ithaca	\$63,267,000	2,879	\$21,975	\$42,178,000	1,677	\$25,151	\$35,650,000	2,448	\$14,563	\$62,149,000	1,462	\$42,510
Seneca Falls V	\$5,112,000	200	\$25,560	\$7,467,000	355	\$21,034	\$1,441,000	94	\$15,330	*	*	*
Skaneateles T	\$7,965,000	384	\$20,742	\$6,843,000	165	\$41,473	\$8,564,000	469	\$18,260	\$116,924,000	1,529	\$76,471
Victor T	\$72,117,000	3,813	\$18,913	\$10,913,000	406	\$26,879	\$19,274,000	1,459	\$13,210	\$93,926,000	1,960	\$47,921

Figure 1.14

Source: U.S. Census Bureau, Economic Census 2007

* Data suppressed to avoid disclosure

COMPARATIVE SALES vs. BENCHMARK LOCALITIES, 2007

	RETAIL TRADE			HEALTH CARE AND SOCIAL ASSISTANCE			ACCOMODATION AND FOOD SERVICES			MANUFACTURING		
	Number Establishments	Sales	Sales per Establishment	Number of Establishments	Sales	Sales per Establishment	Number of Establishments	Sales	Sales per Establishment	Number of Establishments	Sales	Sales per Establishment
Canandaigua City	90	\$383,912,000	\$4,265,689	59	\$212,253,000	\$3,597,508	64	\$44,890,000	\$701,406	14	*	*
Canandaigua Town	44	\$195,161,000	\$4,435,477	16	\$25,407,000	\$1,587,938	12	\$6,208,000	\$517,333	*	*	*
Corning	57	\$124,467,000	\$2,183,632	67	\$170,872,000	\$2,550,328	62	\$36,248,000	\$584,645	9	*	*
Geneva	66	\$184,459,000	\$2,794,833	44	\$124,919,000	\$2,839,068	45	\$34,873,000	\$774,956	15	*	*
Ithaca	187	\$610,400,000	\$3,264,171	102	\$102,317,000	\$1,003,108	194	\$118,838,000	\$612,567	38	*	*
Seneca Falls V	25	\$60,018,000	\$2,400,720	24	\$17,178,000	\$715,750	17	\$4,799,000	\$282,294	5	*	*
Skaneateles T	42	\$82,142,000	\$1,955,762	23	\$15,838,000	\$688,609	34	\$24,445,000	\$718,971	10	*	*
Victor T	202	\$765,736,000	\$3,790,772	37	\$25,789,000	\$697,000	52	\$60,684,000	\$1,167,000	55	\$451,590,000	\$ 8,210,727

With respect to employment (Figure 1.12), the City of Canandaigua has the highest percent of people employed in the health care and social assistance sector (24%) relative to all other benchmark communities and the second highest percent of people employed in the retail trade sector (16.2%) after only the Town of Victor (31.6%).

Figure 1.13 compares average annual wages in each sector between the benchmark communities. Wages in retail trade, and accommodation and food services seem to be relatively consistent between Canandaigua and the other localities. In the health care and social assistance sector, however, the City of Canandaigua has the highest average annual wage at \$44,375, with the Town of Skaneateles coming close at \$41,473. The City of Canandaigua is on the lower range of wages in the manufacturing sector according to the available data.

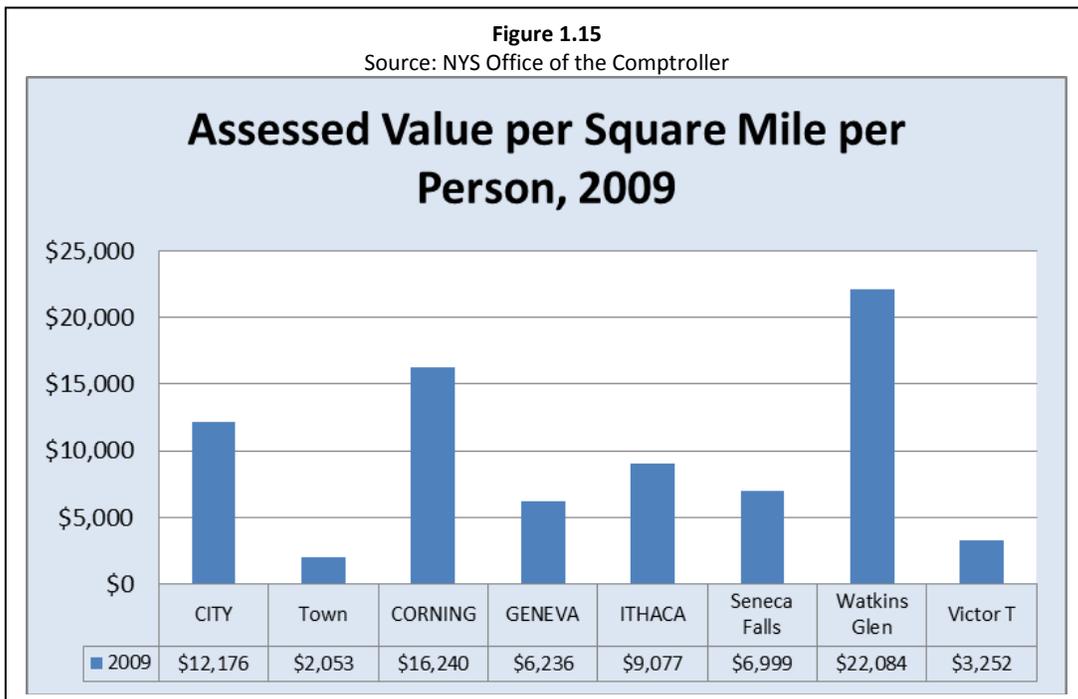
The highest annual sales per establishment (see Figure 1.14), as with the highest percent of employment, occurs in the retail trade and health and social assistance sectors for the City of Canandaigua. Relative to the benchmark localities, annual sales per establishment in the health and social assistance sector are highest in Canandaigua at \$3,597,508. Sales per establishment in retail trade are second highest in the City of Canandaigua at \$4,265,689 following only the Town of Canandaigua at \$4,435,477. Sales in the accommodation and food services sector in the City of Canandaigua are also

notable at \$701,406 though sales in this sector do not outperform those of the majority of other benchmark communities.

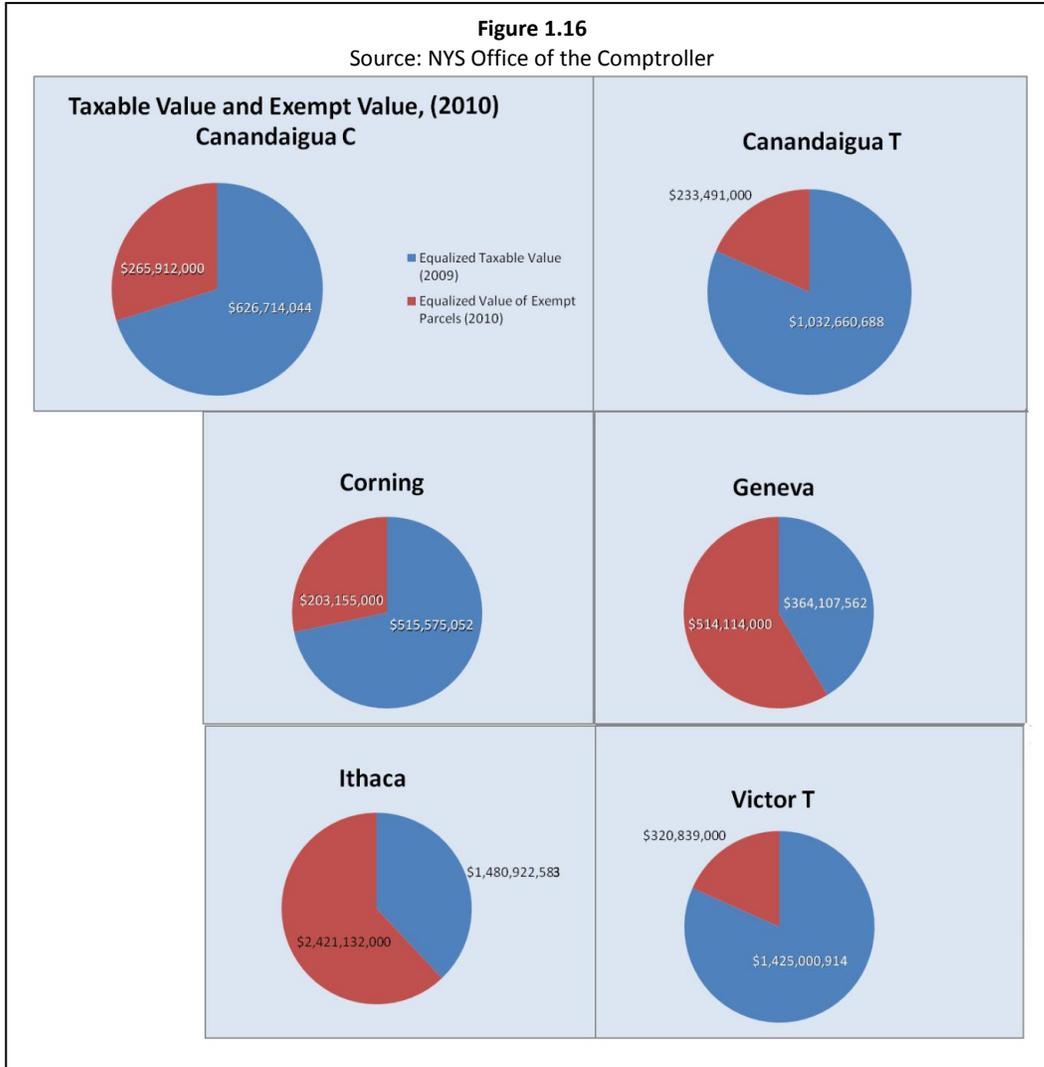
The local health care and social assistance sector in the City of Canandaigua, by comparison to benchmark localities, is very strong. This sector has the highest employment, highest average annual wages, and the highest sales per establishment relative to all benchmarks. This finding is not surprising, as the previous cluster analysis also identifies local health services as a strong local cluster.

Government

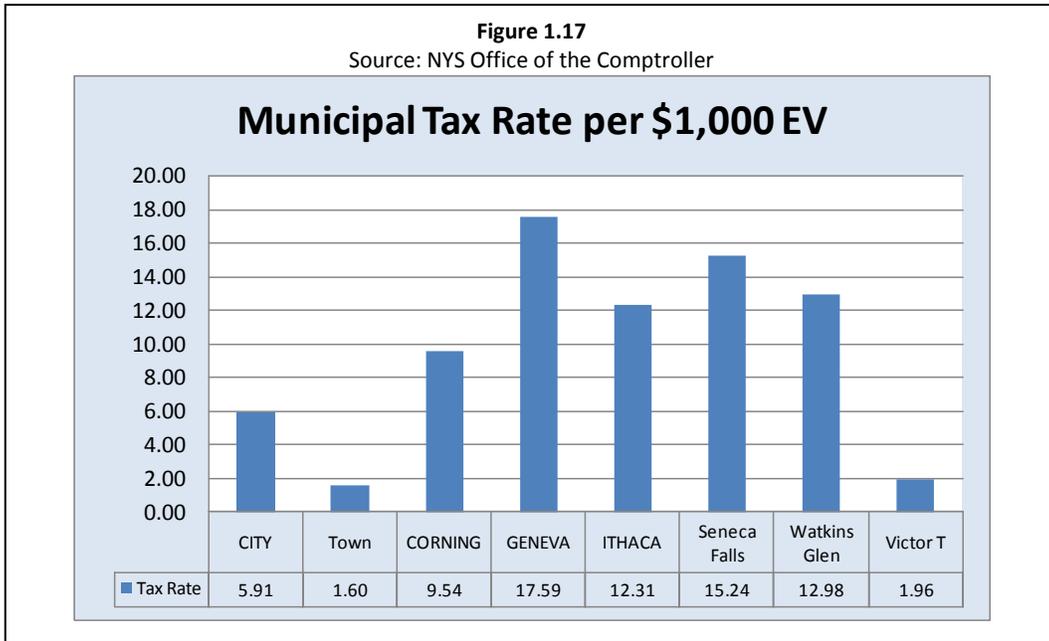
Assessed value per square mile per person is useful as a measure to assess a government's ability to raise tax revenues. As seen in Figure 1.15, the City of Canandaigua has the third highest assessed value per square mile per person at \$12,176 and a higher assessed value per square mile per person than the comparable cities of Geneva and Ithaca.



The government's ability to raise taxes is further indicated by the ratio of taxable to tax exempt properties within a community. Figure 1.16 presents the equalized taxable value against the equalized value of exempt parcels for each benchmark locality. The City of Canandaigua has a smaller ratio of tax



exempt parcels than the comparable cities of Geneva and Ithaca and has a similar proportion of tax exempt parcels to the City of Corning. The City of Canandaigua appears to have a strong ability to raise tax revenues given that for a small city it has a relatively high assessed value per square mile per person and a small proportion of tax exempt properties. The municipal tax rate (see Figure 1.17) for the City of Canandaigua, however, is low compared to the benchmark cities of Corning, Geneva, and Ithaca, and is only high with respect to the towns of Canandaigua and Victor.



2. An Overview of Canandaigua’s Economy: the Importance of Health Care, Hospitality/Tourism and Manufacturing

The benchmarking analysis provides a general assessment of how Canandaigua compares to communities of similar size and economics in the Finger Lakes region. The next step in understanding the City’s economic potential is to analyze the composition of economic activity in the City itself. The results of this analysis are summarized in the figures that follow. Each chart contains location quotients that compare the concentration of employment in particular industries in the City with the concentration of those same industries for Ontario County as a whole. Thus, for those industries in which the City has a higher concentration of jobs than the County as a whole, the location quotient will be greater than one. If the concentration of jobs in a particular industry is lower in the City than in the County, the location quotient will be less than one.

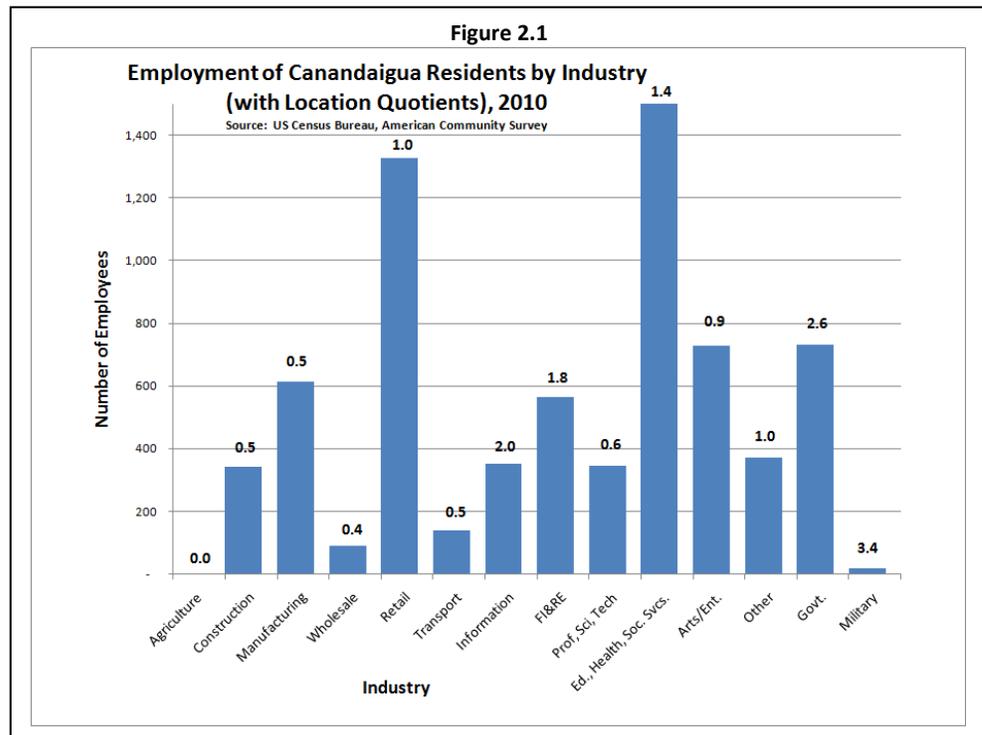
Employment Trends Among City Residents

As discussed below, city residents are largely employed in health care and retail, with government, arts and entertainment, finance, insurance and real estate and manufacturing also serving as major sources of employment for the residents of the City.

Figure 2.1 looks at employment trends for residents of Canandaigua versus residents of Ontario County. Clearly “Education, Health and Social Services” is a major employer of City residents, providing them with over 1,400 jobs. In addition, the location quotient of 1.4 indicates that the City residents have a forty percent higher concentration in jobs in that sector than residents of Ontario County as a whole.

Over 1,200 residents of the City are employed in retail. The 1.0 location quotient indicates that retail employment among City residents is at a concentration exactly equal to the County as a whole.

Government employs approximately 700 residents at a rate of concentration 2.6 times higher than the County as a



whole. This is not surprising since Canandaigua serves as the county seat. A similar number of City residents are employed in the arts/entertainment sector, at a rate roughly comparable to the County as a whole (location quotient= 0.90). Approximately 600 residents work in manufacturing, at concentration about one-half as high as the County as a whole. Slightly fewer than 600 residents are employed in Finance, Insurance and Real Estate, at a concentration almost twice that for the County as a whole (location quotient = 1.8).

In addition to examining the industries in which residents work, this analysis also reviews the types of occupations City residents hold. Professional and management occupations are the largest category of occupations for City residents, employing approximately 3,000 residents at a concentration 10 percent higher than the County as a whole. Approximately 2,500 residents hold jobs in sales and office occupations. Almost 2,000 City residents work as service workers, at a concentration 30 percent higher than for the County as a whole (related no doubt to the high concentration of residents' jobs in the healthcare and education sectors). Approximately 600 residents are in production and transportation occupations at a concentration that is only 60 percent that for the County. The construction occupations employ City residents as a level similar to manufacturing, also at a level of concentration well below that for residents of the County as a whole.

Employment Trends for Workers in the City

The analysis above focused on the jobs held by City residents. We now turn to the jobs provided by employers located in the City. As with the case of the residential analysis, the analysis of employment opportunities in the City looks at the total number of jobs located in the City, while using location quotients to compare the concentration of jobs in the City with those in the County as a whole.

Figure 2.3 shows employment by industry within the City of Canandaigua ranked by number of employees. Clearly (and not surprisingly) firms in health care and social assistance are a dominant presence, accounting for 900 jobs and having a concentration 2.4 times higher than for the County as a whole. Food services employs close to 800 people, with the City having a concentration of jobs in that industry 30 percent higher than the County as a whole. Note that, while education is a large employer in the City, the concentration of jobs in that sector is identical to that for the County as a whole (location quotient = 1.0). It is worth noting that several of the industries with relatively lower levels of employment in the City have high location quotients.

This includes information—which includes newspaper publishing(450 jobs and a 2.0 location quotient), banking (almost 300 jobs and a 2.2 location quotient), real estate (200+ jobs and a 1.3 location quotient) and management of companies—typically firms that provide services ranging from warehousing to research and development and data processing, (150 jobs and a 5.0 location quotient). NOTE: the chart shows that health and personal care stores employ about 550 jobs with a 2.9 location quotient. However, as will be discussed below, indications are that this is the result of an estimation error by ESRI, the company that compiles the data. The actual level of employment in that sector is probably in the 100 to 150 person range.

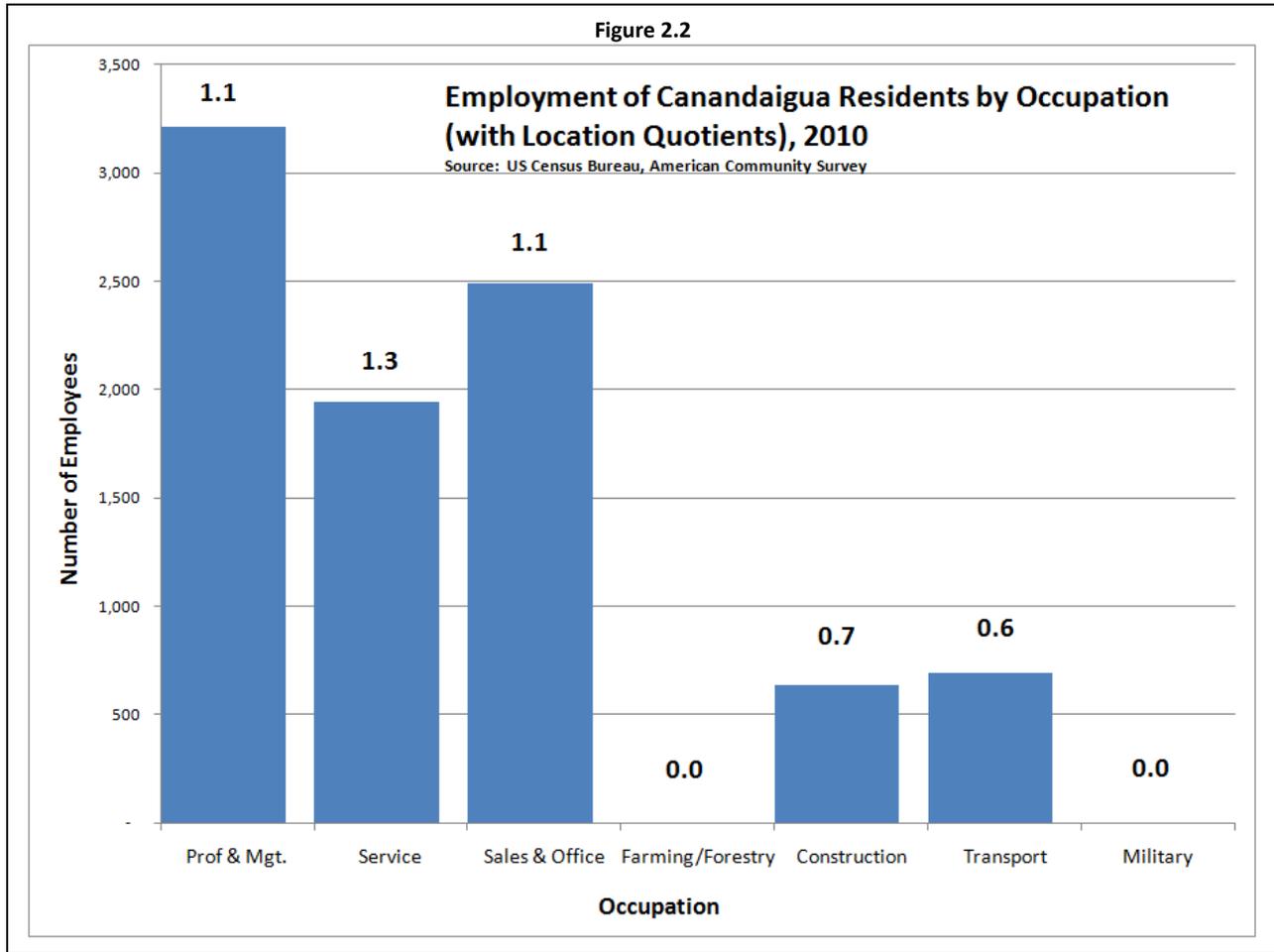
Details of Major Employing Sectors

As seen in the previous section, the most recent data for local economies maintains a fairly high level of aggregation. But strategic planning is strengthened to the extent it can be specific about the particular industries found in the City. The only reliable source available to create such a portrait in the Economic Census conducted by the US Census Bureau every five years. The last such Census was conducted in 2007. Using data from the 2007, we can better define the specific industries that constitute the major employers within the City of Canandaigua. These data are limited in that, in order to avoid inadvertently making private, proprietary information public, the Census Bureau suppresses employment numbers for industry sectors in which there is one large establishment that dominates the sector. However, in such cases, the Census Bureau publishes a range of employment for these sectors. Thus, the mid-point of that range can be used as a rough proxy for the total number of jobs in sectors dominated by large employers.

The table below (Table 2.1) has industries in the City of Canandaigua ranked by number of employees. Hospitals is the dominant employer in the City, employing between 1,000 and 2,499 persons (shown in the table as 1,749.5, the mid-point of that range). Other major employing sectors include food services and drinking places (61 establishments employing between 500 and 999 workers), supermarkets (3 establishments employing a similar range of workers) and polystyrene foam product manufacturing (1 establishment—Pactiv—with employment also within that range). Note that the impact of health care is even great if employment in doctor's offices, nursing and residential care centers and dentists are added to the total.

NOTE: there is one discrepancy between the 2007 Economic Census data and the 2010 estimates assembled by ESRI from US Labor Department Data. The ESRI data shows 10 establishments employing over 500 people in 2010. The Census data for 2007 shows that same sector with eight establishments employing 120 people. Since the Census data is an actual count as opposed to an estimate, we believe the 100-150 employee range is more realistic than the ESRI estimate.

Taken in total, the above analysis suggests that three broader sectors dominate the City's economy: health care, hospitality and tourism and manufacturing (particularly if the newspaper publishing operations within the City are considered a manufacturing facility). It is noteworthy that two of these three sectors (health care and manufacturing) are dominated by a few large firms: Thompson Health in the health care industry and Pactiv, Constellation Brands and GateHouse Media in manufacturing. While the City is fortunate to have such vibrant and progressive firms within their borders, the heavy reliance it places on the fortunes of a handful of organizations can present some risks to the City.



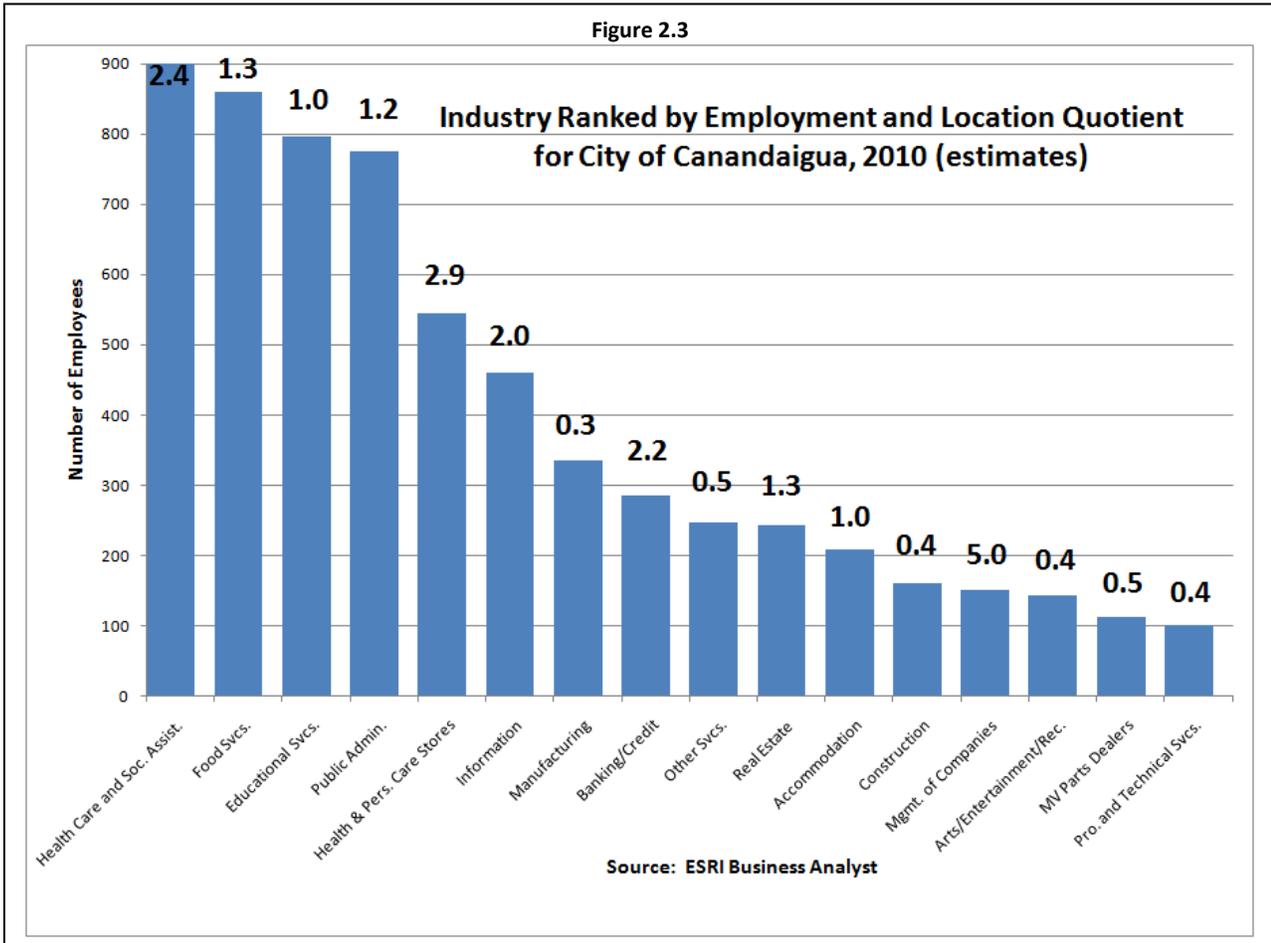


Table 2.1

Industry by Number of Employees, City of Canandaigua, 2007			
NAICS	Industry	Establishments	Paid Employees, Mid-March Payroll
622	Hospitals	2	1,749.5*
722	Food services and drinking places	61	749.5*
445110	Supermarkets and other grocery (except convenience) stores	3	749.5*
326140	Polystyrene foam product manufacturing	1	749.5*
5613	Employment services	3	374.5*
452910	Warehouse clubs and supercenters	1	374.5*
813	Religious, Grantmaking, Civic, Professional, and Similar Orgs	11	187
621111	Offices of physicians (except mental health specialists)	14	179
5617	Services to buildings and dwellings	12	174.5*
623	Nursing and residential care facilities	7	174.5*
721110	Hotels (except casino hotels) and motels	3	174.5*
444110	Home centers	1	174.5*
5111	Newspaper, periodical, book, and directory publishers	1	174.5*
4461	Health and personal care stores	8	120
621210	Offices of dentists	12	81
541110	Offices of lawyers	26	75
54121	Accounting, tax preparation, bookkeeping, and payroll services	6	62
453	Miscellaneous store retailers	10	59.5*
4413	Automotive parts, accessories, and tire stores	7	59.5*
4481	Clothing stores	7	59.5*
442110	Furniture stores	5	59.5*
447110	Gasoline stations with convenience stores	5	59.5*
441222	Boat dealers	3	59.5*
624410	Child day care services	2	59.5*
61151	Technical and trade schools	1	59.5*
812112	Beauty salons	8	50
6213	Offices of other health practitioners	12	44
7139	Other amusement and recreation industries	7	43
531	Real estate	15	41
532	Rental and leasing services	8	38
4431	Electronics and appliance stores	7	23
8111	Automotive repair and maintenance	4	9.5*
443120	Computer and software stores	2	9.5*
451130	Sewing, needlework, and piece goods stores	2	9.5*
45399	All other miscellaneous store retailers	1	9.5*
Source: U.S. Bureau of the Census, 2007 Economic Census			
* Actual employment not reported by Census Bureau. Estimated using midpoint of range of employment provided by the US Census Bureau			

3. Regional Economic Trends

In addition to understanding what is happening in the City's economy, it is equally important to place the City in a regional context, to understand the forces for new opportunity and potential problems that are at work in the larger region in which Canandaigua is located. This section reviews the structure and trends in the state and regional economies to identify potential target industries for the city of Canandaigua, and to identify issues the City needs to be aware of in its efforts to strengthen its own economy.

Analysis of Regional Clusters

This analysis was conducted using data from the Cluster Mapping Project of the Harvard Business School. Initiated by Harvard Business School faculty member Michael Porter, the project's website has been set up to allow in-depth investigation into regional clusters. According to the website:

The raw data for the project are County Business Pattern data (excluding agriculture and government) on employment, establishments, and wages by four-digit Standard Industrial Classification (SIC) Code by U.S. County. In addition, U.S. patent by location of inventor are allocated to industries and clusters using a concordance of technology classifications with SIC codes. There are also confidentiality limitations, which mean that the actual data are not disclosed for every county and economic area in every industry. Various techniques are used to compensate for missing data.

Economies are analyzed at various geographic levels, including states, economic areas, metropolitan areas, and counties.

All the industries in the economy are separated into "traded" and "local" based on the degree of industry dispersion across geographic areas. Local industries are those present in most if not all geographic areas, are evenly distributed, and hence primarily sell locally. Traded industries are those that are concentrated in a subset of geographic areas and sell to other regions and nations.

Among traded industries, clusters are identified using the correlation of industry employment across geographic areas. The principle is that industries normally located together are those that are linked by some external economies. These industries, then, constitute a cluster.

Source: Harvard Business School Institute for Strategy and Competitiveness, Cluster Mapping Project (http://data.isc.hbs.edu/isc/cmp_overview.jsp)

Using employment data for clusters in the Rochester Metropolitan Statistical Area with employment of 1,000 and above for the years 1998 to 2009, a matrix was created identifying employment growth in these industries both locally and nationally and categorizing each cluster into various levels of future

potential or opportunity. This analysis was applied to both traded clusters (i.e., clusters which primarily sell their goods and services outside the region, exporting goods and importing income), and local regional clusters which primarily a local customer base. A list of subclusters within each traded and local cluster is provided at the end of the report to help clarify cluster definitions by specifying the particular industries involved in each cluster.

Traded Clusters

Traded clusters are important in that they sell goods outside the region and import dollars into the region. To identify emerging and declining traded clusters within the Rochester region, employment trends in traded clusters with 2009 employment levels of 1000 and above were compared to national employment trends for these same clusters. Figure 3.1 below presents this analysis graphically with percent change in local cluster employment plotted on the vertical axis against percent change in national cluster employment on the horizontal axis. The size of each bubble represents the 2009 employment in each cluster within the Rochester Metropolitan Statistical Area. The matrix categorizes these clusters into four quadrants:

National Mainstays: These are clusters which have had positive job growth both locally and nationally. These clusters are successfully participating in strong national trends.

Regional Heroes: These clusters show positive job growth within the region, but at the national level, these same clusters are losing jobs. This suggests that the regional members of this cluster are strong competitors. They have been able to increase employment at a time when such clusters are declining at the national level.

Underperformers: These clusters feature negative job growth within the region, but positive job growth nationally. This suggests that either the Rochester region is no longer a good location for such clusters, or that the firms that make up the local cluster need to change business plans or practices to become more effective competitors.

The "Watch" List: These clusters have the potential to be successful in the region, however, both local and national trends show jobs in these clusters is declining. Careful monitoring of these clusters is essential to promote their growth.

Figure 3.1

Source: Prof. Michael E. Porter, Cluster Mapping Project, Institute for Strategy and Competitiveness, Harvard Business School; Richard Bryden, Project Director

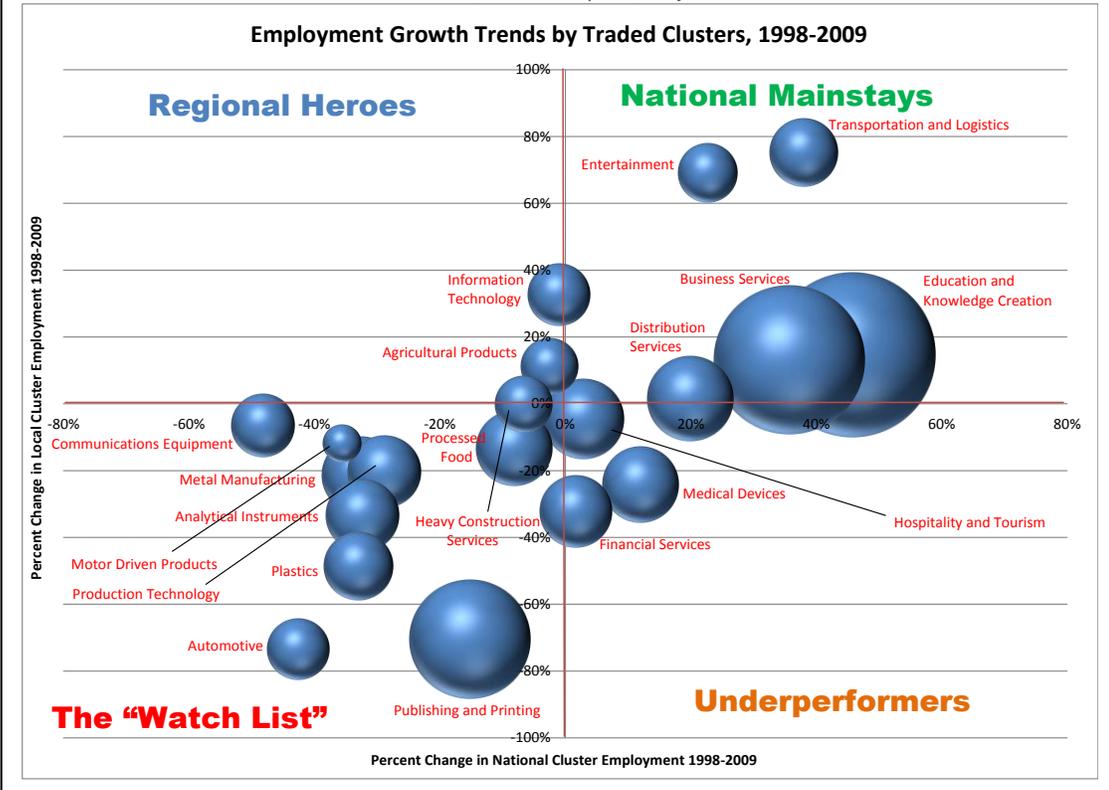


Table 3.1
Traded Clusters Employment Matrix

		National Employment	
		Losing Jobs	Gaining Jobs
Local Employment	Gaining Jobs	<p>Regional Heroes</p> <ul style="list-style-type: none"> Agriculture Products (2.36) Information Technology (0.82) 	<p>National Mainstays</p> <ul style="list-style-type: none"> Education & Knowledge Creation (1.84) Business Services (0.84) Distribution Services (0.73) Entertainment (0.65) Transport & Logistics (0.51)
	Losing Jobs	<p>"Watch" List</p> <ul style="list-style-type: none"> Communication Equipment (3.66) Publishing & Printing (3.37) Analytical Instruments (2.09) Production Technology (2.06) Plastics (1.63) Metal Manufacturing (1.27) Motor Driven Products (1.09) Automotive (0.91) Processed Food (0.90) Heavy Construction Services (0.48) 	<p>Underperformers</p> <ul style="list-style-type: none"> Medical Devices (2.83) Hospitality & Tourism (0.61) Financial Services (0.47)

Table 3.1 categorizes each cluster within the given subcategories, listing clusters with location quotients above one above the red line in each group.

National Mainstays: The strongest of these in the Rochester Metropolitan Statistical Area, based on location quotient measurements, is the education and knowledge creation cluster with a location quotient of 1.84. This cluster has strong job growth locally and nationally and a high current concentration of jobs locally relative to national employment. The education and knowledge cluster also has the highest employment within the Rochester region. Business services, distribution services, entertainment, and transportation and logistics are also strong clusters, however employment in these clusters is underrepresented in the Rochester region. While no one of them is a dominant presence, Canandaigua's economy features employers from each of these sectors.

Regional Heroes: Clusters that fit this category in the Rochester Region are agricultural products and information technology. The agricultural products cluster is highly concentrated in the region, with a location quotient of 2.36, while the information technology cluster is underrepresented locally though growing against national trends. Constellation Brands in agricultural products and the SSTCC in information technology are local examples of firms in this category.

Underperformers: Medical devices, hospitality and tourism, and financial services fall under this group. The medical devices group has a strong current concentration of jobs in comparison to national concentration levels, though jobs in this cluster have declined locally. Hospitality and tourism and financial services have low concentrations of jobs in the region.

The "Watch" List

While these clusters have the potential to be successful in the region, both local and national trends show jobs in these clusters have declined from 1998 to 2009. Careful monitoring of these clusters is essential to ensure that the City isn't damaged by sudden job losses in any of the associated firms. These clusters include: communications equipment, publishing and printing, analytical instruments, production technology, plastics, metal manufacturing, motor driven products, automotive, processed food, and heavy construction services. Note that at least two major employers fall into this category: Pactiv in the plastics industry and GateHouse Media in publishing and printing.

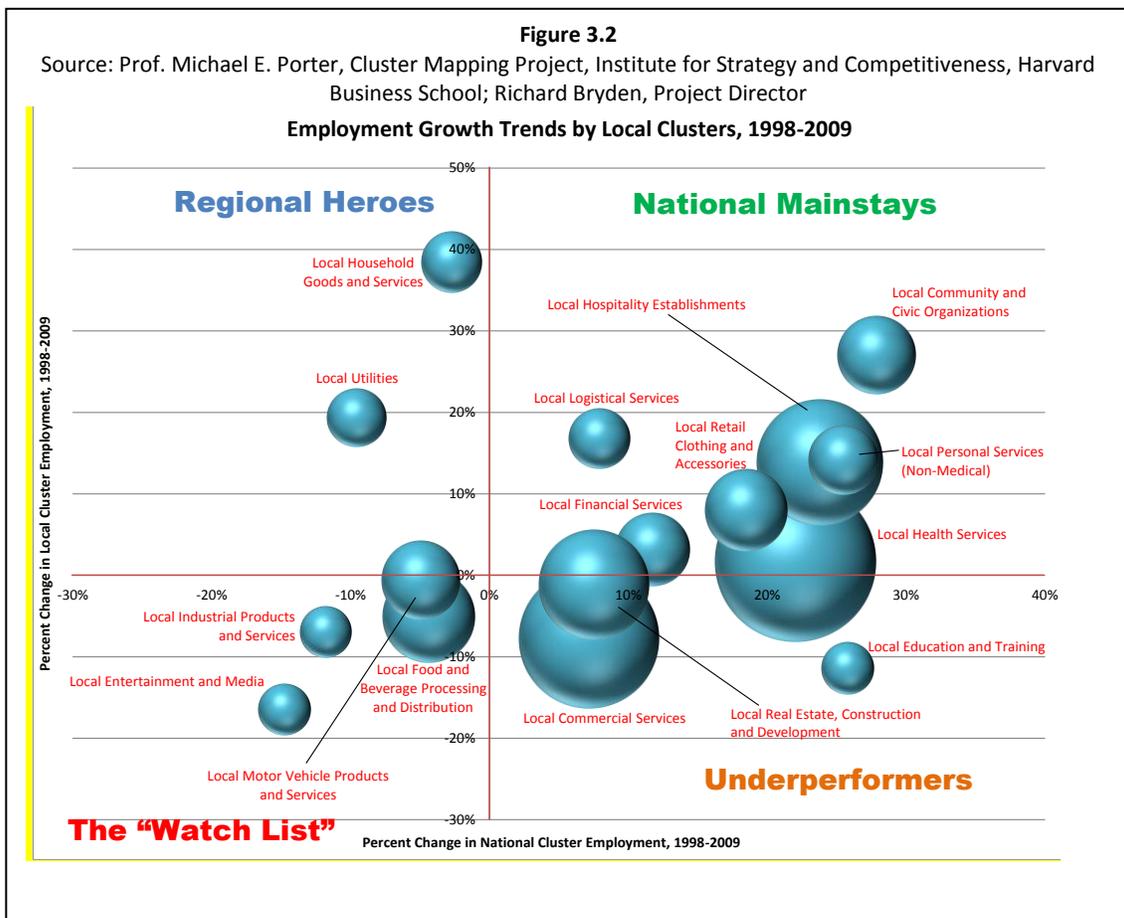
Local Clusters

Local clusters indicate various groups of industries which sell products or services largely within the local region. Like the analysis featuring traded clusters above, local and national employment trends were analyzed for local clusters in order to identify emerging and declining industries within the Rochester region and determine the best methods for maintaining or developing these clusters.

In the case of local clusters, local employment trends are more significant and indicative of the future vitality of a cluster than national employment trends due to their primary dependence on local customers.

Figure 3.2 plots local clusters according to percentage change in employment locally and nationally. The size of each bubble represents the size of employment in Rochester for each cluster in 2009.

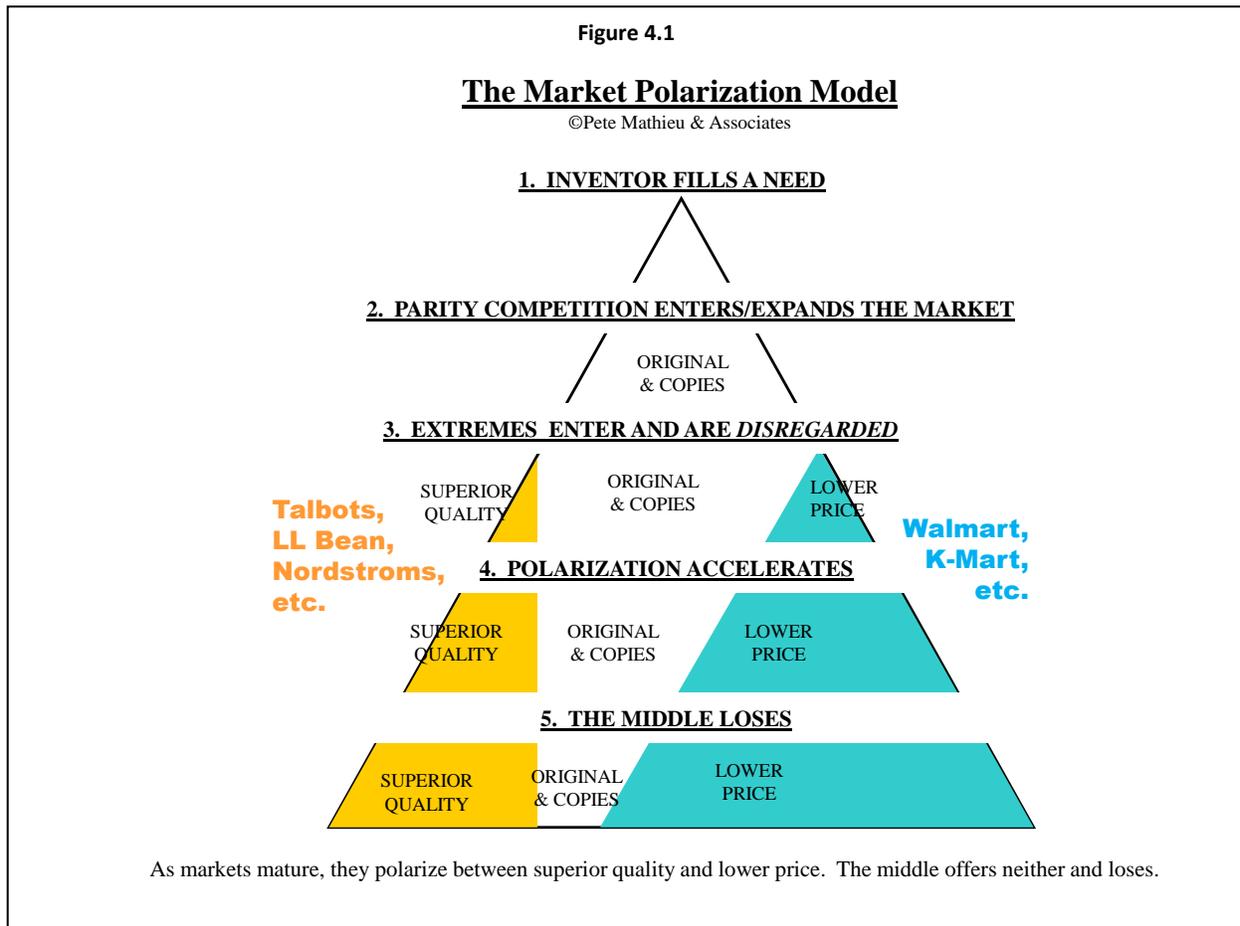
In the analysis of local clusters, the major finding is the importance of local health care. In addition to experiencing positive job growth both nationally and within the Rochester region, the local health service cluster also holds the highest employment *levels* for local clusters in the Rochester region.



4. Retail Analysis

Market Polarization

One way to understand how retail has changed in the past three decades is to view it through the lens of the market polarization model. This model was developed by A.H. Pete Mathieu, an advertising and marketing consultant, as a means for helping clients understand what they need to do to compete in any market. The essential tenet of the model, as captured in Figure 4.1, is that, as markets mature, they polarize among competitors offering either superior quality or lower price. Those competitors in middle of the market have difficulty offering either, and consequently end up losing substantial market share.



Retail Polarization

Retail itself has undergone market polarization over the last 30 years. For example, approximately 100 years ago, Sears, JC Penney and Montgomery Ward were major national competitors in the general merchandise market. They remained industry leaders throughout the 20th Century. However, during the 1970s, the retail market began to polarize. Premium firms like Talbots and L.L. Bean entered the national market (followed shortly thereafter by Nordstrom's and others). At the same time, K-mart and

Wal-Mart began serious expansion as “big box” operations offering low-cost products and discounted merchandise. In short, as Mathieu’s model predicts, the market polarized between superior quality and lower price. The industry leaders found themselves “stuck in the middle” and lost to the extremes.

The Move Toward “Experience-Based” Retail

The “low cost” end of the pyramid features the big box discounters like K-mart, Wal-mart and various dollar/discount stores. The superior quality offerings are changing the shape and size of retail location.

For example, research conducted by the International Council of Shopping Centers found that baby boomers (i.e., those born between 1945 and 1965) are the least likely to visit a generic mall and that, when they do, they spend less time there during each visit than teens or the elderly¹. This suggests that retailing and retail development opportunities in the future will be based upon niches and the replacement of obsolete formats and concepts².

Table 4.2 provides an overview of the trend toward “experience-based retail” as the model for premium retail locations.

Table 4.2
The Transition to “Experience-based” Retail
Italicize Future of Retail Property—Online Retailing: The Impact of Click on Brick

The Retail Transition	
From	To
Location	Access/popularity
Generalists	Specialists
Times when we do	Moments when we might
Store as a warehouse	Store as showroom/theater
Store as transaction point	Store as an information point
Retailer power	Consumer/broker/distributor power
Convenience	Relationship and trust
Value for money	Value for time coupled with value for money
Source: Excerpted and adapted from Yvonne Court, <i>Future of Retail Property—Online Retailing: The Impact of Click on Brick</i> . (London: British Council of Shopping Centres, 2006).	

These trends don’t simply apply to the baby boomers either. New generations of Gen Xs and Ys are shifting their views of shopping centers as well. As a result, retail locations will have to adapt and change

¹ Field, Katherine, “Beckoning Boomers,” *Chain Store Age*, November, 2005, pp. 39-40.

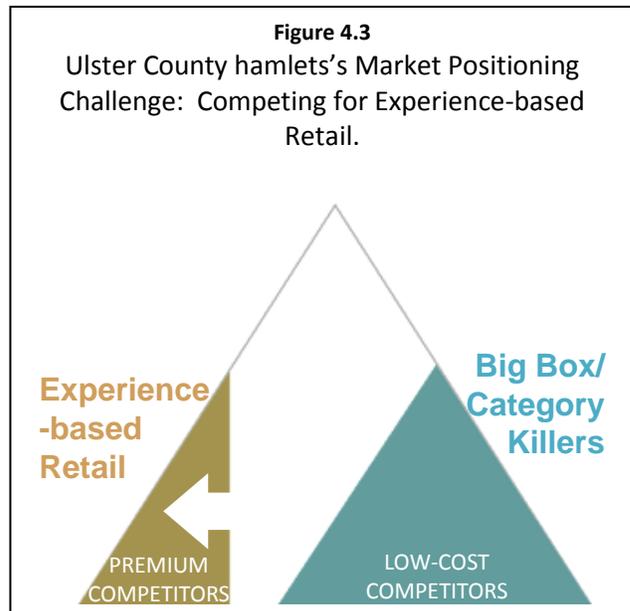
² Gruen, Aaron N, “Demographics and Retail,” *Urban Land*, January, 2008, pp. 116-118.

to meet the needs of younger shoppers who, “...aren’t interested in just shopping, they want to be entertained.”³

Thus, the United States approaches a momentous demographic event as the two biggest consumer cohorts, the Baby Boom generation and their children are both moving into a new life phase: Boomers into retirement, Gen Ys into full adulthood. The affect on the retail experience has been and will be profound. As summarized by Anita Kramer in *Retail Development*, the 2008 publication by the Urban Land Institute: “Centers will become the ‘third place’ in people’s lives, and customers will shop when they go out rather than go out to shop.”⁴

Consumers now expect a social or cultural experience when they go out. In order to address these changes, those seeking to create a high-end retail location must change the retail experience. During the 1980s and 1990s, Boomers valued the traditional mall for the “time back” experience. The regional mall provided a mix of department and specialty stores and convenience food that gave harried two-career families an opportunity to accomplish a great deal in a single visit. Now, Boomers recognize that if they want a “time back” benefit, they can shop online. The retail environment must change to offer Boomers a new, and more appealing, experience. Thus the keys to success lie in remaking existing centers to create a stimulating and entertaining environment that people want to be a part of, and in building highly focused new centers targeted to niche and emerging market segments that fit consumer’s lifestyles or the lifestyles that they aspire to⁵.

The shift toward a desire for experienced-based retail hasn’t escaped the notice of retail developers. So-called “lifestyle” centers like the Grove in Los Angeles have become popular, while many malls like GCP’s Cumberland Mall in Atlanta have been redeveloped with a lifestyle component.⁶ The retail centers that are succeeding are those that are responding to consumers’ increased use of the Internet to select or even buy products by capitalizing on this aspect of shopping and



³ Johnson, Ben, “Baby Boom Nation,” *National Real Estate Investor*, May 2008, p. 53.

⁴ Kramer, Anita et al., *Retail Development*, Urban Land Institute, 2009, p. 427.

⁵ Kramer, Anita et al., *Retail Development*, Urban Land Institute, 2008.

⁶ Johnson, Ben, “Baby Boom Nation,” *National Real Estate Investor*, May 2008, p. 53.

continually adapting to the public's taste in social settings, the need for community, and the search for entertainment.

Examples of such environments are outdoor public spaces and clusters of restaurants and movie theatres that have become successful, established anchors in the last ten years⁷.

Retail Sales Supply and Demand:

The key element in maintaining a vibrant downtown is understanding and taking advantage of the retail market in which that downtown is situated.

Figure 4.4. A map showing the area within a 5-minute drive of the intersection of Main & Gibson streets in the City of Canandaigua.

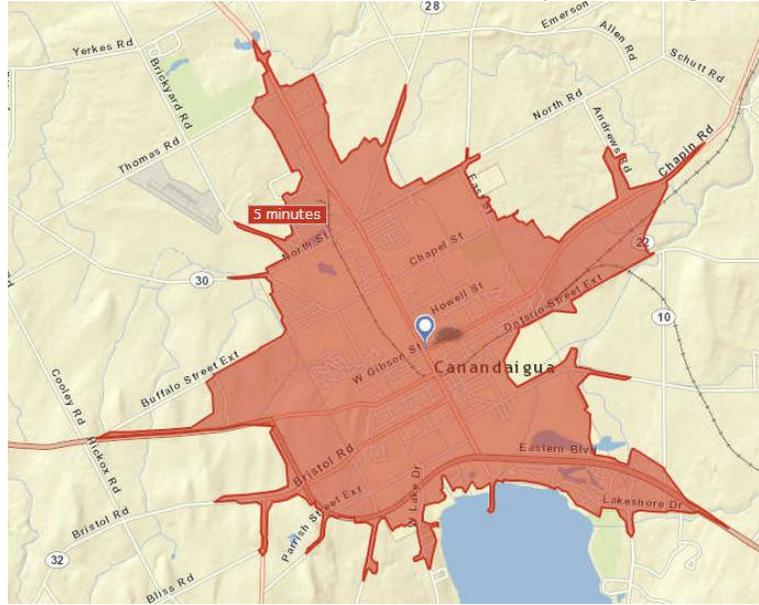


Figure 4.5 A map showing the area within a 40-minute drive of the intersection of Main & Gibson streets in the City of Canandaigua.



Source: ESRI Business Analyst Online.

The following analysis has been conducted to determine how much of the local and regional demand for goods and services that businesses in the hamlets are currently capturing and which potential opportunities exist for future business growth. For each of the categories of retail stores, the analysis shows current sales by existing stores. This is the “supply” of retail stores in that category for that geographic area.

Second, the analysis provides an estimate of current purchases in that type of store given the income levels and demographics of shoppers in that geographic area. This represents the “demand” by residents for goods in that retail category for that geographic area.

Finally, the analysis uses the difference between “supply” and “demand” to identify the extent to which “leakage” or “surplus” exists in that retail category for that geographic area. Leakage exists if the projected demand for purchases in that category *is greater than* the sales by existing stores. This means that the local demand is being met by stores outside the geographic area. That is, sales are “leaking” out of the local market and into other areas. Surplus exists if the projected demand for purchases *is less than* sales by existing stores. It means that the retail stores in that sector are serving demand from outside the area.

Those categories in which leakage exists may represent an opportunity for new business for the local area. Those categories in which surplus exist are bringing sales in from outside the area. ESRI Business Solutions provides data on supply, demand and an assessment of leakage or surplus for a variety of different retail categories.

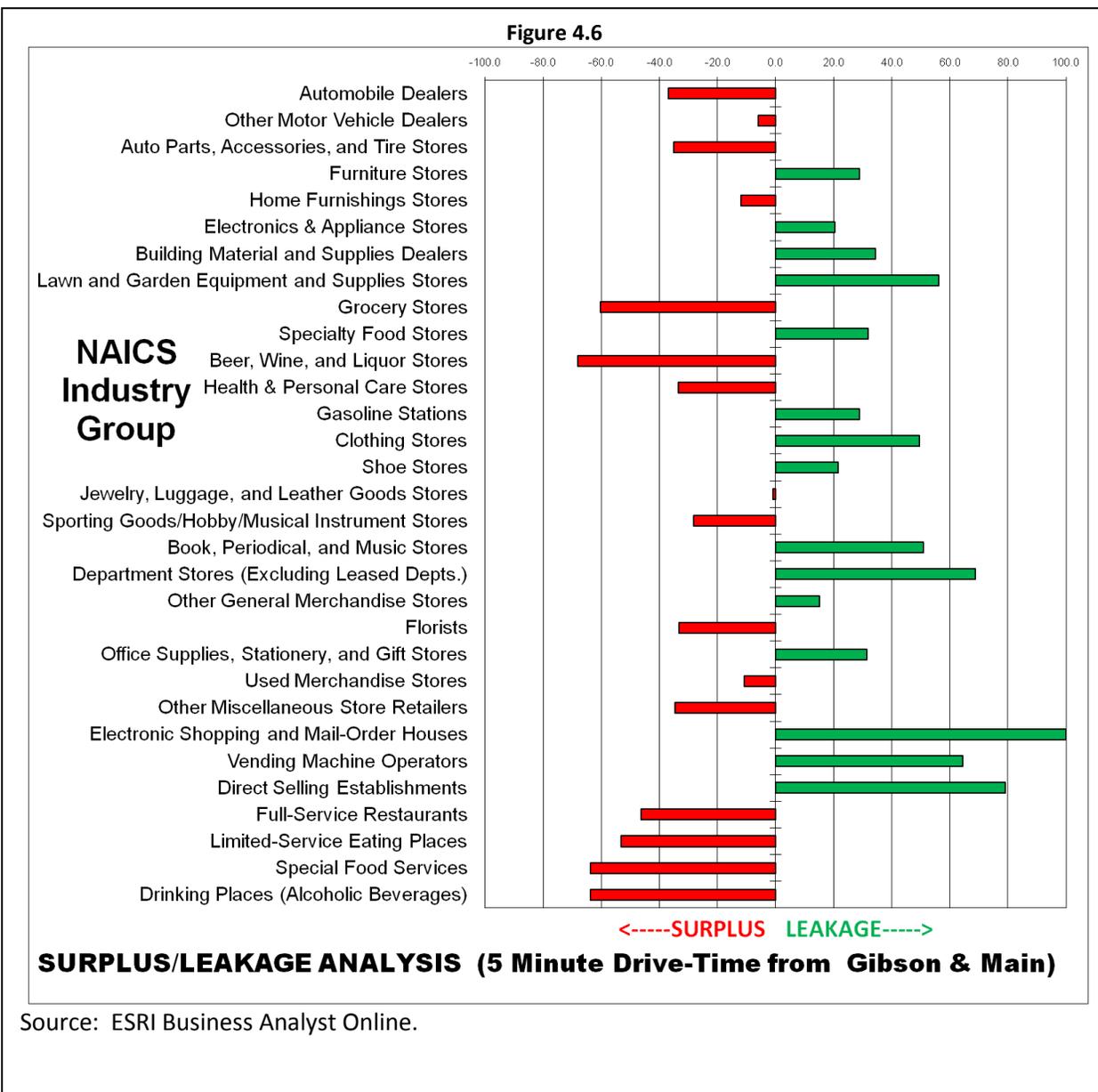
Using data from ESRI’s Business Analyst On-line, the analysis compared retail within a 5 minute drive and a 40 minute drive from Canandaigua at the intersection of intersection of Gibson and Main Streets (highlighted in red and green, respectively in Figures 4.4 and 4.5). Figures 4.6 and 4.7 present the leakage/surplus results for the various driving times.

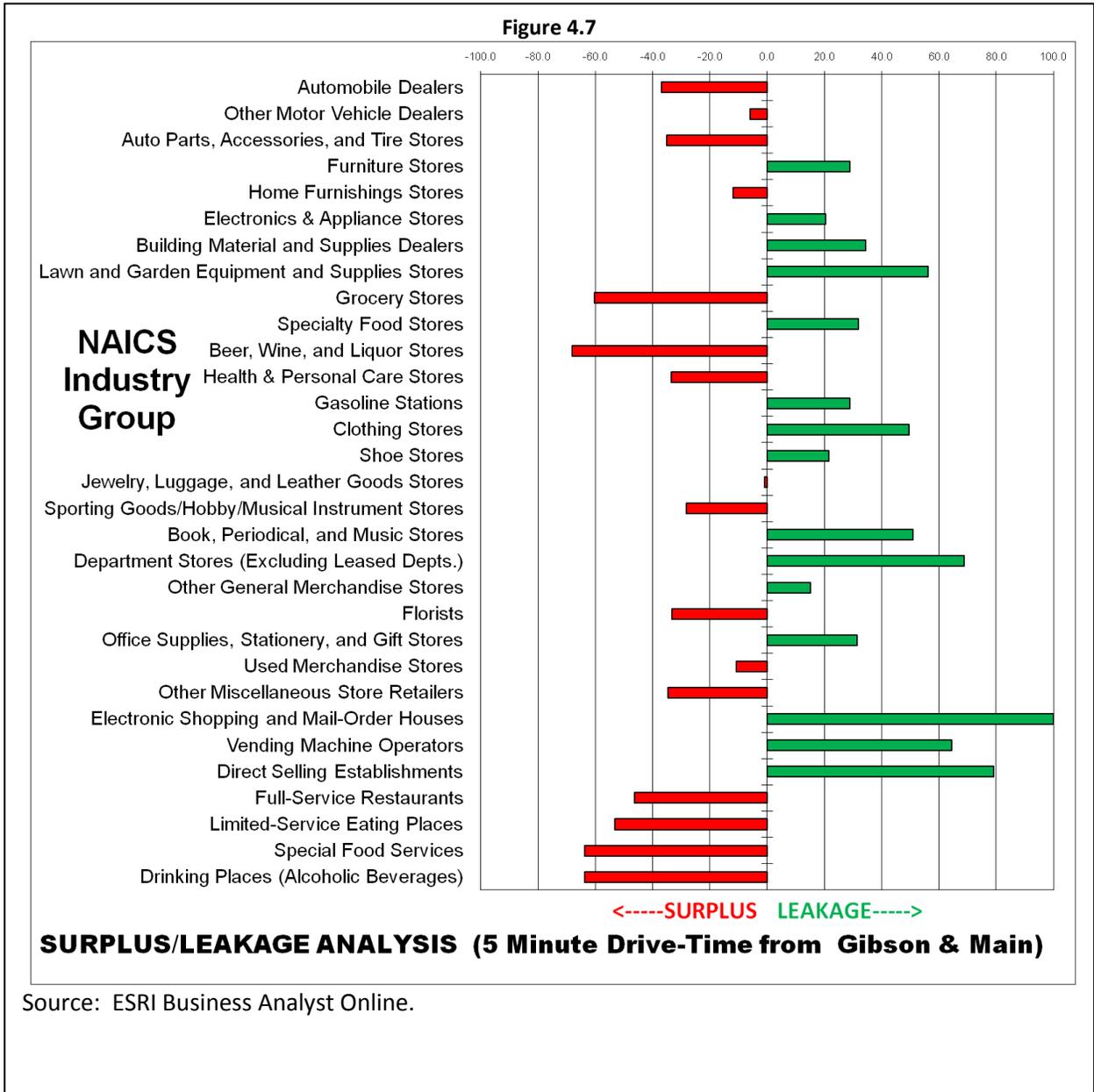
As shown in Figure 4.6, at the five-minute drive time, Canandaigua generates large surpluses in many categories. This is because the city is a destination for eating and drinking places and grocery stores. At the same time, there is substantial leakage within the 5-minute drive time, particularly in such categories as clothing stores, lawn and garden supplies, shoe stores and department stores. As the driving time increases to 40 minutes, the territory now includes such competitive locations as Eastview Mall and the Waterloo Premium Outlets. The surpluses for those categories still exist, but are much lower as a percentage of total sales in that area. This suggests that consumers are willing to drive 40 minutes outside of Canandaigua to shop for most retail commodities. Most small retail activities in Canandaigua, therefore, would have a hard time competing directly with big box retailers in Victor, Waterloo and other areas within that 40 minute drive time.

Thus, any viable and retail opportunities for Canandaigua appear to be for smaller-footprint specialty stores which can offer unique goods or services that can compete with cheaper and/or more extensive offerings of the big box stores. It may also be possible for the City to attract some larger retailer into the area along 5 & 20 in the City. Most importantly, though, the analysis suggests that the City’s success

with retail will depend upon the extent to which the City can provide “experience-based” retail opportunities in the downtown and throughout the City.

The Close Connection between the Retail & Tourism sectors: The importance of “experience-based” retail to Canandaigua’s retail sector links it tightly with the City’s tourism sector. Both industries depend upon the creation of a compelling experience for their respective clienteles. Even more importantly, under an “experience-based” retail approach, the clientele for the City’s retail sector has a large tourism component. Indeed a central effort for retail development in the City must involve increased attraction and cultivation of tourists, particularly affluent owners of second homes along Canandaigua Lake.





5. Buyer/Supplier Linkages

An economy is an interconnected network of industries. Firms within each industry purchase from or supply to a wide range of other industries. These purchaser-to-supplier relationships can be used to gain a better understanding of your key industries and how to strengthen your local economy.

Local Trade: A highly-connected economy pumps more money into the local economy through multiplier effects.

Value Creation: In economic terms, long-linked chains represent value-added production, with multiple industries passing their output up the value-chain.

Low Leakage: Every industry purchases from or sells to other industries, and making these connections reduces “leakage,” which represents economic activity lost to other regions.

Economic Resiliency: Strong inter-sector links means that no single industry dominates the economic landscape, and therefore the economy is more robust against any individual industry’s decline.

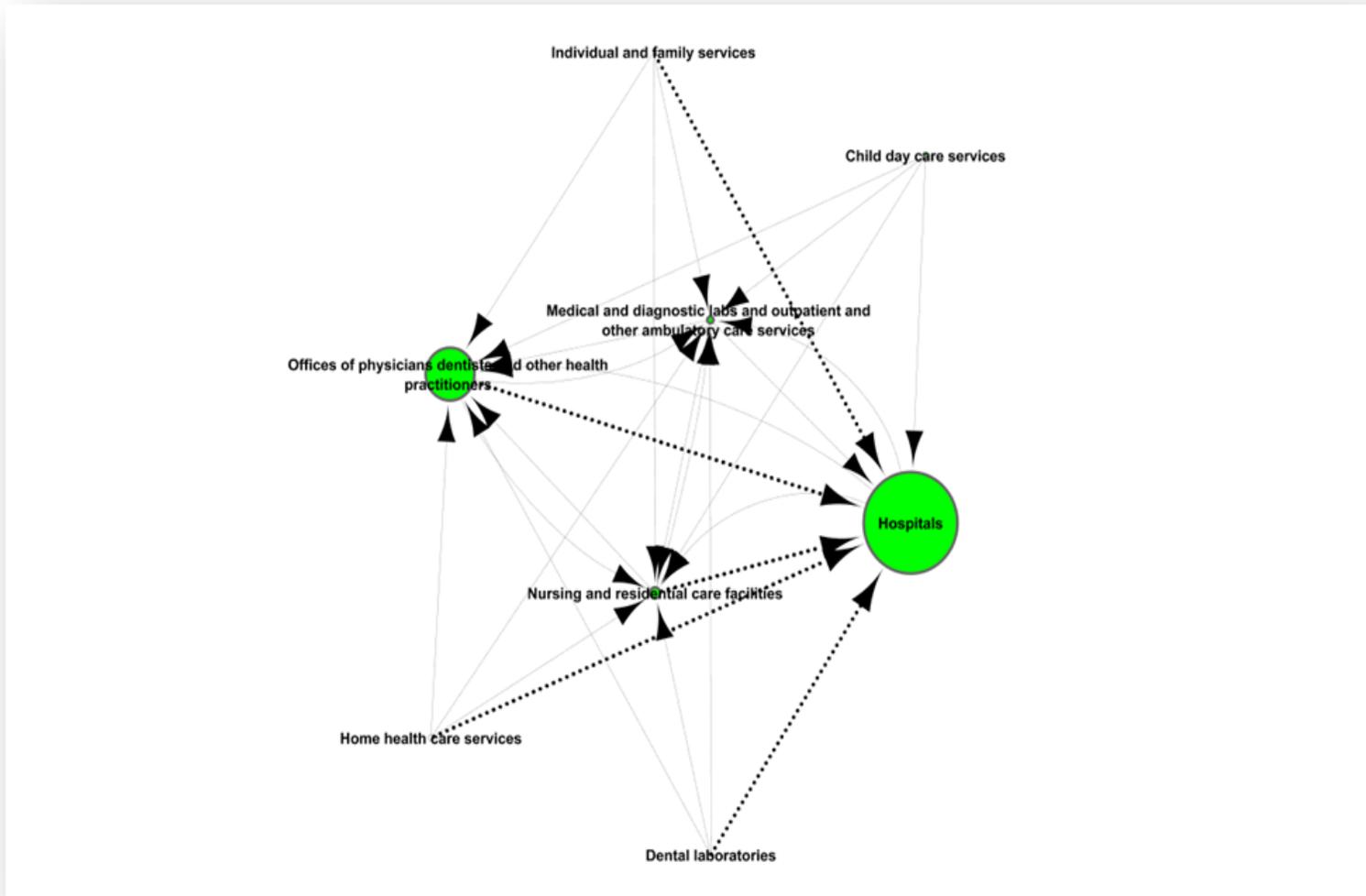
The following diagrams indicate the buyer/supplier relationships present in Canandaigua’s key industries: health care, manufacturing, and tourism & hospitality. Each node or bubble represents an industry and the buyer/supplier linkages between industries are illustrated with lines. The arrows point in the direction in which the money flows. The diagrams were created through IMPLAN, a popular tool for regional economic analysis using data from the BEA at the US Department of Commerce.

Health Care:

The Health Care sector in Ontario County shows a high level of density, with multiple strong connections between sector industries (see Figure 5.1). Hospitals are a major anchor for the County’s Health care sector as total output is high for hospitals and doctor’s offices alike. The same is true of the Health Care sector in Canandaigua specifically. As seen in Figure 5.2, the health care sector shows a moderately high density, with strong connections to the Hospitals industry and a high total output for Hospitals and Doctor’s offices. Hospitals are a key industry in the City’s Health Care sector.

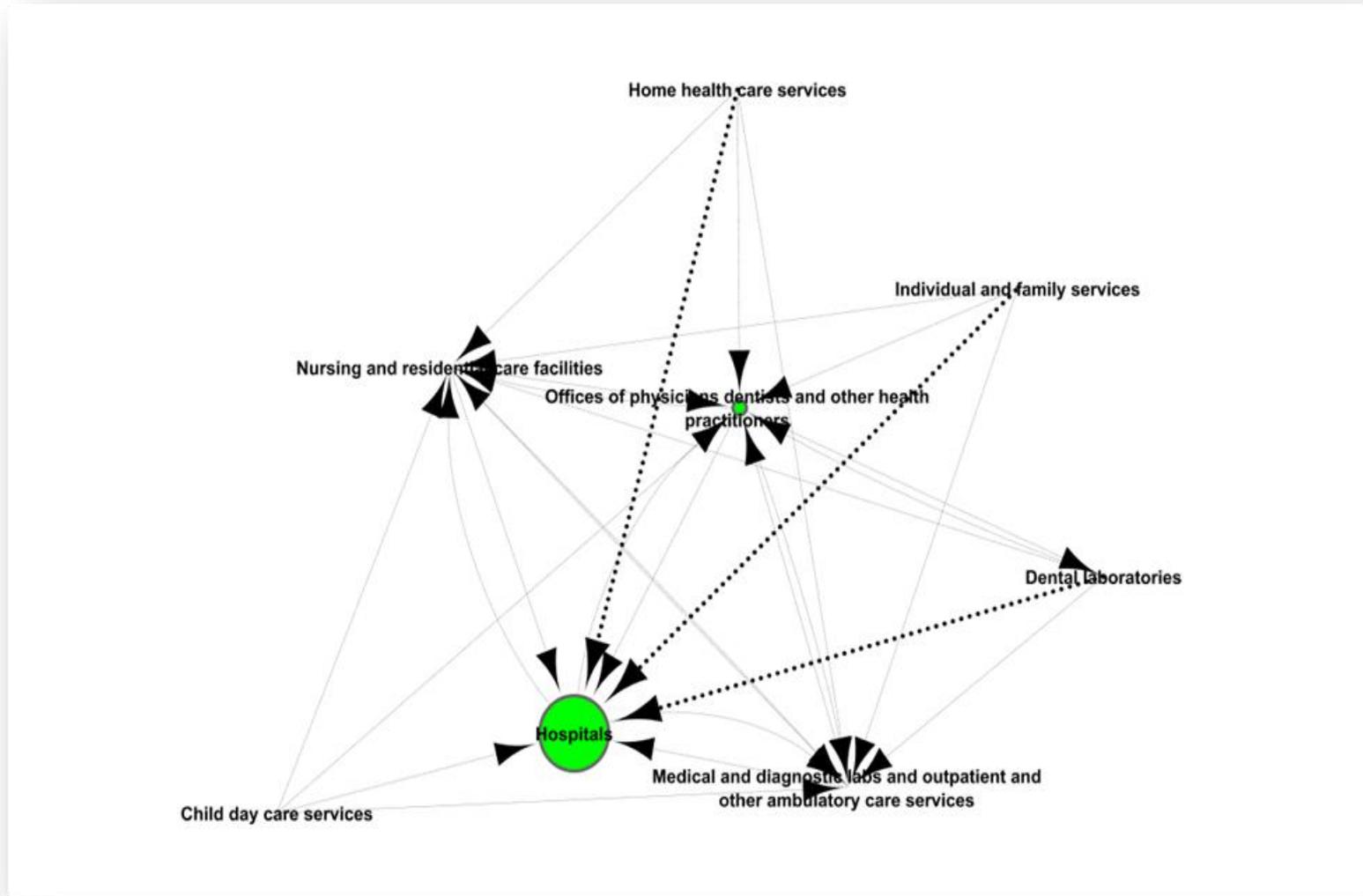
When looking at the supplier/buyer chains between the Health Care sector and other industries (see Figure 5.3), it appears that Hospitals play a critical role as a supplier to a wide variety of industries. Doctors’ Offices are also critical suppliers, often to the same industries.

Figure 5.1
Buyer/Supplier Linkages within the Health Care Industry, Ontario County



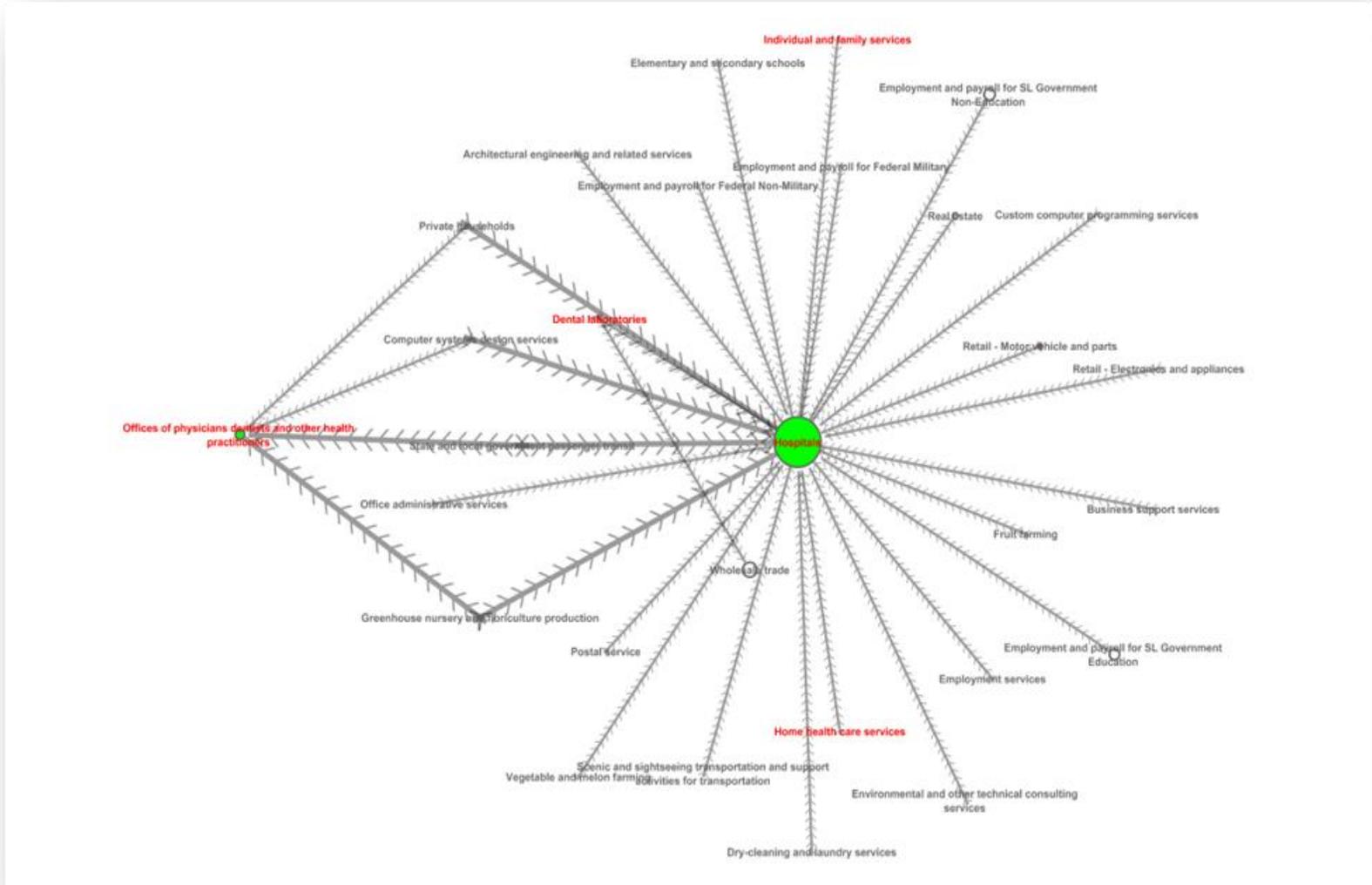
Source: Implan Multipliers, 2008.

Figure 5.2
Buyer/Supplier Linkages within the Health Care Industry, Canandaigua ZIP Code (14424)



Source: Implan Multipliers, 2008.

Figure 5.3
Buyer/Supplier Linkages between the Health Care Industry & Other Sectors, Canandaigua ZIP Code (14424)



Source: Implan Multipliers, 2008.

Manufacturing:

Figure 5.4 illustrated the buyer/supplier links in the manufacturing industry in Ontario County. A very loosely connected supplier/buyer structure exists within Ontario County's manufacturing industry, with many industries purchasing from Paperboard/Cardboard Manufacturers. A set of connections related to food-production (Snack Food, Seasoning & Dressing, Fruit & Veggie Canning, etc) indicates a food processing cluster in the county.

The linkages in Canandaigua's manufacturing sector are much different than that of the County. Key suppliers within Canandaigua are in Advanced Manufacturing, including Chemical Products, Circuit Board, and Relay/Industrial Control manufacturers, with a long value-chain connecting Switchgear, Relay/Control, Bare Circuit, and Chemical Product manufacturers.

As expected, at the City level, the broader manufacturing sector's relationship to other sectors revolves around Wholesale Trade, but there are two other important supplier/purchaser industries: Polystyrene Foam Products and All Other Crop Farming.

Figure 5.4
Manufacturing Linkages: Ontario County

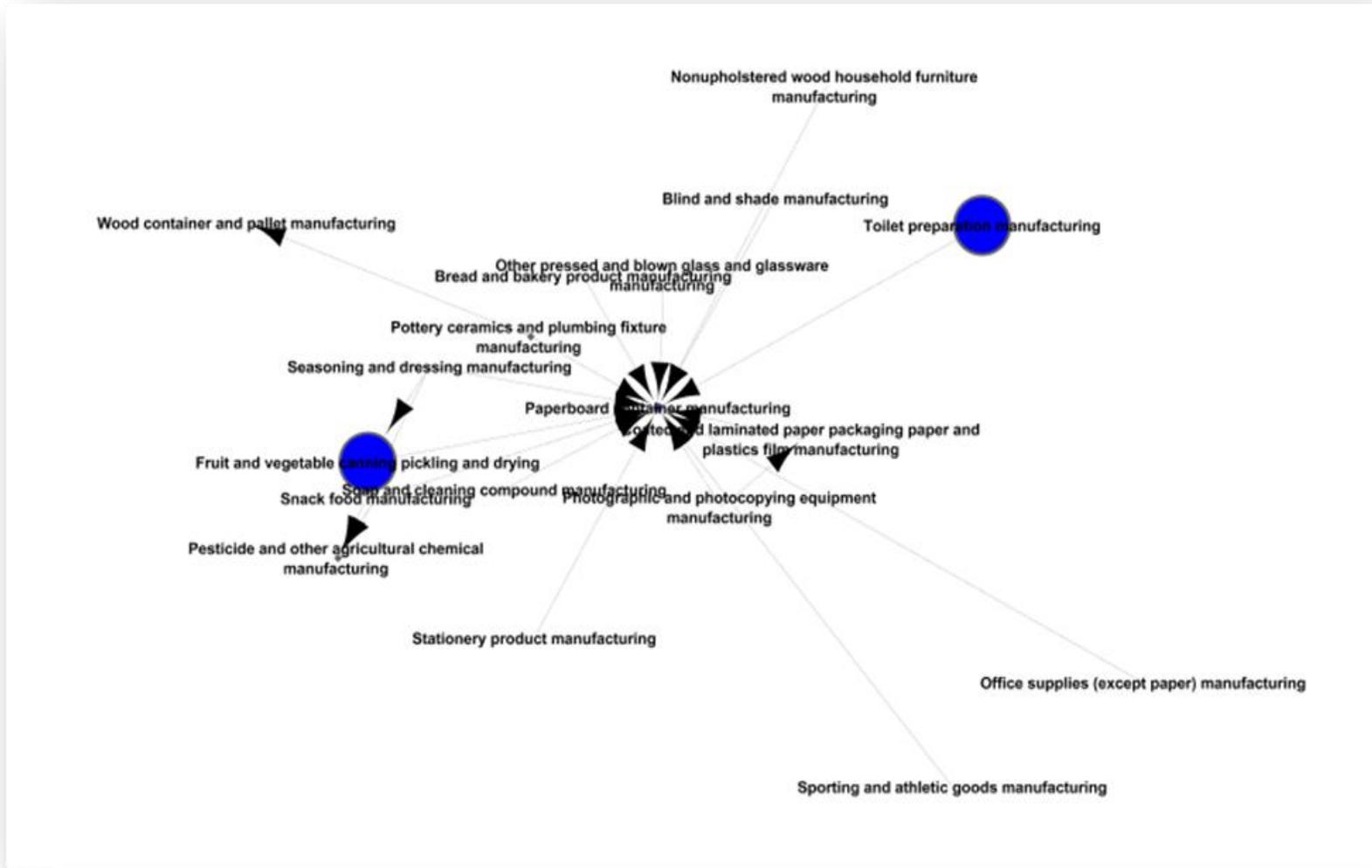


Figure 5.5
Manufacturing Linkages: Canandaigua ZIP Code

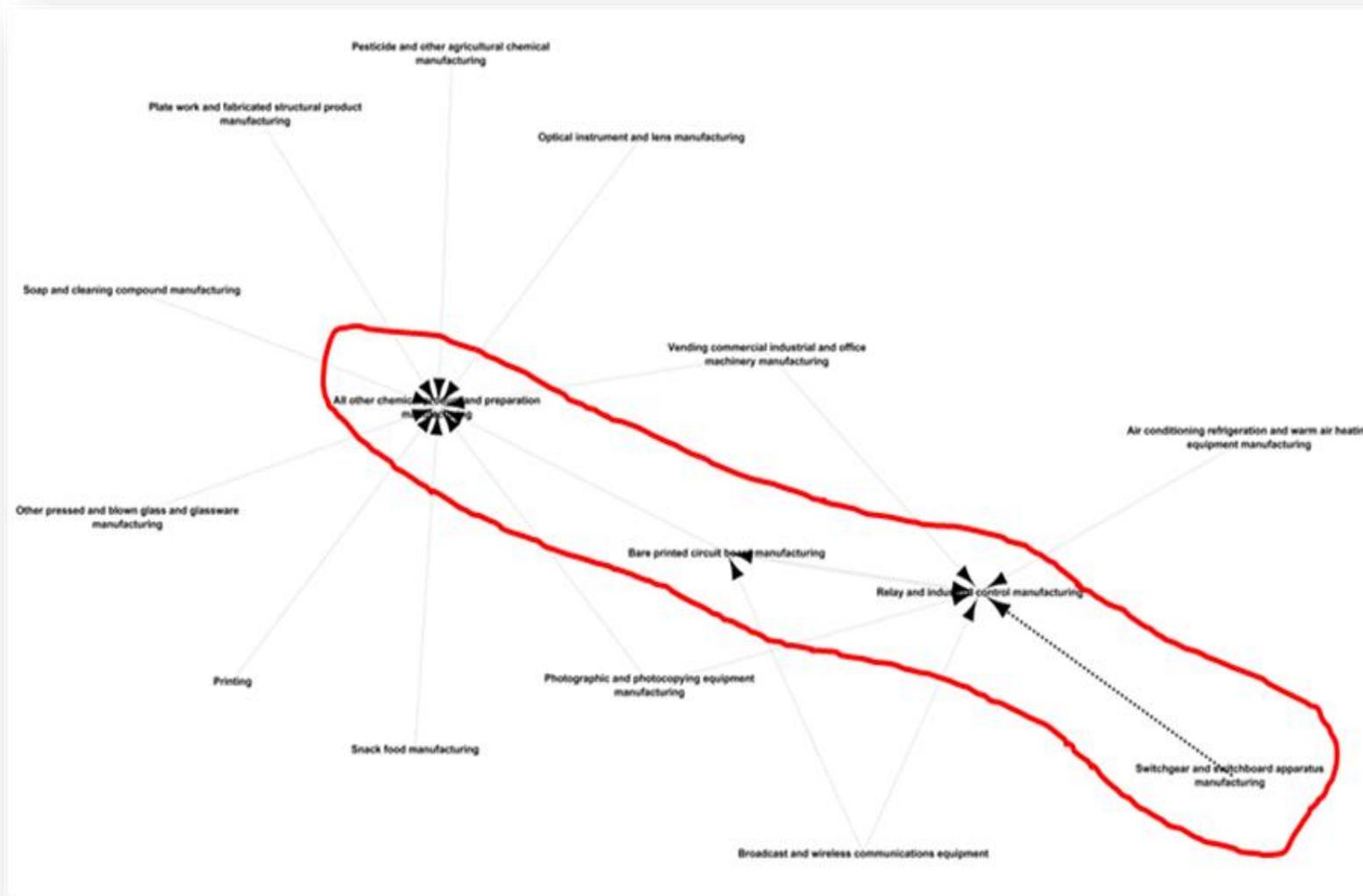
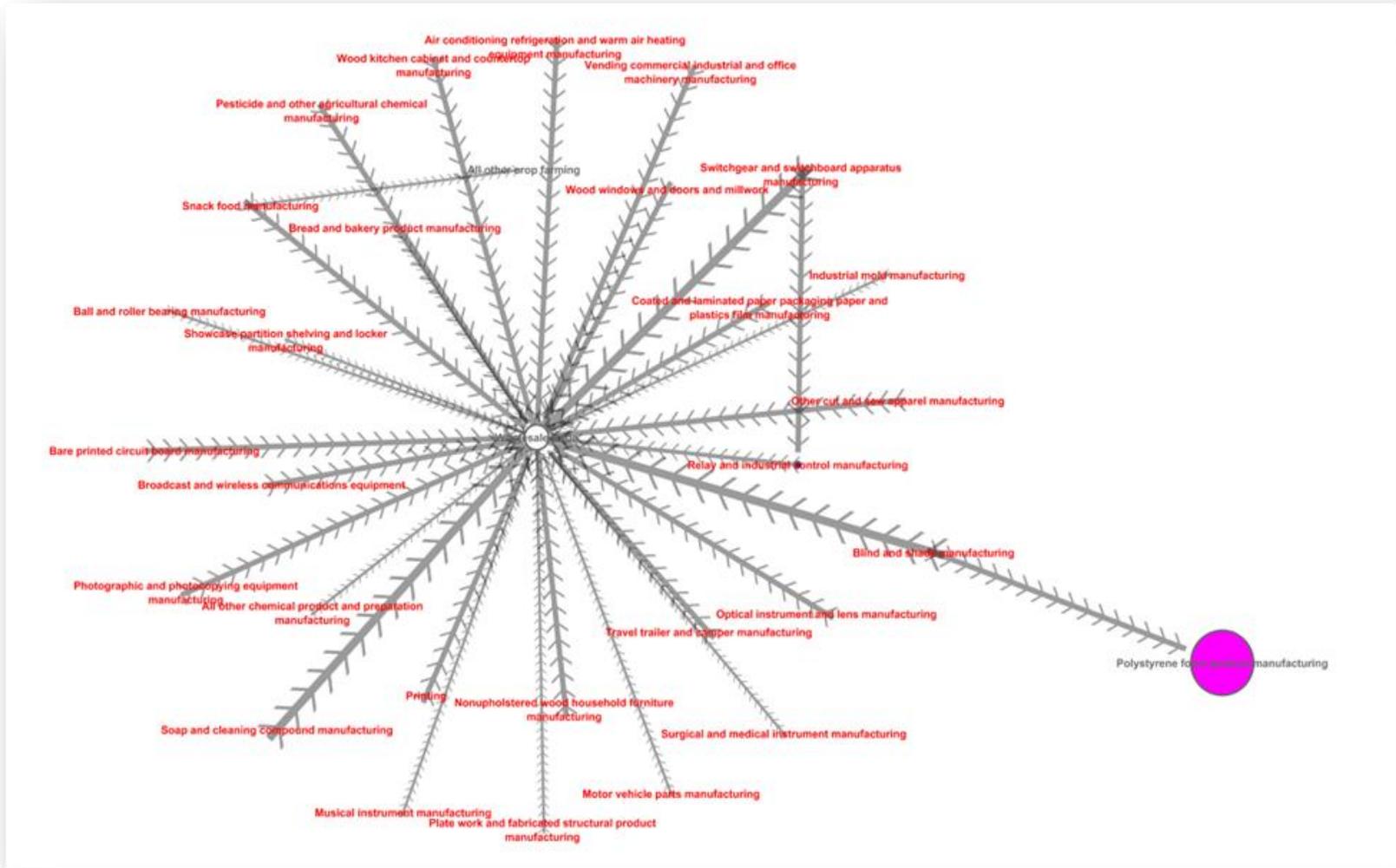


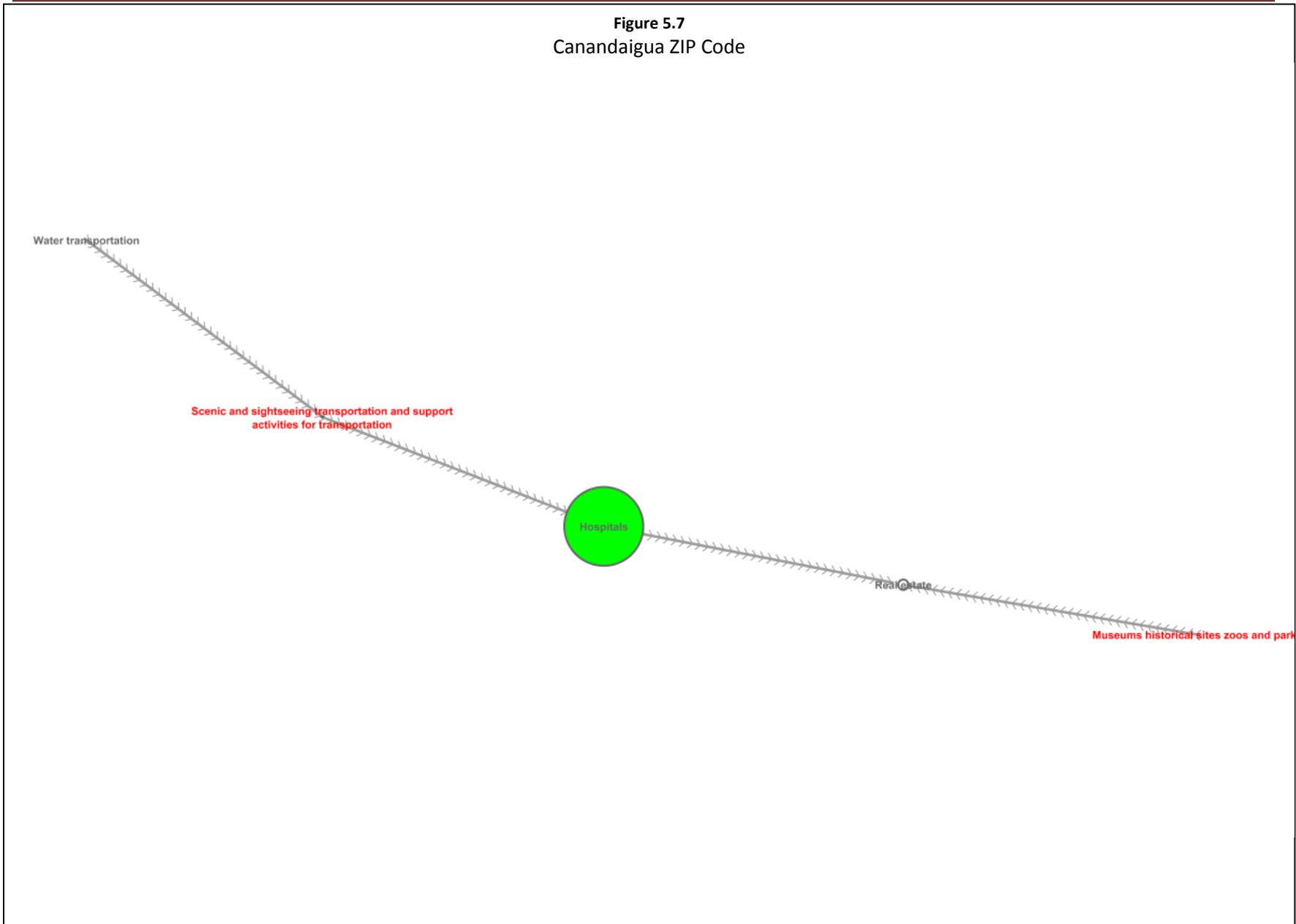
Figure 5.6
Canandaigua ZIP Code



Tourism & Hospitality:

The Tourism & Hospitality within Canandaigua has a long chain of linkages involving Scenic Sightseeing as well as Museums, Historical Sites, Zoos and Parks. As with most of the networks, Hospitals shows up playing a central role.

Figure 5.7
Canandaigua ZIP Code



6. Potential Targets for Canandaigua

This analysis indicates several potential targets for Canandaigua's economic development strategy. The cluster analysis focused on large clusters with employment sizes of 1,000 or above in the Rochester region with the expectation that these larger clusters would bear a farther range of influence in the area and could therefore potentially be targeted by Canandaigua as focus points for development. Continued support and investment in clusters that are performing well locally and nationally will provide economic stability for Canandaigua. These clusters include education and knowledge creation, and business services for traded clusters, and local personal services, local health services, and local hospitality establishments for local clusters.

Manufacturing:

Several clusters present themselves as competitive and successful in comparison to national trends and should be fostered as a means to generate jobs and economic activity in Canandaigua. Traded clusters in this category are especially strong as their growth is unmatched by national competitors. These clusters include agricultural products (i.e. Constellation Brands in Canandaigua), and information technology. Local clusters which are growing with respect to declining national trends are not by this standard necessarily as highly competitive as they engage only in local markets. However, the fact they are growing locally still suggests that these clusters are strong and should be continued to be encouraged. These clusters include local household goods and services and local utilities.

Finally, this analysis identified several clusters that are underperforming in the Rochester region. Though the potential exists for these clusters to be successful in Canandaigua, special care and attention to these clusters may be warranted to prevent them from following the negative trends of the surrounding region. For traded clusters, these included communications equipment, publishing and printing (which is currently a large employer in Canandaigua), analytical instruments, production technology, plastics, metal manufacturing, and motor driven products.

Health Care:

As a major economic driver in the City, it is important to promote and assist health care initiatives designed to expand and upgrade the quality of health care in the community. Health care-related projects that should be supported include the creation and expansion of specialized care facilities, particularly assisted living and similar types of facilities aimed at providing effective and efficient services to an aging population.

Retail & Tourism:

Unlike the other industry targets, efforts to support and strengthen retail have less to do with working with individual firms and more with establishing the general conditions that allow retail to thrive and prosper, particularly as it relates to strengthening the retail experience in downtown Canandaigua. As

indicated in the analysis of the City's retail sector, the emphasis on "experience-based" retail ties the retail sector closely to the City's tourism sector. In the case of both industries, the City's efforts should seek to improve the experience of residents and visitors in the down town area.

A more detailed discussion of potential industry targets (particularly in manufacturing) is included in Appendix G.

Stakeholder Meetings & Interviews

Focus group sessions were held with stakeholders within key sectors of Canandaigua's economy. The sessions included a downtown merchants' stakeholder group, a tourism stakeholder group, a health services stakeholder group, and a focus group for the city's economic developers and planners. Each meeting highlighted strengths, weaknesses, opportunities, and threats inherent in Canandaigua's economy and specific to each respective sector and then identified a set of initiatives to pursue as part of the economic development strategy.

A full summary of the stakeholder meetings and interviews is included in the appendices.

The most frequently discussed themes that emerged from the focus group meetings and interviews can be categorized as follows:

1. Need for a clear vision for economic development in Canandaigua
2. Need to align activities/programs in support of that vision
3. Create Enhance Main Street/Downtown Experience
4. Link/coordinate downtown and Lakefront
5. Move from enforcement mindset to problem solving mindset
6. Many called for City to create pro-active capacity

The need to develop a clear vision for economic development in Canandaigua was a central theme in the majority of the stakeholder meetings and interviews. Creating a unified vision for the City would facilitate in the implementation of a comprehensive strategy. Discord between various economic sectors and stakeholders in the city was attributed by many to the lack of vision. A common focus would unify the community and create roles within which each sector of the economy could operate to promote Canandaigua. Many of the subsequent themes discussed at the meetings and interviews, including aligning activities and programs and linking the downtown and the lakefront, are feasible as a consequence of establishing a cohesive and clear vision.

The need to align activities and programs was discussed in relation to the previous theme of developing a central vision. One example provided was the possibility of coordinating store hours in the downtown to establish cohesion amongst merchants and promote Canandaigua's downtown retail experience for visitors. Similarly, a central vision would provide a general guideline for what type of Main Street/Downtown experience is fitting for Canandaigua. Stakeholders suggested, for example, that the Main Street streetscape be developed and that empty storefronts be filled in an effort to enhance the aesthetic appeal of the downtown and attract tourists.

Creating a coordinated effort between the downtown and the lakefront was strongly emphasized among stakeholder as one of the focuses the strategy should incorporate. Linking the lakefront and the downtown physically and fostering a cooperative mentality between the two would support the economic development of both so as to avoid the encroachment of one development effort over another.

Another common theme related to the current code enforcement practices in the City and how the effort should be made to move from a mindset of strict enforcement to a problem solving-oriented mindset. This change, in practice, would help foster a business-friendly environment and a network of support to help cultivate existing businesses. This idea is tied indirectly to the theme of establishing a pro-active capacity for development in the City. It was mentioned that the City lacks a central head of economic development and therefore the City's capacity to actively engage with businesses and address their needs is limited. Filling the position of a head of economic development is crucial for the City as it begins to implement an economic development strategy.

7. Real Estate Analysis

A key to fostering economic development in the City is assessing the potential to hosts expanded or new uses given the City's land product. This section reviews the real estate situation in the City and identifies potential opportunities for redevelopment.

Land Use Patterns: The land use patterns in the City are summarized in Figure 7.1. The 2002 Comprehensive Plan Revision for the City has an over of land use patterns that still pertains:

Over half the land area in the City is devoted to residential use, the large majority of that being detached single-family homes.

The city's industrial land is primarily limited to two large districts. An industrial district in Ward IV, in the northwest quadrant, covers approximately 150 acres and includes Canandaigua Wine. In Ward II, in the southeast quadrant of the city, is an industrial district that covers approximately 250 acres. This area is made up of a number of older manufacturing businesses and structures largely underutilized.

The City has almost 300 acres of parks, recreation and open space. Most of this is found in Ward II, in the southeast quadrant of the city and is associated with Canandaigua Lake or Muar Lake.

There are three primary commercial districts in the City: the historic downtown central business district, the Eastern Boulevard commercial strip, and the lakefront commercial area along Lakeshore Drive.

The downtown core is surrounded by districts that allow a mix of uses. North of downtown is a "Residential-Institutional" district, the home of City Hall, the County Court House and Office Building, the YMCA, Wood Library, a number of churches, and several homes that have been converted into professional offices. South of downtown is a district that includes a mix of heavy commercial, office, and residential use. . .

City of Canandaigua, *Comprehensive Plan, 2002 Amendment*, Adopted December 12, 2002, page 15.

The importance of linking the waterfront and the downtown area has been emphasized by stakeholders throughout this process. This can be addressed through creative redevelopment in several ways:

1. Should the parcel at the corner of South Main Street and Routes 5 & 20 (currently occupied by a shopping center and a branch of the Canandaigua National Bank) become available for redevelopment, the site could be re-used in a manner that continued the "Main Street" style of development (buildings fronting along Main Street and 5 & 20 with minimal setbacks) in a manner that reflects the existing setbacks and building placements found

along most of Main Street, This would help create a continuous physical linkage between the downtown and the waterfront.

2. Careful coordination of uses between the Downtown and Lakefront. A mixed-used lakefront development could potential strengthen Canandaigua as a visitor destination. Ensuring those uses complement the Downtown is essential. For example, the lakefront development could include uses with building footprints or densities that are not easily accommodated downtown (e.g., conference facilities, waterfront dining, high-end residential units, etc.). This could serve to bring new market segments to the City who could in turn (through proper promotions and physical linkages) be enticed to patronize businesses in the Downtown area.

Another issue identified early in the strategic planning process was the fact that the City may lack large vacant or under-utilized parcels that could be available for redevelopment. In fact, as highlighted by the dashed circle in Figure 7.1, the southeast quadrant of the City has a number of parcels over 10 acres that are either vacant or in low-intensity industrial use (e.g., warehousing). As shown in Figure 7.2 this area of the City has a relatively high concentration of parcels with values of less than \$25,000 per acre. In addition, these parcels can be access Route 5&20 via Saltonstall and Ontario Streets via County Route 10, avoiding any intrusion into residential neighborhoods.

This area of the City is also served by two important pieces of infrastructure. The Finger Lakes Railway route parallels Ontario Street and can serve the parcels nearby. In addition, the Axxcess Ontario open access broadband network is routed along Saltonstall Street, potentially providing direct access to many of these parcels.

In addition, this area includes Muar Lake and several areas designated as parks. This suggests that development in this area should be done in an environmentally sensitive manner. Even more, Muar Lake and the nearby parks are very desirable amenities. Any development in this area should seek to capitalize on these amenities in their design, thereby dramatically enhancing the value of the finished development.

Finally, it should be noted that the general mix of residential and nonresidential uses in the City is quite healthy. Maintaining and strengthening this mix is an important component to preserving and enhancing the vitality of the Downtown area.

Figure 7.1

City of Canandaigua, Land by Type

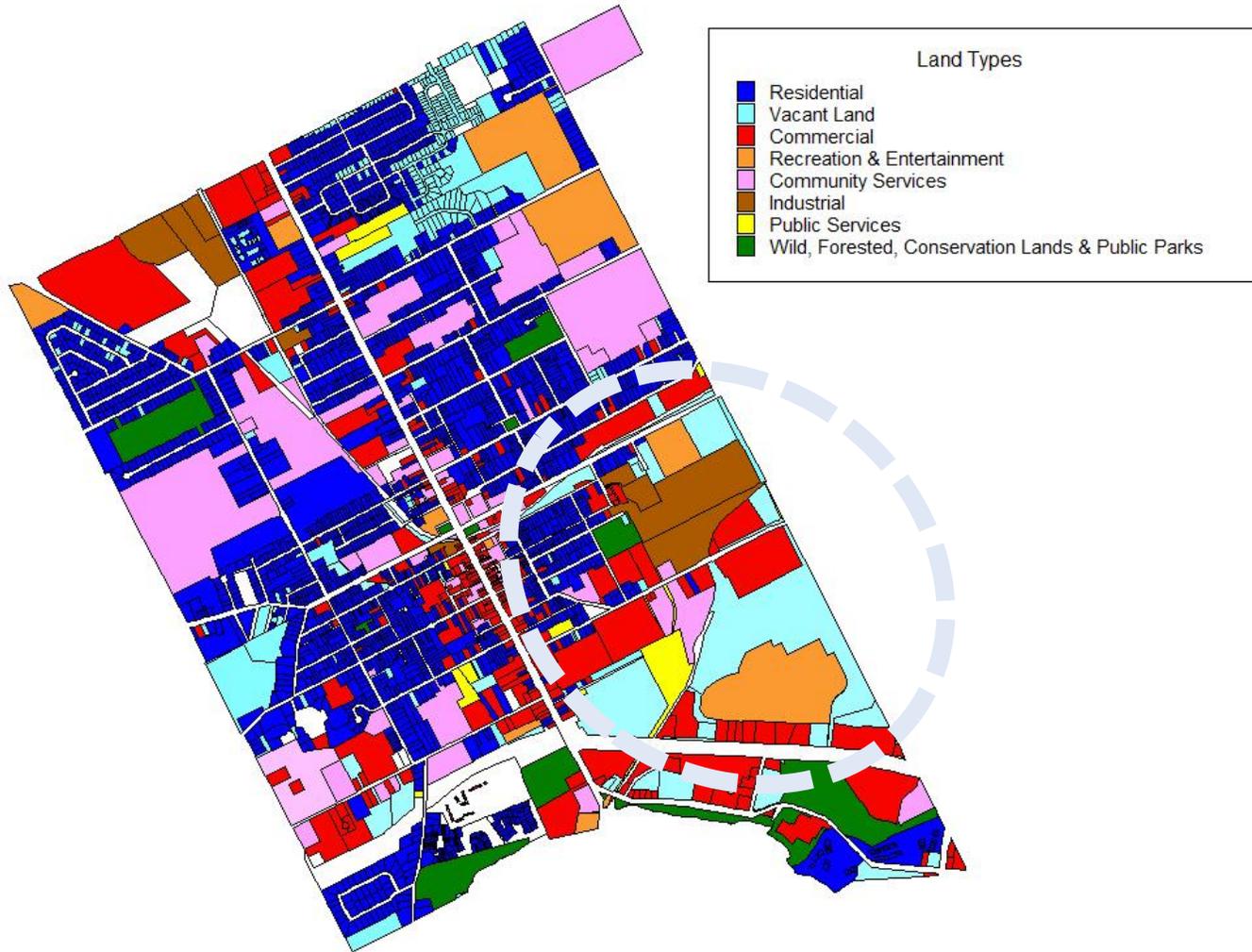
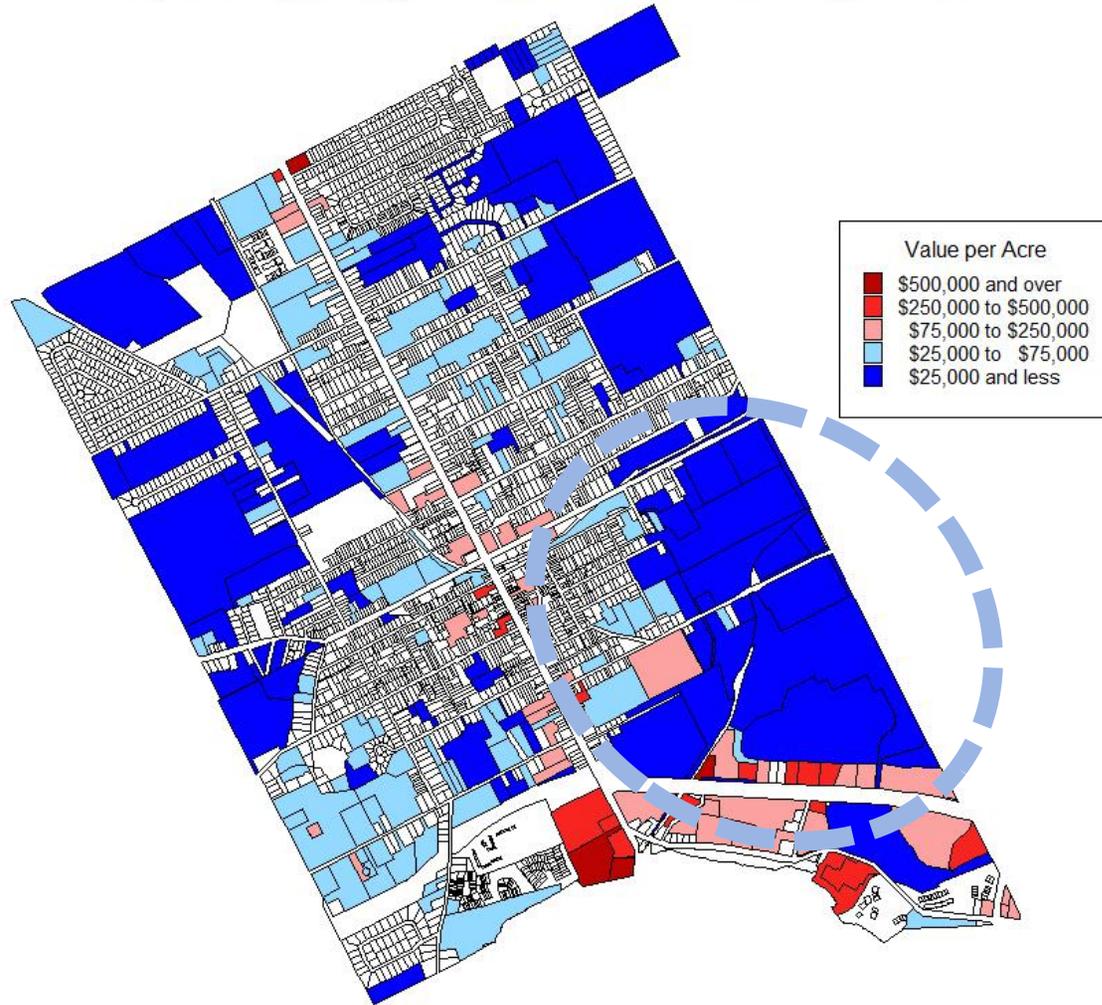


Figure 7.2

City of Canandaigua, Land Assessed Value per Acre



8. SWOT Analysis

A SWOT analysis for the City of Canandaigua was conducted using the data gathered from the foregoing analysis of regional and local economic trends as well as the information provided by Canandaigua's key stakeholders and the community at large. A SWOT analysis is a procedure for evaluating and assessing an organization or municipality in terms of its:

- **Strengths:** What does Canandaigua have that is an advantage for the city's economy and its key stakeholders?
- **Weaknesses:** What are the aspects of Canandaigua that may hurt its economy and make it less able to serve its stakeholders?
- **Opportunities:** What general economic, social, and demographic trends can Canandaigua take advantage of?
- **Threats:** What trends are present that might diminish the chances for economic success in Canandaigua?

Strengths

As made clear from the analysis and stakeholder assessments found in the appendices, the City of Canandaigua has many strengths including:

- **Strong local employers**, including Constellation Brands, Smart System Technology and Commercialization Center, Thompson Health, and GateHouse Media.
- **Strong regional clusters**, which manifest locally in Canandaigua, including:
 - The **Education and Knowledge Creation** cluster as represented by Finger Lakes Community College.
 - The **Local Hospitality Establishments** cluster tied into Canandaigua's tourism industry such as Steamboat Landing, the New York Wine and Culinary Center and the Inn on the Lake.
 - The **Local Health Services** cluster which is a large employer in Canandaigua, provides wages higher than the health services sectors in benchmark communities, and has a high level of sales per establishment.
 - The **Agricultural Products** cluster represented by Constellation Wines.
- The city's **tourism sector**, driven by the lake and wineries.
- An **active promotion of the City** through festivals and special events.
- A **culture of cooperation** embodying a spirit of volunteerism, leadership, and entrepreneurialism, cohesiveness among business owners, and a strong philanthropic capacity.
- An adequate **fiscal capacity** to afford services due to the city's high assessed value per square mile and a low proportion of tax exempt properties.
- **High quality government services** including the police department.
- A **high quality of life** deriving from the city's cultural and historical heritage, its proximity to the lake, its walking trails, and the general appearance, cleanliness, and sense of safety downtown.

Weaknesses

Considering Canandaigua's weaknesses are equally important in the process of creating an effective economic development strategy. The analyses identified the following weaknesses in the City's competitiveness for economic development:

- A **lack of clear vision** for the City of Canandaigua is at the root of many of the city's problems including the apparent lack of cohesiveness between the lakefront and the downtown, the lack of aesthetic appeal downtown, and the disconnect between the current local regulations, restrictions, and code enforcement policies and the goal of creating a nurturing, business-friendly environment.
- A **lack of commercial investment**, evident by the lack of hotels and the presence of empty storefronts downtown, could hinder Canandaigua's tourism potential.
- A **lack of residential investment**, evident by the older housing stock and limited high-quality apartments in the downtown, could diminish Canandaigua's high quality of life and deter young professionals from moving into the city.
- A **lack of pro-active capacity** necessary if the City seeks to take full advantage of its diverse economic assets. While City government cannot produce economic development by itself, it can work to create the conditions that make it easier for businesses and residents to succeed.
- The perception that the City's **code enforcement practices are not business-friendly**. Business people in a wide variety of sectors indicate that, while the City's regulations themselves are by in large reasonable, too often enforcement focuses on punishment, rather than problem-solving.

Opportunities

The opportunities facing Canandaigua are almost all related to assets that already exist in the City. These include:

- **Industry Targets** defined in the economic analysis section of the appendices include:
 - Manufacturing & Business Services
 - Health Care
 - Tourism & Retail, including opportunities to continue to draw second homeowners on the lakefront into the city.
- **Physical targets** to be developed and utilized including:
 - 2nd and 3rd floors of buildings in the downtown area
 - Vacant and underutilized properties in the South East of the City
- **Cultivation of large employers/institutions** including:
 - Constellation Brands, Smart System Technology and Commercialization Center (STCC), Thompson Health, and GateHouse Media
 - Finger Lakes Community College and SUNY College of Nanoscale Science and Engineering overseeing the STCC.

- Local institutions such as the Constellation/Marvin Sands Performing Arts Center and the New York Wine and Culinary Center which draw important market segments into the City for tourism and retail purposes.
- Finger Lakes Community College which has the potential to enhance the City's capacity for workforce development and cultural offerings
- **Coordination with Ontario County's technology-led economic development strategy**, including taking advantage of the broadband available in the County and creating "third places" to encourage solo workers and telecommuters into the city.

Threats

There are several threats to the City of Canandaigua's economic success that must be taken into consideration. These include:

- **Failing to maintain and strengthen the shopper and tourist experience in the downtown**, which could result in increased competition from other tourism destinations and the loss of retail business to large franchises and malls. This could lead to the loss of Canandaigua's small-town feeling, persistent empty storefronts, and discord between the lakefront and the downtown.
- **The aging of the population**, which is a result of both a growing older population and a tendency for the younger population to leave the city due to lack of jobs.
- An **increased tax burden/loss of fiscal capacity** resulting from the inability to take full advantage of development potential in the city.
- **Regional Weaknesses in Industrial Clusters** that could negatively affect otherwise strong businesses in the city. Clusters that appear to have weaknesses regionally include:
 - Communication Equipment
 - Publishing and Printing
 - Analytical Instruments
 - Production Technology
 - Plastics
 - Metal Manufacturing
 - Motor Driven Products

Note that both Publishing and Printing and Plastics are major employing sectors in the City.

- A **lack of diversification in key sectors of the City's economic base**, which is the "flip side" of the City's traditional economic strengths. Health care dominates the City's employment sector. Manufacturing employment in Canandaigua is concentrated in a handful of large firms. These are important assets for the City and need to be retained and grown. But, it is equally important that Canandaigua develop other sources of employment and wealth to ensure its economic health does not rest with only a few types of businesses.

Appendix B: Traded Cluster and Local Cluster Descriptions

City of Canandaigua Economic Development Partnership

Table B.1

Source: Prof. Michael E. Porter, Cluster Mapping Project, Institute for Strategy and Competitiveness, Harvard Business School; Richard Bryden, Project Director

Traded Clusters by Subclusters

Agricultural Products	Farm Management and Related Services Irrigation Systems Packaging Fertilizers Agricultural Products Wine and Brandy Milling and Refining	Medical Devices	Surgical Instruments and Supplies Dental Instruments and Supplies Ophthalmic Goods Medical Equipment Diagnostic Substances Biological Products
Analytical Instruments	Laboratory Instruments Optical Instruments Process Instruments Search and Navigation Equipment Electronic Components	Metal Manufacturing	Fabricated Metal Products Metal Alloys Precision Metal Products Fasteners Wire and Springs Metal Processing Iron and Steel Mills and Foundries Nonferrous Mills and Foundries Metal Furniture Environmental Controls Pumps General Industrial Machinery Saw Blades and Handsaws Laundry and Cleaning Equipment
Automotive	Motor Vehicles Automotive Parts Automotive Components Forgings and Stampings Glass Production Equipment Small Vehicles and Trailers Marine, Tank and Stationary Engines	Motor Driven Products	Motors and Generators Batteries Motorized Equipment Refrigeration and Heating Equipment Appliances Specialized Pumps Specialized Machinery Tires
Business Services	Management Consulting Online Information Services Computer Services Computer Programming Printing Services Marketing Related Services Professional Organizations and Services Engineering Services Facilities Support Services	Plastics	Plastic Materials and Resins Plastic Products Paint & Coating Synthetic Rubber
Communications Equipment	Communications Equipment Electrical and Electronic Components Specialty Office Machines	Processed Food	Milk and Frozen Desserts Baked Packaged Foods Coffee & Tea Processed Dairy and Related Products Meat and Related Products and Services Flour Specialty Foods and Ingredients Milling Candy and Chocolate Malt Beverages Paper Containers and Boxes Metal and Glass Containers Food Products Machinery
Distribution Services	Merchandise Wholesaling Apparel and Accessories Wholesaling Catalog and Mail-order Food Products Wholesaling Farm Material and Supplies Wholesaling Transportation Vehicle and Equipment Distribution	Production Technology	Machine Tools and Accessories Process Equipment Sub-systems and Components Process Machinery Industrial Patterns Fabricated Plate Work Industrial Trucks and Tractors Ball and Roller Bearings
Education and Knowledge Creation	Educational Institutions Research Organizations Educational Facilities Lessors of Other Nonfinancial Intangible Assets Supplies	Publishing and Printing	Publishing News Syndicates Signs and Advertising Specialties Photographic Services Photographic Equipment and Supplies Media Representatives Printing Services Printing Inputs Paper Products Specialty Paper Products Inked Paper and Ribbons Office Equipment and Supplies
Entertainment	Video Production and Distribution Recorded Products Entertainment Equipment Entertainment Related Services Entertainment Venues	Transportation and Logistics	Air Transportation Bus Transportation Marine Transportation Transportation Arrangement and Warehousing Transportation Support and Operations Airports
Financial Services	Depository Institutions Securities Brokers, Dealers and Exchanges Insurance Products Real Estate Investment Trusts Passenger Car Leasing		
Heavy Construction Services	Final Construction Subcontractors Primary Construction Materials CeramicTile Equipment Distribution and Wholesaling Fabricated Metal Structures and Piping Explosives		
Hospitality and Tourism	Tourism Attractions Tourism Related Services Water Passenger Transportation Scenic & Sightseeing Transportation Accommodations and Related Services Boat Related Services Ground Transportation		
Information Technology	Computers Electronic Components and Assemblies Peripherals Software Communications Services Fiber Optic Cable		

Table B.2

Source: Prof. Michael E. Porter, Cluster Mapping Project, Institute for Strategy and Competitiveness, Harvard Business School; Richard Bryden, Project Director

Local Clusters by Subclusters	
Local Commercial Services	Advertising Services Local Professional Services Printing Services Laundry and Linen Services Building Support Services Miscellaneous Repair Services Security Services Testing Laboratories Stationery and Office Supply Wholesaling Stationery and Office Supply Retailing Commercial Equipment Distribution Corp, Subsidiary & Regional Managing Offices
Local Community and Civic Organizations	Trusts Social Service Organizations Business Associations Labor Organizations Political Organizations Religious Organizations
Local Education and Training	Elementary and Secondary Schools Job Training Services Recreational and Other Services
Local Entertainment and Media	Newspapers Electronic Media Movie Theatres Book and Periodical Wholesaling Book and Periodical Retailing Sporting and Recreational Goods Wholesaling Music Retailing Sporting and Hobby Retailing Video Rental Electronic and Photographic Retailing
Local Financial Services	Deposit-taking Institutions Pension, Health, and Welfare Funds Insurance Agents and Brokers Tax Return Preparation Services Credit and Collection Services
Local Food and Beverage Processing and Distribution	Food Wholesaling Retail Food Stores Tobacco Wholesaling Tobacco Retailing Beer, Wine, and Liquor Wholesaling Vending and Direct Selling Bottled and Canned Soft Drinks Beer, Wine, and Liquor Retailing
Local Health Services	Healthcare Provider Offices Hospitals Medical Laboratories Home and Residential Care Funeral Service and Crematories Medical Equipment Distribution and Rental Drug Stores Ophthalmic Goods Wholesaling Optical Goods Retailing
Local Hospitality Establishments	Hospitality Establishments Recreational Facilities Gifts and Souvenirs Retailing
Local Household Goods and Services	Landscape and Horticultural Services Radio and Television Repair Appliance Wholesaling Appliance Retailing Hardware Wholesaling Hardware Retailing Gardening Products and Supplies Wholesaling Gardening Products and Supplies Retailing Furniture and Homefurnishings Wholesaling Furniture and Homefurnishings Retailing
Local Industrial Products and Services	Industrial Repair Services Industrial Products and Services Wholesaling Industrial Machinery and Distribution Miscellaneous Equipment Rental and Leasing
Local Logistical Services	Local Passenger Transportation Local Transportation Services Warehousing Services Truck Leasing
Local Motor Vehicle Products and Services	Automotive Wholesaling Automobile Dealers Other Motor Vehicles Distribution Automotive Repair Shops Gasoline Stations Parking Services Other Automotive Services Automotive Parts Wholesaling Automotive Parts Retailing
Local Personal Services (Non-Medical)	Cleaning Services Hair Care Services Photographic and Photofinishing Services Repair Services Child Care Services Other Personal Services Personal Products Retailing
Local Real Estate, Construction, and Development	Real Estate Services Architectural Services General Contractors Developers Specialty Contractors Highway and Street Construction Concrete Products Construction Materials Wholesaling Construction Materials Retailing Building Equipment Distribution
Local Retail Clothing and Accessories	Apparel Retailing Jewelry Retailing General Merchandise Retailing Sewing, Needlework, and Piece Goods Retailing Luggage Retailing
Local Utilities	Communications Services Electric Power Gas Production and Distribution Petroleum Products Distribution Liquefied Petroleum Retailing Sanitary services

Appendix C: Stakeholder Focus Group Results

Focus group sessions were held with stakeholders within key sectors of Canandaigua's economy. The sessions included a downtown merchants' stakeholder group, a tourism stakeholder group, a health services stakeholder group, and a focus group for the city's economic developers and planners. Each meeting highlighted strengths, weaknesses, opportunities, and threats inherent in Canandaigua's economy and specific to each respective sector and then identified a set of initiatives to pursue as part of the economic development strategy.

Agenda:

Introductions
Goals & Background of the Strategic Economic Development Plan
The 2010 City-wide SWOT Analysis
An Overview of Key Sectors
Exercise: Business-Specific SWOT Analysis
Exercise: Business-to-Business Opportunities
Defining Key Initiatives
Wrap Up & Next Steps

Each meeting started with everyone briefly introducing themselves. Peter Fairweather then explained the goals of Canandaigua's strategic economic plan to strengthen economic vitality, increase fiscal capacity, and create a partnership with a sustainable commitment to action. The purpose of each meeting was to highlight the City of Canandaigua's strengths, weaknesses, opportunities, and threats in a SWOT analysis and then apply that same analysis to downtown businesses and commerce specifically. The goal of the meeting was to end with a list of key initiatives for the City to go forward with on the path towards economic development.

Attendees were provided with a 2010 City-wide SWAT Analysis developed by the Council highlighting the Strengths, Weaknesses, Opportunities, and Threats of the City of Canandaigua and were asked to comment on any of the items on the lists.

Downtown Merchants' Session

July 19, 2011: 8:15 AM - 9:45 AM, Canandaigua Chamber of Commerce

Attendees (5):

Name	Organization
Aimee Ward	Finger Lakes Gallery
Elizabeth Winter	Canandaigua BID
Jim Wolfe	Canandaigua BID
Alison Grems	Chamber of Commerce
Richard Brown	City Development and Planning

Strengths

Low Property Tax

It was agreed that, in reference to Strength #5, the property taxes in Canandaigua aren't very low when it comes to school taxes, although the City tax rate is low. There was consensus, however, that even a higher property tax would be an asset if the City had a reputation for the highest possible quality of life and high quality schools, because people would be willing to pay those higher property taxes for an exceptional quality of life.

Form of Government

The city government was acknowledged as a huge strength. One attendee stated that Canandaigua has the best functioning local government.

Culture of Volunteerism and Philanthropy

The group agreed that Canandaigua has a strong spirit of volunteerism. They stated that people are willing to invest in the community if they find something important to invest in, i.e. a library or hospital fundraising event. It was further noted that City residents tend to be proactive about issues they deem important and are not likely to stand by passively and comment and what should be done.

The group agreed that there was still the potential to get more members of the community, mainly the largest business owners, to engage in philanthropy. One idea for engaging these members of the City was to create a development corporation or consortium which would act as the middleman and present several projects which they might be interested in getting involved with.

Wide Range of Business Opportunities & Environments

Disagreement was expressed over the idea that there are a wide range of business opportunities in Canandaigua. One attendee communicated a wish that there were more locally-owned businesses and more opportunities for local investment.

Another attendee agreed that there are a wide range of business opportunities but that there is a lack of funding streams necessary for those looking to open up business. The consensus was that there is a need for more small business development using small business loans and grants.

Entrepreneurial Spirit

All attendees agreed that there is a huge entrepreneurial spirit in Canandaigua. The City is the base for huge companies such as Wegmans Foods and Constellation Brands.

Locally-owned businesses were considered a huge strength to Canandaigua as local, “home-grown” business owners are more likely to be engaged and concerned about the welfare of the community.

Educated Workforce

A question was raised as to whether Canandaigua has an educated workforce and whether the Infotonics industry was going to be successful.

Peter Fairweather indicated that the workforce was indeed high quality. The Finger Lakes Community College then became the topic of conversation. It was agreed that there is a very strong synergistic relationship between the college and the City whereby the college will build on the strengths of the community, as seen by their introduction of programs in horticulture and culinary arts. The college was acknowledged as another strength and an opportunity for Canandaigua.

Weaknesses

Infrastructure

Though it was acknowledge that Main Street has a good foundation (a wide street, sidewalks, good architecture, historic buildings, and parking lots) the group expressed a lot of concern over the number of vacant properties on Main Street and how they contribute to the impression that downtown is empty.

This problem was attributed to properties being bought by landlords who do not invest in the property to improve its condition. Sentiment was expressed over the possibility to create zoning legislation within the BID to make property owners accountable so that they cannot just buy up a property without the commitment to reinvest.

These empty properties were considered as both weaknesses and potential opportunities for development. The use of grants to package spaces between established anchor stores and renovate empty spaces was brought up as a possible way to upscale and restore these storefronts. This solution has had great success in Livingston County.

Apartments/Housing

A conversation arose surrounding the history of the conversion of empty spaces in 2nd and 3rd stories of buildings into office spaces which were then converted since the 70s into substandard apartments.

The group agreed that the quality of the available apartments downtown is inadequate in terms of infrastructure and lack of parking and suggested that landlords should upscale these apartments to attract higher quality tenants. The City's ability to provide high quality housing, was agreed, would dictate the City's ability to attract young professionals to the area.

Threats

Vacant Storefronts

The issue of vacant storefronts was brought up repeatedly and the problem was attributed to a mismatch between the rents prospective tenants are willing to pay and the landlords' expectations of what rent should be. In particular, some storefronts were mentioned as examples of properties where high rents inhibited businesses from staying there on a long-term basis.

Competition from Large Franchises/ Malls

It was suggested, the competition from large franchises and mall strips is a threat to small business downtown. A study done several years ago found that the population of the area was primarily "discount oriented" meaning they were more likely to buy discounted products at large franchise stores than buy more expensive specialty items at smaller downtown establishments. It was questioned whether this discount orientation still applied to the population of Canandaigua today. Another concern among the group was that the operating hours of most downtown businesses are not complimentary to the needs of most working people. 80% of downtown business close at 5pm, which is when most workers get off from work, so workers are left with no option but to shop at larger stores such as Wal-Mart. It was recommended that downtown businesses follow a unified management style similar to that of mall complexes.

One attendee suggested that a mix of locally-owned businesses with smaller franchises could potentially draw in more business.

Having a specialty or niche was suggested as the key to competing with some of the bigger franchises.

Traffic

Truck traffic was mentioned as an issue and interference in the creation of a pleasant shopping experience downtown. This has been an issue brought up in the past but the idea of creating a bypass was rejected. Most downtown industries want the traffic running down Main Street even if that includes trucks. It was mentioned that the DOT should be involved in this issue.

Opportunities

Several buildings were mentioned as opportunities for potential development.

- It was suggested that a building could be converted into a retail-based wine museum with the history of the wineries in the Finger Lakes Area

The opportunity to use the 2nd and 3rd floors of building was also a common idea within the group.

The opportunity to engage the community and college in philanthropy downtown to help make some of these restorations was also mentioned. The group agreed that establishing a greater presence of the Finger Lakes Community College downtown would be beneficial to the community.

Following the SWOT analysis was a conversation geared towards identifying the next steps the City must take towards developing its downtown economy. The following list is what was suggested by the group:

1. Creating a Shopping Experience (Experience-based retail) by improving Main Street infrastructure and streetscape
 - a. This discussion included the central idea of revamping Main Street in a way that will impress upon visitors and shoppers a certain charm as to retain the inflow of business.
 - b. It was suggested that creating an attractive streetscape with improved sidewalks, benches, green spaces, and more trees is essential to this effort. The group agreed that the landscaping must be well thought out and must not be a cheap temporary fix.
 - c. Suggestions for developing better restaurants and outside dining opportunities (i.e. sidewalk cafes)
2. Filling one of the vacant buildings and creating a large anchor for specialty retail in the area.
3. Maintaining a culture of small, locally-owned, unique businesses in order to maintain and cultivate Canandaigua's reputation as distinct from other towns and small cities.
4. Creating and cultivating a vision and reputation for Canandaigua to disseminate throughout the region.
5. Attracting high quality investors who will purchase a property and commit to redevelop it.
6. Using 2nd and 3rd floors of buildings for potential upscale apartments or offices.
7. Fostering a healthy business climate by improving communication and creating strong linkages businesses and the City.
8. Creating a better connection between lakefront and downtown both in terms of walkability and in terms of fostering a partnership between businesses on both ends.

The meeting concluded with the suggested that a survey be created as a way to reach out to merchants in the area and get their opinions on the topics discussed at this meeting.

Tourism Stakeholder's Session

July 19, 2011: 12:00PM – 1:30PM, Canandaigua Chamber of Commerce

Attendees (5):

Name	Organization
Jeanne Fagan	Professor of Tourism Management, Finger Lakes Community College
Paul Friend	Granger Homestead and Carriage Museum
Dan Fuller	Bristol Mountain/ Roseland Park
Alison Grems	Chamber of Commerce
David Hutchings	Sonnenberg Gardens

Strengths

The Lake

The lakefront was considered one of Canandaigua's greatest assets in terms of its ability to attract tourists.

Finger Lakes Community College

The community college was established as a strength of Canandaigua as it not only educates the workforce but provides conference and meeting space, which the group identified later as lacking within the city.

Historical Architecture

The group agreed that the Victorian-style architecture of Canandaigua was one of the assets which distinguishes Canandaigua from other small cities and towns and that it should be preserved to maintain Canandaigua's distinct personality.

Cultural Heritage

Canandaigua's cultural heritage and landmarks were seen as assets in the promotion of the City's image and the tourism industry.

Cohesiveness among Business Owners

One of the strengths of Canandaigua's business community was identified as the cohesiveness, strong communication, and networking among the City's business owners. Business owners were described as benevolent and caring with respect to their willingness to help other business owners. Their concern involvement in the community was attributed to a strong sense of being anchored and rooted within Canandaigua.

The opportunity to promote further partnerships between businesses was also noted.

Weaknesses

Local Regulations and Restrictions

Local regulations and restrictions were seen by some members of the group as a hindrance to local businesses and tourism. It was proposed that the purpose of these regulations should be to better promote an understanding of how to operate within the law rather than strict enforcement of those regulations. Such rigid enforcement tends to create a disincentive for both businesses and tourists.

Lack of Clear Vision

The idea that the city lacks a clear vision was brought up repeatedly within the group. It was perceived as a huge obstacle in the development of Canandaigua's tourism economy as it contributes to the City's lack of emphasis and promotion of tourism in the area. It was stated that a disconnect exists currently between the visions and needs of different sectors of the economy and the City.

A clear vision for the City would unify the community and create roles within which each sector of the economy could operate to promote this vision. A specified role for the tourism economy within Canandaigua would promote the industry's development and foster support for the industry within the community.

It was further suggested that having a clear vision for the City and cultivating a high quality reputation will help in the promotion of a higher quality of life.

Lack of Hotel Rooms and Conference Facilities

The lack of hotel rooms and conference facilities was agreed upon as a major impediment to tourism as it was noted that both business visitors and leisure visitors contribute to the tourism economy.

Canandaigua was seen by the group as having the potential to successfully hold substantial conference facilities. The opportunity for building such facilities was seen on as a worthwhile goal for the City.

Lack of Family Friendly Activities

The lack of family friendly and kid friendly activities was noted as a weakness of Canandaigua. It was mentioned that some of the tourist organizations were making efforts in this direction by building kid friendly trails.

Opportunities

Investment in Tourism

Investing in tourism within the city creates an image of a high quality of life in the area and, it was proposed, could be an opportunity to attract new residents and tourists to the area.

Attracting new tourists also creates a multiplier effect within the local economy as tourists spend money on shopping, food and accommodation and bring money into the area without taxing the City's resources.

Events

It was suggested by the group that the City hold more events as an opportunity to attract a higher inflow of tourists. However, the discussion centered on the City's mistaken perception that the costs for staffing such events outweigh the benefits of having tourists come and spend money within the City.

Membership

Increasing local membership within tourism organizations was noted as an opportunity to increase the number of visitors to a specific cultural landmark. Membership by Canandaigua's local residents in such organizations would promote their involvement within these tourism organizations and create an incentive for members to invite friends and family with discounts and other offers.

Work from Home

Embracing more opportunities for people to work from home was highlighted as a potential opportunity for increasing the number of young residents in the City. The threat of young people leaving Canandaigua due to lack of jobs could be somewhat rectified through increasing the opportunities for people to work from home. The ability to work from home was stated as one of the most important things young professionals look for in a job.

Canandaigua's connection to Axxess Ontario makes the city a logical location for such opportunities.

Wine Industry

It was suggested that the City make a greater effort to incorporate the wineries and the history of wine in the region into the City because the wine industry is a large attraction. One recommendation was to open up tasting rooms within the city.

Threats

Aging Population

The group raised concern over the increase in the aging population in the area and saw it as a threat to the vitality of the community.

Brain Drain

Along with the idea of an aging population came the discussion of a local "brain drain" phenomenon whereby the younger population of Canandaigua is forced to leave the area due to lack of jobs. One attendee commented that most of the tourism students at FLCC leave the area after graduation.

Though most members of the group agreed that there is lack of opportunities for young people seeking jobs in Canandaigua, it was also suggested that there exists a disconnect or lack of knowledge within young people about the opportunities that are available within the region.

Perception of Distance from Rochester

This threat was highlighted with respect to the lack of knowledge by residents of Rochester about the whereabouts or existence of Canandaigua. Most tourists were identified as coming from Niagara Falls, Buffalo, Ohio, and Pennsylvania although Rochester is less than an hour away. This was considered as an opportunity to focus efforts at marketing Canandaigua to tourists from Rochester.

Following the SWOT analysis was a conversation geared towards identifying the next steps the City must take towards promoting development in the tourism sector and Canandaigua as a whole. The following list is what was suggested by the group:

1. Creating a unified vision for the City and aligning the incentives of all sectors of the City in order to meet that unified goal.
2. Diversifying Canandaigua's tourism package by promoting of the City's unique restaurants, promoting the City's history and cultural heritage, and improvement of the City's streetscape all in an effort to create a memorable experience in Canandaigua.
3. Gearing code enforcement towards problem solving and not strictly enforcement.
4. Building a cohesive relationship between downtown and lakefront businesses in order to promote the growth and development of both.

Health Services Stakeholders' Session

July 19, 2011: 3:00 PM – 4:15 PM, Thompson Health Board Room

Attendees (7):

Name	Organization
Mary Beer	Ontario County Public Health
Jim Wright	Canandaigua Medical Group
Mark Prunoske	Thompson Health
Sharon M. Pepper	Thompson Health
Bonnie Ross	Thompson Health
Carlos Ortiz	Thompson Health
Linda Farchione	Thompson Health

Strengths

Leadership

The leadership, involvement, and philanthropy of key leaders in the community was noted as one of Canandaigua's biggest strengths and was suggested to contribute greatly to the development of the City. The Wine and Culinary Center was brought up as an example.

Attractive Main Street

According to one attendee, Canandaigua's Main Street is one of the most attractive downtown main streets in New York State. Canandaigua's Main Street is not deserted compared to others.

History of Canandaigua

The history of Canandaigua, especially with respect to its involvement in the women's rights movement, was noted as an asset of the City for its potential to attract visitors. One example that was brought up was the fact that Susan B. Anthony was tried in the Canandaigua courthouse. It was suggested that the City work with the Historical Society to bring some of the City's history into the forefront. A suggestion was that historical tours of the City be initiated.

Police Department

One attendee remarked that Canandaigua had a very efficient police department as noted by the low crime rates in the area. Low crime rates and the perception of safety have the potential to attract new residents.

The Presence of Continuing Care Facilities

Thompson Health provides some alternatives to traditional nursing homes including, an adult day care program and an assisted living facility.

However, another attendee suggested that what is really needed in terms of alternatives to health care is at home care for elders, a least costly alternative. The robustness of the existing services of this type and ability for the county or city to provide and sustain these types of services was questioned.

Focus on Wellness

Health services and other groups in Canandaigua have a strong emphasis on wellness programs which incorporate walking trails from Main Street to the lake.

The natural beauty of the area was noted as an asset to promote wellness as it lends itself to outdoor activities and contributes to a higher quality of life. A walkable downtown is good for business as well as the health of the community.

Weaknesses

Lack of Transportation

The lack of after-hours transportation services was noted as a key weakness in the community. Taxi cabs, for example, do not run past 9pm which makes it difficult for people discharged from the ED to get home or for someone to be transported into the Thompson Health facilities from another facility.

Lack of Communication

The lack of communication about services available within the area was also stated as a weakness. The local newspaper was stated as being limited in terms of the issues they cover and the local newsletter is relatively new and not fully developed or reliable.

Another attendee added that the local paper does not have a reputation comparable to that of the Rochester newspaper, and that there is no local TV station in Canandaigua, besides the college TV station which is underdeveloped.

Lack of Mental Health Services

The lack of mental health services in Canandaigua was brought up repeatedly throughout the meeting. A concern was stated specifically in relation to taking care of Canandaigua's youth and the ability to have the resources to help younger populations with autism, a growing epidemic in the United States, and youth with behavioral problems. A lot of the responsibility in this area is being handed to schools, but with cuts in education budgets, these in school services are in jeopardy as well.

The lack of mental health services was also noted as having potential effects on local prisons.

Vacant Storefronts Downtown

Though the attractiveness of Main Street was formerly added to the list of Canandaigua's strengths, one attendee brought up that the number of empty storefronts on Main Street is a definite weakness although it also renders an opportunity to bring in new businesses.

One suggestion was that more boutique-type stores should inhabit those empty store fronts because those are the types of stores that attract shoppers to Canandaigua.

Main Street's location so close to some of the cities less appealing neighborhoods was also noted as one of its weaknesses.

Along with the need to fill storefronts, a need to remodel and landscape the Main Street streetscape was expressed, especially with respect to maintaining a consistency of style

Lack of Housing

The lack of new housing/apartments within the City of Canandaigua was criticized and it was suggested that this weakness can deter younger populations from wanting to live in Canandaigua.

Lack of a Clear Vision

One attendee asked, “Does Canandaigua have a tagline?” and commented on the fact that the sign that welcomes you into the City of Canandaigua is missing this tagline, the statement that summarizes what the city of Canandaigua is.

The lack of a clear and unified vision within the city was seen as a hindrance especially when trying to attract tourists and new residents.

Threats

Malls and Plazas Downtown

The competition from mall strips and plazas was noted as a threat to the livelihood of small downtown stores. One attendee commented however, that small businesses would be able to compete as long as they stayed unique.

Workers Commuting to Rochester

The fact that a lot of Canandaigua’s residents work in Rochester was seen as a threat to commerce and health services in the city. It was explained that because workers spend so much time where they work they are more likely to do shopping where they work during their lunch breaks or to schedule certain types of medical appointments in the vicinity of their place of work.

It was suggested that the City work with the Historical Society to bring some of the City’s history into the forefront. A suggestion was that historical tours of the City be initiated.

Health Care Reform/ Cuts to Medicare and Medicaid

Impending reforms to health care and cuts to Medicare and Medicaid were the topics of large concern for the group. They questioned Canandaigua’s health sector and its ability to maintain the large percentage of jobs it currently holds within the community.

Increase in the Aging Population

Aging population is going to be a huge tax burden on the residents of Canandaigua as the population of elders increases and funds for Medicare and Medicaid are cut. Additionally, as young people leave the state and the area, Canandaigua will encounter problems in maintaining a provider workforce and providing needed services to seniors.

There was an expressed need to attract younger people into the areas so as to prevent the slow decline in development within Canandaigua on all social and economic fronts. One suggestion for attracting

young professionals was to develop packaged deals for new residents which would include housing, banking services, etc.

Opportunities

Regionalizing Health Care

The potential to create a regional system of health care was suggested as a way to better service the City and surrounding areas and combat the potentially hazardous effects of health care reform and budget cuts.

Creating Partnerships between local Health Care Providers

A previous partnership between Thomas Health and the Veterans Association was said to have diminished over the years and any opportunity to rekindle this relationship was suggested to be beneficial to the health sector of Canandaigua as it would promote the sharing of services between the two facilities.

Community Philanthropy

The opportunity to raise funds by drawing from the philanthropic spirit of the community and securing the involvement of the City's political officials was suggested as a potential strategy against decreases in working population and health service cuts.

Alternatives to Traditional Nursing Homes

Some members of the group suggested that the current facilities offering alternative care for elders weren't sufficient to meet the demand in the near future, and it was therefore posed both a concern and a potential opportunity for how best to serve a growing population of seniors with limited resources.

Greater Canandaigua Region

It was suggested that creating a partnership between Canandaigua and surrounding communities in order to create and promote idea of a "Greater Canandaigua Area" would help foster growth in Canandaigua and provide an image for the area.

Following the SWOT analysis was a conversation geared towards identifying the next steps the City must take towards promoting development in the health services sector and in Canandaigua as a whole. The following list is what was suggested by the group:

1. Maintaining and advancing quality of life in the City through the development of new business, developing and maintenance of health services in order to attract young professionals into the area.
2. Development of Senior Home Care services to offset costs of traditional nursing homes.
 - a. This would include helping seniors maintain their old homes.
3. Creating the image of a Greater Canandaigua Area by fostering a partnership between Canandaigua and neighboring areas.
4. Improving communication especially with regards to making sure that Canandaigua's residents are aware of the health services available in the area.
5. Creating a clear, structured vision for the City and holding various sectors accountable for upholding that vision.
6. Making sure that the health sector continues to grow in order to stay competitive and meet the needs of the region.
7. Integrating health, wellness, and economic vitality in order to create the highest possible quality of life.
8. Enhancing the knowledge of local history to promote local pride and a sense of community and foster both economic and social growth.

Planners and Economic Developers' Session

August 2, 2011: 3:00 to 4:30PM, Canandaigua Chamber of Commerce

Attendees (8):

Name	Affiliation
Richard Brown	City of Canandaigua
Kay James	City of Canandaigua
Kris Hughes	Ontario County
Tim Jensen	Town of Canandaigua
Rich Rising	Harris Beach
Robert Lowenthal	Canandaigua National Bank
Russ Kenyon	Canandaigua Chamber
Mike Manikowski	OCIDA

The following is an overview of key topics discussed during the meeting:

What is the niche for the City?

- It was pointed out that the County has been successful growing an attracting a variety of industries in the vicinity of Canandaigua. The question was raised whether we could put related industry in the city?

- As part of discussing the City's niche in economic development, the question was raised whether the City can handle the infrastructure of the City Waterfront properties.
- On a related note, the group discussed whether the City handle basic urban infrastructure without partnerships that extend outside the City boundaries to the County, etc.?

Strengths: Several key economic strengths/anchors for the City were identified:

- Canandaigua Wine headquarters, and manufacturing operations
- Canandaigua National Bank
- Health care sector particularly Thompson Health and the VA Hospital
- The role that FLCC programs could play in fostering economic activity in the City
- Potential for purchase of goods and services?
- Lisk properties and rail connection through Downtown suggest that there may be the potential to redevelop a Brownfield site focused on rail connections as an attractive option for some industries (although much of the Lisk site itself is used by Commodore Plastics)

It was suggested that, in order to take full advantage of these strengths there is a need to focus on business development and expansion within the City.

Weaknesses and Constraints: During the discussion the following weaknesses and/or constraints facing Canandaigua were identified:

- While discussing the SWOT analysis, the group touched upon the lack of vacant land in the City and the approach was raised to erase the boundaries because of vacant land just outside the city that could accommodate new development.
- The Lack of an Economic Development system in City Government. There is a need to build local capacity within City government as part of coordinated effort. It was noted that the sales tax formula change has helped with collaboration (since all municipalities now get "a piece of the change" from retail development projects).
- Inherent constraints: old infrastructure; constrained tax base, given the lack of large-footprint sites for "green field" development, and that the cost of adaptive reuse is often higher than the green field development. This raised the question of how the City could get on a level playing field with other locations in terms of redevelopment.

Opportunities: The discussion focused on cooperation and collaboration with surrounding communities as an important opportunity. This raised the following questions and issues:

- GateHouse Media and the SUNY College of Nanoscale Science and Engineering as potential economic assets for the City.

- City is still a gathering place of institutional presence/ not for profits and that function can help draw economic activity downtown.
- Would it be possible to create a common regional focus to promote economic development in the Canandaigua area?
- This effort must recognize and respect home rule while trying to move projects forward in the City by encouraging champions within the City for key projects within the City.
- A clear statement of Goals and Mission should come out of the strategy to help create the unified voice (e.g., bringing the 2 supervisors and the mayor on the same page) that the City needs for development in the City.

Threats: The major threat identified by the group was the false perception that similar businesses in retail, hospitality, etc. locate just outside the City limits, this is seen as taking business away from the City, rather than drawing business closer to the City and creating new opportunities for the City. It was mentioned that some opposition to mixed-use projects on the Lake Shore come from this impression of development as a “zero-sum” game.

The Relationship between the Lakefront and the Downtown: This was a major focus of discussion, with several issues raised:

- How do you overcome the fear that Lakefront development would preclude downtown development and replace it with a sense that the two can be complementary?
- It was stated that South Main Street is in limbo between North Main Street and Lakefront. The discussion suggested that South Main and Lakefront should be connected physically and “thematically by infrastructure improvements, the visual form of the development on South Main that strengthens the relationship to the Lakefront. The question was raised whether South Main could be increased in density and developed as a high amenity and high rent- mixed use area. It was agreed that there is a need to create functional definitions for each of these places.

Creation of a Development Cadre/Proactive Economic Development Capacity: The discussion highlighted the need for the City to create a cadre of organizations and individuals to serve as catalysts and champions for development in the City. This approach would involve the following elements:

- City takes over a Brownfield and becomes a developer through a Local Development Corporation or other appropriate entity.
- Create predictability
- Open, collaborative process
- The City could work with Chamber, BID, or other organizations to create the capacity to guide projects through the development approval process

South East City was identified as a potential area of focus for the strategy. It was suggested that, if you create a secondary transport corridor in that part of the City, it could strengthen residential character and retail nodes with trail linkage, thereby fostering redevelopment of that part of the City.

Components of the Strategy Itself: Several suggestions were made for topics/items to be included in the strategy for Canandaigua. These included:

- Interviews with people responsible for successful redevelopment in Geneva
- Using the plan to educate people in the City about the importance and role of economic development tools such as PILOT agreements
- The strategic plan should include the following elements:
 - Vision
 - Tools (including the public sector role of site assembly/preparation, financing, etc.)
 - Metrics
 - Projects

Critical Elements of the Strategy: The group identified the following 5 elements as critical to the success of an economic development strategy for Canandaigua:

1. Catalytic Approach: the City needs to actively promote economic development in the City, championing specific projects and opportunities
2. Build Economic Development Capacity: the City should secure personnel to support that active role and employ the tools needed to realize projects and opportunities
3. A long-term plan for Economic Development with Community Education
4. Metrics to manage the plan
5. A long-term commitment to the strategy by the City.

Appendix D: Downtown Stakeholder Survey

Following the Downtown Merchants Stakeholder Session, Fairweather Consulting created a survey as was suggested to identify the needs, concerns, and opinions of Canandaigua’s downtown merchants. The survey generated 74 respondents, the majority of whom own businesses in the city of Canandaigua. Most of these businesses are in professional services (45.8%) and retail (41.7%).



Figure D.1
N=60

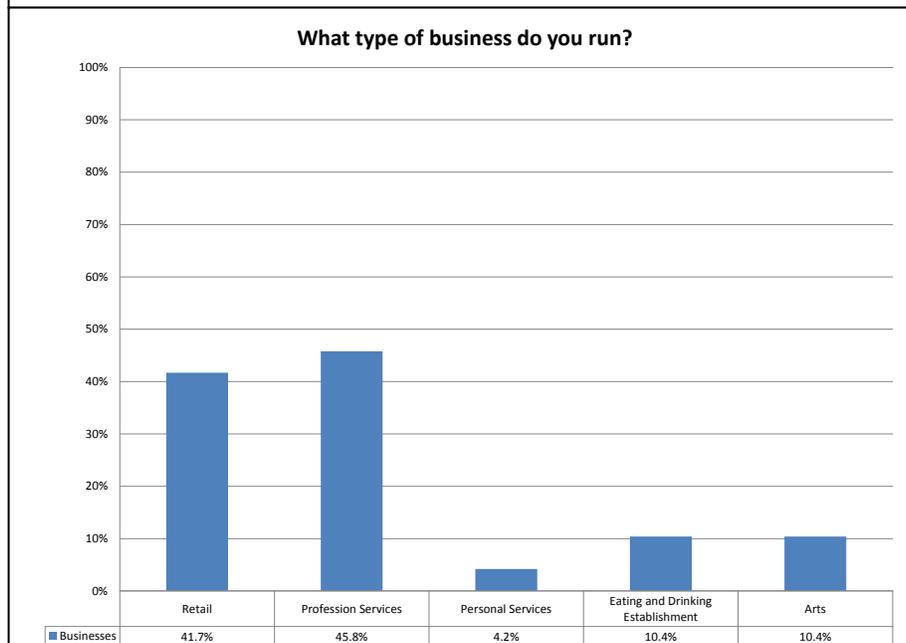
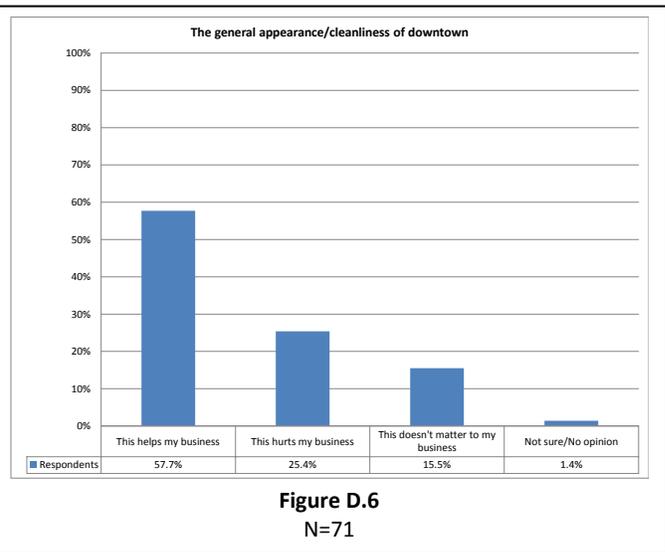
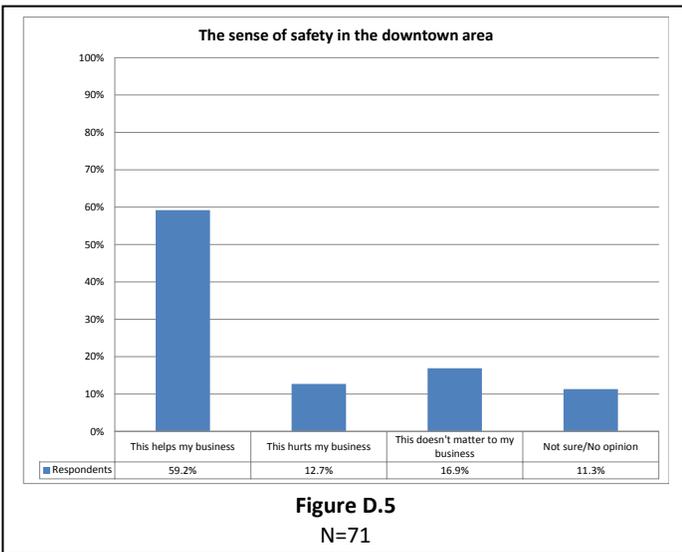
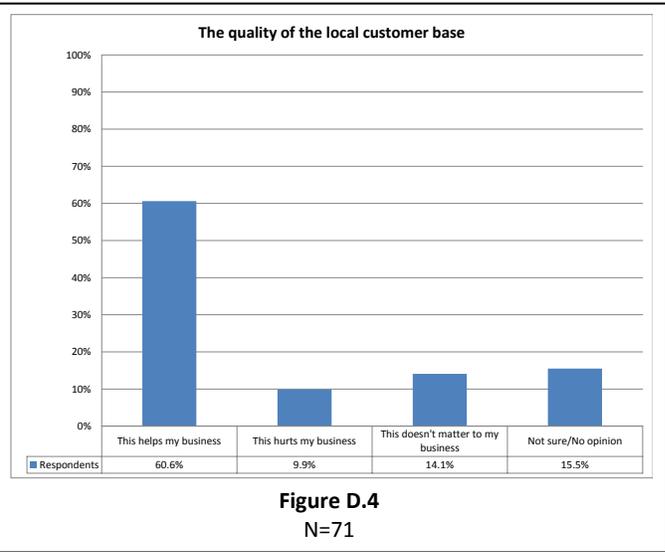
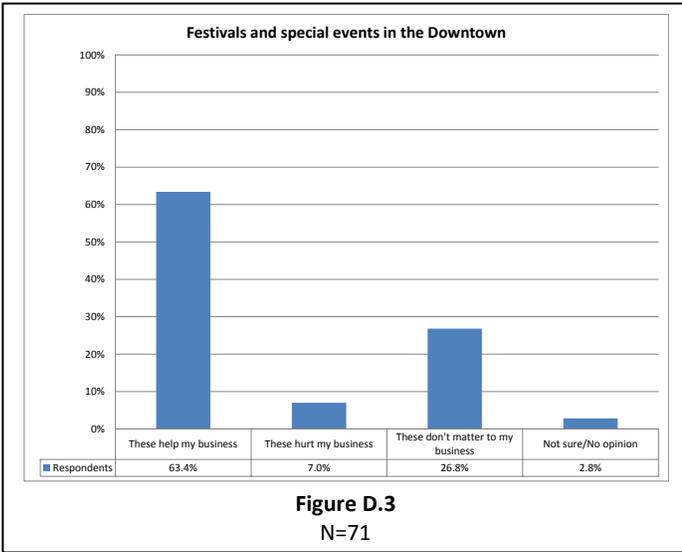
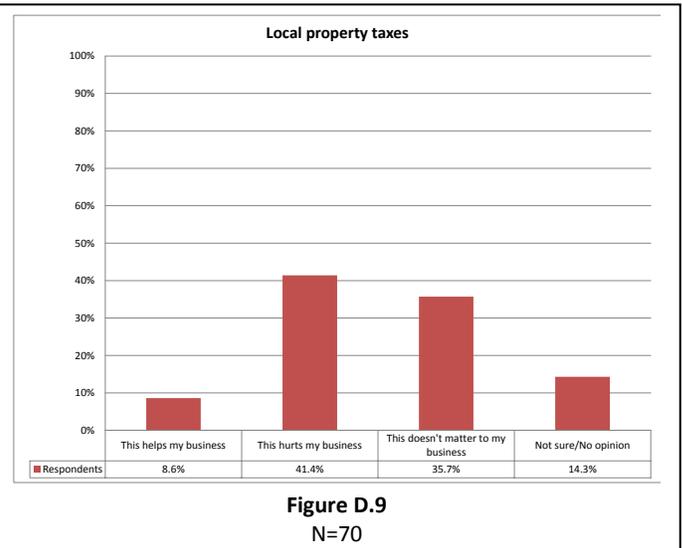
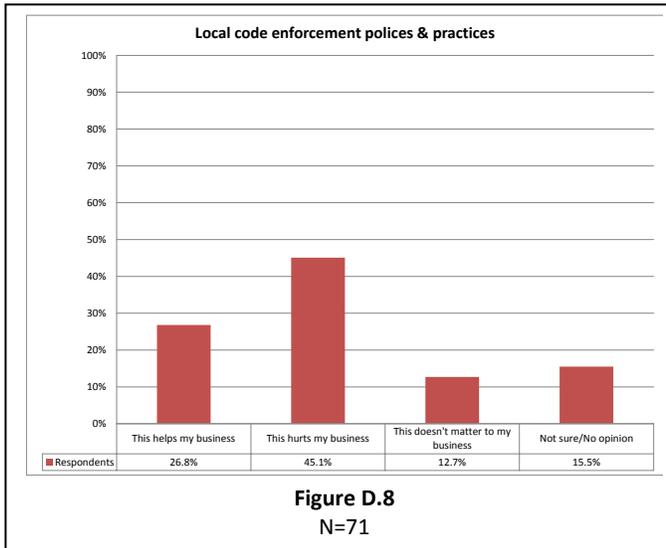
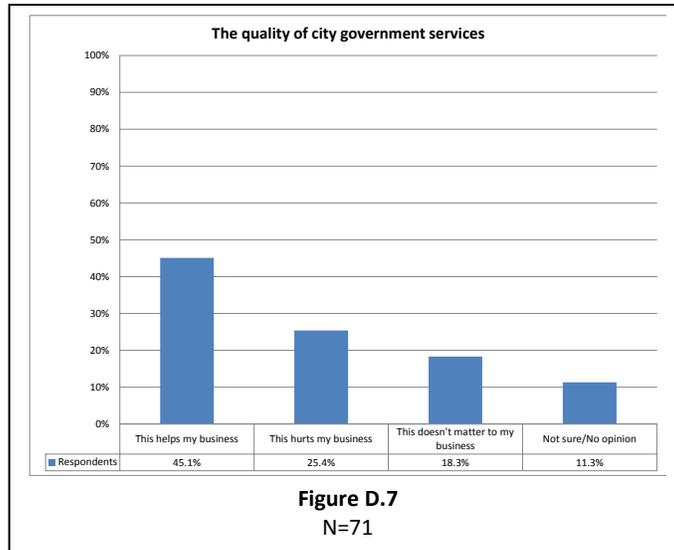


Figure D.2
N=48

The survey attempted to evaluate whether various aspects of the business environment in Canandaigua are helpful or hurtful to businesses according to local business owners. Aspects that respondents found most helpful for their businesses were festivals and special events in the downtown (63.4%), the quality of the local customer base (60.6%), the sense of safety in the downtown (59.2%), the general appearance/cleanliness of downtown (57.5%), and the quality of city government services (45.1%). Aspects that were found to be most harmful to downtown businesses were local code enforcement policies and practices (45.1%) and local property taxes (41.1%).





Respondents were further asked to evaluate which steps should be taken to improve downtown Canandaigua by indicating whether the proposed initiatives would be helpful. The initiatives deemed most helpful, in order of highest percentage, were: improving the quality of the downtown streetscape (77.5%), promoting a consistent positive image for downtown (73.2%), packaging grants and low interest loans to investors (59.2%), creating a targeted effort to revitalize one major vacant building downtown (56.3%), developing consistent coordinated store hours (47.9%), and improving the quality of housing on 2nd and 3rd floors (40.8%).

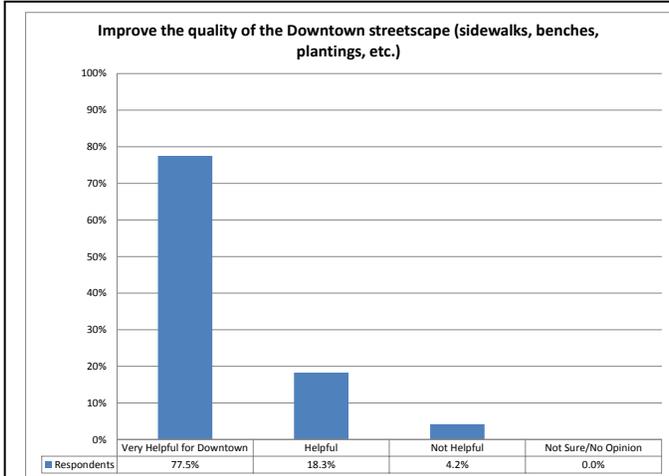


Figure D.10
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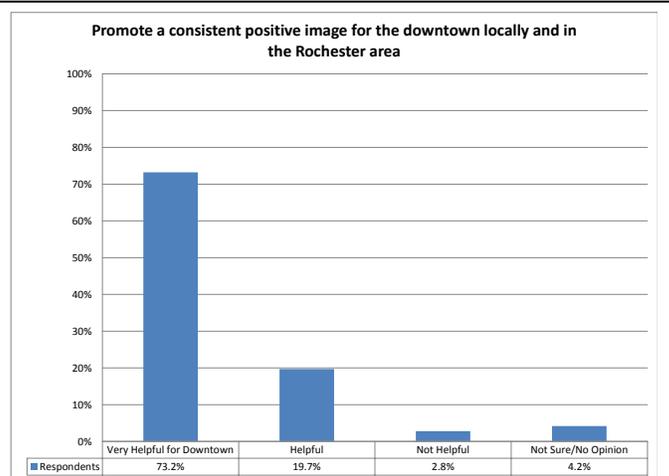


Figure D.11
N=71

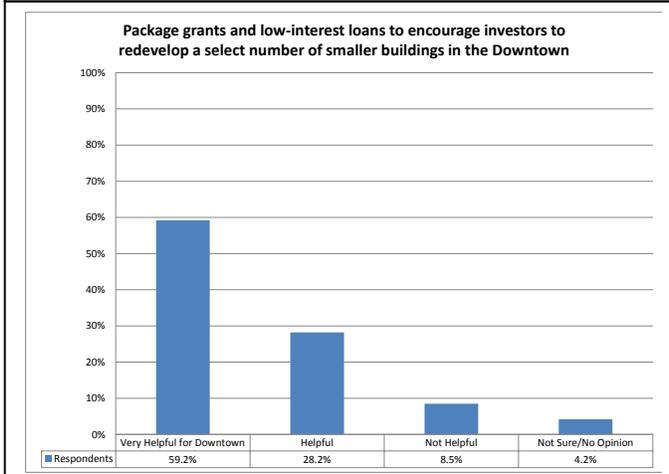


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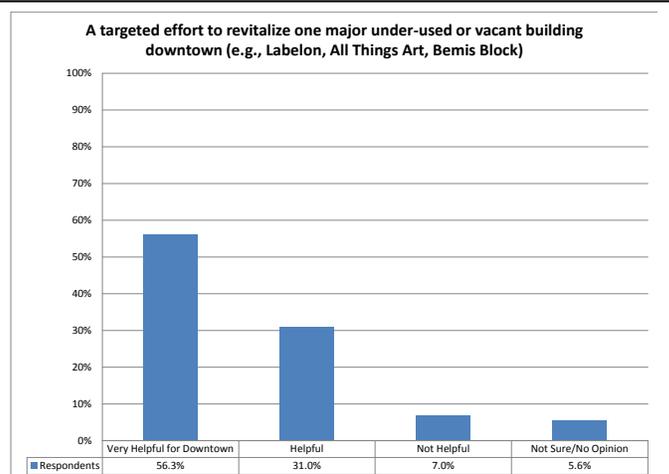


Figure D.13
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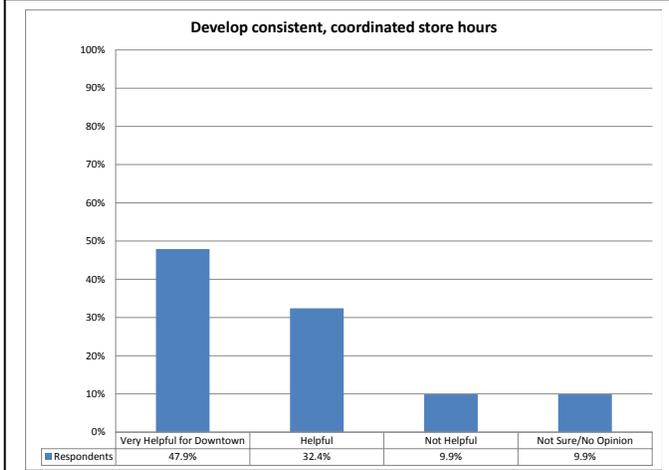


Figure D.14
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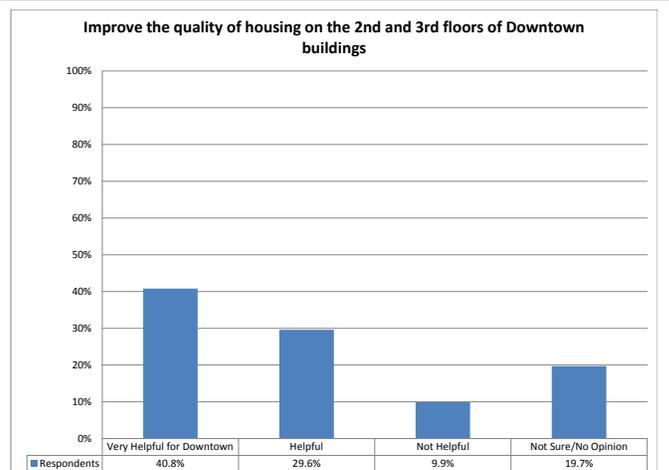


Figure D.15
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Appendix E: Stakeholder Interviews

In order to further understand the ways in which the economic development strategy can best serve Canandaigua and its stakeholders, Fairweather Consulting conducted a series of interviews (see Figure E.1 below). The interviews included stakeholders representing important sectors in Canandaigua's economy, specifically the manufacturing and tourism sectors.

Table E.1 Stakeholder Interview List
Paul Tolley, Smart System Technology and Commercialization Center
Ernie Schmidt, Artizhans
Ginny Clark, Constellation Brands
Rich Rising, Harris Beach
Alexa Gifford, New York Wine and Culinary Center
Valerie Knoblauch, Finger Lakes Visitor Connection

Table E.2 Attempted Interviews
Bob D'Ottavio, Pactiv
Rick Jensen, Daily Messenger
Jay Wright, Constellation Brands

The interviews revolved primarily around three major themes regarding how the City should approach economic development: the City must focus on cultivating key catalysts for economic growth, the City must be able to take full advantage of talented workers and high-income clientele, and generally that the City must take an active role in economic development.

Three major organizations, the Constellation Brands Marvin Sands Performing Arts Center, the New York Wine and Culinary Center, and Smart System Technology and Commercialization Center were identified as key catalysts for growth in Canandaigua. As such, it was suggested that the City actively nurture and support these businesses. The Performing Arts Center and the Wine and Culinary Center in particular are major points of interest to tourists and high-income clientele which city should aim to attract by working in collaboration with those currently investing in the centers. Smart System Technology and Commercialization Center is similarly a significant economic growth generator for the City and should be actively cultivated and supported. It is expected that SSTCC will add roughly 300 jobs over the next several years, potentially including local IT positions for their on-site R&D facilities. SSTCC's operations are expected to have an economic impact extending a 30 mile radius, though the majority of that growth will likely be concentrated between Canandaigua and Rochester and centered around Rochester University and the Rochester Institute of Technology. The City of Canandaigua still has a high potential for capturing a portion of that growth. Furthermore, Moser Baer, a current tenant on the SSTCC site,

expects to have a full manufacturing facility within the next five years and create more manufacturing jobs in the area.

The second major theme was the idea that the City should cultivate talented professionals and high-income clientele to frequent the City's businesses and even invest in the City's economy. Canandaigua's ability to provide a high quality of life by improving the city physically and creating a culturally lively atmosphere will draw these groups into the city. Specifically, providing adequate and convenient parking and snow removal services were identified as necessities for creating the quality of life that these groups demand. As previously mentioned, attracting high-income clientele, including second homeowners on the lakefront, might further be achieved by investing in the Performing Arts Center and Wine and Culinary Center which effectively draw this target market.

The third major theme generally prescribed that the City take an active role in promoting economic development. There were several suggestions for how the City might best effectuate this task. First, it was suggested that the position of a head of economic development be created as a liaison between the City and businesses. The position would involve actively engaging with merchants by, for example initiating "listening tours" downtown to regularly address businesses' concerns. Creating a more business-friendly atmosphere was also discussed in terms the City's role in ensuring that code enforcement be proactively geared towards problem-solving and helping businesses rather than being exclusively a mechanism for punishment. Furthermore, it was suggested that the City should ensure that the lakefront development compliment development efforts downtown so as to avoid diminishing property values for businesses downtown.

The dominant idea that surfaced in each of the interviews was that the city must make a proactive effort towards economic development by focusing on and taking advantage of economic catalysts and maintaining and nurturing the economic strengths that the city already possesses.

Appendix F: Community Input Meeting

September 15th, 2011: 7:00PM-8:00PM, Hurley Public Works Building

Attendees (38):

Kay James	Denver Lannon
Liz Winter	Lynne C.?
David Winter	Maria B.?
Mike Yarger	Mey Reston
Richard Rank	Emily McFaul
Carolyn Rank	Mitch Donovan
Gary Dixon	Raul Minor
Alison Grems	Scott Mackey
Sue Schmidt	Roxann Muller
Scott Pukos	Don Rouller
Sal Pietropaolo	Bob Ward
Gary Ross	Bryan White
Ellen Polimeni	Robert O'Brien
Bonnie Ross	John Rauth
Floyd B. ?	Richard Brown
Cindy Wade	
Jim Terwilliger	
Larry Tillack	
Amy Panky	
Linc Swedrock	
Bill Taylor	
Matt Smythe	
Karen White	

Agenda:

Review of Scope of Work & Schedule (5 minutes)
Review of Initial Data Analysis (10 minutes)
Summary of Stakeholder Sessions (5 minutes)
Questions/ Discussion (5 minutes)
Group Exercise (30 minutes)
Questions/ Discussion & Next Steps (5 minutes)

The meeting started with a brief welcome and introduction by Mayor Ellen Polimeni. Peter Fairweather then proceeded by reviewing the agenda for the meeting and presenting the main themes of the strategic plan, “How can Canandaigua maximize the economic return on existing strengths?” and “How can Canandaigua leverage other assets to improve its competitiveness as an economic development location?” He then reviewed the phases in the process of reaching a strategic plan that will comprehensively answer and resolve these issues.

Following was an overview of the preliminary findings of the benchmarking analysis which compared the economy of Canandaigua to other towns and cities in the region. It was concluded that the health care and manufacturing industries are major drivers of the economy in terms of employment in Canandaigua relative to other benchmarked municipalities. When comparing major drivers of sales in the economy compared to benchmark localities, the retail, health care, and accommodation industries ranked high in Canandaigua.

Following was a presentation of the results of the stakeholder meetings with the downtown revitalization group, the tourism group, the health care group, and the economic developers group.

The floor was then opened for any questions or comments. The first question raised concerned whether the rent structure of the city had been investigated. A need was expressed to ensuring that rents were not too high after development. This same idea was later addressed by another resident who suggested the need to analyze housing costs compared to other benchmark localities and suggested the need for more affordable housing in Canandaigua.

One community member asked about the capacity of the sewer system in relation to attracting new residents into Canandaigua. He suggested that promoting Canandaigua’s fresh drinking water be used towards this end. Other suggestions for attracting people into the city included, the creation of more parking lots, having more kids activities downtown, building a better transportation system (an efficient taxi service, building hotels to accommodate tourist groups, improving the aesthetics of downtown Main Street, and creating a draw for downtown that will distinguish it from other towns and allow it to

compete with the lakefront. One attendee suggested that the Rochester Regional Community Design Center be contacted to help improve the aesthetics of downtown.

Comments concerning the improvement of the quality of life in Canandaigua included trying to resolve traffic congestion by making Main Street into an undivided highway, and developing non-motorized vehicle transportation systems through the creation of bike lanes and trails. The need for kid friendly activities downtown was also addressed along with the suggestion that a higher end night life with high quality restaurants and music venues be created to attract an older age group. The development of higher end lofts and apartments, it was suggested, could also attract more young professionals into the city.

Improving the vitality of downtown businesses was a concern of many of the attendees. The idea of creating a business friendly environment and learning from the experiences of business that were unsuccessful was proposed. Further suggestions included the creation of offices in the 2nd and 3rd stories of buildings downtown and maintaining residents in Canandaigua by facilitating the establishment of home-based businesses operating with the help of the Open Access Ring.

With respect to filling empty storefronts and attracting developers to take over empty buildings, it was proposed that it would be useful to do environmental reviews of catalytic buildings in the city and get them pre-approved to facilitate and expedite the re-use of the properties.

After the question and comment period, Peter Fairweather asked everyone to participate in an exercise to record the biggest concerns, biggest hopes, and the highest priority for the Canandaigua Strategic Economic Development plan. The results are summarized below.

CONCERNS

Regarding Main Street

- Lack of aesthetic appeal downtown
- Empty storefronts
- Lack of parking
- Lack of focus on maintaining existing infrastructure
- Wrong mix of stores downtown

Regarding Transportation

- Lack of active transportation plan which includes trails and on street signage
- Need to upgrade infrastructure to better accommodate bicyclists and pedestrians
- Traffic congestions

Regarding Quality of Life

- Keeping Canandaigua affordable
- Development needs to maintain relaxed, small-town feel
- Too much focus on downtown and lakefront at the expense of the rest of the community
- Too many high-end housing and retail opportunities at the expense of low and middle income people
- Big box stores on Route 5/20 creating endless blandness
- Lack of things for kids to do
- Protecting our watershed and farmlands

Regarding Business/Jobs

- Lacking a business friendly atmosphere
- Need to work together with businesses to develop downtown
- Planning and zoning codes deterring businesses
- Motivating property/business owners
- Having a development plan that compliments current business
- More jobs in manufacturing needed
- The success of the lakefront might come at the expense of downtown's vitality

Regarding Tourism

- Lack of winter activities/ visitors
- Lack of hotels
- Historic sites are currently underperforming
- The city being overrun by tourists, especially by the waterfront

Regarding Financing

- Development creating a tax burden
- Not enough local financial resources to put good plan into action
- Strengthening downtown infrastructure to an expensive breaking point
- Financial sustainability of economy development program

Regarding Vision/ Unity

- Lack of vision
- Division between lakefront and downtown
- Need to build relationships and a cohesive effort
- Lack of cooperative spirit among stakeholder groups

Miscellaneous Concerns

- Spent \$5.5 million on fiber optic ring that most people can't access
- Need to make sure that a diverse group of community members are involved in planning process
- There should be a focus group for commercial property owners
- Environmental hazards need to be addressed

Regarding Main Street

- A revitalized downtown with a great mix of new retail offices and housing options and creation of an attractive experience
- For downtown to be “alive” during the day and night
- Get traffic off of Main Street
- Improvement of downtown aesthetics
- Revitalize downtown using grants
- No dandelions in downtown medians
- No ugly signs on store fronts
-

Regarding Transportation

- Adoption of the active transportation plan submitted in 2009 and complete streets legislation
- Construction of non-vehicle transportation system connecting parks, schools, recreation, and businesses
- Having a bus route in downtown or trolley through lakefront and downtown
- Create a plan to physically connect lakefront and downtown

Regarding Quality of Life

- Lower taxes
- Keeping the population economically diverse
- Keeping our kids here
- More family friendly activities closer to the city center

Regarding Business/Jobs

- Creating a good mix of jobs for local people
- Help local businesses grow
- Having cooperation among businesses
- Have incubator locations for small businesses
- Creating offices in 2nd and 3rd floors of downtown buildings
- More manufacturing jobs

Regarding Vision/Unity

- Create the image of Canandaigua as “Beautiful Historic Downtown Canandaigua” and as a jewel in the Finger Lakes Region to actively draw people in
- Maintain and build on the involvement and dedication of community members
- Create linkage throughout region among stakeholders
- Capitalize on the beauty of the area by enhancing the attractiveness of downtown
- Link lakefront and downtown through cross promotion and marketing

Regarding Tourism

- Have the city assist with historic preservation
- Have “must” see locations to attract out-of-towners

Regarding the strategic plan in general

- Hope that the strategy can be incorporated into the city comprehensive plans
- A plan that provides milestones and benchmarks that are achievable
- A plan that is flexible to change with the times
- Creating a long term plan that is measurable

HIGHEST PRIORITIES (In order of frequency)

1) Attracting visitors

- Create a niche market or a “come-and-see” attraction (examples: Bass Pro Shop, hotel, first class resort)
- Create a visitor experience that is strong enough to draw people in from the whole region all year long
- Get people back downtown
- Create a large draw to downtown Canandaigua to bring more customers downtown
- Create a Main Street that invites people to stop (entertainment, visual appeal, activities for kids), and makes the stop easy (visible, easy parking)
- Improve downtown streetscape

2) Establish a unified vision

- Establish a unified vision for downtown and surrounding area and create a plan to accomplish it
- Community agreement on a direction and vision
- Create identity as the best city in Finger Lakes/Upstate Region
- Clear vision or “branding” of the area

3) Revitalize the downtown economy

- Revitalize manufacturing to create more jobs
- Lower taxes to stimulate growth
- Attract more employees, residents (taxpayers), and visitors

4) Harmonize lakefront and downtown development

- Successful coordination between downtown and new lakefront development
- Develop lakefront without taxpayer funds

Other

- Update City Comprehensive Plan including a 10 year economic development plan and active transportation plan
- Fix the traffic congestion on Main Street and Route 5/20
- Make Canandaigua a walkable city by having more local stores
- Improve technology infrastructure to have community wide fiber/WIFI access
- Revitalize manufacturing industry to create jobs
- Lower taxes to stimulate growth

Peter Fairweather ended the meeting by thanking everyone for coming and reviewing the next steps in the process of creating a strategic economic development plan for the city.

Appendix G: Industry Targets

Detailed Listing of Industry Targets:

MANUFACTURING & BUSINESS SERVICES:

Existing mature manufacturing industries: Industries targeted for this effort are listed below:

NAICS 311--Food Beverage and Tobacco (Food Processing Firms)

NAICS 326--Plastics

NAICS 332--Fabricated Metal

As part of this effort it is important that the City continually monitor the existing industrial base for “early warnings” that identify firms with potential issues related to ownership succession and/or acquisition by outside parties that could increase the likelihood of such firms relocating and/or reducing or ceasing operations.

Firms associated with the Smart Systems Technology & Commercialization Center

including, but not limited to such industries as mentioned in the County’s Office for Economic Development (OED) technology-led economic development strategy, such as:

SIC	Title
3669	Communications equipment, not elsewhere classified (i.e., specialty equipment)
3695	Magnetic and optical recording media
3699	Laser welding and soldering equipment, not elsewhere classified (i.e., specialty equipment)
3823	Industrial instruments for measurement, display and control of process variables
3826	Laboratory analytical instruments
3829	Measuring and controlling instruments, not elsewhere classified (i.e., specialty instruments)
3841	Surgical and medical instruments and apparatus
3845	Electromechanical and electrotherapeutic apparatus
3851	Ophthalmic goods

Technology-based Producer Services as mentioned in the OED technology-led economic development strategy, including but not limited to:

NAICS--518210 - Data Processing, Hosting, and Related Services

NAICS--541330 - Engineering Services

NAICS--541380 - Testing Laboratories

NAICS--541420 - Industrial Design Services

NAICS--541551 - Custom Computer Programming Services

NAICS--541690 - Other Scientific and Technical Consulting Services

NAICS--541710 - Research and Development in the Physical, Engineering, and Life Sciences

NAICS--334511 Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing

HEALTH CARE

The City should maintain a close working relationship with Thompson Health Care, The Veterans Administration and other health services in or near the City. This effort should seek to assist these organizations to continue to add employment opportunities and high-value added services for City residents. As appropriate, the City should be prepared to advocate to the State and Federal government on behalf of these organizations for initiatives that would retain or expand jobs and investment in the City. In addition, the City should promote and assist health care initiatives designed to expand and upgrade the quality of health care in the community. Health care-related projects that should be supported include:

- Construction and/or expansion of specialized labs and treatment centers that will improve care to area residents while adding jobs to the health care sector;
- Construction and/or expansion of senior care facilities, including assistive living, assisted living and skilled nursing facilities. These projects should demonstrate that they will enhance quality of life in the City while providing new high-wage jobs.

TOURISM

The promotion of tourism destinations and civic facilities that enhance quality of life in the City are an important component of this effort. This can include projects for convention centers, arenas and similar cultural/recreational facilities. It is important that this effort strengthen and support the City's role as a lakefront tourism destination. New development that brings additional visitation to the Lakefront and/or provides a stronger link between the lakefront and the downtown area should be given high priority by the City.

Attention should be focused on retaining and strengthening such important assets as the New York Wine and Culinary Center, the Constellation/Marvin Sands Performing Arts Center, along with historic sites such as Sonnenberg Gardens, the Granger Homestead, etc.

RETAIL

The retail analysis suggests that the ability of any single sector of retail to succeed in the City is dependent upon the creation and maintenance of an compelling retail experience. Thus, the retail businesses that should be the focus of this strategic plan are not limited to any particular set of sectors. Rather, target retail industries would be those that in their physical design and intended operations demonstrate an ability to coordinate and complement the existing retail and tourism-related enterprises in the City. Such enterprises should be able to demonstrate an interest and capacity for cross promotion and coordinated programming with existing retail and tourism-related businesses, as well as related organizations such as the Chamber of Commerce, Business Improvement District and the Canandaigua Area Development Corporation.

Appendix H: Job Description for Economic Development Director

Job Description-Economic Development Director

Nature of Work: Performs a variety of administrative, technical and professional work to implement and as necessary update the City of Canandaigua Economic Development Strategic Plan.

This full time position is responsible for working closely with the City Manager, Department of Development and Planning and other City staff in promoting the business and economic development interests within the community.

This position will include working with all noted departments and businesses and organizations the City of Canandaigua and beyond to assist individual entrepreneurs and established firms so that they may establish, relocate, or expand their businesses within the City of Canandaigua. The position will include assistance in the planning and coordination of economic development projects, assisting business applicants with local and State permitting processes, and providing research for City sponsored projects.

This position is a direct report to the City Manager.

Essential Duties and Responsibilities:

Directs economic development initiatives to achieve the goals and objectives outlined by the Strategic Economic Development Plan (SEDP), with guidance from the City Council's Planning Committee and the Economic Development Advisory Council that is described in the SEDP.

Provides assistance in the development of short and long term economic development plans, as well as the gathering of information and preparation of studies, reports, and recommendations to achieve such goals. This will involve the preparation and maintenance of information on utilities, taxes, zoning, transportation, community services, financing tools, and incentives, in order to respond to requests for information for economic development purposes, and the coordination with other departments and agencies as needed.

Provides professional economic development advice, assist in the application and permitting process, and serve as an advocate for economic development in line with the City's SEDP, Comprehensive Plan, zoning ordinances, and goals as established by the City.

Promotes the redevelopment of commercial and industrial sites in the City, as necessary, promoting the aggregation of lots, securing appropriate development incentives and/or financing, and otherwise encouraging the orderly development of projects on commercial and industrial sites within the City.

Works closely with the Economic Development Advisory Council to identify areas of concern in the promotion of business location and expansion within the Town.

Implements a Business Retention & Expansion program involving regular visits to employers in the City of Canandaigua and organizations important to economic growth in the City to understand the obstacles and opportunities facing those enterprises and develop responses to assist them.

Works with the City Council's Planning Committee and the Economic Development Advisory Committee to formulate and implement marketing and business attraction strategies, including familiarity with the goals and objectives of the County Office for Economic Development and the Greater Rochester Enterprise.

Prepares grant proposals and applications, contracts and other necessary documents as may be required to implement initiatives related to the SEDP.

Maintains a liaison with various County, State, and Federal agencies, coordinating projects with agencies as deemed necessary and appropriate, i.e., Empire State Development Corporation, the Finger Lakes Regional Economic Development Council, the Greater Rochester Enterprise, the County Office of Economic Development, etc.

Provides information and/or make presentations to City Council, boards, commissions, civic groups, businesses, individuals, and the general public on economic development issues, programs, services, and plans.

Maintains a familiarity with the existing inventory of available buildings and business and residential development sites within the community. This will include both public and private buildings and land areas.

Assists with negotiation and the management of professional service contracts, property sales or acquisition, and economic development oriented negotiations, as assigned.

Serves as a member of economic development groups or task force that promote economic and community development at the County, Regional, State or Federal level, as deemed necessary or appropriate.

Monitors legislation and regulations relating to economic development, and report findings to the appropriate parties, i.e. the City Manager, the City Council Planning Committee, the Economic Development Advisory Council, etc.

Maintains strong working relationships with the general public, area businesses, clients, the media, and others.

Serves as a member of various staff committees, as assigned.

Attends professional development workshops and conferences to keep abreast of trends and developments in the field of economic development, and to represent the interest of the City of Canandaigua on matters related to economic development.

Conducts other related work as assigned.

Training and Experience Required:

Previous experience in economic development, including administrative responsibility;

Graduation from a four-year college or university, preferably with specialization in economic and community development or a related field; or any equivalent combination of experience and training.

Considerable knowledge of business development, community, and economic development.

Working knowledge of municipal zoning and infrastructure, and planning programs and processes.

Ability to communicate effectively to groups and individuals, engineers, architects, contractors, developers, businesses, supervisors, employees, and the general public.

Ability to establish effective working relationships with City staff as well as other organizations and economic development practitioners.

Ability to prepare and analyze reports and data, and have skill in the operation of necessary tools and equipment, i.e. computer, word processing, spreadsheet software, and general office equipment (telephone, fax, copier, calculator, etc.).

Appendix I: Description of Remote Work Center (“Third Places”) in economic development