

Economic Trends and Development Introduction

Economic development is an important goal of this Comprehensive Plan. Economic development involves every facet of the community: parks and trails, new and renovated housing, technology infrastructure, labor supply, and leadership. The Town and its partners must continue to nurture many of these facets in order to maintain existing businesses, sustain a steady workforce, and foster new economic ventures.

Select chapters of this plan have outlined the priorities for maintaining Clayton's transportation network, enhancing recreational opportunities, improving public facilities, supporting a reliable and expanding infrastructure system, preserving natural resources, developing land appropriately in a way that will preserve and enhance the distinct visual character of the Town and Village.

All of these pieces fit together to lead to a vibrant, enduring local economy. This chapter outlines several recent economic statistics and trends related to economic vitality: number of businesses, payroll, employees, business types, household income, resident occupations, employment by industry, and local labor force trends.

Clayton's riverfront and island areas provide a key component in one of the town's major industries, namely a seasonal tourism based economy. The Thousand Islands region has attracted visitors since great hotels and summer homes began to be built in the latter part of the nineteenth century. As described in the

Community Facilities Chapter, the area offers plentiful options for sightseeing, lodging, dining, boating and other water related activities for residents and visitors. There are several hospitality and service businesses in the Town and Village trends.

Economic Development Goals:

1. Foster economic development that capitalizes on rural and urban character.
2. Use a balanced approach to increase jobs and employment opportunities while fostering residential development to maintain a vibrant local economy while preserving neighborhoods.
3. Foster economic development to help retain the area's young adults by expanding employment opportunities.

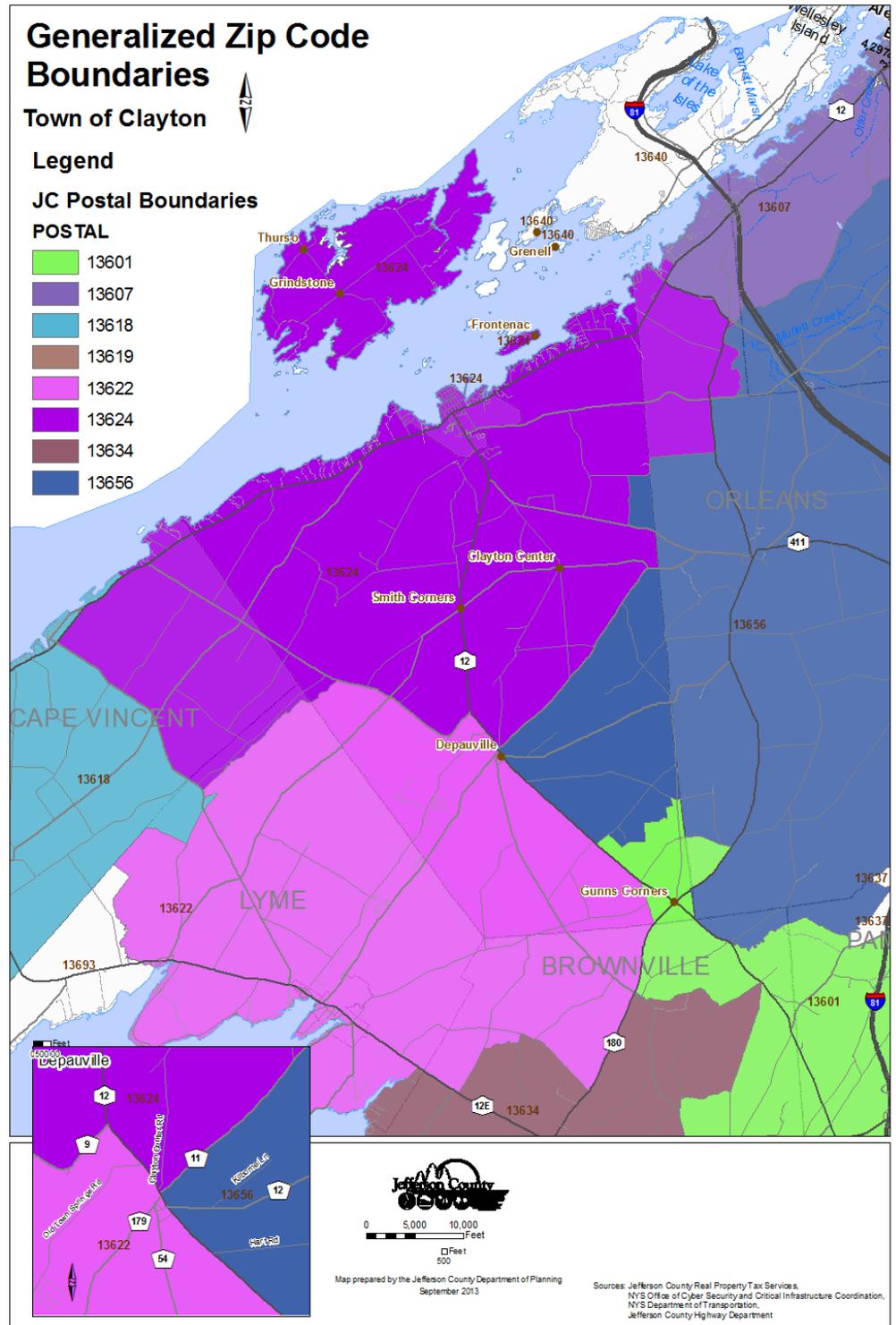
Economic Development Objectives:

1. Build on community character to expand economic development opportunities.
2. Expand the tourism based economy in a sustainable way that balances growth and preserves the natural environment and quality of life for residents and visitors.
3. Support economic development that will expand the tourism season to shoulder seasons as well as year round opportunities for residents and visitors.
4. Consider marketing the Village, Hamlet, and Town as a residential destination to expand development opportunities.
- 5.

Zip Code Areas

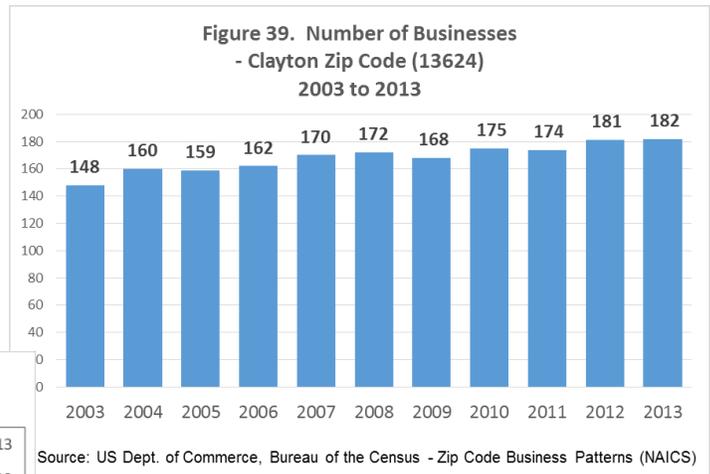
The map illustrates generalized zip code delivery areas that the US Postal Service uses.

The Census Bureau publishes business patterns by zip code annually, with information about the number and types of businesses, payroll, and employment levels within each zip code. The following pages summarize the information for the Clayton zip code (13624) that coincides the most with the Town boundaries. The zip codes that coincide with Depauville and LaFargeville that cover the southern portion of the Town of Clayton were not included. This was because any businesses in or near either hamlet would be grouped with the larger number of businesses within the Towns of Lyme or Alexandria respectively, and could not be measured only within the Town of Clayton which would skew any comparisons.



Businesses by Zip Code

According to the Census Bureau, the number of businesses in the Clayton Zip Code increased overall by 23 percent from 2003 to 2013. Two periods of increase occurred from 2003 to 2008, then another one from 2010 to 2013. It is expected that 2014 and 2015 will also



demonstrate years of increases due to the construction of the 1000 Islands Harbor Hotel.

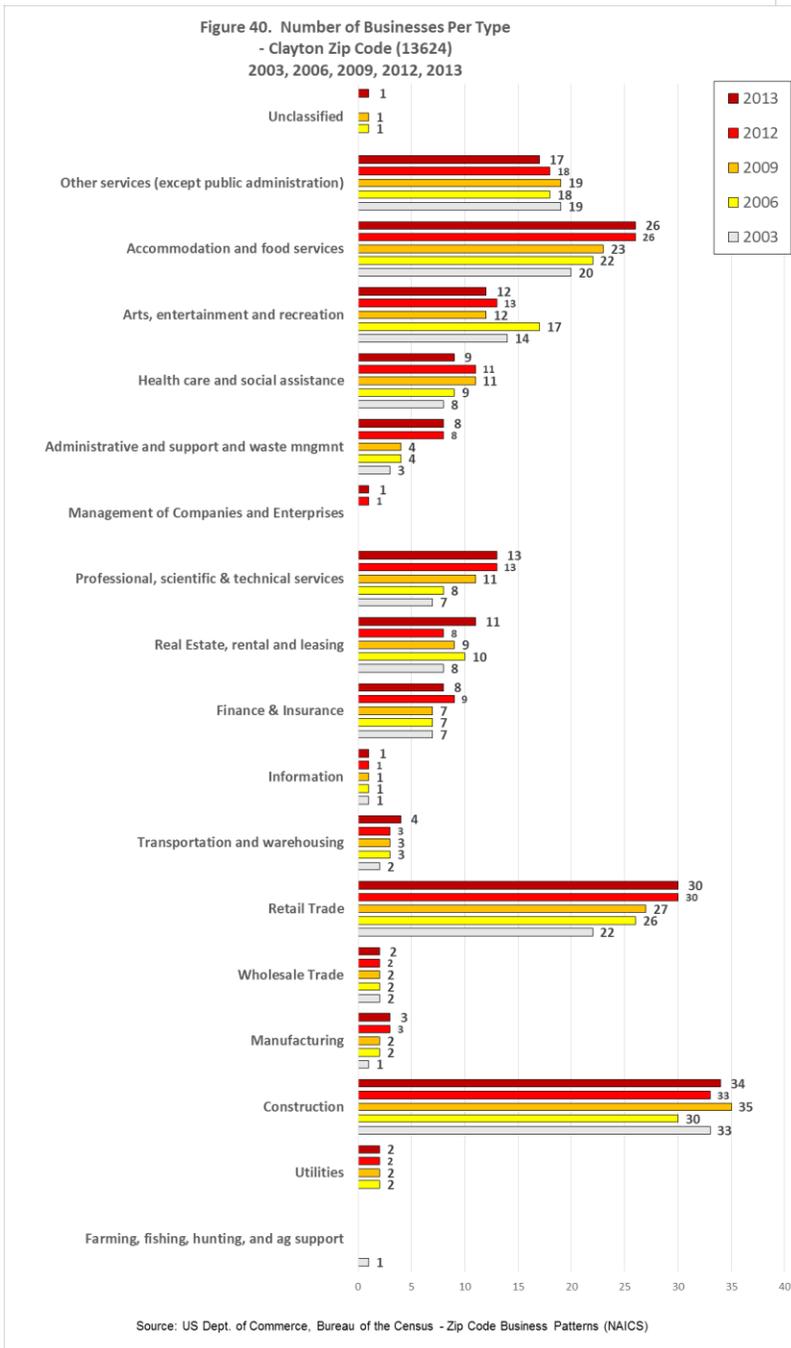
Business Types

From 2003 to 2013, the bulk of the increase in the number of businesses (an increase of 34) noted in the Clayton Zip Code would appear to be due to the following increases:

- retail trade (8),
- accommodation and food services (6),
- Professional, scientific & technical services (6),
- administrative and support, and waste management (5), and
- real estate, rental and leasing sector (3).

More than half of the business types were consistent with either an increase of 1, 2, or no losses:

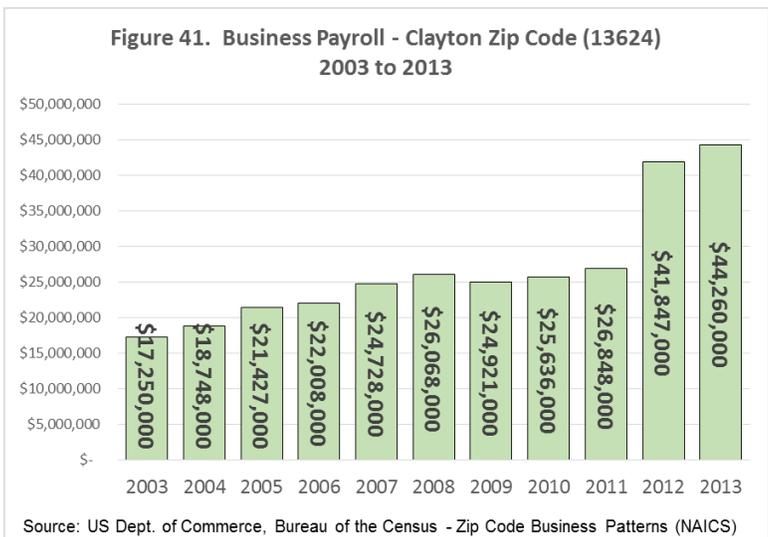
- health care and social assistance (1),
- finance and insurance (1),
- transportation and warehousing (2),
- information (no net loss/gain), wholesale trade (0),
- manufacturing (2), construction (1), and
- utilities (no net loss/gain).



The two sectors that felt losses during that time period were: Arts, Entertainment, and Recreation (-2), and other services (except public administration (-2)).

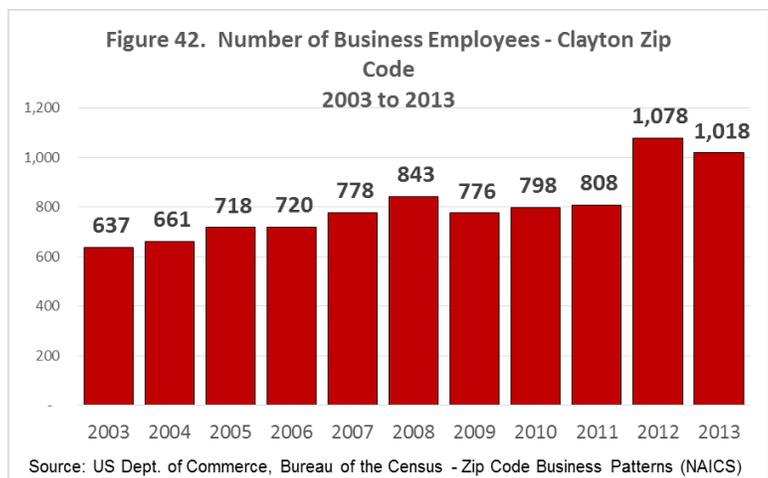
Business Payroll by Zip Code

Payroll activity is an important element of business trends. The payroll increased by 78 percent overall during the time period, increasing from \$17,250,000 in 2003 to \$44,260,000 in 2013.



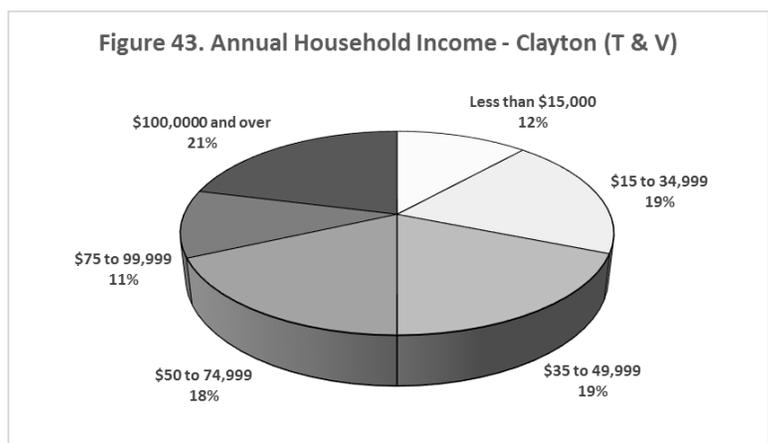
Employees by Zip Code

While the total number of businesses and payroll increased from 2003 to 2013, the number of employees also increased at a rate of 31 percent in the time period. As mentioned above, it is expected that 2014 and 2015 will also reflect employee increases due to the opening 1000 Islands Harbor Hotel. Of particular note, is that data for the number of paid employees is collected in March of each year, which may be prior to when some businesses have their summer staff hired for the season, which results in lower report numbers.



Household Income

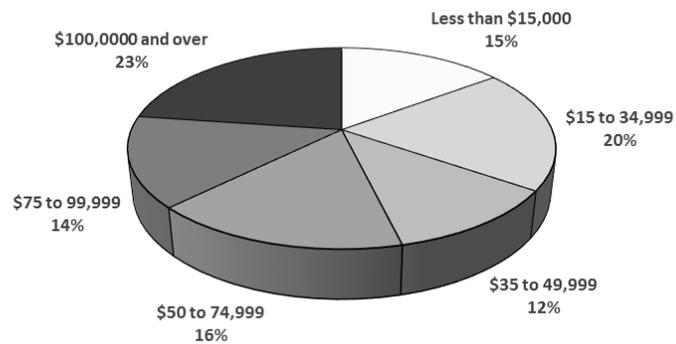
Town and Village household income, according to the American Community Survey for 2013, is illustrated in Figure 43. For the total of 1,930 households, income levels were distributed somewhat evenly among the categories. The largest segment, or 21 percent of households, earned \$100,000 and over. Tied for second largest segment, were the \$15 to 34,999 and the \$35 to 49,999 income segments at 19 percent each. A close fourth, was the \$50 to 79,000 income segment with 18 percent.



In the Village of Clayton, the largest segment for household income was also the \$100,000 and over segment at 23 percent of households (right). The second largest, or 20 percent of households earned between \$15 and 34,999 in 2013. While the Town and Village appear to be fairly well blended in terms of income distribution, there does seem to be slightly fewer moderate income households within the Village.

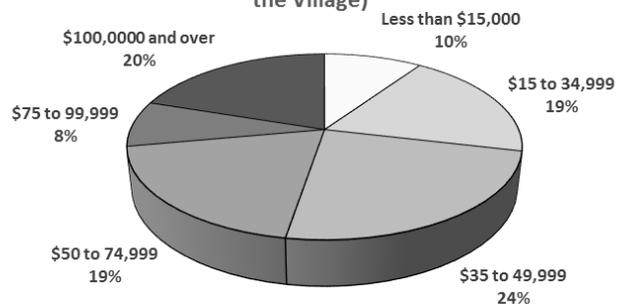
In the Town outside the Village, the largest segment was the \$35 to 49,999 with 24 percent of households. The second largest was the \$100,000 and over segment with 20 percent of households, while the \$15 to 34,999 and the \$50 to 74,999 segments both comprised 19 percent of households.

Figure 44. Annual Household Income - Clayton (Village)



Source: US Dept. of Commerce, Bureau of the Census - American Community Survey

Figure 45. Annual Household Income - Clayton (Town outside the Village)



Source: US Dept. of Commerce, Bureau of the Census - American Community Survey

Census Bureau – Data Collection Changes

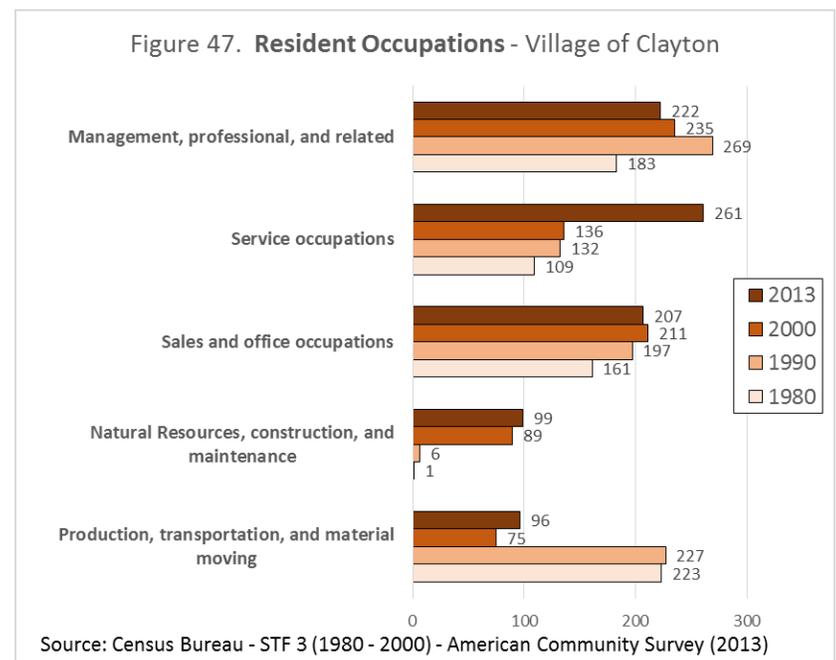
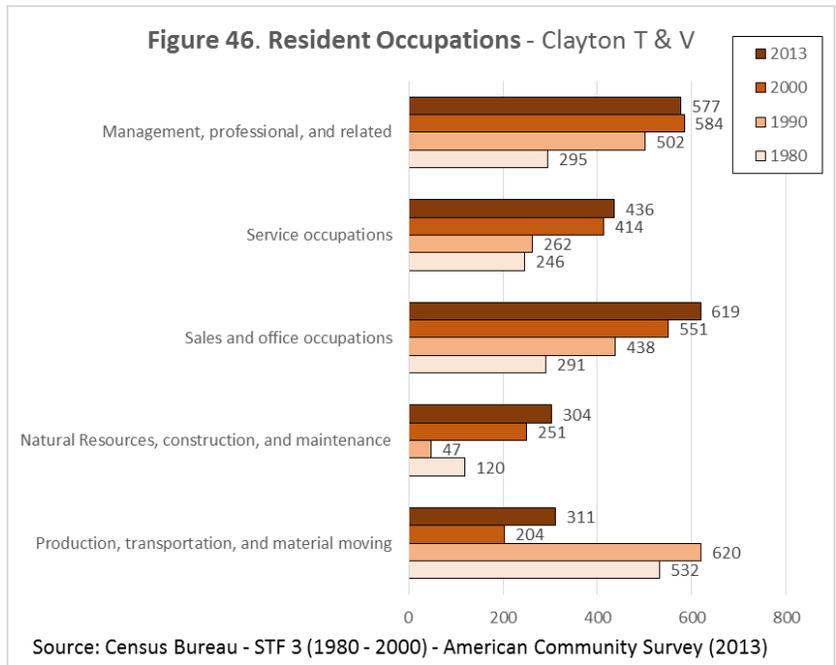
The Census Bureau historically tracks many indicators such as occupation, industry, and labor force data as part of the decennial Census. The Census utilized a short form sent to a majority of households while a long form was used to sample a percentage of households to measure more detailed information such as socioeconomics, employment, and housing data. While the more detailed information was based on a selected sample of the entire population to represent the larger community, the sample size was fairly large compared to how many are now used to estimate similar information.

From the 2010 Census forward, such detailed data is gathered as part of the American Community Survey, which is undertaken on a more frequent basis (annually or biannually), to a smaller selected sample size of the population. Therefore, previously collected Census data are not as comparable to the new estimates collected through the American Community Survey (ACS) process. While previous practices were discontinued as described above and the newer methods still carry a level of validity, of note is that the margins of error for each estimate varies based on the sets of sample size upon which each is based.

Resident Occupation

The Census Bureau defines occupation as the kind of work a person does on the job. Town-wide, resident occupations increased by 51.4 percent from 1980 to 2013. However, natural resources, construction, and maintenance occupations increased the most with a 153.3 percent increase although this category experienced some combining of occupations since 2000, which also bolstered its increase. The sales and office occupations; and management, professional, and related occupations increased by 112.7 percent and 95.6 percent respectively. Service occupations also increased 77.2 percent. Such increases occurred while the production, transportation, and material moving occupations declined by 41.5 percent during that time period.

Residents' occupations within the Village of Clayton increased by 30.7 percent collectively. The bulk of the increases were in the service occupations, which experienced a 139.4 percent increase. The natural resources, construction, and maintenance occupations increased by 98 residents, but again the category changed since the 2000 Census so its rate of increase could also be partially due to shifting of categories. Sales and office occupations increased by 28.6 percent, and the management, professional, and related occupations rose by 21.3 percent. However, the production, transportation, and material moving occupations declined by 57 percent.

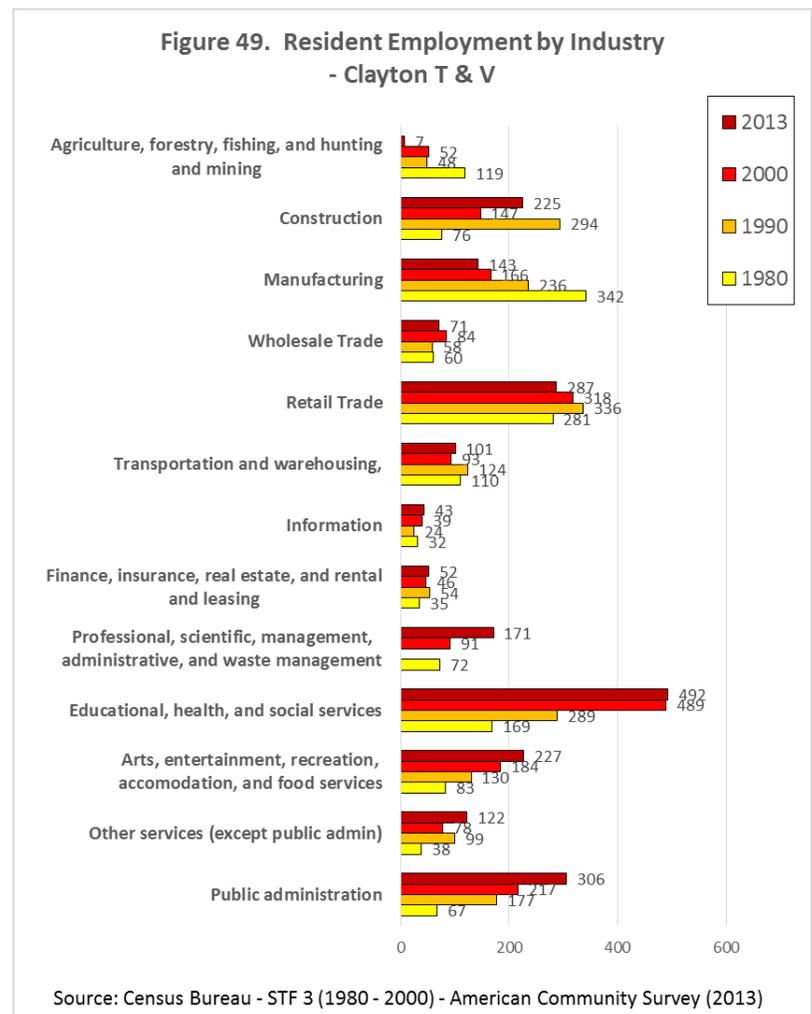
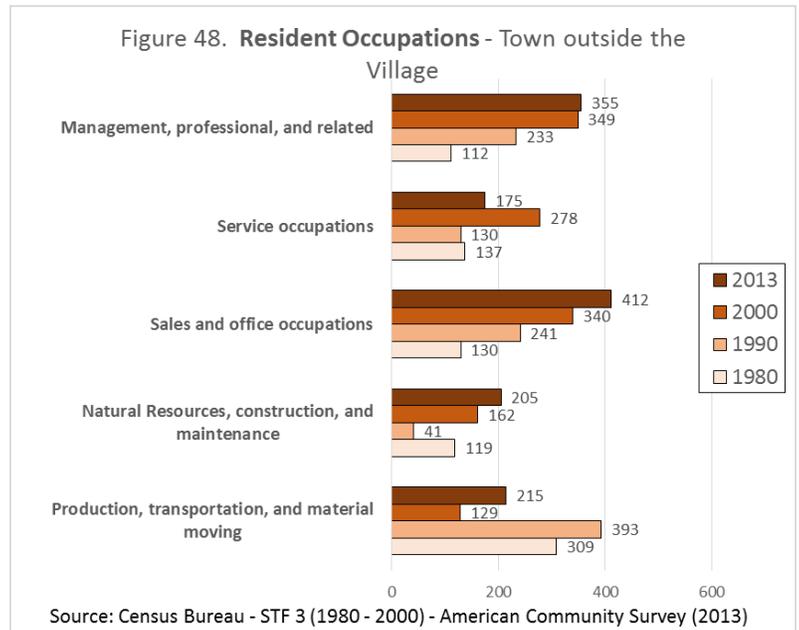


In the Town of Clayton outside the Village, resident occupations increased by 68.8 percent. In particular, the management, professional, and related resident occupations flourished, rising 217 percent, as did the sales and office occupations with a 216.9 percent increase. Also outside the Village, the natural resources, construction, and maintenance occupations went up by 72.3 percent and the service occupations have an increase of 27.7 percent. However, the production, transportation, and material moving occupations declined by 30.4 percent.

Resident Employment Industries

The Census Bureau defines employment industry as the kind of business conducted by a person's employer or employing organization. Several trends are evident regarding Town resident and Village resident employment industries from 1980 to 2013.

Town-wide, residents employed by public administration employers felt the highest increase with a remarkable 356.7 percent rise. Other services (except public administration) rose at a high rate of 221.1 percent. Those employed by construction type employers increased at a rate of 196.1 percent, while those in the education, health, and social service industries increased by 191.1 percent. Other noteworthy increases occurred for those employed by the arts, entertainment, recreation, accommodation, and food services who increased by 173.5 percent, as well as those employed by professional, scientific, management, administrative, and



waste management employers increased by 137.5 percent over the time period of 1980 to 2013.

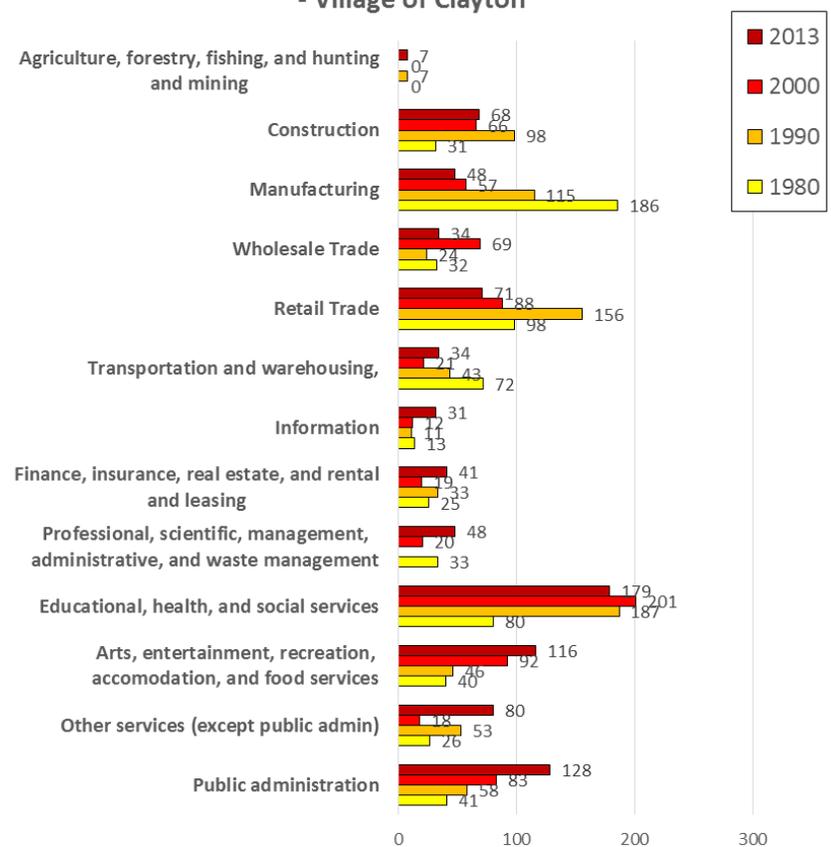
Similar to Town-wide employment, those who live in the Village felt the largest increase by those working for public administration type employers, as well as the other services (except public administration) which increased by 212.2 percent and 207.7 percent respectively.

Other large increases were noted among those employed by the arts, entertainment, recreation, accommodation, and food services type employers who increased by 190 percent, those employed by the information type employers increased by 138.5 percent (increase of 18 residents), while those employed in the educational, health, and social services industry increased by 123.8 percent. Those employed by construction type firms increased by 119.4 percent. Nine sectors experienced increases, while three decreased during the time period, some of which were those employed by the manufacturing type employers that declined by 74.2 percent, transportation and warehousing type employers who lost 52.8 percent and those employed by retail trade type employers declined by 27.6 percent. Of note, those employed by agriculture, forestry, fishing and hunting employers fluctuated between zero and 7 residents for each subsequent decade.

The increase in Town and Village number of individuals employed, increased 51.4 percent overall from 1980 to 2013, while those employed residents in the Village of Clayton only

increased by 30.7 percent. Those outside the Village limits, increased by 68.8 percent for the same time period. The following page describes the trends for resident who live outside the Village.

Figure 50. Resident Employment by Industry - Village of Clayton

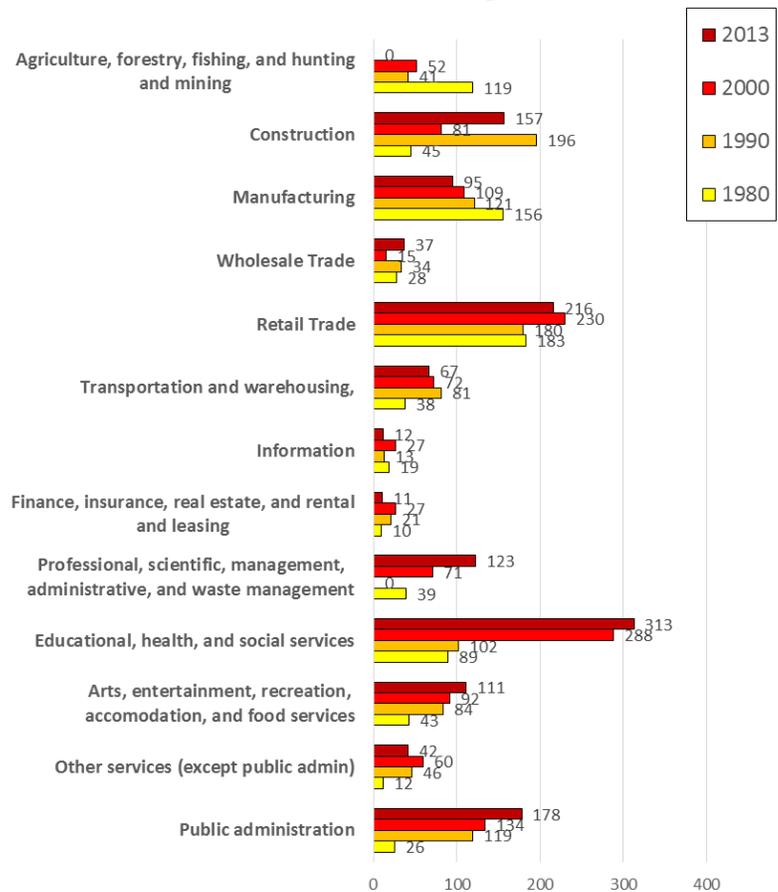


Source: Census Bureau - STF 3 (1980 - 2000) - American Community Survey (2013)

As one would guess, residents living in the Town of Clayton outside the Village differed from those living within the Village as some types rose significantly. From 1980 to 2013, those employed by public administration type employers exploded by 584.6 percent, a rise of 152 residents. The second largest increase occurred for those employed by the educational, health, and social services employers who increased by 251.7 percent (an uptick of 224 residents). Those employed by construction type employers increased by 248.9 percent (an overall increase of 112 residents).

Those employed by professional, scientific, management, administrative, and waste management type employers rose by 215.4 percent (an increase of 84 residents). Those employed by the arts, entertainment, recreation, accommodation, and food services type employers added 158.1 percent (an increase of 68 residents). Conversely, those employed by the agriculture, forestry, fishing, hunting, and mining type employers declined 100 percent (a decrease of 119 residents), while those employed by manufacturer type employers declined by 39.1 percent (a decrease of 61 residents). In summary, 10 sectors increased for those in the Town outside the Village, while three declined.

Figure 51. Resident Employment by Industry - Town outside Village



Source: Census Bureau - STF 3 (1980 - 2000) - American Community Survey (2013)

Local Labor Force Trends

The Census Bureau historically tracked labor force data as part of the decennial Census. As of the 2010 Census, such trends are now gathered as part of the American Community Survey, which is done on a more frequent basis, to a smaller sample size of the population. Therefore, previously collected Census data may not be as comparable to the new estimates collected through the American Community Survey (ACS).

Town-wide, Clayton’s civilian labor force felt an increase of 65.6 percent from 1980 to 2013

(Figure 12). The increase in its labor force has outpaced its population increase of those aged 16 and over, which increased by 39.7 percent. The labor force participation rate increased as well, by 18.5 percent in the entire Town.

Armed Forces, two thirds of whom lived within the Village as of the latest data. The number of unemployed declined overall within both the Town and Village between 1980 and 2013.

Table 12. Labor Force - Clayton (T)	1980	1990	2000	2009-2013	% change 1980 to 2013
Population 16 years and over	2,712	2,258	3,743	3,790	39.7%
Civilian labor force	1,484	1,869	2,214	2,457	65.6%
Armed Forces	4	93	139	108	2600.0%
Unemployed	307	296	210	210	-31.6%
Not in labor force	1,228	1,256	1,390	1,225	-0.2%
Participation rate	54.7%	82.8%	59.2%	64.8%	18.5%

The civilian labor force, within the Village increased by 42.5 percent, while the population 16 years and over increased by only 21.9 percent (Figure 13). Its labor force participation rate increased by 16.9 percent for the time period.

Table 13. Labor Force - Clayton (V)	1980	1990	2000	2009-2013	% change 1980 to 2013
Population 16 years and over	1250	1041	1548	1524	21.9%
Civilian labor force	677	948	832	965	42.5%
Armed Forces	4	93	54	71	-23.7%
Unemployed	142	117	86	80	-43.7%
Not in labor force	573	625	662	488	-14.8%
Participation rate	54.2%	91.1%	53.7%	63.3%	16.9%

The Town outside the Village realized a the civilian labor force increased of 84.9 percent, while the population 16 years and over increased by 55.0 percent for the time period (Figure 14).

The labor force participation rate increased by 32.9 percent overall. Historically, a higher percentage of the population outside the Village participated in the labor force, although the difference narrowed by the 2009-2013 estimate. Also of note, was the increase in residents in the

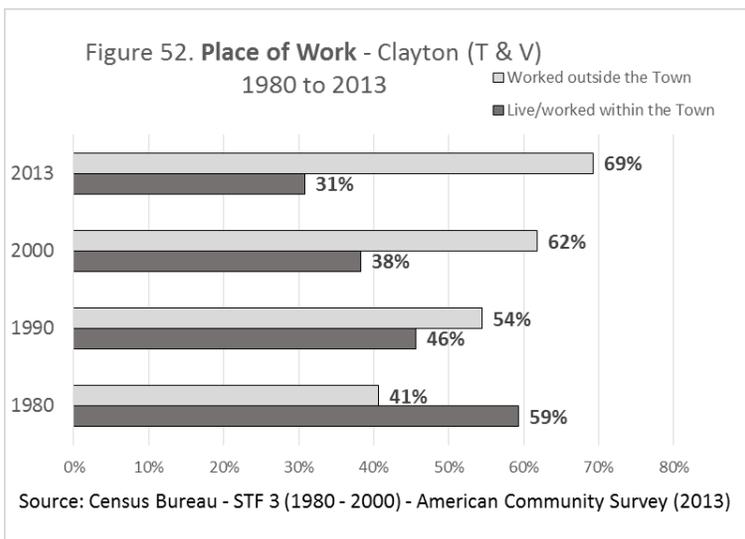
Table 14. Labor Force - Town outside Village	1980	1990	2000	2009-2013	% change 1980 to 2013
Population 16 years and over	1,462	1,217	2,195	2,266	55.0%
Civilian labor force	807	921	1,382	1,492	84.9%
Armed Forces	-	-	85	37	-56.5%
Unemployed	165	179	124	130	-21.2%
Not in labor force	655	631	728	737	12.5%
Participation rate	55.2%	75.7%	63.0%	65.8%	19.3%

Commuting Trends

The Census Bureau still collects commuting trend data, as part of the American Community Survey in order to capture more frequent reporting. Such information is now gathered every three to five years based on population size. As described earlier, comparisons between the 1980 to 2000 data and the 2013 data should acknowledge the methodology change the Census Bureau implemented.

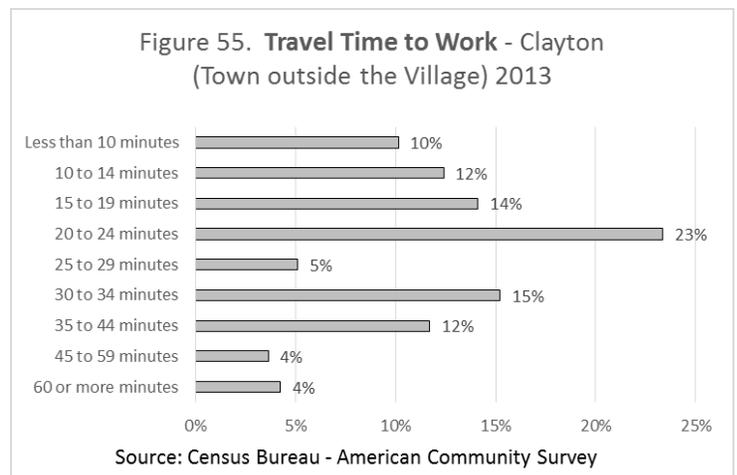
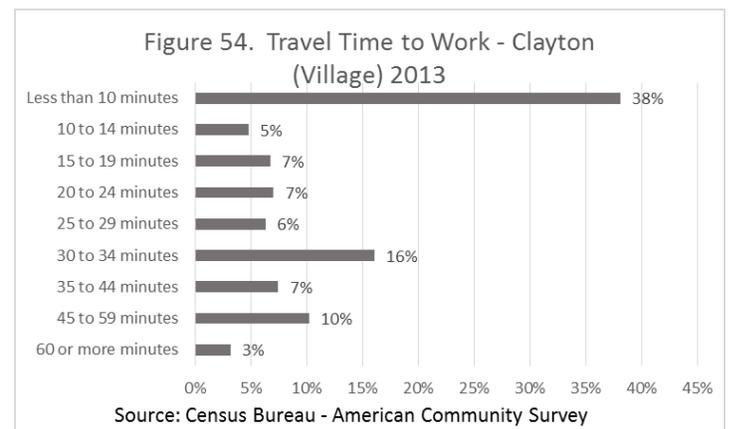
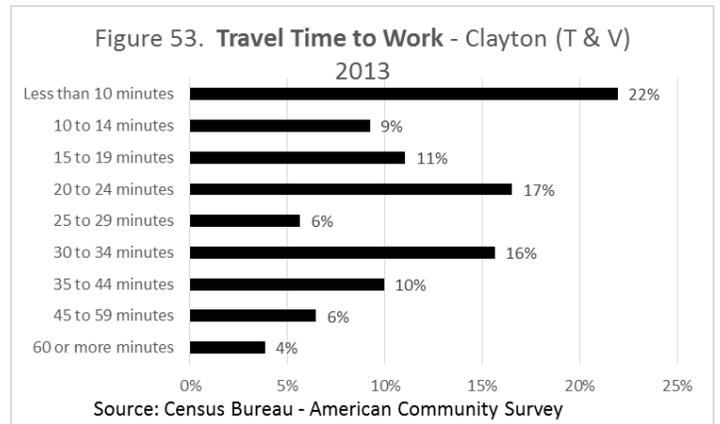
Place of Work

Commuting patterns have changed dramatically from a Town that had 59 percent of its residents living and working in the Town in 1980, to now 69 percent of the Town residents working outside the Town as of 2013. Each decade in between demonstrated a gradual shift to more residents securing work outside Town limits as Figure 52 illustrates.



Travel Time to Work

Town and Village combined, the largest segment of the workforce reported traveling less than 10 minutes a day to work (22 percent) in 2013. When combined with the next two segments, 42 percent of Town and Village workforce spent



less than 20 minutes a day traveling to work. The Town average commute time (mean) was 23.8 minutes in 2013. The national or US average commute time was 25.5 minutes in 2013.

Within the Village, 38 percent of the workforce traveled less than 10 minutes to work. However,

average commute time was slightly less (22.4 minutes) for Village residents than the Town-wide populace. The second largest segment was the group traveling 30 to 34 minutes to work.

Those in the Town outside the Village, travel times were more typical, with longer trips on average, as the largest segment for travel time was the 20 to 24 minute grouping at 23 percent of the workforce. Next largest was the 30 to 34 minute segment at 15 percent of the workforce, followed by the 15 to 19 minute segment.

Commute times can be affected by routine traffic levels and congestion, therefore habitual delays can cause commuters to leave earlier and lead to longer commutes on average.

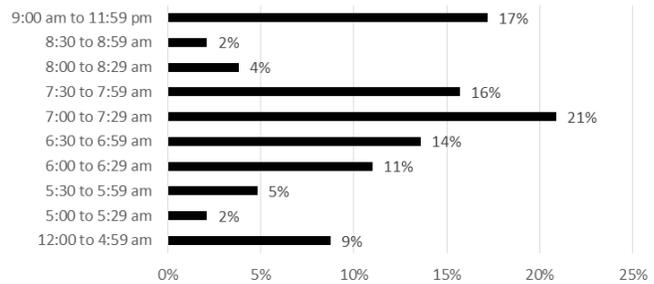
Time Leaving to Go to Work

The American Community Survey also asks when people leave home to go to work in order to gauge commuting trends related to departure times. Recurring traffic congestion at certain times can influence when people decide to leave home to go to work.

Town-wide, the largest two segments of morning commuters left the home between 7:00 and 7:29 am at 21 percent, and the 9:00 am to 11:59 pm segment at 17 percent of workers respectively. A close third was the 7:30 to 7:59 segment at 16 percent of the workforce.

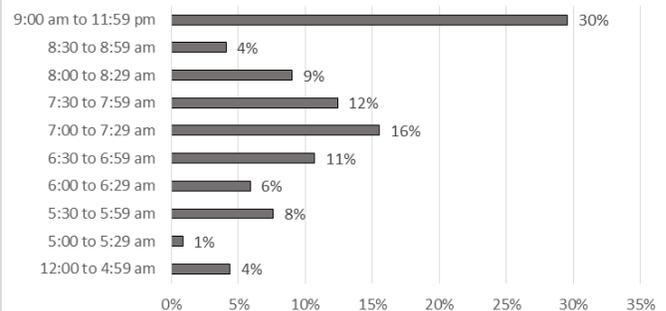
The largest segment of commuters in the Village left home between 9:00 am and 11:59 pm at 30 percent of the workforce in 2013. It is assumed that a significant portion of this group works 2nd or 3rd shift work somewhere within commuting distance. The second largest group (16 percent) of morning commuters left home between 7:00 and 7:29 am and 7:29 am.

Figure 56. Time Leaving to Go to Work - Clayton (T & V) 2013



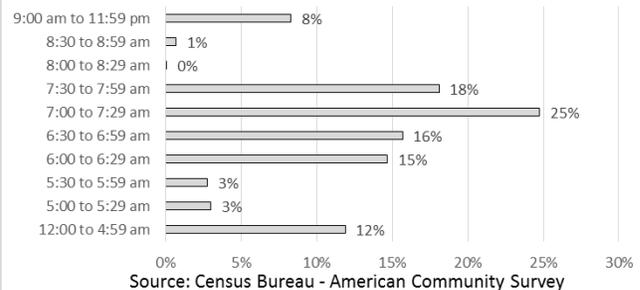
Source: Census Bureau - American Community Survey

Figure 57. Time Leaving to Go to Work - Clayton (Village) 2013



Source: Census Bureau - American Community Survey

Figure 58. Time Leaving to Go to Work - Clayton (Town outside the Village) 2013



Source: Census Bureau - American Community Survey

Those in the Town living outside the Village, the largest segment of the workforce were those leaving their home between 7:00 and 7:29 am at 25 percent of the workforce. The next largest was the between 7:30 and 7:59 am segment at 18 percent of the workforce in 2013. The next two segments were 6:30 to 6:59 am at 16 percent, and 6:00 and 6:29 am at 15 percent of the workforce leaving home to go to work.

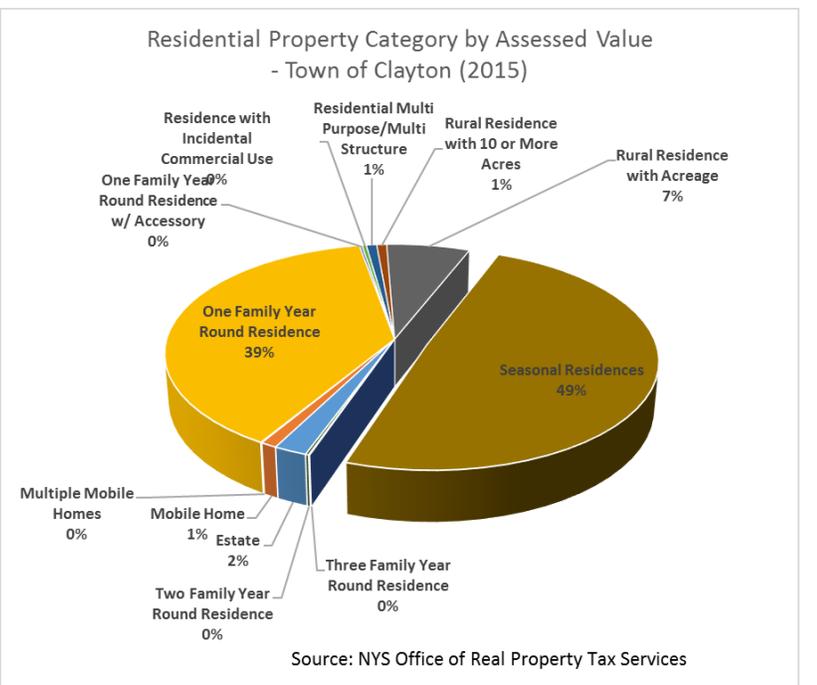
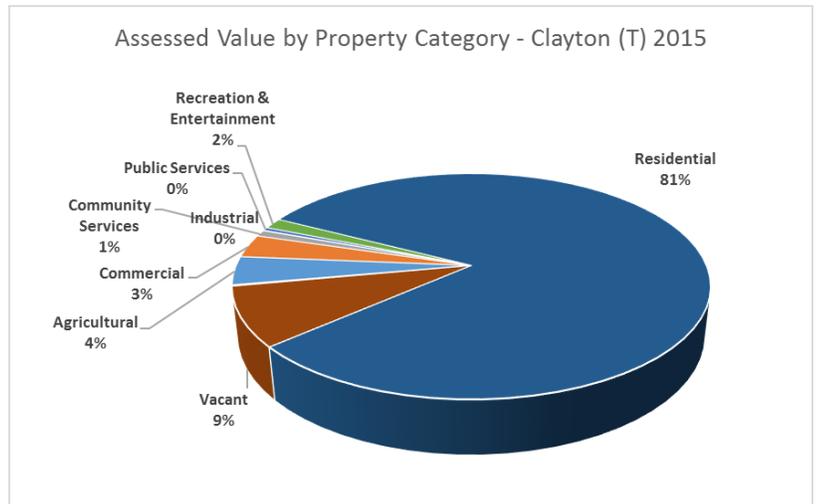
Town Assessed Values

Assessed values in the Town illustrate some expected patterns in 2015. The majority of the assessed value in the Town is in the Residential Category with 81 percent, not surprising given the amount of waterfront and rural residences within the Town along the river and rural roads. Agricultural comprises 4 percent of assessed value, while Commercial comprises 3 percent.

Looking closer at just the largest classification of assessed property, Residential, one can see that the Seasonal Residences comprised 49 percent in 2015, while all the combined non-seasonal categories equated to slightly larger percentage of 51 percent.

While Agricultural only made up 4 percent of the Town’s assessed value, farms typically have a much lower demand for services on average. This often equates to them typically paying more in taxes than they get in return on average, similar to commercial, industrial, recreational and entertainment land uses, which typically have a similar tax base effect. This is covered in more detail in the Agricultural Chapter.

Bedroom communities, such as Clayton, must consider the need for diversifying their tax base to keep residential property taxes down in proportion to local cost drivers such as schools, emergency services, and other public utilities. Definitions explaining the assessment categories including the breakdown of residential land use types can be found on page 41.

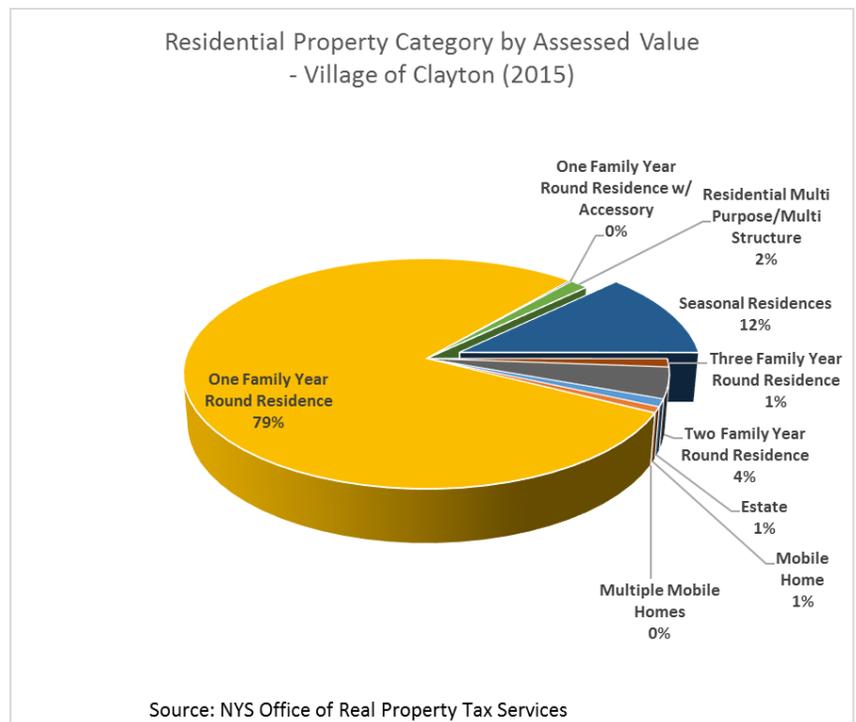
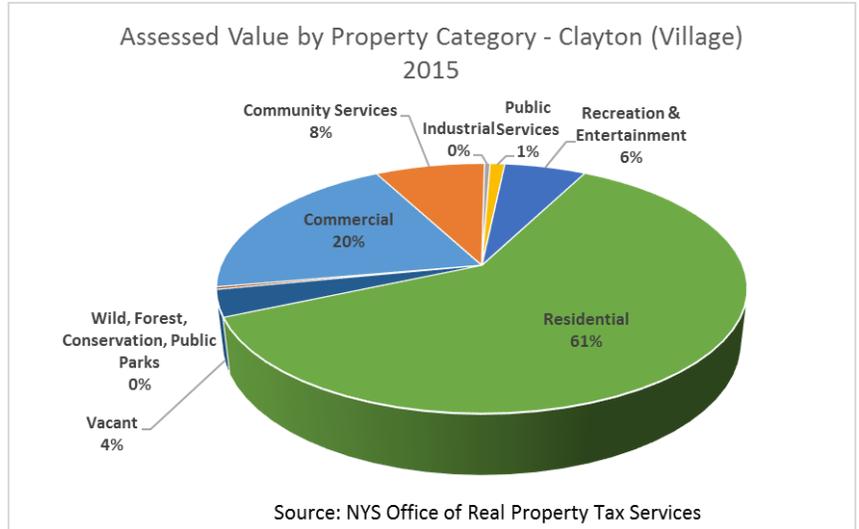


Village Assessed Values

Assessed values in the Village illustrate some expected patterns in 2015. A large percentage of the assessed value in the Village is in the Residential Category with 61 percent however, Commercial now comprises 20 percent which should help diversify the Village tax base at least more than has historically been the case. It is assumed that the 1000 Islands Harbor Hotel has contributed to this percentage.

The bulk of the residentially assessed property value in the Village, are one family year round units comprising 79 percent of the residential category. Second in value are seasonal residential units, making up 12 percent of residential property value, while two family year round units making up 4 percent in 2015. Therefore, year round residences in the Village comprise 88 percent of assessed value in the residential category.

The New York State Office of Real Property Tax Services defines each land use category for assessment purposes. The definitions are on the following page:



- **Agricultural** - Property used for the production of crops or livestock.
- **Residential** - Property used for human habitation. Living accommodations such as hotels, motels, and apartments are in the Commercial category.
- **Vacant Land** - Property that is not in use, is in temporary use, or lacks permanent improvement.
- **Commercial** - Property used for the sale of goods and/or services.
- **Recreation & Entertainment** - Property used by groups for recreation, amusement, or entertainment.
- **Industrial** - Property used for the production and fabrication of durable and nondurable man-made goods.
- **Community Services** - Property used for the well-being of the community.
- **Public Services** - Property used to provide services to the general public.
- **Wild, Forested, Conservation Lands & Public Parks** - Reforested lands, preserves, and private hunting and fishing clubs.

Source: NYS Office of Real Property Services

Specific Types of Residential:

One Family Year-Round Residence - A one family dwelling constructed for year-round occupancy (adequate insulation, heating, etc.).

Rural Residence with Acreage - A year-round residence with 10 or more acres of land; it may have up to three year-round dwelling units

Seasonal Residences - Dwelling units generally used for seasonal occupancy; not constructed for year-round occupancy (inadequate insulation, heating, etc.). If the value of the land and timber exceeds the value of the seasonal dwelling, the property should be listed as forest land.

Mobile Home - A portable structure built on a chassis and used as a permanent dwelling unit.

Multiple Residences - More than one residential dwelling on one parcel of land. May be a mixture of types, or all one type.

Estate - A residential property of not less than 5 acres with a luxurious residence and auxiliary buildings.

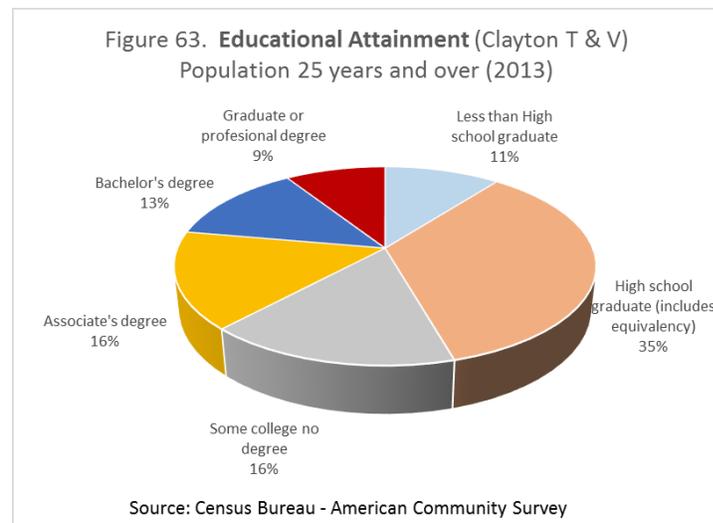
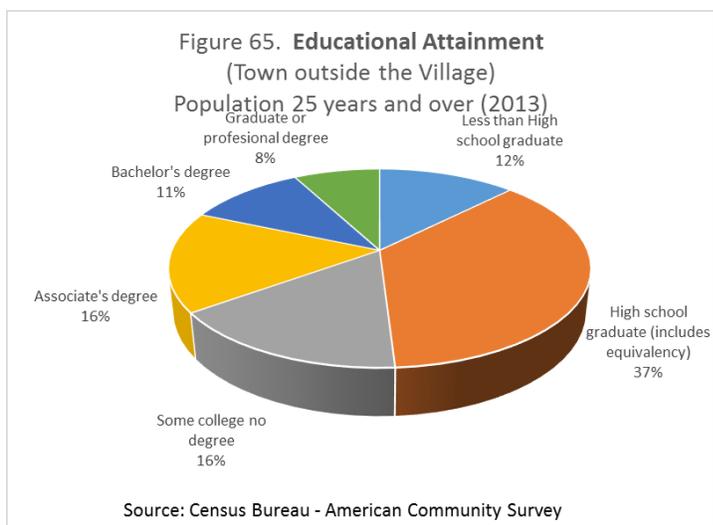
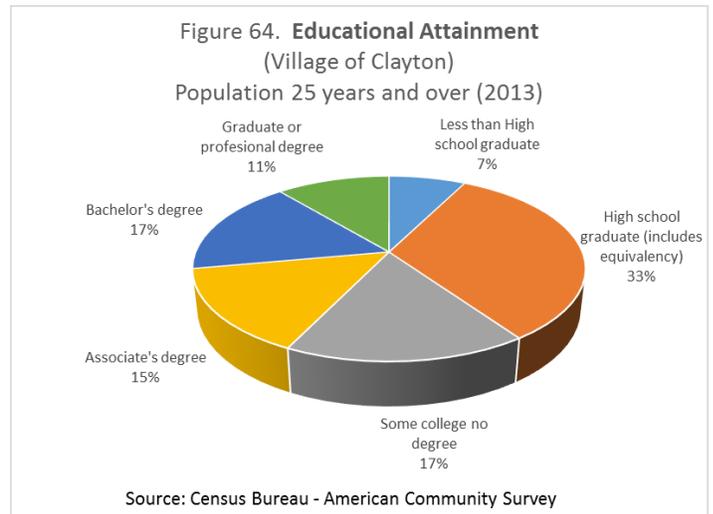
Educational Attainment

The 2013 Census Bureau – American Community Survey data indicates the Town and Village of Clayton had a fairly similar amount of High School Graduates and those who either had some college or had various levels of College Degrees.

However, to distinguish between the Village and Town Educational Attainment levels, the second and third pie charts illustrate the distinct Village levels and Town outside the Village levels respectively.

They demonstrate some differences as far as education level among residents in the Village vs those in the Town outside the Village in terms of Educational Attainment. While 33 percent of those aged 25 years and over had a High School degree in the Village, 37 percent had a High School degree in the Town outside the Village. Those residents with some college in the Village, however, comprised 17 percent of the population aged 25 years and over, while those outside the village totaled 16 percent. Those with an Associates degree totaled 15 percent in the Village and 16 percent in the Town outside the Village.

Contrastingly, those with a Bachelor’s degree totaled 17 percent within the Village, while those outside the village totaled 11 percent. Lastly, those with a Graduate or professional degree represented 11 percent of the Village residents and 8 percent of those in the Town outside the Village.



Tourism Based Economy

Clayton's riverfront and island areas provide a key component in one of the town's major industries, namely a seasonal tourism based economy. The Thousand Islands region has attracted visitors since great hotels and summer homes began to be built in the latter part of the nineteenth century. As described in the Community Facilities Chapter, the area offers plentiful options for sightseeing, lodging, dining, boating and other water related activities for residents and visitors. There are several hospitality and service businesses in the Town and Village.

Local Economic Development Priorities

Local citizens and Town officials have worked hard to coordinate and foster various types of development. Both the Town and Village of Clayton welcome growth and change, but also seek to maintain economic stability while making sound land use decisions, providing adequate community facilities and services, as well as protecting the environmental integrity and existing character of the Town and Village. As the Town and its communities continue to grow, the cost of providing services for new residential development will likely grow as well. From a fiscal perspective, new year-round residential growth rarely pays for itself in terms of services and school costs versus property taxes collected. Therefore, it is important to ensure that the community maintains a balance of residential development, commercial development, working agricultural lands, and recreation spaces.

This balanced approach to growth will increase the quality of life for current and new residents,

and as a result will continue to attract those wishing to settle in or visit a seasonal waterfront community with a multitude of amenities, destinations, and recreational opportunities.

Seven Economic Development Lessons/Truths:

1. In small towns, community development is economic development.
2. Small towns with the most dramatic outcomes tend to be proactive and future oriented; they embrace change and assume risk.
3. Successful community economic development strategies are guided by a *broadly held local vision*.
4. Defining assets and opportunities broadly can yield innovative strategies that capitalize on a community's competitive advantage.
5. Innovative local governance, partnerships and organizations significantly enhance the capacity for community economic development.
6. Effective communities identify, measure and celebrate short-term successes to sustain support for long-term community economic development.
7. Viable community economic development involves the use of a comprehensive package of strategies and tools, rather than a piecemeal approach.

Source: Small Towns – BIG IDEAS, University of North Carolina School of Government – N.C. Rural Economic Development Center