

Setting the Context for Discussion



Oil City & Its Potential Sources of Economic Vitality

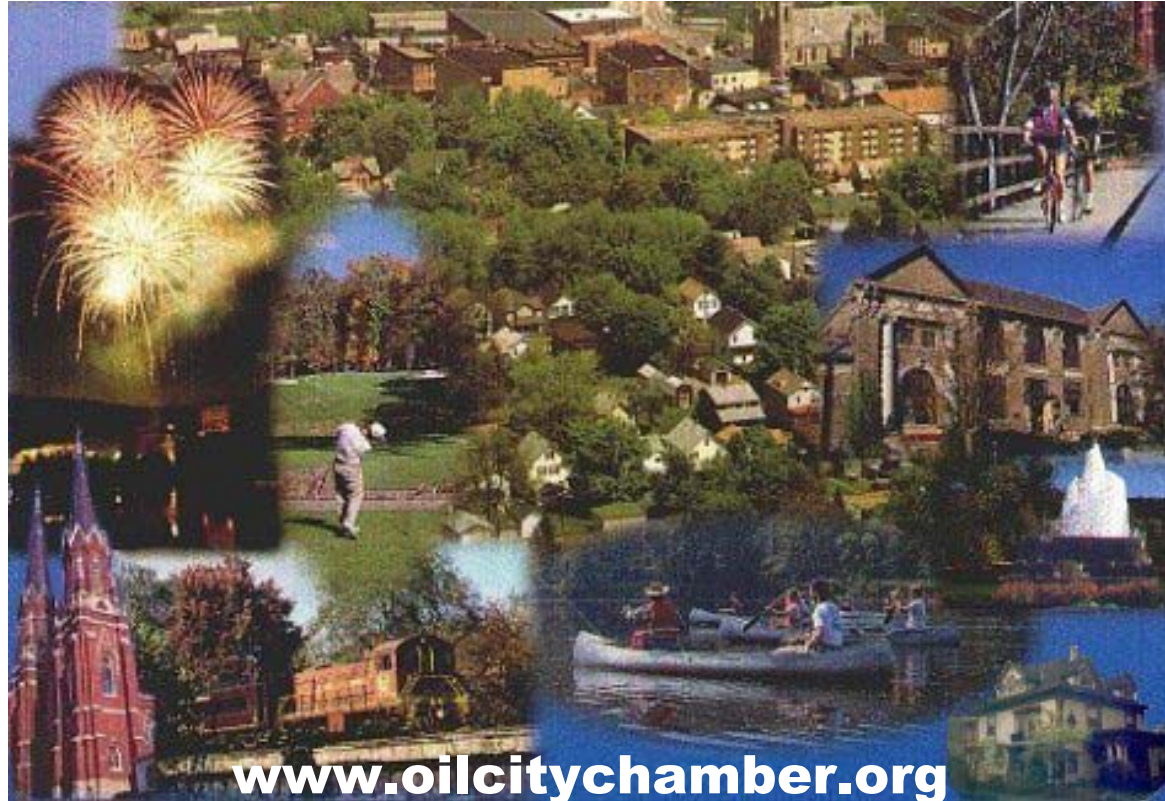


Key issue for the long term:

What are
authentic sources of value
that Oil City can provide to
employers and tourists?



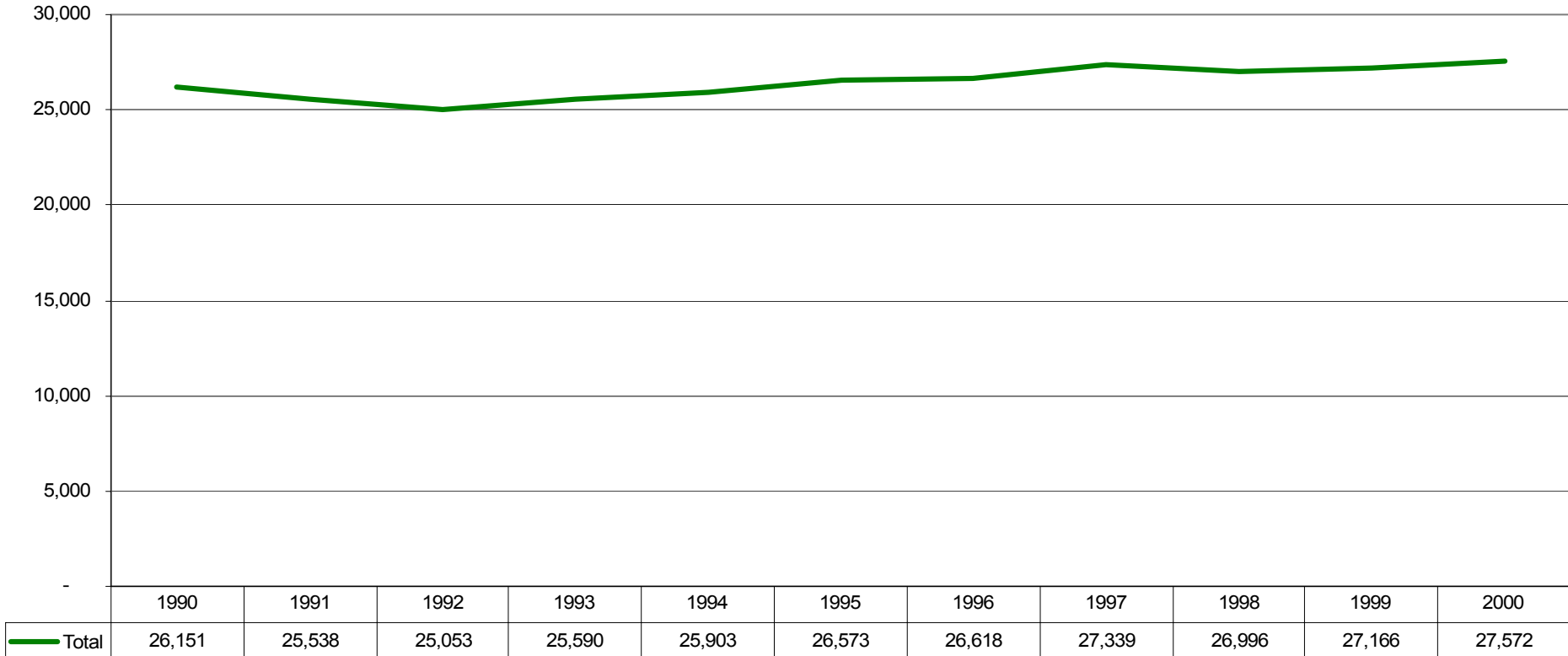
A Community's Economic Vitality Emerges from a Variety of Factors



An Economic Development Strategy must consider all of these

Modest growth has continued in the area. . .

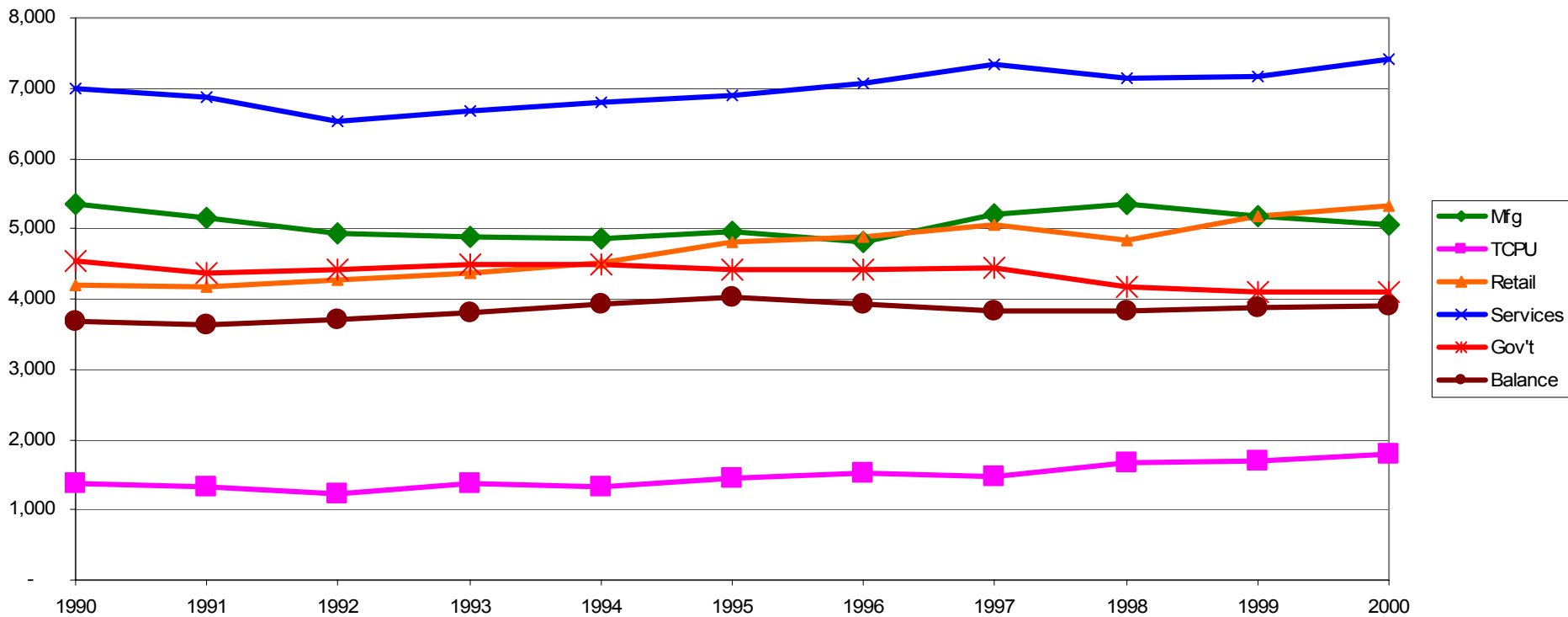
Venango County Employment, 1990-2000



...But it has taken a different form

Venango County Employment by Sector, 1990-2000

NOTE: Services passed Manufacturing as leading sector in 1983



Sources of Competitive Advantage Change over Time

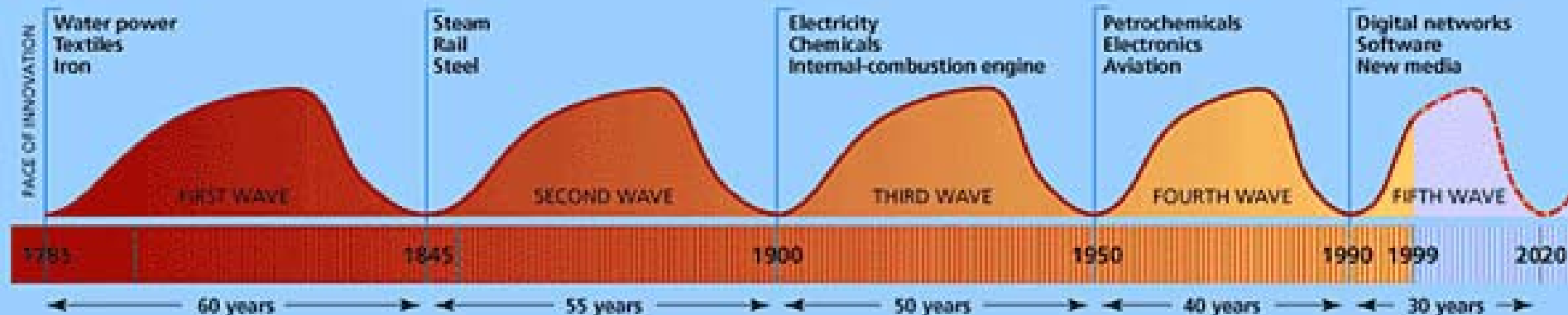
Water
Transport
& Power

Natural
Resources



Innovations,
Connections &
Human
Capital

The Accelerating Pace of Technological Change

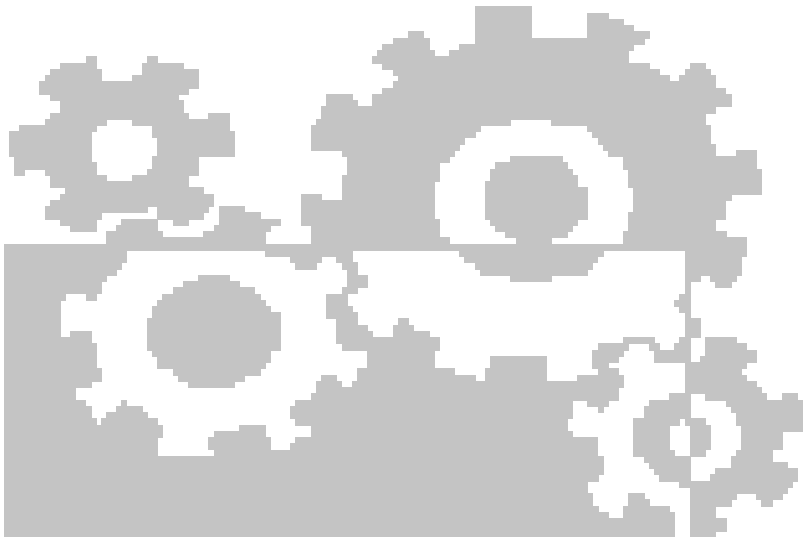


Source: The Economist, April 20, 1999 (after Joseph Schumpeter).

Sources of Competitive Advantage Change over Time



What are some of the new "drivers" to explore that could trigger growth in the Downtown?



There is a potential for community's to “grow their own” by harvesting internal opportunities



For example, Oil City has over 2,000 workers in its downtown every work day

The regional metropolitan markets also present opportunities and constraints

How might Oil City relate to its nearby metropolitan areas?



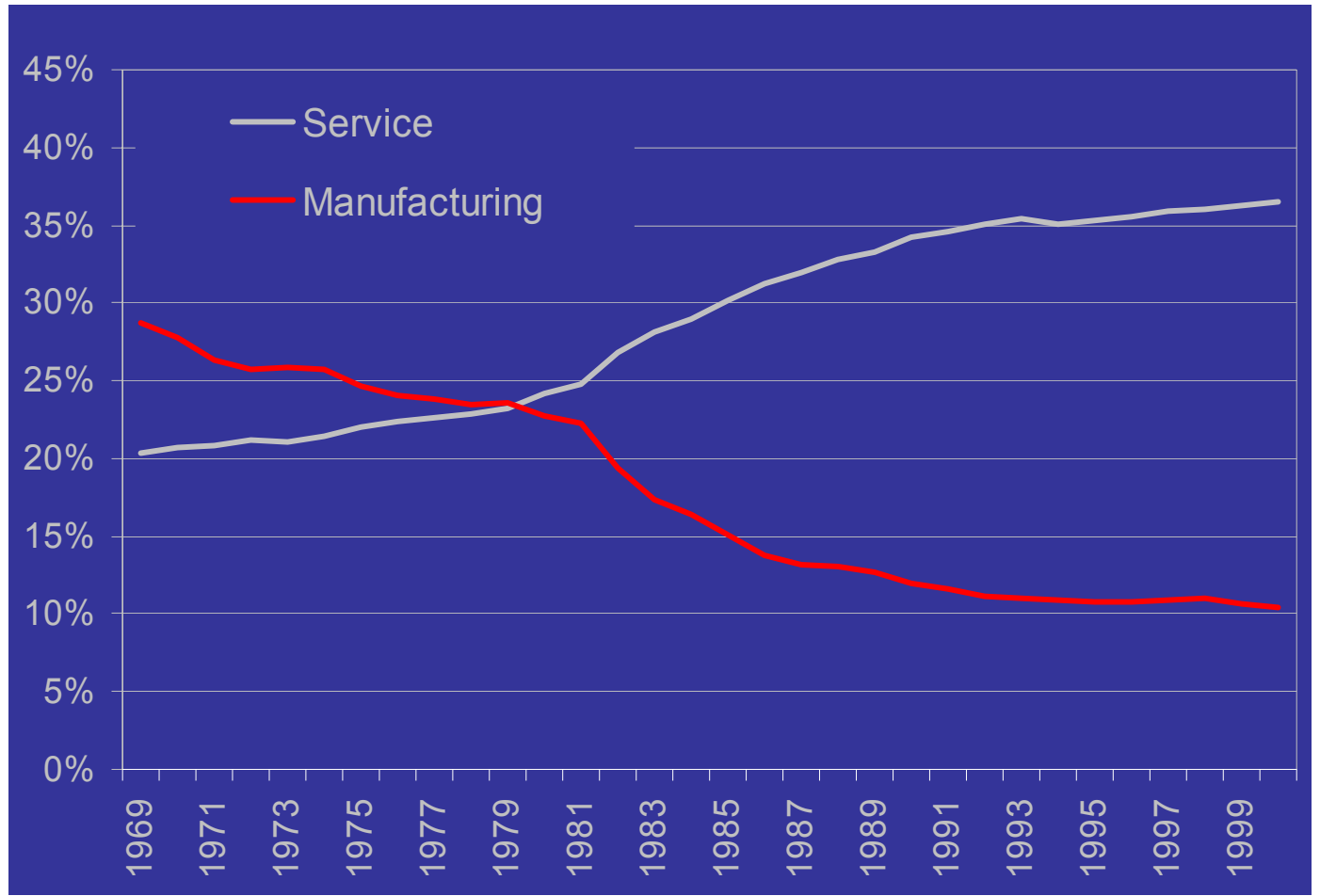
There is little potential for “spillover” into Oil City

There has been an utter collapse in the manufacturing sector in the Pittsburgh region...

Share of non-farm employment by sector, Pittsburgh MSA, 1969- 2000

Source: Bureau of Economic Analysis

...even though Services continue to grow



Source: Bruce Katz, *The Weak Market City*, Brookings Institution, 2004

...the same is true for Buffalo, Cleveland and Columbus

But even without “spillover” growth, opportunities exist

Metro areas are important concentrations of customers

For Example:

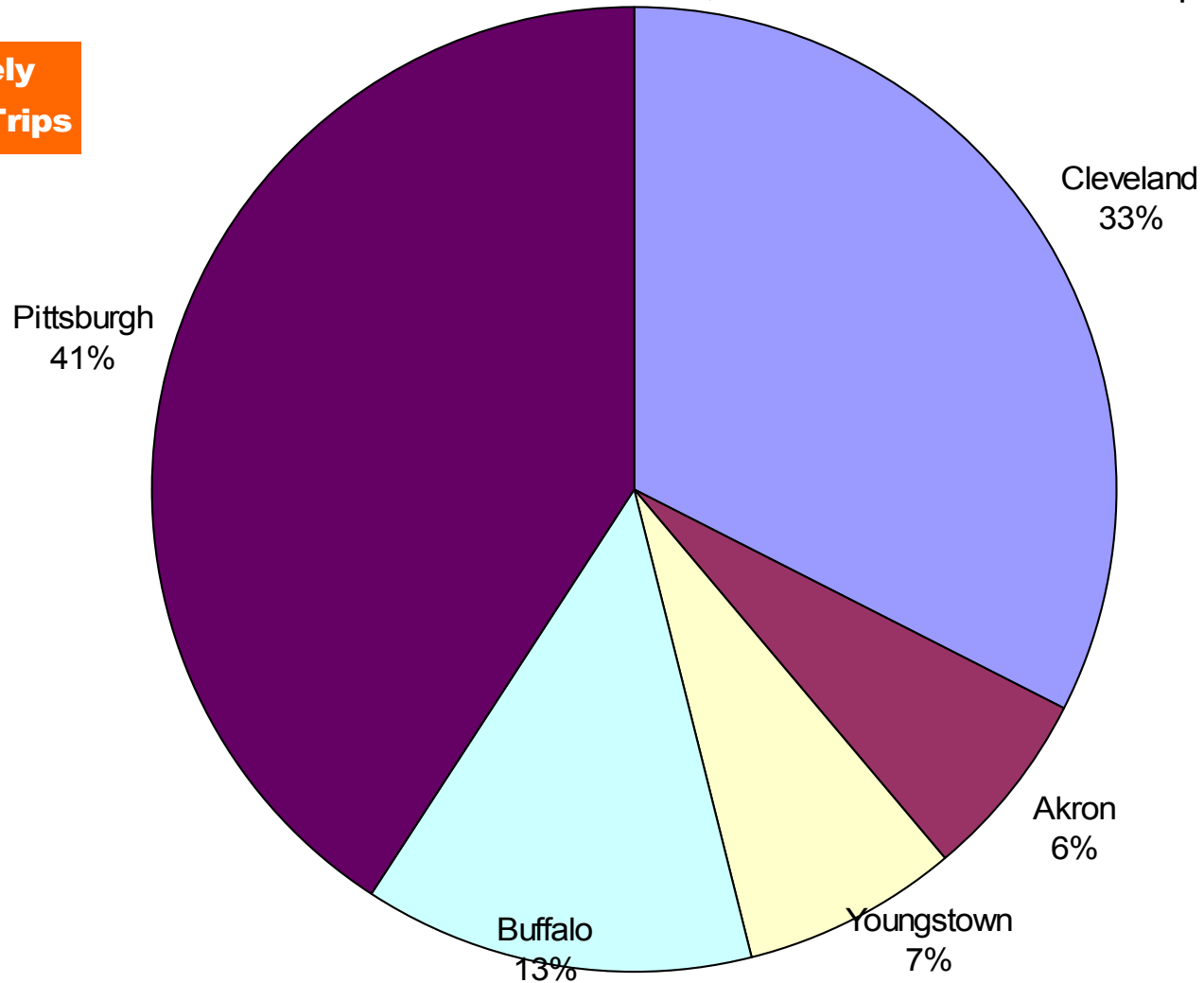
Are there tourism segments that Oil City could serve in those metro areas?



What do metro tourists want?

Households w/Incomes Over \$100,000 Estimated Household Trips, 2003

**Approximately
2.5 million HH Trips**

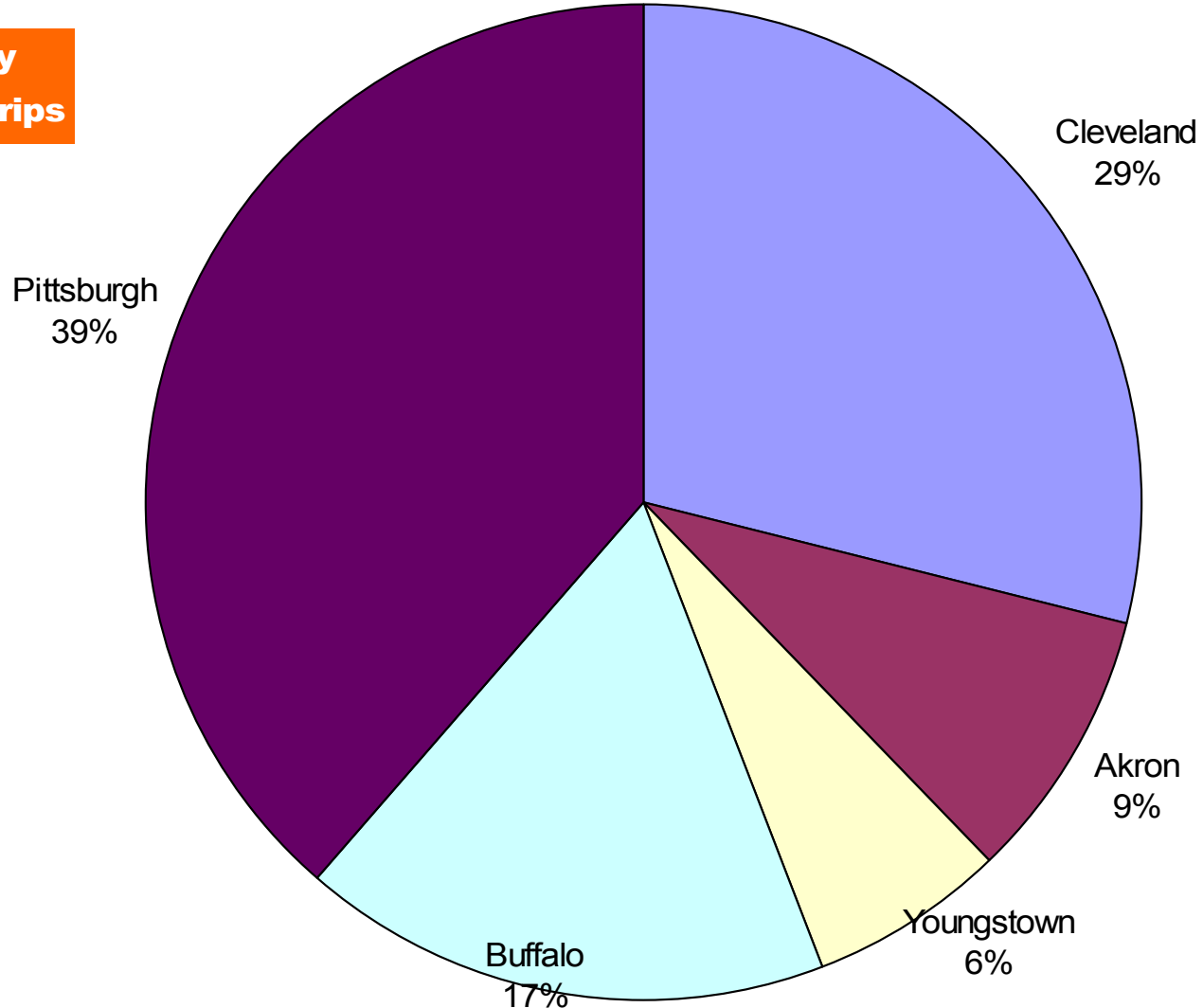


Source: Travel Industry Association

What do metro tourists want?

Households w/Incomes < \$100,000 Estimated Household Trips, 2003

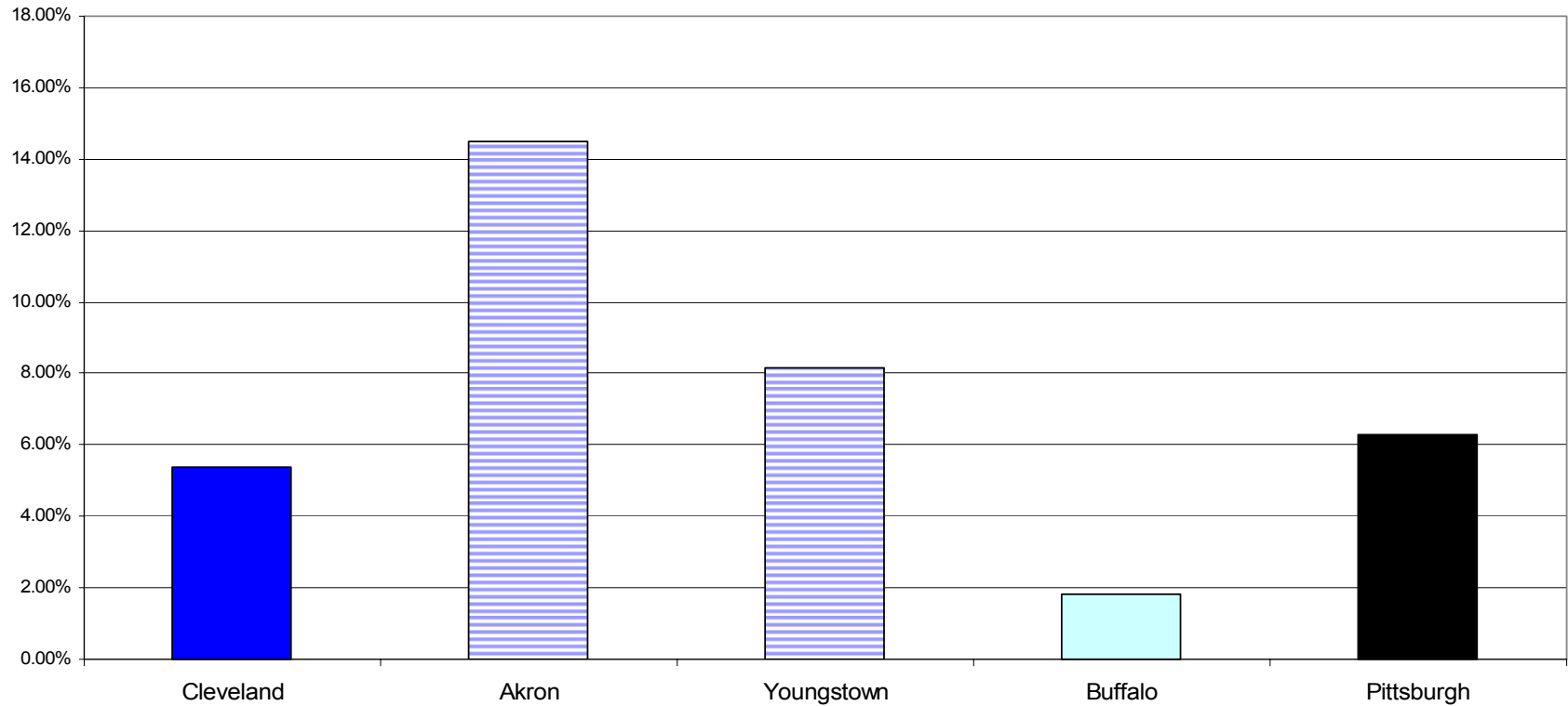
**Approximately
11.6 million HH Trips**



Source: Travel Industry Association

What do metro tourists want?

Historic Places, Sites Museums

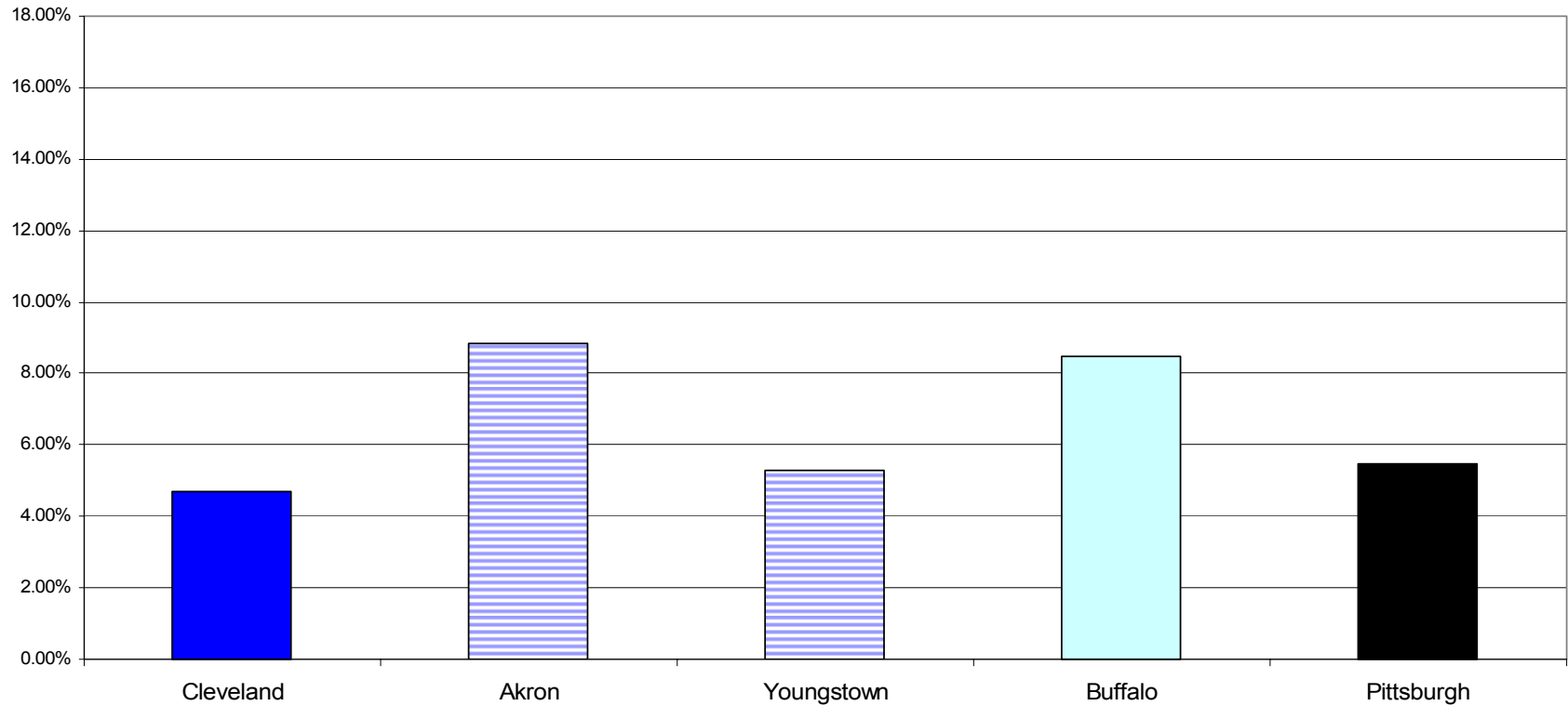


Percent of All Trips by Households earning over \$100,000, 2003

Source: Travel Industry Association

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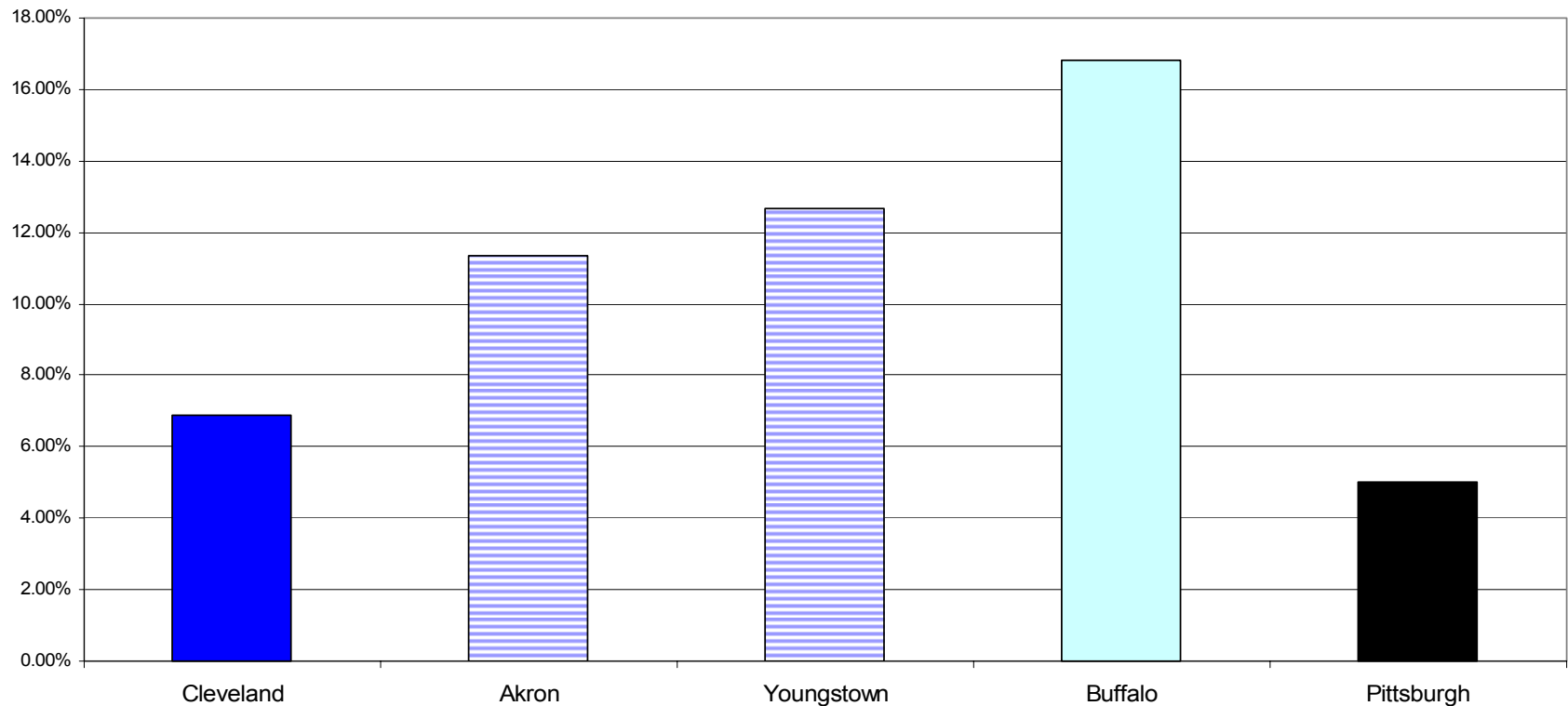


Percent of All Trips by Households earning under \$100,000, 2003

Source: Travel Industry Association

What do metro tourists want?

Outdoor Recreation (Camping, Fishing, etc.)

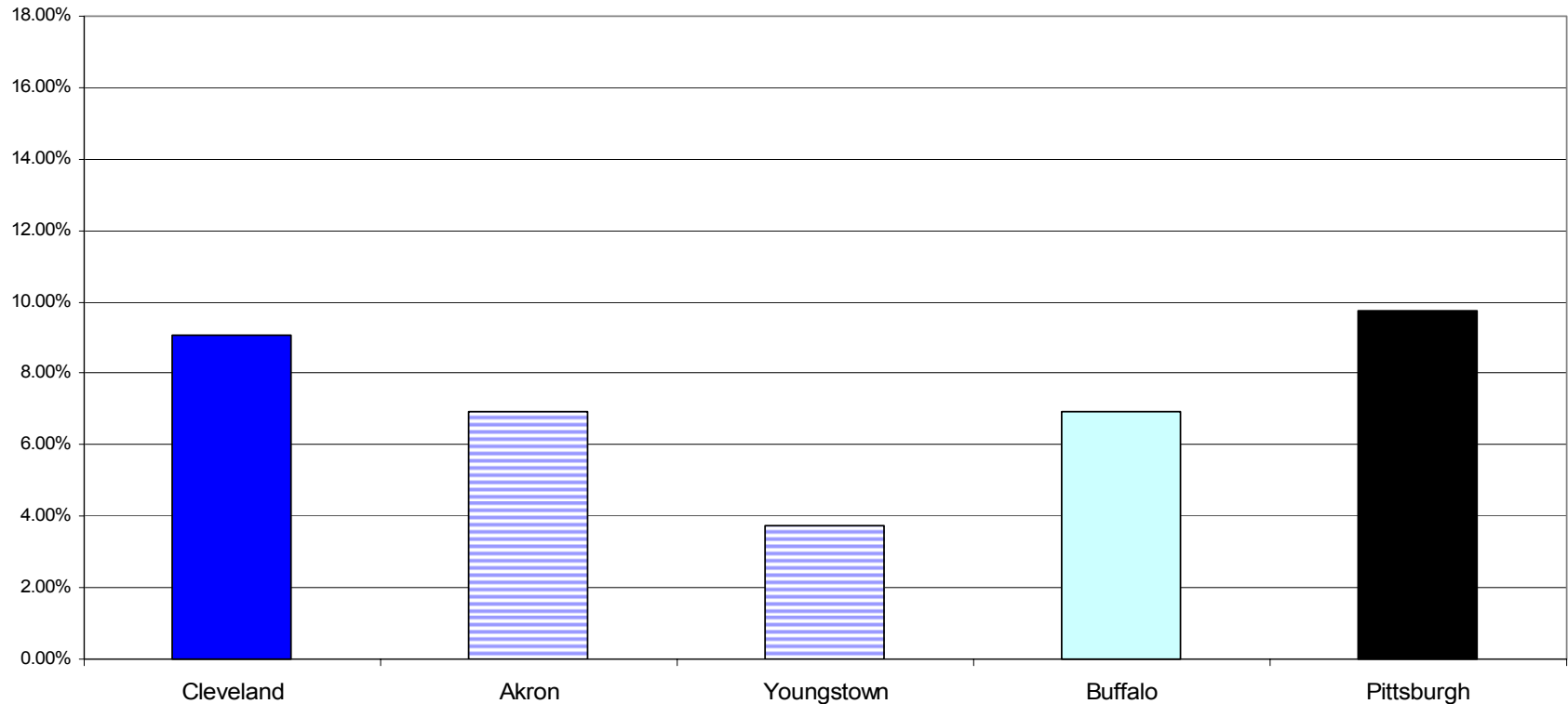


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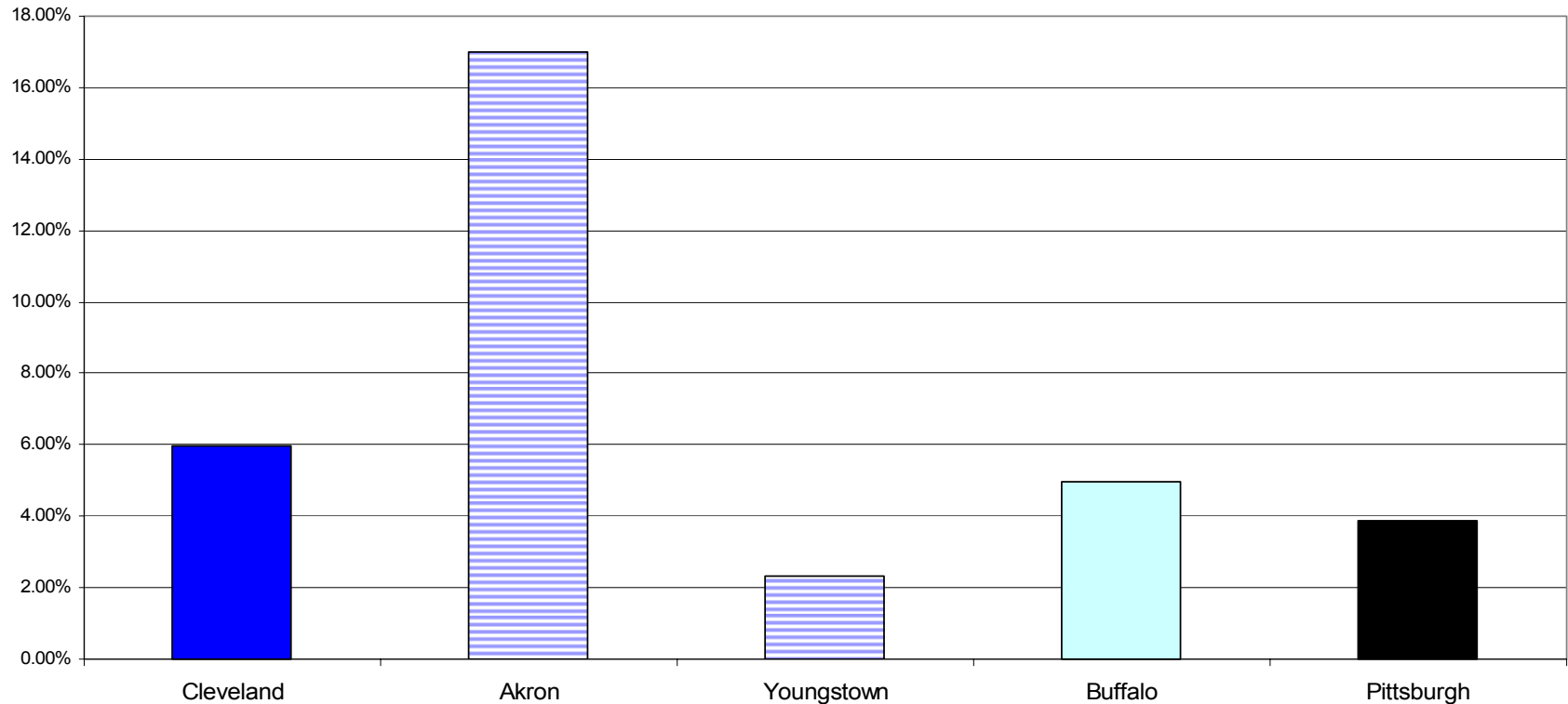


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What do metro tourists want?

National/State Parks

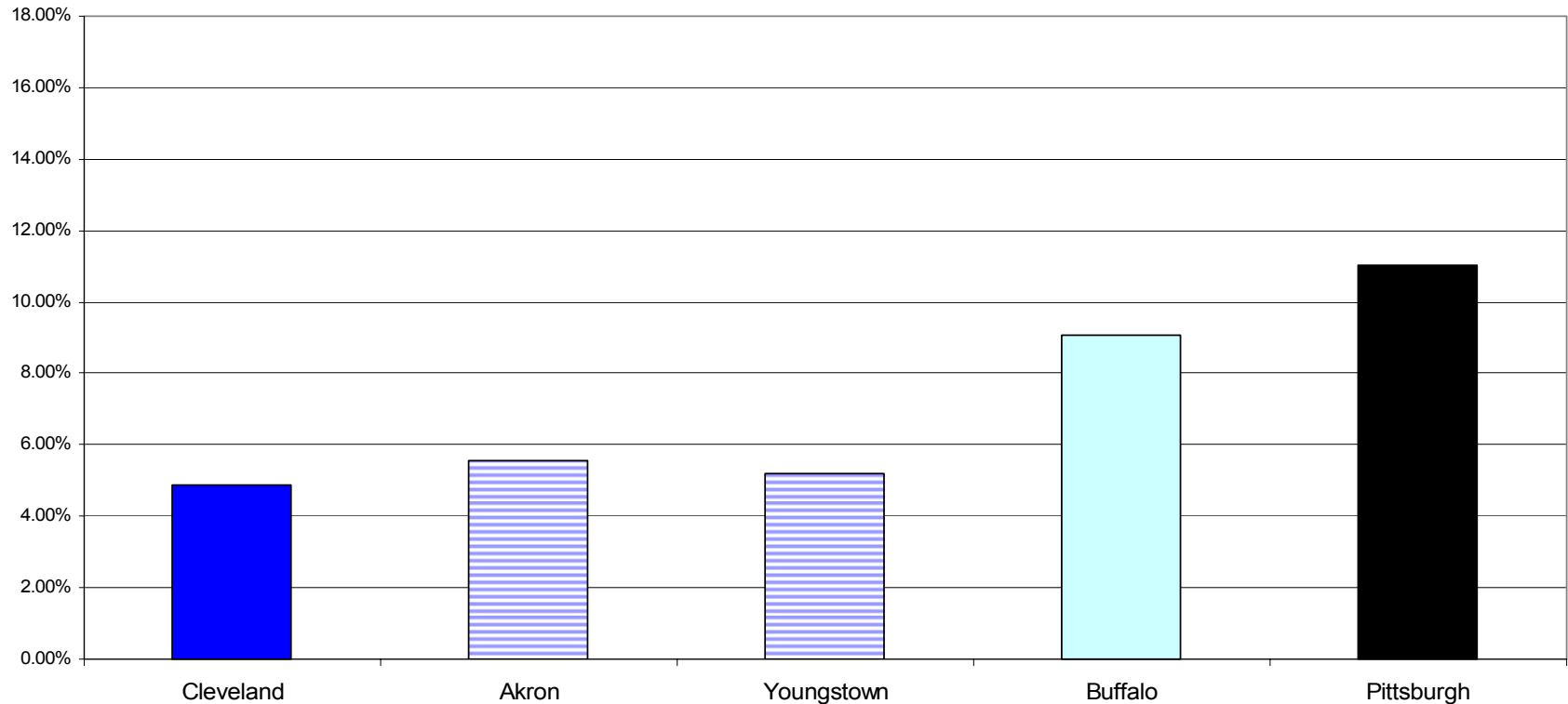


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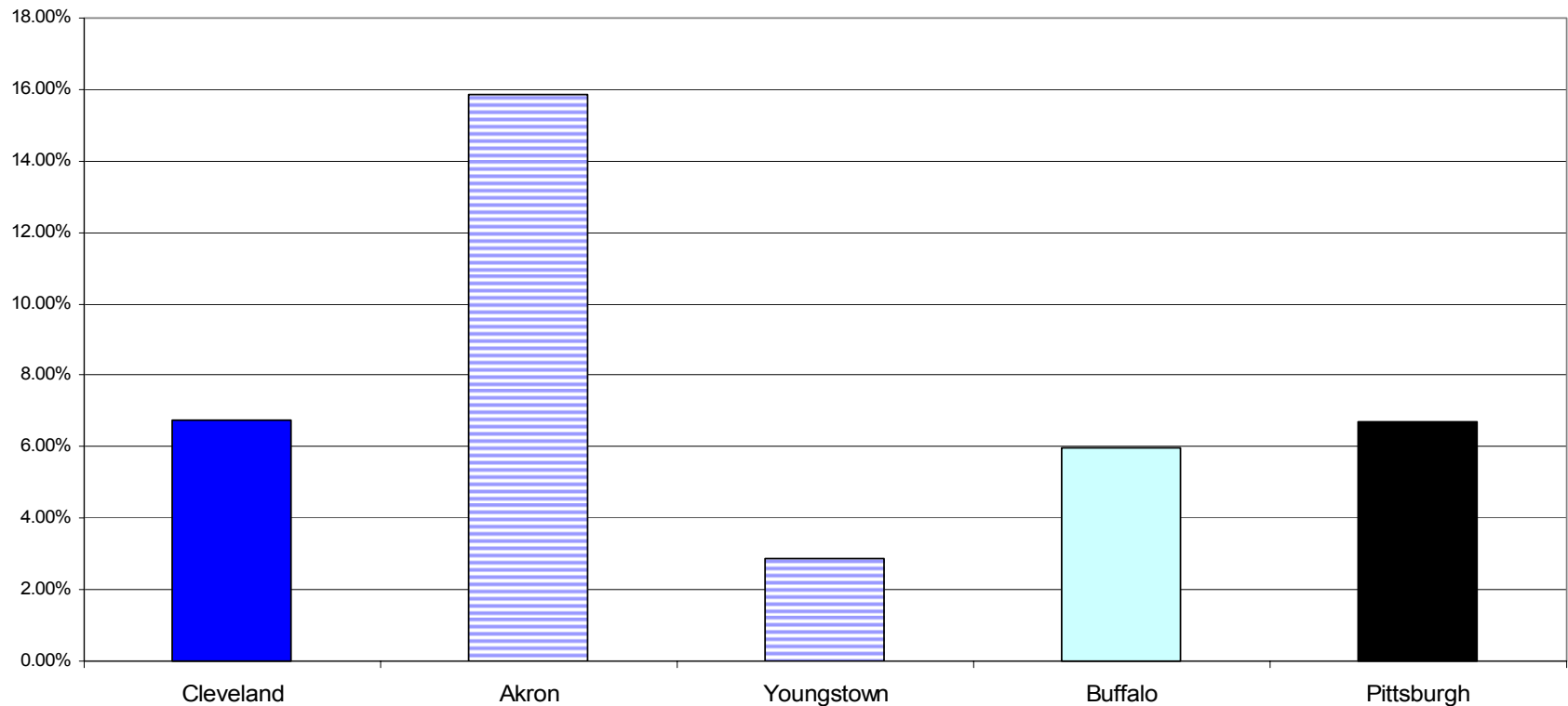


Percent of All Trips by Households earning under \$100,000, 2003

Source: Travel Industry Association

What do metro tourists want?

Rural Sightseeing

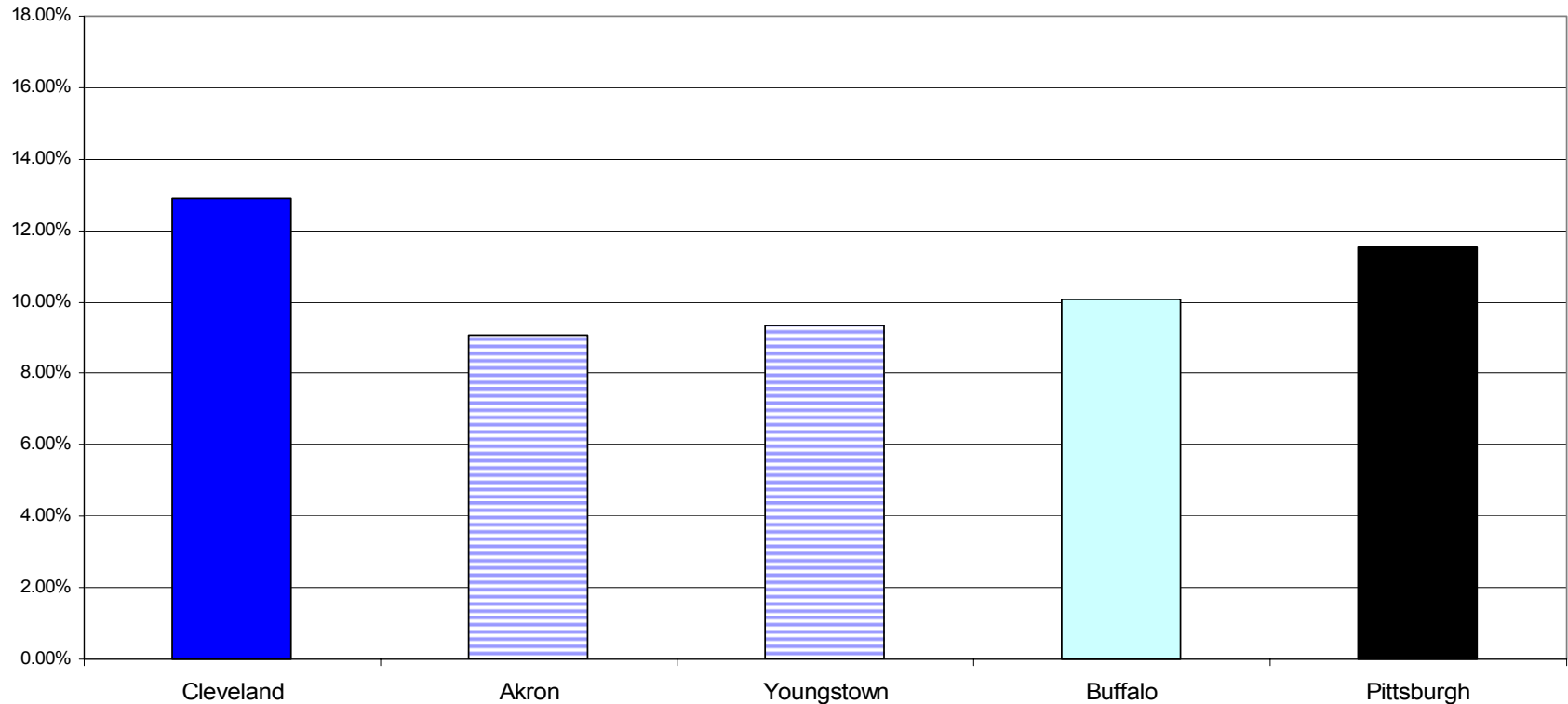


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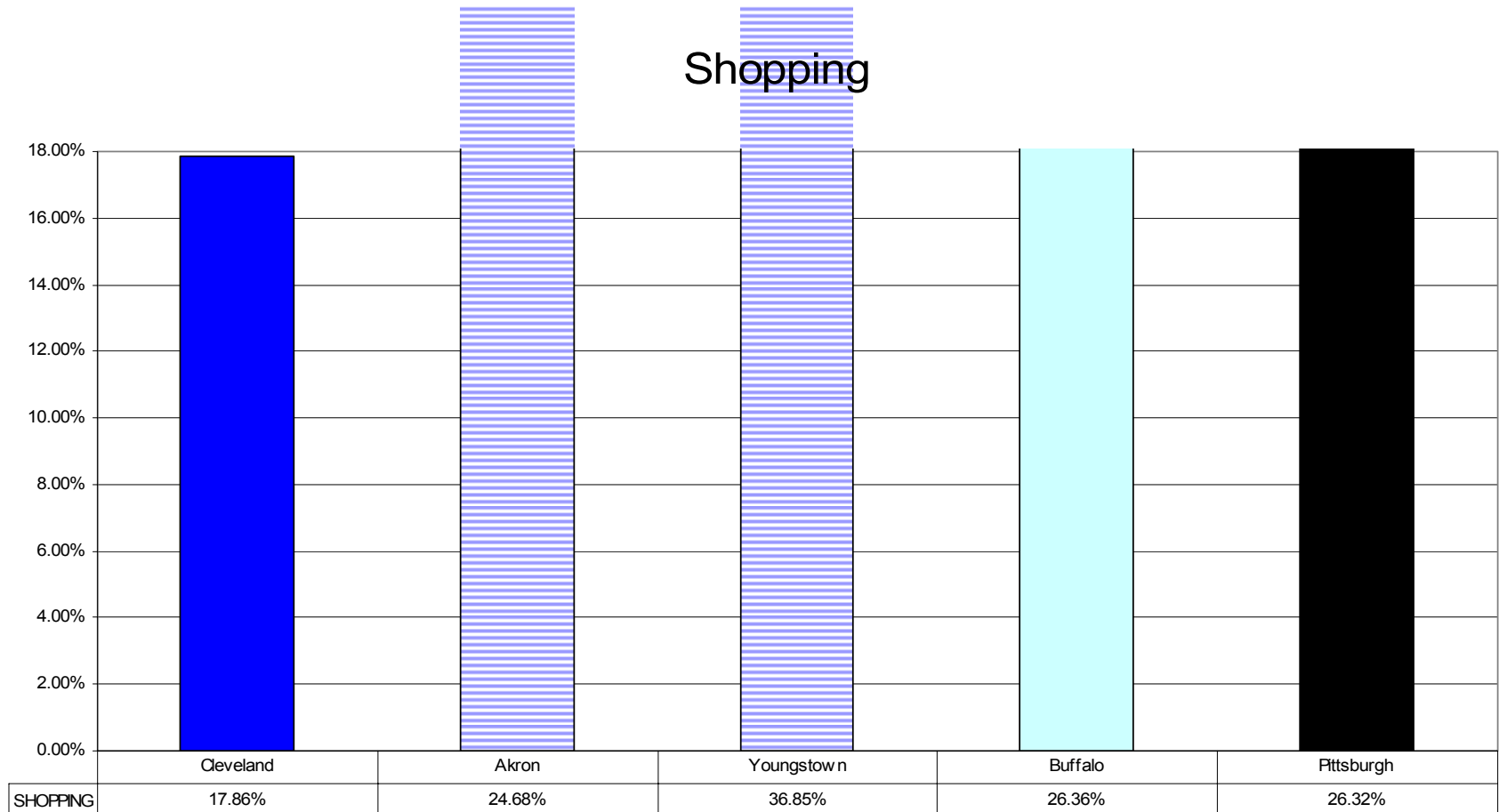
Rural Sightseeing



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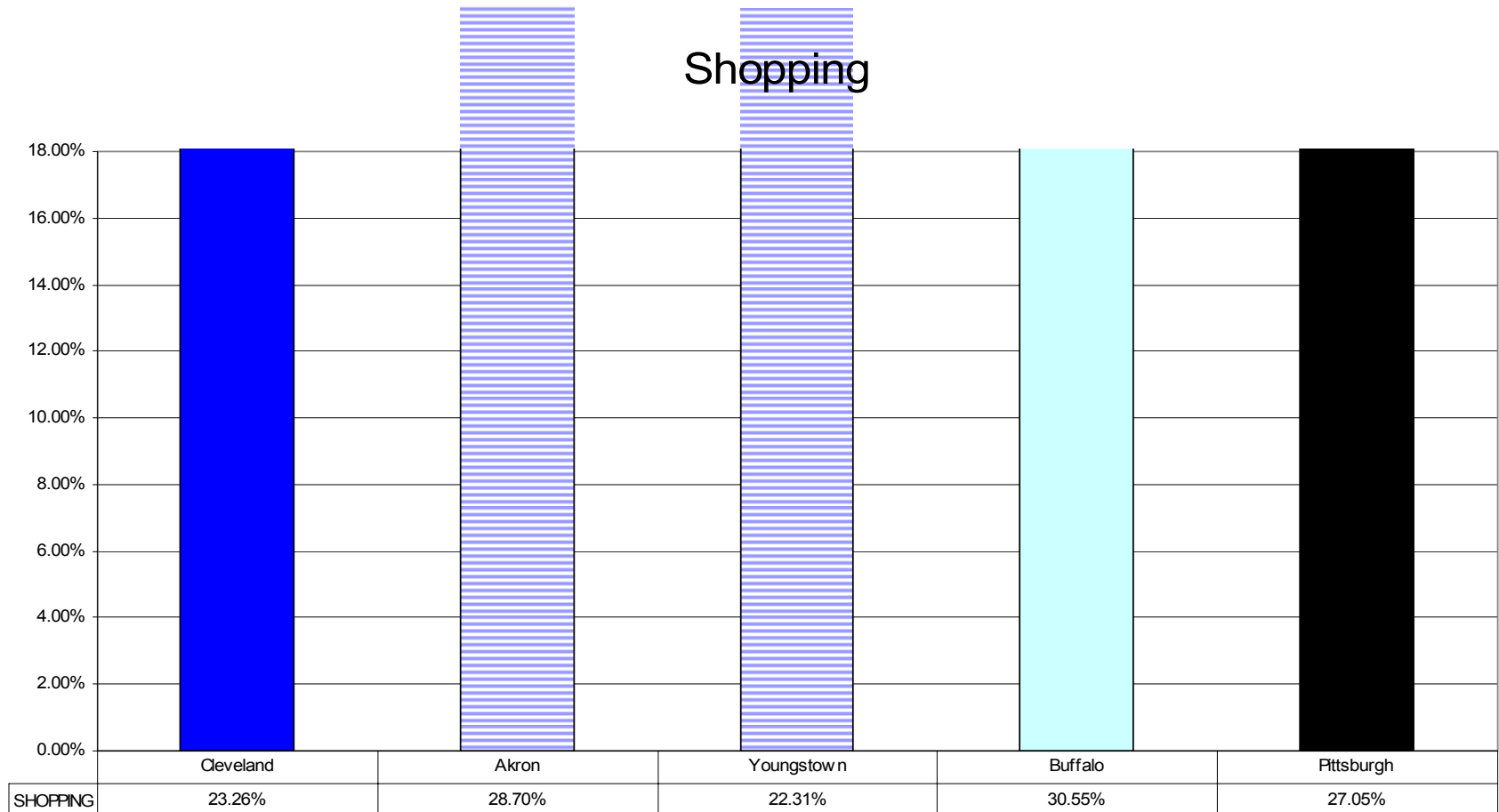


Percent of All Trips by Households earning over \$100,000, 2003

(If you can attract them, they will be willing to spend.)

Source: Travel Industry Association

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(If you can attract them, they will be willing to spend.)

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How do we bring them here?

What do tourists *really* want?

Yesterday's Tourists



Tomorrow's Tourists

Search for the Sun

Follow the Masses

Have Stuff

Complete Safety

Status

Eat in Hotel

Experience Difference

Be in Charge

Do Things

Adventure

Understanding

Try Local Fare

Source: Bruce Beckham & Associates. *Beyond 2000: Trends & Tips to Take You There*. 1999.

Oil City Area is positioned as a low cost provider of land & labor



Biomedical Industry

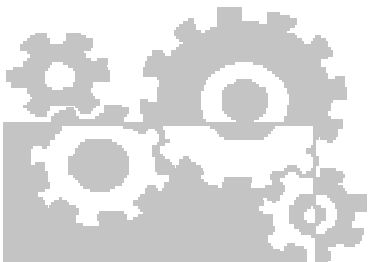
Fabricated Metals

Industrial Machinery

Plastics

Wood Products

Growth of these industries can generate new demand for services in the Downtown area



We also need to look at other sources of demand that are already here



Second Homes

