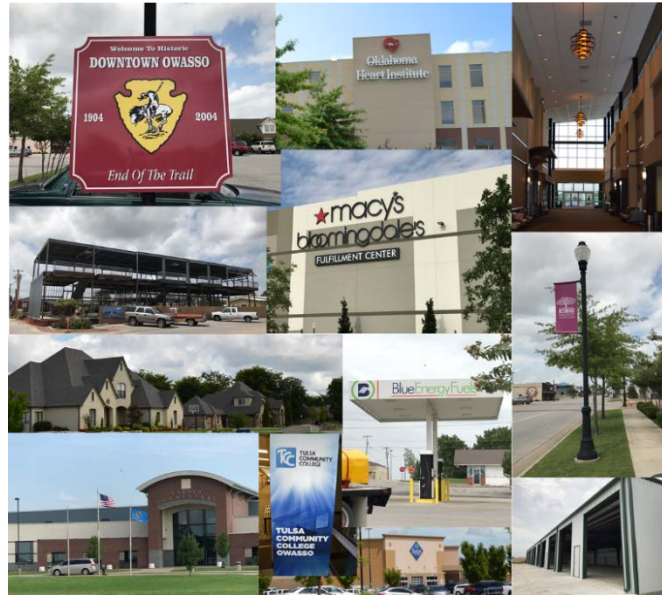




OWASSO TARGET INDUSTRY ANALYSIS



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ECONOMIC DEVELOPMENT STRATEGIC PLANNING

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INTRODUCTION

The purpose of this report – Owasso Target Industry Analysis – is to present the methodology, data and conclusions of a target industry analysis to identify favorable industries for Owasso, Oklahoma to pursue for business attraction. This targeting analysis identifies growth industries that align with Owasso’s assets and competitive advantages. It is important to understand what industries are most likely to prosper in Owasso’s business climate. Targeting enables Owasso to be strategic with limited resources and invest in marketing strategies that will generate the largest return on investment.

The recommended target industries are not intended to exclude other business attraction opportunities. Owasso should assess all leads to determine whether the projects will generate the desired jobs and economic impact for the community; and if Owasso has a realistic value proposition with documented assets to win the project.

METHODOLOGY

This study for Owasso focuses on basic industry sectors – those industries that bring new wealth into the local economy in the form of capital investment, jobs, payroll and local purchasing by generating income from selling goods and services outside the area. Basic industries contribute the greatest economic impact to an economy because they draw income and wealth into the community.

Retail targeting is a different process than the analysis for basic industry targets. A Retail Market Analysis should also be completed to focus retail recruitment efforts effectively.

The process to identify Owasso’s target industries involves the following:

- 1) **Industry Trends Analysis:** This step includes research of industry growth for Owasso, Tulsa County and Oklahoma. The most current data is utilized in this analysis.
- 2) **Initial Industry Screening:** Analysis of economic base data for success factors reveal prioritized industries for consideration of targeting.
- 3) **“Best Fit” Analysis:** Findings from the Owasso Competitiveness Assessment were applied to identify industries which Owasso can accommodate successfully. Both limitations and unique assets are considered in this capabilities screening analysis.

SUPPLEMENTAL INDUSTRY DATA

In addition to data analysis to determine targets, industry intelligence is provided to increase knowledge of target industry trends, assist in the development of effective marketing, and enhance dialogue with targeted businesses. This report includes the following industry intelligence:

- Key occupations for the industry;
- U. S. geographies (where to recruit these industries); and
- Industry profiles with industry associations, current industry issues, conversation starters for outreach to CEOs, human resources and CFOs, and other industry information.

INDUSTRY TRENDS ANALYSIS

The initial step of the Target Industry Analysis is to inventory Owasso's economic base and then evaluate historic industry trends for Owasso, Tulsa County and Oklahoma to identify a universe of potential target industries. The data focuses on the 5-year span of 2011 to 2016.

- Local employment growth by 6-digit NAICS¹ over the period of 2011 to 2016;
- National employment growth over the same period;
- Average industry wages; and
- Industry specialization expressed as a national location quotient².

This data indicates types of industries that have been most successful in Owasso, Tulsa County and Oklahoma in recent years and which industries are likely to hold the best potential for future growth.

The industry trends analysis covers:

- Owasso's current economic base by 2-digit NAICS categories.
- Key components of what makes up Owasso's economic base at 6-digit NAICS detail.
- Industries in which Owasso has a specialty compared to employment nationally for a respective industry.
- Basic industries that have experienced a high rate of employment growth from 2011 to 2016.

¹ NAICS stands for North American Industry Classification System and is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. NAICS replaced the Standard Industrial Classification (SIC) in 1997.

² Defined by the US Bureau of Economic Analysis (US Department of Commerce): "A location quotient (LQ) is an analytical statistic that measures a region's industrial specialization relative to a larger geographic unit (usually the nation)."

OWASSO ECONOMIC SITUATION

Of the 15,335 jobs in Owasso reported in 2016, the majority of jobs are in Retail Trade (20.07%), Government (19.03%), Accommodation and Food Service (16.29%), and Health Care and Social Assistance (12.25%). Transportation and Warehousing jobs account for 4.84%, Manufacturing jobs are 3.80%, and Construction is 3.66%.

TABLE 1 – OWASSO ECONOMIC BASE OVERVIEW

DESCRIPTION	2016 JOBS	PERCENTAGE
11 Crop & Animal Production	197	1.28%
21 Mining, Quarrying, and Oil and Gas Extraction	17	0.11%
23 Construction	562	3.66%
31 Manufacturing	582	3.80%
42 Wholesale	176	1.15%
44 Retail	3,078	20.07%
48 Transportation and Warehousing	742	4.84%
51 Information	111	0.72%
52 Finance and Insurance	350	2.28%
53 Real Estate and Rental and Leasing	205	1.34%
54 Professional, Scientific and Technical Services	370	2.41%
56 Administrative and Support and Waste Management and Remediation Services	272	1.77%
61 Educational Services	197	1.28%
62 Health Care and Social Assistance	1,879	12.25%
71 Arts, Entertainment, and Recreation	197	1.28%
72 Accommodation and Food Services	2,498	16.29%
81 Other Services (except Public Administration)	984	6.42%
90 Government	2,918	19.03%

Source: 2017.3 – QCEW Employees, Non-QCEW Employees, and Self-Employed for zip code 74055

Deeper analysis at the micro 6-digit level NAICS compared to the 2-digit NAICS industry grouping in Table is presented on the following table. Only private-sector industries, located in Owasso with 2016 employment of 50 or more, are shown to clearly illustrate private-sector industry trends for Owasso.

TABLE 2 – KEY ECONOMIC BASE COMPONENTS FOR OWASSO

NAICS	DESCRIPTION	2011 JOBS	2016 JOBS	2011 - 2016 CHANGE	2011 - 2016 % CHANGE	AVG. EARNINGS PER JOB
722511	Full-Service Restaurants	1,074	1,205	131	12%	\$20,380
722513	Limited-Service Restaurants	930	1,187	257	28%	\$17,914
622110	General Medical and Surgical Hospitals	748	735	(13)	(2%)	\$61,371
452910	Warehouse Clubs and Supercenters	481	584	103	21%	\$24,650
493110	General Warehousing and Storage	118	567	449	381%	\$30,164
445110	Supermarkets and Other Grocery (except Convenience) Stores	279	422	143	51%	\$27,544
444110	Home Centers	329	357	28	9%	\$33,576
447110	Gasoline Stations with Convenience Stores	140	237	97	69%	\$42,979
311612	Meat Processed from Carcasses	<10	233	Insf. Data	Insf. Data	\$44,907
452112	Discount Department Stores	682	223	(459)	(67%)	\$17,172
623311	Continuing Care Retirement Communities	145	214	69	48%	\$36,115
522110	Commercial Banking	203	201	(2)	(1%)	\$85,516
621111	Offices of Physicians (except Mental Health Specialists)	192	199	7	4%	\$123,928
111000	Crop Production	195	170	(25)	(13%)	\$29,074
452111	Department Stores (except Discount Department Stores)	215	166	(49)	(23%)	\$25,055
621210	Offices of Dentists	143	164	21	15%	\$64,651
623110	Nursing Care Facilities (Skilled Nursing Facilities)	130	156	26	20%	\$36,481
441110	New Car Dealers	119	144	25	21%	\$63,585
812112	Beauty Salons	129	139	10	8%	\$22,469
814110	Private Households	124	129	5	4%	\$11,842
624410	Child Day Care Services	137	127	(10)	(7%)	\$22,001
336411	Aircraft Manufacturing	153	125	(28)	(18%)	\$81,711
561720	Janitorial Services	108	118	10	9%	\$21,109
812199	Other Personal Care Services	96	112	16	17%	\$29,118
236115	New Single-Family Housing Construction (except For-Sale Builders)	106	98	(8)	(8%)	\$57,595
446110	Pharmacies and Drug Stores	90	95	5	6%	\$50,894
443142	Electronics Stores	99	94	(5)	(5%)	\$47,092
524210	Insurance Agencies and Brokerages	77	93	16	21%	\$69,388
238220	Plumbing, Heating, and Air-Conditioning Contractors	77	90	13	17%	\$57,950
425120	Wholesale Trade Agents and Brokers	33	85	52	158%	\$85,320
452990	All Other General Merchandise Stores	62	84	22	35%	\$42,513
721110	Hotels (except Casino Hotels) and Motels	72	83	11	15%	\$25,039
713940	Fitness and Recreational Sports Centers	39	81	42	108%	\$18,592

NAICS	DESCRIPTION	2011 JOBS	2016 JOBS	2011 - 2016 CHANGE	2011 - 2016 % CHANGE	AVG. EARNINGS PER JOB
448140	Family Clothing Stores	78	76	(2)	(3%)	\$20,085
531210	Offices of Real Estate Agents and Brokers	98	73	(25)	(26%)	\$61,382
441310	Automotive Parts and Accessories Stores	71	72	1	1%	\$33,805
713910	Golf Courses and Country Clubs	60	70	10	17%	\$26,718
441320	Tire Dealers	59	62	3	5%	\$43,572
561612	Security Guards and Patrol Services	47	62	15	32%	\$25,616
541214	Payroll Services	109	60	(49)	(45%)	\$59,867
238990	All Other Specialty Trade Contractors	49	57	8	16%	\$44,719
333911	Pump and Pumping Equipment Manufacturing	55	53	(2)	(4%)	\$81,318
511210	Software Publishers	42	50	8	19%	\$122,999

Source: Emsi Q3 2017 – QCEW Employees, Non-QCEW Employees, and Self-Employed.

Industry sectors with the largest 2016 employment include Restaurants; General Medical and Surgical Hospitals; Warehouse Clubs and Supercenters; General Warehousing and Storage; Supermarkets and Other Grocery (except Convenience) Stores; Home Centers; Gasoline Stations with Convenience Stores; Meat Processed from Carcasses; Discount Department Stores; Continuing Care Retirement Communities; and Commercial Banking.

Industries showing the highest rates of employment growth from 2011 to 2016 include Meat Processed from Carcasses; General Warehousing and Storage; Wholesale Trade Agents and Brokers; Fitness and Recreational Sports Centers; Gasoline Stations with Convenience Stores; and Supermarkets and Other Grocery (except Convenience) Stores.

Industries with the highest average earnings per job in Owasso include: Physician Offices, Software Publishers, Commercial Banking, Wholesale Trade Agents and Brokers, Aircraft Manufacturing, and Pump and Pump Equipment Manufacturing.

Complete economic base data for Owasso is provided in Appendix A.

Except for General Medical and Surgical Hospitals, Meat Processed for Carcasses, Aircraft Manufacturing, Pump and Pumping Equipment Manufacturing, and Software Publishers, the majority of Owasso's economic base is comprised of local serving industries also defined as non-basic industries. The data confirms there is only a minimal presence of basic industries in Owasso's economic base. This data indicates Owasso's economic future is largely controlled by businesses located outside of Owasso – a risk or threat to Owasso's economic viability and growth.

OWASSO SPECIALITIES

Industry location quotients quantify how concentrated a particular industry is in a specified geographic location when compared to a larger area such as the state or nation. To calculate a location quotient, Owasso's employment in an industry is calculated as a percentage of Owasso's total employment, and evaluated as a ratio to the national employment in the same industry, calculated as a percentage of total national employment. Since these concentrations are expressed in a ratio, a 1.0 location quotient means that the employment concentration of the local economy is the same concentration as the nation. A location quotient exceeding 1.25 means the local area demonstrates an industry specialty.

Location quotient analysis is used to discover the following:

- Determine which industries have a significant presence and create a specialization for the area.
- Identify "export orientation" industries - indication that an industry serves a larger market than the local area.
- Identify emerging industries in initial stages of wealth generation for the local area.

Table 3 presents Owasso's basic industries with 10 or more employees reported in 2016 and a location quotient greater than 2.0. At a minimum, the industries on Table 3 have a concentration of employment that is equal to or greater than two times the national employment concentration. In reviewing Owasso industries, based on the top rankings by location quotients, the leading specialties include the following:

- All Other Petroleum and Coal Products Manufacturing
- Pump and Pumping Equipment Manufacturing
- Meat Processed from Carcasses
- Power Boiler and Heat Exchanger Manufacturing
- Plastics Bottle Manufacturing
- Crushed and Broken Limestone Mining and Quarrying
- Pottery, Ceramics, and Plumbing Fixture Manufacturing
- General Warehousing and Storage
- New Housing For-Sale Builders
- Glass and Glazing Contractors
- Aircraft Manufacturing

This list shows a concentration of manufacturing, mining and quarrying, warehousing and construction.

TABLE 3 - BASIC-INDUSTRIES IN OWASSO WITH HIGH NATIONAL LOCATION QUOTIENTS

NAICS	DESCRIPTION	2016 LOCATION QUOTIENT
Mining and Quarrying		
212312	Crushed and Broken Limestone Mining and Quarrying	7.80
Construction		
236115	New Single-Family Housing Construction (except For-Sale Builders)	2.03
236116	New Multifamily Housing Construction (except For-Sale Builders)	3.12
236117	New Housing For-Sale Builders	6.62
238150	Glass and Glazing Contractors	5.68
Manufacturing		
311612	Meat Processed from Carcasses	18.81
324199	All Other Petroleum and Coal Products Manufacturing	30.09
326160	Plastics Bottle Manufacturing	9.23
327110	Pottery, Ceramics, and Plumbing Fixture Manufacturing	7.42
332410	Power Boiler and Heat Exchanger Manufacturing	18.53
332722	Bolt, Nut, Screw, Rivet, and Washer Manufacturing	4.34
333911	Pump and Pumping Equipment Manufacturing	20.39
336411	Aircraft Manufacturing	5.39

NAICS	DESCRIPTION	2016 LOCATION QUOTIENT
Trucking & Freight		
484210	Used Household and Office Goods Moving	2.38
484230	Specialized Freight (except Used Goods) Trucking, Long-Distance	3.41
Warehousing		
493110	General Warehousing and Storage	6.90
Business Services		
541191	Title Abstract and Settlement Offices	2.28
541213	Tax Preparation Services	3.42
541214	Payroll Services	3.57
541620	Environmental Consulting Services	2.36
Health Services		
621310	Offices of Chiropractors	2.22
621320	Offices of Optometrists	3.23
621493	Freestanding Ambulatory Surgical and Emergency Centers	2.81
623311	Continuing Care Retirement Communities	4.46

Source: Emsi Q3 2017 Data Set. Location quotient relative to U.S. employment in each industry.

HIGH GROWTH INDUSTRIES

Focusing on basic industries that have added 10 or more jobs in Owasso over the period of 2011 to 2016, industries with high employment growth include Construction; Wholesale Trade; Transportation; Business Services; and Health and Medical Services.

Total Owasso employment for the twenty industries represented in this high-growth category is just over 2,000 jobs. Several industries show significant levels of employment including 567 jobs in General Warehousing and Storage (excludes self-storage), and 370 total jobs in Nursing Care Facilities and Continuing Care Retirement Communities.

Most of these industries demonstrate job growth rates that are significantly higher than national growth rates. Of these industries, General Warehousing and Storage shows the highest job growth rates in Owasso, Tulsa County and Oklahoma.

TABLE 4 – HIGH GROWTH BASIC INDUSTRIES IN OWASSO

NAICS	DESCRIPTION	OWASSO					TULSA COUNTY	TULSA COUNTY	TULSA COUNTY	OK STATE	U.S. EMP
		AVG EARNINGS PER JOB	2011 JOBS	2016 JOBS	2011 - 2016 CHANGE	2011 - 2016 % CHANGE	EMP 2011	EMP 2016	EMP GROWTH	EMP GROWTH	GROWTH 2011-2016
Construction											
238150	Glass and Glazing Contractors	\$47,378	32	42	10	31%	243	325	34%	14%	27%
238220	Plumbing, Heating, and Air-Conditioning Contractors	\$57,950	77	90	13	17%	2,830	3,296	16%	18%	22%
Wholesale Trade											
425120	Wholesale Trade Agents and Brokers	\$85,320	33	85	52	158%	1,046	2,670	155%	42%	8%
Transportation											
482110	Rail transportation	\$78,344	34	47	13	38%	316	430	36%	21%	8%
484230	Specialized Freight (except Used Goods) Trucking, Long-Distance	\$129,686	32	48	16	50%	398	598	50%	64%	20%
Business Services											
492210	Local Messengers and Local Delivery	\$30,243	16	46	30	188%	93	257	176%	23%	22%
493110	General Warehousing and Storage	\$30,164	118	567	449	381%	593	2,850	381%	276%	49%
524210	Insurance Agencies and Brokerages	\$69,388	77	93	16	21%	1,954	2,353	20%	18%	18%
531312	Nonresidential Property Managers	\$48,309	22	32	10	45%	415	588	42%	18%	12%
561612	Security Guards and Patrol Services	\$25,616	47	62	15	32%	1,156	1,536	33%	16%	14%
561720	Janitorial Services	\$21,109	108	118	10	9%	2,085	2,280	9%	4%	13%
561990	All Other Support Services	\$57,318	22	36	14	64%	1,264	2,037	61%	3%	6%
Health & Medical Services											
541940	Veterinary Services	\$39,181	32	42	10	31%	851	1,117	31%	25%	19%
621210	Offices of Dentists	\$64,651	143	164	21	15%	2,118	2,435	15%	6%	9%
621320	Offices of Optometrists	\$49,217	31	45	14	45%	375	551	47%	27%	16%
621340	Offices of Physical, Occupational and Speech Therapists, and Audiologists	\$52,542	31	41	10	32%	735	969	32%	25%	24%
621493	Freestanding Ambulatory Surgical and Emergency Centers	\$57,145	28	42	14	50%	248	362	46%	129%	42%
623110	Nursing Care Facilities (Skilled Nursing Facilities)	\$36,481	130	156	26	20%	2,106	2,514	19%	1%	(2%)
623311	Continuing Care Retirement Communities	\$36,115	145	214	69	48%	1,155	1,701	47%	9%	16%
624120	Services for the Elderly and Persons with Disabilities	\$29,119	25	44	19	76%	790	1,401	77%	100%	123%

Source: Emsi Q3 2017 – QCEW Employees, Non-QCEW Employees, and Self-Employed

INITIAL INDUSTRY SCREENING

With the economic base data for Owasso, Tulsa County and Oklahoma, screening was completed to identify well-performing industries as potential target industries for Owasso. The following criteria was used for screening industries:

- 2016 employment greater than or equal to 100 jobs; and
- Location quotient greater than or equal to 1.25; and
- Average wages greater than or equal to \$43,000 (Owasso average wage is \$42,700); and
- State job growth rate greater than or equal to 5; and
- Positive national growth rate from 2011 to 2016.

The comprehensive data screens for Owasso, Tulsa County and Oklahoma can be found in Appendices B, C, and D respectively.

The results of the industry screening are organized by industry cluster, grouping related industries together. Table 5 summarizes the screening results and provides a side-by-side comparison of screened industries from each of the three data sets - Owasso, Tulsa County and Oklahoma.

Only three industry sectors in Owasso met the screening criteria requirements including New Car Dealers, Offices of Dentists, and Local Government (Excluding Education and Hospitals). All of these screened industries are non-basic industries; target industries need to be basic industries to grow economic wealth in Owasso. This limited result is why data sets for Tulsa County and Oklahoma are also analyzed to expand potential industry targeting for industries that are performing well across the state, of which Owasso shares the same business climate.

Screened industries that meet the industry trends screening requirements fall into a wide range of clusters:

- Agriculture
- Aviation
- Business Services
- Construction
- Energy
- Health and Medical Services
- Machinery and Equipment
- Metal Manufacturing
- Plastics Manufacturing
- Stone Mining and Quarrying
- Transportation

Detail of the prioritized industry clusters are shown in the table below.

TABLE 5 – INITIAL SCREEN NAICS COMPARISON FOR OWASSO, TULSA COUNTY AND OKLAHOMA

NAICS	DESCRIPTION	OWASSO	TULSA COUNTY	OKLAHOMA
Agriculture				
311224	Soybean and Other Oilseed Processing			X
325311	Nitrogenous Fertilizer Manufacturing			X
424510	Grain and Field Bean Merchant Wholesalers			X
Aviation				
336413	Other Aircraft Parts and Auxiliary Equipment Manufacturing		X	X
Business Services				
425120	Wholesale Trade Agents and Brokers		X	
541191	Title Abstract and Settlement Offices			X
541214	Payroll Services		X	X
541350	Building Inspection Services			X
541519	Other Computer Related Services		X	X
541612	Human Resources Consulting Services		X	
541830	Media Buying Agencies		X	
551112	Offices of Other Holding Companies		X	X
561621	Security Systems Services (except Locksmiths)		X	X
813211	Grantmaking Foundations		X	
562112	Hazardous Waste Collection			X
562119	Other Waste Collection			X
562212	Solid Waste Landfill			X
Construction				
237310	Highway, Street, and Bridge Construction		X	X
238120	Structural Steel and Precast Concrete Contractors			X
327320	Ready-Mix Concrete Manufacturing		X	X
324122	Asphalt Shingle and Coating Materials Manufacturing			X
327310	Cement Manufacturing			X
327332	Concrete Pipe Manufacturing			X
327390	Other Concrete Product Manufacturing		X	
327420	Gypsum Product Manufacturing			X
327999	All Other Miscellaneous Nonmetallic Mineral Product Manufacturing			X
444190	Other Building Material Dealers		X	X
423330	Roofing, Siding, and Insulation Material Merchant Wholesalers		X	
532412	Construction, Mining, and Forestry Machinery and Equipment Rental and Leasing			X

NAICS	DESCRIPTION	OWASSO	TULSA COUNTY	OKLAHOMA
Energy				
221122	Electric Power Distribution		X	X
221115	Wind Electric Power Generation			X
237130	Power and Communication Line and Related Structures Construction			X
211112	Natural Gas Liquid Extraction		X	X
237120	Oil and Gas Pipeline and Related Structures Construction		X	X
486210	Pipeline Transportation of Natural Gas		X	X
486910	Pipeline Transportation of Refined Petroleum Products		X	X
Health & Medical Services				
621210	Offices of Dentists	X		
621493	Freestanding Ambulatory Surgical and Emergency Centers			X
621511	Medical Laboratories		X	
621999	All Other Miscellaneous Ambulatory Health Care Services		X	X
622210	Psychiatric and Substance Abuse Hospitals		X	
622310	Specialty (except Psychiatric and Substance Abuse) Hospitals		X	
Machinery & Equipment				
333318	Other Commercial and Service Industry Machinery Manufacturing		X	X
333413	Industrial and Commercial Fan and Blower and Air Purification Equipment Manufacturing		X	X
333511	Industrial Mold Manufacturing			X
333994	Industrial Process Furnace and Oven Manufacturing		X	X
333996	Fluid Power Pump and Motor Manufacturing		X	X
333912	Air and Gas Compressor Manufacturing		X	X
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers		X	
811310	Commercial and Industrial Machinery and Equipment (except Auto and Electronic) Repair and Maintenance		X	X
811412	Appliance Repair and Maintenance			X
423440	Other Commercial Equipment Merchant Wholesalers		X	X
423620	Household Appliances, Electric Housewares, and Consumer Electronics Merchant Wholesalers			X
423840	Industrial Supplies Merchant Wholesalers		X	
424310	Piece Goods, Notions, and Other Dry Goods Merchant Wholesalers		X	X
424690	Other Chemical and Allied Products Merchant Wholesalers		X	X
Metal Manufacturing				
332312	Fabricated Structural Metal Manufacturing		X	X
332323	Ornamental and Architectural Metal Work Manufacturing		X	X
332812	Metal Coating, Engraving (except Jewelry and Silverware), and Allied Services to Manufacturers		X	
332911	Industrial Valve Manufacturing		X	X
336510	Railroad Rolling Stock Manufacturing			X
423510	Metal Service Centers and Other Metal Merchant Wholesalers		X	X
339950	Sign Manufacturing		X	

NAICS	DESCRIPTION	OWASSO	TULSA COUNTY	OKLAHOMA
Plastics Manufacturing				
325211	Plastics Material and Resin Manufacturing		X	
326112	Plastics Packaging Film and Sheet (including Laminated) Manufacturing		X	
326121	Unlaminated Plastics Profile Shape Manufacturing			X
326122	Plastics Pipe and Pipe Fitting Manufacturing			X
Stone Mining & Quarrying				
212312	Crushed and Broken Limestone Mining and Quarrying			X
212321	Construction Sand and Gravel Mining			X
Transportation				
423110	Automobile and Other Motor Vehicle Merchant Wholesalers		X	
423130	Tire and Tube Merchant Wholesalers		X	
441110	New Car Dealers	X		
441210	Recreational Vehicle Dealers		X	X
481112	Scheduled Freight Air Transportation			X
481219	Other Nonscheduled Air Transportation			X
484230	Specialized Freight (except Used Goods) Trucking, Long-Distance		X	X
Government				
903999	Local Government (Excluding Education and Hospitals)	X		

Source: Emsi Q3 2017

“BEST FIT” ANALYSIS

Industry trends data is interesting, but only shows historic data and does not account for Owasso’s current situation of site selection factors to foster or hinder business growth.

To further refine the initial industry screening, it is important to evaluate screened industries on how their needs fit with Owasso’s abilities to support those needs. The findings from Owasso’s Competitiveness Assessment document Owasso’s strengths and weaknesses for site selection and is utilized as the basis for this target industry capabilities screening. Based on Owasso’s present state of competitiveness, the initial screened industries (Table 5) were assessed to match Owasso’s capabilities with priority site selection factors for each industry cluster.

RATIONALE FOR ELIMINATION

Based on Owasso’s weaknesses and limitations, the following clusters were eliminated. Owasso’s capabilities to meet the needs of these targets are less than opportune and would not generate an adequate return on investment to allocate limited marketing recruitment resources.

INDUSTRY CLUSTER	RATIONALE FOR ELIMINATION
Agriculture	Oklahoma is seeing state-wide performance in oilseed, grains and fertilizer. Owasso and Tulsa are not and with Owasso’s proximity as a close neighbor to Tulsa, this industry cluster does not make sense as an Owasso marketing priority compared to other areas of the state.
Construction	A wide variety of construction sectors are performing well in the state. The challenge for Owasso in considering construction as a target is that construction-based businesses do not necessarily employ workers within the city of business location. Growth of other industries will support construction job growth directly and indirectly for housing construction.
Machinery and Equipment	Several industry sectors that can be clustered as machinery and equipment, manufacturing and wholesale meet the screening criteria. Although aviation and aerospace manufacturing are in the vicinity, the concentration of this specific industry cluster are not nearby Owasso and so other parts of the region will be stronger competitors for these industries.
Plastics Manufacturing	Rail access for delivery of bulk raw material is a mandate for plastics manufacturers. This site selection factor, and Owasso’s limited ability to readily and cost-effectively provide access to reliable rail service eliminates this industry from targeting.
Stone Mining & Quarrying	Although quarries exist at the southern Owasso city limit border, this is a highly resource-dependent industry and not recommended as a proactive industry target for recruitment.
Transportation	Prime highway-access sites are not available for transportation industry businesses. The highway frontage sites in Owasso are mainly zoned commercial and have higher and better use for quality office parks.

OWASSO TARGET INDUSTRIES

Owasso’s recommended target industry clusters and corresponding NAICS are presented in Table 6, below. The focus of targeting should be on the broader industry cluster; six-digit NAICS are provided as indicators for industry intelligence research in the next section of report.

The industries listed present the best prospective targets for Owasso within the next three to five years. Owasso’s assets, and leveraging regional assets, will position Owasso for successful recruitment of these basic industry clusters.

TABLE 6 – OWASSO TARGET INDUSTRIES

NAICS	DESCRIPTION
Metal Manufacturing	
332312	Fabricated Structural Metal Manufacturing
332323	Ornamental and Architectural Metal Work Manufacturing
332812	Metal Coating, Engraving (except Jewelry and Silverware), and Allied Services to Manufacturers
332911	Industrial Valve Manufacturing
Aircraft Parts	
336413	Other Aircraft Parts and Auxiliary Equipment Manufacturing
Destination and R&D Medical	
621111	Offices of Physicians (except Mental Health Specialists)
621511	Medical Laboratories
621512	Diagnostic Imaging Centers
541714	Research and Development in Biotechnology (except Nanobiotechnology)
541715	Research and Development in the Physical, Engineering, and Life Sciences (except Nanotechnology and Biotechnology)
Office/Headquarters	
524114	Direct Health and Medical Insurance Carriers
551111	Offices of Bank Holding Companies
551112	Offices of Other Holding Companies
551114	Corporate, Subsidiary, and Regional Managing Offices
Information Technology	
511210	Software publishers
519130	Internet publishing, broadcasting, web search portals
541511	Custom Computer Programming Services
541512	Computer Systems Design Services
541519	Other Computer Related Services

RATIONALE FOR TARGET INDUSTRY RECOMMENDATION

The reasoning for target industry selection is explained below.

INDUSTRY CLUSTER	RATIONALE FOR RECOMMENDATION
Metal Manufacturing	<p>Owasso is well positioned to build a strong business case for metal manufacturing – a growth industry throughout the Tulsa region and state. Metal manufacturing could also support businesses in the strong aerospace and aviation industry. This industry target leverages the Tulsa Regional Chamber’s industry target for Advanced Manufacturing, a more generic manufacturing target. Wages exceed Owasso’s average wage of \$42,7000, with most exceeding \$60,000.</p> <p>Existing manufacturing space for smaller companies is available in the southern industrial area of town and build-to-suit opportunities are relevant for the Cherokee Extension Industrial Park. To increase competitiveness, Owasso is working on an industrial park development initiative for the Economic Development Strategic Plan.</p> <p>The regional labor pool, including Owasso residents is strong for advanced manufacturing skills. Skill development resources are available throughout the region. Owasso will want to partner with these regional resources to connect prospects to seamless supply of candidates and also work to develop customized training programs in advance to plan for industry-specific workforce needs.</p> <p>State incentive programs are aligned for strong support of recruiting metal manufacturers. The Owasso economic development team will want to package these incentives to leverage all resources and only supplement with local incentives. This approach makes Owasso’s overall offering bigger, while leveraging external resources.</p>
Aircraft Parts Manufacturing	<p>With Owasso’s proximity to American Airlines operations and Tulsa International Airport, while being home to important aviation/aerospace supplier companies and workers, Owasso has capabilities to prove a strong business case for targeting more aviation/aircraft component part manufacturers to Owasso. To compete effectively with other communities in the Tulsa Region, state, Wichita and globally – for that matter – Owasso’s economic development team will need to gather all facts on skills, real estate, incentives, etc. to document Owasso’s value proposition for this industry. The Spartan College of Aeronautics and Technology is a magnetic asset to the growth of this industry target.</p> <p>Sites (and spec buildings) at the Cherokee Extension Industrial Park are Owasso’s prime location to link into the nearby aviation/aerospace cluster.</p> <p>This target industry fits with the Tulsa Regional Chamber’s target for Aerospace and Defense.</p>

INDUSTRY CLUSTER	RATIONALE FOR RECOMMENDATION
Destination Medical and related Research & Development	<p>The medical industry is performing well not only in the Tulsa region, but specifically in Owasso. Although most of the job growth for Owasso's growing medical cluster is for local patients, there is growth observed for medical destination treatments, such as a bariatrics specialty. By targeting more specialty medical programs and nationally-acclaimed professionals, Owasso will gain more attention to draw patients from across the nation.</p> <p>Land is available around Baily Medical Center for expansion. With planful zoning and land development, a vibrant cluster can leverage proximity to other medical services within proximity.</p> <p>Tulsa Community College's nursing program and other regional training resources, along with research and development assets at OSU Center for Health Sciences, OSU College for Osteopathic Medicine, and other universities are key to Owasso's business case for robust destination/R&D medical growth.</p> <p>Owasso has abundant lodging options for patients and families, with more in construction at the time of this report.</p>
Office/Headquarters	<p>Owasso is a premier community of the Tulsa region. Quality housing is highly valued, including some of the region's best executive housing. The City has invested in community development and place development. Now is the time to leverage that investment for quality office developments.</p> <p>Although downtown Tulsa will continue to be a leader for major office employment, Owasso can establish a unique setting for office functions, including headquarters. Prime office developments are in construction in the Redbud District. There is opportunity for commercially-zoned sites along the Highway 169 Corridor and campus office at Stone Canyon. It will be important to understand the regional real estate market and price competitively to downtown Tulsa, a more natural office location due to existing concentration of day-time employment and corresponding services.</p> <p>Owasso's resident labor pool could be documented to prove talent locally. The housing stock, golf courses and other lifestyle amenities should be a part of Owasso's business case too, since this industry seeks these factors for executive management.</p> <p>Office and headquarters are essentially operational functions, not specific industries. Targeting makes sense for office with energy industries (oil, natural gas, and electricity), insurance and higher-end medical office functions. Headquarters will likely be regional and possibly smaller firms' North American HQ location.</p> <p>Central time zone can also be a beneficial asset for locating office/HQ operations. The Tulsa International Airport is an asset, despite it not being a huge national airport. It will meet the needs of most regional HQ operations. The Tulsa Tech conference center is a quality amenity for office/HQs to utilize as a local asset.</p> <p>This target industry aligns with the Tulsa Regional Chamber's target for Regional HQ and Professional Services.</p>

INDUSTRY CLUSTER	RATIONALE FOR RECOMMENDATION
Information Technology	<p>Information technology companies typically prioritized the following site selection factors for a location: access to technology, telecommunications infrastructure, diversity in the workplace, clean energy, finding talent with the latest technology skills, access to universities and technical schools producing high-quality computer science graduates.</p> <p>Owasso has a skilled workforce and can also access a larger talent pool in the Tulsa Region. The deep and wide array of universities and training resources throughout the region contribute to Owasso's business case for information technology. The central time zone is very beneficial for tech support centers to have cross-over for a broader reach throughout the U.S. and international.</p> <p>Prime office developments are in construction in the Redbud District. Commercially-zoned sites along the Highway 169 Corridor will also be competitive tech locations when an office park and/or building are in play. Telecommunications infrastructure will need to be planned accordingly. PSO's Wind Catcher development makes renewable energy even more accessible for a business in Owasso to access clean energy.</p> <p>This industry target leverages the Tulsa Regional Chamber's industry targeting for Information Technology.</p>

INDUSTRY INTELLIGENCE

To stand out from other communities as “the location of choice,” it is important to be knowledgeable about their industry. The needs are different for each industry cluster. It is critical to understand what drives expansion and site locations specific to the targeted industries so that you can prepare for their requests, questions and site location needs proactively. Prepared communities win projects for investment and job growth.

The following industry intelligence is overviewed in this section, with more in-depth resources available in the appendix:

- Key Industry Occupations
- Source Geographies
- Industry Profiles

KEY INDUSTRY OCCUPATIONS

A list of the top five occupations for each target industry cluster are presented below with the complete list found in Appendix E. This data has been sourced from Bureau of Labor Statistics, Industry to Occupation Matrix and Occupational Employment.

Understanding the leading occupations, Owasso Economic Development can package workforce data on job seekers and employment in Owasso and throughout the regional labor shed. This discreet information will enhance prospect proposals and marketing materials, showing the industry, you understand their needs.

Workforce development training programs should also be aligned for each industry’s key occupations. Document programs that produce corresponding skills. If a gap in skill development programs exists, partner with workforce development and education resources to build a comprehensive pipeline of skilled workers for each target industry.

TABLE 7 – KEY OCCUPATIONS FOR OWASSO TARGET INDUSTRIES

TARGET INDUSTRY	SOC	OCCUPATION
Metal Manufacturing	51-4121	Welders, cutters, solderers, and brazers
	51-2092	Team assemblers
	51-1011	First-line supervisors of production and operating workers
	51-2041	Structural metal fabricators and fitters
	51-4031	Cutting, punching, and press machine setters, operators, metal & plastic
Aircraft Parts Manufacturing	51-2011	Aircraft structure, surfaces, rigging, and systems assemblers
	17-2011	Aerospace engineers
	51-9061	Inspectors, testers, sorters, samplers, and weighers
	17-2112	Industrial engineers
	51-4041	Machinists
Medical	31-9092	Medical assistants
	43-4171	Receptionists and information clerks
	43-6013	Medical secretaries
	29-1069	Registered nurses
	29-1069	Physicians and surgeons, all other
Office/Headquarter	43-4051	Customer service representatives
	13-2011	Accountants and auditors
	11-1021	General and operations managers
	13-1199	Business operations specialists, all other
	43-3031	Bookkeeping, accounting, and auditing clerks
Information Technology	15-1132	Software developers, applications
	15-1121	Computer systems analysts
	15-1133	Software developers, systems software
	15-1131	Computer programmers
	15-1151	Computer user support specialists

SOURCE GEOGRAPHIES

Researching County Business Patterns (2015 data) of each target industry cluster by specified NAICS, the geographies with the largest number of firms and employment base were identified. The top source geographies in the United States for each target cluster, based on number of firms, is listed below. The complete list of U.S. geographies for Owasso target industries is included in Appendix F.

Utilize this information when determining target geographies for marketing missions, marketing messaging and other external marketing efforts. For instance, in partnering with the Tulsa Regional Chamber for a marketing mission, request these target geographies and companies for each target industry accordingly.

TABLE 8 – SOURCE GEOGRAPHIES FOR OWASSO TARGET INDUSTRIES

TARGET INDUSTRY	TOP FIVE U.S. SOURCE GEOGRAPHIES
Metal Manufacturing	<ul style="list-style-type: none"> ▪ New York-Newark-Jersey City, NY-NJ-PA Metro Area ▪ Los Angeles-Long Beach-Anaheim, CA Metro Area ▪ Houston-The Woodlands-Sugar Land, TX Metro Area ▪ Chicago-Naperville-Elgin, IL-IN-WI Metro Area ▪ Dallas-Fort Worth-Arlington, TX Metro Area
Aircraft Parts Manufacturing	<ul style="list-style-type: none"> ▪ Los Angeles-Long Beach-Anaheim, CA Metro Area ▪ Seattle-Tacoma-Bellevue, WA Metro Area ▪ Wichita, KS Metro Area ▪ New York-Newark-Jersey City, NY-NJ-PA Metro Area ▪ Dallas-Fort Worth-Arlington, TX Metro Area
Destination Medical/R&D	<ul style="list-style-type: none"> ▪ New York-Newark-Jersey City, NY-NJ-PA Metro Area ▪ Los Angeles-Long Beach-Anaheim, CA Metro Area ▪ Miami-Fort Lauderdale-West Palm Beach, FL Metro Area ▪ Chicago-Naperville-Elgin, IL-IN-WI Metro Area ▪ Dallas-Fort Worth-Arlington, TX Metro Area

TARGET INDUSTRY	TOP FIVE U.S. SOURCE GEOGRAPHIES
Office/Headquarters	<ul style="list-style-type: none">▪ New York-Newark-Jersey City, NY-NJ-PA Metro Area▪ Los Angeles-Long Beach-Anaheim, CA Metro Area▪ Chicago-Naperville-Elgin, IL-IN-WI Metro Area▪ Dallas-Fort Worth-Arlington, TX Metro Area▪ Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metro Area
Information Technology	<ul style="list-style-type: none">▪ New York-Newark-Jersey City, NY-NJ-PA Metro Area▪ Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area▪ Los Angeles-Long Beach-Anaheim, CA Metro Area▪ Chicago-Naperville-Elgin, IL-IN-WI Metro Area▪ San Francisco-Oakland-Hayward, CA Metro Area

INDUSTRY PROFILES

Industry profiles for subsectors and general industry clusters of Owasso's target industries are presented in Appendix G. The information has been researched and assembled by First Research (www.firstresearch.com). First Research, the leading provider of market analysis tools, synthesizes hundreds of sources in an easy to read format that help sales and marketing professionals better communicate with prospective industry.

Each report covers:

- **Industry Overview** – competitive landscape, product operations and technology, sales and marketing, finance and regulations, regional and international issues, human resources, employment growth, earning and wages
- **Recent Developments** – industry indicators, monthly news, quarterly industry update
- **Business Challenges** – critical issues
- **Trends and Opportunities** – business and trends, industry opportunities
- **Executive Insight** for CEO, CFO, CIO, HR, VP Sales/Marketing
- **Call Preparation Questions**
- **Financial Information**
- **Industry Forecast**
- **Web Links & Acronyms**

First Research is a useful resource subscription to add to Owasso's data portfolio as a means to stay current with industry trends and events.

APPENDIX

- A. Owasso Economic Base
- B. Owasso Industry Screen
- C. Tulsa County Industry Screen
- D. Oklahoma Industry Screen
- E. Key Occupations by Target Industry
- F. U.S. Source Geographies by Target Industry
- G. Industry Profiles

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The Economic Development Strategic Planning project for the City of Owasso, Oklahoma was developed with technical assistance and stakeholder engagement of TadZo. TadZo is an economic development and site selection consulting firm. Businesses and communities want essentially the same things: economic vitality, wealth creation, quality place and environment. TadZo works with communities to achieve these outcomes. TadZo also assist companies to identify communities with these attributes that support business strategy and competitive advantage.



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