

Onondaga Citizens League

Study Session #6: December 7, 2016

“How CNY Works: Examining the Diversity of Our Economic Base – Past, Present and Future”

Meeting Topic: “A longitudinal look at CNY’s Economy”

12-1:30 p.m. One Group Center

Presenters:

Alex Kondzielawa, LeMoyne College student

Michael Schmid, LeMoyne College student

Wayne Grove, Professor of Economics, LeMoyne College

David Mankiewicz, Senior Vice President, Research, Policy and Planning, CenterState, CEO and President of the University Hill Corporation

The meeting began with Alex and Michael, who are students of Wayne Grove, discussing their study of the 200 block of Water Street, in Downtown Syracuse. The study was inspired by the Greene Street study in New York City, “The Long History of a Short Block,” which traces the history of one block of Greene Street in SOHO.

Dennis Connors, Curator of History of the Onondaga Historical Association, suggested that the 200 block of Water Street would be an excellent area to focus on, because of its proximity to the Erie Canal, and the diversity of industry and businesses that have occupied the block over the years. The starting point for the study is the early 1800s and the students compiled information to the present day.

The students began with business directories, then went on to industry files at the OHA, and newspaper clippings. The block began as a residential street, transforming into a business center especially after the opening of the Erie Canal, with a mill and several other manufacturers. Goods were produced right on the street, often loaded onto boats and shipped on the Erie Canal. There were some businesses that sold goods, but not as many as the students expected. Some of the manufacturing included: cigars, (at one point the largest cigar producer in the U.S. was located on this block) clothing, stamps, paper, spices, and steam heating apparatus. Some of the dry goods stores included grocers, druggists, and a shoe repair business.

In 1923, Erie Boulevard replaced the Erie Canal. There continued to be a wide variety of businesses on the street. During the Depression, the street continued to do well, with very few businesses closing. In the early 1940s, some of the businesses

closed and manufacturers left. The north side of the block was mainly services, with the southern end of the block clothing and other retail stores. There were many abandoned buildings beginning in the 1960s, and there was a movement to tear down the Amos building. The Federal Building, across the street, was constructed in the mid 1960s. The Amos building was saved as a historical landmark.

In 2007, the Amos building was expanded and today it houses retail establishments as well as high-end apartments.

LeMoyne Professor Wayne Grove spoke about the Post World War II economy in Syracuse. He drew mainly upon three studies, "The Decline in Manufacturing Jobs in the Syracuse Metropolitan Area," (Robert Crandall, Brookings Institution) "Onondaga Country's Economic Performance since 1980 and Prospects for the Next Decade," (William Duncombe and Wilson Wong, Syracuse University), and "The Decline of Manufacturing in New York and the Rust Belt," (John Bacheller, former head, Policy and Research Division, Empire State Development).

The nation as a whole saw a decline in manufacturing jobs from the period 1958 to 2000. The decline was greater in New York than the rest of the nation. Manufacturing jobs made up 30 percent of total employment in New York State in 1958 and only 10 percent in 2000.

Manufacturing jobs declined 70 percent in New York State between 1970 and 2014. Syracuse and all other New York State cities experienced this decline, in differing degrees. The decline of manufacturing jobs in Syracuse was not as precipitous as in Buffalo and Binghamton. Grove said the fact that Buffalo was heavily involved in steel manufacturing resulted in a loss of even more jobs, as steel became more affordable from other areas. Syracuse had more diversity in manufacturing which provided some protection. Today, the diversified manufacturing includes: food, paper, printing, chemicals, plastics, mineral products, primary metals, fabricated metal products, machinery, computer and electronic products, electrical equipment, and transport equipment.

Grove discussed the attributes of great cities – development plans for the future, broad-based planning to make a community more successful, building on university campuses, and infrastructure investments to encourage businesses to move to a particular area.

Grove posed the question of what can be done to draw business and industry to a city such as Syracuse.

David Mankiewicz spoke, initially drawing on the students' and Grove's presentations, which he said illustrated how economies are constantly changing. He used an illustration of industry clusters for the Central New York area.

Private higher education institutions and hospital and health services are currently the largest growth industries in the area. “Eds and Meds” are leading the economy. The number of employees in higher education in the Central New York area is five times the national average.

The transitional industries (most of which are losing employment), are digital and electronic device manufacturing, packaging, precision metal working, and metals and production manufacturing. Clean tech is also transitional, and has shown some recent growth, after a dramatic decrease in 2003 with the loss of Carrier Corporation.

The emerging potential category, representing industries that are showing growth and adding jobs in Central New York, are tourism, research and engineering services, and software and internet services. Mankiewicz noted there are some problems with categorization. For example, Destiny is not included in tourism numbers, because it is full of retail establishments. The Turning Stone Casino is not included in tourism, because it is run by the Oneida Nation, and falls under government. Similarly, the SUNY schools are not included in the private education category; they are instead classified under government, because they are State-run institutions.

Mankiewicz referred to a 1995 plan published by CenterState, “Vision 2010.” Stanford Research Institute International (SRI) a research and development firm in California, suggested that economic development efforts and investment in the area, focus on two industries: environment HVAC, and electronics. A result of the study and plan was the investment in the Center of Excellence, which focuses on research and development of clean energy, and healthy buildings. Electronics investments include radar, unmanned aerial systems, and control systems for unmanned aerial systems. Syracuse is one of six designated sites nationwide where drones can be tested and certified by the U.S. government. Governor Cuomo announced \$35 million will be invested to support UAS control systems, standardized testing, and rating in the airspace between Syracuse and Rome, NY.

Mankiewicz noted that automation is a key factor in studying manufacturing employment. He shared information from his visit to Anheuser Busch. The company manufactures more beer than it ever has, with half the workforce it had 10 years ago. Due to automation and robots, companies are gaining productivity but, at the same time, there is job loss. He drew a comparison between today’s loss of manufacturing jobs and a century ago, when agriculture took advantage of inventions and new machinery, which also resulted in job loss.