

Onondaga Citizens League

Study Session #4 November 7, 2016

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

12-1:30 p.m., The Center of Excellence, Syracuse, NY

Panelists:

David Botter, Central New York Regional Planning and Development Board

Julie Cerio, Director, Onondaga County Office of Economic Development

Paul Driscoll, Commissioner, City of Syracuse Department of Neighborhood and Business Development

James Fayle, Regional Director, Empire State Development

Andrew Fish, CEO, CenterState

Karen Knapik-Scalzo, Associate Economist, New York State Department of Labor

Randy Wolken, President, Manufacturers Association of CNY

The fourth study session of “CNY Works” examined economic development in Central New York – exploring the definition of economic development, how it is measured, who makes it happen and what can be done to facilitate economic growth.

OCL Board Member Tom Carlin began the meeting by outlining five categories related to economic development: Entrepreneurship, Expansion of Existing Business, Attracting New Business, Public Investment, and Marketing. Carlin asked panelists to discuss which of these categories their work/organization focuses on.

Wolken said while his organization concentrates its efforts on supporting existing companies to both maintain and grow their businesses, MACNY is also involved in the other categories, to a lesser extent.

Bodder explained the Central New York Regional Planning and Development Board, which covers a five-county area, has the counties and the municipalities as its primary client base. Much of the work is in public infrastructure. There is a small business loan program where businesses can apply to secure funding. Bodder added that the population of the region is 791,000. There are approximately 100 people in

the region who are engaged in economic development work. He said the organization works with the member counties to help secure funds to undertake public investments to support economic growth.

Fayle said from the state's perspective all five areas are important, but generally Empire State Development focuses on the first three – entrepreneurship, expansion of existing business and attracting new business. He said it's easier to work with a business that is already here to help it grow, than to bring in a company from out of state.

Driscoll said there are five employees in Syracuse's economic development office. Of the five categories, he said his office's focus and strength is helping businesses expand and helping businesses find space within the city boundaries to expand or relocate to the city. He said the office focuses on helping existing businesses navigate the through the permitting process, connecting them to other resources (some represented on this panel) and being the lubricant that helps business thrive and expand.

Fish said CenterState is involved with all five areas. He said the organization strives to have a strong knowledge of the resources available for businesses to help make connections. He said there is a large body of knowledge regarding economic development and that it is a complex system. CenterState works to attract new businesses and support entrepreneurial projects, and help businesses navigate the system.

Cerio said her organization manages Onondaga County Industrial Development Agency (OCIDA), the Onondaga Civic Development Corporation (OCDC) and the Trust for Cultural Resources of the County of Onondaga (CRT). The goal of the agency is to retain and recruit businesses to the area.

Knapik-Scalzo works in the research and statistics. Her office provides the information that businesses need when deciding whether to expand, or move to the area. The business may ask about average wages in the area, what the competition is in the region, and the turnover rate. Knapik-Scalzo said her office deals with entrepreneurs and existing businesses.

Knapik-Scalzo presented recent job statistics for the area (Syracuse metro/Central New York).

Certain industries are growing: trade, transportation services, warehousing, private education and private healthcare
Construction jobs are stable.
Government jobs and manufacturing down slightly over the year.

An area that is of concern is professional and business services, which had been increasing over last few years and declined this past year. These are businesses that

support other businesses, for example advertising agencies, computer services, and legal services.

In the year 2000 there were a record number of jobs in the area. We have not recovered all of the jobs lost in the past recession (2008). Jobs are growing now, but we are not back to the 2000 numbers. Unemployment rate now in the area is 4.8 range. A year ago, the number was 5.0.

One area of concern is the total labor force. This is people who are employed or unemployed and actively seeking work. The labor force is declining. Prior to the past recession, the labor force was strong.

Demographics have a large effect on this. Average age of Central New York is older than the average age across the country. Fewer young people are moving into the area. Total population is stable – not expanding. Some leave the workforce for family responsibilities, providing care for an elderly family member or new baby, some leave the workforce because a spouse makes enough money so the person does not have to work.

The job market in Central New York is very diverse. We are not reliant a just a few industries.

Average wage in Central New York is \$891 per week. Some of top paying industries are in financial services, and the information sector. Manufacturing still pays well, although it is not the highest paying as it once was.

The growth area for businesses currently is a company/business that employs between 10 and 99 people.

Looking towards the future, an area of strong growth is health care.

Botter said he wanted to draw attention to the fundamental role that state government, county government, city government play in providing basic infrastructure of a community. The infrastructure of a community has a huge impact on businesses and how businesses can grow and prosper.

Wolken said MACNY includes 26 counties and 2600 companies in Central New York. He said he sees that there is great pressure to be competitive. He said the regional economic development plan is important, and perhaps not well-known. (This plan. “CNY Rising” by the Central New York Regional Economic Council is available on the web) He said members (businesses in the area) are in a very competitive environment. Every region in the world is competing for these businesses.

The panelists were asked: Is there a unifying roadmap for the future economic growth in the area?

Fish said, because of the diversity of our economy, our area is sheltered from economic dips felt throughout the country. The other side of that, he said, is that we are sheltered from periods of growth, as well. Our regional plan calls for supporting diversity but also get into markets that are expanding. Two areas poised for growth in the area, discussed in the report and mentioned by Fish, are drone technology and the agricultural industry.

Wolken said as the economy has changed and shifted away from larger manufacturers, (here and across the country) it's key to "get ahead of the curve" and be strategic in attracting new businesses here and help existing companies grow.

Fayle said companies are concerned with having the appropriate work force available for skilled jobs. He said now there seems to be better communication between educational institutions and companies, so that future employees can be trained for highly-skilled jobs, that pay well.

An attendee asked if people in the private sector could help with some of the outreach to bring in new businesses. Fayle said the effort exists, although it could be expanded. Fish commented that people working in the economic development area are collaborative.

An attendee asked if poverty is addressed in economic development efforts. Fayle spoke to this, and discussed his organization's work with CENTRO, to better address transportation issues, especially for workers employed on a late shift who need a ride home.

An attendee brought up very high poverty rates in sections of the city, despite somewhat low unemployment rates throughout the area. How can people have access to work-readiness opportunities?

An attendee brought up the Alliance for Economic Inclusion which was to focus on investing in communities and creating jobs to address generational poverty. What does the process look like? The attendee said there is a sense of urgency. There is money that could be invested in the community. The process seems to be stalled. Fayle spoke to this and said that the initial money was \$20 million to complete the endowment for the Say Yes program. He said the county has committed to helping with some of the grass roots efforts. He added a challenge is that with state money, you need to incur the expense, and then get reimbursed. The attendee said there needs to be better communication about these efforts, to which Fayle agreed.

An attendee asked what are the obstacles to businesses coming to the area? The panelists suggested taxes and regulations, as well as very tough competition, with profit margins very small. The area needs more middle skilled and high skilled workers.

Meeting adjourned.

