

Central New York Regional Economic Development Council Strategic Overview

Innovation and collaboration are central to the creation of opportunity for all who live and work in Central New York. By taking ownership of its future, operating in a nimble and efficient manner, and leveraging its many assets – natural, agricultural, geographic, economic, educational, cultural and human – Central New York has been working to create a diverse, sustainable and globally competitive economy while preserving and enhancing the region’s treasured quality of life.

Today, the region’s growing economic diversity is among its greatest assets – partially insulating Central New York from the often crippling regional economic collapses associated with downturns in individual industry sectors on which a region is overly dependent. During the most recent recession, the region as a whole has fared better than the state and nation on a variety of economic indicators and a growing coalition of business, academic, civic and elected leaders are focused on transforming this economic and social diversity into an engine for growth.

To do so, the Central New York Regional Economic Development Council (CNY REDC) has identified three priority goals to guide its work:

- I. Strengthening Targeted Industry Concentrations that are Leveraging Unique Economic Assets
- II. Improving Competitiveness in, and Connections to, the Regional, National and Global economies
- III. Revitalizing our Region’s Urban Cores, Mainstreets and Neighborhoods

Strengthening Targeted Industry Concentrations that are Leveraging Unique Economic Assets

In planning for its future prosperity, the region has identified several critical industry sectors which are at the heart of its economic strategy. The sectors represent a cross-section of both traditional and new economy industries and share three common criteria: (1) they have critical mass and a large base of existing employment in the region; (2) employment in these sectors is highly concentrated in Central New York; and, (3) there is significant growth in regional, national and global demand for the products and services of these industries.

Our priority industry concentrations are:

- ❖ **Clean Energy and Environmental Systems** – Central New York has the 8th highest concentration of private sector “green jobs” of any region in the country and is the home to NYS’s Center of Excellence in Energy and Environmental Systems
- ❖ **Health and Biomedical Sciences** – Our region’s hospitals directly employ more than 23,000 people and another 3,500 are employed in private, high-tech biomedical companies with average wages approaching \$70,000, nearly double the region’s median wage
- ❖ **Financial Services** – This industry employs more than 24,000 people within the existing labor market and has grown as financial services and insurance firms look for lower-cost locations for back-office operations
- ❖ **Agri-business and Food Processing** – NYS is the third-largest producer of fluid milk and commodity crops represent more than \$1 billion in sales alone. Central New York is a significant contributor and increasingly focused on value-added opportunities for agri-business
- ❖ **Advanced Manufacturing** – Manufacturing represents 10% of the region’s total employment and sub-sectors such as digital electronics, radar and sensor systems serve expanding global markets for security, information technology, and defense
- ❖ **Tourism** – Tourism is a \$1 billion industry in Central New York, and current global economic conditions, including the weak dollar, create opportunities for our region to draw additional international visitors across our shared boundary with Canada and from entry points downstate

Central New York’s regional economic development strategy will seek to build upon the strong foundation that each of these clusters represents in the region. In doing so, the region will:

- ❖ Maintain its unique economic diversity
- ❖ Create quality jobs with a variety of entry points for workers of different skill levels
- ❖ Leverage high concentrations of educational and medical institutions (“eds and meds”) to further advance research and development within these clusters
- ❖ Support industries that have a proven track record of offering career-advancement ladders, and,
- ❖ Encourage cross-sector collaborations between industries with complementary skills, technologies and market-opportunities because new ideas often emerge at the intersection of existing knowledge

Improving Competitiveness in, and Connections to, the Regional, National and Global economies

The region’s economic development strategy acknowledges and embraces the global nature of today’s economy and positions businesses, large and small, to compete in an increasingly competitive marketplace. Central New York’s highly-educated workforce forms the foundation for those investments, as does its unique concentration of high-quality higher-education, research and development expertise, and proximity to the Canadian border and global ports of New York City and Newark, NJ.

In order to improve our global competitiveness, the region will make significant investments in several critical mechanisms that fuel economic growth:

- ❖ **Entrepreneurship and Small Business** – A recent study by the Kauffman Foundation found that 100% of the net new jobs in America are being created by small business. The region will further invest in efforts to support successful venture development – including student venture development – as part of a transformational strategy to re-energize the regional economy and drive global competitiveness.
- ❖ **Export Promotion and Services** – Currently, the region exports 10% of its regional output – approximately \$3.2 billion – to global markets. As 95% of the world’s consumers currently reside outside of the United States, improving export performance is critical to the long-term competitiveness of the region. Export-driven jobs also provide higher-wages for the region’s residents.
- ❖ **Foreign Direct Investment** – In addition to promoting Central New York’s products and services across the world, the region is well positioned to attract new foreign investment from global companies looking to serve domestic markets. More than half the population of the United States and Canada is located within 750 miles of the region, and this geographic advantage is enhanced by comparatively competitive real estate and labor costs.
- ❖ **Innovation and Continuous Improvement** – The development of new products and services is critical to the success of businesses in a rapidly evolving global economy and the region will encourage private investment in research and development; improve technology commercialization among its educational and research institutions; and create a complete ecosystem of mentors, business services and risk-capital to enable innovation. Moreover, continuous improvement is necessary for both manufacturing and service industries to remain cost-competitive and the region will encourage the use of Lean and Six-Sigma techniques across industries.
- ❖ **Workforce Training and Alignment** – While the region possesses a highly-skilled workforce, it is still plagued by a misalignment of workforce supply and demand, particularly in key industry sectors such as advanced manufacturing and health care. The region will engage private businesses in the development of training programs and educational curricula to better align skills development with job demand.
- ❖ **Infrastructure** – Global competitiveness requires global connectivity. The region must improve its physical infrastructure including its air service, port access, and road and rail infrastructure in order to get regional

goods to national and global markets. In addition, the region must improve its virtual infrastructure to connect many of the region's rural residents to the world through broadband access.

These critical areas are the foundation for building an entrepreneurial environment and a sustainable economic future. They are necessary for creating a continuous flow of new ideas and working capital that will keep the regional economy strong, innovative and collaborative. Through these investments, Central New York will:

- ❖ Maintain and improve its economic diversity
- ❖ Increase its skills-base
- ❖ Create new employment opportunities for its residents, and,
- ❖ Position the region to actively participate in, and benefit from, economic growth around the globe

Revitalizing our Region's Urban Cores, Mainstreets and Neighborhoods

Just as the region's businesses operate in a global economy, the region's many residents live and work in an environment that is defined almost entirely by local and regional factors including the quality of our communities and the ability of our region's municipalities to provide a competitive environment for employers while meeting the demand for high-quality services.

Strong regions are built around strong municipal cores that develop, attract and retain the human and social capital required for industry to grow and remain competitive: the convergence of ideas and people. Our region's downtowns, neighborhoods and main streets, which are historic centers of innovation and commerce, are critical to our ability to compete economically. While our region's municipal centers have suffered from many of the same trends affecting cities and regions across the northeast – population loss, sprawl and spatial inefficiency – our region has retained a strong base on which to rebuild. Syracuse maintains 37.7% of its metro employment within 3 miles of the City center – the 10th highest such concentration of any of the top 100 metros in America. Maintaining and strengthening these cores is a central element of our development strategy.

Furthermore, many leading businesses and key industry sector hubs (i.e., finance, insurance, and real estate sectors; architecture, engineering, legal, and marketing firms) are located within these city centers; and the region's anchor institutions – educational, health care and cultural – have been at the forefront of the national movement to leverage their significant assets for community revitalization. Building upon the strengths of these existing businesses and anchor institutions, we will recreate the social, physical and cultural fabric of our neighborhoods, urban cores and mainstreets

In pursuing the goal to invest in and strengthen our region's cores, the region will:

- ❖ **Rethink** – Reinvigorate the region's neighborhoods and mainstreets through mutually beneficial partnerships with diverse businesses and the region's anchor institutions, and invest resources that leverage the national movement of anchor institutions' (educational, health care and cultural) to restore neighborhoods, train new workers, retain young talent and create small business and social enterprises. Through these collaborations, the region will advance projects to reinvigorate in urban streetscapes that tie together unique architecture and public places, empower home ownership in urban neighborhoods, and advance efforts to offer attractive and efficient means to travel.
- ❖ **Repurpose** -- Our municipal centers represent significant investments in physical infrastructure that must be preserved and enhanced for future growth, and to ensure that our region's workforce is connected with employment and training opportunities. We will pursue a strategy that repurposes existing physical assets through adaptive re-use and brownfield remediation, links planned transportation investment with surrounding private development through transit-oriented strategies, uses green technologies to improve the efficiency of existing assets from individual buildings to entire neighborhoods, promotes density in development, and encourages quality communities. The region will do this by leveraging investments in CNY's industry clusters so that our primary economic assets are strategically placed within our municipal centers.
- ❖ **Retrain** – Human and social capital is the most important asset for a globally competitive economy, and our region must rise to the challenge by improving educational attainment, preparing students for careers and

creating quality employment opportunities that can sustain families. We will build upon our region's outstanding legacy of social innovation by deliberately challenging the barriers to education and economic success for families in our region with a particular focus on traditionally under-served populations and the un- and under-employed. We will work with our anchor institutions, industry clusters, and nonprofit sector so that retraining programs have a direct collaborative tie to the primary drivers of our economy.

By deliberately investing in our region's urban cores and main-streets, we will:

- ❖ Improve the economic engines of our region by creating quality communities of choice for residents and employers
- ❖ Reduce the fiscal impacts associated with unmitigated sprawl and improve spatial efficiency, particularly the spatial mismatch that exists between housing and employment opportunities
- ❖ Build new human and social capital that is critical to our ability to innovate and compete in the global economy and sustain our competitive advantage

Aligning Strategies for a Sustainable Future in the Global Marketplace

By pursuing these three priority goals as the basis for a disciplined approach to making local, state and federal investment in our region, Central New York will achieve its vision for strategic, equitable and sustained prosperity. The region's economic diversity is central to its future success. Likewise, the holistic nature of the region's strategy will differentiate Central New York from its peers. The region will enable the growth and intersection of established target industries, while simultaneously investing in its communities and residents in ways that enable long-term global competitiveness.

Therefore, the projects outlined in this strategic plan for Central New York address the three priority goals outlined above. They represent innovation and entrepreneurship – not just within the industries they may represent, but also stand as social enterprises that help transform our neighborhoods and urban cores in ways that make the region more globally competitive. They build upon collaboration – not just in managing the economic assets that fuel their development, but among the public agencies, anchor institutions and economic development entities that drive public engagement. And they promote cross-sector integration – not just in the ideas and processes that drive the development and distribution of products and services, but in the way Central New York's families, cultural institutions and businesses feed into each other. Collectively, these projects represent investments that maximize the public good we envision as a region, and they set a foundation for transformative prosperity across Central New York.