



# Economic Development Day

*August 12, 2020*



The design team was hard at work for many weeks prior to class day, to create our logo, theme and goal. Our theme of Reimagine Reality, came about as we discussed the economic impact of COVID-19 on Syracuse.

**Theme: Reimagine Reality**

**Goal: To learn the different ways in which spaces, buildings, businesses and the community are reimaged through economic development. Our speakers will also share insight on the economic impact of COVID-19 and the general state of the economy and economic development in CNY.**

Our class day sponsor was Key Bank, and we heard from Stephen Fournier with some opening remarks. He thanked Pam for LGS’s investment in economic development day. Mr. Fournier met his wife through LGS 26 years ago. He closed by mentioning that folks like us will help bolster future development in the CNY community.

Our next speaker was Rob Simpson – President and CEO at CenterState CEO. His topic was Economic Development in NCY in 2020. Rob is a Native CNY-er and will “fight for this place as long as he lives.” He also reiterated that the work we’re all doing is so incredibly important. This community thrives based on strong leadership. When he moved back 17 years ago, he saw that leadership was not diverse and lacked vision for what CNY could really be.

What is economic development? In Rob’s view, it’s an intervention meant to address an economy’s market opportunity or failure. It can be local, regional, statewide or national in scope. Rob explained that 2-3% of economic growth comes from attracting new business from elsewhere. Therefore, 97% comes organically.

Who is CenterState CEO? The Metropolitan Development Association merged with the Greater Syracuse Chamber of Commerce to create CenterState CEO in 2010. It is made up of independent strategists and business leadership dedicated to the success of its members and the prosperity of the region.



Rob talked about where CNY was in terms of economic development, prior to COVID-19.

- We were about to land amazon with 1,000 new jobs.
- Plans were in work for the new development in the inner harbor.
- Manufacturing on the south side
- Meaningful GDP growth and private sector job growth, outpacing the state

Some other notable figures/initiatives about Syracuse that Rob shared were:

- 5% growth in population for ages 25-34
- 12.8% millennial population
- Salt city market - Primarily for minorities and refugees
- Working do diversify the employees in the tech field
- Steam school - 70MM budget announced by governor in the old central tech building. It is a regional high school, open to Onondaga county students both in city and suburb schools
- Tech garden – This is run by CenterState CEO. They are adding 2 floors to the building, more than doubling the square footage. It's been full for 6 years.
- Genius NY – This is the largest technology support program in the world
- Drone corridor - we are becoming globally known for this. Strong depth of sensor and radar companies helps. 50 miles between Syracuse and Rome.

Rob then moved into CenterState CEO's COVID-19 Response

## **Access | Respond | Mitigate | Recover**

COVID-19 created a profound economic crisis in Syracuse, that nobody planned for. Businesses closing, employees laid off. Nobody planned for or was prepared for this. Things are not easing very much at all on that front. CenterState CEO conducted a survey in both phase 1 and phase 2, and had the following results:

### Phase 1

- 10% of businesses are looking to hire
- 1 out of 5 manufacturers report and increase in demand
- 35% of businesses are offering discounts
- 55% are experiencing a decrease in demand
- 34% say supply chain impacts are high/highest impact

### Phase 2

- 12% of businesses are looking to hire or expand hours
- 51% are seeing a decrease in demand
- Small employers used PPP/EIDL

Rob explained that pain has not been felt equally among businesses and that there was a 40% decline in low age worker employment from March to July. There was a 30-35% decline in new businesses opening. The most vulnerable jobs b industry are retail, hospitality and healthcare. Shifting to a more positive note, Rob discussed that fact that there are strong partners in local, state and federal government. People are escaping to the suburbs - leaving major, large cities

Recruiters were having a hard time “selling” CNY. They could sell the position and company, but not the area. We have so much going for us in Syracuse!

Amazon will bring 1,000 jobs with a 30-40k salary, full benefits, and access via public transportation. It’s going to be a 4MM square feet – the 2<sup>nd</sup> largest warehouse in the world. Rob also talked about companies that are growing during this time - air purification systems, drone manufacturers, mask and glove companies, breweries that made hand sanitizer, etc.

In closing, Rob told the group to be fearless leaders after LGS is over, because CNY needs us.

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Our next presentation came from Dr. Shanelle Benson Reid and her husband, Todd Reid. This power couple are co-owners of several businesses including ACCESS Global Group, ACCESS Global Enterprises and ACCESS Dental Laboratories. Their spirit, passion and delivery were captivating for the audience.

Todd gave some background on his upbringing. He didn’t want to go to college. In fact, he graduated high school at 19. He started working in a dental lab that a father of one of his friends owned. They believed in him and supported him. He started training and taking classes, and has now been in the field for over 25 years.

Dr. Reid gave her background as well. She had children young and finished her schooling later in life. She earned a BA, MA and PhD after being in school for a very long time. Her personal motto is “inspire individuals to pursue self-discovery, empower them to be innovative, progressive and revolutionary in thought and motivate them to be global activists.”

The presentation focused on ACCESS Dental Laboratories. The idea came 8/10/18 - they started with the idea and then wrote it out. They had a vision board in their house, and it showed what their next home would look like. They took it down and started creating a vision for what their business would look like, instead. What makes that business unique, is that they employ people from the south side of Syracuse, and create programs that offer soft and hard skills, apprenticeship, and other opportunities.

Their Career Readiness Program offers soft skills such as:

- Positive attitude
- Self-Confidence
- Work Ethic
- Team Work
- Communication
- Time Management
- Problem Solving
- Flexibility and Adaptability

Hard skills are also part of the program:

- Reading Ability
- Math skills
- Writing Efficiency
- Computer Competency
- Fine Motor Dexterity
- Hand-Eye Coordination
- Artistic Instincts
- Attention to Detail
- Color Perception
- Independence

The Biggest hurdle they've come across so far is COVID. The anticipated next biggest hurdle will be handling the incoming work. They are the Dental lab owned by African American owners, in the whole country!

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Our next speaker was Caitlin Moriarty – a 2019 LGS grad! Caitlin is an SU alumna (2012 and 2014) and is currently the Director of Membership at The Tech Garden. Caitlin started her speech by explaining that we need to find ways for businesses to want to be in our community. Entrepreneurs are uniquely qualified to reimagine. She explained that there are 4 main types of businesses:

- Start-ups
- High growth - repeatable and scalable
- Transformational - mission of social enterprise, but runs like a high growth business
- Social entrepreneurship - 501C3s, non-profits

The Tech garden focuses on high growth start-ups, leveraging technology. Seed funding is very hard to get here in Syracuse. They focus on preparing start-ups with small injections of capital. The Tech Garden's parent company is CenterState CEO. Caitlin talked about some of the community partners they have:

- SU Launchpad
- SU Center of Excellence (COE)
- CNY Biotech Accelerator
- SBA/NYBDC
- Insourcing
- South Side Innovation Center (SSIC)
- WISE
- Upstart
- Coworking Spaces
- Salt City Market

Caitlin talked about some hypotheses she had as COVID-19 started; outcomes surprised her.

- Investment would be impossible to find and investors would be more risk averse
- Current start-ups will grind to a halt, particularly retail and travel
- With high numbers of furloughs and layoffs, we will see increased numbers of people starting companies and applying for incubators

She reported a 44% reduction in VC funds due to COVID, but explained that some areas are actually rapidly growing with investors. There are currently 93 start-ups at the tech garden. She shared some examples of reimagined spaces in Syracuse - The Tech garden itself, TCG Player, Spincar, The Digital Hyve, and Sidearm Sports.

Caitlin then described that we're moving toward becoming a smart city. We are getting national attention for the technology we have, the tech corridor and drone corridor, and the city center innovation hub



Next up was the one and only Ross Ireland, from our own class, who presented the findings from our survey. We asked the group to respond to the following, several weeks before class day:

1. What does Economic Development mean to you?

Jobs	31.11%	14
Affordable Housing	8.89%	4
Commercial/Residential Development	20.00%	9
Education	6.67%	3
All the above	64.44%	29
Other (please specify)	<a href="#">Responses</a> 20.00%	9

2. Identify one positive local economic trend from COVID-19

- Some businesses are exploding
- Unique and different ideas to conduct business
- Buying local
- Family time has increased
- Working from home
- Decreased oil prices (and air smog)
- Increased home improvements
- Saving money

3. Identify one negative local economic trend from COVID-19

- Some business are declining
- Can't spend money
- Less savings
- Buying local
- Government is supporting the economy
- Lay-offs
- Evictions and affordable houses
- Lack of products
- Hospitality/Restaurants/Bars – biggest impact

4. Have you made home improvements of over \$2,500, and/or do you plan to in 2021?

Yes, I've done home improvements in 2019 and/or 2020	60.00%	27
No, home improvements	24.44%	11
Yes, I plan on doing home improvements for 2021 greater than \$2,500	48.89%	22
No, I don't plan on doing any home improvements greater than \$2,500	4.44%	2

5. Have you or do you plan on refinancing your home?

Yes	48.89%	22
No	26.67%	12
Not Applicable	24.44%	11

6. What year will you spend the most on vacations?

2019	35.56%	16
2020	8.89%	4
2021	37.78%	17
Not Applicable	17.78%	8

7. Will you spend more than \$2,500 on luxury items in the next 18 months?

Yes	20.00%	9
No	75.56%	34
Other (please specify)	Responses 4.44%	2

8. Was your employer hiring in 2019-2-2- and will they continue in 2021?

Yes in 2019	88.89%	40
Yes in 2020	80.00%	36
Yes will be in 2021	53.33%	24
No	4.44%	2
Not sure	13.33%	6

9. Did your employer have you work remotely during COVID?

Yes	86.67%	39
No	13.33%	6

10. How has COVID impacted spending habits?

- Most commented about spending less – especially on restaurants and bars
- Spending less on gas and entertainment(especially concerts)
- Most have “ beefed up” their savings and even retirement
  
- Approximately 70% are saving money
- Approximately 10% are spending more
- Approximately 20% mention spending has not changed – *How is this possible? Lets talk!*
  - Saved on Vacations, but spent more online*
  - Donated money to others*
  - More on groceries –*
  - Prices are higher - inflation – stagflation?*

11. How has your spending at restaurants/coffee shops changed?

A lot higher	0.00%	0
A little higher	4.44%	2
About the same	15.56%	7
Lower than 2019	80.00%	36

12. How do your grocery purchases compare to 2019?

A lot higher	22.22%	10
A little higher	46.67%	21
About the same	26.67%	12
Lower than 2019	4.44%	2



The group discussed the answers to the survey questions, which for the most part followed expected outcomes. Most participants are spending less and saving more. Some are taking advantage of the low interest rates, and refinancing or buying homes. Some are spending more, being mindful to support local businesses and donate to causes that mean a lot to them.

Class members offered the following observations at the end of the presentation:

- Hospitality and food service have been hit hard
- The Arts have seen a huge hit as well
- Some feel that responses are privileged, as our class doesn't represent the entire CNY community. There was guilt expressed for where some of us are compared to others

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Our last speaker was Sharon Owens – Deputy Mayor for the City of Syracuse. Sharon had no presentation to show, which made it easier to engage and listen. She was a captivating speaker!

One of her opening lines, was “Never let a good pandemic go to waste,” which got a good laugh from the crowd. Her point was that thinking outside the box is critical in times like these. She used a drop box for tax payments as an example of a creative idea they had. Tax collection revenue is steady as a result.

Sharon then talked about the Walton street closure, which will hopefully bolster growth for restaurants that can offer more outdoor seating. She explained that Syracuse got HUD funds and grants as well, and we are using them for rent assistance, and for micro loans to help businesses.

2020 will go down as the year the world changed. A few things Sharon offered as examples were the COVID-19 pandemic, police brutality, social injustice. She spoke about the unemployment stimulus that caused people to not go back to work due to how much they were making. Will the reduction to \$400 make sense? Time will tell. She touched on child care needs as well, as that is a huge issue that needs to be considered.

Sharon explained the need for people to adapt to our changing times. She talked about virtual doctors' appointments, e-reports for car accidents, closing down streets like Walton street, virtually submit plans for permits, and many other examples.

She then opened the floor to Q&A.

One class member asked about the I-81 project. Sharon explained that 81 is past its shelf life and has to come down. There are already parking issues downtown, and removing 81 will cause further issues. They are still working on a solution for that and don't have all of the answers yet.

The next question was about the BLM movement, and what we can do to contribute to that. Sharon called on us to hold ourselves accountable to the nation that we are, and how we came to be. She explained that more police are not the answer, but smart police is. The City is constantly balancing the need for public safety. Alternatives to incarceration are what will solve the long-term issue, in her view. The police force is responding to calls, back to back, throughout their entire shift. We are missing the social interaction. We have gone from 500 to 390 in Syracuse.

Sharon's overall message was to get stuff done. Think on your feet. This is critical to survival during these times. People and businesses don't have time for the government to theorize on things. It's not the time to think the way we always have. It's critical to our community to think outside the box.

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### SPECIAL THANKS TO

Onondaga Community College for hosting our class day!

Lowe's in Liverpool for donating hand sanitizer!

All of today's guests and speakers for the generous gift of their time!