Why a site selection consultant sees hope for upstate

By Eric Anderson

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When it comes to comparing the costs of operating an advanced manufacturing plant, New York state ranks second worst among the continental 48 states. Only New Jersey is more expensive.

But site location consultant John Boyd Jr. says New York is doing some things right.

In a meeting with a reporter Tuesday morning, Boyd, principal of Princeton, N.J.-based The Boyd Company, said the nationwide Start-Up New York advertising campaign is getting some notice.

"Governors in Missouri, Illinois, Indiana ... tell me Gov. Cuomo is in your living room nightly pitching New York state," he said. The ad campaign is doing the hard work of changing people's opinions, comparing it to turning around the Queen Mary, Boyd added.

"Economic development and public relations is cumulative," he said. "It takes years, not months," to change perceptions.

He credited Gov. Andrew Cuomo with being serious about economic development by holding the line on taxes, and cutting the corporate tax rate, contrasting it with neighboring Connecticut, which has boosted taxes.

New York's efforts to attract companies come as more manufacturers "reshore" their operations, bringing jobs back to the United States in the wake of rising energy and labor costs overseas, infrastructure concerns, weak intellectual property protections, concerns about new tariffs and a renewed "Buy American" push spearheaded by President Donald Trump.

"Trump signed a federal procurement bill that will give priority" to domestic production, he said, adding there's never been a president who has put so much emphasis on buying American products.

"From 2000 to 2012, the United States lost over two million manufacturing jobs to China," Boyd said. Over the past five years, he said, hundreds of thousands of jobs have come back.
Climate change, meanwhile, has increased the strategic value of plentiful supplies of fresh water, something that New York offers in abundance. Another advantage: low energy prices, thanks to hydroelectric power, wind power and inexpensive fracked natural gas.

Food processing and data processing companies will find the lower energy costs and plentiful supply of fresh water attractive. Another advantage is the expanded Panama Canal, which connects New York to Asia, Boyd said.

Asian millennials, he said, "have an insatiable appetite for U.S.-branded food and beverage products, he added.

Upstate does face challenges. While Boyd said New York has been a leader in worker training, the Southeast has succeeded in drawing such companies as Airbus, Samsung and Volvo, thanks in large part to its training programs.

And offsetting New York's still high tax burden will be a challenge. Incentives likely will continue to be needed.

"New York is a high-cost place to do business," Boyd said. "It underscores the need for Gov. Cuomo's incentive program."