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**Note To Our Readers:** *With this edition of Spotlight on the Region, we begin sending out this bi-weekly newsletter of Regional Plan Association as html text in an email. This allows us more versatility and to reach a broader audience. To those of you who have already been receiving Spotlight, we hope you like the new format. To our new readers, of which there are many, we hope you like this bi-weekly newsletter about trends in the region and in urban affairs. Instructions follow at the end of the newsletter for adding or omitting yourself from the subscriber list, and as always the spotlight will be available online and in .pdf format at [www.rpa.org](http://www.rpa.org).*

--Alex Marshall, Editor, Spotlight on the Region

## How Important is Manhattan to The Region?

About a decade ago, David Rusk, the former mayor of Albuquerque, wrote an influential book called *Cities without Suburbs* (Woodrow Wilson Center 1995). In it, he convincingly argued that metropolitan regions with healthy center cities did better than those with less healthy ones. This thesis, demonstrated with various data, was meant to show suburban America that it made sense to pay for the infrastructure, education and social needs of their center cities. In the long run, everyone would be more prosperous.

Rusk's argument was aimed more at Sunbelt metropolitan areas like Houston or Orlando, where the center city had historically been less appreciated. But the Tri-State region has its own tensions, and the competitive aspects of New York City's relationship to New Jersey, Long Island and other parts of the region receive far more attention than the sum of these interdependent parts. Within the city, Manhattan competes with the other boroughs for attention and money. As the region contemplates a range of new infrastructure investments, in particular the development of the Far West Side, it makes sense to look at Manhattan's role and just how and whether its success is linked to the success of the metro area as a whole.

Generalities can gloss over a multitude of complexities in a region of this size. Our "center city" includes neighborhoods in Queens and Staten Island that resemble towns in Nassau or Middlesex. The "suburbs" encompass urban areas like Newark and Bridgeport with poverty rates exceeding those of all but the most depressed New York City neighborhoods, as well as growing city centers in places such as Stamford and New Brunswick that have benefited from the wealth around them. Diversifying economies in Long Island, northern New Jersey, the Hudson Valley and Connecticut also create a more complex pattern of interdependence among the different parts of the region.

Even so, there is convincing evidence that Manhattan has been the star whose heat and light continues to generate much of the life in the constellations of cities and suburbs that revolve around it. In short, Rusk's thesis is just as valid here as in Albuquerque.

Manhattan's role in the metropolitan economy is demonstrated in the table below, which shows just how much it has been able to maintain its share of jobs and wages in spite of the postwar decentralization of population and employment. Although Manhattan has never exceeded the total of 2.8 million jobs that it had in 1969, the total never slipped below 2.3 million and nearly attained the 1969 peak in 2000. Although its share of employment has been gradually declining for years, nearly one out of every four jobs in the region is still located in Manhattan.

**Share of Jobs and Wages in the Tri-State Region, 1980-2001**

	Jobs		Wages	
	1980	2001	1980	2001
Manhattan	25%	23%	32%	36%
Other New York City	14%	14%	12%	9%
Northern New Jersey	30%	32%	29%	29%
NY and CT Suburbs	30%	31%	26%	26%

Source: U.S. Bureau of Economic Analysis

Remarkably, the island's share of wages has increased to 36% even though its proportion of employment has dropped to 23%. This is evidence both of the changing mix of jobs, particularly the decline of manufacturing and wholesale trade, and the tremendous run-up in compensation in securities and related industries during the bull markets of the 1980s and 1990s. It is also further evidence of both the decentralization of cost-sensitive activities and the centralization of high-value services.

### **A Ship that Pulls Many Boats**

Manhattan exerts its influence in several ways. Half of New York City residents earn their living in Manhattan, and the borough accounts for about 80% of all the wages generated in the city. Over half a million commuters from beyond the five boroughs also earn approximately \$66 billion dollars in wages that are spent and recycled in communities throughout the region. Manhattan's offices, stores and restaurants are an enormous market for regional firms selling everything from printing to health insurance to consulting services. The island also acts as an incubator for firms that originate in the CBD but either relocate or expand to other parts of the region.

Finally, Manhattan's business opportunities, cultural amenities and access to regional, national and international transportation systems are critical factors that allow the region to attract and maintain its most important asset—one of the most talented and diverse workforces in the world.

A look at cyclical trends over the last three decades indicates an interdependent economy in which jobs in Manhattan tend to rise and fall in tandem with jobs in other parts of the region. This should not obscure two other trends that coexist with this pattern. Suburban areas generated jobs at a quicker rate than Manhattan, but the jobs generated in the CBD generally paid more. Without the job and wage growth in the CBD, job growth in the region would undoubtedly have been substantially reduced. Whatever the exact relationship, it was clearly not a "zero sum game" where growth in Manhattan was primarily at the expense of jobs in the suburbs, or vice versa. Overall, the picture is one of a region with complementary growth patterns.

Further support for this relationship can be found in a study completed by the Rutgers Center for Urban Policy Research in 1995, and updated in 2004, which indicates that New York City strongly supports growth in other parts of the region even when the impacts of the national economy are considered. The study looked at the effects of changes in national and New York City finance, manufacturing and non-finance service sectors on growth in the surrounding counties of the region and concluded the following:

"The economies of the New York City suburbs rely on the well-being of the City's economy. Since its manufacturing industry is on the decline, the City appears to wield a disproportionate portion of its economic might on the suburbs through its finance industry..." (Lahr, Michael L., *Is New York Still Propelling Growth in its Suburbs? A Study of Economic Spillover Effects Through Spatial Contiguity*, Center for Urban Policy Research, Rutgers, The State University of New Jersey, February 2004).

Given that the Manhattan CBD has accounted for the bulk of New York City's job and earnings growth over the last 30 years, it is reasonable to conclude that this city-suburb relationship is driven by the concentration of finance, business services, media and other high-value services below 60th Street.

## **The CBD: It's Not Just Manhattan Anymore**

In the 1970s, many people thought center cities were no longer necessary and that Manhattan might gradually - or not so gradually - decline as business and population continued to leave for the suburbs. This bleak vision, encapsulated in movies like *Escape from New York* where Kurt Russell attempts to flee a burned out hulk of a city, was wrong of course. Manhattan was able to recover and played a dominant role in the expansion that followed. Manhattan's CBD is not only richer, it is striking to realize how much it has grown physically in size over the last few decades. Until the mid-1980s, the physical expansion was contained largely within Manhattan as the boundaries of both the Downtown and Midtown office districts pushed outward, primarily into West Midtown, Midtown South, the World Trade Center and the World Financial Center.

However, the 1980s also witnessed the first tentative extensions of the CBD across the East and Hudson rivers with the construction of back office facilities at MetroTech in Downtown Brooklyn and the Citibank building in Long Island City, and the first new developments in Jersey City. But it was not until the 1990s that the idea of an "extended CBD" really took hold with businesses, primarily Downtown financial firms, moving into what is now 18 million square feet of new space along the Hudson County waterfront. It is no coincidence that this extension occurred in tandem with an exceptionally strong economy in New York City, New Jersey and other areas of the region, and with a paucity of new construction in Manhattan. Yet the example of Jersey City in the 1990s points to future possibilities for Downtown Brooklyn, Long Island City, Bayonne and other locations outside of the traditional Manhattan core.

Intensification of economic activity within the CBD is also a major part of the story, and has taken a number of forms. Infill and the conversion of older buildings<industrial, commercial and residential>to denser, higher-value buildings is one dimension, as is the demolition and reconstruction of older stock. Reconfiguring space to add more workers without adding more rentable square feet is another. Whereas 300 square feet per worker was the rule of thumb a decade or two ago, 250 or even 200 square feet is a more common assumption for space needs today. The skyrocketing salary level of CBD workers is also an indicator of businesses concentrating higher-value activities into increasingly valuable real estate. While the number of people working in Manhattan increased by 13% between 1980 and 2000, inflation-adjusted earnings increased by 76%, from \$47,200 to \$83,200 per worker, a far higher rate than in other parts of the region.

## **Spreading the Wealth**

The growth of the CBD, and its effect on the region, has been obscured by the undeniable decentralization of jobs and living that has occurred over the last half century. The region's twenty-plus million people now work over an enormous land area, knit together by commuter railways and highways. But despite this, the Central Business District remains the dominant source of wealth generation in the region.

While it appears that these two forces are joined at the hip, it does not necessarily follow that this is the most beneficial pattern for metropolitan development. The increasing concentration of both high paying jobs and affluent households in Manhattan is also a symbol of the escalating income inequality that has been apparent since the early 1970s. Also, the rapid suburban growth that has been fueled at least in part by wealth creation in Manhattan has not been replicated by similar growth in New York City's other boroughs or in most cities elsewhere in the region.

This raises the question of whether growth and wealth generation in the CBD, to the extent that these can be influenced by planning and policy, should be reinforced or modified. There is no simple answer, but there is likely to be far more potential in finding new ways to harness the energy of the CBD than in trying to diffuse it in ways that undermine its potency. For example, growth in the CBD is consistent with the concept of a "multi-centered" region. The expansion and intensification of high-value activities in Manhattan that supported development in Jersey City and Stamford could also provide the impetus for back office development and other functions in places such as Downtown Brooklyn, Long Island City, Newark or the Bronx. Developing industry sectors that can thrive along with global office activities<high-value manufacturing, education, culture and tourism, health care and social services>is another complementary strategy. Notwithstanding conflicts that will inevitably arise over how to best use scarce land and capital, creating more capacity for growth in the CBD and

spreading the wealth it generates need to be concurrent and mutually supporting policy goals.

--Chris Jones, Vice President for Research, RPA. This article is adopted from a larger report, *The Far West Side and the Region's Development Needs*, which is available in full at [www.rpa.org](http://www.rpa.org). On April 16th, the RPA's annual Regional Assembly will examine the Far West Side and its impact on the region.

## **Saving The Highlands: A Growing Consensus?**

At a symposium last week for local officials sponsored by Regional Plan Association and The Highlands Coalition, and supported by the Geraldine R. Dodge Foundation, national and regional planning experts came expecting bullets, but received inquiring eyes and a few offers to dance. Could it be that the leaders are finally ready to follow the people to a more rational solution to managing the New Jersey Highlands?

Charles Siemon, a land use attorney and planner who helped fashion plans for the New Jersey Pinelands, Florida Everglades and other environmentally-sensitive areas, urged freeholders, mayors and other elected and appointed officials to consider working together on a regional solution to the individual issues of sprawl affecting each of the 90+ municipalities in the New Jersey Highlands. Noting that even the most successful plans took time and local buy-in, Mr. Siemon recommended that any solution for the New Jersey Highlands include incentives as well as local commitments to make the plan work.

The success of a regional entity depends on effective communication and good listening skills, according to John Stokes and Robert Ceberio, who head the N.J. Pinelands and N.J. Meadowlands commissions, respectively. Perhaps taking a cue, a number of mayors and other local officials gave serious consideration to the need to protect watersheds that provide drinking water to over 4 million residents. They heard Richard Coombe recount the New York City Watershed experience, where farmers and others worked together to preserve land as a water protection method, far below the cost of treating water with machines and chemicals. And, John Turner noted how towns in Long Island recognized they were the masters of their own fate to preserve the Long Island Pine Barrens.

"It may be the only way to protect the land," said Ringwood Mayor Wenke Taule after the symposium. Jack Shrier, Morris County Freeholder Director and a member of Governor McGreevey's Task Force on the Highlands, was even more direct in a recent article in the Bergen Record. "Do we sit around a giant table and discuss the issues - meanwhile, watching the Highlands be developed and the water degraded? We do need a regional entity. We need a kind of master plan."

There's never been a time when such a consensus was possible in the Highlands for regional planning. Two recent public hearings brought hundreds of citizens together to urge stronger protections in the Highlands. The Highlands Task Force is giving serious consideration to a regional planning system that builds on the best of the Pinelands, Meadowlands, NYC Watershed, LI Pine Barrens and other models. Will our leaders have the courage to follow the people?

--Thomas Dallessio, New Jersey Director, RPA

## **Saving The Sound: It Can Start With You**

*Saving The Sound: It Can Start With You* At a series of meetings that begin next week, the public will be asked to help answer the question of how best to protect and preserve Long Island Sound's coastline.

The meetings are being sponsored by the Long Island Sound Study's Stewardship Initiative, a joint effort by Regional Plan Association, Save the Sound, Audubon New York, the US Fish & Wildlife Service, and the US EPA to preserve open space, increase access to the Sound, and protect and manage important habitats.

The partnership is working to identify places along Long Island Sound that are most important for preservation, and to find ways to improve the stewardship of these sites.

RPA has been leading the effort to inventory, assess, and map important recreation and open space areas along the Sound, while the US Fish & Wildlife agency has lead a parallel effort to identify important ecological and scientific areas. Maps illustrating initial findings will be presented at the upcoming meetings, as will potential strategies for protecting these areas.

It's important that members of the public, as local experts on the Sound, come out to help prioritize sites for protection and to give feedback on the best ways to protect these sites. The Long Island Sound Study's Stewardship Initiative public meetings take place at 7pm over the next month. For more information and a full list of meeting dates and locations, go to [http://www.longislandsoundstudy.net/events/stewardship\\_04.htm](http://www.longislandsoundstudy.net/events/stewardship_04.htm). -- RPA Staff

## Calendar

### **Feb 21 - 1 pm**

The Role Of New York City's Regional Center In The 21st Century: The Bronx Hub And Environs. Municipal Art Society. Location: In front of New York National Bank on the N.W. corner of 3rd Avenue and 149th St. Cost: \$15, \$12 for MAS members.

### **Feb. 24 - 6 pm - 8 pm**

Institute for Rational Mobility's 15th Anniversary of Auto-Free New York: A Grid of Pedestrian Streets for Manhattan. NYPD Downtown Center, 104 Washington Street Conference. Room. Info: (212) 475-3394; [www.auto-free.org](http://www.auto-free.org). [www.vision42.org](http://www.vision42.org).

### **February 25th - 6:30 pm**

Community Board No. 4's Public Forum on the Hudson Yards rezoning proposal. Douglas Fairbanks Theater, 432 West 42nd Street (between Dyer and Tenth Avenues).

### **Feb. 25 - 3:30 pm - 5:30 pm, 7 pm - 9 pm**

New York Metropolitan Transportation Council Regional Transportation Plan Update. Dennison Building, 100 Veterans Memorial Highway, Hauppauge. Info: (718) 472-3197 or [nymtc-rtp@dot.state.ny.us](mailto:nymtc-rtp@dot.state.ny.us).

### **Feb. 26 - 11 am -12:30 pm**

13th Annual Symposium on Contemporary Urban Challenges, Fordham University School of Law. Sessions include "The Wrong Side of the Tracks: Commuting in Urban America" with Dr. Robert Bullard. Info: (212) 636-6881 or [uljsymposium@yahoo.com](mailto:uljsymposium@yahoo.com).

### **Feb. 23 - March 15**

The Long Island Sound Study's Stewardship Initiative. Public Meetings at various locations. Go to [http://www.longislandsoundstudy.net/events/stewardship\\_04.htm](http://www.longislandsoundstudy.net/events/stewardship_04.htm) for locations and dates.

### **April 1 & 2**


Great Places, Great Debates: Opening Historic Sites to Civic Engagement. This conference will explore how historic sites and museums can serve as centers for active citizen participation in pressing contemporary issues. Registration/info: [www.rpa.org/NPS](http://www.rpa.org/NPS).

### **April 16 - 8:00 am - 2:30 pm**

RPA's 14th Annual Regional Assembly. "Make No Small Plans: The Far West Side and Its Impact on the Region." Waldorf-Astoria, 8:00 a.m. - 2: 30 p.m. Registration/information: [www.rpa.org/ra2004](http://www.rpa.org/ra2004).

### **June 8, 2004 8am-5pm**

Downtown New Jersey, "Back to the Future", Lafayette Marriott, Trenton, New Jersey. DNJ's annual conference this year will focus on planning for the future of downtowns by bringing back the past.



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