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Our Future Is Trans-Hudson

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By Mitchell Moss

Until quite recently, New Jersey was a handy little state for a city like New York to have as a neighbor. It held one-third of the east coast's oil refining capacity; it sat quietly across from the city's largest waste disposal land-fill on Staten Island; and it provided delicious blueberries in July and beefsteak tomatoes in August. For most of the nation's history, New York exploited New Jersey because of its location across the river in a separate political jurisdiction. And New Jersey, a state without a dominant city, had an identity split between Philadelphia and New York.

It's time for New York City and its Newark-bred mayor to wake up. Newspaper advertisements showing Mayor Edward Koch nailing the Holland Tunnel shut, city lawsuits to prevent federally-subsidized office projects in New Jersey and combat over Gotham's sewage disposal operation are no substitute for informed policies that recognize our changing relationship with the Garden State.

The competition is hardly new. Colonel Thomas Dungan, governor of New York in the 1680s, supported annexation of East Jersey, citing the "great inconveniences [of having two governments] upon one river " In 1684 New Yorkers petitioned the British Crown to restrict shipping in and out of Perth Amboy, and for a time New Jersey-bound ships were forced to pay a customs duty to New York. Not until 1921 did both states make a compact that created the Port

of New York Authority, with jurisdiction over shipping and other transportation within 25 miles of Manhattan.

Much like the television families on "Dynasty" and "Dallas," tension between the two jurisdictions never ceases; only the issues change. In the past decade, the rivalry has broadened to include competition for jobs, a \$40 million Urban Development Action Grant for Jersey City, Westway, ocean dumping by New York City and the movement of back offices from Manhattan.

Probably no issue has received more attention than the oft-repeated charge that New Jersey is stealing jobs from New York City. It has little basis in reality. As the city lost more than half a million jobs between 1969 and 1977, most, including manufacturing and head-quarters jobs, did not flow to New Jersey.

In the post-fiscal crisis period, as approximately 400,000 new jobs were created in New York City, fueled largely by business and consumer services, New Jersey also prospered, but not at the expense of New York. A 1986 study by George Sternlieb and Alex Schwartz of Rutgers University revealed that 80 percent of the firms that moved facilities into New Jersey's "growth corridors" between 1979 and 1985 had relocated from elsewhere in the state

The current tensions over jobs is due to the fact that northern New Jersey, after years of having what no one wanted, now has what everyone wants: a safe, inexpensive commuter rail system into Manhattan; relatively low construction costs; and an underused waterfront that offers spectacular views of Manhattan.

New York City's energy costs and the fear of communications and energy disruption have led some firms to move their data processing centers out of Manhattan, even though on-site, back up energy systems are available here. Back office and computer centers, with their high energy loads and large space requirements, have been lured by New Jersey's energy and space prices and by the PATH system and other transit services, which give them access to the same labor force.

Although the exodus of financial service firms has slowed with the recent cutbacks and consolidations on Wall Street, new housing and office complexes are planned for the Jersey side of the Hudson, where dramatic views of the Manhattan skyline give definition to previously underutilized sites.

But if Jersey City, whose school system is on the verge of a state takeover, can attract Donaldson, Lufkin and Jenrette, surely New York City can rejuvenate the East and Harlem River waterfronts; indeed, city programs to attract back offices to downtown Brooklyn have enjoyed some modest success. And while media coverage of the movement of offices out of New York City makes the traffic appear to be one-way, the movement of people from New Jersey to New York City has been increasing. In 1987, 240,000 travelers crossed the Hudson during the morning rush hour, an increase of more than 25 percent since 1975.

That commutation demonstrates New York City's reliance on New Jersey to house a skilled regional labor force, not all of whom can afford or choose to live within the five boroughs. A report issued by New York State Senator Franz Leichter noted that "during 1986 and the first half of 1987, Hudson and Bergen Counties, which together have less than one-fifth of the population of New York City, produced 9,866 new housing units, or more than half as many as the 17,363 units produced in New York City."

Although it's hard for some New Yorkers to accept, this mutuality of interest will intensify in the years ahead. New Jersey provides skilled workers, housing and distribution networks that are vital to New York; and New York in turn provides a market, a wide range of specialized business services, and a variety of international connections that have been essential in New Jersey's progress.

Building on the strengths of each side is a better way to assure growth than waging guerilla warfare that limits each jurisdiction's opportunities to benefit from the other's economic development.

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