

CenterState CEO 2017 Legislative Agenda

==== Federal, State & Regional/Local Priorities =====

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INTRODUCTION

CenterState CEO is an independent and forward thinking economic development strategist, business leadership organization and chamber of commerce; dedicated to the success of its members and the prosperity of the region. Our vision is for a vibrant and globally connected region recognized as a place where business thrives and people prosper.

The 2017 Legislative Agenda presents our organization’s federal, state, and regional/local economic development policy and legislative priorities. These proposals reflect input from CenterState CEO’s key constituencies including its business members, Chamber Alliance Partners, peer economic development organizations, and public policy entities such as the Brookings Institution. This document is shared with all CenterState CEO members, elected officials representing the region, and the media.

Questions or requests for additional information should be directed to the staff member identified with each topic.

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FEDERAL

Business Competitiveness

Support Efforts to Grow the Unmanned Aerial System (UAS) industry (NUAIR Alliance, NUSTAR, UTM corridor)

The NUAIR Alliance, which manages and operates the Griffiss International Airport UAS Test Site, represents more than 100 public, private and academic organizations related to unmanned aerial systems and their integration into the national airspace system. In 2017, NUAIR will continue to work with its federal representatives, the FAA, NASA and other federal interests to bring safe unmanned systems operations to our region and the entire nation particularly with focus on Unmanned Traffic Management (UTM) and fulfillment of NUSTAR projects supported by the Central New York and Mohawk Valley Upstate Revitalization Initiatives (URI).

CenterState CEO supports the following actions to further this effort:

- Provide Federal Resources to the Test Sites – The seven test sites were created by Congress to provide data for the FAA in order to develop the regulations for safe integration of unmanned aerial systems into the national airspace and thereby assist the UAS industry in the U.S. Because the test sites are a valuable asset to the FAA and the nation, some funding should be granted to support the research and testing functions that are benefitting the FAA, NASA and other agencies.
- Grant Certification Functions - The FAA should use the expertise and experience resident at the test sites, by designating them to perform various certification functions for the FAA, just as with commercial and general aviation.
- Finalize Frequency Spectrum Allocations - FAA and FCC frequency spectrum allocation and approvals are absolutely necessary for unmanned aerial systems and ground based sense and avoid systems to work at airports and in the national airspace system. The FAA and FCC need to act swiftly to make the determination of frequency spectrum that will be available for airports and UAS throughout the U.S. that do not interfere with existing Wi-Fi and cellular services.
- NASA UTM Funding – We support additional funding to NASA to research, develop, test and implement UTM systems in the U.S. With the \$250 million for UAS in the Central New York URI, the Syracuse – Utica/Rome corridor will be the national hub for this technology, essential to opening U.S. and international skies to safe UAS operations and commercialization. Our concentration of sensor based technology will lead the way for a safe traffic management system in the sky.
- The test sites should be used for future testing of UAS technology piloting initiatives. The seven FAA designated test sites have each received millions to invest from their respective states, have assembled teams with experience and expertise, have built and continue to build relationships with the FAA, other agencies and the UAS industry. It would be counterproductive to pass over the “centers of excellence” that each test site is in its own right. The test sites are industry and platform agnostic, an important quality given the growing and vigorous competition among some private sector organizations and government agencies we see on the horizon. The FAA has designated ground based sense and avoid as the area of focus for Griffiss and the NUAIR Alliance’s test site. Griffiss’ test range, the first of its kind, is now operational.

- Allow FAA Airport Improvement Program funds for Unmanned Systems – Airports across the country will need to make capital investments for technology and infrastructure to accommodate unmanned systems operating at their premises. The FAA should open Airport Improvement Funds to be used for this purpose.

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Support Permanent Repeal of Medical Device Tax

This tax became effective in 2013 and charges a 2.3 percent revenue tax on U.S. manufacturers of medical devices as part of the Affordable Care Act (ACA). This tax discouraged growth of the medical device industry in the region and nationally. Much of the tax and its administrative costs are passed on to customers, increasing the cost of health care. Locally, Welch Allyn reduced its worldwide employment level by 275 jobs in 2012 as a result of this tax. Fortunately, the Consolidated Appropriation Act of 2017 included a two year suspension of the Medical Device Tax.

CenterState CEO calls upon its federal representatives to put in place a permanent repeal of the tax, which is otherwise due to return in 2018.

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Regulatory Reform

Regulatory reform and reduction is a priority for the new administration, with President Trump signing an executive order requiring that for each new regulation promulgated, at least two existing regulations are to be repealed, and that the fiscal impact of all new and repealed regulations shall be no greater than zero. Further, agencies will be responsible for addressing processes for standardizing measurement and assessing costs of both existing and proposed regulations and other actions targeted for streamlining and determining fiscal impacts.

Respondents to a recent CenterState CEO member survey revealed that:

- The agency they view as most burdensome is the U.S. Department of Labor (71 percent).
- Nearly half of the respondents spend 1 percent to 10 percent of their operating expenses on compliance costs with 9 percent reporting they spend more than 20 percent of their operating costs on regulatory compliance.
- 80 percent indicate the time and expense of compliance requirements as the largest negative impact to their business; 60 percent for too much paperwork and difficulty in keeping up with regulatory changes.
- Recent proposed changes in wage and hour laws would negatively impact two thirds of the respondents, 26 percent experienced no impact and 6 percent viewing it as positive.

CenterState CEO will monitor proposed regulatory reforms as they emerge, share that information with affected members, and communicate their perspectives with its federal representatives.

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Health Care Policy

Changes to the Affordable Care Act are expected during 2017. Key concerns in the region include:

- Potential negative fiscal impacts on regional hospitals and medical universities regarding reimbursement rates, indigent care, and the level of uninsured, which may increase patient traffic in hospital emergency rooms. Hospitals have already made significant investments and changes in their business models in order to adapt to requirements of the ACA.
- Employer and employee concerns for rising premiums, deductibles, copays, and access to health savings and flex accounts.
- Positive changes to increase the level of insured with more affordable, competitive coverages available.
- Member survey respondents indicated that 77 percent favor some change, generally to reduce premiums, copays and deductibles and curtail the rate of premium increases. 23 percent of respondents view the ACA as beneficial to their organization and/or employees.

As specific reforms are proposed CenterState CEO will share impacts on members' sectors with its representatives in Congress.

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Transportation & Infrastructure

Interstate 81

CenterState CEO will continue to call for a transformative solution that will meet the region's transportation needs, respect the neighborhoods in the project area, and will have a positive impact on the community's economy and sustainability. CenterState CEO wants to ensure that any replacement of the elevated viaduct minimizes the width of any roadway, avoids the need for further eminent domain proceedings, and does not require the displacement of families, commercial businesses or not for profit institutions, nor require the demolition of historic properties.

CenterState CEO continues to seek a solution that does not simply relocate the traffic issues from the center city to the suburbs, but will result in a gain both for the city and suburbs that have grown up along I-81. CenterState CEO is hopeful that a solution will use a balance of transportation modes and that opportunities to increase transit services for those areas of the region that could benefit from them will be explored. CenterState CEO continues to look forward to working with its partners in the federal, state and local governments, the private sector and residents on a solution that everyone can embrace.

Now that the I-81 corridor has been given the status of a national priority corridor, CenterState CEO will continue to work with its federal representatives to ensure that sufficient funding is available for the I-81 project. This is a once in a 50 or 75 year opportunity that should be, responsive to the needs of our community and region.

The Federal Highway Fund will be the main source of revenue for this project. It is therefore critical that the Fund is appropriately resourced to ensure that sufficient dollars are available for the best configuration for the replacement of I-81.

CenterState CEO will work with federal representatives to ensure that these funds are directed to this project so that the more than 50 year life span of the new I-81 optimizes the direct and indirect economic and community impacts of its new configuration.

During 2017 New York State Department of Transportation (NYSDOT) is expected to release the results of the environmental review process. The draft environmental impact study (DEIS) is a critical step in the completion of the planning process to replace I-81. CenterState CEO has a committee dedicated to helping guide the organization's position on I-81 and it will continue its work to analyze the proposals and studies, and make recommendations to the board for any position that may be taken regarding this project.

Since the beginning of the planning process, CenterState CEO has called for a new I-81 which will be:

- 1) Transformative – The project should support progress in the regional economy and in rebuilding the center city, and reverse the division and improve the aesthetics of all of the communities through which it travels.
- 2) Offers minimal adverse impacts – The project should limit any additional takings of private property. Proposals which will result in the takings of numerous private properties, forcing the relocations of businesses and residents are unacceptable to CenterState CEO. There has been significant work done and great accomplishments in restoring the center city, this project cannot interrupt or reverse that progress.
- 3) Improved linkages – The solution should create better access and improved linkages between downtown and University Hill, link central city assets to the suburbs, and connect the region to national and global markets.
- 4) Transportation benefits – The solution should resolve traffic problems not just move them. The solution should resolve safety concerns, support the use of mass transit, enhance walkability and provide convenient access for commuters.
- 5) Minimize environmental impacts – The solution should embrace the highest level of urban design, minimize construction disruption, lead to environmental improvement, and result in generating additional land for development. The solutions should use state-of-the-art technology to improve traffic flow and safety.
- 6) Cost efficiency both to build and operate - The project should reflect good stewardship of scarce public resources. Bigger and more expensive projects can result in disruptive and unnecessary construction, and higher operating costs which will be a burden upon federal, state and local taxpayers for years to come. CenterState CEO is not only the leading beneficiary of the project, but all taxpayers will provide the main source of funding.
- 7) Create opportunities for addressing the needs of citizens adjacent to the highway through the region – Residents in the center city are concerned about losing their houses, businesses losing their locations; and businesses along the I-81 corridor to the north are worried about the potential loss of connectivity. To the east, the impact of additional traffic on the quality of life; to the west, the growing infusion of traffic through small villages. Not all of these conditions are caused nor can be cured by a solution for I-81 but federal and state governments need to engage all of their departments, resources and creativity to address these needs. CenterState CEO supports NYSDOT's request to have this project in the FHWA pilot program under SEP-14 to allow local hiring preferences for the project.

CenterState CEO looks forward to working with all of the engaged parties to arrive at a good and timely outcome for the I-81 project.

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Support U.S. DOT Local Hiring Preference Pilot Program

CenterState CEO is closely following the results of the U.S. Department of Transportation Local Hiring Preference (LHP) pilot program being conducted by the Federal Highway Administration (FHWA) which was extended to March 6, 2017 because of the opportunity this program would bring to the I-81 project. This program gives state departments of transportation the right to take the percentage of workers from the project locale as criteria when selecting a contractor. The program “utilizes social and/or economic contracting requirements in order to evaluate the impacts to the competitive bidding process. The pilot program will focus on local or other geographic labor hiring preferences, economic-based labor hiring preferences (i.e. low-income workers), and labor hiring preferences for veterans.” The program is extended through March of 2017 at present. CenterState CEO believes that with I-81 passing through some of the most economically challenged neighborhoods of the city of Syracuse, that one method to make the project transformational is to give preference to hiring residents of these same neighborhoods.

CenterState CEO supports the extension of the U.S. Department of Transportation’s Local Hiring Preferences pilot program in order for the I-81 project to be eligible to be included in the program.

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Economic Development

National Support for Tourism

International tourism is one of the strongest components of our international economy. Federal immigration policies, border crossing regulations, public safety concerns and exchange rates all impact perceptions of potential travelers to the U.S. Infrastructure decay impacts the ability of the country to welcome and accommodate international guests. Brand USA, as the national tourism organization, has an aggressive work plan to drive greater levels of international tourism growth and consistently requires federal policies that facilitate international travel to the U.S. rather than policies restricting it.

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Hancock Field Air National Guard Base and the 174th Air National Guard Attack Wing

Hancock Field Air National Guard Base contributes significantly to the Central New York economy, in addition to the services they provide to the State and the nation.

In 2017, Hancock Field Air National Guard Base and the 174th Air National Guard Attack Wing will experience significant growth, adding to their economic impact on the Central New York region, including 45 new full-time active duty Air Force personnel and their families expected to move into our community. Additionally, the Guard’s MQ9 unmanned pilot training program will grow by 100 students, each of which will be here for a four-month period staying in local hotels, visiting local restaurants, shopping and enjoying Central New York recreational opportunities.

Now that the 174th Attack Wing is flying remote piloted training missions in and out of Hancock International Airport in Syracuse, the next step is to continue in the next level of technology so that a chase plane is no longer needed for these flights, which would save approximately \$500,000 per year. CenterState CEO will work with its federal representatives in support of:

- Phase I: \$500,000 for software and data systems for integration with the SRC L Star radar and an Air Force Safety Study to prove the system is capable of Beyond Visual Line of Sight (BVLOS) activity.
- Phase II: Testing that radar units can be used on a mobile basis enabling the 174th and the MQ9s to respond to natural disasters wherever they are needed.
- Phase III: Putting the full BVLOS system and capability into action and providing enhanced training for MQ9 pilots.

Additional actions that CenterState CEO is supporting on behalf of the 174th Attack Wing are:

- Renovate the main hangar - Funding is needed to renovate and upgrade the main hangar, built in the 1950s and has not been renovated, including the installation of a corrosive control facility.
- A New Taxi Ramp - Funds have not been available to maintain or upgrade the ramp. Now that the MQ9 unmanned aircraft is using the ramp, this replacement is necessary. The current condition of the ramp leaves it vulnerable to flying debris and conditions that can damage not only the MQ9s but also aircraft of the 27th Army Brigade when they are deployed, moving personnel or supplies. Onondaga County's Air One, now stationed at the base, will also be using the ramp.
- Renovate the main gate - anti-terrorism standards so that it is security compliant. Air Force Military Construction funds will be needed for this purpose.
- Restore the fire department - Restoration is needed of the full-time state-employee federally funded fire department at Hancock Field Air National Guard Base (and several similar bases around the country), which were defunded when they converted to remotely piloted missions. The fire department would serve not only the base, but also the community through mutual aid agreements. The department's equipment and personnel provide back up to Syracuse Hancock International Airport, the New York State Thruway, and fires at a nearby metal recycling facility (The base Fire Department was the only one in the area with foam equipment for fighting magnesium fires). Interestingly, a recent Air Force inspection identified the critical lack of a fire department on the base.

CenterState CEO supports the major contributions that Hancock Field Air National Guard Base makes to its region and national security, especially their dedicated service in cases of domestic disasters. CenterState CEO urges its federal representatives and agencies to appropriately support the 174th Air National Guard Attack Wing to effectively continue their present and future missions, including expansion and additional support in 2017 and beyond.

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Regional Trade Strategy

The CenterState New York Metropolitan Export Initiative, which gave rise to the Central New York International Business Association, is focused on increasing the growth of exports from the region to be more in line with or exceed national levels. As the new administration in Washington addresses reforms and changes to trade policy, CenterState CEO will continue to support those policies that enhance its regional firm's ability to increase their export opportunities.

A recent survey of regional exporters in our region provides some direction as to how such policy changes could be more helpful and beneficial, including:

- Changes to U.S. Department of State International Traffic in Arms regulations that are outdated or could be modified to expand export opportunities
- Seek reduced tariffs and duties to be more fair

- Address currency manipulation
- Address theft of intellectual property and counterfeiting
- Provide more trade assistance, resources and connections in other countries
- Simplify export licensing
- Seek to harmonize trade standards among other nations
- Additional assistance in identifying new markets and new customers
- Open Canada to U.S. Dairy Exports - Canada has put in place increasingly protectionist policies as barriers to dairy imports from the United States and other countries. Most recently a Canadian Agreement in Principle was concluded between Canada's dairy producers and processors would provide incentives to substitute Canadian dairy ingredients for those coming in from other countries. In 2014, Canada threatened retaliatory measures on dairy importation regarding County of Origin Labeling. This legislation was ultimately repealed, but we again find ourselves the target of Canadian actions that create unfair barriers to our exports. Canada's trade barriers for the dairy industry are viewed as breaching the existing trade agreements Canada is party to such as NAFTA and other obligations under the World Trade Organization.

For the Central New York region, this has a direct negative impact on Cayuga Milk Ingredients, Byrne Dairy and many dairy farms and dairy processing businesses. CenterState CEO calls upon its delegation, President Trump and Governor Cuomo to work to open the Canadian border to free and fair trade with the U.S. dairy industry.

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USDA Certification for SUNY Oswego and Port of Oswego

SUNY Oswego, the Port of Oswego and New York's agricultural industry stand to benefit from the USDA grading, inspection, rating and weighing certifications for the SUNY Oswego Agricultural Testing and Analysis Laboratory. This project was initiated at the request of Perdue Agribusiness, an aggregator of New York grown soybeans, to obtain local testing and analysis of grains such as wheat, soy, corn and barley. The lab was created to meet USDA specifications for grain exports and provide career opportunities for students interested in this field. New York State provided \$250,000 to equip the research lab. A second Port customer, Sunoco Ethanol, is now using SUNY's lab services. To date 26 individuals have completed this program. In October 2016, the program won the National Award of Excellence from the University Economic Development Association.

CenterState CEO will continue to work with SUNY Oswego, the Port of Oswego and its Federal Grain Inspection Services System, the USDA, its congressional delegation, the New York State Department of Agriculture, and the New York Farm Bureau to obtain the appropriate status with the USDA to officially utilize the capabilities at SUNY Oswego and the Port of Oswego.

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STATE

Economic Development

Support REDC Funding for 2017

The REDC process has given each of the state's ten regions new opportunities to collaborate and prioritize. To date, the Central New York region has won the largest total amount and was awarded one of three \$500 million Upstate Revitalization Initiative (URI) investments, giving the region a significant opportunity to alter its economic trajectory. Central New York's URI plan, CNY Rising, intends to will leverage more than \$889.9 million in private investment and a total five-year payroll of over \$765.8 million, for a more than 16 to 1 return on New York State's investment. Over five years, the region's *CENTRAL NEW YORK Rising's* components will create nearly 6,000 jobs. Its impact will ripple through the entire five-county region and support the continued economic transformation of Upstate New York.

CenterState CEO supports the next round of REDC funding as proposed in the amount of \$750 million.

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Support NUAIR Alliance and UAS Industry Opportunity

Under the leadership of Governor Cuomo, New York State has defined itself as a national leader in high tech innovation and job growth. Through ground breaking public and private partnerships in Buffalo, Rochester, Rome, Utica and Albany, the state has now become a focus for technological innovation in several key sectors, unmanned systems among them. Governor Cuomo has committed \$35 million to Central New York to fund the expansion of existing range instrumentation and to create a specially instrumented corridor between Rome and Syracuse to facilitate the research and testing of beyond visual line of sight technologies. This is part of the larger \$250 million CENTRAL NEW YORK URI award dedicated to the expansion and attraction of the unmanned systems industry in and to the Central New York and Mohawk Valley regions. CenterState CEO believes New York State is at the cusp of capturing a major share of potential new market growth in the Unmanned Aerial Systems industry.

The recent announcement of the location of the Saab Sensis North American headquarters for its defense and security division to Central New York, and the accompanying \$55 million investment marks an evidential success of this initiative. With the NUAIR test site at Griffiss International Airport in Rome and major employers and private sector researchers in Syracuse, both Central New York and the Mohawk Valley can jointly benefit from the positive economic impacts of this emerging industry. A recent study suggests that by 2025 the domestic UAS market could reach more than \$90 billion and result in more than 100,000 new jobs. Conservative estimates suggest that Central New York and the Mohawk Valley could capture nearly 12,000 of those jobs if CenterState CEO can effectively invest in this next generation of aviation and autonomous technologies. Across the state, almost 417,000 people are employed in more than 29,000 firms that could be directly impacted by growth in this market (University of Buffalo Regional Institute).

There are actions New York State can take in 2017 to further the region's leadership as the national hub for sensors, ground based detect and avoid and unmanned systems technologies.

- Enact state UAS policies - CenterState CEO calls upon the Legislature and Governor Cuomo to introduce and enact legislation setting forth the state's UAS policies, building upon best practices already enacted in other states.

- Utilize UAS in state agencies - New York State should expand beyond current pilot projects for the operation of unmanned aerial systems by various state agencies such as Department of Environmental Conservation, Transportation, Homeland Security, etc. State funding is needed to underwrite a pilot project to test the use of UAS in vector spraying of mosquito populations where they are a health threat for Eastern Equine Encephalitis and West Nile Virus.
- Reinforce FAA policies - For the industry to grow in New York, the state should make it clear that FAA rules and policies govern the use of UAS, by reiterating rules already in place and precluding state, regional or local regulations that go beyond the purview of the FAA that apply to UAS. This sends a clear message to the industry about the operating environment New York, where they will not have to face the challenge of a patchwork of inconsistent local rules that conflict or exceed those set by the FAA.

CenterState CEO will continue its collaboration with Governor Cuomo, Empire State Development and the New York State Senate and Assembly delegation to support these actions in furtherance of the regional initiative to grow as a global hub for unmanned systems and technologies.

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Reform Business Improvement Member Notification Law

Business Improvement Districts and similar special assessment districts are affected by legislation enacted during the 2016 session, which has resulted in some confusion and concern among these entities around New York State. The new “member notification requirement” needs further definition and standards in order for these organizations to ensure that they are in compliance with the new law.

As a result, CenterState CEO joins with the Downtown Committee of Syracuse and the Crouse Marshall Business Improvement District in urging legislators to:

- Revise new meeting notification law to be more workable (S.7969/A.10351 (enacted)).
- Update State law that created BIDS.
- Remove/exempt Upstate BIDS from property tax cap, fair treatment to be the same as NYC.

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State Support for Tourism

Tourism is a major industry in New York State, especially in the Central New York and the Finger Lakes regions. CenterState CEO supports the maintenance and expansion of state efforts to enhance tourism, including the proposed Empire State Trail, investments in the New York State Fairgrounds, construction and operation of regional welcome centers, and unprecedented funding of \$55 million for marketing outreach and tourism development. The New York State matching funds program should be reinstated to 2016-2017 funding levels and targeted for future growth of state investment as it requires a local match. Legislation to provide ride-sharing across the state needs immediate approval as visitors to Upstate New York expect their Uber and Lyft apps to work within the destinations they visit.

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Business Competitiveness

Workers Compensation Reform

Workers' compensation costs are a persistent issue as an uncompetitive cost of doing business in New York that has yet to be sufficiently addressed. Reforms passed a decade ago provided quick benefit increases. However, the cost savings on the employer side have been implemented at a glacial pace and are yet to be fully realized, leaving New York moving from fourth highest to third highest in the latest national ranking by the Oregon Department of Consumer and Business Services. In October 2016, the average rate increased by 9.3 percent. As further evidence, the cost of scheduled loss of use awards has nearly doubled since the 2007 reform, increasing from \$509 million in 2006 to more than \$1 billion in 2015.

Reductions in workers' compensation costs benefit literally all employers in New York, for profit, not for profit, schools and municipalities. For the public sector of state and local governments and schools, these reductions could ease fiscal pressure and make it easier for them to stay within the state budgetary tax cap.

There are steps the Legislature and Governor Cuomo can take that could save up to \$1 billion and reduce costs for employers by as much as ten percent or more. Consensus among business groups in the state on many these initiatives, which include the following and more:

- Amend state law to clarify that permanent partial disability (PPD) benefits start the cap as of the date of injury, as current law allows durations to be inconsistent and exceed the statutory ten years.
- Use panel providers for the first one hundred twenty days of medical treatment.
- Ensure timely updating of medical treatment guidelines and the adoption of nationally recognized guidelines.
- Revisit the use of state-wide indexing for computing maximum weekly benefits or eliminate the high and low-wage outlier sectors from index calculation.
- Avoid any rollback of 2007 cost-saving measures such as restrictions or delays in PPD classifications, restrictions on the use of pharmaceutical networks, etc.
- Reform the Schedule Loss of Use to reflect modern medical advancements of the last 20 years.
- Allow electronic filing of independent medical examinations to relieve administrative burdens and speed up claims processing.
- Disqualify an employee from receiving benefits in the event the employee is injured while committing a crime.

CenterState CEO calls upon the State Legislature and Governor Cuomo to enact these and other reforms to bring the cost of workers' compensation to a more affordable level, deliver treatment approvals and medical care to injured workers more timely to the benefit of both employees and employers.

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Reform State Insurance Law for Call Centers

A change to New York State's insurance law could open the door to potentially hundreds of new jobs in customer service and call centers for the insurance industry to be created and relocated here. However, the definitions contained in Section 1101 and Chapter 64 of the New York State Insurance Law prohibit insurance company service centers located in New York State from providing services to policy holders of insurance products that are sold outside New York State.

The insurance industry is a major segment of the New York economy. Property and casualty insurance accounts for \$38 billion, with wages in 2014 of more than \$12 billion. Life insurance accounts for approximately 75,000 agents and employee jobs under 80 licensed insurers. Based on conversations with insurance companies operating in the region, we believe additional jobs can come to Upstate and the entire state if these laws are updated. The new jobs, servicing existing customers and policy holders outside New York, would be good paying jobs easily integrated into existing call center and back office operations.

CenterState CEO urges the Senate and Assembly to introduce and pass and the Governor to sign legislation amending state insurance law to permit operations of call and service centers for insurance companies and products sold outside of New York.

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Support Network Transportation

Transportation network companies, such as Lyft and Uber, have become a growing style of ride-share transportation in many cities across the United States. Their popularity stems from the convenience of quick, safe and affordable transportation. It is an aspect of the rapidly emerging shared services economy, one that New York can benefit from embracing. Transportation network companies provide ways for users to access transportation in areas that are “under taxed” or where public transit may have a limited reach or may not be accessible around the clock. This past Thanksgiving evening more than 43,000 individuals tried to use ride share services outside of New York City. It also allows drivers, using their own personal vehicles, to produce an income on a flexible schedule while providing the community with reliable and safe transportation that ultimately reduces traffic congestion and helps to reduce greenhouse gas emissions.

Many endorsements such as business associations, tourism organizations, restaurants, breweries, and university student groups, have been added highlighting the benefits of ride sharing to reduce drunk driving and enhance quality of life for seniors and others who are otherwise transportation challenged.

To allow the ride-sharing services beyond New York City, state legislation needs to be enacted to clarify insurance law, and set to specific provisions relative to transportation network activities, including:

- The establishment of auto insurance coverage required for transportation network companies.
- Clarification that transportation network insurers will provide coverage for drivers operating their personal vehicles upon the driver logging onto the online-enabled platform up until the time that the driver logs off the platform or exits the vehicle.
- The requirement that transportation network companies and their insurers cooperate with insurers involved in claims coverage investigations.

CenterState CEO calls upon the State Legislature and Governor Cuomo to swiftly pass legislation to enable New York State to appropriately allow the operation of transportation network companies across all of New York.

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Support Independent Property Tax Cap for Business Improvement Districts

Currently municipal business improvement districts (BID) outside New York City, are funded through special assessment districts in order to deliver certain services to property owners, businesses and residents of these prescribed areas, such as environmental maintenance, safety, economic development, marketing and more. Under the existing state property tax cap law, BIDs are rolled into the municipal tax cap. As a result, cities have ceased to increase funding in these districts, even though they generate new tax and additional revenue each year. In Syracuse, the special assessment area served by the Downtown Committee of Syracuse BID area generates 9.5 percent of the entire city's total property tax revenue using only 1.6 percent of the City's land area and represents the city's highest land values per acre. Moreover, building permit and parking revenues also increase in these areas due to new development and increased activity.

In order to relieve increasing budget pressure on BIDs of rising costs and demands for services, CenterState CEO requests a revision in the property tax cap so that BIDs would remain subject to the tax cap, but their calculation be separate and independent of the overall city property tax cap calculation. This would ensure that BIDs are able to cover increasing service demands, as well as payroll, increasing workers' compensation and other basic operating costs that increase each year. Since New York City BIDs have been granted an exception to the tax cap calculation, the same status should be extended to their peers outside New York City.

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Support Streamlining MWBE Application and Recertification Process

New York State has increased the MWBE goal for state funded projects to 30 percent and Governor Cuomo has proposed expanding that goal to local government projects as well. Central New York firms indicate that the certification process takes up to a year or more and can be arduous. Given the importance of achieving these goals, expanding the number and diversity of MWBEs, New York State certified firms should take a higher priority in 2017. While it is important that MWBE certification needs to vet each business to make sure they meet the criteria, the process needs to be streamlined to bring these firms to market and connect them with business opportunities sooner. This will help both the MWBE firms and the contractors who sometimes struggle to find enough MWBE firms to meet their contract goals.

CenterState CEO urges the New York State Department of State to streamline its processes and timelines, to increase the number of certified firms and bring more predictability and transparency to the process.

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Reciprocity for Medical Technicians Licensed in Other States

There is a national shortage of medical laboratory technologists which is predicted to worsen over the next few years. The causes of this shortage are several: increasing demand due to an aging population, more individuals with health care coverage, retirement of technicians aging out of the workforce and a decreasing number of graduates each year, in numbers too insufficient to meet current demand. Some

schools have shut down programs and there are not enough students attracted to the schools that do have programs.

There is also a shortage in New York State. CenterState CEO members in the health care field have expressed their staffing and recruiting challenges and concerns. According to an article in the Utica Observer-Dispatch “In a report on the health care workforce, hospitals across the state reported having the most difficulty recruiting lab technologists, according to the Center for Health Workforce Studies at the University of Albany.”

SUNY Upstate Medical University has a medical technician program that produces 20 or so graduates each year and hopes to increase their student enrollment. Locally Onondaga and Broome County Community Colleges have two year programs for medical laboratory technologists. However, in combination these still fall short of filling regional openings in this field.

New York State could help with this urgent workforce shortage by enacting reciprocity to recognize and accept licensure from other states. This would help address the immediate problem and attract some new residents to New York. This would be welcomed by medical offices, laboratories, hospitals, and research facilities throughout the entire state. Efforts to expand programs, attract more students and produce more graduates to this career are longer term solutions that should also be explored.

CenterState CEO urges the Legislature and the Governor to introduce, pass and sign legislation to allow for reciprocity for medical laboratory technicians from other states.

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Government Modernization

Support Government Modernization: Municipal Consolidation and Efficiency Competition

Central New York and municipalities across Upstate New York, which pay some of the highest local property taxes in the nation, deserve a more efficient and modern form of governance and service delivery. Governor Cuomo and the Legislature have recognized this by funding government improvement and feasibility studies through the New York State Department of State for the last several years. The Central New York region’s URI proposal, CNY Rising, includes a government modernization initiative based on the work of the Consensus, the commission on local government modernization.

In furtherance of this work, CenterState CEO supports the Executive Budget’s proposed \$20 million competition to encourage local government modernization. The competition is designed to bring forth aspirational modernization ideas that will change the structure of local government, one that Central New York is well positioned to implement.

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Support Government Modernization Policy and Mandate Reform

As part of the intensive work of the Consensus commission, members and contributors identified a range of statutory inhibitors that stand as barriers to achieving effective and efficient governance. They are as follows:

- Seek elimination of the cap on Citizens Empowerment Tax Credit (CETC) - This tax credit is currently capped at \$1 million. Given the scope of modernization initiatives that are under

consideration in the community, CenterState CEO supports eliminating the cap so that more funds can be returned to property tax payers in municipalities who receive consolidation incentive awards.

- Bring parity to Aid and Incentives to Municipalities (AIM) – Currently AIM is distributed to cities, towns and villages outside of New York City, but is not based on a particular formula or ratio. For instance, in the 2016-17 State budget the City of Syracuse received \$71.8 million or \$496 per capita. The City of Buffalo received \$161.3 million or \$623 per capita. If together and funded at the same level as Buffalo, the City of Syracuse and Onondaga County would gain \$18.3 million per year in additional AIM.

CenterState CEO joins with Consensus and others who seek enactment of reforms to allow these issues, which will go hand in hand with local actions to modernize government operations within Onondaga County. Governor Cuomo, New York State legislators, and state agencies can be contributory partners to the important effort to realize a new vision of governance for the Syracuse-Onondaga community.

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State Legislation to Enable County-wide Referendum in 2017

As the Consensus commission on government modernization releases its final recommendations with inclusion of a county-wide referendum, some changes to state law may be required to allow a referendum to take place.

CenterState CEO seeks the support of its delegation to enact the necessary statutory changes and/or to directly authorize this referendum to occur in Onondaga County this year in order for the citizens of Onondaga County to vote on this transformational proposal to create a new metropolitan government.

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Transportation & Infrastructure

Support New Upstate Transit Funding Formula

Upstate transit systems have been in a financial crunch for several years, with consistent declines in their sources of revenue (federal funding, mortgage recording tax, etc., and ever increasing costs for health care, pensions, etc.). CENTRO has been operating in a deficit, even with a flat budget for four years. New York State resources provide half of CENTRO's revenue. The 2016-17 state budget fortunately provided some additional gap filling funding. CENTRO and other Upstate transit systems need and deserve a new formula to provide stable and predictable funding for this year and years to come.

In CENTRO's case there are major impacts looming over the next few years that will bring new demands for services. Among these are the many projects emanating from the Central New York URI award, including the Inland Port, planning for the lengthy I-81 project construction period, and various workforce programs to connect disinvested communities to job opportunities requiring potential new routes and timeframes. Ridership is projected to increase in the immediate future by two to three percent this year as well.

CenterState CEO joins with CENTRO and the New York Public Transit Association in support of a 4 percent increase in New York State Operating Assistance outside the Metropolitan Transit Authority and an additional \$15 million for strategic investments to address growing demands for transit service.

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REGIONAL/LOCAL

Economic Development

Local Support for Tourism

Tourism is a growth economy for Central New York and the industry has charted a plan to achieve \$1 billion in visitor spending within Onondaga County by 2020. Accomplishing that level of growth will require continued investment in destination products, particularly in connecting Syracuse Hancock International Airport to Onondaga Lake to Destiny USA to the Inner Harbor to Downtown to University Hill. A concentrated, sustainable effort needs to be implemented to radically improve visitor way finding signage and highway/street-side cleanliness. Planning must be orchestrated to examine future product development needs and market integration of new venues.

Currently Visit Syracuse does not comparatively compete in funding level to other New York State destinations. Bold new approaches to building the destination marketing organization need to be examined and implemented. The concentrated effort to rethink Winter as a regional asset through the Official Home of Winter program needs to be continued and expanded.

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Increased Funding for the Downtown Committee of Syracuse

Downtown Syracuse is the economic hub of Central New York. It leads the community in investment activity and property tax generation. Downtown's properties are the most efficient from a tax standpoint, representing the city's highest land values per acre. Downtown is maintaining its growth rate of recent years. Residential occupancy is consistently at 99 percent and 272 additional apartments are under construction. Downtown hotels also outpace national occupancy trends.

Since 2010, more than \$700 million in investments have been completed or announced in Downtown Syracuse. The Marriott Syracuse Downtown hotel's \$76 million revitalization of the former Hotel Syracuse with its 261 new rooms brings the total to 440 new hotel rooms in three years. The long vacant Symphony Tower is being converted to a 120 room extended stay Hyatt House Hotel. These rooms will accommodate approximately 184,000 visitors each year. Residential population is up by 51 percent since 2010. By the end of 2017, the number of apartments will have grown by 14 percent.

The increase overnight visitors and year-round residents bring new challenges from security to environmental maintenance and economic development. These visitors and residents mean a 24-hour window of activity seven days a week for a district that had historically catered to only a 9-5 pm business climate.

The very area generating increases in city revenue is not reaping the benefits of this increased activity. The shift to a 24-hour community requires a re-thinking of downtown's current service delivery – adding evening and weekend security patrols, for example. To provide these expanded services, additional funding is required.

CenterState CEO supports increasing funds to the Downtown Committee of Syracuse so that it is able to deliver the services needed to support Downtown Syracuse's continued growth and investment, implementing evening and weekend security patrols, expanding weekend environmental maintenance, addressing and maintaining public space amenities, and expanding its economic development initiatives to support increased downtown users and future downtown investment.

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Government Modernization

Consensus Citizen Referendum

In furthering the culmination of the Consensus commission's studies and full recommendations to improve the operations and efficiency of local government services throughout Onondaga County, CenterState CEO will continue its support of their recommendations, including a countywide referendum in 2017. Following a period of public information and comment, this November referendum will empower individual voters to choose how they will be governed at the local levels in the future.

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Support Consensus Commission Recommendations

CenterState CEO supports the work of the Consensus Commission and its recommendation to move to a new, more effective and efficient form of governance, rather than the current fragmented system of service delivery and operation. The culmination of this effort will result in a countywide referendum in November.

CenterState CEO urges its members and the entire community to study the full recommendations that support the opportunity to transform our governance to insure a more prosperous future with the most efficient and effective local government structure and services possible.

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