

# 2019 LEGISLATIVE AGENDA

FEDERAL-STATE-REGIONAL-LOCAL PRIORITIES

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CORPORATION FOR  
ECONOMIC OPPORTUNITY

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CENTERSTATE  
CORPORATION FOR ECONOMIC OPPORTUNITY

## *2019 Legislative Agenda*

### INTRODUCTION

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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 2019 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, and organizational and community partners. This document is shared with all CenterState CEO members and elected officials representing the region.

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



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### *Business Competitiveness*

#### **Trade Policy and Tariffs**

CenterState CEO has effectively utilized export development over the last five years as a strategy to support and grow the regional economy. CenterState CEO continues to assist local and regional firms identify and enter new global markets for their goods and services helping them gain access to the region's \$8.6 billion export economy.

Increasingly CenterState CEO members have expressed growing concerns regarding trade policy for 2019. Members are seeking increased access to foreign markets, based on fair trade policies that reflect the same conditions and access as foreign companies receive when selling in the U. S. market.

Members have reported that, while tariff policies are important, access to foreign markets is often blocked by nontariff barriers to trade. This may include onerous product registration requirements, or excessive wait times for approvals. Other techniques to block goods from being sold in foreign markets may include requiring standard sizes or component requirements that are difficult to meet. All exclusion techniques block international trade.

Businesses in several sectors are experiencing challenging detrimental financial consequences as a result of increased tariffs. Some are seeing major increases in their supply chain costs, forcing them to increase customer prices, leading to loss of business, canceled orders and reduced profits. In some cases new hiring plans are being canceled and layoffs are under consideration.

Raising tariffs also can have negative consequences on businesses with global supply chains. The products produced largely in America can have components made overseas, and the increased tariffs on foreign suppliers can raise the price of the final American product, making it more expensive and less competitive in other global markets.

There is also evidence that increased protective tariffs, used to stop certain less expensive raw materials such as foreign-produced steel and aluminum from entering the U.S., have resulted in U.S. suppliers raising their prices on products such as steel, since their foreign competition's prices have been reduced. This results in higher costs for every U.S. manufacturer, regardless of whether they had been using foreign or domestic materials in their products.

While raising tariffs in the short run might be an effective tool to force other nations to negotiate with the United States, in the long run the uncertainty caused by rising tariffs can be disruptive to U.S. businesses seeking to export products and services. The cost of tariff increases are often ultimately paid by the U.S. consumer, rather than the foreign producer of the product.

**CenterState CEO supports legislation that reduces tariffs to increase the competitiveness of regional businesses, expand and open markets, while keeping access to international markets fair.**

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## *Economic Development*

### **Leverage New York State Leadership in Congress**

The 2018 election resulted in the change of majority in the U.S. House of Representatives from Republican to Democrat, including new leadership and committee positions. Fortunately many of these positions are now filled by representatives from New York who now chair committees for Appropriations, Foreign Affairs, Judiciary and Small Business. Also Rep. Hakeem Jeffries is now the House Democratic Caucus Chair.

**CenterState CEO encourages these individuals to take on the mantle of not just serving their districts, but as representatives of the entire state so that all New Yorkers will see their concerns and opportunities reflected in the work of these leaders in the U.S. House of Representatives. CenterState CEO will endeavor in 2019 to engage with these representatives and their staffs on issues and policies that are of significance to the region.**

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### **Restore SALT Exemptions**

Limiting the federal deductions for state and local taxes to \$10,000 has created a significant negative impact on New York taxpayers, along with several other states. In New York's case, it is particularly exacerbated because New York taxpayers already are the largest contributors to the federal government.

The Tax Cuts and Jobs Act of 2017 (Act) effectively raised state and local income and property taxes to 25% for families throughout New York state. The section of the Act disproportionately hurts donor states, such as New York, which already sends \$48 billion more to Washington each year than it gets back in federal services. The impact of this tax increase hits many households in their family budgets and businesses in their cost of operations.

**CenterState CEO urges the administration and federal representatives for the region to enact a removal this unfair inequitable tax burden from New York taxpayers.**

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### **Taxation of Public Sector Incentives**

The 2017 Tax Cuts and Jobs Act ("Jobs Act") reversed the longstanding status of state and local economic development incentives and grant proceeds being exempt from federal taxation. The Jobs Act amended Section 118 of the Internal Revenue Code to include as taxable "any contribution by any governmental entity or civic group," thus rendering such incentives to be subject to federal taxation. The public entity is exempt if it is part of a "pre-approved master development plan."

As a result, many economic development and capital projects already planned before the passage of the Jobs Act, are now in jeopardy of at least reconsideration and possibly cancellation. The Joint Committee on Taxation estimated that from 2018 through 2027, Section 118 would cost projects \$67.5 billion in additional federal tax. While this is particularly disconcerting for the region and state, the impact is national in scope. Many development projects are budgeted with very slim margins. Therefore this additional tax puts many projects in the region in jeopardy, and may cause projects to be scaled back. The worst case situation will cause project cancellations, depriving the region of the economic activity and the potential for related jobs, for returning properties to the tax rolls, increasing assessments and local property tax revenues.

**CenterState CEO calls upon Congress to pass legislation to reverse this action and restore state and municipal grants to a tax exempt status. Numerous states are considering legislative remedies, which New York State should also explore.**

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### **Unmanned Systems and the Federal Aviation Administration**

The unmanned systems sector has seen some significant progress in rule making and policies to open the skies to this exciting new transformational aviation technology. The Federal Aviation Administration (FAA) designated unmanned aerial systems (UAS) test site at Griffiss International Airport in Rome, New York, and the NUAIR Alliance are making great strides in leading the nation and the world in infrastructure and expertise, particularly with the slated opening of a 50-mile unmanned traffic management corridor between Rome and Syracuse later this year. The corridor will enable testing for beyond visual line of sight and any other unmanned systems-related technology or activity. The region has seen new companies and hundreds of jobs created and attracted to the region, with the promise of thousands more jobs to come.

However, the United States lags Canada and other nations in opening up commercial utilization of UAS technologies. FAA rule making, moving beyond individual waivers for approvals to fly, can speed access to the technology where safety cases have been proven.

**CenterState CEO urges the FAA to increase its use of the test site managed by the NUAIR Alliance. It also urges that the FAA speed approvals for commercialization, speed granting of waivers currently required for each testing of aircraft and applications. Doing so will further enable the UAS industry to flourish in the region, and for businesses across the nation to increase their utilization of UAS technologies in their respective industries.**

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### ***Transportation and Infrastructure***

#### **Interstate 81**

I-81 has reached the end of its useful life and its replacement should be a priority for both state and federal governments. The issue of replacement of the existing I-81 continues into 2019 with the

impending release of the state's Draft Environmental Impact Statement and the final selection of its replacement configuration. Since this project will cost in the billions of dollars, no matter which option is selected, federal dollars for this project must make up an essential share of the project costs. Further, the local economic impact of the project can be significantly enhanced to maximize the job opportunities for local residents and local/regional based businesses. The least desirable outcome would be a solution that results in patching the existing viaduct, which would fail to address the significant safety issues already identified.

**CenterState CEO urges the local state delegation and the Federal Highway Administration to provide sufficient funding for the project, so that minimal to no additional cost burden is imposed on local municipalities as a result of this project. It also urges the creation of pathways to maximize the local economic impact, particularly during the lengthy construction period. Granting the I-81 project a Local Labor Pilot would help guarantee the maximum participation of local workers to be employed on the project.**

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# STATE

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## *Business Competitiveness*

### **New York State Budget and Taxes**

Governor Cuomo's proposed FY2020 New York State budget includes many policy implications. CenterState CEO is focused on the elements that will directly impact the economic climate of the 12-county region. Key organizational priorities targeted for the year ahead include:

- ***Make 2% Tax Cap Permanent*** – The tax cap of 2% or the Consumer Price Index, if lower, has proven to be an effective tool in containing the growth of local property taxes, which are some of the highest in that nation. CenterState supports making the tax cap permanent in order to maintain this important tool to encourage government modernization and collaboration.
- ***Decouple from Federal Changes that would Increase State Tax Liabilities for New Yorkers*** – Elements of last year's federal tax act negatively impacted New York taxpayers. CenterState CEO supports state level legislation to remediate these increased tax liabilities to maintain regional competitiveness and avoid higher costs of living and business operations.
- ***Pass Angel Tax Credit*** – Angel Investment Tax Credits (angel credits) are a proven tool for states with income taxes to increase the success rate for entrepreneurial activity by offering a refundable, transferrable tax credit for investing in early stage small businesses located within the state and targeted industries. Angels invest in early stage businesses at their most vulnerable stage and so can be critical to the evolution of that business, even whether it will survive at all. Thirteen states have active angel credits, ranging from 10-60%, with an average of 39%. Since Upstate New York still lags behind in venture capital, the Angel Credit will serve as an important gap filler in an entrepreneurial ecosystem. An advantage over venture capital is that angel investors are frequently local, may serve on boards and other capacities for the company invested, but they do not take control. Additionally, unlike investors from outside the state, angel investors will not force the firm to leave New York. CenterState CEO calls for the establishment of an Angel Tax Credit program for New York State.
- ***Enact State Legislation to Address the Consequences of Changes to Section 118 of the U.S. Internal Revenue Code*** – The federal tax package enacted in 2017 included a change to Section 118 of the Internal Revenue Code making grants and other economic development incentives offered by a state or municipal entity subject to federal income tax unless they are part of a previously approved "master development plan." Several states are developing legislation to ensure that such incentives offered in their states are not subject to this new level of taxation by codifying their incentives to meet the federal exemption. The many forms of economic development incentives and assistance offered at the state and local levels are essential to retaining, growing and attracting businesses, jobs and investment. The taxation of these benefits would significantly nullify their impact. CenterState CEO urges Governor Cuomo and state legislators to swiftly enact legislation to protect economic development grants and incentives from this new level of punitive taxation.
- ***Remediate Impact of Federal State and Local Tax (SALT) Exemption Limitation*** – CenterState CEO supports continuing state level exploration of actions to counter the impact of federal limitations on SALT exemptions.
- ***Expansion of Certain State Mandates*** – During the last legislative session a number of proposed mandates that would have negative consequences on the regional economy were introduced relating to the subjects of call centers, sale of diagnostic and repair information to third parties,

and more. During the 2019-2020 session, CenterState CEO will provide input to state representatives on the potential impacts, support or opposition, of proposed mandates that impact businesses, the community and regional economy.

- **Provide Funding for the 2020 Census** – As the 2020 census is about to take place, it is critically important that New York State appropriate funding of \$100 million in FY 2020 to augment the federal census process to ensure an accurate count, with sufficient outreach to hard to count populations, such as immigrants, refugees, low-income residents, rural communities, the homeless and non-English speakers. The price New York will pay for an undercount will be a decade long loss of billions of federal funding for the state and localities, and decreased congressional representation of two seats.

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### *Economic Development*

#### **Enhance the New York State Historic Preservation Tax Credit**

New York has a strong record of successful use of the Historic Preservation Tax Credit (HPTC), and accordingly, the state level credit has been instrumental in dozens of rehabilitation projects in the region in recent years. In fact, into 2018 more than three dozen projects received \$243 million in federal credits in the 24th Congressional District. The Syracuse Heritage District ranked fourth in use from 1996 to 2018. Analysis shows a strong return of 1.4:1 for each dollar invested. In 2018, the state Legislature and Governor Cuomo enacted some significant changes to the program, increasing its effectiveness. However, there are additional steps the Legislature and Governor Cuomo can take in 2019 that will further improve the effectiveness and applicability of the HPTC.

#### **CenterState CEO encourages the introduction and passage of legislation to accomplish the following improvements to the New York State Historic Preservation Tax Credit:**

- Permit the direct transfer of HPTC credits to provide a greater return on the credit value, enabling more investments in in rehabilitation projects. A model for this would be the transferability allowed under the Low-Income Housing Tax Credit as set forth in the FY2018-19 budget.
- Increase the NYS HPTC to 30% for smaller projects less than \$5 million. New York, especially Upstate, has a large inventory of smaller historic buildings typically found in “main street” neighborhood commercial corridors, and in-fill projects. Finding investors for such projects can be challenging but this increased tax credit can make the difference for more projects to move forward.
- Enable all New York State cities to be qualified for the HPTC if they have a poverty rate of at least 25%.

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## Improve New York's Business Climate

CenterState CEO supports a range of proposed and new initiatives and policies that stand to benefit and expand the region's economic activity. Items up for consideration in the 2019-2020 State Legislative Session include:

- **Workforce Development Funding** – CenterState CEO supports Governor Cuomo's proposed \$175 million investment in workforce, which promises to meet many aspects of workforce needs and challenges at a critical time when employers' No. 1 need is finding employees to fill job openings. The new Consolidated Funding Application to support strategic regional efforts to meet employers' short-term workforce needs, improve regional talent pipelines, increase apprenticeships and respond to long-term needs of growing sectors will be an effective tool, especially in addressing key demand areas such as clean energy, health technology and computer science. The Employee Training Incentive Program will expand training options by allowing employers with dedicated training shops to use in-house expertise to deliver approved training and extend ETIP tax credits to internship opportunities in certain high-tech industries.
- **REDC Funding** – The Regional Economic Development Councils have proven to be an effective method for communities to advance projects that best align with regional priorities and strengths. The Central New York region in particular has been successful in this competition and looks forward to another round of funding for 2019.
- **Oppose Expansion of Prevailing Wage** – CenterState CEO continues to oppose expansion of prevailing wage mandates for private projects that receive any state and local incentives. Such legislation will force an expansive mandate on private development that would, in most cases, exceed the value of combined state and local incentives. It is counterproductive to the state's economy and will have a more severe impact in Upstate New York; it will significantly hinder the ability of communities to attract investments, new businesses and business expansions.
- **UAS Federal Preemption Legislation** – To further enhance New York's efforts to grow unmanned systems in the state, the industry would benefit from the passage of straightforward legislation that codifies federal pre-emption of airspace and UAS operations and sets forth the appropriate roles for state and municipal governments.
- **Metrics to Measure Economic Impact** – Investment and economic expansion can no longer appropriately be measured in only jobs and payroll. Certain sectors, especially technology based, make significant investments beyond those two metrics. New York State should consider additional measures in judging and measuring its benefits to a community, such as amount of capital investment, location of a project in a disinvested area, and net wealth generation that better reflect the full scope of a business's economic impact.
- **IDAs Investing in Local Economies, Nonprofits and Municipalities** – Local industrial development agencies (IDA) have been blocked from these types of investment. With full transparency, restoration of the capacity for IDAs stands to benefit communities and regional economies throughout the state.
- **Funding for Land Banks** – Land banks established in Syracuse and Onondaga County, and other regions of the state, are an effective tool to address tax delinquent properties by repairing, managing and even demolishing residential and commercial properties that would otherwise languish as tax delinquent or be sold at auction with no consideration for the intent or bona fides of the new buyers. Additional funding for land banks will accelerate their ability to turn properties around, getting them ready for sale and in the hands of new responsible owners and back on the tax rolls.
- **Downtown Revitalization Initiative (DRI)** – This economic development program, with \$10 million awards to selected downtowns to revitalize their city centers, has had a significant, positive and

visible impact on its recipients, including those in the Central New York region. Based on the success of the program. CenterState CEO supports another round and encourages enhancing the program further.

- **Minority and Women Owned Business Enterprise Program (MWBE)** – Governor Cuomo has proposed a number of changes to the state’s program. CenterState CEO supports expediting the timeline for certification to six months, and streamlining the application and recertification process to increase participation.
- **Workers’ Compensation** – The 2017 reform package has resulted in a reduction in workers' compensation premiums, yet additional steps can further improve benefits for claimants and costs for employers. Among them are fully implementing the 2017 reforms without diminishment, modifying attorneys’ fees to be commensurate with services rendered, mandating the use of panel providers for the first 120 days of medical treatment, and repealing the Aggregate Trust Fund Deposit mandated deposits.
- **Sector Specific Barriers and Challenges** – There are many sector-specific barriers to business growth that could be enacted or changed in 2019, such as the restrictions on CPA firm ownership and professional licensing requirements that are an impediment to addressing critical skill sets needed by certain sectors. Another example would be the current shortage of medical technologists and technicians which could be alleviated through regulatory revisions.

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### **Workforce Development**

New York State is already a national leader in the deployment of forward-thinking and robust tax credits, such as the Excelsior Jobs Tax Credit program. Yet, as the national unemployment rate declines along with the availability of qualified talent, upstate businesses are struggling to attract and recruit workers with needed skills to fill currently available positions.

A recent analysis in Central New York identified just over 4,500 job openings in priority industries in the first half of 2018. These labor shortages are not exclusively felt by businesses in New York State. Across the nation it is estimated that there are more than 4.4 million more jobs than available workers. Increasingly, states are responding by signing new recruitment and talent related tax credits and economic development programs into law.

To keep pace, and prevent its talent from being recruited out of state, New York should consider creating dedicated tax credits reimbursing companies that:

- Establish employer assisted home buying programs.
- Create tuition reimbursement programs.
- Invest in recruitment, including contracting with professional recruiters.
- Develop programs to identify, match and train workers from nontraditional labor pools.

As an alternative to a cash reimbursement, some states have investigated using this credit as a donation to a common marketing effort, or as a credit for services, such as spousal placement.

Moreover, to alleviate a common challenge felt by workers relocating to a new community, New York could directly invest in the construction of dedicated short-term housing in up and coming neighborhoods.

**CenterState CEO supports and urges the introduction of the above initiatives to address the growing workforce talent shortage, which is critical for the region to become more competitive in growing and attracting qualified individuals for job openings in a manner that is as inclusive and diverse as possible.**

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### *Transportation and Infrastructure*

#### **\$150 Billion Infrastructure – Fair Share for Upstate**

Governor Cuomo has proposed major infrastructure projects over the next few years, totaling \$150 billion. The Central New York region benefited from an earlier \$100 billion round and should be in line for its fair share of this next round. Besides the looming I-81 project, the region faces major sewer and water infrastructure repairs and replacements, road and bridge maintenance and repairs, and the growing challenge of protecting watersheds and countering the challenge of algal blooms. Many of these projects far exceed the capacity of their respective municipalities and tax bases.

**CenterState will work with its local delegation to advocate for the region to receive appropriate funding for prioritized infrastructure related needs and projects.**

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#### **Funding for Upstate Public Transit**

Upstate's public transit systems suffer from persistently diminishing state and local funding. State funding allocations have not kept pace with the changing and increasing needs of riders and operational costs. CENTRO passenger revenues account for roughly only one-fifth of total revenue. Mortgage recording tax has decreased in past years and remained flat more recently. Despite calls for a permanent funding solution, the state budget has only provided an annual band aid, causing transit systems to renew their requests for additional funding every January. CENTRO's projections for FY2019 estimate the shortfall of nearly \$900,000, growing to \$3.5 million in 2020, to keep their operations as is. But new pressures for expanded and alternative services such as extended routes and schedules to accommodate getting more riders to and from home to jobs in the suburbs or second or third shifts, call for even larger budget increases. Ridership in the Central New York system has increased 23.8%, from 468,570 in 2015 to more than 580,000 in 2018. Additional pressures on transit systems are coming from increased ridership needs of seniors, millennials, and urban to suburban home to jobs challenges.

The demographic profile of CENTRO riders show them to be among the poorest of the Upstate systems. More than 60% of riders earn less than \$25,000, 80% do not have access to a car, and two-thirds use the bus to get to and from work. Many growing businesses in Central New York are outside the public transit footprint. For example, employees from one North Syracuse company walk 2 miles

each way from the last bus stop to their jobs, which may be tolerable in good weather but becomes a problem during the winter months. Safety is also an issue as there are not sidewalks for portions of the route. Further, demand for public transit will be exacerbated and challenged by the looming multiyear construction period during the replacement of I-81, and accompanying street and highway projects.

**CenterState CEO joins with CENTRO and other transit systems across Upstate in calling on Governor Cuomo and the Legislature to appropriately and permanently fund these systems to meet immediate and future community needs.**

Potential revenue solutions to be considered include:

- A 6% percent surcharge on passenger car rentals.
- Extend the MTA region 5% supplemental auto rental fee to upstate.
- Dedicate a portion of the existing 4% state sales tax revenues to transit.
- Dedicate a portion of personal income tax revenues to transit.
- Use a portion of bank/insurance settlement funds received by the state to fund transit.
- Dedicate a portion of the state's Regional Greenhouse Gas Initiative funds to public transit.

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### **Interstate 81**

CenterState CEO has been studying and engaged in the issue of replacement of the Interstate 81 viaduct for more than a decade, and recognizes that the decision will impact the community for decades to come.

Several years ago, CenterState CEO put forth a list of values and desired characteristics of any proposal for the highway, to guide its selection of the chosen alternative for the viaduct:

- Any solution must be transformative and meet the region's transportation needs while advancing our region's strategic goals.
- It must minimize negative impacts on the community, by minimizing the width of the roadway and rights of way, avoid using eminent domain as far as possible, and avoid demolitions of neighborhoods or force relocations of residents and businesses.
- A solution should unify, not divide the city, and reconnect University Hill and Downtown, as well as be a better link between the central city and the suburbs.
- A solution should not merely move congestion and safety concerns from the center city to the suburbs, but solve them
- Any solution should offer a high level of urban design, minimize construction disruption, deploy state of the art technology, and recognize the important role that mass transit should play.

Additionally, an independent committee of CenterState CEO Board members examined the various proposed plans.

Given this study, analysis and recommendation from its board, CenterState CEO proposes a Community Grid *Plus* solution that builds on the foundation of the NYSDOT's proposed Community Grid alternative, with 10 focused points of enhancement. The Community Grid *Plus* best reflects the original values set forth by CenterState CEO, while recognizing that no single solution is adequate to fully maximize the

economic transformation and social benefits of this project for the region. The Community Grid *Plus* proposal intends to address more than just the roadway, and advocates for additional elements to more fully meet the economic, environmental, social, and transportation needs outlined by our community throughout this process.

**CenterState CEO is committed to working with stakeholders across the community to refine and advance these enhancements, which include:**

1. **Regional Roadway and Public Transportation Improvements:** Incorporate public transit enhancements, designate spur sections of I-81 north of I-690 as the “I-81 Business Spur;” add a lane to I-481 between exist 3 and the northern interchange with I-81; redesign interchanges along I-81 for safe pedestrian, cycling and vehicular traffic flow; develop and implement plans to create an interconnected system of bike and pedestrian ways along I-481; eliminate tolls on the NYS Thruway in the Syracuse area.
2. **Minimize Impacts of “Common Features”:** Minimize negative impacts to Syracuse’s Northside community; eliminate the construction of the “missing Links” between I-81 and I-690 and additional lanes for I-81 north of downtown.
3. **Environmental Improvements:** A full examination of noise impacts, a plan to work with local residents to design and install sound attenuation measures that also provide environmental benefits along portion of I-81 and the current I-481 corridor.
4. **Mitigation Fund:** Establish a special fund to provide financial assistance as necessary for communities and businesses that may experience a reduction in traffic by developing new opportunities to invest in “demand drivers” to increase visibility for visitation and overnight stays; urban design assistance to enhance all communities adjacent to the highway; a comprehensive, holistic mixed-use and mixed-income revitalization plan for the East Adams neighborhood; mitigate the loss of parking in the City of Syracuse.
5. **Inclusive Employment Commitment:** A strong commitment to inclusive employment and contracting opportunities to provide local preference for contractors and employees to ensure that the jobs being created are filed by local MWBE contractors and residents.
6. **Revitalization Commission:** Establishment of a community-oriented Revitalization Commission to give a voice to all community stakeholders to develop strategies and metrics to turn excess city land back to the community for redevelopment and rebuilding the local tax base; incorporate inclusive development principles for property disposition and construction activities; consider how to assist suburbs in developing lands adjacent to I-81 and I-481.
7. **Mitigate Trucking Impacts on Town and Villages:** Work with community partners to address truck traffic concerns including mitigating issues related to truck traffic in the western towns, on city streets and in towns as truck traffic shifts east to access the enhanced CSX terminal in DeWitt and encourage more shipments to travel by train; develop a comprehensive regional rail and freight plan; transfer ownership of certain state routes to localities to provide the ability to regulate truck traffic.
8. **Maintenance Fund:** A special fund to ensure long-term maintenance of infrastructure and city streets used for the Grid.
9. **Traffic Coordination and Signal Enhancements:** Improve traffic flow and peak travel time congestion by coordination and signal optimization between state-, county- and city-owned signals.
10. **Construction Process Improvements:** Establish measures to better utilize this opportunity for the community’s benefits including breaking the project into smaller components to allow more local contractors a better opportunity to bid on the project; use of design build or conventional

design, bid and build delivery processes to their best advantage on various components of the project.

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#### **Oppose New Right of Way Fees for Broadband**

The 2019 Executive Budget again this year proposes to grant the New York State Department of Transportation sweeping powers to set new fees and assessments on fiber optic infrastructure owned or installed by utilities within state rights of way. This action could potentially impose millions of dollars of new revenue for the state that will be used for highway and bridge repair. This action could potentially cause new increased uncompetitive costs for investment, becoming a direct deterrent to the very investment New York State is otherwise encouraging. Further the legislation requires that the fiber optic cable providers be prohibited from passing on these costs to their customers as a cost of doing business. Expansion of broadband and faster internet connections to underserved or unserved areas of Upstate is sorely needed. Enacting this new fee structure will inhibit the expansion of and additional investment in telecom infrastructure, thus reducing the state's attractiveness for broadband and telecommunications investment and technological advances.

**CenterState CEO encourages its regional state delegation to oppose this onerous precedent that stands to discourage important telecommunications, fiber and broadband infrastructure in the region and the state.**

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## REGIONAL/LOCAL

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### *Government Modernization*

#### **New Municipal Efficiencies**

Efforts for government modernization and efficiencies have been a high priority for Center State CEO and its members for several years, which gave rise to the Consensus Commission's extensive examination and fact finding of local government operations and a series of recommendations. The Central New York region, particularly Onondaga County, is home to a very dense structure of municipalities and public sector entities, which has given rise to some of the highest property taxes in the nation. Recent progress in government modernization, including the 2% tax cap, is very encouraging.

CenterState CEO looks forward to new municipal efficiencies, shared services and other cost reductions in 2019, especially in light of the high level of cooperation between the leaders of Onondaga County and the city of Syracuse. Actions it supports in 2019 are:

- Intermunicipal cooperation between Onondaga County and towns to address the growing sewer capacity and waste water treatment challenge presented by existing aged-out infrastructure.
- Co-location of city and county economic development staff.
- A plan to merge to one industrial development agency for the city of Syracuse and Onondaga County.
- Full implementation of a cost saving, county-wide cellular plan for local governments
- Combine MWBE certified lists.
- More service consolidations and shared services among municipalities.

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### *Economic Development*

#### **City – County Collaboration**

During 2019, CenterState CEO will continue to collaborate with many levels of government to foster policies and actions that assist expanding businesses and startups, attract new businesses and jobs, and expand job opportunities to underserved and disconnected populations and neighborhoods marked by urban, suburban and rural poverty and unemployment.

CenterState CEO is extremely encouraged by the recent initiatives announced by Syracuse Mayor Ben Walsh and Onondaga County Executive Ryan McMahon, many of which are in concert with New York State, Onondaga County and other public and private sector partners.

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### **Establishment of a Tourism Improvement District**

In response to the growing need for additional sustainable funding to expand the Syracuse and Onondaga County share of the tourism market, Visit Syracuse and local hoteliers are proposing the creating of a county-wide Tourism Improvement District (TID) to build the Syracuse brand, strengthen its position as a first-choice destination, increase market share and keep pace with the investments of competitive cities. Currently 14 states have TIDs and 11 more states have this option under consideration.

The TID would be provide an estimated \$2.5 million in additional funding generated from a 2% fee per room established through a combination of a Business Improvement District Ordinance and Transient Lodging Tax Ordinance. The TID would be governed by a Destination Marketing Organization, whose board of directors will be comprised of hoteliers. Currently, funding for Syracuse tourism marketing (\$2 million) is significantly less than Buffalo and Rochester, both of which are at \$4 million or more. With the additional TID funds, the Syracuse tourism promotion budget will bring this area closer to, or even above, these competitors' budgets.

**CenterState CEO supports the creation of the Tourism Improvement District because it will help grow the regional economy and is a proactive, strategic method to ensure that Syracuse keeps pace with its competitor cities. The increase in room occupancy, visitors to attractions, shopping and event attendance will also increase sales tax revenue for local governments, bringing new customers, new jobs and new revenue overall to the regional economy.**

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### **Syracuse Surge**

A keynote strategy of Mayor Walsh's administration, Syracuse Surge, aims to better prepare the city to compete in the emerging fourth industrial revolution. Surge aligns a series of strategic investments in technology development, entrepreneurship, connectivity, and access to digital inclusion in the south side of the city of Syracuse. These signature investments include:

- **County-Wide Science, Technology, Engineering, Arts and Math (STEAM) School** – The full restoration and modernization of the former Central Tech High School is the anchor of this project bringing together the resources of the city of Syracuse, Onondaga County, the Syracuse City School District and Onondaga-Cortland-Madison Counties BOCES. The STEAM school will serve students from throughout the county. Additionally, expansion and renovation of the Syracuse SUNY EOC facilities will included an expanded workforce development center.
- **Smart Cities Infrastructure** – Designed to make Syracuse the flagship Smart City of New York State, this project begins with the purchase of 17,500 street lights to save city taxpayers \$3 million per year and begin to leverage exciting new technologies to advance the economy and create new opportunities for local citizens. CenterState CEO congratulates and encourages the advancements of this project involving Governor Cuomo, the New York Power Authority, Cimcom Lighting, Presidio and Cisco.
- **Central City Innovation Hub** – A series of aligned investments will further enhance the innovation generating facilities located along Warren and Harrison Streets. Investments include improvements to AXA Plaza, enhancements to the pedestrian experience connecting the Marriott Syracuse Downtown hotel and the Oncenter facilities, and an expansion of The Tech Garden.

- ***New York Center for Smart Cities*** – This project, the first of its kind in the nation, includes an expansion of innovation infrastructure at the southern area of downtown, already marked by new business growth, such as TCGplayer’s headquarters, Spin Car, and Ephesus. New elements include continuing the Southeast Gateway Initiative and enhancements to the innovation and convention district as noted above.

**CenterState CEO enthusiastically supports each of these projects for their vision, intermunicipal and public/private cooperation to reinvent and reinvigorate the southern end of downtown Syracuse and the adjacent neighborhoods that have too long suffered from a lack of investment and economic activity. CenterState CEO urges continued collaboration, involvement and support by all levels of government for these projects.**

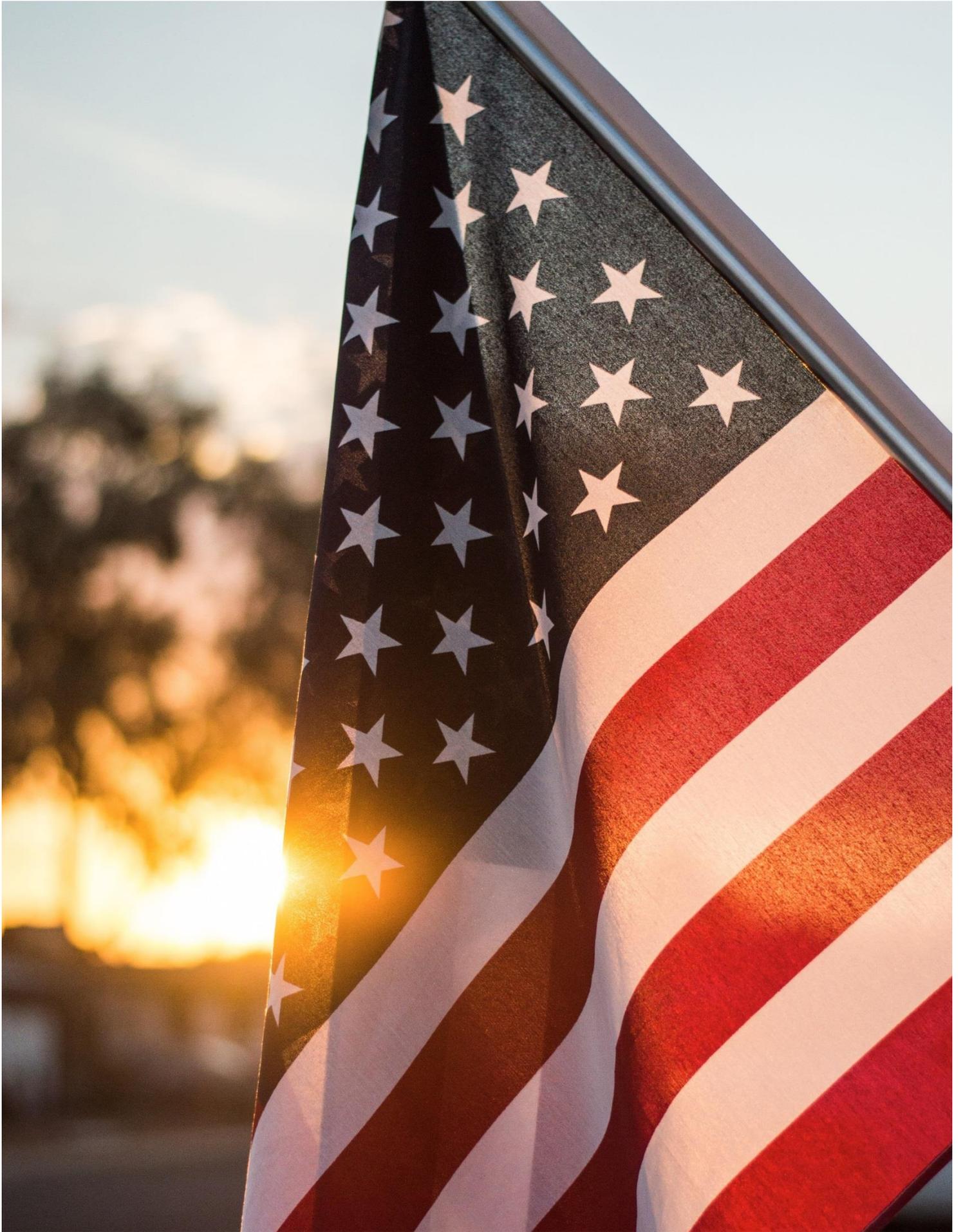
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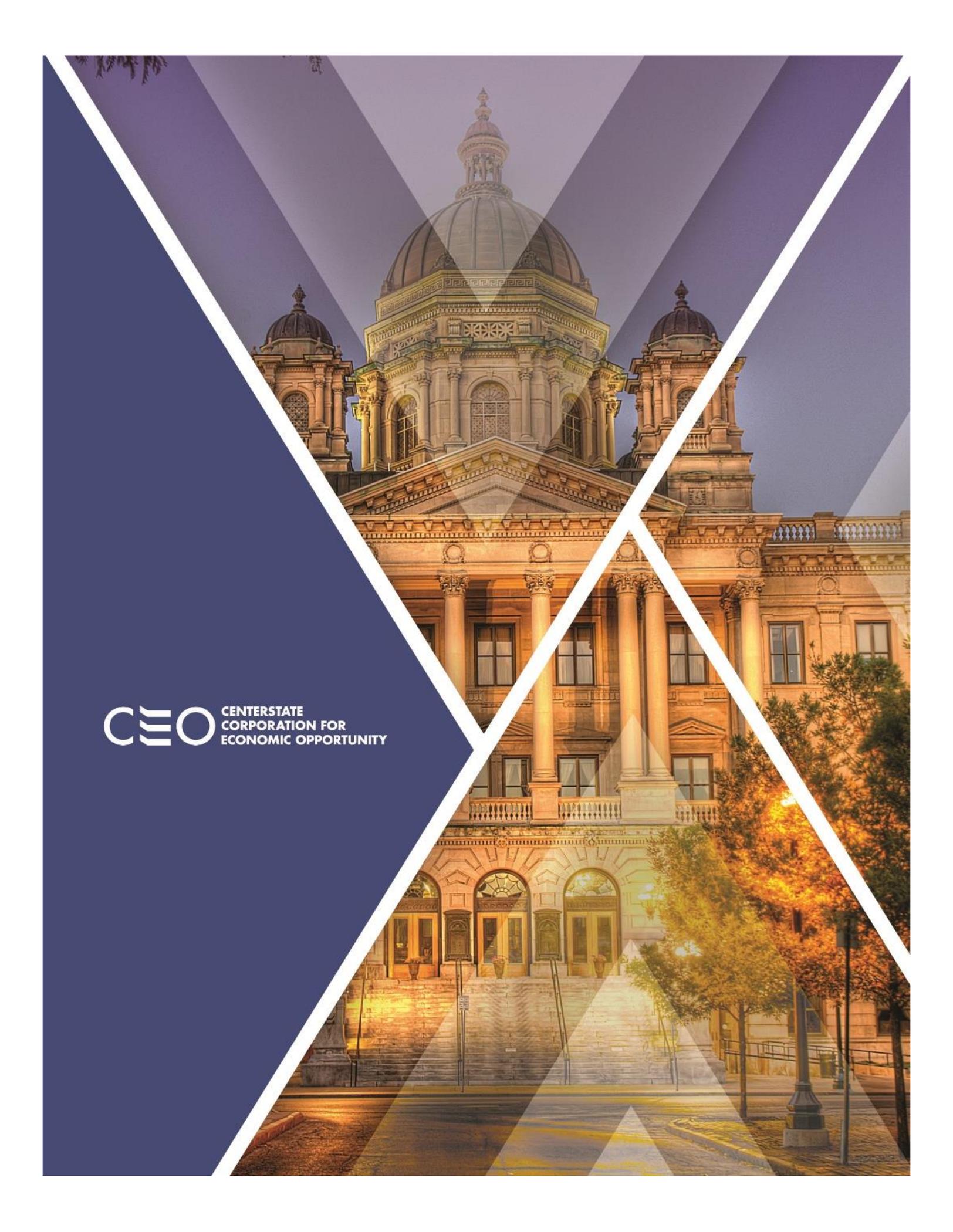
### **Unmanned Systems**

The Central New York and Mohawk Valley regions together have established the area as a global hub of research, development, testing and operations for the growing sector of unmanned aerial systems (UAS). The Griffiss International Airport in Rome, New York and NUAIR Alliance together are operating and marketing the growing capabilities and resources of the New York UAS test site, including the soon to be completed 50-mile beyond visual line of sight corridor. CenterState CEO will continue its efforts with economic development assistance to existing and attracted firms involved in this industry, and will continue to advocate for legislation, regulations and policies that enhance the region’s standing and opportunities with UAS.

CenterState CEO will work with the various municipalities along the Rome – Syracuse unmanned traffic management corridor to ensure their communication and participation in the various testing activities therein, seeking their collaboration in taking advantage of the economic opportunities that unmanned systems can bring to each municipality and the entire region.

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