

CenterState CEO 2018 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 2018 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, and peer economic development organizations. 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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Economic Development

Support Efforts to Grow the Unmanned Aerial System (UAS) Industry: UAS Central NUAIR Alliance, NUSTAR, UTM Corridor

UAS Central is the new entity created to encompass all aspects of the unmanned aerial systems ecosystems that has, with the support of New York State (UAS Corridor, GENIUS NY, etc.), the FAA designated UAS test site (Griffiss International Airport), private industry and more than 140 NUAIR (NUAIR) Alliance partners, grown to be the premier location for research and testing, startups and expansion of UAS-related firms. During 2018, the NUAIR Alliance and its members will continue to advance and facilitate all aspects of integration of this technology into the national airspace system. NUAIR is continuing to add capacity to advance the region's leadership role in the UAS sector as it launches the National Unmanned Systems Testing and Rating (NUSTAR) initiative and strategic efforts to establish protocols for the formal evaluation of UAS technologies. For this reason, federal, state and regional policies and legislation are of prime concern to CenterState CEO. Federal priorities in the UAS arena include:

CenterState CEO supports the following actions to further this effort:

Win designation for the FAA UAS Integration Pilot Program (IPP) – CenterState CEO SUPPORTS the New York State IPP proposal to the FAA and U. S. Department of Transportation which outlines the premier assets and capabilities existent in New York State, with the more than sixty industry and government partners reflected in the proposal. The proposal presents a unique set of assets, infrastructure, investment, New York state and local government, tribal entities and industry exports to respond to the goal of the IPP. It represents a continuum to New York's investments in the Beyond Visual Line of Sight Corridor, state of the art operations center and research and testing accomplishments to date. In collaboration with the Senate and House of Representative members from New York CenterState will advocate for the successful selection in this highly competitive process.

Grant FAA UAS Certification functions to the test sites – The FAA should increase its use of the expertise and experience resident at the test sites, by designating them to perform various certification functions, just as with commercial and general aviation, acting as adjuncts providing additional resources to the FAA. The test sites can act as extensions of the FAA in regards to airworthiness certification, integration, education, field safety inspections, etc.

Finalize Frequency Spectrum Allocations – FAA and FCC frequency spectrum allocation and approvals are essential for unmanned aerial systems and ground-based sense and avoid systems to work at airports and the national airspace systems. Both agencies need to act swiftly to make the determination of frequency spectrum that will be available for airports and UAS throughout the US that will not interfere with existing Wi-Fi and cellular services. Spectral allocations and availability will need to easily and seamlessly accommodate all aspects of UAVs throughout the country, recognizing the variances in spectrum infrastructure and accessibility.

FAA Reauthorization Legislation – The lack of a multi-year reauthorization act for the FAA stands in the way of advancing technology and holding back investments by the aviation industry and at airports across the country. CenterState CEO and the NUAIR Alliance urge Congress to pass and the President to sign a multiyear bill that address expansion of unmanned systems in the national airspace system, extends the certification of the UAS test sites until at least 2025 and reflects significant modernization of radar and sensing systems at our airports.

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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. Many individuals have completed this program and are now working in the field. In 2016, the program won the National Award of Excellence from the University Economic Development Association.

USDA status will allow grain shipments, domestic and for export, to be weighed, graded and inspected in Oswego, reducing the cost of those shipments out from Upstate New York, avoiding the cost of out of state inspections or having to send shipments to ports outside of New York for this service. Having "designation" or "delegation" status will mean New York's grain growers can have the SUNY Oswego laboratory and staff conduct the required grading, weighing and inspection of shipments. This will reduce the cost over the current status which requires either out of state USDA staff or consultants to travel to New York to perform the work or sending grain shipments to out of state ports (Norfolk, Virginia for example) where there is on-site services available.

CenterState CEO will continue to work with our federal delegation, SUNY Oswego, the Port of Oswego, Federal Grain Inspection Services System, the USDA, 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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Hancock Field Air National Guard Base and the 174th Air National Guard Attack Wing

Field Air National Guard Base contributes significantly and increasingly to the Central New York economy beyond the service they provide to the state and nation. Its economic impact analysis data for 2015 alone outlined an estimated total economic impact for the Guard Base at more than \$108 million. Payroll at the base at that time included over 1,300 military personnel and more than 300 civilians. Since then new full time military staff have been added and both school houses for MQ-9 pilots and maintenance personnel have been expanded.

CenterState CEO supports the following initiatives and improvements for Hancock Field and the 174th Air National Guard Attack Wing:

Construct MQ-9 Maintenance Facility (\$17m) - Construction of a new MQ-9 maintenance hangar is needed in order to achieve the required amount of hangar space to properly maintain the MQ9 aircraft in compliance with the Air Combat Command mandate to double full time pilot and sensor student production which entails an increase of four additional MQ-9 aircraft.

Construct Base Supply Complex (\$9m) –The current facility, built in 1960, has reached the end of its service life. The facility, which receives the highest amount of deliveries on the base, presents security concerns because it is located next to the MQ-9 Flight Operations and Formal Training Unit. Demolition of the existing building and replacement will address the current challenge of a detached, uncovered loading dock, inefficient warehouse height, and inefficient HVAC system as well. Also, the new facility will be built to meet LEED requirements.

Construct New Forward Operating Location Facility (FOL) at Fort Drum Wheeler Sack Army Air Facility (\$2.7m) – Ft. Drum has requested the 174th vacate their present facility to accommodate its runway expansion. Construction of a new building to replace the current one and austere temporary trailers would be completed by 20212 at a cost of \$2.7 million. Failure to make the replacement will mean loss of operational space and the ability to control over 1.600 Air National Guard Reserve Active Duty, Joint Force and International Partner Nation ware fighters annually, directly impacting war fighter capabilities.

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Fort Drum Designation for East Coast Missile Interceptor Base

Since 2013, Fort Drum has been under consideration as a potential site for a proposed East Coast missile defense facility. The two existing data terminal system facilities are in Alaska and California. Discussions have been on going on the need for a third site on the East Coast. Winning the designation would bring an estimated 1,450 new jobs and \$220 million per year in economic value to the Watertown area. The Fort Drum site has had consistent support from the New York state delegation based on the already existing infrastructure and strong community support for the project. The Pentagon is expected to make an official decision in the next few months determining if they need the third location and where it should be located. Fort Drum was selected in 2016 to be one of three potential locations, along with Ohio and Michigan for this project, based on a \$67 million study to comply with a Congressional mandate in support of a third interceptor site to defend the East Coast of the United States.

CenterState CEO supports the construction of the additional missile defense facility and that it be located at Fort Drum in Watertown, New York. The success and strength of the Fort Drum operations, the long-standing and extraordinary community support for the base and the need for additional jobs and economic activity in the region are differentiating indicators that Fort Drum would be the most advantageous location for the new missile interceptor base.

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Business Competitiveness

Fair Trade Policies that Enhance Regional Exports

The CenterState region continues to lag behind its full export potential, but has made significant gains through the efforts of the Metropolitan Export Initiative and the work of the International Business Alliance. In fact, in 2016 (the latest year of available data) the Syracuse MSA was among only 29 of the top 100 metro's to increase exports. Since New York's main trade partner is Canada, concerns continue with policies that prove detrimental to our trade balance with our largest trade partner. Noteworthy is the fact that Canada has shut off all imports of dairy products into its borders. Threats of retaliations to

tariff and policy changes at the federal and state level are of strong concern to New York businesses, agriculture in particular.

CenterState CEO supports those trade policies that enhance our export potential and effect growth of exported products and services to Canada and other trade partners.

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Transportation and Infrastructure

Interstate 81

In 2013, CenterState CEO President Robert Simpson wrote an editorial commentary on the future for Interstate 81 (I-81). In that commentary, Mr. Simpson described the desired characteristics of any future proposal for the highway:

- Any solution must be transformative, that is it will 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 the rights of way, to avoid using eminent domain as far as possible to seize property for private owners, to avoid demolition 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 better link the central city to the suburbs.
- A solution should not merely move congestion and safety concerns from the center city to the suburbs, but solve them; emphasize walkability; provide convenient access to commuters, tourists, and public safety vehicles, and provide better access than today's I-81.
- 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.

In the intervening five years, the state has narrowed the options to three choices: rebuilding the viaduct, bringing the traffic down to grade and using the existing street grid, or to place the through traffic underground in a tunnel, and to build elements of the community grid at grade. As of today, there has been no proposal advanced by New York State, and it appears now that the analysis of options is going to continue for another one to two years.

A CenterState CEO committee reviewed the options, and ranked the Community Grid as the preferred option, although the committee also recommended that more improvements to the existing I-481 be built to guarantee that it could handle the flow of traffic that would now use that highway, which would be re-designated as I-81. While CenterState understands the desires of others to continue to analyze potential highway options, the reality is that the funding situation is changing rapidly at the Federal level. The highway trust fund, which is the primary funding vehicle for highway development in the United States is predicted to be insolvent by 2021. The current administration is seeking a new funding formula for major infrastructure, which will put more demands on state, local and private sources and less dependency on the federal government. Time may be rapidly running out to make a decision, complete all the legal requirements, and advance a project to Washington before the window of opportunity begins to close with the federal government to fund these projects.

Release all Studies and Data - To accelerate the review, CenterState asks that New York State begin to release the extensive amount of information that it has collected which it has not yet released. The most important are traffic data that will evidence how the different options may perform.

Take an Holistic, Communitywide Approach - CenterState also believes that what happens as part of the I-81 process does not happen in a vacuum, as much of the debate surrounding I-81 includes concerns about economic impacts that the road may have on surrounding properties, not just in the city of Syracuse, but in all of the areas within the region where changes to the highway could have an impact. There is an opportunity to use the resulting infrastructure as a backbone on which a new economy can be built, not only in the center city through a unification of the city's neighborhoods, but also in the suburbs, where more efficient and more mixed use land patterns and projects could increase the economic viability of these towns and the value of these properties.

CenterState CEO remains committed to the values that president Simpson outlined in 2013, and will push as expeditiously as possible to a solution that will open a new chapter in regional transportation and economic development.

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Opportunity Zones

A bipartisan effort was successful in adding a provision to the Tax Cuts and Jobs Act to create the new Opportunity Zones program. This program would incentivize investors to put private capital to work in the nation's low income communities. The legislation offers the opportunity for the Governor to nominate 25 percent of the qualifying low income census tracts to be eligible to participate in the program. The incentive gives individuals and corporations with capital gains tax liability the ability to invest this capital in an investment opportunity fund, which can then be used to fund job creating activities and new development within these low income census tracts. Investors can obtain either tax deferral on these gains or ultimately tax reductions if they keep their dollars invested in the fund for the long term.

CenterState CEO urges Governor Cuomo to nominate eligible census tracts within Central New York in the low income neighborhoods of the city, the small towns and rural areas throughout the region to allow our communities to take advantage of this new financing mechanism. We believe that there are viable projects that could be supported within these census tracts which could help fuel job creation and attract significant new capital investment into these neighborhoods.

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STATE

Business Competitiveness

Minority and Women-owned Enterprise Program

New York State has established a thirty percent goal for state-certified minority and women owned business enterprises (MWBE) to participate in state construction, construction-related and commodity contracts in order to address the disparity of their awards to MWBEs. This goal is the highest in the nation. In 2017 New York State released its 2016 MWBE Disparity Study conducted by Mason Tillman Associates seeking to determine if a statistically significant disparity existed between the number of MWBEs that are ready, willing and able to provide goods and services that New York state procures and the number of available market area MWBEs. The study contained four sections: disparity study, policy

review, personal net worth review and workforce study. The policy portion contains a series of recommendations to improve the operations and effectiveness of the program, as well as the challenges of abuse within the program.

In response to input from CenterState CEO members and the Upstate Minority Economic Alliance, the two organizations held a series of roundtable discussions with certified women business owners, minority business owners and contractors to hear their comments on the disparity study, problems they have experienced and suggestions to improve the program. There are many elements of the disparity study the participants agreed with, and there are some to which they took exception.

Governor Cuomo's FY 2019 Budget Proposal contains a package of legislation regarding the MWBE program. CenterState CEO offers the following perspectives to enhance and improve upon the existing program:

More resources and training are needed - The state's program is under-resourced and lacks the level of training needed to meet the needs of the program and its participants. Staffing levels are insufficient to efficiently handle the volume of applications, re-certifications and other tasks. Applications and support to MWBE applicants and participants are delayed for weeks, sometimes months at a time due to existing staff not being able to manage the volume of work they face. Additional funding and resources should be provided to increase staffing level and increase and standardize training. Further, the disparity study suggests setting a standard response times to provide predictability and efficiency to the operation. MWBE owners agreed that staff operations would be improved if they were more familiar with general business operations.

The Central New York region suffers from a shortage of certified MWBEs to compete for and win contracts. Data from the New York State Department of Labor reveals that two-thirds of state contracts in our region are being awarded to MWBE firms from outside our region. Clearly a targeted effort and resources are needed in the region to assist minority and women-owned businesses so they can be certified and successfully bid on state contracts. The well-documented level of poverty in the Syracuse MSA compounds the urgency to address the dearth of participating MWBE firms. More resources should be provided to the region to promote and assist firms in the certification process and to maximize their bidding potential. An assessment of regional capacities could document the appropriate goal levels for certain types of projects in each region, to generally inform the waiver process, as well as help design targeted initiatives to remedy such shortfalls.

Capacity issues and industry sector gaps - Contractors speak frequently of the difficulties they sometimes experience in meeting the participation goal, because they cannot find enough firms with available capacity to meet the goal. Also, while the Disparity Study did not look beyond its three major categories, there are many categories of business and skill sets where there are one or even no certified businesses at all available. Expanding the scope of the mandate to localities and school districts could further compound the problem. Identifying the industry and skill gaps would help inform the program, and identify and incent opportunities for more for minority and women business owners to join the program.

Regional disparities - The lack of a regional perspective in the Disparity Study is a shortcoming that failed to examine or measure the capacity differences among the regions of the state. Clearly Downstate has less of a disparity in types, capacity and numbers of firms available. An examination of this issue could also reveal, through the waiver application process, the challenge some contractors face in meeting the goal. Further, Upstate demographics could verify whether or not the sub-Asian continent

sector businesses suffer from a disparity or not. The disparity study stated there is no longer a disparity and that this category of business should no longer be eligible for the program.

Eliminate inventory mandate requirements – Strong concerns were expressed by MWBEs with regard to the regulation requiring MWBE “suppliers” to have forty percent inventory on hand for state commodity bidding. This mandate is not required for any other classification of vendor to New York State. It is an unnecessary, expensive and counterproductive burden to place upon supplier MWBEs, and should be eliminated.

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Historic Preservation Tax Credit Extension and Enhancement (S.7648 Valesky)

New York State ranks first among all states in utilization of the Historic Preservation Tax Credit (HPTC) in terms of total rehabilitation cost, jobs, income, gross domestic product and output. Since the 2013 reauthorization of the state HPTC, the program has generated more than \$3 billion of investments in historic commercial properties. From a Central New York perspective, the federal designated Syracuse Heritage ranks 4th in use to date (1996-2018) behind New York, Erie and Albany counties. Without HPTC many development projects would not move forward as they need federal and state credits for gap fillers to make these projects financially viable. The current HPTC will soon expire and it was not included in the FY 2019 Executive Budget Proposal. Its uncertain future is putting projects on hold and potential abandonment, pending the outcome of this year’s state budget.

CenterState CEO supports legislation already introduced by New York State Senator David Valesky, to be introduced in the Assembly and enacted on the subject of HPTC including the following:

- Extend the HPTC for at least five years
- Decouple from the federal program to enable programmatic flexibility
- Enhance the program, including new credits of 25 and 30 percent for project under \$2.5 and \$5 million respectively to accommodate smaller and in-fill projects

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Expansion of Non-CPA Firm Ownership (A.9506/S.7506)

The accounting field is changing to meet increasingly diversified client demands. Certified Public Accountant (CPA) firms employ various professionals to meet these demands – attorneys, valuation analysts, technology specialists and consultants. New York is one of only three states that does not allow non-CPA professionals to become owning partners in their firms. Permitting non-CPA ownership of CPA firms empowers professionals to augment services through pooling competencies in decision-making. In tandem, granting partnerships to non-CPA professionals brings the services and conduct of these professionals under the control of the firm and American Institute of Certified Public Accountants (AICPA). To improve quality and control of services would be beneficial to non-CPA ownership of foreign and domestic CPA firms structured as corporations, partnerships, LLPs and LLCs.

CenterState CEO supports the passage of this legislation to grant partnership positions to non-CPAs in CPA firms, for a more competitive and equitable accounting sector.

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Economic Development

Unmanned Systems

Since winning the FAA's designation as an Unmanned Aerial Systems (UAS) test site, the NUAIR Alliance and Griffiss International Airport have distinguished themselves for their accomplishments and successes, and have become recognized as the premier test site in the nation. Griffiss has been the site for numerous firsts in UAS research, testing and infrastructure. With major investments and support from New York state, New York has attained global recognition as a complete and robust ecosystem for the unmanned systems sector. The Central New York Upstate Regional Initiative (URI) award includes significant investments for the unmanned systems sector, including the construction of an expanded UAS Unmanned Traffic Management (UTM) corridor from Rome to Syracuse to test beyond visual line of sight, nighttime and other testing; establishment of a first of its kind testing facility (NUSTAR); a UAS Policy Institute and other assets to attract and serve the UAS industry. New York State has established a brand and global marketing campaign, "UAS Central." GENIUS NY is the largest unmanned business accelerator in the world, now in the midst of its second round of having attracted the interest of UAS startups from around the globe.

The growth potential for the UAS industry has been well documented, predicted to create more than 100,000 new jobs in the United States by 2025 with an economic impact of nearly \$90 billion. Recent estimates by Avascent and the Aerospace Industry Association estimate the large unmanned aircraft industry will drive nearly \$150 billion in total spending and sustain up to 60,000 R&D, manufacturing and services jobs annually.

New York state is now well positioned to take advantage of this enormous economic opportunity. The state can also take actions to benefit from this new wave of aviation technology.

Update state policies, regulations and processes to utilize UAS – Many New York state statutes, regulations and rulemaking have not been updated to accommodate the use of the unmanned systems technology, such as bridge inspection, vector spraying, and many other potential uses. CenterState CEO and the NUAIR Alliance will work with state agencies and lawmakers to accomplish these changes in order to fully realize the full potential of operational efficiencies, public safety, cost savings and new capabilities through the revision process.

Creation of the New York state Unmanned Systems Policy advisory group – By engaging state government, stakeholders, industry experts and others in this effort, New York State will be able to research, discuss, create and implement a best in the nation set of policies for use of unmanned systems technology. This effort would complement the already significant investment and support of the industry, magnifying the message that New York State is UAS Central.

Regional Economic Development Councils

Continued Funding for the Regional Economic Development Councils (REDC) (\$750 million) - The outstanding track record of the Central New York Regional Economic Development Council, having won the largest cumulative awards through the program, and the success rate of projects completed and underway, is clear evidence to the success of the program and its responsiveness to the needs and priorities of each of the state's regions. Center State CEO supports continued funding for the REDC process at the level proposed in the FY 19 Executive Budget.

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Continued Funding for Downtown Revitalization (\$100 million)

The first two rounds of the New York State Downtown Revitalization Initiative (DRI) have given new life to very strategic projects in two cities in each of the ten economic development regions. These projects are initiated and prioritized by their respective cities designed to transform a significant element of their respective downtowns. In the Central New York region, the City of Oswego, winner of Round one, is creating new downtown housing mixed development, a business incubator, commercial and retail development and community services. The most recent winner, Cortland, is creating a completely new downtown neighborhood in its central business district, building a more dense downtown, with additional economic and property tax benefits. The third round will provide a similar opportunity to another city in the region.

CenterState CEO supports the third round of funding for this important program.

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Increased Funding for Tourism

Since tourism is among the top five sectors by employment in New York State, it is a wise investment to continue the state's effective marketing of this sector and provide \$15 million for another round of the competitive Market NY funding for tourism projects.

CenterState CEO supports ongoing funding and marketing of tourism by New York state and the continuation of the Market NY program.

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Funding for Hot Spots and Incubators

The Tech Garden incubator and its wide range of programs and services has a more than ten-year history of creating a fertile entrepreneurship ecosystem for startups and early stage businesses to receive services, coaching, mentors and the right environment to succeed. The designation as a New York State Innovation Hot Spot adds to the capabilities of programming and tax incentives to enhance the chances of success for the firms that receive its benefits.

CenterState CEO Supports the proposed funding to continue the Innovation Hot Spot program

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Transportation, Infrastructure and Energy

Stewardship Program for Paint (A.6199C Stirpe/S.4926C O'Mara)

Legislation has been introduced in both houses, and passed by the Senate, to create a program to recycle, process and reuse paint. The program would accept paint to be reprocessed and result in reuse,

for paint which otherwise would be sent into waste streams. Nine other states have initiated similar state paint stewardship programs. Each year in New York an estimated 3.1 million gallons of paint go unused. The program is expected to save local governments in New York \$31 million per year in avoided disposal costs. Further, this program would attract a regional processing facility, resulting in the environmental benefits and new jobs.

CenterState CEO supports this legislation and urges its passage and enactment during the 2018 state legislative session.

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New Fees for Telecommunications on State Rights of Way (S.7508/A.9508/ TED Article VII Budget Bill - Part F)

New legislation has been proposed to allow the New York State Department of Transportation to assess and set taxes and fees on fiber optic utilities that occupy state rights of way. The result of such fees, a major deviation from current policies, would have a negative impact on future related infrastructure investments and increase consumer prices. At a time when New York is making significant investments and strides of improvement to expand broadband access and services across the state, this approach would appear to be counter-intuitive. By increasing the costs for private sector investments in broadband and telecommunication in our state, we risk the potential for broadband companies to choose to divert their investments to states with lower investment costs and taxes.

CenterState CEO opposes these new fees because of the importance of expanded and improved telecommunications services in our region and the entire state in that these new increased costs will prove to be detrimental to that priority.

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Funding for Upstate Transit

Public transit systems across Upstate New York have suffered from inadequate funding and resources for the last several years due to the lack of a sustainable funding formula. The previous system, based on mortgage recording taxes and other revenue has declined falling far short of the expanding need for public transit. Some local employers face a challenge for their employees to be able to use public transit to get back and forth to work, especially for businesses with second and third shifts outside transit routes and schedules. The Central New York region's focus on economic inclusion with outreach to new immigrants, residents of historically neglected neighborhoods and others, effective public transportation is more important than ever. The FY-2019 Executive Budget proposes a 7.4 percent increase in overall operating aid to the MTA, vital to the NYC metro area, but would provide only a one percent increase for all other transit systems throughout the state. Transit systems cross all of New York struggle to maintain service, while expenses such as health care, risk management and workers' compensation costs rise faster than inflation.

CenterState CEO agrees with the New York Public Transit Association in recommending the development of a three-year plan to increase state investment in transit services for upstate and downstate non-MTA transit, with adequate funding levels to transform service and accelerate improvements through the following:

- A \$20 million increase in State Transit Operating Aid to upstate systems and a \$30 million increase to downstate non-MTA systems would provide meaningful resources to kick-start this transformation.
- While \$84.5 million is proposed for capital funding, this amount is \$20 million below the level provided in the current year. An additional \$20 million in capital funding should be added to maintain the current level of \$104.5 million in the 2017-18 state budget.
- Creation of a predictable, sustainable funding formula. Transit systems and their riders, throughout the state, support a long-term solution on MTA funding, and these transit riders deserve action to fund their services too. Predictable growth in operating support is necessary for upstate and downstate transit systems to continue essential services that are critical to economic growth for the entire state.

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Inland Port

In the Upstate Revitalization Initiative, The CNY Regional Economic Development Council (REDC) called for a strategic investment in creating a manufacturing and logistics hub, to be built around a fully functional Inland Port. This would create an Upstate location where container traffic from the Port of New York/New Jersey could be moved by rail, and freight could be processed, directed, and delivered to a final destination.

The demand for this new hub is driven by changes in international freight, as more international shipping lines are using “mega-ships” which bring more containers at once to water ports, and the subsequent need for water ports to move containers as fast as possible to an off-premise site for processing. The expanding of Panama Canal is increasingly shifting more freight from the west coast to the east coast of the U. S., driving the demand for additional east coast container locations. This is all in the context of steady growth in international trade, increasing the demand for efficient handling of containerized cargo. In addition, increased costs are likely to result from the new federal standards for electronic trucker logs, which will increase delays at the Port of New York/New Jersey, and are likely to turn Syracuse into a two-day market to reach the port.

New York State has announced their decision to invest in enhanced container-handling equipment facilities in the CSX Dewitt rail yard to lower transportation costs, and to ensure regularly scheduled and reliable container rail service. CenterState CEO will work with its members and interested parties to take advantage of the potential reduced costs and increased efficiencies for local exporters and container handling services.

However, the current plan does not include a strategy to develop warehousing, manufacturing and distribution facilities, nor does it include a plan to actively market and develop this service for maximum economic impact.

CenterState CEO encourages the state to earmark the balance of reserved funding for these purposes: to realize the region’s full vision for a global warehousing and logistics hub supported by an active and price competitive inland port.

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Workforce and Economic Inclusion

Workforce Development Initiative

A number of new initiatives relating to workforce development were included in the proposed FY-2019 Executive Budget, many of which have the potential to make significant improvements in this field at a time when many employers struggle to fill certain jobs and find specific skill sets, and, on the other hand, too many individuals, particularly those from disinvested areas and concentrations of poverty, struggle to find employment. Huge opportunities exist on both sides of the workforce development equation. CenterState CEO supports the following proposed elements and looks forward to collaborating on these programs:

- \$175 million in funding for Workforce Investment, including the creation of the Office of Workforce Development.
- \$200 million for the New York Works Economic Development Fund for projects that keep/create jobs or fund related infrastructure investments.
- New workforce development programs that match to industry needs.
- Creation of a new statewide region-focused workforce development data center to inform community colleges and workforce development programs.
- New metrics of effectiveness of existing workforce training investments in meeting regional needs.

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REGIONAL/LOCAL

Government Modernization

2018 Priorities

Many opportunities exist in 2018 to advance government modernization in Onondaga County and build upon the efforts of the Onondaga County Shared Services Panel, the new administration of Syracuse Mayor Ben Walsh and the Consensus Commission.

CenterState CEO supports the following initiatives:

Village and town courts – Local taxpayers pay for the operating costs of the numerous courts that exist in the 19 towns and 9 villages within Onondaga County, who are required to share their fees with New York state. Six villages have already essentially merged their operations into their respective town courts. Only one court is not operating at a deficit. The largest volume courts have the smallest deficits, indicating the benefits of scale and cost-effectiveness.

CenterState CEO urges these municipalities to evaluate updated data for the remaining village courts; to develop models for transitioning to their surrounding town courts; collaborate with stakeholders in each village and town to create buy-in; and develop ballot initiatives for their voters to consider.

Best practices for solid waste removal contracts – Currently local governments in Onondaga County handle trash collection in several ways: some provide direct service, some contract with private haulers and charge the cost back to taxpayers, and some municipalities leave it to residents to contract with

private haulers or self-transport on their own. Cost of service information shows that the Southern Onondaga Trash System, which includes several towns under one contract with one service provider, is a model that should be expanded to include contiguous towns that are currently contracting trash removal on their own.

Expanded sharing of tax assessment services – Several of the 17 separate tax assessment units inside Onondaga County already share assessment services. The current pool of qualified assessors is limited. Some towns have expressed concern about the growing number of parcels to be assessed in combination with this assessor shortage. Sharing professional assessment services is a way to optimize use of a professional staff, technology, facilities, etc. Further, New York state offers an incentive to units that consolidate.

CenterState CEO supports the expansion of shared assessment services via the creation of a Coordinated Assessment Program or by expanding existing areas of shared assessment services.

Merge economic development offices – CenterState CEO agrees with and supports the consolidation of the Onondaga County and City of Syracuse Industrial Development Agencies into one city-county agency, as well as renewed co-location of their respective economic development staffs.

Emergency medical services (EMS) – Residents of Onondaga County request more than 70,000 calls for EMS each year. Agencies that bill for service or have some paid staff answer more than 90 percent of the calls. Unfortunately the lower-density areas lack the same level of responsiveness of medical services compared to the more densely populated areas.

CenterState CEO supports the creation of a county-wide system where larger service providers cover greater portions of the county. Several steps will need to take place to accomplish this goal, starting with an inventory of apparatus by current EMS providers, an analysis of response data, and development of maps to model potential consolidated services.

Public works and highways – Onondaga County is home to 36 highway and street maintenance operations, covering a very broad range in scale of operations. Not surprisingly, data shows that the smallest departments have the highest unit costs. Further, providing resources for larger infrastructure projects is becoming more difficult.

Create coordinated core highway services areas that integrates the City of Syracuse and more densely developed suburban communities to its north, east and west, in order to leverage highly consistent service delivery menus, equipment needs and the public works service similarities that result from density. This coordination should include the following:

- Standardize equipment
- Shared services
- Coordinated capital planning for equipment and infrastructure
- Revised operational plans to address municipal border areas where services often “dead head”
- Standardized contracts

Deliver common specialized / technical functions of a shared countywide basis instead of within each agency, via inter-municipal agreement. These services should include the following:

- Engineering
- Purchasing

- Pavement marking and striping
- Bridge and culvert maintenance
- Sign fabrication and maintenance
- Sewer cameras
- Streetlight repair bucket trucks
- Salt storage and equipment barns
- Insurance, human resources, development and training

Appoint a high way advisory services committee to provide oversight countywide.

Consolidation of water system operations – Various municipal water systems within Onondaga County are facing growing needs for infrastructure maintenance and improvements. Additional challenges emanate from the need for redundancies, security issues, new efforts to prevent and remediate algal blooms, etc.

CenterState CEO supports the merging of all water system infrastructure and operations into the Onondaga County Water Authority (OCWA). A trend in that direction has already begun with several smaller water systems already successfully merged into OCWA.

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REZONE Syracuse

In 2018 the REZONE Syracuse project to update and improve citywide land use policies and clean up Syracuse’s very outdated zoning map, will release their proposed plan for final review and adoption. This is an historic opportunity to recreate the entirety of the City’s zoning maps, protect and enhance city neighborhoods, ensure high-quality, attractive design standards, promote environmental sustainability and develop regulations and review processes that will be efficient, predictable and transparent. The City is to be commended for taking on this important effort.

CenterState CEO strongly supports this important effort and looks forward to the opportunity to review in detail the proposed plan and to listen to input from various stakeholders. Providing substantive, forward-thinking, pro-smart input into the process to best inform and represent CEO members, maximize economic development opportunities and economic inclusion will be the focus of its participation.

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