



**Remarks by Robert M. Simpson
President of CenterState CEO**

**CenterState CEO 2019 Annual Meeting
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“There is Something Happening in Syracuse...”

Thank you to all of you for joining us today, and to our entire staff at CenterState CEO for their work throughout the year on your behalf. This incredible group of individuals is, hands down, the most talented, committed and passionate team that I have ever had the privilege to work with and I'd like to ask them all to stand for a moment and be recognized.

Even though he isn't here today, I would also like to acknowledge the Chairman of our Board of Directors, Jim Fox. Next month, Jim will complete his three-year term of service to this organization and I must say that Jim's calm, steady and logical leadership has been incredibly valuable to me, personally, and to all we have accomplished during that time.

And a final thank you to my wife Corinne, who is undoubtedly the most remarkable woman in the world. You are my partner and my inspiration.

[Pause]

There is something happening in Syracuse.

Have you felt it?

Can you see it too?

It's different than it has been.

And I'm not just talking about the macroeconomic picture, although there is plenty of good news to be had in the data as well. Unemployment is at a record low 3.9%. A new report from the Brookings Institution shows wage growth in Syracuse of 2.1%, ranking 9th nationally and 1st in the northeast. And in a region that has seen little to no overall job growth since 2007, the NYS Department of Labor reports that the number of jobs in our region grew 2.4% last year, the third fastest rate in the state and outpacing even the New York City area.

No, I'm talking about something else entirely. Something that you can't capture in a number.

I'm talking about buildings that have sat vacant for decades being rediscovered and given new life.

About underutilized urban real-estate finding new value as mixed-income housing and a food hall for diverse entrepreneurs that represent the rich cultural fabric of Syracuse, rather than the parking lot it has been for 50 years.



And about similar efforts underway in Oswego, Cortland and Auburn as our region's downtowns take center stage thanks to changing demographics and a far-sighted state government.

I'm talking about the 34 drone and autonomy companies that have chosen to make Central New York home in the last few years, including this year's GENIUS NY winner, Sentient Blue, who is shifting its operations from Parma, Italy to Central New York.

And the fact that the future of farming is taking shape in our own backyard, as Green Empire Farms builds 3.6 million-square-feet of controlled environment greenhouse space to grow strawberries, tomatoes, cucumbers and peppers using the most advanced hydroponic technology in the world.

And local companies like Bankers Healthcare Group, Rapid Response Monitoring, Cryomech and SRC that are in the process of investing, expanding and adding hundreds if not thousands of jobs to our regional economy.

About the 100 applications we received for companies looking to enter The Tech Garden last year alone, pushing us to envision a dynamic expansion of our own facilities and programs so that we can continue to serve this rapidly expanding tech ecosystem.

About the fact that our homegrown venture capital fund, Armory Square Ventures, started just five short years ago, just closed on its second institutional funding round taking its assets under management to just over \$50M.

About an entirely new generation of homegrown companies like TCGplayer, Plowz and Mowz, SpinCar and Sidearm Sports that are making the Warren Street Tech Corridor the epicenter of tech and entrepreneurship for our entire region.

Or about the three houses in my neighborhood, in the city of Syracuse, that sold within 24 hours last month, each for over asking price and to families with young children – a trend that is confirmed by a median increase of housing prices of 5.1%.

And I'm not just talking about projects. I'm talking about changing attitudes. A sense of hope and optimism that seems to flow more freely in conversation.

A new determination to work together and build a better and more prosperous future.

An alignment of interests and leadership that we have not seen in this region in years, if not decades.

A Mayor and County Executive that have brought a modern, pragmatic approach to their jobs and are working together to promote the Syracuse Surge, a series of cutting-edge investments in Smart Cities technology and neighborhood development that offers real hope to bring needed jobs and training to our city's south side.

Our city and suburban school districts working together to build New York state's first Science, Technology, Engineering, Arts and Math school and position our region's children more competitively for the jobs of the future.



And our institutional leaders Like Chancellor Kent Syverud at Syracuse University, Dr. Linda Lemura at Le Moyne College, Les Luke at St. Joseph's Health and Dr. Mantosh Dewan at SUNY Upstate, among others, who continue to anchor the economy of today, while constantly investing and innovating to drive our economy of tomorrow.

And even a growing willingness among regional stakeholders to have difficult conversations that should have happened long ago - about race and inequality, about inclusion and exclusion, about poverty and prosperity - paving the way for a new way of doing business and a more inclusive future.

Yes, there is something happening in Central New York right now. Call it a moment. Or an awakening.

Together, we planted these seeds over many years, and today we are watching them sprout and grow.

And just in case anyone in this room still doubts that we are moving at a different pace and in a new direction as a city and region, consider two major announcements in the last week alone.

First, the exciting news that Syracuse has been selected as one of only five nationwide winners of the JPMorgan Chase *AdvancingCities* Challenge, a \$500 million, five-year initiative to invest in solutions that bolster the long-term vitality of communities within the world's cities that have not benefited from economic growth.

CenterState CEO was proud to join the city of Syracuse, Onondaga County, Syracuse University, Le Moyne College and the Allyn Foundation, along with dozens of community partners, to celebrate the fact that Syracuse was chosen to join Chicago, Miami, San Diego and Louisville to serve as the first cohort for this ambitious initiative out of more than 250 applications nationwide.

Their investment is explicitly directed to ensuring that the growth from initiatives such as the Syracuse Surge connect to, and provide access for, traditionally marginalized populations. By providing job training for our tech workforce to the un and underemployed, and supports for small businesses owned by women, minorities, individuals with disabilities and veterans, this project looks to tackle several key drivers of our economic inequality head-on.

Yes, we were chosen, in part, because of the obvious socio-economic disparities that have been widely reported for the last several years. But we were also chosen because of our demonstrated track record of innovation and problem-solving across sectors. And perhaps, most importantly, because of the remarkable alignment of leadership that came together over the Thanksgiving Holiday to craft our application.

In a community that has not always been known for working together, for these stakeholders to come together, itself, is progress. For them to commit to each other, and to the community, to tackle issues as weighty and challenging as socio-economic disparities is more than progress, it's actually progressive.



But what is most exciting is that JPMorgan Chase – one of the most prestigious business and philanthropic voices in the world – would validate our thinking, our aspirations and our collaboration in a way that can and will cement this newfound alignment for years to come.

Which brings me to the second major announcement in recent days, just Monday in fact, by the New York State Department of Transportation, that should serve as an exclamation point to this narrative.

For the first time since 2008, when NYSDOT began its I-81 Corridor Study in earnest, we do not have to speculate on the amorphous future of the Interstate in our city and region. Instead, we can look to a future with a vibrant and vital Community Grid. And we can turn our full and undivided attention to the two critical questions that this long-awaited decision places squarely at our feet.

First, how do we maximize the economic potential of this once-in-a-generation, billion plus dollar investment in our region? And second, how will we mitigate the concerns of those who are most disadvantaged by this decision?

For starters, we can dare to imagine the possibilities of a city re-united with itself – where downtown and University Hill merge, where large swaths of the Northside are preserved from demolition and where the Southside of Syracuse is re-opened to commercial corridor development that can bring jobs, investment and training to places that have been left behind for decades.

But while growth and investment are necessary preconditions for improving our economic performance, growth alone is no guarantee of greater prosperity for all.

No, to make the most of this moment – of this dramatic convergence of economic opportunity for our community – we need something more than an economic catalyst, we need intentional leadership.

Go back to what you just heard from Tony -- about the attributes of great places to work and what creates high trust environments. And think about how those attributes – RESPECT, CREDIBILITY AND FAIRNESS – apply not just to the way you perceive your place of employment, but also to the place you live.

Collectively these things create pride in a community, a desire to participate and contribute, a willingness to engage and go above and beyond. They create trust.

Now, just use the discussion around Interstate 81 as an example. Have we fully applied these values to our collective debate and decision-making?

I would argue that we can, and must, do better.

At times, we have allowed this issue to pit city versus suburbs when in fact this is a decision with regional impacts. We have spent so much time arguing the merits of the three individual solutions – the Grid, the viaduct and the tunnel – that we sometimes stopped listening to, and RESPECTING, the hopes and fears, concerns and aspirations of the thousands of stakeholders who had the fortitude to wade in to this politically-charged debate.



As for CREDIBILITY, I am proud of the fact that our team at CenterState CEO worked extremely hard, with the support of a committee of our members and the deep and direct involvement of our Board, to understand the facts and to think critically about the various plans and studies related to the I-81 Challenge. This rigorous and objective process enabled us to introduce a new and pragmatic approach intended to expand this conversation beyond the highway.

The Community Grid *Plus*, as we have called it, is an express admission that each of the proposed solutions is, in fact, imperfect. That each alternative, as presented, would have both positive and negative impacts on stakeholders. And, further, it was an explicit acknowledgement that these impacts are REAL and require real solutions.

Yet it was also an invitation to our community and to our political leadership to break free of the two-dimensional thinking that all of the issues that have been raised in this debate over ten years can be solved with a roadway. They can't.

Luckily, they don't need to be.

We can and must solve the concerns over truck traffic in the Finger Lakes. But to do so, we don't need to dig a tunnel. We need a strategy to keep trucks off of the main streets that bisect our region's towns and villages, be it through local annexation and regulation of through-traffic or tackling the problem at its source – keeping downstate trash from coming upstate at all.

Likewise, we would be wise to heed the concerns of Destiny USA and the hotels in the town of Salina who have given the loudest voice to the potential economic impact, and impact on local government revenues, from a loss of visitation caused by changing traffic patterns. But to do so, we don't need to build a bigger, wider viaduct through the heart of an already scarred City. We can instead invest in demand drivers – such as projects like the amphitheater, our arts and cultural infrastructure, in sports tourism and more to ensure that our community remains a place that people have reasons to come to, not just drive through.

And while our position is that the Community Grid represents the best foundation on which to build our future, we are also committing publicly today to County Executive Ryan McMahon, Mayor Walsh, Congressman Katko, and our entire State delegation that CenterState CEO will be a partner in designing, innovating and advocating for meaningful mitigation measures that our region deserves so that the legacy of this project can be one that our region can look back on with pride, instead of the regret and disenfranchisement of the decision that came 60 years before.

Which brings us to FAIRNESS.

I was asked, recently, whether or not I believed that the people who live in the shadow of the highway should have a disproportionate voice in the decision over the highway's future. And the simple answer is, yes. To suggest otherwise is to reject the history of what happened when the highway was first built. That decision, to flatten the near entirety of the 15th Ward, a once thriving black middle-class community, was blatantly unfair.

That is important to say out loud and acknowledge because this history continues to shade our current conversations around growth and development. And it looms especially large as we contemplate the remarkable convergence of redevelopment opportunities that are upon us.



Remember, growth alone is no guarantee of shared prosperity. And if you look at our community's history with growth and investment, this difference in who benefits and who doesn't has not always been fair. It hasn't created trust. In fact, it has created friction that can slow or stall progress.

This long-overdue reckoning with ourselves leaves us only one path forward. To demonstrate, not through our words but through our actions, that things will be different. We must commit to a different course – commit to leading with intention – and we must hold ourselves accountable not just to a different set of intentions but to a new and measurable set of outcomes.

We must do this as we contemplate the future of the development that takes place in the footprint and shadow of 81. But we must also bring this same level of intentionality to all of our region's growth efforts.

The fact is, economic disparity is not just an issue here in Syracuse. It is a challenge across this country and around the world. It is, arguably, the defining social and economic issue of our time. And while there are many factors driving these disparities, there are two in particular I want to call your attention.

The first is a major, long-term change in the correlation between worker productivity and wages. For decades, if not centuries, the two moved in close synchronicity to one another. And it makes sense. The harder an employee worked, the more output they produced, the more they were rewarded for their efforts.

But somewhere after the middle of the last century, the strong correlation began to fade and the gap between productivity and wages has grown exponentially. And this makes sense too. As automation began to modernize manufacturing processes, and as computers and software began to transform service businesses, labor became a smaller and smaller percentage of the total inputs, and capital took on a growing and outsized role.

And anyone who ever took an economics class knows that returns go where? To capital. Today's workers, therefore, cannot participate in the full upside value that their labor creates because wages are not the same as equity, and in fact wages have grown more slowly than the returns to capital in the markets.

Even more troubling is how inequitable median weekly earnings vary by gender and race. Is there anything in these statistics that screams FAIRNESS? These growing economic disparities are simply untenable for our society and our community.

This is why we rebranded our organization as the CenterState Corporation for Economic Opportunity nearly a decade ago – to expand the conversation around growth and development to include a focus on access to opportunity and shared prosperity.

This is why we built a portfolio that focuses entirely on issues of economic inclusion, connecting the growth and development work this organization is known for to the communities, neighborhoods and people in our region that have been traditionally disconnected from that growth.



This is why we launched the Work Train program, to connect employers in high demand industries to traditionally disadvantaged and marginalized populations – placing more than 700 community members in jobs since 2014.

This is why we launched the Up Start program to take the lessons we have learned running The Tech Garden and ensure that similar tools and resources were also being provided to women, minority and refugee entrepreneurs who share a similar dream of starting their own business and contributing to the economic vitality of our region.

This is why we have partnered with Assemblywoman Pam Hunter and dozens of business and nonprofit entities on the city's Southside to support an effort to bring jobs and investment to the Southeast Gateway, where generations of planning efforts have delivered few, if any, lasting results.

This is why we are partnering with the Mayor and County Executive to support the Syracuse Surge.

And yes, this is why we believe that any effort to plan redevelopment in the shadow of the current Interstate must reflect a new set of values. It must embrace community input, provide inclusive employment opportunities, support not only mixed-use but mixed-income residential development, provide opportunities for local labor participation and be done in a way to complement and strengthen, not replace, the unique and varied neighborhood cultures and character along the current viaduct's path.

These are long-standing, deep-seated social and economic issues that cannot be solved by any individual person, organization or group. They are issues that require thoughtful engagement. Intentional leadership. And collective action.

Which reminds me of one of my favorite quotes. "There are two primary choices in life: To accept conditions as they exist, or accept the responsibility for changing them."

When we lead with intention we RESPECT the opinions of others, even when they are difficult to hear or fully understand. We seek to establish and maintain CREDIBILITY, not just through our words but through our actions, as stakeholders with standing to participate in these community conversations. And we focus on FAIRNESS – of acknowledging the inequities of the past and committing to a different and more inclusive future.

This is why an inclusive growth agenda is so important. Because - at a time when our employers are in desperate need of people and talent - the characteristics that attract employees to the very best places to work are the same as those that will draw people to our community, and keep them here. Embedding these attributes in our community conversations will help more people feel invested in our community's success, and will create the trust that is necessary to fully capitalize on the season of opportunity that is upon us right now.

There is something happening in Syracuse.

I feel it. I can see it. And I hope you feel it to.

And that something, whatever it is, for however long it lasts, has the potential to be remarkable.



Never in my 16 years back in Syracuse have I felt this level of energy; have I seen such a confluence of investment, circumstance and leadership.

Pull up to 30,000 feet for a moment and just look at it. Look at what is happening in our region. Look at what is about to happen? And take a moment to contemplate just how transformative it all could be if we do it right. With intention.

Our employers, across industries, are in critical need of talent which offers us a chance to repopulate our region through a renewed focus on attracting talent, as well as to tap in to the hidden labor pools in our own community that have gone untapped and under-utilized for years.

Our tech ecosystem is exploding, driving demand for new incubation space at The Tech Garden, new office space throughout our city and region and a hunger for coders and software developers that provides a window of opportunity to rethink tech training in a way that brings diversity in to an industry with a reputation for exclusivity.

The energy and momentum from development in downtown Syracuse is beginning to push in to our neighborhood corridors and those market forces will create opportunities in parts of our city that have long been disadvantaged.

The Syracuse Surge and corresponding Smart Cities investments will unlock untold opportunities for innovation in public service delivery, traffic management and data analytics, while simultaneously helping to bridge the very real gaps in digital inclusion that have often held back communities of color from full and active participation in the digital economy.

And there is the Community Grid. Once just a dream for some, then a decade long debate. And now on the verge of reconnecting the intellectual capital, research and employment of University Hill with our resurgent downtown and its neighborhoods. It promises to bring more than a billion dollars in short-term economic stimulus, but also an opportunity to jointly develop and implement a new model for civic collaboration, citizen engagement and re-development that places the needs of our institutions, our businesses, our developers, elected leaders and residents at a shared table with a shared goal of shared prosperity.

These opportunities are no longer on the horizon. They are real and immediate. So the choice we have before us is simple.

We cannot allow history to repeat itself, with unplanned and tone-deaf development perpetuating and even exacerbating existing socio-economic and racial divides.

Nor can we convince ourselves that somehow no growth, in a region as starved for jobs and investment as we have been for decades, is somehow a safer approach.

My son, Benjamin, turned seven last week. Some of the issues that we have talked about today, like the future of the Interstate, have been ongoing discussions for his entire life. Some of these issues, like socio-economic disparity and racial inequality, have been persistent challenges in our society since long before he was born.

As a father, my deep and abiding responsibility is to care for him. Support him. Play with him and teach him. Knock down barriers for him, and help him to learn to knock down his own. And yes,



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to make the place he lives the best it can be while affording him every opportunity to make his own contributions to this place and this world.

But as professionals, and as members and leaders of this community, we cannot ignore the fact that there are many children who do not share the same privileges and advantages as Ben. That there are many in this region who will face a life not of barriers being knocked down for them, but one of barriers being erected in their path. And the responsibility for changing these circumstances as they are, lies with us.

So let us lead with intention and see this happy confluence of economic circumstance for what it is – a gift, a long-awaited and fortuitous chance not just to grow but to grow differently, better, in a way that both acknowledges the challenges of the past but also embraces a more inclusive, equitable, respectful and fair future. For our entire community.

Thank you.