



OFFICE OF THE MAYOR

Hon. Stephanie A. Miner, Mayor

October 17, 2016

Hon. Joanne M. Mahoney
Onondaga County Executive
421 Montgomery Street
Syracuse, New York 13202

Dear County Executive Mahoney:

I write today in response to your letter of September 20 regarding the City of Syracuse's economic development office.

Our decision to co-locate the Syracuse Economic Development Office with the office of the Onondaga Civic Development Corporation was based on the belief we shared a similar philosophy about what constitutes effective economic development. Though we can point to a number of successful collaborations over the years, it has become apparent our core views have diverged significantly.

As I have repeatedly shared with you privately and strenuously advocated for publicly, one of the primary goals of my administration has been to change the City's approach to economic development. I passionately believe in – and have fought to achieve – a more equitable approach that incentivizes development by demanding tangible benefits for the community in exchange for any public benefit granted to a developer. We believe in holding developers to a higher standard, ensuring before public funds are invested into a project that it will be truly impactful to our community: creating jobs, triggering nearby investment, and doing so only if absolutely necessary.

It is left to us to ask hard questions, demand answers, and embrace our responsibility as custodians of our community's finite resources. If we do not demand that projects receiving a public benefit result in real, sustainable benefits to our residents, who will? As a community, we have a well-documented history of overblown promises from developers that quickly evaporate after the benefit has been secured.

It is evident the County has decided to continue to pursue an "any development is good development" strategy. Over and over again, this trickle-down model of economic development has left our community with developers being richly rewarded and our community reaping, at best, questionable benefits.



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Indeed, in a dramatic break with long-standing practice, the County gave lucrative tax breaks to a project within the City's jurisdiction. This action eliminated the City's ability to negotiate job training and hiring requirements with the developer. An action made more egregious by the fact the project is adjacent to neighborhoods suffering from incredibly high poverty rates and whose residents are desperate for work.

Another example is the payment in lieu of taxes (PILOT) agreement the County granted to Destiny USA over the adamant opposition of City officials and the Syracuse Board of Education. This generous agreement comes after the Destiny developers failed to deliver on their promised 39-story, 1,342-room, LEED platinum hotel. Now, despite our objections, taxpayers will once again support another Destiny hotel.

The people of the City of Syracuse deserve more than development through desperation. As a city with one of the highest rates of concentrated poverty in the United States, we need to focus our efforts on projects that can alleviate the pernicious effects of poverty, creating meaningful jobs and improving the quality of life in our neighborhoods. In light of these philosophic differences on economic development, it is best for our business development staff to be located alongside our neighborhood development team so they can work collaboratively to solve the economic challenges faced by City residents. As a result, our staff will vacate the shared offices and return to City Hall by October 31, 2016.

Sincerely,

Stephanie A. Miner
Mayor