

2013 State of the City Address

Mayor Stephanie A. Miner

Embargoed until 6:30 PM

January 24, 2013

Good evening. Thank you all for joining me for the 2013 State of the City Address.

I want to thank Mark Nicotra for putting the video together for us.

I want to thank Pastor Leslie Johnson for the beautiful invocation and Council President Van Robinson for his kind introduction.

I also want to thank Principal Dare Dutter for hosting us this evening, and the children of Dr. Weeks Elementary School for leading us in the pledge of allegiance tonight. Let's have another round of applause for them; take it from me, it is intimidating to be up here and they deserve the recognition for performing with such grace.

I especially want to thank Superintendent Sharon Contreras for her welcoming remarks. She and I share a deep commitment to fulfilling the mission of our schools.

I also welcome the Commissioners of Education. Thank you for your hard work, and for being here tonight.

We are also joined this evening by members of the Syracuse Common Council: President Pro-Tem Jean Kessner, Majority Leader Lance Denno, Majority Whip Pat Hogan, and Councilors Helen Hudson, Kathleen Joy, Jake Barrett, Bob Dougherty, Khalid Bey, and Nader Maroun. Also seated with the Council, is City Clerk John Copanas.

I also want to thank City Auditor Marty Masterpole for joining us tonight.

I welcome representatives of our state delegation as well – Assemblyman Bill Magnarelli, Assemblyman Sam Roberts, Senator Dave Valesky, and Senator John DeFrancisco.

We are also joined by representatives from our federal delegation and members of the Onondaga County Legislature. Thank you for being here.

Our distinguished County Executive, Joanie Mahoney, is here tonight. She is joined by members of her senior staff. Since taking office as Mayor in 2010, I have had the opportunity to work with the County Executive on issues critical to our community. Thank you County Executive Mahoney.

Three years ago, on a cold and snowy evening on the campus of SUNY ESF, I delivered my first State of the City Address. I will never forget that night because unlike tonight; it started, not with laughter, but with my heart breaking. You see, on that night we had what even I, as a native Central New Yorker, would call a horrific snowstorm. As I rode up the hill, I thought, “no one is going to come out in this weather.” The snow was coming in sideways, it was freezing, and, to make matters worse, the parking for the speech was far away, which forced people to walk. And, I secretly thought, no one cares what I am going to say about the State of the City.

You see, I had just completed an exhausting campaign; our team at City Hall was so new they were asking where the bathrooms were. Most importantly, there were huge financial obstacles facing us, a struggling national economy, and a laundry list of stalled projects around our community. The enormity of the challenge was so daunting, I worried it might just be overwhelming. Moreover, having spent an entire campaign season fighting an always present cynicism about our future, I was confident no one was going to show up because no one thought things were ever going to change. So I steeled myself to speak to my husband, some City Councilors, and a few commissioners.

But then a funny thing happened. As my car slid up the hill and then down the hill, I saw people—well, more like walking snowmen—standing in line to get in. And when I got in the place, my staff came up to me matter-of-factly and said, “There’s a good crowd in there and people are excited.” I didn’t even try to hide my shock. I said, “You’re kidding right?” The answer came back: “No, it looks like every seat will be taken.” And I was reminded again, of what I have come to know every day since, that we are a resilient and hardy group we Syracusans. That we care about, we believe in, and we will dedicate ourselves to a better future, and, of course, that I am not alone my pursuit of a better Syracuse.

Now certainly these last three years have presented intense challenges for our city, but tonight I am going to show you we have taken on those daunting challenges and through leadership, dedication, and simple hard work, we have made extraordinary progress. Progress, I daresay, some thought three years ago was not possible. Tonight I will speak to you about long-delayed projects coming to fruition, neighborhoods

sprouting up while other neighborhoods grow stronger, and, of course, the constant innovation necessary to feed a successful 21st century city on the move. And, make no mistake about it, Syracuse is, as my video journey here this evening demonstrated, a 21st century city on the move.

Recently, our own Syracuse city poet, Sean Kirst, did something somewhat unusual for a modern journalist: he revisited a position he took five years ago. Let's hear from Sean in his own words [PAUSE FOR VIDEO]

Now, after I read the column and watched that video, I called Sean and asked him if he could tell me what had changed between 2008 and 2013. Ever the journalist, Sean treated it as a rhetorical question. Now, I believe I know what changed and I think 2013 will be a year filled with explanations of that change. That will come soon enough; tonight let's look at the results of that change.

More than \$265 million is currently being invested in our Downtown. The Pike Block project, located at the intersection of South Salina and Fayette Streets, is making visible and consistent progress. Once completed, this project will boast 25,000 square-feet of ground-floor commercial space, and 78 new residential units.

On Bank Alley, adjacent to the newly completed Label Shopper Building, progress on its makeover continues. With sewer repair work finally underway, this project is moving forward and will create an entirely new urban space within our downtown. Previously thought of only as an unattractive, utilitarian alleyway, Bank Alley is set to become an environment welcoming to pedestrians, and will generate opportunities for unique residential and business entrances, and will improve connectivity through Downtown.

Another recently-announced project that will be transformative is the Sibley's Building in the 400-block of South Salina Street. Sibley's is just across Salina Street from the recently renovated Dey Brothers Department Store, now known as Dey's Plaza, which now includes commercial space and 45 apartments, and my personal favorite, the very popular Café Kubal – it takes a lot of caffeine to run a city. The Sibley's project is slated to create 62,000 square-feet of ground-floor retail and 60 market-rate apartments on the upper three floors.

The Inns at Armory Square, a \$30 million Courtyard-Residence Inn Marriott

hotel, will open this year at the corner of Franklin and Fayette Streets, and plans to welcome an average of 90,000 guests to the hotel each year leveraging more than \$18 million a year in local economic impact.

A few years ago that block was just two parking lots – lots I used for an announcement in 2009. Today, that site is the location of the Washington Station Building, which is the headquarters of O'Brien and Gere, the new Inns at Armory Square hotel, and the Onondaga Creekwalk. Just across the Creek are the revitalized SU Warehouse and the newly expanded Redhouse. All of these exciting projects showcase the renewed energy and demonstrate the dynamic urban renaissance taking place in the core of our city.

Also, the Merchants Commons project marches ahead. Significant exterior improvements in recent months loudly announce the revitalization of this downtown block. The Merchants Commons project will bring an additional 66 new apartments. Downtown is now home to more than 900 market-rate apartments boasting a 99% occupancy rate. In total, there are currently 450 new residential units planned or under construction in downtown Syracuse.

Merchants Commons will also have 34,000 square-feet of commercial space, including the new home of Syracuse Media Group, the new company that produces syracuse.com and The Syracuse Post-Standard. In marking their move, the Syracuse Post-Standard Editorial Board recently wrote, "Downtown is on the move and so are we. . . Downtown Syracuse is the heart, the central organ pumping energy through the larger community. Its health is vital to the region's, and the vital signs are strong." I don't always agree with the Syracuse newspapers, but, on this point, we are on the same page or, perhaps, tablet.

This exciting new growth and development is certainly not limited to Downtown. There are projects being planned with footprints larger than what we have seen here in the city in decades.

At Syracuse Hancock International Airport, the Passenger Terminal Security and Access Improvement Project is a \$49.7 million investment that is being funded entirely by passenger facility fees – not city tax dollars. This project will modernize our airport, and is slated to earn LEED Silver green building certification. It features a rainwater

harvesting system, high-efficiency lighting, locally-sourced materials, recycled construction materials, and has created more than 300 construction jobs. Once completed, these upgrades will vastly improve the experience of the flying public – business and recreational travelers – and ensure that Syracuse makes a good first impression for those who visit our community.

These projects reflect a new reality, where developments that previously people didn't even dare to hope for, are now being realized. Another example is Loguen Crossing, the rebirth of the former Kennedy Square site. Kennedy Square, a 14-acre site, located in the middle of Syracuse opened in 1975, and by the mid-1980's fell into disrepair and neglect.

Today, this site has already seen the construction of the SUNY ESF and SUNY Upstate Biotechnology Accelerator Center, and last week final demolition of the legacy structures began, clearing the way for the development of a brand new mixed-use neighborhood. This project will extend the reach of Downtown's success, and signal to the entire Central New York region and beyond that Syracuse is an active and vibrant city on the move with an eye firmly on our future.

A number of the projects I have mentioned already tonight have been made possible by the successful advocacy of the Central New York Regional Economic Development Council. The Council, acting as a liaison between our region and New York State, has provided leadership, facilitation, and a unified vision to help bring home more than \$93.7 million for Central New York. We at City Hall have advocated for our priority projects and policy initiatives. In doing so, we have been able to bring in more than \$20 million for projects in the City of Syracuse alone. I want to thank my fellow Regional Council members and Council Chairs Syracuse University Chancellor Nancy Cantor and Rob Simpson from CenterState CEO, for their partnership and leadership in these hugely successful efforts.

Our planning, neighborhood development, business development, and codes and permitting offices have worked extremely hard to advance the enormous progress you see all over the city. With the City Permit Consultation Office and a fine-tuned pre-development process, we are able to provide for a more centralized and streamlined review of development projects.

Previously, drawings were shipped to up to six different City departments for review, and developers had to navigate an approval process with little guidance. Now, a more rational and efficient process has helped foster more than \$717 million in permitted construction value over the last three years, with nearly \$330 million in 2012. These are record numbers, and as you can see, total construction values have increased every year since 2009.

It takes a true community effort to make these successes possible, and I am proud that our team at City Hall is part and parcel of that success. I would like to ask the City employees who make this possible, and the department heads who lead them, to please stand and be recognized for your work, which often occurs on weekends, after 5pm, and on other people's deadlines. Thank you for your service.

Many of you in this room work with these people every day, and I have good news for you and them. For years the City of Syracuse has had possibly the worst e-mail addresses anywhere: mayor@ci.syracuse.ny.us Starting tonight, City employees can be reached at much simpler and easy to remember e-mail addresses: mayor@syr.gov.net And yes, the old addresses will still work. You can also reach us by Facebook and Twitter, also new communication media for City government.

While this unprecedented activity is inspiring, our city struggles with the effects of vacant properties in our neighborhoods. In my time running for Mayor, and in the time since, I have heard repeatedly from every single neighborhood that vacant properties are the universal citywide scourge. It is a cry I heard, and, in turn, demanded we provide a solution, which has come to be several innovative, interlocking solutions. In last year's State of the City Address, I announced that the City and County would be creating a Land Bank to assist in the collection of property taxes and to help advance neighborhood revitalization efforts.

Still in its early stages, the Land Bank, now called the Greater Syracuse Property Development Corporation, enabled the City of Syracuse to issue letters to some 1,900 property owners who are so delinquent in their property taxes that their property is subject to seizure by the City through tax foreclosure. Those letters were sent out at the beginning of November, and the first round of actual seizure notices went out to 200 delinquent property owners around the city just two weeks later. Since then, 21% of

those property owners have paid their taxes or entered into a payment plan with the City.

Even with this initial progress, we are bringing a compassionate approach to this effort, by working with those who are truly limited in their ability to make ends meet. The City has facilitated discussions among non-profit groups and government departments to create a network of supports enabling homeowners to avoid foreclosure due to tax delinquency. This network is striving to connect with tenants who have been paying rent, seniors who may not be taking advantage of the exemptions available to them, and other homeowners struggling to get by. To this end, the City of Syracuse has engaged the expertise of the partners you see here.

It is important to realize the City's improved ability to collect property taxes, gain a greater foothold in revitalizing our neighborhoods, and, in turn, experience greater fiscal strength is dependent on the success of the Land Bank. It is time for us to establish a long-term funding mechanism for the Land Bank, ensuring the financial sustainability required to meet these shared goals.

I want to thank the Land Bank board of directors: Chairman Vito Sciscioli, Daniel Barnaba, James Corbett, Dwight Hicks, and Mary Beth Primo. Thank you for your service to our community in this new and exciting endeavor.

While the Land Bank is a vital new tool for the City to improve the collection of delinquent property taxes and leverage better outcomes for neighborhoods, it is only effective in instances where property owners have not paid their taxes. Unfortunately, there are nearly 1,200 properties in the City of Syracuse that are not seizable due to tax delinquency, but have been left vacant and are detracting from the quality of our neighborhoods while the owners ignore citations from our Codes Division. We need new ways to pressure these property owners to maintain their properties to acceptable standards. So tonight I am announcing the introduction of legislation to create a Vacant Property Registry in the City of Syracuse. The goal of the Vacant Property Registry is to encourage property owners to get their property rehabilitated and occupied. This registry will require owners of vacant properties to register with the City annually, hire a local property manager, and put forth a plan to either rehab, stabilize, or demolish the property. The registry program will also institute a fee that escalates for each year the property is vacant. At least 10 other municipalities in New York State have adopted similar

ordinances, and they are becoming increasingly common nationally. This will be a valuable addition to our array of options to address vacant and neglected properties, and will complement the operations of the Land Bank.

As a City, we too are property owners. After several years of visiting City operations that stretch from Syracuse west to Skaneateles Lake and north to Hancock Airport, I asked one day exactly how many facilities and properties we own. Frankly, no single department knew the answer. That has to change if we are going to successfully manage costs in the challenging years ahead.

So this month I created the position of director of facilities management. Long-time codes director Mike Bova has begun an inventory of all City facilities, assessing their condition, and calculating their costs. Our initial estimate of City facilities is at 284.

As I discussed this with the County Executive, she informed me she has assigned her team to go down the same path and begin to develop a comprehensive Master Plan for all County facilities. So tonight I'm pleased to report that the city and county staff will now work together to conduct this assessment, with the obvious goal of driving down operating costs for city and county taxpayers. The City alone spends approximately \$20 million a year on utility costs and hundreds of thousands more each year for repairs. I want to thank Joanie and her team for partnering with us and we both look forward to sharing with you the results of our work.

As we discuss these sweeping citywide initiatives and the effect they are having on our city, I also want to highlight some of the exciting projects occurring in our neighborhoods.

One vacant property that we no longer have to worry about is the Otisca Building. A dangerous eyesore at the corner of Butternut and North McBride Streets, this building was a blight on the neighborhood and a danger to those nearby for decades. Through a partnership with Home Headquarters and St. Joseph's Hospital, we were finally able to tear down the Otisca Building in the early summer of 2012. Now, the site has been incorporated into a new plan from Housing Visions Unlimited, called Salina Crossing, creating a new mixed-use building with ground-floor office space with 20 units of quality affordable housing on the second and third floors.

The Babcock Shattuck House, also known as the old Jewish War Veterans Home,

is nearly ready for its own transformation. A partnership between the University Neighborhood Preservation Association and Home Headquarters is leading to the rehab of the building to create four new condominium units.

In the Valley, the Cedar Haus apartments, a vacant 30-unit dilapidated apartment complex, will have a new future as well. The City seized the tax delinquent property in October, and conveyed it to the Syracuse Urban Renewal Agency to hold while Christopher Community and Atonement Housing applied for New York State Low Income Housing Tax Credits. If successful, the apartment complex will be demolished to make way for a newly constructed 36-unit apartment complex owned and managed by Atonement Housing.

Saint Patrick's Lofts, LLC, a firm led by Gary Thurston, is renovating the former St. Patrick's School, located at North Lowell Avenue and Hamilton Street on Tipperary Hill. The company is converting the nearly 43,000 square-foot building into a mixed-use property, including 10,400 square-feet of commercial space and 22 market-rate apartments.

We completed the Onondaga Park Fire Barn renovation project. This is yet another project that neighborhood residents had begun to think would never come to fruition. After more than a decade of this initiative floundering, this beautiful building is now open once again and available as a resource to the community. I want to recognize the incredible efforts of countless community leaders, especially members of the Onondaga Park Association, and thank them for their work.

Similarly, the renovation project at the Elmwood Mill Building in Elmwood Park was completed in May of 2012. This historic structure now serves as a beautiful and historic community resource.

Next is the Eastwood Skate Plaza. This community initiative has been spearheaded by the Eastwood Neighborhood Association, and neighborhood volunteers of all ages. The group was awarded \$150,000 in New York State Parks funding. The project budget is now \$252,000 including a contribution from the Eastwood Neighborhood Association of \$13,000. The project is being designed and we anticipate construction during 2013.

The Libba Cotten monument project, which started back in 2006, was finally

completed in the fall of 2012. This monument is a tribute to the Grammy-winning folk musician who made Syracuse her home.

The Southwest Community Center recently underwent an expansion to better house the Syracuse Cooperative Federal Credit Union. This project brought banking services to the underserved Southwest neighborhood. The total project cost was \$150,000 with the costs being shared by the Credit Union and the City. The Credit Union opened for business this past November.

In 2012 Northside residents were faced with the closure of an anchor neighborhood grocery store. The closure of the Wegmans on Pond Street was of great concern to me, and bringing in a new grocer was a top priority for my administration. Our team was able to work with Tops Friendly Markets to reactivate this space, and provide a neighborhood grocery store to the Northside once again. Ready access to a full-service grocer like Tops is what makes our city a walkable, healthy and convenient place to live, and I am proud that we were able to work together as a community to turn a disappointing situation into such an important community victory.

Welcoming new grocers into the City of Syracuse seemed to be another theme of the last year. Price Rite constructed a brand new store on Erie Boulevard East.

At Valley Plaza we were successful in getting Tops to open a new store there as well, and were able to remove the old police trailer in that location.

On the Near Westside we have seen dramatic changes, including the arrival of WCNY, ProLiteracy, and renovations at the Skiddy Park playground. The Near Westside Initiative, the Westside Residents Coalition, and all their partners should be proud of this remarkable transformation.

In Eastwood the corner of Midler Avenue and James Street is coming back to life. After years of vacancy and neglect at the former bowling alley site and Steak and Sundae restaurant, new commercial uses, including a Kinney Drug Store, are rising as attractive new assets to this landmark business district.

We recently opened the Eastwood Satellite Police Office on James Street. The Eastwood community policing unit previously operated in a trailer in this area. By removing the old police trailer and opening this new office, we have created a stronger, more visible police presence in the area, and provided flexible space for community use.

Phase One of the Connective Corridor project is now complete, and the second phase of the project, through downtown Syracuse, will begin this year thanks to a \$10 million TIGER grant awarded from the US Department of Transportation.

A project that marked a shift toward neighborhood-scale economic success was the construction of the new Dunkin Donuts on North Salina Street. While typical development of such a store would likely have resulted in a one-story, big-box style building set back from the street, this project was a resounding success, reflecting urban design best practices. I constantly hear from citizens that when they travel to other cities, they see stores develop in ways that fit in with the surrounding neighborhood fabric. For years it seemed we told ourselves that those projects only got done that way in other cities. Through the efforts of our planning and business development teams, the City Planning Commission, and the efforts of the Greater North Salina Street Business Association and the Northside Urban Partnership, we were able to work with the developer, and now have a structure that is attractive and respectful of the historic character of the business district. This project is proof that good planning, public involvement and setting high standards for our community can lead to outcomes that promote a healthy business environment, while also protecting neighborhoods and their unique character.

In 2007, SUNY ESF Professor Emanuel Carter wrote that a succession of City administrations had managed the city without including the critical skills of planning expertise. He urged the inclusion of professional urban planners to make Syracuse a thriving city. “The use of these skill-sets in managing a city acknowledges that people live in cities not only to make a living, but also to be part of a viable, ever-changing, complex, meaningful and beautiful collective that is physically, socially, economically and aesthetically better than the sum of its parts.” I agreed with Professor Carter and we finally have a City planning office because sound long-term planning and decision-making are critical to fostering a healthy and vibrant city today as well as in the decades ahead. Or, as Professor Carter said, “good planning attracts private and public investment and protects investments made by the community, the developer and the homeowner.”

In late 2012 the Bureau of Planning & Sustainability, in partnership with other

City staff, community groups, local public and private sector institutions, and dozens of volunteer experts from the community, completed the City of Syracuse Comprehensive Plan: 2040. This Plan is a substantial revision to the Comprehensive Plan adopted in 2005, and adds significant policy detail to the Plan, including: Land Use & Development; Sustainability; Historic Preservation; Bicycle Infrastructure; and Public Art. This highly detailed plan stands as a new long-term policy roadmap for us to continue to be a leading 21st century city.

After decades and three failed attempts to draw viable development proposals for the Inner Harbor, I asked the New York State Thruway Authority to transfer the Inner Harbor land to the City to give us a chance to bring development proposals to this underutilized area. In early 2012, an independent committee selected COR Development's submission for a mixed-use neighborhood with office, residential, commercial and hotel development as the winning proposal.

We have already begun to see progress in the Inner Harbor area as site preparation is underway. Just last week, the board of Empire State Development approved the granting of \$3 million to do site cleanup. This is a crucial first step for advancing this \$350 million development project.

Embracing our waterfront property and setting high standards for development will lead to the Inner Harbor developing as one of the most exciting and dynamic urban spaces in our community.

Similar to our history with the Inner Harbor, after years of delays and program downsizing, I am excited and relieved to be in this room to demonstrate first-hand that our team was able to get the Schools Reconstruction project back on track. Phase I of the Joint Schools Construction Board program is nearly complete.

Renovations here at Dr. Weeks School, the Institute of Technology at Syracuse Central High School, and Fowler High School are substantially complete. Work at HW Smith School will be completed later this year.

Leadership over the last three years that focused like a laser beam on renovating and opening schools has led to beautiful new facilities, like the one we're in tonight. Our children deserve facilities like these and we are delivering them.

As Phase I draws to a close, I am pleased tonight to announce that tomorrow, Senator DeFrancisco and Assemblyman Magnarelli will be introducing new legislation to authorize JSCB Phase II. Senator Valesky and Assemblyman Roberts have graciously agreed to cosponsor this bill. This legislation, when authorized, will allow the City and the school district to fund a second phase of school renovations and improvements.

JSCB Phase II legislation will enable the City of Syracuse to issue bond anticipation notes that will allow the City, School District and JSCB to get an early start on the planning, design, and approval for Phase II projects.

This legislation is an important step in providing the children of the Syracuse City School District safe and productive learning environments – a core responsibility of each and every one of us.

As we focus on the character and quality of life in our neighborhoods, it is critical our number one priority continues to be public safety. Police Chief Frank Fowler has been a tireless guardian for our community. His steadfast commitment to the safety of our city is unmatched, and his work ethic, compassion and professionalism make me proud to call him my Chief. Thank you Chief Fowler for your unending dedication to our city.

In pursuit of justice, Chief Fowler has consistently taken innovative approaches to make our city safer. He has spearheaded a number of operations aimed at getting gang members and other criminals off our streets, including Operation Safe Surrender, Operation Rolling Thunder, and Operation Vigilance.

Chief Fowler has also led our surveillance camera initiative. In the spring of 2011 public safety cameras were installed on the Near Westside as part of the Police Department's COPS pilot project. In the first six months alone overall crime in the target area was down 25% when compared to the same time frame from the previous year. Incidents of shots fired in the target area were down 14%, loitering was down 45% and reported drug crime was down 57%. Soon, we will be rolling out a new phase in surveillance camera deployment, with additional camera locations in the Butternut Street corridor, Midland Avenue between Kennedy Street and Brighton Avenue, the Central Village area, South Avenue near Tallman Street, and South Geddes Street in the Skunk City area.

Last year, the Syracuse Police Department initiated the SWEEP Program, which identifies specific target areas and coordinates enforcement activities among various units. This new wave-system of deployment has the effect of maximizing the impact of police enforcement within the target areas, while also allowing different units to move across various city neighborhoods more efficiently. This will mean greater police coverage around the city, and police deployment that avoids operational overlap between units.

Two other new programs that have the potential to make a significant impact in the year ahead are called CODE and Truce. CODE – standing for Chronic Offender Domestic Enforcement – has been in operation over the last several months, and targets repeat offenders in domestic violence incidents. Truce, a program set to roll out later this year, is a partnership of the community, law enforcement, and service providers that is designed to reduce gun violence. This model is one of focused deterrence: additional enforcement efforts on the small number of offenders who are responsible for a disproportionate share of gun violence, particularly gang members.

The Police Department's data driven approach was vital late last year as the Crime Analysis Unit concentrated our police officers to catch a number of juveniles responsible for an alarming number of burglaries. Burglaries were up last year both in the city and the county. Chief Fowler's team is convinced that one reason is the easy access burglars now have to dump stolen computers and electronic devices like GPS units at the increasing number of Pawn Shops.

Last year we passed a city ordinance requiring pawn shops to keep more detailed records on who brings them merchandise. Syracuse Police check several times a week with shops inside the city. Regrettably, they watched as one pawn shop relocated their store in the city to a spot literally a few hundred yards outside the city border and outside the reporting requirement. I have spoken to County Executive Mahoney who had vetoed an earlier version of this legislation while encouraging the County Legislature to make changes to address shortcomings that were identified in a public hearing. I have also spoken with County Legislature Chairman Ryan McMahan and Minority-Leader Linda Ervin. They have agreed to work with the County Executive to close this loophole this

year, passing a law that will apply the reporting requirement to pawn shops throughout the entire county.

I have spoken frequently, since even before I took office as Mayor, about the unprecedented financial challenges our city is facing. These difficulties have been brewing for many years, and there is no question that navigating the fiscal crisis will get harder before it gets easier. This is not typical budget-season debate, and this is not political hyperbole. We are in the midst of fundamental, structural and unavoidable forces, which have been and will continue to demand staunch fiscal discipline. This discipline has been a trademark of my administration, and at times has meant that I may not win a popularity contest with everyone. But I am proud to announce to you tonight that because of this fiscal restraint, and through the hard work of our City departments, we are projecting an \$8 million surplus for the current budget year.

While this is certainly positive news, and a reflection of a lot of tough decisions, we must take a long-term look ahead. Governor Cuomo's spending plans project aid to municipalities will remain flat through the 2015-16 fiscal-year. State Aid and Incentives to Municipalities funding for Syracuse, at \$71.7 million is the City's second largest revenue source other than sales tax. Property taxes are subject to the 2% property tax cap so little increased revenue can be raised there in the near-term. Increases in sales tax are nice, but they are difficult to predict and won't lead us to complete fiscal solvency. The City balanced the 2012-13 budget with \$20.9 million in one-time-only State Spin-Up aid. We will not have access to this money again. All of this results in us beginning the 2013-14 budget cycle with a gap of \$20.9 million. Our \$8 million current-year budget surplus will go toward closing that gap.

This buys us a little time, but not much. We will continue to ask our institutional partners in the community to support us in our efforts to provide basic services to our citizens. Last year, Crouse Hospital became the second major non-profit institution to enter into a Service Agreement with the City of Syracuse. Crouse agreed to pay the city \$50,000 per year to help support the costs associated with City services including snowplowing, fire protection and other services traditionally paid for through local property taxes. Crouse Hospital now joins Syracuse University as a major non-profit

institution that has entered into a Service Agreement. These agreements not only help the City's bottom line, and therefore assist in providing quality public services to our community, they are also a statement of collective vision, partnership, and community good will. I again want to thank Syracuse University Chancellor Nancy Cantor and Crouse Hospital President and CEO Paul Kronenberg for their leadership.

Additionally, we must continue the progress we have already made in modernizing our government structure, and consolidating services. Already, County Executive Mahoney and I have merged our Purchase departments, co-located our economic development teams, and share the services of an arborist between the City and County. Joanie and I will continue to work together in 2013 to explore new ways to improve government efficiency and effectiveness, and save tax payers money through modernization.

In my first State of the City Address, on that cold night in 2010, I said we are all in this together, we must boldly face the future, and the imperative of collaboration has never been clearer. I said we could rise to the challenge, we could meet our potential, and with one voice – one vision – we could reach this brighter future.

This goal, this image, this Syracuse that we have been reaching inside ourselves to see; this Syracuse that we have been dreaming about and talking about for so long, is becoming real before our eyes. This is happening. And we're doing all of this together – the only way meaningful and lasting change happens anywhere. But this time it isn't just happening anywhere. It's happening here – in our city. Our Syracuse. Just think about what we have accomplished together. And just imagine what now, suddenly, seems possible. Think of what we might do next. I know I am.

Thank you all for being here with me this evening. Goodnight.