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"Transforming Metropolitan Governance in Syracuse: A Roadmap for Prosperity"

Presentation by Bruce Katz
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Thank you for invitation to speak today. It is a pleasure to return to Syracuse for the release of the Onondaga Citizens League's timely report on strategic government consolidation.

I commend the Citizens League for the effort and energy that went into the preparation of this report. This is an insightful analysis that deserves the full attention of leaders and citizens in this region and throughout the state. Indeed, it is one of the most thoughtful analyses of the issues surrounding government consolidation that I have seen anywhere in this country.

I believe that it is a particularly good time—in Syracuse, in upstate New York, in the entire Northeast and Midwest—to discuss and take action on the issues of metropolitan competitiveness, city revitalization, and governance reform.

These are challenging times in this broad region of the country.

> The restructuring of the American economy continues apace, leaving former industrial powerhouses from Syracuse to Milwaukee scrambling to adapt to the knowledge economy. Today many of these places have become "weak market cities" where jobs and incomes are growing more slowly than in the nation as a whole.
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> Major demographic changes in the region—aging, relatively anemic immigration, and the out-migration of the young—are presenting significant workforce and fiscal challenges.
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> Slow growth and rapid sprawl have hollowed out once grand central cities, leaving concentrated pockets of poverty and placing enormous fiscal stress on the urban core.
>
> Uncontrolled, unplanned, and wasteful growth patterns have squandered urban and natural assets alike and compelled the expenditure of scarce resources on new communities at the periphery of metro areas.
>
> With the advent of the exit-ramp economy, a new spatial geography of work has emerged that is leaving behind poor residents of central-city neighborhoods.

Metropolitan Policy Program

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The causes of today's challenges are many, as are the solutions. Yet there is no doubt in my mind that the balkanization of local government in this region of the country has both contributed to the region's ills and, more importantly, impeded the ability of metropolitan areas to adapt to changes in the economy and compete successfully in the global marketplace.

In short, challenging times turn out to be precisely the right time to tackle thorny issues of competitiveness, urban vitality, land use, infrastructure, and fragmented governance.

I want to make three major points today.

> **First, there is a fundamental disconnect between how we live and work in large portions of older America and how we govern**. That disconnect is very apparent in upstate New York where a tradition of home rule and localism continues amid broader patterns of population and employment decentralization.
>
> **Second, this disconnect has significant consequences**. The mismatch between governance and the economy undermines the competitiveness of places by raising the cost of doing business, exacerbating sprawling development trends, squandering urban assets, and deepening racial and class separation.
>
> **Third, the Citizens League report presents a solid starting point for regional discourse and action.** I believe that the core recommendations in favor of regional land use and economic development are sound, reasoned, and necessary, as is the report's strong commitment to a vital and vibrant city of Syracuse. I am, in particular, going to focus this portion of my remarks on how you might move toward implementation of these recommendations – which ones to tackle first, which ones to sequence later, and which ones will require engaging the state.

Let me start by defining the growing disconnect between local governance and the metropolitan nature of the economy.

Over the past decade, Brookings has tried to chronicle and capture the dynamic change occurring in our nation.

Our research shows that, first and foremost, metro areas are the places where America lives. Not only do eight out of ten people in the US now reside in the 300-plus federally defined metro areas, but these crucial places drive the economy. Together, these regions produce more than 85 percent of the nation's economic output and 84 percent of America's jobs. More and more, our metro areas are where the business of American life gets carried out.

Like many other metropolitan areas in the Northeast and Midwest, the Syracuse metro—the 76th largest in the nation—is struggling to transition from an older economy centered on manufacturing toward the new economy of knowledge, innovation, and entrepreneurship.

Our review of a series of economic and labor force indicators classifies the city of Syracuse as one of 59 “weak market cities” in the United States and the broader metropolis as a “weak market metro.”

As in other weak markets, the decentralization of economic and residential life, rather than the renewal of core cities and central downtowns, has been the dominant growth pattern for decades.

> During the 1990s, for example, the Syracuse metropolis lost 1.5 percent of its population. Onondaga County lost 2.3 percent of its population. The city of Syracuse lost over 10 percent of its population.
>
> Incredibly, growth did occur—mostly at the fringe of the metropolis. The towns of Lysander, Pompey, Onondaga, Tully, Otisco, and Fabius all grew faster than 10 percent during the 1990s.
>
> With unbalanced growth, residential density—the ratio of population to urbanized land—has declined precipitously in this region. Syracuse saw a 28.7 percent loss of density from 1982 to 1997. Among major upstate New York cities, only Utica had a greater loss. Buffalo, by contrast, lost only 15 percent, Rochester 14 percent.

As people go, so do jobs. That is a nice cliché because it is actually true.

> The suburbs now dominate employment growth. They are no longer just bedroom communities for workers commuting to traditional downtowns. Rather, they are strong employment centers serving a variety of functions in their regional economies. The American economy is rapidly becoming an exit-ramp economy with office, commercial, and retail facilities increasingly located along suburban freeways.
>
> A new spatial geography of work and opportunity has emerged in metro America. Across the largest 100 metro areas, on average, only 22 percent of people work within three miles of the central business district, while a third of all jobs are located more than 10 miles outside the center.
>
> Fortunately for Syracuse, employment in the metro remains fairly centralized, given the location of major employers like Syracuse University, SUNY-Upstate Medical Center, Crouse Hospital, and St. Joseph’s Health Center near the central business district.
>
> As of 1996, a robust 35 percent of the jobs in the metro were located within three miles of the central business district.
>
>> That compared well with Rochester (27 percent), Albany (23 percent), and Buffalo (20 percent).
>
> Yet newer employment is shifting outwards. Using 2001 data, my staff found that the share of concentrated employment had dropped to 33 percent. By contrast, the share of

jobs located more than 10 miles from the CBD has increased from 21.5 percent to 25.5 percent in only 5 years.

Nevertheless, employment remains highly concentrated in the Syracuse metro, and I will return to discussing how to leverage this enormous asset later.

But first I would like to focus on how the shifting patterns of population and jobs in America have created a "new metropolitan reality."

People live in one municipality, work in another, go to church or the doctor's office or the movies in yet another, and all these different places are somehow interdependent.

Newspaper city desks have been replaced by the staffs of metro sections.

Labor and housing markets are metropolitan wide.

Morning traffic reports describe pileups and traffic jams that stretch across a metropolitan area.

Opera companies and sports teams—or a DestiNY project—pull people from throughout a region.

Air or water pollution affects an entire region, because pollutants, carbon monoxide, and runoff recognize no city or suburban or county boundaries.

States and cities are being forced to spend millions to protect transportation hubs like ports and railways from terrorism.

The challenges in metropolitan America cut across many issues, disciplines, policies, and government departments.

Whereas markets—and more importantly, peoples' lives—operate in a metropolitan context, our government structures and programs clearly do not. They cling to boundaries more suited to an 18th century township than to a 21st century metropolis.

As the Citizens League report rightly points out, Syracuse has a long history of localism and home rule.

This county alone has 19 towns, 15 villages, one central city and one county – all for a place with less than half a million people.

This proliferation of local governments—most of which have separate land use planning and zoning responsibilities—only scratches the surface of the intense localism practiced in upstate New York in general and this metropolis in specific.

In addition, there are almost two dozen highway superintendents and 18 school superintendents.

Outside government, the tradition of localism is arguably even worse. Many nonprofit intermediaries, for example, remain highly neighborhood-oriented.

> Community development corporations generally focus on building housing within small neighborhoods.
>
> Community development finance institutions generally focus on lending within low-income neighborhoods.
>
> In short, few nonprofit organizations – including civic institutions – have sight of the big regional picture.

Thus, in neither public government nor the voluntary sector has governance changed in a way that accommodates the new metropolitan reality of the economy.

Now, there are clearly benefits to such intense localism – particularly in tying citizens closer to government. As the Citizens League's polls have revealed, most residents of the Syracuse metro believe that local government is worth the cost.

Yet the disconnect between how we live and how we govern has serious consequences for the longer sustainability of our metro areas, the engines of our national economy.

In the past, research focused on demonstrating that increased government costs result from fragmentation. This follows from the simple fact that political fragmentation often leads competing jurisdictions to duplicate infrastructure, staffing, and services that could otherwise be provided more cost effectively.

Yet newer research is showing two other, arguably more important, implications.

First, fragmentation keeps governments weak. With the landscape chopped into dozens of municipalities and villages, upstate New York's governments remain tiny, nearly amateur concerns unequal to the widening challenges of suburbanization, revitalization, and economic development.

Upstate New York's governance remains what David Rusk has called a "crazy quilt" of little box governments and limited horizons. In geographical terms, New York's "little boxes" ensure that, in almost every region, scores of archaic boundaries artificially divide regions that otherwise represent single and interrelated social, economic, and environmental communities. Such divisions will always complicate efforts to carry out cross-boundary visioning, cooperative planning, or coordinated decision making across large areas.

At the same time, "little boxes" bring limited horizons in more practical terms. With the vast majority of municipalities being essentially small towns, many if not most retain limited tax bases and struggle to provide even the most basic services. At the same time, many municipal governments find it difficult to recruit adequate numbers of citizens, let alone professionals, to serve on their thousands of legislative bodies, boards, and commissions.

Upstate New York's little boxes create a problem of scale in short. More and more, the geographical reach of Upstate New York's challenges exceeds the reach and capacity of its governmental machinery.

Secondly, fragmentation exacerbates sprawl and weakens cities. Research shows that increased fragmentation correlates with decreased shares of office space within central business districts, less centrality, longer commuting times, more edge cities, and more sprawl.

In this connection, fragmentation not only inhibits coordinated planning to manage growth, but also spawns a sprawl-inducing competition among the states' multiple jurisdictions for desirable commercial, industrial, and residential tax bases.

The confluence of fast sprawl and slow growth leads to weaker cities—right at the very time when cities have a special function to play in the economy.

That special role has evolved in part because large demographic forces—immigration, aging, delayed marriage, and childrearing—are changing patterns of consumption, settlement, and lifestyle. Demographic diversity is giving cities their best chance ever to compete for an array of households – and in particular for young people, who have grown up with TV shows like Seinfeld, Sex and the City, and Friends and now want to experience urban living for themselves.

Cities also have a special function today because an economy based on knowledge bestows new importance on institutions of knowledge – in particular, universities and medical research centers—many of which are located in the heart of central cities and urban communities. In Syracuse this is no different.

More generally, the shift to an economy based on ideas and innovation changes the value and function of density.

> We now know that employment density and efficient transport systems contribute to labor productivity.
>
> Residential and employment density also enhance innovation. This happens partly by creating a "quality of place" that attracts knowledge workers and partly by enabling interactions and knowledge sharing among workers and firms both within and across industries.

In short, the physical layout and assets of most American cities—mixed-use downtowns, pedestrian-friendly neighborhoods, historic districts and buildings, grand parks, downtowns adjoining rivers and lakes—are uniquely aligned with the preference expressed within the innovative economy for density and amenities. Cities like Syracuse have much of what today's economy demands.

The evidence shows that the urban form is not only competitively wise, but also fiscally sound.

> We have known for decades that compact development is more cost efficient—both because it lowers the cost of delivering essential government services (police, fire, emergency medical, school transportation) and because it removes the demand for costly new infrastructure.
>
> The fiscal benefits of density matter immensely in this state because of the huge infrastructure demands that you have and the transportation finance crisis that you face. New York State simply cannot afford to expand highway and transit capacity, maintain the existing surface transportation system, and reconstruct or demolish obsolete infrastructure.

Thus, metropolitan fragmentation undermines the ability of metropolitan areas to adapt to economic change, and the implication is troubling: Upstate New York's fractured regions compete for growth and jobs at a deficit.

Where Syracuse Goes From Here

After decades of mostly academic research and debate, there is a rebirth in interest in metropolitan governance, both in changing formal structures of government and in changing the allocation of powers across government.

The rebirth of interest has been prompted, in part, by federal action. The federal government has begun to recognize that issues that cross jurisdictional borders—transportation, air and water quality, workforce—need cross-jurisdictional solutions and entities that bring together representatives from all parts of the region to design and implement such solutions. As just one example, the federal government devolved greater responsibility for transportation decision making to metropolitan entities in the so-called ISTEA and TEA-21 laws. I call this federal activity "functional regionalism" because it alters the allocation of powers across different levels of government.

At the local level, American metro areas are experimenting with new forms of formal and informal regionalism. One example of formal regionalism is city-county consolidation—an example of which is Louisville, which merged with Jefferson County, Kentucky in 2003. Overnight, Louisville catapulted from being the 64th largest city in the United States to the 16th. More importantly, the new regional mayor, Jerry Abramson, has taken giant steps to consolidate duplicative city and county services, and the corporate community is using the consolidation to market Louisville as an affordable and efficient place to do business.

Other metros have not gone as far as consolidation, but have instead set up more informal mechanisms to enable central-city mayors, county executives, and other elected leaders to discuss and act on issues of regional significance. Chicago and Denver both have active and very successful local councils of government which convene to talk about critical issues.

What sets these efforts at metropolitan government apart from earlier efforts is that they often position regional reform not as an end in itself, but as a vehicle towards smart growth and regional prosperity.

Transportation reform is not just about consolidation – it's about being able to support a broad range of transportation alternatives including rail, bus transit, bike paths, and roads.

City-county consolidation is not just about moving around little boxes of government and saving money; it's about unleashing the economic energies of core urban areas and channeling newer development toward the areas that need it most.

That brings me to the Citizens League's report on strategic government consolidation, which I believe is truly excellent. This report is rich in content; it is grounded in the theoretical and practical research; it is dead on in its connection of the governance question with issues of economic competitiveness. The major recommendations proposed by the report—regional land use, regional economic development, a cessation of intra-metro competition, city revitalization, regional tax sharing—are proven and desirable economically, fiscally, environmentally, and socially.

The issue I want to address, then, is not *whether* you move the ball on these proposals, but rather *how*.

I believe keeping a realistic and pragmatic point of view is preferable to tilting at windmills. My own overriding focus is on *functional* regionalism—that is, again, focusing on which level of government should perform which functions—rather than on formal consolidations of city, town, or county governments.

I have five key points to offer you today.

First, in the near term – that is, over the next 2 to 3 years – you should focus on advancing those recommendations in the report that most directly influence the economic health of the region given your unique and distinctive assets.

One of those recommendations, of course, is "facilitating the development of the City of Syracuse as a safe and diverse center for education, commerce, tourism, residential living, culture, and the arts."

As an outsider, three things about Syracuse leap out at me:

1) The dominance of education and medical services in your economy;
2) The concentration of these sectors near downtown; and
3) The early momentum in the downtown residential market.

Your goal over the next several years should be to mobilize the corporate, civic, and political leadership around concrete, achievable goals that build on your assets.

For example, you should tear down the I-81 segment that divides Syracuse University and the medical centers from the central business district. It is an obsolete, anachronistic, and unnecessary highway, and it eventually will come down anyway – why not now? Demolishing the highway and replacing it with a boulevard would not just open up a connective corridor to downtown. It would also send a strong signal that Syracuse is serious about competing in the 21st century economy, and that its leaders and citizens alike have the will, energy, and vision to re-invent the physical infrastructure of their community in a way that leverages its core assets.

Another near-term goal would be to have at least 1 percent of your metro-area population live downtown—that's only 6,500 people. With the growing momentum in the residential market, this 1% goal should be readily achievable. Several thousand people live downtown already, and thousands more commute into downtown and surrounding areas every day, suggesting a large potential market for new or rehabilitated housing. When this goal is realized, its effects will be powerful.

Syracuse also has some incredible historic buildings and churches downtown—assets that make most cities in the U.S. green with envy. Too many of these buildings are sitting dormant and unoccupied. These buildings should be restored and returned to productive use.

Yet another near-term objective might be remaking the Onondaga Creek into a viable recreational waterway with trails and bike paths, just as countless old industrial cities in Europe have done to great effect. This waterway has the potential to become a signature asset of the community.

To achieve these goals, you will obviously need the participation of multiple parts of city and county government. You will also need the buy-in of your metropolitan planning organization, the Syracuse Metropolitan Transportation Council. Furthermore, you will need the state to assist with making smart transport decisions, with new tools to stimulate production of middle-class housing, and with funding to catalyze economic and downtown redevelopment.

My second recommendation is to build the capacity of existing regional institutions in order to build their voices over the long term.

I think four regional institutions deserve special consideration.

First, I have already mentioned your metropolitan planning organization, the SMTC. This organization plays a critical role in transportation planning and, by extension, urban place making.

In other parts of the country, MPOs do even more.

> In metropolitan areas like Philadelphia and Kansas City, MPOs have begun to take on an important strategic planning role for the entire region.
>
> In places like Denver and Seattle, the MPOs are organizational vehicles through which transportation planning is linked to land use, housing, and economic development.

> In other places, MPOs have actually become a form of regional government. Portland's "Metro" is an elected government that manages transportation planning, administers regional services and parks, and protects the area's Urban Growth Boundary through land use planning and regulation. In the Twin Cities, the Metropolitan Council not only does transportation planning, but also runs the regional bus and light rail system, collects and treats wastewater, plans regional parks, and facilitates local tax-base sharing.

Second, Leadership Greater Syracuse represents an excellent forum for promoting regional thinking. This local non-profit organization trains a cross-section of representatives from the business, education, nonprofit, and government sectors to become leaders in the community. Right now the leadership curriculum includes several days to learn about the importance of healthy schools, ethical government, and continued economic development. Why not discuss these issues from an explicitly regional perspective? Indeed, many metros throughout the U.S. have created regional leadership institutes, including Atlanta, Charlotte, Kansas City, and St. Louis. Here in Central New York, Leadership Greater Syracuse could be harnessed to develop a new generation of regional stewards who cross the boundaries between the public, private, and nonprofit sectors.

Third, the metropolis needs a strong and resilient council of governments. As the Citizens' League report quite rightly concluded, formal consolidation is a difficult ideal to achieve. However, much can be done short of formal consolidation to coordinate and collaborate across boundaries. A council of governments would allow representatives to meet on a regular basis to discuss and seek agreement on various issues related to planning and development.

The importance of such discussions for building trust, confidence, and regional spirit cannot be overemphasized, because informal collaboration leads to formal results. For example, even where a regional or county-wide land use plan currently exists, as one does in Syracuse, individual municipalities currently have the power to follow it or to ignore it. However, they will be much more likely to follow it if the leaders of those municipalities themselves understand and support the plan.

Finally, there is a need to build stronger ties between business and civic organizations at the regional level. The Syracuse metro has many active groups—the Onondaga Citizens' League, Syracuse 20/20, the Metropolitan Development Association, the Greater Syracuse Chamber of Commerce, and the Manufacturers Association, among others. This proliferation of groups is not atypical, nor is it undesirable. In fact, it reflects a longstanding culture of civic involvement and public-spiritedness in this community.

However, better coordination among these groups is desirable, not only to improve Syracuse's sense of regional identity or attract new businesses but to collaborate in ways that bring in state and federal money. In Rochester and the Finger Lakes region, business and civic organizations partnered together to assemble a regional grant proposal that eventually won $15 million in WIRED workforce development funding from the U.S. Department of Labor.

My third recommendation is to advance land use reform in the region incrementally and iteratively.

In my view, the end game laid out in this report—regional land use visions that either inform or drive local land use decisions—is the right one. As you all know, however, land use is one of the most highly prized and highly protected powers that local governments have. So, how does a region practically move beyond intense local land use control?

Several innovations in the country could provide a roadmap towards changing local land use practices in ways that support and enhance regional prosperity.

For example, the older suburbs in Southeastern Michigan are pioneering the notion of redevelopment readiness—trying to make redevelopment simple and profitable for private developers to achieve through a streamlining of rules, guidelines, and practices. This helps to level the playing field between redevelopment in older communities and greenfield development at the periphery.

Other counties have used carrots to entice localities to grow smartly. Westchester County uses its open space funding to incentivize better planning, while in Maryland, Montgomery County uses transfer of development rights to reward good actors.

A number of counties are beginning to focus on aligning their local land use plans along key transportation corridors—whether its mid-coast Maine along U.S. Route 1 or Arlington, VA and its high density development along the mass transit line.

Ultimately, the region wants to evolve to a point where some entity—the MPO, the city/county planning body—endorses local plans as consistent with regional land use visions. In this regard, the region can look to states like New Jersey which have—for several decades—tried to encourage communities to make land use decisions in accordance with a broader state plan. Currently, New Jersey has a voluntary process in place through which the state reviews local land use plans for consistency. The Denver model—where local leaders have signed a "Mile High Compact" as a formal statement of their commitment to observe their regional land use plan—is also informative.

My fourth recommendation is that the Syracuse metro explore building a network of institutions that not only think regionally, but also act in a regional context.

What institutions am I talking about?

For a start, labor market intermediaries (such as those in Milwaukee and Chicago) that act as bridges between workers and jobs. That means identifying available employers and workers; tailoring training efforts to the needs of employers; and working with local government and others on alternative transportation strategies and necessary work supports like childcare.

In addition, how about regional housing corporations to produce affordable and workforce housing where it is currently unavailable? Too much affordable housing in this country has been jammed into neighborhoods of distress and poverty. The Bridge Housing Corporation in California has been a leader in creating affordable housing near fast-growing employment centers and acting as a source of regional intelligence on the housing market. Institutions like these can help to break the chain of concentrated poverty by helping to locate affordable housing near jobs and opportunities for advancement.

We need, in short, to grow regional intermediaries that are nimble and entrepreneurial and cognizant of market trends, neighborhood potential, and family needs and capabilities. Such institutions, if "built-to-last," ultimately have the best shot to be catalysts for metropolitan change.

Now my final point: As Syracuse struggles with its economic future, the role of the State of New York as an essential partner comes fully into view.

We simply cannot overestimate the role that states play in metropolitan growth and development. The choices they make on economic policy, regulatory and administrative decisions, and tax and spending programs all send strong signals to consumers and the market about what and where to build.

Five state roles deserve particular consideration.

> First, states set the geography of governance. They decide how many units of general purpose local government there are and then decide whether the boundaries of these local governments are fixed or subject to change through annexation—whether they are, in the words of David Rusk, "little box" or "big box."
>
> Second, states set the powers of local governance. They decide what powers to delegate to municipal governments and establish the parameters for how those responsibilities are exercised. They also decide which level of government wields such powers, be it local municipalities, counties, or even regional entities.
>
> Third, states establish the fiscal playing field for municipalities and school districts. They also determine the extent to which the state levels the playing field between rich and poor jurisdictions through general or specific tax sharing efforts.
>
> Fourth, states help design the skeleton of regions through their investments in physical infrastructure, affordable housing, main streets, downtowns, public parks, and green space.
>
> Finally, states help shape the quality of the economic growth that occurs in metropolitan areas through their investments in K-12 education, higher education, and workforce development.

In almost all states throughout the country, the intersection of these disparate powers and policies has created what I call the "rules of the development game."

The result of these policies is to create a dynamic in which every community in the state aims to out-compete its neighbors for growth that brings economic and fiscal benefits—high-end residential, high-end retail, and high-end commercial—while shunning growth that is undesirable.

Almost everywhere, the rules of the competition are stacked in favor of new communities.

> Want to attract a new mall or government facility? The state will generously pay for new infrastructure and roads.
>
> Want to grow your fiscal base? The state will allow newer communities to benefit exclusively from residential and job growth—and garner 100 percent of the tax revenues—without taking any responsibility for the impact of growth on regional traffic patterns or the environment.
>
> Want to avoid serving low-income families? The state will allow newer places to zone out affordable housing for low-wage workers, let alone shelters for the homeless and the most vulnerable in our society.

Together, these rules favor the creation of new communities over the redevelopment of older ones, promote and even subsidize greenfield development rather than brownfield remediation, and consign low-wage workers and minorities to the "wrong" side of regions.

The good news is that these policies are not inevitable or somehow divinely inspired. They are the product of political systems and political compromises and political tradeoffs. Politics, in a word, determines policies, and policies shape markets and growth patterns and family opportunities.

My contention is that, throughout the country, sprawl and economic and social change has left in its wake the potential for broad majoritarian coalitions that can reset policies to fit a new era and achieve a new set of objectives.

Let me give you a hopeful lesson from the research that Brookings has done in Pennsylvania, a state similar to New York but with even more "little box" governments, 2,566 to be exact.

Over the past several years, we have witnessed the slow, gradual evolution of a vibrant political coalition in Pennsylvania that is leading a discussion about city revitalization, balanced growth, and state competitiveness.

The confluence of powerful ideas, a progressive governor (Ed Rendell, the former mayor of Philadelphia), and a vocal network of advocates is already reforming policies:

> The state is embracing "fix-it-first" policies in transportation—that is, ceasing its sprawl-inducing road projects at the fringe in order to fund infrastructure repair in the metropolitan core.

The state has resuscitated its State Planning Board to bring coherence to the actions of dozens of state agencies.

The state has revitalized an Interagency Land Use Team to better focus the state's actions and investments.

The governor recommended—and voters approved—a $650 million bond issue for spending on both environmental protection and urban revitalization, illustrating the potential for common ground between old and new communities.

The executive branch has created Community Action Teams to pull together all state programs and agencies in the service of downtown revitalization.

The governor is pursuing bold new reforms to prepare the Pennsylvania workforce for a radically different economic era.

All of these reforms apply to New York. I believe the next governor of New York *can* do these things, and that he *must* do these things. Indeed, New York should go even further.

First, I believe the next governor of New York must overhaul the state Department of Transportation. Because the New York DOT oversees the largest share of federal transportation resources, it is critical that statewide transportation policies and practices strengthen metropolitan economies and respond adequately to metropolitan transportation challenges. In Pennsylvania, the State DOT has become a leader in helping metropolitan rethink the nexus between transportation, land use, housing and economic development. The New York DOT should aspire to that role and, specifically, be supportive of the economy shaping and place making potential of decommissioning freeways, like the I-81 segment.

Second, New York could use the power of the purse to promote regional collaboration on issues that clearly have multi-jurisdictional impacts.

The state could, for example, use resources to improve the collection and dissemination of data and information at the regional level as well as expand the development and implementation of regional plans.

The state could also require communities to develop integrated regional plans as a condition of receiving funding in program areas like transportation, infrastructure, land acquisition and workforce development.

Finally, the state could set up a "government innovation fund" that encourages functional and formal regional initiatives, including consolidation.

Conclusion

I believe that this state can grow differently.

> I believe you can create competitive cities and suburbs that nurture strong, resilient, adaptive economies.
>
> I believe you can develop sustainable cities and suburbs that promote accessible transport, residential and employment density, and energy efficiency.
>
> I believe you can build inclusive cities and suburbs that grow, attract, and retain the middle class and give all individuals—irrespective of race, ethnicity, or class—access to quality jobs and good schools.
>
> I believe you can fashion livable cities and suburbs that promote and preserve quality neighborhood design, abundant open spaces, irreplaceable environmental treasures, and distinctive public spaces as a foundation of competitiveness, sustainability, and inclusivity.

But this vision will not just happen.

You will need a new network of political, corporate and civic leaders who are more engaged and receptive to risk-taking—within regions and in the state Capitol. I believe, in particular, that the governor's election this year opens up new opportunities for change in Albany. In this regard, the metropolitan discourse that you and others have started can help inform and guide the next governor as he wrestles with the enormous economic challenges facing Syracuse and Upstate.

You will also need an intense focus on coalition building—both within and across regions. The new coalitions must include the kind of metro-level collaborative initiatives I talked about earlier: local councils of government, regional business-civic partnerships, and stronger MPOs. In addition, I think there is an enormous opportunity for Syracuse and other Upstate metros to build a network of reformers who can march to Albany and present a united front on common issues of growth, prosperity and governance.

The bottom line is that you will need to fight for reform with focus and discipline and, most importantly, as part of new majoritarian political coalitions that demand supportive state policies and regional-level change.

Thank you very much, and good luck.