

A. CenterState CEO – Comprehensive Regional Economic Development Plan Update (W392)

October 20, 2011

- Grantee:** CenterState Corporation for Economic Opportunity (“CenterState CEO”)
- ESD Investment:** A grant of up to \$71,000 to be used for costs associated with the update of the Central Upstate New York Comprehensive Regional Economic Development Plan (the “Plan”).
- Project Location:** 572 South Salina Street, Syracuse, Onondaga County
- Project Completion:** September 30, 2012
- Grantee Contact:** Robert M. Simpson, President & CEO
572 South Salina Street
Syracuse, NY 13202
Phone: 315-422-8284 Fax: 315-471-4503
- Project Team:** Project Management Jessica Hughes
Affirmative Action Helen Daniels
Environmental Soo Kang
- Regional Council:** The Central New York Regional Council has been made aware of this item.

Project Description:

Background

The Metropolitan Development Association of Syracuse and Central New York, Inc. (“MDA”), established in 1959, is a private, not-for-profit corporation representing the business leadership of the Central Upstate New York region (the “Region”). It carries out a number of functions and activities as determined by its board of directors, including economic development, downtown and neighborhood redevelopment, regional strategic planning, and real estate management. Working with two national consulting firms, Battelle Memorial Institute (“Battelle”) in Cleveland, Ohio and Catalytix, Inc. in Pittsburgh, Pennsylvania, in 2003, the MDA developed a comprehensive strategy for the twelve-county Region. This strategy, the Essential New York Initiative (the “Initiative”), has provided the framework for all of the organization’s work.

In 2010, members of the MDA and the Greater Syracuse Chamber of Commerce voted to introduce a formal partnership between the two organizations, and formed the CenterState Corporation for Economic Opportunity to serve as the primary economic, community and business development catalyst in the Region. With more than 2,000 members, CenterState CEO works with not only its member companies, but also non-member firms in the Region, universities and colleges, and public sector planning and development entities.

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Since 2003, the ESD Directors have approved over \$5 million in legislative-sponsored grants to help the MDA/CenterState CEO with projects and programs that support the Initiative. Most recently, this includes:

- \$2 million for the capitalization and implementation of the Grants for Growth Program, which helps seed meaningful applied research projects between universities and industry that have the potential to create jobs and develop or commercialize new technology. Thirty-one awards have been announced totaling approximately \$1,627,260, of which \$773,031 has been disbursed;
- \$600,000 for costs associated with the implementation of a regional business development effort focused on the environmental and energy systems industry sectors, of which \$104,074 has been disbursed;
- \$301,000 to further implement the Creative Core branding initiative which was designed to establish a recognizable identity for the Region, centered on the theme of creativity, innovation and lifestyle, of which \$145,462 has been disbursed;
- \$600,000 for programs and projects in the Cluster Development and Talent core strategies of the Initiative, such as Project ION, which has provided over 2,000 opportunities for college students to experience a paid internship with a regional business, of which \$143,265 has been disbursed; and
- \$71,000 to increase regional branding to attract and retain college students, young professionals and second generation baby boomers to the Region. This project is underway with no funds disbursed to-date.

In addition, the Directors approved a \$45,000 grant to the MDA to be used for Web site maintenance, portal content development and direct marketing costs to support the Creative Core Web portal. This project is complete and funds fully disbursed.

The Project

Grant funds will be used to support CenterState CEO's work with the Brookings Institution ("Brookings"), a non-profit public policy organization based in Washington, D.C. which conducts research and education in the social sciences, economics, metropolitan policy, governance, foreign policy, and global economy and development. Because CenterState CEO has gained a reputation as a national leader in innovative regional economic development strategies, and through national gatherings and forums its staff have attended and spoken at, and the work it has published, connections with Brookings have grown in recent years. As a result, CenterState CEO chose to work with Brookings in developing both a Metropolitan Business Plan ("MBP") and a Metropolitan Export Initiative ("MEI"). These projects are designed to strengthen the regional economy by focusing on

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the growth and competitiveness of the Region’s metropolitan areas. This work will serve to update earlier regional economic strategy efforts of CenterState CEO, including the Essential New York Initiative and Vision 2010, prepared by Battelle and Catalytix. Using these prior planning efforts as a foundation for moving forward, CenterState CEO and Brookings will proceed to prepare an updated comprehensive regional plan for Central Upstate New York built around the MBP and MEI elements.

The objectives of the project are to produce a detailed feasibility study based on the Region’s current market position and a complete implementation plan designed to support metro growth, to highlight the Region’s best growth opportunities. Another goal will be to develop a prospectus to engage federal, state and regional agencies, policy makers and other investors in identifying and securing resources to implement tactical development of the Plan. The project is consistent with the goals of the Regional Economic Development Councils (“REDC”), launched by Governor Cuomo in July 2011. The plans that are judged strongest will receive a funding allocation for their key projects. In addition, future applications for state funding and tax exemptions will be evaluated for their consistency with the regional plans. In order to accomplish the project’s goals and objectives, CenterState CEO and Brookings will assemble a team of partners throughout the Region to conduct a comprehensive regional economic market analysis, develop strategies and goals based on research, expertise, and local knowledge, and create tactical plans for each strategy and a supporting public policy agenda. They will also identify partner roles and responsibilities, create operational and financial plans, including an investment prospectus, and establish and track performance monitoring metrics. The project is scheduled for completion in September 2012 and would not be able to go forward without the requested financial assistance from ESD.

Upon completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.

Financing Uses	Amount	Financing Sources	Amount	Percent
Consultants	\$40,000	ESD Grant	\$71,000	100%
CenterState CEO Salaries and Benefits	31,000			
Total Project Costs	\$71,000	Total Project Financing	\$71,000	100%

Statutory Basis – Local Assistance:

The project was authorized in the 2008-2009 New York State budget and reappropriated in the 2011-2012 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

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Disclosure and Accountability Certifications:

The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee's certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.