



OFFICE OF THE MAYOR

MAYOR BEN WALSH

February 9, 2022

Hon. Helene E. Weinstein, Chair
Assembly Ways and Means Committee
Hon. Liz Krueger, Chair
Senate Finance Committee

Good Afternoon,

Thank you, Chair Weinstein, Chair Krueger and the members of the Legislative Fiscal Committees, for inviting me to these joint hearings to discuss the State Budget. I am grateful to the Legislature for its support of Syracuse through profoundly challenging times in the history of New York State. The members of this Legislature have staunchly stood by our city and its residents. I am particularly appreciative of the members of our local delegation, Senator Rachel May, Senator John Mannion, Assemblyman Bill Magnarelli, Assemblywoman Pam Hunter, and Assemblyman Al Stirpe.

From a fiscal standpoint, the events that have unfolded over the past year have been both surprising and fortunate. When I last met with you, the prospects of federal pandemic relief to state and local governments were uncertain, at best. The projections for the impact of COVID-19 on sales tax receipts were still bleak. And because of those conditions, ominous questions lingered over the reimbursement of withheld AIM and the possibility of AIM cuts going forward.

For Syracuse, the outcome has been positive on each of these fronts. The American Rescue Plan Act (ARPA) delivered vitally important funding to our City and the State, enabling us to restore services and invest in our recovery from the pandemic. Sales tax revenue rebounded and far exceeded anyone's expectations. With those developments, the State reimbursed the AIM withholding to cities and this Legislature maintained AIM aid at the current levels.

Fiscal Crisis Averted

At the early stages of pandemic-fueled financial uncertainty, my administration and Common Council acted. We made hard cuts in city services, implemented furloughs for city employees and reduced spending by more than 15%. Because of those decisions and the arrival of federal relief, the restoration of AIM and the improvements in sales tax, we averted a fiscal crisis.

We are implementing a comprehensive ARPA Recovery Strategy that invests, first and foremost, in programs to support children, families and neighborhoods. The plan we are following is also committing funds to transform infrastructure and public spaces; invest in

Office of the Mayor
233 E. Washington St.
201 City Hall
Syracuse, N.Y. 13202

Office 315 448 8005
Fax 315 448 8067

www.syr.gov.net

GROWTH. DIVERSITY. OPPORTUNITY FOR ALL.

jobs and economic opportunity; and enhance government response and resilience.

Instead of facing a massive budget deficit, we achieved a surplus in our last fiscal year. Our fund balance is now again at a level that is responsible for a city our size.

This story may sound familiar, because State Government faced a similar predicament and, fortunately, also experienced a positive turn of events. What we also have in common is that we'll soon find ourselves in a similarly precarious position if we do not address the underlying fiscal challenges still confronting us.

Structural Deficit Persists

Despite our positive near-term financial position, the fundamental structural deficit facing Syracuse still exists. While we've started to generate revenue growth and made major progress in improving the efficiency of city government, COVID-19 slowed our path to fiscal sustainability. The City still doesn't generate enough income to cover our expenses.

So without determined fiscal discipline, continued economic growth and the increased support of state government, Syracuse will be back in a state of crisis within a few years. I am heartened, though, by our recent record of financial decision-making, growth and state partnership. We will become a fiscally sustainable city government, but it's going to take a little longer. We're going to need your continued support.

Syracuse is Resilient and Ready

In my annual State of the City address a few weeks ago, I reported that Syracuse is resilient and ready. Resilient due to our collective commitment during the pandemic to keep each other healthy and safe, and ready with the momentum and capacity to reach higher for greater progress and opportunity for all.

Today, I ask for New York State's assistance on the road ahead for Syracuse in critical areas that will lift up the people we serve and our city government: violence interruption, housing, transportation, infrastructure and city finances.

Violence Interruption

First, Syracuse, like other cities in the state, has suffered from an increase in violence. The lack of opportunity, addiction, and trauma exacerbated by the pandemic drive too many people to dangerous and violent acts.

Violent crime here was up 3% last year. Sadly, that means Syracuse actually performed better on violent crime and gun violence than many parts of New York and the nation. All categories of shooting incidents were down at least 10%. Homicides declined 6% over the prior year, and we recovered more than 231 firearms. But that offers little comfort to families living in fear or mired in the misery of loss.

To push back on violent crime and improve neighborhood safety, we are soon starting our fifth police academy class since I became mayor. We're also investing in anti-crime technologies like more neighborhood street cameras and gunshot detection systems. Syracuse needs more help, though, with solutions that go after the root causes of violent crime.

Our Legislative and Funding Priorities agenda for this year seeks funding for more street-level violence interrupters through the Department of Criminal Justice Services; more trauma response to hospitals to help victims of gun violence break free from cycles of crime; additional funds to expand teen outreach through our new and very successful Syracuse Police Athletic League; and resources to successfully launch our new Police Junior Cadet program to give training and employment to recent high school grads who want to be police officers but are too young for the academy. I am proud to report that we are also launching Syracuse's first Mayor's Office to Reduce Gun Violence. We will model the office after other successful programs and are hiring for a director right now. I urge the Legislature to commit state resources to these and other violence intervention efforts.

Housing

The pandemic revealed massive frailties in housing in Syracuse and across the state. We are taking comprehensive actions to hold property owners accountable for ensuring safe and healthy living conditions for tenants. We are pursuing the most extensive efforts to build quality new housing in many decades in Syracuse. Our Resurgent Neighborhoods Initiative will build 200 new affordable single and two-family homes all across the city. 17 of the first 50 single-family owner-occupied homes are completed or underway, and we will build another 75 two-family homes. These affordable houses are being built at "scattered sites" all over the city. Instead of watching vacant lots or dilapidated empty homes drag down a street, we're building new houses to lift whole neighborhoods. I am proposing a major infusion of ARPA dollars to build more units quickly.

We are also advancing a large neighborhood and housing revitalization in a section of Syracuse's south side adjacent to the Interstate 81 viaduct. This massive effort will address a 27-block, 118 square-acre area that includes more than 1,000 units of public housing. Known as the "Old 15th Ward," the neighborhood and its residents have been badly impacted by the 81 highway bisecting their community.

The plan, known as Reconnecting the New 15th Ward, focuses on redeveloping the aging public housing properties with energy efficient, quality new public housing and mixed-income units. The \$800 million project is attracting public and private investment from institutions and businesses across Syracuse and includes a push for a HUD neighborhood grants program that would realize up to \$300 million in public and private investment and direct federal assistance. The State's Department of Housing and Community Renewal is an engaged partner in this effort and has committed its support. We applaud Governor Hochul's commitment to invest in housing and urge the Legislature to fully-fund state programs for quality affordable housing.

Transportation

Regarding transportation, the Governor's Executive Budget includes significant funding to begin construction on the Interstate 81 viaduct project. The state and federal environmental review process is continuing, and we anticipate work will begin this year on the preferred alternative, the Community Grid. It will remove the aging viaduct that has scarred the center of our city. The Interstate 481 bypass around the city will become the new Interstate 81 for highway traffic coming through Syracuse. The center of the City will be served by a new Business Loop 81 at street level that will connect to the network of city streets to distribute local traffic more effectively and efficiently. We are working closely with community stakeholders and the New York State Department of Transportation to ensure we create a more walkable, bikeable and accessible city and unlock the economic and community development potential for this transformative project.

We are also working with DOT, the Federal Highway Administration and community partners to capitalize on the local workforce opportunities this project will create, especially for women, veterans and people of color. Syracuse has submitted one of the first applications in the nation for the federal SEP 14 local hiring initiative. Our proposal includes hiring preferences for city residents, especially those in areas that struggle in poverty and have been historically left behind. Syracuse has welcomed additional investment through the Department of Labor for workforce development, and I urge the Legislature to ensure more funding is allocated so that we use this project and others like it to transform not just transportation but people's lives.

Infrastructure

Syracuse also needs strong State support to improve our road infrastructure citywide. Last summer, we reconstructed more than 30 miles of city streets, compared to about four miles the year before I took office. We are using a more effective, data-driven approach to prioritize streets for reconstruction and more effectively deploying the state and federal aid we receive. The State Touring Routes funding, which is included in the Executive Budget again in FY 2023, played a critical role in increasing our progress. I urge the Legislature to continue this program in this budget year.

In addition to investing in our roads, we are working with the Central New York Regional Transportation Authority to improve public transportation. This is an essential priority for the people of Syracuse. Last year, I visited Albany to see firsthand the success of the CDTA's Bus Rapid Transit system. We need BRT in Syracuse and have a study from our metropolitan transportation council to move forward. We are working with our transportation authority to pursue every federal and state option available for BRT funding. I am aware my fellow upstate cities are also seeking additional state investment in public transportation. It is my hope that the upcoming state budget will include substantial increases in both capital operating assistance that will help BRT become a reality in Syracuse. It will be a multi-year path, and we are determined to make it happen.

Like other communities across the state and nation, Syracuse's water infrastructure also requires significant and sustained investment. Since my first appearance at a state budget hearing, I have had the extension of the drinking water intake pipe in Skaneateles Lake, the source of unfiltered water to the City of Syracuse and multiple other communities, on my priority list. Using ARPA funds to pay

nearly a quarter of the total cost, we will move to the design and planning phase for this critical project, which will help us avoid the need to build a several hundred million dollar water filtration plant. We continue to need state assistance to fund the remaining three-quarters of this safe drinking water project.

Fiscal Sustainability

As I noted earlier, reaching fiscal sustainability is achievable for the City of Syracuse. We will continue to become more efficient and generate more growth in our city. We also need additional revenue. One new source is the retail sale of adult-use cannabis in New York State. I urge the Legislature to ensure that large cities in New York State be permitted to receive direct revenue from the sale of cannabis. Syracuse and other cities will likely generate the largest share of sales tax within their respective counties. At the same time, these cities will shoulder a significant burden of enforcement and will face additional costs associated with unintended negative consequences of the product.

An essential source of revenue to Syracuse is New York State Aid and Incentives to Municipalities – AIM funding. I am truly grateful for the Legislature’s consistent support for AIM funding. For 13 years, though, it has remained at the same level despite significant cost increases. In the same time period, the overall state budget has grown about 75%. Relative to Syracuse’s city budget, which has grown about 19%, AIM aid is down 21%. Respectfully, I urge the Legislature to increase aid to municipalities either by adjusting AIM funding formula or, as recommended by the New York Conference of Mayors, introducing a new mechanism for additional state support to build on the successful AIM program.

In closing, I want to thank the Legislative Fiscal Committees for the opportunity to testify before you today. I firmly believe the City of Syracuse, resilient in the face of the pandemic, is ready to reach higher for greater levels of progress and opportunity for all. We are wisely deploying ARPA pandemic relief to speed our recovery from the pandemic. We are experiencing population growth for the first time in 70 years, and our fiscal condition is improving. As outlined today, our greatest needs are in the area of violence prevention, housing, transportation, infrastructure and city finances. To advance from near-term stability to long-term sustainability, we welcome the ongoing partnership and support of New York State government. Thank you.

Sincerely,



Ben Walsh
Mayor

cc: Hon. Rachel May
Hon. John Mannion
Hon. William Magnarelli
Hon. Pamela Hunter
Hon. Al Stirpe