

Prepared Remarks: January 16, 2008
Rockwell Hall | Buffalo State College | Buffalo, NY

State of Upstate Address

To the people of Buffalo and Upstate New York, and to all my fellow New Yorkers: thank you for joining us on this historic day.

To my partners in State government—Lieutenant Governor Paterson, Speaker Shelly Silver and Leader Malcolm Smith—thank you for joining us. Let me also thank our partners who could not join us today: Leader Joe Bruno, Leader Jim Tedisco, Attorney General Andrew Cuomo and Comptroller Tom DiNapoli.

To the members of the Western New York delegation who are here—Francine DelMonte, Michael Cole, Dennis Gabryszak, Joe Giglio, James Hayes, Sam Hoyt, George Maziarz, Bill Parment, Crystal Peoples, Jack Quinn, Mary Lou Rath, Robin Schimminger, Mark Schroeder, Bill Stachowski, Antoine Thompson and Dale Volker—thank you for hosting us.

To all of our partners in local government—including our host, Mayor Byron Brown—thank you for joining us.

And to the many business leaders, labor leaders and civic leaders from across Upstate who have gathered here, thank you for all you do for your communities and for being here with us today in Buffalo.

Let us begin by recognizing our fellow New Yorkers who serve and protect us here at home and around the world.

Joining us today are four soldiers from the New York Army National Guard: Captain Matthew Ryan, Staff Sergeant Robert Waters, Sergeant Jason Wiechec and Sergeant Aaron Spallina. These soldiers serve with the 2nd Squadron, 101st Cavalry, which is based here in Buffalo. They have been deployed once before, to Iraq. Now, they are preparing to deploy to Afghanistan.

To Captain Ryan, Staff Sergeant Waters, Sergeant Wiechec and Sergeant Spallina—and to the thousands of men and women in our nation's military who are part of our New York family—you represent the very best New York has to offer. Today—and every day—we thank you for your bravery, your courage, your sacrifice and your service.

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I am deeply honored to stand before you this morning to deliver the first State of Upstate Address in New York's history.

The vision I will outline today is one we all share: to make Upstate New York the best place in the world to live, work, raise a family and run a business.

To realize this vision, we must focus with a singular purpose on an agenda for economic growth and opportunity. We need a world-class education system from Pre-K through graduate school. We need an affordable health care system that's available to all. We need lower taxes, strong infrastructure, great places to live, and, above all, good jobs. And, we need all of these things throughout New York—upstate and down, from Western New York to Westchester, from the Adirondacks to Long Island.

While this vision remains the same, we are here today because we recognize that the economic challenges facing Upstate are so numerous, significant, particular, and urgent that the traditional State of the State Address alone is not sufficient to hold us accountable for meeting them.

Making the State of Upstate an annual event will force us each year to monitor our progress, take stock of what remains undone, engage in a public debate about how to move forward, and, if necessary, recalibrate our efforts in response to conditions on the ground. This will create the accountability that Upstate New Yorkers demand and deserve.

That is why FDR's advice resonates so strongly. "It is common sense," he said, "to take a method and try it. If it fails, admit it frankly and try another. But above all, try something."

We all realize that many past methods have not adequately met the challenges before us. We know this because we continue to see our young people leaving for opportunity someplace else.

That is why we must talk plainly about the hurdles that stand in our way and why we need real cooperation to make the tough choices to move forward.

Yet, as daunting as the challenge may seem, I have reason for hope, because we still have our strongest competitive advantage: our people. I know it because I've seen it.

Almost one year ago, the snow began falling in Oswego County, and it didn't stop. It didn't stop the following day, or even the day after that. Seven days later, the region was buried under nearly 10 feet of snow.

At a break in the storm, Senator Schumer and I traveled to the town of Parish to monitor the progress of relief efforts.

There I met plow operators who worked 16-hour days clearing the roads and then—the moment they finished their double shift—went back outside to dig out their neighbors.

I met volunteer firefighters who worked non-stop, rescuing those who were stranded, and opening their fire halls to those who lost heat.

And I met hundreds of ordinary New Yorkers who spent long hours helping their neighbors clear their roofs and their driveways; who walked through the streets giving a push to motorists stuck in the snow; who checked in on the elderly to make sure they had enough food.

The way the people of Oswego County responded was watched and admired by the entire nation.

But when I offered words of praise for their remarkable community spirit, they said: “That’s the way it always is. When there’s a storm, everyone pitches in to help.”

The storm we face today is not natural; it is economic. But if we put that same strength, that same resiliency, and that same community-mindedness to work—if we summon the will to work together to achieve the reforms and make the investments I will lay out today—we can overcome this storm and return growth and prosperity to Upstate New York. We can make Upstate open for business; we can attract young people and keep them here; and we can truly become the best place in the world to live, work, raise a family and start a business.

That is our vision. Now, this is our agenda.

Our Strategy

Our first year was about laying the foundation for growth.

Our second year will be about building on that foundation with a major infusion of strategic funding and programmatic initiatives to revitalize Upstate.

First, let me discuss the foundation we laid last year.

Our foundation consisted of four major components:

- First, broad-based reforms to make Upstate more competitive by lowering the cost of doing business and lowering taxes;
- Second, breaking gridlock on regionally- and locally-specific projects to build the infrastructure for economic growth;
- Third, retooling State government so it is built to zero in on Upstate’s unique economic challenges; and,
- Fourth, changing the way we approach economic development by incorporating local and regional stakeholders into everything we do.

Last year, we made progress on each of these fronts.

To lower costs, we cut workers’ comp premiums by over 20 percent—a cost savings to New York businesses of \$1.2 billion dollars. We also held the line on taxes. In fact, we actually *cut*

taxes—reducing business taxes and providing additional property tax relief to middle-class New Yorkers.

To break gridlock on key projects, we implemented “City by City” plans focused on jump-starting important projects in our Upstate cities. As a result, projects like Buffalo’s waterfront, the Connective Corridor in Syracuse and the Midtown Plaza redevelopment in Rochester are now moving forward.

To retool government to zero in on Upstate’s unique challenges, we created a powerful economic development agency focused squarely on the needs of Upstate—and put its headquarters right here in Buffalo, with regional offices throughout Upstate.

Upstate ESDC is already responsible for securing private-sector pledges to create 8,000 new jobs and preserve 24,000 jobs all across Upstate.

Five hundred new jobs from Carestream Health that we brought to Rochester. 300 new R&D jobs at Corning. 500 new GE Energy jobs that will re-establish Schenectady as a GE headquarters. 289 jobs at Bitzer Scroll in East Syracuse. In Western New York, 500 jobs at Data Listing Services in Cattaraugus County.

And just yesterday, at the northeastern corner of our state—where New York, Vermont and Canada intersect—we announced that Akrimax Pharmaceuticals, with our assistance, purchased the Wyeth plant in Rouses Point, preserving 1,200 jobs in the North Country.

To incorporate local input, we held Regional Blueprint Meetings in every Upstate region. Dan Gundersen, our chair of Upstate ESDC, put 35,000 miles on his Jeep last year alone visiting every Upstate county. Everywhere Dan stopped, he sat down for an audience with the best economic development consultants of all: local business leaders, who know their economies best, but whose views were rarely engaged in the past.

Of everything we did last year, I believe this was the most important.

Why? Because government money and government programs alone cannot turn our economy around. There must be a true partnership between government and the private sector. That’s because, in the end, it’s the people on the ground who must translate this funding and these programs into economic growth.

In sum, now that we have begun to lower the costs of doing business; now that we have broken gridlock on key projects; now that we have created an entire agency devoted to the task of bringing Upstate back; and now that we have incorporated the advice of hundreds of Upstate New Yorkers into our strategy, we are ready to take the next step.

We are ready to build upon this foundation with a major infusion of funding and programmatic initiatives to revitalize the Upstate economy.

The \$1 Billion Upstate Revitalization Fund

That is why, in my Executive Budget, I will propose a \$1 billion Upstate Revitalization Fund.

In my State of the State Address last week, I sketched out this concept in broad strokes. Today, I would like to describe what I mean in greater detail.

\$350 million Regional Blueprint Fund

A few moments ago, I talked about the Regional Blueprint Meetings that Dan Gundersen held in every region—and how, on these trips, he sat down with the regional stakeholders who know the Upstate economy best.

The result of that outreach is the first component of our proposed \$1 billion Fund: the \$350 million Regional Blueprint Fund.

Everything in this fund flows from the conversations we had on the ground. Let me give you some examples.

In every single Regional Blueprint session, we heard that our infrastructure for economic development is inadequate. We heard that, in many cases, the problem is not that businesses don't want to locate here; the problem is that there are often no suitable sites where they can locate.

For example, of the 960,000 acres that make up Herkimer County, only 50 of those 960,000 million acres are truly development-ready.

We cannot create the jobs our communities need until we create the development-ready sites our businesses need. So, working together, that is what we must do.

Our proposed \$350 million Regional Blueprint Fund will contain a significant amount of capital for the construction of development-ready sites and industrial parks, and for bringing existing sites up to the standards businesses are seeking today. That means everything from water, sewer and drainage systems; clearing and site development costs; and even support for planning and engineering.

These dollars could support pivotal projects like the completion of the Marcy Nanotech site in the Mohawk Valley—a cutting-edge technology park championed by Assemblywoman RoAnn Destito that is poised for growth but lacks the financial resources to move to development-ready status.

To fully address the shortage of development-ready land Upstate, we must also face the hard reality that New York's Brownfields cleanup program is failing.

This program was enacted in 2003 to provide incentives to remediate contaminated land for new development. However, the program's formula is broken, and—as a result—it too often provides massive taxpayer subsidies for development that would have happened anyway. For

example, we don't need to be using millions of taxpayer dollars to underwrite a luxury condominium project in Westchester while 3,000 acres of brownfields in Rochester await investment.

Therefore, this year, we will submit new and improved legislation to reform our Brownfields program so it can fulfill its original purpose of creating development-ready sites where they are needed most, while also protecting our environment.

On our trips Upstate, we also learned of another major need: we learned that small businesses often lack the capital they need to expand, innovate and thrive.

Don't forget: Kodak, GE and IBM were all once small businesses in Upstate New York. But today, the future Kodaks, GEs and IBMs of Upstate tell us that they cannot grow here because New York doesn't have investment programs to help small companies—while other states do.

We must change that. As Assemblyman Joe Morelle points out, we must provide small businesses with the programs and tools that can result in large-scale job creation down the road.

That is why our proposed \$350 million Regional Blueprint Fund will include the nation's best small business loan programs for machinery, equipment, real estate and other needs. Our small businesses deserve the best opportunities in America—and we propose to give them just that.

On our trips, we also learned about what must be done to strengthen the Innovation Economy Upstate.

We made significant progress on this front in our first year. Thanks, in large part, to the efforts of Lieutenant Governor David Paterson, we enacted the Stem Cell Research Fund. Not only is stem cell research a moral imperative, it is also an engine for creating jobs.

Just last week, the first round of stem cell grants were released, making New York's fund the fastest in the country to go from green light to grant-making. And our Upstate research institutions were major beneficiaries—receiving a total of over \$2.4 million dollars in research funding. Here in Buffalo, UB received a \$600,000 dollar grant, and Roswell Park received \$420,000 dollars. In Rochester, the U of R Medical School received a \$1 million dollar grant. This funding will catalyze groundbreaking medical research and job creation at the same time.

However, stem cell research is only part of the picture. New York still faces significant obstacles in its effort to adapt to the Innovation Economy.

The good news is that everywhere you turn—in our colleges and universities, in companies large and small—Upstate New Yorkers are developing groundbreaking ideas. The problem is that we lack the programs to help translate these ideas—especially from our institutions of higher education—into jobs.

Here's just one example. SUNY-Binghamton has thousands of students who are enrolled in some of the nation's most prestigious graduate programs. But when we visited, we learned that

they don't have a single incubator where spin-off companies can commercialize that research and harness its potential for job creation.

That is why our proposed \$350 million Regional Blueprint Fund will finance the kind of programs, tools and facilities we need to link idea creation to job creation. Our Fund will also include a \$10 million Venture Capital Fund—a pilot program to provide seed capital tied to accountability measures for 10 to 15 small companies that have the potential to expand into major employers, much in the same way Comptroller Tom DiNapoli successfully invests part of the State Pension Fund in promising upstarts throughout New York.

These funding streams and programs will make it possible for innovative companies to grow and create jobs on a larger scale.

Finally, on our trips Upstate, we learned that too little was being done to attract international investment.

The fact that we share hundreds of miles of border with Canada, and that we are so close to Montreal and Toronto, is one of our greatest opportunities. We should be marketing Upstate aggressively in Canada—especially now, when exchange rates favor foreign investment.

That is why our Budget will include funding for new efforts that tap international markets, including the creation of a new international marketing office within Upstate ESDC. These efforts will help our Upstate communities—especially our border communities like Plattsburgh, Ogdensburg, Niagara Falls and Buffalo—realize their potential for greater international investment.

The components I just discussed—building development-ready sites, investing in small businesses, connecting innovation to job creation, and increasing our international marketing footprint—are some examples of how our proposed \$350 million Regional Blueprint Fund will address the issues many of you in this very auditorium raised with us last year.

Taken together, by meeting the needs of businesses today—from small-scale loans and venture capital for small businesses, to development-ready sites for large industries—our Regional Blueprint Fund will help Upstate New York become a magnet for innovation and job creation in the twenty-first century economy.

New Round of City by City Projects

But our Regional Blueprint Fund is just one piece of our proposed \$1 billion Fund.

Our effort to attract businesses here will be complemented if we can restore greater vitality to our Upstate cities—which have such incredible potential, but which need help to free themselves from a cycle of decline.

Let me take this opportunity to acknowledge three of our Upstate Mayors: Mayor Bob Duffy of Rochester, Mayor Matt Driscoll of Syracuse and Mayor Brian Stratton of Schenectady. These

Mayors—and all the other hard-working Mayors who are here—are working vigorously to turn our cities around. We on the State level must do all we can to support their efforts.

To do so, this year, we announced our City by City Plans— strategies tailor-made for each city to jump-start key projects that have the potential to catalyze significant economic growth. And—from downtown Niagara Falls, to the Charles Street Business Park in Binghamton, to the Bresee’s Building in Oneonta, to the Plattsburgh International Airport—we are getting these projects moving.

Today, I want to announce our latest City by City project—one that dovetails with our discussion a moment ago about translating cutting-edge research into job creation.

We are proud to announce the creation of a major research center at the University of Rochester that will spur economic growth in the region for decades. Along with Speaker Silver and our partners in the Assembly, we will commit \$50 million dollars toward the construction of a 150,000-square-foot state-of-the-art building, which will be the home of the University’s Clinical and Translational Science Institute. While this facility will create 40 to 50 new research jobs immediately, we expect the real benefit to be in the long term. We expect that the world-class research that is done at CTSI will lead to significant commercial applications, and that within five years, CTSI activities will create hundreds—if not thousands—of new jobs in Rochester. Let me thank Speaker Silver and Assembly members David Gantt, Susan John, Joe Morelle and David Koon for helping to make this project a reality.

But our proposed \$1 billion dollar Fund will not only provide support for the dozens of City by City projects we have already announced. Our proposed Fund will provide full funding for a new, *second* round of City by City projects across Upstate—this year. Importantly, this second installment of projects will reach beyond our large Upstate cities and jump-start key projects in our smaller cities, which play such a central role in our economic future.

Housing Opportunity Fund

The third major component of our Fund will be \$100 million for Upstate housing and community development, which is part of our proposal to create a Housing Opportunity Fund.

Our Upstate communities have a range of housing needs. Some communities need new affordable housing. Most Upstate communities, however, need funding for housing rehabilitation.

Yet, whether we’re talking about building workforce housing or rehabilitating existing housing, our investments need to be strategic. By that, I mean they must always be designed in ways that catalyze further development.

What we’ve done in Watertown is a good example of this strategy. Working with our partners in Congress and at the local level, Lieutenant Governor Paterson and I waged a successful campaign to bring a new maneuver enhancement brigade—1,500 new troops—to Fort Drum. We won the new brigade because we were the only State to go to the Army with a

comprehensive economic development package articulating the specific steps we would take to accommodate the additional soldiers. The centerpiece of that package was \$10 million dollars in funding to ease the affordable housing crunch in Watertown.

Another example of a strategic housing investment can be found on the Near West Side of Syracuse, a project that has long been supported by Assemblyman Bill Magnarelli, where we are not only building low-income housing and lofts for the city's growing community of artists; we are connecting it to the jobs, shopping, recreation, education and cultural facilities that form the building blocks of a sustainable community.

This is the kind of model we need to replicate across Upstate, which is why our Fund contains a \$100 million Upstate housing commitment to provide significant new funding to meet all of these needs, and to build vibrant neighborhoods, and sustainable communities, for the next generation of New Yorkers. We estimate that our funding will result in about 10,000 units of new or rehabilitated housing for our Upstate communities.

Upstate Agribusiness Fund

I have often talked about how New York's future depends on strategic industries. Now, let me discuss one in particular that is not always discussed in the same breath as biotech, nanotech, photonics and aerospace—but it should be.

Our Upstate Revitalization Fund will infuse significant capital into our agricultural sector, which forms the bedrock of so many local economies throughout Upstate.

Last year—inspired in part by the strong voices for farmers in Albany, including the chairs of the Agriculture Committees, Assemblyman Bill Magee and Senator Catherine Young, as well as other strong advocates for our farmers, such as Senator David Valesky and Assemblyman Darrel Aubertine—we fundamentally changed the way New York approaches agricultural policy.

For years, agriculture was seen as a dying industry. That has changed. Today, agriculture not only matters to us—we are looking to it to become one of the main forces behind Upstate's economic revitalization.

This year, our budget will infuse new capital into our agricultural sector with a \$50 million Upstate Agribusiness Fund. Investments will support access to markets; new and expanded food processing centers; and development of alternative fuels like the innovative efforts at the Fulton ethanol plant.

To implement this new Agribusiness Fund, we will hire New York's first Director of Agriculture Development. With these efforts, we believe the "Pride of New York" logo can become the most recognized symbol of food quality in the world.

And this is only the beginning.

In 2008, we will break ground on the Pride of New York Wholesale Farmers' Market in New

York City to connect Upstate growers with Downstate consumers. And we will continue to support research at Morrisville College, the Geneva Experiment Station and Cornell University—efforts to which Assemblywoman Barbara Lifton has contributed so much.

Agriculture is not just an important part of our economy—it's a way of life in our communities. By supporting our farmers, by giving them the tools they need to access new markets, we will preserve this way of life in New York, and leave stronger farms—and a stronger state—to our children and grandchildren.

Universal Broadband

We must also address another critically important issue for New Yorkers in rural areas—the lack of access to broadband.

It is unacceptable that only 25 percent of New Yorkers who live in rural areas have access to affordable, high-speed broadband Internet. And the lack of broadband access is an equally serious problem in our inner cities. In a digital age, businesses, families and individuals who lack broadband access find their economic and educational opportunities limited.

Our proposed Fund will respond to this need by tripling State investment in our universal broadband effort to \$15 million. This investment will move us closer to the day when we can close the digital divide in New York and offer everyone in our rural areas, and inner cities, access to high speed, affordable broadband Internet.

Transportation

And just as affordable, high-speed Internet has now become a critical component of infrastructure in the Innovation Economy, we must continue to invest in our traditional infrastructure—our roads, bridges and highways. That is why our Fund will include \$100 million to support critical maintenance of the Upstate network of State and local bridges.

Parks

Finally, our proposed \$1 billion Fund will include a significant investment in New York's State Parks—a major asset when it comes to attracting business.

However, for New York, this tool is not what it should be because, over the years, our parks have fallen into disrepair. That is why our proposed Fund will include \$80 million dollars—out of \$100 million dollars in statewide funding—to restore Upstate's parks.

As the centerpiece of our restoration, we will return Niagara Falls State Park, the oldest state park in the nation, to its former glory—a goal that has long been championed by Assemblywoman Francine DelMonte. And as part of our \$5.5 million dollar restoration for the park, we propose to rebuild and fully reopen the Goat Island Bridge; so thousands more visitors can experience the unspoiled natural wonder of the American side of Niagara Falls.

Those are the major elements of our proposed \$1 billion Fund.

While I realize that this is a large amount of money in tough fiscal times, I also know that it's at these very moments when investment matters most; when the urgency is so great that we simply cannot afford to wait.

These are not piecemeal programs or halfway investments. Rather, these are the programs and investments that came out of the hundreds of conversations we had with regional stakeholders over the past year. Simply put, this is the funding, and these are the programs, you told us that you need to create good jobs in your communities.

And just as we developed this Fund together, now, let us work together to pass it.

I look forward to working with Economic Development Committee chairs Robin Schimminger and James Alesi in that spirit.

Reducing New York's High Costs

However, even if we are successful, we must continue our efforts to address New York's "perfect storm of unaffordability." To return growth and prosperity to New York—to make our state the best place to live, work, raise a family and start a business—we must hold the line on costs for both families and businesses.

Last year, we made progress.

Working with our partners in the Legislature, and in the business and labor communities, we finally addressed our broken workers' compensation system and unlocked \$1.2 billion in savings for New York's businesses.

This year, we will continue realizing those savings, but we will also work more aggressively to lower taxes and energy costs.

No New Taxes

Lowering costs does not end with the issue of taxes, but it certainly begins there.

Last year, we held the line. We promised no new taxes, and we delivered no new taxes. In fact, we went one better and *cut* business taxes.

This year—despite the considerable fiscal challenges we face—we can hold the line again. I intend to submit a budget that makes tough choices. But it will protect the critical services of the State, make the investments we need for growth, and it will not raise taxes.

Reducing Property Taxes

This year, however, we will go even further. We will finally get real about our property tax crisis.

Last year, we enacted historic property tax relief, and we targeted it to the middle-class taxpayers who needed it most. This year, we will commit to another round of rebates and again target those rebates to the New Yorkers who need them most.

We will also continue working with local governments to streamline the 4,200 taxing jurisdictions across the state. My Commission on Local Government Efficiency and Competitiveness—led by our former Lieutenant Governor and Mayor of Jamestown, Stan Lundine—has already advanced 150 locally-generated proposals. For the first time, these proposals were advanced from the ground level *up*, instead of imposed *down* from Albany—giving us real hope that consolidation and shared services will become a reality. And in April, this Commission will release their final report.

Yet, for all our efforts, property taxes just keep going up. We've heard the message loud and clear from all New Yorkers. And, as I said last week, we will take action.

That is why I will create a bipartisan commission, with Moreland Act powers, to examine the root causes of high property taxes; identify ways to make our relief system fairer; and develop a fair and effective school property tax cap to hold the line on property taxes once and for all—a mechanism that will not only relieve the burden on our working families, but on businesses as well.

Reducing Energy Costs

We must also do what we can to lower Upstate's energy costs.

In the State of the State, I announced that we will once again introduce new legislation to fast-track the building of cleaner power plants to get more power into the grid. Today, I would like to announce legislation on an issue especially critical to Upstate revitalization: low-cost power.

Last year, we passed a one-year extender for the State's Power for Jobs and Energy Cost Savings Benefit programs, which provide discounted power to over 500 companies that employ more than 300,000 people across the State.

This year, we will submit legislation to provide those companies—especially energy-intensive businesses throughout the State—the additional certainty necessary to allow them to grow and invest.

The legislation will provide an opportunity for eligible companies to receive contracts up to 7 years in length, so that such businesses and even new businesses will be able to count on lower electricity rates for years to come. We will also reform the system to build in stronger job and investment criteria, and reach our goal of reducing our electricity consumption 15 percent by 2015.

Making our Higher Education System an Economic Engine for Growth

As we continue reducing costs, we must make sure our education system—from Pre-K through graduate school—is second to none. Education is an essential building block for keeping Upstate open for business and attracting and retaining our young people. Human capital is the currency of the Innovation Economy and our people and businesses cannot thrive without a world-class education system.

Last year, we made an historic commitment to Pre-K through 12 education. Our formula was simple: investment plus accountability equals excellence. As a result of the commitment we made together with our partners in the Legislature, more children are spending more time in the classroom than ever before. They're learning in smaller classes than ever before. And they're learning from teachers who are starting to get the training and support they need.

Because of the Contracts for Excellence, in Buffalo's 16 most struggling schools, students will spend an extra hour in class each day and an extra 20 days over the school year. That does not just mean more time; it means more quality time, because each school has shrunk their class sizes to just 10 students for those who are furthest behind.

This year, we will implement the next phase of our accountability agenda. But, as we do, we must also set our higher education system on a similar path.

The good news is, we already have a roadmap, one that will only improve as the Legislature and the public have a chance to weigh in.

As the Commission on Higher Education recommended, over the next five years, we need to hire 2,000 more full-time faculty members for SUNY and CUNY, create an Innovation Fund for cutting-edge research at New York's public and private colleges and re-think the way we use and invest in our community colleges.

We know what these investments can mean because we already know how important our colleges and universities are to our Upstate communities.

Our host today, Buffalo State College, epitomizes that connection—educating the vast majority of teachers in Buffalo.

Nearby, at UB, our multi-year commitment to UB's "2020" expansion plan will serve as a model for integrating our SUNY system with our downtowns. We estimate that UB's full expansion will pump an extra \$1 *billion* into the economy of Western New York each year.

In our State of the State, we talked about what this could mean for revitalizing Buffalo. Just yesterday, we saw some early evidence.

As part of our second round of RESTORE New York grants—which were created because of the leadership of Speaker Silver and the Assembly—we announced a major renovation project at the former Trico factory adjacent to UB's downtown campus. We will provide \$4.5 million dollars

to transform part of a former windshield wiper factory into office and lab space for growing biotech companies. What could be a better metaphor than this for Buffalo's transition to the Innovation Economy?

At Geneseo State, new full-time faculty will allow that school to continue its march toward national pre-eminence in liberal arts education, and continue combating the brain drain, as it was recently named the best educational value for out-of-state students in the nation.

And an Innovation Fund can have a tremendous effect on our colleges, our communities and our SUNY faculty. Supercharging the cutting-edge research that is happening at places like Albany Nanotech will supercharge our economy. With the help of Senator Tom Libous and others in the Legislature, these investments can propel research universities like SUNY-Binghamton to new heights. And I know how important our private colleges and universities are as well, which is why we are making investments like the one I just announced at the University of Rochester.

We also cannot overlook the power of a strong community college system. Look at Jefferson Community College in the North Country, where military personnel stationed at Fort Drum and their families make up 30 percent of the student body. Or look at schools like Monroe Community College, which is a regional leader in workforce training.

Of course, none of these investments will be possible without figuring out a way to pay for them, which is why I propose unlocking some of the value in our Lottery system to create a \$4 billion Higher Education Endowment. This will create a stable, long-term revenue stream—about \$200 million per year—that will fuel excellence in our higher education system for generations to come.

No one has more at stake in seeing this plan through than Upstate New York, which has more colleges and universities per capita than anywhere in the country. Together, we must transform our higher education system into an economic engine that will power growth throughout all of Upstate.

Building Livable Communities

Let me conclude this agenda by talking about the importance of building livable communities, because—while low costs, strong infrastructure and a world-class higher education system will attract businesses and people to Upstate New York—livable communities are what will keep them here.

I have already touched on the need for more housing and better schools, but our comprehensive approach also includes historic aid to our most distressed communities; a focused strategy to reduce crime; making sure every rural town and inner city has access to a family doctor; and ensuring that, as we grow, we protect our environment for future generations.

Increasing Aid to Distressed Communities

Last year, we made a four-year commitment to increase local aid by \$200 million to our most distressed cities and towns through the Aid and Incentives to Municipalities program.

We know this aid works, especially when it's tied to the accountability measures we implemented last year. For example, the AIM increase received by the City of Niagara Falls helped it actually cut property taxes by almost \$1 million—over 3 percent from the previous year.

I know there have been whispers that, because of the fiscal storm clouds overhead, we will pull back on our AIM commitment. Let me put those rumors to rest even ahead of our Executive Budget. Six days from now, I will propose a budget that delivers \$50 million more in AIM funding to our most economically struggling cities and towns than was included in last year's budget.

Reducing Crime

Besides affordability, the single most important building block for livable communities is public safety. While overall crime is down Upstate, too many of our Upstate cities are struggling with pockets of violence.

Last year, to address the communities that were hardest hit, we invested in Operation IMPACT, which provided grants to local law enforcement officials to implement state-of-the-art crimefighting tools.

In my State of the State Address, I announced that this year we will match that data with the redeployment of 200 State Troopers to those areas experiencing the most intense violence.

But I did not mention another initiative that will be especially meaningful Upstate. As we support local law enforcement through Operation IMPACT, and increase the number of police on the streets through trooper redeployment, we will also build new Crime Analysis Centers. These facilities will include a comprehensive array of world-class crime fighting tools that we can bring to bear in our Upstate cities.

My Executive Budget will include funding to open Crime Analysis Centers in Buffalo, Rochester, Syracuse and Albany this year.

Access to a Family Doctor

Building strong, livable communities also means increasing access to health care.

In my State of the State Address, I proposed the creation of "Doctors Across New York," which will offer grants to help repay education loans and provide other ways to encourage and assist doctors to move to our state's medically underserved areas.

From Franklin County in the North Country to Wyoming County in Western New York, this new initiative will improve health care for thousands of New Yorkers who live in our rural communities and inner cities.

Protecting the Environment

We also must do all we can to protect Upstate's environment, so we can pass on cleaner air, cleaner water and beautiful landscapes to our children and grandchildren.

When it comes to the environment, there are so many priorities, so let me just outline one. In recent years, many New Yorkers near the Great Lakes have been troubled to hear that water levels have been dropping. This poses a threat to shipping, to our fisheries, and to our ecosystems—in other words, to the economy and quality of life in Great Lakes communities.

That's why, today, I call upon the Legislature to pass the Great Lakes Compact, so we can join a multi-state effort to regulate water levels and maintain a strong, sustainable Great Lakes ecosystem and economy.

The "I Live New York" Initiative

No discussion of building livable communities could be complete without talking about the "I Live New York" Initiative, which focuses on attracting and retaining the next generation of New Yorkers.

This year, with Silda's leadership, we convened a remarkably successful summit in Cortland that attracted 600 New Yorkers. Next month, based on the ideas that were shared at the summit, the first-ever "I Live New York Report" will be published. This report will take the ideas from the Summit and translate them into real change.

We are also proud to announce that, next year, the second I Live New York Summit will be held on September 16th right here in Buffalo—which, incidentally, is the birthplace of brainstorming. That's right—the inventor of the concept known as "brainstorming," Alex Osborn, lived and worked right here in Buffalo, New York.

To build on that legacy, this year, Silda will convene the first-of-its-kind Young Leaders Congress. The Young Leaders Congress will enable young New Yorkers themselves to play a central role in our effort to attract and retain the next generation—and build lasting vitality in our Upstate communities.

* * *

So that is our agenda for bringing back Upstate, and for making it—like all New York—the best place in the world to live, work, raise a family and run a business.

Our agenda is centered on a \$1 billion infusion of funding and programs targeted to our greatest needs; on lowering the cost of doing business; on a higher education system that will be a major

engine of Upstate economic growth; and on a comprehensive effort to build livable communities, so we can not only attract the next generation of companies, jobs and entrepreneurs—we can keep them here.

Join me in good faith and I will meet you with an open hand, an open door and open mind. For we will realize this opportunity only if we work together in a spirit of cooperation.

* * *

Now, ever since we announced we were doing this speech, some people have said to us: “You always talk about how we are One New York: one state, with one future. Doesn’t a speech focusing only on one part of the State run counter to the very idea of One New York?”

It’s a fair question. But the answer should be clear.

We are not giving this speech *in spite of* the fact that we’re one state with one future.

We’re giving this speech—and we’ve put the concerns of Upstate front and center on the agenda—precisely *because we are* one state with one future.

We are One New York, and we rise and fall together. When part of our State is struggling, it affects all of us. Because when a young family leaves the State, everyone has to pay for the cost of decline—the higher taxes, increased health care costs and shrinking national voice in Washington.

The truth is that we will never grow again; we will never prosper again; we will never become a beacon of hope and opportunity again if part of our state is thriving and another part is falling behind. So we must come together and channel all of the passion, energy and determination that is within us toward one goal: restoring growth and prosperity to Upstate New York.

We need only look to our own history for an example of success in a similar endeavor.

It was just a few short decades ago—in the late 1970s—when New York City was in crisis. Its social fabric was torn; its economy was in trouble; it was all but bankrupt; and it was desperate for help.

Yet when the people of New York City asked for help, the people of Upstate did not look the other way. Rather, you said to the people of New York City: “*Your* struggles are *our* struggles. *Your* future is *our* future. When there’s a storm, everyone pitches in to help. So tell us what we can do.” And working together, we did what many thought was impossible; we brought New York City back to life.

We are here today because we know it is time—indeed, it is long past time—to do the same for Upstate. To create jobs; to build livable, sustainable communities; and to attract and retain the next generation of New Yorkers who will call Upstate home. And just as we did back then, we

will do it by working together. Because we must have your buy-in, your best efforts, your grit and your will if we are to succeed.

That is the spirit behind today's speech. And that is the vision that will guide us until the job is done.

Thank you.