



STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

KATHLEEN C. HOCHUL
LIEUTENANT GOVERNOR

March 19, 2015

Re: Governor Cuomo's Upstate Revitalization Initiative is Good For All of Upstate New York

Dear Colleague:

As a proud Western New Yorker, I can speak firsthand to the success of Governor Andrew Cuomo's economic development strategy during the past four years. For generations there was a pessimism about Buffalo's future, that our best days had left with the jobs at Republic and Bethlehem steel mills.

However, it is a new day now in Buffalo – and not just because the Bills have Rex Ryan and LeSean McCoy. The Buffalo Billion – a program launched in 2012 – changed the trajectory of our region and truly worked.

Today, unemployment is down to the lowest level in years, private sector jobs are up, and young people for the first time in years are staying in, returning to, and moving for the first time to Buffalo. Best of all, there is hope and optimism for Western New York's future.

In this year's state budget, we have a chance to take what is happening in Buffalo and replicate it across all of upstate.

Governor Cuomo has proposed a \$1.5 billion program – the Upstate Revitalization Initiative – to give other regions across upstate the same transformative opportunity that was given to Buffalo, to build and put in place a long term, strategic economic vision.

This planning process is already in place thanks to the Regional Economic Development councils, which for the past four years have brought together local leaders in business, academia, and from the community to take stock of their region's unique strengths and economic possibilities. This has replaced the old Albany centered approach of pork barrel spending that served a political interest rather than the interest of growing the economy.

I have read criticism that this competition will create "losers." This could not be further from the truth. In fact, there are no losers. Every region this year wins, with the smallest award being larger than the biggest award we gave out last year.

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Because the state has proposed running the Upstate Revitalization Initiative and the annual Regional Economic Development Council competition together, every region of the state stands to benefit. The three \$500 million awards for regions selected as URI recipients will be paid out at \$100 million a year for five years. They will also be eligible for a reduced share of the \$750 million competitive grants. With these three regions not competing for the majority of the \$750 million in REDC funding, the remaining seven regions will compete for a larger slice of the pie.

The three URI winners will win approximately \$130 million, the next three top performers will receive approximately \$105 million each and the four lowest performers will receive approximately \$90 million each. For some perspective, the last place award this year — \$90 million — will be larger than the first place award last year when funding ranged from \$82.8 million to approximately \$49 million. All 10 regions will come out ahead.

When it comes to the funding, last year's ceiling is this year's floor.

When I travel to upstate cities I sometimes hear people say, "why not just use the money to help pay for infrastructure upgrades?"

Well, it's not either or. We are doing both, providing these economic development awards and funding infrastructure at the same time.

Infrastructure investments are very important, and the state has a robust program to fund infrastructure improvements as well as fund the infrastructure of tomorrow — Broadband. But most of all, we need jobs or upstate cannot survive.

What the Governor is proposing with his Upstate Agenda has a long term focus — building an economy for upstate's future. When manufacturing was booming in Buffalo, we didn't need as much of the state's help to pay for our infrastructure. The tax revenue generated by the businesses and residents helped pay the bills.

Today, the state subsidizes the budgets — often more than 25 percent — of the big upstate cities. The Governor's plan is to use this investment to bring back upstate.

This is a bold, forward looking plan that has the potential to transform upstate New York's economy. This is an opportunity of a lifetime for upstate. When in modern history has a Governor come to upstate and offered such an extensive and major program to invest in our communities?

With just a few weeks left until the budget must be passed, the time is now to call your legislators and tell them to support Governor Cuomo's plans for upstate New York. I saw it work firsthand in Western New York, and I know it can work across upstate.

Regards,



Kathy Hochul
Lieutenant Governor