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# CenterState CEO

## Brookings Initiative Community Input Report



**CENTERSTATE**  
CORPORATION FOR ECONOMIC OPPORTUNITY

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## RESEARCH SET-UP

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## Research objectives

- **The broad objective was gathering input from ‘thought leaders’ in each of the 12 Counties across each of the key plan components on the overall Brookings Plan strategies (which was communicated primarily in the form of current ‘white papers’) to assess improvements, modifications and potential go/no go decisions on each of those strategies.**
  - **Specific objectives within each of these sessions focused on:**
    - **Determine perceptions regarding the current economic conditions in the region,**
    - **Gauge the response to different initiatives,**
    - **Take a deeper dive into the specifics of the initiative, and**
    - **Assess chances for success for the initiative and determine general feasibility.**

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## Methodology

- **A total of two Online Bulletin Board focus groups with 27 participants were conducted between April 24-27 2012.**
  - **Participants were given the flexibility to reply/ comment on the posted questions throughout the day**
  - **Moderators asked additional probes based on participant responses**
  - **Each participant devoted 30-60 minutes a day over a 3-4 day period**
- **Participants were a mix of CenterState CEO supplied sample and a targeted referral process to garner further invested parties throughout the region.**

	<b>Total # of Participants</b>
<b>Intelligent Systems and Sensors</b>	18
<b>Governance</b>	9
<b>Innovation</b>	TBD
<b>Natural Resources</b>	TBD

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## Intelligent Systems and Sensing

## Current Economic State

Generally pessimistic perceptions offered on the current economy of the region. However, a number of strengths are also cited.

Strengths	Weaknesses
Colleges/ universities as educational/ research powerhouse	Aging infrastructure
Medical and healthcare presence	Stigma of brain drain
Natural resources (water and oil – as well as natural beauty from a lifestyle perspective)	Cooperation between regions and ‘industries’ is generally lacking
Strong technology sector	Keeping ‘young’ people in the area
<p>Physical location - close proximity to high population areas</p> <ul style="list-style-type: none"> <li> <i>“Our location makes us the westernmost frontier of one region and the easternmost frontier of another.”</i></li> <li> <i>“CNY is within an 8 hour drive of 1/4 of the population of North America.”</i></li> </ul>	High cost of doing business, including tax structure, healthcare, power, etc.
Residual manufacturing	Technology sector has a high reliance on DoD spending
Universities expanding/investing into downtown	Poverty rates

## Economic Challenges

Issues of lack of qualified employees locally and difficulty bringing in/ attracting new employees rise to the top along with many environmental issues.

- **Most business challenges stem from similar regional areas of struggle...**
  - High cost and limited availability of transportation/ airfare
  - High cost of doing business (healthcare costs, energy cost, high tax rate)
  - Lack of international/ interregional cooperation
  - Diversified business models
  - Fragmented efforts between educational institutions and companies
  - Aging infrastructure
  - Lack of trained employees – especially in science/ engineering space
  - Perception of limited social/economic opportunity

 *"We need Assistance promoting the regions as a desirable place to live, and to move a family to. This area has a highly-visible "inferiority complex" that is off-putting to people from elsewhere. "Really? You want to move HERE?"."*
  
- **Solutions to overcome challenges**
  - PR campaign for the region to tout all that CNY has to offer that tends to be clouded by misconceptions
  - Tighter cooperation of all vested parties including all facets of the region ranging from government to private industry
  - A 'leader' for each initiative- a organization/ committee tasked with 'taking the reigns' to move from strategy into action/implementation.
  - Build upon the educational resources of the area by offering specialized training programs and seamless transfer into a local business.
  - Attract new talent from other regions by touting our specialized areas of expertise (i.e. SUNY Research Institute)



Quotes.

## Trends/ Reaction to Intelligent Systems/ Sensors

**Most suggest sticking to 'what we know' placing a reliance on academia, healthcare, specialized research, cyber security and technical fields.**

- **Most see the future trends of the region as building upon what has been established and attempting to address some of the lingering issues that seem to plague the region**
  - Two main themes that align with the regional trends are working towards a PR campaign to bring new faces to the region as well as keep talent here. Another major theme is tighter cooperation of all regional parties including government, educational institutions and private enterprise to push initiatives rather than a siloed approach

**The majority of participants 'buy in' to systems and sensors as a potential area of economic stimulus, but with some reservations.**

- **Strengths:**

- Experience in the sensor industry (ie. Saab Sensis, Lockheed etc.)
- UAS testing
- Educational research capabilities (Cornell, Clarkson, RIT, RPI)

- **Weaknesses**

- Participants found the definition of Intelligent Systems and Sensors too vague, lacking a concrete understanding
- Tax burden
- Lack of historical cooperation throughout the region of companies- need to look beyond CNY to all of 'upstate'.
- Reliance largely on DoD and government spending
- Historical application to a few specific industries
- Geographic recognition/ too small/ other more developed players/ regions in this space
- Infrastructure
- Talent base

## Reaction to intelligent systems/ sensors cont.

Each of the 4 potential fields tested receive / rationale to pursue – with some level of assumed linkage between them.

- **There was not a clear/ dominate winner when asked to choose one of these fields as the most compelling for future growth. Most saw the fields as interdependent and stated the region should develop technology to cut across all fields letting the market determine which is dominate.**
- **Digital Electronic Devices**
  - Seen as a offering good potential due to experience in the sector- some fear a inability to compete with larger areas of expertise (i.e. Silicon Valley)
- **Clean Technology**
  - Lacks a wide ‘understanding’ of what this encompasses but praised for being an intriguing new space
- **Biomedical Devices**
  - A strong contender, but some question reliance on medical industry that is under close scrutiny. A possible option within this area is healthcare information systems
    - 💡 *“Healthcare information systems. Secure electronic medical records and healthcare information sharing has significant potential and does not yet have an obvious industry leader.”*
- **Information Technology**
  - Although offering a good opportunity some look for a more targeted segment.



Quotes.

## Challenges to intelligent systems/ sensors clusters

Overall Intelligent systems and sensors is accepted as a strong possibility for the region given the proper commitment.

Challenge	Reaction
Is there a viable market?	<p>Most agree that there is a viable market but it needs to be a diversified marketing effort to consumers and government as well as be geographically diverse (need to market regionally, nationally and internationally).</p>
Resources/ ability to compete	<p>Have resources currently to 'start' but need to combat the brain drain and maintain/ bring in new talent</p> <p>Need to engage invested parties and have dedicated resources to these plans</p> <ul style="list-style-type: none"> <li> <i>To succeed, the region needs a commitment from NYS to support this as they have with nano and semiconductors in Albany. NYS has invested billions in state funds to transform the capital region as a center of excellence in this arena. A similar commitment is required from NYS to help build a critical mass of investment in this sector.</i></li> </ul> <p>Need to overcome 'standard' structural barriers (i.e. infrastructure, tax burden, negative stigma)</p>
Availability of funding?	<p>A wide consensus exists that funding is available, but research and analysis needs to be completed in order to see where to best focus efforts</p> <ul style="list-style-type: none"> <li> <i>"Yes, CNY can compete in this space. There is sufficient support with the new BRC, CASE, COE, and the Tech Garden as well as local private companies to support R&amp;D and entrepreneurs in this space. Yes, there is sufficient capital support.."</i></li> </ul>

## Challenges to intelligent systems/ sensors clusters (cont.)

Challenge	Reaction
<p><b>Models for success?</b></p>	<p><b>Models for success do exist but do not over power the industry, eliminating the regions ability to compete</b></p> <ul style="list-style-type: none"> <li> <p><i>“There are similar pockets of focused technology strategy succeeding elsewhere. There is the biotech corridor outside Boston, the robotics industry in Pittsburgh, nuclear science in Tennessee and New Mexico, cyber security in Maryland. There is also a healthy pocket of UAV/UAS industry in Maryland..” (Participant 4)</i></p> </li> <li> <p><i>“Thirty years ago I would have said Minneapolis for both industrial and medical sensors (Medtronics, Honeywell). Not sure if that is still true today.”</i></p> </li> </ul>
<p><b>Other companies in this space</b></p>	<p><b>Participants identified 15 to 20 additional companies that could be part of this initiative</b></p>
<p><b>Industry Gaps</b></p>	<p><b>UAS, aviation and cyber security were all mentioned as gaps an new company/ organizations could fill</b></p> <p><b>The need to attract new companies and innovators to the region is mentioned as a concern</b></p> <ul style="list-style-type: none"> <li> <p><i>“I believe that if we were to conduct a comprehensive gap analysis, we would find that either new companies are needed OR different arrangements/collaborations between existing regional businesses are needed to achieve our future goals.”</i></p> </li> </ul>

## Key Development Opportunities

While all opportunities see some interest, cyber security technologies garners the most attention.

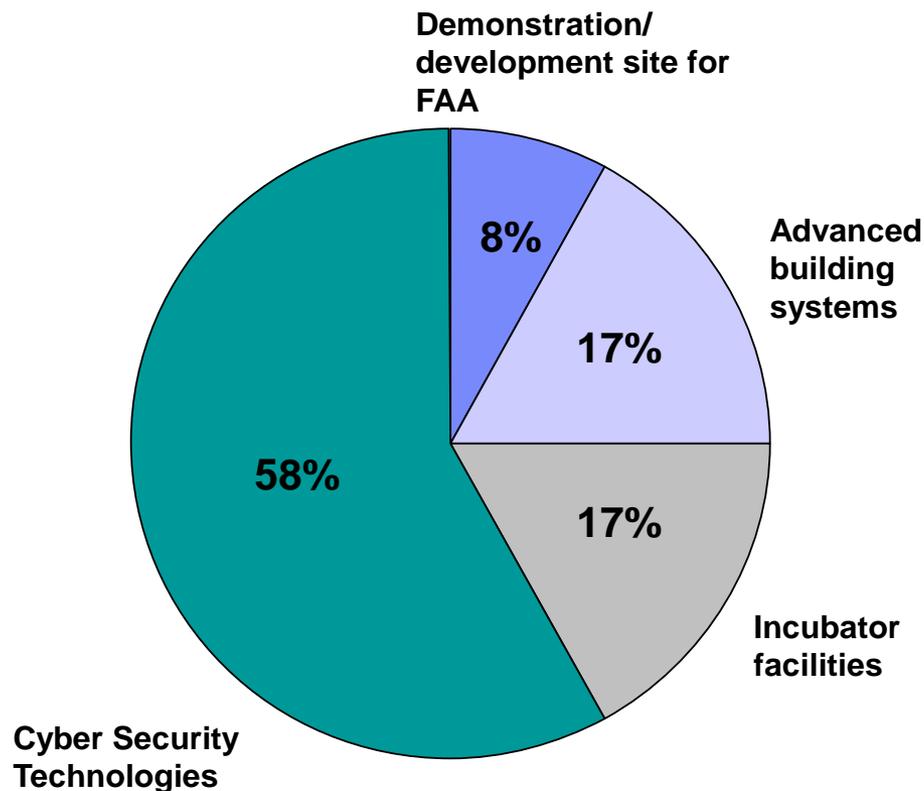
### Key development opportunities

- 58% of respondents agree that cyber security technologies is most compelling
- Mention of the presence of AFRL Rome, Cornell and SU strengthened this choice

💡 *“Cyber security has the most DEMONSTRATED potential; that is, already-proven success stories, but I think the FAA project and unmanned systems might be the most compelling case for something entirely new.”*

### Realistic opportunities?

- Participants generally agree that there opportunities in this field are realistic
- Other opportunities mentioned are:
  - Other potential uses of the Griffiss runway
  - Semiconductors
  - Nanotechnology
  - Sensors for bioscience
  - Medial devices
  - Military/ Radar



## Next Steps..

**The overall conclusion is that is region has the resources and capability to become a leader in this field.**

- **There is still concern over the previous lack of coordination between universities and businesses as well as the unified leadership commitment to ‘make the leap’.**

### ▪ **Suggestions on next steps..**

- Make sensing and technology more attractive to local universities
- Strengthen the pretense of AFRL Rome
- Identify the skill set and workforce base to develop and produce such technology
- Identify key companies that will put identified resources on this initiative

### ▪ **Entity to drive initiative**

- Consortium of universities
- New entity entirely dedicated to this initiative
- CenterState CEO
- Collaboration of public and private partners

### ▪ **Chance of overall success (On a 10 point scale)**

- On average, the chance of overall success was rated at a 5

💡 *“There are a lot of unknowns, it will take a lot of hard work and similar efforts in the past have not been successful. I think it is worth investigating. We have the raw materials but we lack a plan and assigned resources.”*

💡 *“My qualifier is that I want to make sure this has some level of uniqueness and/or we really have the horses to make this happen. The area is ready to step up for something, we have bright, dedicated and energetic people. We can make this happen.”*

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## Governance

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## Economic Standing of Central New York

A somewhat 'cautiously optimistic' viewpoint from this group, citing the regions higher education and medical institutions as compelling strengths.

### Strengths:

- **Overall participants cite Central New York as having resources to enable economic growth**
  - Local Higher Education Institutions attract educated people to the region and make significant investments in city development
  - Medical Institutions are also seen as making significant investments in the rebuilding the city
  - The region's natural resources are also seen as a strength.
    - 💡 *“Efforts to clean up Onondaga Lake could open up many opportunities for recreation on and around this beautiful natural resource”*
- **The low cost of living, in particular low real estate costs**
- **Investments in Armory Square and Downtown Syracuse are viewed to have positive implications on the region's economy by several participants**
- **Inroads made by the REDC regarding state investment**
- **Experience in '21<sup>st</sup> century' areas (STEM, advanced manufacturing, nano-tech)**

## Economic Standing of Central New York

The ability to attract and retain innovators to the region is seen as a weakness to most participants.

### Weaknesses:

- The quality of the **K-12 education system** and the alignment of that education system, along with local universities, with local workforce needs are listed as both current and future challenges
  - Multiple participants mentioned that the CNY must find a way to keep students in the region after graduation
    - 💡 *“We have the talent base, there are universities everywhere, we just fail to keep the innovations here in the region.”*
- Lack of **exports** from the region is most often cited as a challenge the region must overcome
- Filling the void left by the **loss of local manufacturing jobs**, such as Carrier and NPG, is mentioned as an area of struggle
- **Vacant, aging infrastructure** (especially in downtown Syracuse) is also mentioned by several participants as a weakness
  - 💡 *“Enhancing and protecting of infrastructure, human capital, quality of life and encouraging innovation at every turn is critical to creating the proper climate for new economic activity”*
- Outsourcing of jobs- that local companies can do (i.e. Construction)
- Limited venture capital investments for small companies
- Skeptical of tax break structure- does not ‘change’ the decision making process
- Lack of diversity and social equality

## Current Economic State

The lack of local talent to fill workforce needs are again mentioned as a challenge that the region must address.

Challenges	Solutions
Lack of investment	<ul style="list-style-type: none"> <li>▪ Improve Public Education and focus media attention on specific issues for improvement</li> <li>▪ Ability to absorb diverse populations</li> <li>▪ Improve image through sustainable planning/design</li> <li>▪ Increased coordination and communication between firms, government, non profits and universities</li> <li>▪ Programs like 'say yes' to Education</li> </ul>
Taxes	
Education not aligned with workforce needs	
Poor quality education in city schools	
High cost of 'everything' (e.g., power)	
Elevated demand for human services	
Federal budget cuts	
Lack of local talent	
Outsourcing	
<b>Trends</b>	
<b>Sustainability</b>	
<b>Alignment of local and higher Education with needed job pool</b>	

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## Governance – Current Role of Local CNY Government

**Most participants stated that the local governments need to reorganize in a more effective way to provide the same level of service with less tax burden to the taxpayer.**

### Initial Reactions

- **Overall, the range of services provided by the CNY local government is appreciated and expected and should be taken into account when considering consolidation**
  - 💡 *“Much of the public would like the same level of service for less cost and our local governments are not organized or staffed in a way to reorganize and meet that challenge.”*
- **A lack of coordination between the local governments in CNY is most often mentioned as a way economic growth is hindered**
  - The local government system is seen as inefficient and fiscally draining and this adds to the cost of doing business in the region
  - There is a need to attract and retain innovative people
  - Overall, the region needs one cohesive vision as to what they want to achieve
  - 💡 *“We have too many silos with competing agendas.”*
- **Investment in infrastructure and the transportation system are two other items that were cited as areas for continued/ongoing improvement by local government**

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## Governance – Current Role of Local CNY Government

**Most agree that fragmentation and an unbalanced tax-value proposition negatively impacts the region's efforts regarding economic growth, but there is a lack of research as to how restructuring these government entities will impact growth, if at all.**

- **The initial reaction to this section is that there needs to be adequate research done to assess the value placed on services provided to the public and the amount of tax dollars the public is willing to pay, this is likely vastly different depending on the region. The success of the consolidation of local governments is dependent on the results of this research**

### Fragmentation and Tax-Value Proposition – Level of Importance to Economic Growth Planning

- **Overall these two propositions are agreed to have a negative impact on the economic growth planning of CNY**
  - Concerns were stated about the different levels of services provided between the regions and the appropriate tax payer dollars to facilitate these services
  - The City of Syracuse is mentioned by the majority of participants as the area in the region that has the most unbalanced tax-value proposition. Participants agree that taxpayer dollars are not properly allocated to the city and the city schools
  - It was agreed the quantitative research is necessary as a next step moving forward in addressing fragmentation
  - Efforts and potential solutions center around consolidation of local government to bodies of regional structure
  - Suggestions for improvement:
    - **Great commitment by State and local governments to the City of Syracuse**
    - **Improvement to city schools and amenities**
    - **Shift some of the function currently performed at a local level to a regional level**



# Market Analysis of the Current Government of CNY

**Most participants agree that fragmentation has a negative impact on the economic growth of the region but how much of an impact consolidation would have is still in question**

- **The is an overwhelming consensus that fragmentation may have a negative impact on the economic growth of the region but there is a lack of research to support the effect, if any, of coordination and its role in changing the current government structure**
  - 💡 *“Quantity, quality, timelessness and cost need to be considered” (Executive Director, Non-Profit Organization)*
  - 💡 *“The change of existing structures to try a new model would be considered risky and so alternative governance models would need to be fully explored and marketed to the public.”*
- One of the issues that arises is the resistance to change from the local population, a cry for lower taxes and less fragmentation is ever-present yet a sacrifice of lesser services faces strong push back
- Given the statistic that there are 3 times more CNY local government units (9 times more in the 12 county region), most participants are aware of these statistics but lingering doubts on the economic impact of consolidation still exists

## Strategies for dealing with local fragmentation

- **The need for a government community based study to asses all aspects of the region’s government is suggested by many participants. This study would need to address many alternative options for change. It is agreed that the commission would have to involve all parties in the region (government officials, business leaders, active community members and the general public)**
- **One participant suggested the creation of a Council of Governments for CNY that would have the objective of increasing dialogue and collaboration across all local government units in the region**
- **Another participant suggested the creation of an office that will focus on helping businesses deal with license and permit issues that arise across regional jurisdictions**

## Potential Strategies/ Goals

While all strategies receive some support, none are convinced that any 'one' can be the magic bullet.

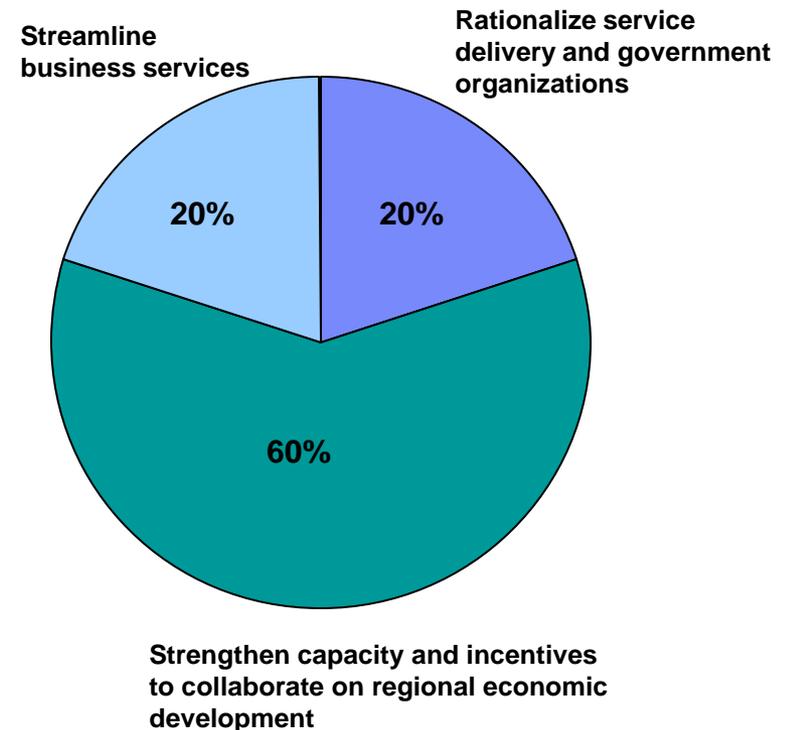
### Potential Strategies/ Goals – Ability to Achieve Economic Growth

- All three potential strategies suggested are seen as key parts to the region's economic growth by the majority of participants
- 60% of participants chose the strategy strengthen capacity and incentives to collaborate on regional economic development as the incentive that most appeals to them

💡 *"Intentional marrying of intellectual capital, with entrepreneurial ability, combined with capital access and human development is most critical. Good business plans will trump the other two at the end of the day."*

- The theme of creating a 'cost-value' assessment could provide guidance for where to cut buck and where to bolster in an effort to better allocate resources
- All strategies hinge upon the region's ability to attract innovative people, invest in the region's limited resources, and the cooperation between local elected officials coupled with lobbying efforts at upper levels of government

💡 *"They should be done but are not the whole picture of what drives or hinders economic growth. In many ways these initiatives will position us to better be able to support regional growth."*



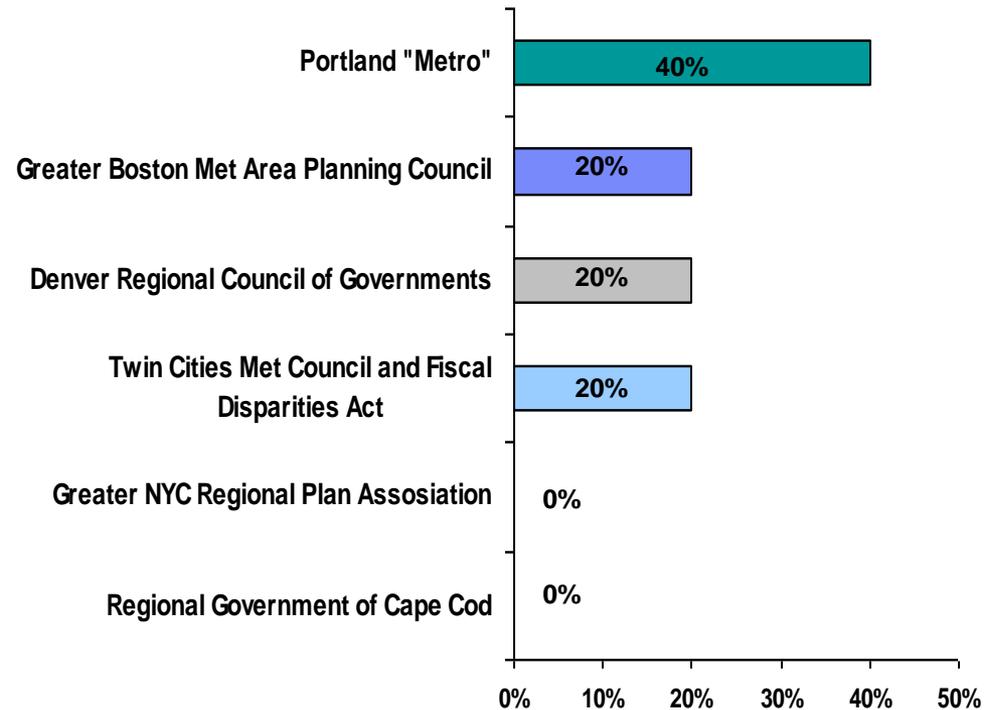
## Other Cities with Similar Government Strategies

While Portland “Metro” was most often voted for when given the other government restructuring strategies, participants expressed doubts of the relevance it has on the restructuring of CNY.

### Other Cities – Most/ Least Relevant

- 40% of participants voted the Portland “Metro” government strategy to be most relevant to CNY
- There are mixed reactions among participants with regards to the relevance of these other cities models on the economic growth of CNY
- Differentiators include population density, city size, resources, aesthetic appeal etc
- Some mention the more ‘intrinsic attractiveness’ that these areas possess that CNY does not
- While Portland's strategy was ranked highest amongst participants, concerns of incomparable standing on exports between Portland and CNY were brought up

🗣️ *“I like Portland. Great government structure but then look at where they stand regarding exports and where we stand. No comparison. Cash in-flow creates wealth.”*



## Potential Initiatives/ Risks

The majority of participants believe that in order for these potential initiatives to be successful, extensive research must be done on the risks and benefits of the restructuring of government

### Potential Initiatives

- Meeting the needs of an elected official is brought up several times as a key element in the success of both initiatives
- Several participants think that starting with the “assistance organization” and transitioning into the “compact” strategy would be better received by elected officials and the general public

When asked whether restructuring would help the economic growth of CNY participants were skeptical of the direct impact that these initiatives with have a economic growth

💡 *“I think that restructuring the local government is one piece of the puzzle – I’m not sure about the direct correlation.”*

Potential Initiatives	Reaction
CNY Regional Planning Association	<p>This potential initiative was received with a <u>positive reaction</u> by the majority of participants.</p> <p>💡 <i>“I like the idea of a non-partisan, non-profit advisory organization. Good, objective information and analysis would undoubtedly improve the quality of economic development decision in the region.”</i></p> <p>Overall, participants agree that this initiative would foster collaboration between the fragmented local government systems</p>
CNY Regional Council of Governments	<p>Many mentioned that this initiative would need to be <u>strategically facilitated</u> to be successful is brought up throughout the discussion</p> <p>💡 <i>“I think a regional council of governments is very important to help bring together the fragmented governments to address regional issues. I like the idea of having a strategic vision in place for CNY.”</i></p>
<b>Risks</b>	
<p>The main risk identified is the acceptance of the initiatives by local officials, as it will rely heavily on governmental funds, coupled with resistance to change a a sense of ‘fear’ of the unknown</p>	

💡 Quotes.

## Wrap Up/ Next Steps..

The overall conclusion that the region would benefit from restructuring current local government.

- There is still concern that this all will not stimulate economic growth, rather pave the way for other initiatives to succeed

### Other ways to Reduce Costs

- Participants mentioned privatizing select services, such as what was done with airport security, as a way to reduce costs
- The cost reduction associated with consolidation of local government still appears to be uncertain according to participants

### Role of State Government in Economic Growth

- There is an overall consensus among participants that the State government plays an essential role in the economic development in the region

 *“The State needs to help reduce costs related to public employees – many groups, including CenterState, have already indentified these and continued advocacy around those issues.”*

### Entity or Enterprise to Drive Initiative

- The majority of participants believe that CenterState CEO or similar independent body will be the most effective entity to drive this initiative

### Next Steps...

- While participants agree that the region should move forward with government reform, it alone will not stimulate economic growth, but instead with be an enabler of success for other initiatives, such as innovation, human capital and workforce alignment
- There is an over-arching need for a strong research study that will examine the benefits and risks of a government structuring
- Participants agree that the region needs a commission that will establish a vision for all the regions in Central New York

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## Research Materials

Discussion Guides

  
**Sensing Guide**

  
**Gov't Guide**

Group 'Transcripts'

  
**Sensing**

  
**Government**

## Research participant detail

Intelligent Systems and Sensors	
Director of Research, Info Security	Executive Director, Non-Profit
Director of strategy, Sensors	CEO, IT Consulting
Manager, Engineering	Chief Engineer, Engineering
Operation Manager, Instrumentation	Director, Non-Profit
Site Manager, IT	Director, Non-Profit
Senior Administrator, Education	Vice President, Healthcare
CEO, Research	President Non- Profit
President, Healthcare	Professor, Education
CIO, Bio Tech	Vice President, Sensors
Government	
Director of International Relations, Government	County Administrator, Government
Professor of Economics, Education	Director of Community Programs, Education
Superintendent, Education	Administrator, Education
Director, Planning and Sustainability, Education	Executive Director, Non-Profit Organization
Councilor, Non-Profit Organization	