An Economic Model: No Cost or Risk?
An Evaluation of Destiny USA

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Summary

The Carousel Center/Lakefront Development and later the “Destiny USA” initiatives were proposed as a model for addressing critical public issues in urban centers with non-traditional resources.

This report traces the creation of the Destiny USA Development Model starting more than two decades ago. The operation of the Model is tested against the expectations of the community leaders and proponents who advocated for this development, its format, tax structure, and expected impact.

The background:

In the 1980’s, the City of Syracuse was faced with a shrinking economy and 800 acres of toxic and abandoned industrial sites. This wasteland was a triangle bounded by Routes 690 and 81 on the South and Onondaga Lake on the North. It was located in the heart of the urban core. The City was without available resources, so the blighting influence was expected to continue indefinitely. The community at that time did not have a comprehensive plan for enhancing the main gateway to the community.

Syracuse was faced with very limited resources in the 1980’s. Yet, community leaders had a vision that included wanting to transform and provide for an urban backfill in this specific area.

In the 1980’s the site was filled with large gasoline holding tanks – an eyesore visible from Route 81. Additionally the area had numerous old warehouse style buildings filled with rust, broken windows and broken doors that not only were an added eyesore, but were a danger to those who might venture inside. On the north end of the area was a large dump filled with old cars and other debris on a hill. All of these issues contributed to significant hazardous waste: Oil from the tanks had leaked into the ground, abandoned manufacturing buildings had toxic chemicals in the ground and buildings; and the garbage dump also contributed to hazardous waste.

Community leaders wanted to transform this area from urban blight/toxic waste into an up and coming area that would provide for housing, office space, and tree lined streets along with parks, recreation and shopping. Taking a toxic environment to a live/work/lifestyle model was a daunting task for a city with a structural financial imbalance that faced a daily challenge just to provide basic services to residents.

A financial plan had to be put into place to transform the area or it would remain a toxic site in 2008 just as it was in 1985.

The financial principles:

The financial plan began with a development proposal to create an economic engine to attract resources to the site.

The plan was based on several principles. The basic assumption was that:

1) All existing taxes that were being paid would continue to be paid in full to the local jurisdiction. There would be no waiver of any existing taxes.
2) No local government would extend the use of their credit to finance the transformation.
3) All new costs resulting from the development would be sustained by the development.
4) Local government would derive additional revenue from new sales taxes generated by the development; as well as other forms of direct and indirect economic benefit, that did not previously exist previously.

By design, these principles created an opportunity for local government: If the development succeeded, government would benefit; if it did not succeed, government would not suffer any losses as the investments (bonds) were securitized against the project(s) themselves.

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Introduction

There has been ongoing discussion and public policy debate about this project since it was introduced. Starting with the original Carousel Center and the Franklin Square conversion and moving to what was later termed the "Destiny USA" model, the community has engaged in spirited and healthy dialogue that is lacking in so many other communities. Rising passions by stake holders of varying degrees clearly have proven the devotion to Syracuse and Central New York that so many residents hold dear to their hearts.

Following the initial Franklin Square and Carousel Center debate, the issue over the economic development public policy died down as the mall was built, several abandoned buildings were converted to high end office space, and work began on addressing decades of environmental contamination. For years, people would drive past the humming noises of machines running in empty fields – the former oil tank farms - unaware that those machines were part of an effort to clean up the toxins. Concurrently, the inner harbor came to fruition with better streets, side walks, lighting and trees all financed with monies coming from multiple sources including the tax agreement that had been of great contention previously.

Over time, the project produced enough revenue to retire the bonds thereby retiring all debt. The payments then began to go directly into the city general fund. The new annual cash payments from the development greatly exceeded what the city had gotten on the garbage dump site without the development.

As we entered the new millennium an expansion of the project was publicly being contemplated. This included multiple public policy decisions that have been made with regard to that project, including votes at the City, County, State and Federal levels. Often, at the heart of the dialogue were questions about whether or not the project was or would be a cost or risk to the taxpayers of the City of Syracuse and County of Onondaga.

The actual project, ultimately re-named "Destiny USA" was proposed as being financed with an unique stimulus/economic development package than was previously used, such as PILOTS.

As the first phase of this project rises from a parking lot, the purpose of this analysis is to determine whether the approach enabled by the City of Syracuse and County of Onondaga achieved the intended fiscal impacts.

Additionally, further community analysis should occur to determine if an economic model like this should be made available to other projects in the future - to other economic development initiatives in Central New York, Upstate New York and throughout New York State.

We have heard consistently that Upstate New York lags most areas of the United States in economic development. While our stagnant growth has an upside (reasonable housing prices that never rose in tandem with other areas, which has resulted in Central New York being one of the top real estate markets in the nation) it has its downsides as well.

Numerous residents have left Central New York; population studies show a net shift but no significant growth in the greater metropolitan area leaving abandoned housing stock within the City of Syracuse proper and lower pricing elsewhere due to lack of demand. New construction has slowed considerably.

Upstate NY is one of the highest taxed areas in the United States. State and local taxes are 79% higher in New York State than in the rest of the United States.[1] That is a significant burden that plays hard against individuals and businesses alike. As a result, we have lost both jobs and population alike.

Property taxes alone – which support education and local government – are among the highest in New York State than anywhere. Out of the 10 highest taxed counties in the nation, based on tax rate, 9 of those counties were in New York State. And, 9 of those New York State counties were in Upstate New York, including Onondaga County.[2]

Due to the high cost of doing business many companies simply moved operations elsewhere where the cost of conducting business was lower. As the jobs left, people followed; taking those dollars out of Central New York. This has resulted in a multiplier effect putting a greater burden on fewer individuals working to support the infrastructure and debt load of the region. One of the most recent examples is Will and Baumer, a candle manufacturing company in Syracuse. The firm announced plans to re-locate to Lewisburg, Tennessee when it became clear that operating costs were lower there than in New York State.

To provide services, strong quality of life, strong education and other governmental services require sufficient revenue combined with efficient spending. The lack of employment brings the ability to deliver those to a halt resulting in a downward spiral.

As stagnation remained and no one comprehensive growth strategy was put into place the economic development tools used by local governments morphed to actual cash being put into private ventures in the more recent years. This is indicative of local government having few tools in their tool box to attract jobs that create stability and growth.

State government is needed to level the playing field in the economic development marketplace. Having local communities play one against one

[1] Local Taxes in NYS: Easing the Burden.
[2] NYS Commission on Property Tax Relief

another to attract companies has actually created situations where employers simply move to another municipality down the road and gaining economic advantages. When one municipality creates an economic incentive to lure a business from another; both are hurt.

No one disputes that with high property taxes, high utility rates and other high state and local taxes, attracting jobs to the community is a challenge at best. No one disputes that jobs are required to maintain services needed to support a strong educational system and to provide other services. The question is what vehicle should be used to attract those jobs and at what cost to the community?

Review:

As a backdrop to the economic development strategies being employed in CNY and around NYS – some pitting one municipality against another located next to each other - this office reviewed the model that was developed for the Destiny USA project:

- Background leading to the creation of the economic plan.
- Enabling legislative actions,
- The $540 million financing transaction completed by the developer and the Syracuse Industrial Development Agency (SIDA) in February 2007, and
- Investment activity over the past twelve months

Background: Overview and Context

Any discussion of public policy, risk, cost and benefits of the economic model put together for the Destiny project should be undertaken with an understanding of the context in which this development has been undertaken. To do so would take account for other issues beyond immediate economic impact and appropriately evaluate the fundamental public issue of creating value without exposing the public to fiscal risk in order to improve the competitive position of the community.

New value would accrue to the community by using land strategically located consistent with the needs of a changing economy, by reclaiming environmentally contaminated material that resulted from previous and now outmoded, industrial land uses, by enabling private development that could lead to economic gain while diversifying and by increasing the revenue streams to local government

Consequently, a brief overview and historical recounting is in order:

Period 1: 1985 to 1990

In the late 1980's the weakened financial position of the city and the limited powers of local government to remake itself from its industrial past was clearly evident especially when viewed from the 800 acres of the lakefront area and the area now known as Franklin Square. The inability of the City of Syracuse to follow the growth that occurred in the 1960's, 1970's and 1980's to the suburbs through annexation and the changing nature of the economy had left behind land and buildings marginally used, often contaminated and yet served by significant infrastructure investments.

A central question for the newly elected (1985) administration of Mayor Tom Young, was how to reinvent the area without using the resources of local government that were needed for the basic services of public education, public safety and public works. In addition the availability of transfer payments from state and federal government that often were associated with urban renewal in the past had diminished in scale and those which remained were largely place-based strategies tied to the elimination of poverty especially housing. The image of a city marked by industrial abandonment and marginal reuse was increasingly a concern of some in the community. The interest of the Pyramid Companies in the development of the area presented an opportunity to the city government, i.e. work with a local real estate developer with multiple projects but none in the local market despite the fact that the headquarters of the company was in downtown Syracuse.

From the onset the question of combining the powers of local government with the business acumen of a private company has been central to the policy. Unlike private partnerships, however, the city's objective was to not expose the local tax-payer to risk either in the form of added general government expenditures or increasing capital debt to support the redevelopment. And while advocacy for resources being made available from higher levels of government was certainly mutually agreed to, this was not a requirement as part of the basic agreement struck prior to the opening of Carousel Center in 1990.

For a private development to move forward in an area of significant deterioration without public assistance to improve and provide infrastructure was one of the first hurdles to be overcome. Investing multi-millions of dollars in this blighted area without at least some assurance that the public infrastructure would be improved was a risk the developer could not overcome without public involvement.

The development tool that is used in many communities to overcome such obstacles is called tax-increment financing, i.e., the new taxes that a project would develop are often used by a municipality to finance and provide the public improvements that the private redevelopment requires in order to reduce the private risk to an acceptable level. As of this date, only New York and one other state has yet to offer Tax Increment Financing (TIF). A recent bill in the NYS Assembly in support of authorizing Tax Increment bonds payable by a school district within a blighted project is supported by the New York State School Boards Association [3]

Period 2: 1990 to 1995

In the early 1990's just such a deal was struck, albeit without undertaking the time and effort to allow for a tax- increment district to be established as provided for in New York State law. Instead by using the powers of the Syracuse Industrial Development Agency (SIDA), a payment in lieu of tax agreement was established. Both SIDA and the City of Syracuse approved this early agreement that allowed the property taxes generated by the new development (the Carousel Center) to be used for public infrastructure improvements in the lakefront and Franklin Square area. This was an example of a local government instituting a TIF like mechanism. The development of this financing tool whether one agreed with it or not, was highly creative. Yet, it did not involve the infusion of cash into a project nor did it require the government to become business partners with the developer. The future taxes were simply re-invested in the public purpose project.

In order to meet the city requirement that no fiscal loss or commitment by the local tax payer be incurred, a special allocation of an amount equal to the taxes paid by the previous properties (known as the junkyard taxes because one of the properties was a junkyard) continued to be paid to the city during the initial 15 year period of the new PILOT agreement. The new taxes generated by the new Carousel Center (in essence the TIF) – which were above and beyond what was already being collected – would finance the cost of the public improvements in the derelict area. The original taxes, those amounts that were being collected by the city prior to the Carousel Center, would continue to go to the general funds of the City and County.

This financing vehicle presented a means to continue receiving the same taxes local governments had previously, while using the additional taxes on the improved property (Carousel Center) to finance public infrastructure improvements around the lakefront and Franklin Square. In theory, this would pave the way for additional development in an area that was otherwise un-developable.

As part of the use of this unique financing vehicle, the Franklin Square area would be placed in an Urban Renewal area, presumably in order to help protect private investments in various buildings in that area that would be undertaken by

[3] 2/25/08 NYS School Board Association letter to NYS Assembly Members

Pyramid and various other companies established by the private developer. The companies would acquire property, much of which was derelict, vacant or underutilized and convert this to private residential and commercial facilities. This presumed quality standard inherent in the Urban Renewal land use plan when combined with the infrastructure investments being made from Carousel Center pilot payments would reduce the private risk of investing in blighted areas.

The private developer agreed to lend its money to SIDA for the improvements to be made simultaneously with the private development of the Carousel Center and various projects in Franklin Square. Bridgewater Place is a prime example of what was contemplated. This former auto manufacturing plant, long vacant and presenting a visible blight from an adjacent Interstate highway was converted into a high end office building. When seen in connection with a creek walk constructed on the adjacent Onondaga Creek, it presented a vision of smart development converting a former industrial building into a modern office building. It remains as a best practice example of what can be done in older industrial cities.

Period 3: 1995 to 2000

In the mid 1990's, the developer began to work on the expansion of the existing Carousel Center. Amid great community debate, the developer was given the right to close Hiawatha Boulevard in 1998, allowing them to join land that was being acquired by SIDA and the developer under a preferred developer agreement. This new land was owned by major oil companies and other owners and, like most of the land situated in Oil City, was Brownfield land, heavily contaminated by petroleum products since much of its former use was as oil tank farms.

SIDA determined that acquisition of this land for economic development constituted an important public purpose, and determined to acquire this land through exercise of its eminent domain powers, using the developer as agent of SIDA, with all costs borne by the developer and full indemnification of SIDA by the developer. These eminent domain proceedings became the subject of lawsuits that dragged on for several years, with SIDA prevailing in the courts.

To a large extent, the use of eminent domain did not account for much of the acquisition of the land but provided a compelling backstop position for the private developer to negotiate private purchase agreements. Complicating the acquisitions was the contaminated nature of these brown field sites. Land value discussion absent understanding the liability of clean up would have proven to be very difficult. Again, all these discussions and the cost of undertaking them were done consistent with the principal of not exposing the local taxpayer to any cost. That most assuredly would not have been the case if eminent domain had been undertaken without using a private developer as the backstop.

Legal proceedings and negotiation with the oil companies spanned several years, during which time plans to build a large-scale complex were effectively put on hold.

Legislative Background

Early in 2000, the Metropolitan Development Association sponsored a report on Tourism in Central New York and released a report authored by the consulting firm of Cumings McNulty. The report entitled "Tourism Assessment and Development Strategy for Syracuse and Central New York" concluded that the number one importer of people to Central New York was the existing Carousel Center, and further that the greatest opportunity to increase visitation and incremental revenue was through expanding Carousel Center – with an emphasis on adding unique venues. Based upon published reports, the owners of Carousel Center re-activated plans to expand Carousel Center in three phases over several years totaling $900 million.

The plans were publicly released eight years ago, following multiple planning meetings between the City of Syracuse, County of Onondaga and representatives of SIDA. The reported intent of the meetings was to advance the necessary government approvals absent cost or risk to the taxpayer, and to provide the developer the opportunity to construct the project.

No cost and no risk meant different things to different stakeholders. By way of example, in the spring of 2000, the City and County had a re-negotiated sales tax formula, now in place for the current decade that both set a floor for the City's revenue, as well as capped its potential income growth at 2%. With the potential for further development of the existing complex, the City demanded that a separate sales tax Revenue Sharing Agreement be crafted on whatever was developed. This allowed the City to financially benefit from the project – physically located within the City of Syracuse.

Changes in the laws governing Industrial Development Agencies and intergovernmental relations regarding sales tax distribution made the negotiations more difficult than in the past. Also, because the existing Carousel Center was scheduled to generate property tax revenues, the risk assessment by the SIDA and the City became more detailed. Additionally, the risk assessment now involved the County as well. For one, the distribution of PILOT payments to aid the project required the consent not only of the City of Syracuse but now required the consent of Onondaga County. The original 1990 agreement was done at a time when the City was not required to distribute PILOT payments to the County in the same proportion as the collection of property taxes. Now, that was a requirement. And furthermore, if the intended use of the PILOT was for

infrastructure, the use of those funds in that manner now required a waiver by both the City and the County.
The basic legislative assumption of the revised structure was that a project of at least 800,000 square feet of leasable area would generate significant sales tax revenue to replace the property taxes that were being waived by the City and County as a result of this structure. A new project which attracted people from outside the immediate area would generate sales tax to fiscally benefit local government and provide economic gain in the form of imported cash flow visitors from outside the immediate economic region. As a fiscal principle, reducing the local government reliance on property taxes to pay for general government operations provided motivation to the local governments.

At the same time, there were additional questions that were posed by members of the Common Council, the members of the County Legislature and SIDA Board members:

1. If the project is built, will the people come from outside the County and the State?
2. Is the financial assistance necessary?

Together, these two questions were posed to determine how the City and County respectively could guarantee that the project would not have a cost or risk to the taxpayer. SIDA ultimately engaged two separate firms to answer the above questions.

Economic Research Associates (ERA) was engaged to analyze whether or not people would visit an expanded Carousel Center, and also to determine the minimum size project necessary to achieve net income to the City and County from sales tax rather than through property taxes as outlined. ERA's report was issued on June 8, 2000. It highlighted the demographics of people living within a day's drive, but more importantly concluded that tourists would travel far distances to come to Central New York and experience an expanded Carousel Center.

While time has passed, a review of the ERA report also brings to light the basis for the initial phase of construction being 800,000 square feet or larger. As eluded to above, this threshold specified in legislation considered by the Syracuse Common Council and Onondaga County Legislature came from projections of sales tax revenues to the City and County being greater than an independent review of the likely amount of property tax to be collected when the Carousel Center property was scheduled to be put back on the tax rolls at the end of it Payment in Lieu of Tax (PILOT) Agreement term.

The second professional consulting firm engaged by SIDA was based in New York City. Deloitte and Touche was engaged to determine whether or not the financial assistance being provided through the PILOT Agreement was necessary. After more than four months of analysis, the final report outlined that environmental conditions, building costs and market conditions warranted a PILOT Agreement spanning thirty years. The report was issued to the community on November 14, 2000.

Following release of the Deloitte and Touche report, additional public meetings and committee meetings were held by legislative bodies by the City and County. Viewpoints differed greatly, and the PILOT Agreement was ultimately presented to the legislative bodies.

Interim Annual Payment

The Common Council worked to make modifications in the Fall of 2000. Specifically, they introduced a provision designed to financially stimulate the developer to build more than one phase. Referred to in the legislation as the Interim Annual Payment, the clause charged the developer a higher property tax equivalent payment for the first phase and a lesser amount for the following phase. This provision added financial motivation for the developer to build multiple phases, which in turn benefits government by creating addition direct, indirect and induced economic benefits.

The policy decision was passed on December 18, 2000 by the Syracuse Common Council by a vote of 5-4. The County Legislature followed by approving identical legislation on January 22, 2001 passing a resolution by a vote of 14-10, endorsing the PILOT Agreement.

A review of the legislation passed by both the City and County includes multiple references to the project not having any risk or cost to the taxpayer.

- “Be It Further Ordained that the City of Syracuse shall not be required to issue its debt on behalf of, or otherwise pay for any of the cost of construction of the Public Improvements…it being the intent of the this Ordinance that such improvements will be paid for from the proceeds of bonds issued by the City of Syracuse Industrial Development Agency and that City taxpayers will not be required to support additional debt for such improvements”,
- “Be It Further Ordained” that the City the City of Syracuse shall not be obligated, as a result of this Ordinance, to provide any additional funds relative to the Carousel Expansion….”
- The PILOT Agreement was tied to securing financing for a minimum of 800,000 square feet of leasable area, the space outlined by ERA that would result in more revenues coming to the City and County through sales tax rather than property tax.
- Lastly, both the City Ordinance and County Resolution required that the owners of the project delivered guarantees of completion.

This legislation specifically provides a mechanism to borrow money in the financial markets utilizing SIDA as a facilitator. Lenders could look solely to the project itself as security and not to the City or County. At that time, legislative actions were based on projected private investment of $900 million.

Revenue Sharing Agreements were approved at the same time by the City of Syracuse and County of Onondaga splitting local sales tax revenues on the Carousel Center Expansion. Based on a review of the facts, this component of the legislative approvals was vital to insuring that there was no cost to the City of Syracuse.

Destiny USA

Following the initial approvals, the developer began expanding the vision for the project – adding hotel rooms, recreation facilities, and entertainment venues. These elements added significantly to the projected cost of the project to the developer, and resulted in a request being made to modify the PILOT Legislation.

Discussions around allowing hotels to be covered by the PILOT Agreement and the use of bond proceeds for all aspects of the project were considered in the fall of 2001 and early winter of 2002.

Mayor Matthew J. Driscoll, facing structural financial challenges, agreed to support the requested changes in exchange for two commitments to be made by the developer:

1. Destiny USA's Chairman legislatively obligated his company to guarantee government revenues to the City totaling $64 million over a period of 12 years.
2. The developer also agreed to release PILOT payments from the existing Carousel Center – earmarked for specific improvements in the Lakefront Area to be released to the City's general fund. This commitment on behalf of the developer totaled an average of more than $5 million per year between 2002 and 2005.

On December 31, 2001, former City Auditor Minch Lewis released a document entitled "Frequently Asked Questions". Within this document, the City Auditor concluded that with the new legislation –

1. There would be no government money invested in the project
2. Government credit would not be involved
3. The more successful the project, the greater the economic gain for government
4. Government is protected – even if the project does not succeed

The modifications to the PILOT agreement were approved by the City of Syracuse in January of 2002 and by Onondaga County in February of 2002. The combined vote confirmed a commitment to continue with the public policy decision conceived by Mayor Young, enhanced under Mayor Bernardi and strengthened by Mayor Driscoll; to leverage the PILOT Agreement on underutilized land to grow the economy in a manner absent direct financial risk, or cost, to the taxpayer.

While the project received the necessary approvals in 2002, it took several years to advance the first phase of the project. Arguments ensued over whether the developer had met certain threshold requirements, and ultimately the City argued that the developer had not performed and that the original PILOT had expired and the property should be placed on the tax roll. The company sued, arguing that it had met the threshold requirements. In 2006 the position of the company was upheld in State Supreme Court.

The $540 Million Financing Transaction:

The court decision cleared the way for the financing transaction.

The Mayor negotiated a new transaction in lieu of an appeal of the decision. The new transaction did require the prepayment of SIDA fees in the amount of $60 million. This amount was to be distributed with large upfront payments upon closing of new bonds issued by SIDA and on the one year anniversary. The remaining funds would be distributed to the City and the County over a period of time. The City was scheduled to receive 89% of the $60 million with the County receiving the balance. Formal approvals were advanced by the City, County and SIDA in mid-2006.

The payments were structured over twelve years. The financially challenged City received $9.8 million in February 2007 and in February 2008. $3.4 million is to be received annually from 2009 through 2008. These funds helped eliminate a shortfall in the City's 2006-2007 fiscal year and contributed favorably to no tax increase projected in the City's 2008-2009 budget.

While the City's $53.4 million is specifically earmarked towards economic development, it creates the opportunity for cash to be freed to flow to other obligations or expenses in the City's budget. Specifically, the payments from Destiny USA are being used to pay off debt on eight downtown parking garages ($51.5 million), pay for economic development staff ($130,000), pay for demolition of blighted structures in City neighborhoods ($1.4 million) and costs associated with Carrier Dome Events ($400,000).

Relative to the County, the $6.6 million to be received over the twelve years was similarly front- loaded. $1.21 million was received in February 2007 and in 2008. $418,000 is to be received annually thereafter through 2018. The County committed to use its funds to support infrastructure around the proposed Convention Center Hotel ($1.584 million), to pay for an allocation to the Central New York Regional Planning and Development Board ($960,000), and to support its Department of Economic Development Staff Budget ($4.056 million).

Other local benefits accrued at the closing in February 2007 including what was called the Lakefront Improvement Fee totaling $5.4 million. These funds were unofficially earmarked for investment in the Syracuse Lakefront Area – to both support economic development projects and pay for the City's share of infrastructure projects.

Investment Activity: The Project by the Numbers

Based on a review of the F. J. Pompo & Company, P.C. report issued to the Syracuse Industrial Development Agency dated February 22, 2007, the owners of the project have invested$329 million (including industry standard interest carrying costs) through December 31, 2006.

A review of the financial records show that despite some of the above referenced challenges between the end of 2002 and the fall of 2006 investment during that period grew significantly:

2003	$ 26,072,098
2004	$ 44,474,203
2005	$ 107,931,971
2006	$ 40,623,924
Total:	$219,102,196

This private investment was spent by the developers of Destiny USA on design, attracting corporate partners, acquiring land, securing government approvals, and advancing the business model. The company hired local architects, engineers, and lawyers and, contributed to the local economy when out of town workers were brought on-site staying at area hotels and eating in local restaurants.

The investment figures increase substantially based on closing on $540 million in financing on February 27, 2007. This enabled construction on the first phase of the project to move forward.

Conclusions

The Destiny USA project has already created many of the benefits that were committed during the development of the financial model. City and county governments have financially benefited without utilizing resources or assuming any credit risk. Consistent with the agreements, all property taxes existing prior to the development have been paid.

If structured properly, a similar economic development model could be utilized to the maximum by developers on similarly underutilized and abandoned sites throughout New York State – transforming blight into thriving communities that create wealth and energy to a region as well as provide for support to local municipalities and schools via new property taxes, sales taxes, and income taxes generated by individuals drawn to the area.

There are thousands of acres of underutilized properties that could benefit from the use of a similar financing model. The use of this economic tool could result in the creation of thousands of jobs.

Creating both short and long term project based financing with no risk or cost to the government could create thousands of jobs and opportunities. Focusing on under utilized properties, targeting under employed and unemployed New Yorkers using a TIF based program will stimulate economic growth across the State. Provided such financing is geared only toward credit worthy companies can only enhance the odds of success.

Relevant Third Party Studies/Analysis

- Cumings McNulty Tourism Report
- Economic Research Associates (June 2000)
- Deloitte & Touche (November 2000)
- Citistates Report June of 2002
- Brookings Institute Reports (Bruce Katz)
- AT Kearney for NYS (July 2007) and for DestinyUSA (November 2007)
- FJ Pompo Accounting Report (February 2007)
- Global Insight Report for DestinyUSA (September 2007)
- Presentation at the US Green Building Council – by Mayor Driscoll, and Dan Thomson from Citigroup regarding "No Cost Model for Green Economic Development" -- November 2007
- Local Taxes New York State: Easing the Burden
- NYS Commission on Property Tax Relief

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