

## **RPA's 13<sup>th</sup> Regional Assembly**

### **Morning Plenary Discussion**

Daniel L. Doctoroff, Deputy Mayor for Economic Development and Rebuilding, NYC

Hon. James J. Florio, Chairman and CEO, Xspand, Inc.

Hon. Thomas R. Suozzi, Nassau County Executive

Derek Turner, former Managing Director of Street Management, Transport for London

Kathryn S. Wylde, President and CEO, Partnership for NYC

Moderator: Robert D. Yaro, President, Regional Plan Association

**Yaro:** When the current recession inevitably ends, the Region will need to grow again, but faces a structural deficit going back many years. How do we work together to invest in infrastructure for the future even in tough fiscal times?

**Turner:** Suggested engaging in debate about costs of NOT investing, easy intellectual argument to make.

**Florio and Turner:** They both agreed that good public sector investments are helped with private productivity and success, and that leadership must go out in creative ways to change perceptions. The failure to make investments now can create dire hardships and make things a lot worse in the future. The politicians must go out and engage in debate, even though it may be painful.

Cost-benefit analysis can also help. Risk is in permanent inertia, it cannot be paralyzed by worrying about someone being made unhappy, someone will always be made unhappy. Nothing is for nothing, can't get something for nothing

**Suozzi:** Told the audience a bit about his community: Nassau is the first original suburb (Levittown). In 1960, there were 1.2 million residents and 7 farms, today there are 1.3 million residents and 3 farms. Nassau and neighboring Suffolk County equals the 5<sup>th</sup> largest city in US. It has stopped growing, which is causing a problem of lack of capital. The public work force has been reduced 11%, and some want it to be 15. Expenses are still growing and no one wants development (NIMBY). He wonders how to grow while maintaining the quality of life and remaining committed to the environment and minimizing traffic. Suozzi urges to make investments now and that the region needs to advocate to the federal and state as well.

**Dan Doctoroff:** Difficult to consider growth in these times. He suggested making investments that have extremely high returns i.e., they may invest billions in the west side Manhattan development, which is based on incremental taxes, the #7 subway expansion, and greater waterfront access. They figure this is great opportunity for the City and that incremental financing can finance the infrastructure investments and much more. Doctoroff says the region must rise and fall together.

**Kathryn Wylde:** Transportation is a key item. NY's regional success is based on its talent and labor pool, diversity, and clients, and that customer access is crucial. The City

must encourage businesses to stay, and make it worthwhile. The main complaint in the business community is congestion; they have even gone so far as to figure out the revenue lost from traffic.

**Suozi:** Supportive of partnering with NYC. The region has to share problems, commiserate, and support each other; we have to figure out how to grow together by making choices that make economic sense for everyone.

### ***Commuter Tax:***

**Yaro:** A negative reaction has been reported from the suburbs.

**Suozi** lamented that NY is one of the higher taxed State in the US, and that the issue should be addressed at the state level. Thirty years ago, there was a campaign in Paris that generated the needed monies through the business community in the form of payroll taxes.

**Wylde** thinks it is not a good idea, and is actually a head count tax, targeting something that should be supported, i.e. jobs. Instead, taxes should only tax things the City does not want.

**Florio** said that the problem is not taxation in general, but unfair taxation. It is important to address how to change processes that have been around for a long time. He fears the legislature will not be aggressive and proposes to have a constitutional convention on how to tax; to reduce property taxes and redistribute who pays. Regionally, there will be need for more communication and a radical tax sharing across regional boundaries.

**Doctoroff** thinks regional cooperation is great, but that it will take a long time. NYC needs the money now and he thinks that people who work in NYC should help pay to maintain it.

**Suozi** sees an exponential growth in the southwest, the midwest, and the southeast; growing places that do not have same revenue issues as other areas are not growing. From a global perspective, the federal government needs to help these states more; NYS gives a lot of money to the nation and gets less back in services. For example, the MTA estimates \$2B per mile for NYC's 2<sup>nd</sup> Avenue subway, which is twice as much as other cities have to pay.

**Wylde** said that getting continued tax support from taxpayers would require a civic commitment to infrastructure.

### **AUDIENCE DISCUSSION**

1. Has London figured out if congestion pricing has caused a drop in CO2 emissions?

**Turner:** Modeling is being done to take into account the new traffic patterns, but so far are not considering a carbon trading scheme right now; they have predicted that the congestion pricing more redistributes the Co2, doesn't decrease.

**Florio** wants the entire region to raise a gas tax, etc. together, so that there is not a competitive advantage created between the states. He mentioned the Meadowlands district, which redistributes benefits of singular projects.

**Suozzi** wants political leadership, people who think of great ideas and think of the way they can be pursued. He is set on addressing the Medicaid issue, because NYS has to pay 25% of the costs through their property taxes, and spends twice as much as the national average. He complained of no accountability at the State legislative level.

**Doctoroff** wants NYC to thrive and is encouraged by support from New Jersey Governor McGreevey who wants to put a time frame on consensus-building around the need to provide greater access to lower Manhattan, and to revive it as soon as possible.