



Political Outlook 2009

Questionnaire

Candidate For: SYRACUSE COMMON COUNCILOR 4TH DISTRICT

Name: HOWIE HAWKINS (GREEN)
Opponent

(incumbent Thomas Seals (D, I, WF))

Incumbent

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Education: Dartmouth College

Occupation: truck trailer unloader at UPS

Work History: Marine Corps, carpenter, building contractor, cooperative developer

Community Involvement: South Side Coalition, South Side Newsstand, Public Power Coalition, Syracuse Municipal Broad Band Initiative, Social Economy Network

Please respond to the following questions. Feel free to add attachments.

- 1. What government modernization/consolidation actions or policies would you initiate or support for both internal and external purposes for the City of Syracuse? What other municipal entities or agencies would you like to work with?**

Metropolitan Tax Sharing

The city should initiate discussions of countywide property tax sharing and a progressive income tax coupled to property tax reductions. The inequalities of municipal property tax bases and tax jurisdiction competition for businesses and residents undermine cooperation for effective, coordinated metropolitan policies, from quality schools to economic development. The regressive nature of the property and particularly sales taxes as the principal sources of local tax revenue makes the disparities between inner city and suburbs only greater, hence the need for progressive tax reform.

Metropolitan Public School Choice

The city should initiate discussions for extending public school choice to suburban school districts and preferably countywide. Money alone will not solve the problems of the city's schools, which are rooted in concentrated poverty in the city that brings the problems that make learning difficult from the streets into the

schools. The evidence is overwhelming that balanced mixes of students by income and achievement levels (which will also mix them by ethnicity) brings the achievement levels of low income students up without reducing the achievement levels of middle and upper income students. The city should make the case that the whole county rises or falls on whether the inner city rises or continues to fall and that improving inner city student achievement through expanding public school choice across the city/suburban border is the best way to do that. A first step might be public school vouchers among cooperating school districts. The best solution would be a countywide public school choice plan.

City/County Administrative and Service Consolidation

I believe that the city's and the suburb's problems and future are bound together and that we need countywide metropolitan coordination of policies. At the same time, we need town and neighborhood scale governmental institutions that enable people to participate in and feel ownership of their own communities. So I think part of the road to consolidation of government functions and services is developing a federated metropolitan structure that both gives people a sense that the metropolitan government is accountable and also that they retain certain powers in their own communities. I think that consolidating countywide progressive tax reform and revenue sharing would be a good first step that would help people see that they are bound together in one metropolitan future. I think expanding public school choice across the city-suburban border would be another confidence booster that could lay the ground for further cooperation and consolidation down the road. In the meantime, I am open to any proposal for consolidation of a function or service on its own merits. But I think the politics are the biggest obstacle and that tax fairness and expanded public school choice are the best first steps in building regional consensus for more comprehensive consolidation and modernization.

2. The City, the County and our region are in dire need of job growth. Please give us your plan on how you would proceed to achieve job growth.

Municipal Development Bank

We need a much more aggressive and direct approach to developing businesses in Syracuse than the passive approach of tax breaks and other economic incentives that have been used in recent decades without much success. I propose the creation of a city-owned bank with two departments: (1) A consumer loan department provide home mortgage and improvement and other consumer loans to neighborhoods that have been redlined and discriminated against for decades, and (2) A business development department to help plan, finance, and advise new community-owned businesses.

By community-owned business I mean owner-operated small businesses, worker cooperatives, and community corporations where voting shares are restricted to residents, like the Green Bay Packers. Although the municipal bank would consider proposals from any business looking to startup or expand in the city, it would prioritize various forms of community-owned businesses in order to create wealth that is anchored to our community by the enterprises' ownership structures.

To develop a new community-owned business, the planners in the development department would draw up a business plan, arrange the financing, hire the staff and train them to operate the business, and advise it as it got up and running. When the workers could manage it on their own, they would repay the financing for the assets of the business to the bank and own it as owner-operated proprietorship if was small or as worker cooperative or community corporation if it was larger.

The principal model for this development banking concept is part of what is now the Mondragon Cooperative Corporation in the Basque region of Spain. Over the last fifty years, its Working People's Bank has developed 160 affiliated industrial worker cooperatives employing over 104,000 worker-owners. Its consumer cooperative has some 500,000 members and employs 32,000 people. Overall sales are today approaching \$24 billion annually and it administers over \$44 billion in assets. Each affiliated co-op contributes 10 percent of its net income to finance the bank. While the planning and development of new cooperatives was originally done within the Working People's Bank, the bank has used some of its assets to endow three research and development institutes to perform that function today and a Mondragon University where 4,000 students are enrolled in technical and management studies to prepare them for work in the cooperatives. The Mondragon cooperatives have a 98 percent success rate, compared to a 90 percent failure rate of US startups within two years.

The municipal bank could start with helping bring back needed retail businesses to downtown and neighborhood business districts. For example, a network of neighborhood co-op groceries downtown and in the neighborhoods is an obvious need. Another is helping aspiring small contractors in the city in construction and maintenance develop the capacity to run businesses that can bid on city and other sizeable contracts. The bank should also develop the capacity to help in the high tech, green tech, and manufacturing areas. The model here would be the flexible manufacturing networks in the region around Bolgna, Italy, where 250,000 workers in some 100,000 small co-ops in engineering, machine tools, construction, and related areas combine and recombine on different contracts to design and manufacture industrial and building parts and components.

3. What top three issues concern you the most for the City and what solutions do you advocate for each?

First, Fiscal Crisis

The city's recurring structural deficit must be addressed before resources can be devoted to other problems. I think this will require progressive tax reform and cuts in tax expenditures.

I discussed my ideas for metropolitan tax sharing under Question 1. If that goes nowhere, I think the city should consider a progressive city income tax, including on the incomes of the over 40,000 commuters to the city. Serious consideration of that proposal might get the metropolitan tax sharing discussion going.

Tax expenditures appear to be similar in size to direct spending in the budget and are the most promising area where the city can cut expenses and raise revenues, as I will discuss more under Question 5.

Second, Public Schools

As I discussed under Question 1, I think the most effective thing we can do to improve the achievement of city school children is to expand public school choice across the city/suburban divide.

I also support more funding for the city schools. First, the Council and Mayor should plan regular increases in the city contribution to the school budget instead of making the school budget the subject of an annual drama. Let the School Board deal with their constituents and the complications of state and federal funding without adding the city to their problems. Second, we should continue to push for the principles of the Campaign for Fiscal Equity decision to be applied statewide by the legislature.

Any additional funding we secure should go toward universal full-day pre-K, reducing class sizes toward 15, teacher training and certification, and building and equipment upgrades.

I support Say Yes to Education, but also believe we need a strong vocational/technical school options as well, including the redevelopment of Central Tech. As someone who went to an Ivy League college but has preferred blue-collar work in construction and transportation to a desk job, I appreciate both types of education and both types of work. Our educational system should cover both.

I oppose mayoral control of the schools. The mayor and council should be partners. Any move toward mayoral control will just start a turf war that will benefit nobody.

Third, Poverty

Studies of the 2005 US Census Bureau survey show that Syracuse has the third highest overall poverty rate (31.3 percent) – and the very highest black poverty rate (42.5 percent) – of the central cities in America's 100 largest metropolitan areas. They also show a child poverty rate of 45 percent. Poverty ties together many of the city's inter-related social problems, from low school achievement and high rates of crime to depressed neighborhood business districts.

The best way out of poverty is a good job and ownership of productive assets. While some people can build ownership of productive assets through self-employment in owner-operated small businesses, the way most people will be able to participate in widespread ownership of productive assets is to develop businesses that are widely owned by their workers and/or community residents. I believe the Municipal Development Bank that I discussed under Question 2 would make a significant contribution to creating good jobs for and ownership of productive assets by the many low-income people in the city who are now underemployed, low wage workers.

A second proposal to fight poverty would be reforming the Living Wage Ordinance to include a Community Hiring Hall as a means of helping city residents and particularly ethnic minorities get into the labor market and particularly on jobs with city contractors. Data collected by the county Commission on Human Rights shows that African Americans and other people of color are getting consistently over many years one-half to one-third of the jobs with city contractors they would get if they got a share proportional to their share of the city's population. The reformed Living Wage Law would require contractors and city departments to hire qualified people from the Community Hiring Hall if they could not meet equal opportunity employment goals from their usual sources of labor. The Community Hiring Hall would also help individuals seeking work to get training and apprenticeship programs as well as jobs with private and well as city employers.

4. Describe the relationship you would like to have with the Greater Syracuse Chamber and the business community. Please be specific.

I would like to be able to talk with any members of the Chamber or any business person who has comments, pro or con, on my tax reform, school reform, and municipal banking ideas, as well as any way I could help businesses develop in the city and particularly the 4th District.

I am particularly interested in the feedback on the municipal bank idea, which I see as collaborating with other financial institutions to finance projects. I think it might have traction. A Democrat, Joe Fahey, raised it in the 1993 Democratic primary, emphasizing the consumer and small business loan side of it as a means of

overcoming redlining and discrimination. In this year's race, the Republican nominee, Steve Kamatian, has emphasized the business development side, calling a "Municipal Venture Capital Fund, basically a municipal bank."

I would also like to discuss how creative public enterprise can help private enterprise develop in the city. One public enterprise I have advocated is a municipal power utility, which I believe could offer lower rates as well as cleaner sources of energy. It would reduce energy costs of doing business in the city. Another public enterprise I believe could help lower business costs as well as provide better technology would be a municipal broadband utility for internet, phone, and cable services. Municipal broadband rates are on average 30 percent lower than private franchisees and tend to install better technology, which can be important to business dependent on broadband services.

I am a strong supporter of focusing public economic development incentives on manufacturing. I believe that the high value-added nature of manufacturing creates wealth and serves as the foundation for the service, retail, and government sectors. Although not a lot of land is zoned for industry in the 4th District, many of the people who live in it need work in manufacturing.

I also want to have regular communications with businesses and business association in my district in both Downtown and the Neighborhood Business Districts. I think vibrant, attractive retail business districts downtown and in the neighborhoods are crucial to improving the quality of life and amenities that will attract and retain other businesses and residents to the city. I think there is a lot we can do in terms of street and community design to make these business districts part of compact, walkable, attractive neighborhoods.

5. How would you, as a member of the Common Council, reduce the cost of government?

Cut Tax Expenditures:

I would propose a Tax Expenditure Budget to bring greater scrutiny and reductions of this substantial form of municipal spending. The budget adopted annually by the city of Syracuse should include tax expenditures in addition to direct spending, as is done by the federal government, New York State, 40 other states, and Washington DC. Though often described as "tax breaks" to encourage economic development, tax expenditures constitute a major category of spending by the city. They are often open-ended, poorly understood, little-scrutinized entitlement programs that create fiscal problems. Indications are that they are comparable in size to direct spending by the city. For example, according to Forbes magazine (May 29, 2000), Syracuse gave away \$2 billion in tax breaks, grants, and other economic incentives over a five-year period in the late 1990s. That is \$400 million a year and close to the combined city and school direct spending budgets over that time period. This number does not appear to include most of the property tax exemptions for non-profit and governmental organizations in the city. Cutting tax expenditures is where we can cut the most fat and increase revenues to cover other expenses.

Demand Federal Cuts in Military Spending and Tax Expenditures and Greater Revenue Sharing:

We are incurring great future costs by delaying infrastructure maintenance. The cost of updating the city's sewer system is over \$2 billion. The city cannot pay for this and other capital costs without getting back more of the federal taxes we pay. Too much of our federal taxes go to military spending (over \$650 billion a year) and individual and business tax expenditures (over \$1 trillion a year). The city should lobby federal representatives to cut military spending and tax expenditures and institute revenue sharing. The centralized

collection of progressive and ecological taxes is more efficient and the decentralized administration of spending is more effective.

6. What steps would you take to attract businesses the City, especially downtown?

I have already discussed my ideas for attracting businesses to the city, which emphasized more the city being the public banker and developer than “attracting” outside businesses. The Municipal Development Bank is a pro-active way to start-up businesses that neighborhoods need or for which the bank’s business planners find a market opportunity. Public power and municipal broadband would create low-cost, high-quality services businesses need.

But on the question of making Syracuse attractive to outside businesses, I think we need to emphasize the quality of public services and amenities, from the schools, parks, and arts to the public safety and transportation. We need to make Syracuse a place where the managers making location decisions want to live.

On downtown development, I think we need to explore innovative urban design to make downtown a place that where people want to go and be on the streets. Among the ideas I think we should consider:

- Attractive, convenient public transit: Personal rapid transit on elevated tracks or monorails may be worth exploring. Ithaca has a NYSEDA grant to further this form of rapid transit there that is worth watching.
- Pedestrian malls like the Ithaca Commons
- Bring back the Erie Canal: Bringing the water back into downtown would restore part of Syracuse’s unique heritage and create waterfront properties and recreational venues in the middle of downtown.
- Mixed-use, mixed-income development, especially of new areas opening up when elevated sections of I81 (and I690?) come down. If we just displace the low-income residents downtown with upscale residents, some of the ghettoized poor will return on the street to prey on the upscale residents. Mixed-income, mixed-use neighborhoods establish different behavioral norms that reduce crime and poverty.