

## TALK CNY | Season 1, Episode 19 Transcript

Andrew Fish 0:06

Welcome to CenterState CEO's semi monthly podcast, Talk CNY, presented by NBT Bank.

Kate Hammer 0:11

On Talk CNY you get an inside look at the people, projects and planning moving Central New York forward.

Andrew Fish 0:17

I'm Andrew Fish, Senior Vice President and member of Business Experience CenterState CEO, Central New York's leading business leadership and economic development organization.

Kate Hammer 0:25

And I'm Kate Hammer, business coach and member at CenterState CEO. We are your hosts for Talk CNY. Take a moment right now to subscribe and your listening app for new episodes every other Wednesday.

Rob Simpson 0:36

The moment that we're in right now is for a pace of growth and expectation that we don't have the resources to meet. And so I think a huge amount of the work that we are trying to do, at least us here at CenterState is thinking about how we build our communities, civic capacity, how we build more of a resource base, not only for ourselves organizationally so we can do the work our members are asking us to do but how all of our community partners can position themselves to take advantage of this moment.

Andrew Fish 1:00

Welcome to our fourth quarter check in with Rob Simpson, President and CEO of CenterState CEO. On this episode of our podcast, we will get an update on Micron's investment one year after the company's historic announcement. Learn about important projects on the horizon and answer your questions. Welcome, Rob, thank you so much for joining us again for our quarterly conversation. Looking forward to it.

Rob Simpson 1:18

Yeah, me too. Thanks for having me back.

Andrew Fish 1:19

Absolutely.

Kate Hammer 1:21

Rob, we would love to hear from your perspective, what's been going on the past few month? Catch us up. And does any particular memory stand out to you that really, you know, suggests all of Q3.

Rob Simpson 1:31

Listen, I think there's been a tremendous amount of activity going on over the course of over the course of the summer at whether it's our economic development pipeline, which continues to be really robust, whether it is some of the future planning work that we're getting into, as we contemplate what it means to be growing community. Again, there are a lot of things that, you know, frankly, we are going to need to invest in going forward a lot of our infrastructure. And so there's been a lot of thinking and planning and collaboration going on around that. I think mostly what I've heard is enthusiasm from companies locally who are just looking at the future and, and seeing days that are brighter than the ones that we've known over the course of the last 10 years. It's just really rewarding to feel that level of optimism from people on the street.

Andrew Fish 2:10

So last month earlier this month, rather, we had Joe Nehme, Micron's Senior Manager of Government Affairs Community Affairs with us, we were talking about the announcement that trajectory going forward. There's a lot that has to align so many things that has to happen in order for us to as a community kind of meet this moment, two part question one, how do you feel not overwhelmed by that, right? And two, how do we know that as a community, we will be able to achieve these things and get to where we need to be to meet this moment.

Rob Simpson 2:38

I mean, listen, I feel overwhelmed by it sometimes. I'm not gonna lie to you. I mean, the reality is, it is a daunting task, we are trying to do something that very few communities in the country have ever or if any have done successfully, at least the level that we will define success, right, which is exceptionally well done. It's intimidating we are we were made a community that has a civic capacity and a resource base of a community that hasn't grown in 30 or 40 years. And yet, the moment that we're in right now is for a pace of growth and expectation that we don't have the resources to meet. And so I think a huge amount of the work that we are trying to do, at least us here at CenterState is thinking about how we build our communities, civic capacity, how we build more of a resource base, not only for ourselves organizationally so we can do the work our members are asking us to do but how all of our community partners can position themselves to take advantage of this moment how we pull more resources in from our state partners, from our federal partners. You know, Kate, you asked about a memory that stands out over the course of the last quarter like one of the things that I may be the most proud of, of just about anything we've done in our in my career outside of Micron and a handful of other projects is we are successfully collaborating with Buffalo and Rochester and Cornell and businesses here in the Syracuse market. Multiple metros across upstate working together to pursue the Federal Tech Hubs Designation. That's a program that was authorized under the Chips and Science Act. It's the largest investment in basic research and development the federal government has made since World War II. It's a hyper competitive program 320 or 330 applicants from around the country. And we partnered up with our sister metros across the Thruway to pursue that together five years ago, that kind of collaboration would be unheard of. In this moment, it is so important because that program has the potential to unlock \$75, \$150, \$500 million in future federal funding that we can bring back to Central New York to help us deal with some of the challenges that we know are on the horizon. So building that resource base, preparing people

for growth, changing the mentality to me, that's been a big part of the work over the last few months.

Rob Simpson 2:48

So also, we want to be concerned about ensuring that we have the housing, infrastructure talent, not just as it pertains to Micron, but beyond that, you know, growth of companies here in the region outside of Micron. So how much of that preparation is related to Micron versus other companies that are out there?

Rob Simpson 4:54

I mean, it's really interesting. I mean, I think a lot of the planning and the preparation is related to the growth that we have dissipate post Micron. But you know, Tech Hubs is a great example. So Micron is a key partner, right? They're one of our key industry partners in that collaboration, we're deeply grateful. But we have 70, plus private sector partners from across Buffalo, Rochester, Syracuse down into the Ithaca area that are collaborating on that as well all of whom see an opportunity in building our research base commercializing technology, creating more startups creating better programs to align workforce development to actual job needs. So that people who are getting trained are actually graduating with the skills they need to get employed. So I would say Micron and the growth we anticipate Micron is a huge reason why we are facing these planning challenges. But all of our community is engaged and we need to engage them. Because these challenges won't just impact Micron. In fact, these challenges are an impact all of us, they're going to impact our business owner starting to impact our not for profit organizations, they're going to impact us individually as we think about impacts across our community. And so really, it's an all hands on deck situation.

Andrew Fish 5:59

Recently, and I think this is a good segue because we are seeing a whole lot more growth and we're seeing kind of some really interesting things happening in the innovation and tech space that historically we haven't seen here. Micron's a piece of that, but we've got other other things happening. We just had our seventh finals night for our Genius New York cohort, where we awarded five teams 3 million in investment who're going to take that and execute against their business plans here in the region. Tell us a little bit about kind of that program and and how we're really building an ecosystem around it.

Rob Simpson 6:28

I just think innovation night's one of my favorite times of the year. It's just such a good reminder of the importance of our innovation ecosystem to our overall strategy. Right. So we, as you mentioned, we invested \$3 million in five teams, frankly, over the course of last 15 years that brings the grand total of investments that's understates me and my startup community like pushing \$30 million.

Kate Hammer 6:47

What?

Rob Simpson 6:48

I know it's incredible. We don't often talk we don't talk enough. I think, frankly, it's on us to talk about the fact that we're the largest angel investor in upstate New York, I'm really proud of the fact we built a portfolio programs that put so much back into our our entrepreneurs that are trying to do these innovative and creative things. In this case, these you know, these drone technology companies from all over the world, our winner Blue Flight, we're very proud of the other four companies have exceptional businesses as well, we want to see them grow. They're this like critical components of this innovation ecosystem. And I think the piece that has been important to me at a personal level since I started doing this work in piece, I think that I'm reminded of on innovation night is that the reason our economy fell on hard times, I know often we blame outsourcing and offshoring and companies leaving the region, all of that is true, the fundamental reason why our economy didn't bounce back, because we weren't starting enough companies to replace the ones we're losing. Right, we didn't have the front end of the wide end of the funnel to allow us to build and grow more successful companies to replace the ones we had the entire strategy behind, you know, CenterState's innovation and entrepreneurship programming has been around, building that funnel, making that funnel as wide as possible, maximizing the success of companies going through that funnel connecting your original ecosystem. And I am like just dead set on making sure that in this, you know, we call it the Micron moment in this moment of this expansive, exciting growth, that we don't fall back into that old pattern of just being comfortable relying on whether it's micron, or Syracuse University or any of other major employers that are foundational to our economy, we have to simultaneously invest in that pipeline and that funnel, because that is what is going to help us weather the storm of future economic cycles,

Kate Hammer 8:37

Those Genius teams are going to continue to grow and become an awesome part of the Tech Garden. Can you give us an update on where we're at with that project?

Rob Simpson 8:44

Yeah, we're underway, we're building if you go by the Tech Garden right now is fencing up around the property, we're working through some of the final utility design issues for the property. We're just tremendously excited. I think we pulled the permit a couple of weeks ago from the city. And so that's been great. Our Contracting Team Huber Breuer and E. Smith contracting, they're doing great job for us, we couldn't be happier. So before too long, you are going to start seeing more visible signs of that project, you know, literally growing out of an old parking garage, we'll start to see steel going up the building going vertical and you'll start to get the sense first skeletal at first of of what this new ecosystem or the hub of the ecosystem will look like. And then slowly over the course of the next 12 to 18 months we're going to we're going to add a little color to that structure and you'll see it I hope at least the way that happens in my mind you see this building coming to life and representing the the innovation that exists here in this community today and certainly the sort of beacon of hope of that innovation ecosystem looking forward.

Kate Hammer 9:44

Awesome. Sounds great.

Andrew Fish 9:45

Yeah, I'm excited can't wait to see that steel go up and I'm sure we'll do some great ribbon cutting opening when that time comes.

Rob Simpson 9:50

I have no doubt you know I'm just I'm so you know, this project has taken such a long time to envision I'm just more than anything. I think I'm just really excited to be able to at the end of this process to deliver to our region's entrepreneurs like a physical symbol of our belief in them, right, that's what this building represents. To me, it's a physical symbol of our commitment. You know, all of the partners, you think about everyone who came together to help us fund this project from, you know, the governor in the state of New York to our assembly, delegation or Senate delegation, you know, our county exec or mayor, National Grid, all of northlink communications, like all these partners have, have come together to help us, you know, effectively present this gift to our entrepreneurs and help inspire them to help lead the future of our economy. And it's amazing. And the one thing I'll say, since we've got an active audience, we're looking for more partners. And we are actively in a phase right now, where we're thinking about naming opportunities inside the building outside of the building, we really want to find ways to engage our private sector partners in working with us not just on advertising and putting their name on something, but meaningfully rolling up their sleeves and getting involved in programming. Fundamentally, the work that happens inside the Tech Garden is about helping to accelerate the the curve of innovation for an entrepreneur, right? The longer it takes for an entrepreneur to figure out whether a business idea has merit has commercial purpose, whether someone's willing to pay that time and resources they spend our precious. So the more that we can do in partnering with local companies to roll up their sleeves and help mentor these businesses serve as a point of Product Validation serve as a first customer for one of our startup companies, the more than our existing business community does to engage with our startup community, the more we can shorten that curve, the more we can place bigger bets on our successful entrepreneurs more quickly, the more we can help entrepreneurs that have ideas that might not go anywhere, move on to the next idea, and hopefully find something that has legs has teeth that can create jobs and can create wealth for themselves and their families. That's where we need partners and you know, any anybody out there who who's interested in talking to us about opportunities inside the tech garden in the future, what that's going to look like, you know, we would love to hear from them.

Kate Hammer 12:01

Who should they reach out to?

Rob Simpson 12:02

Feel free to reach out either to myself certainly reach out to Dominic Robinson, John Liddy, frankly, anybody on our team, all of us at CenterState know that getting our business community more directly engaged in our innovation and entrepreneurial activity is a strategic priority for the organization for the region and will point you in the right place.

Andrew Fish 12:19  
Absolutely.

Kate Hammer 12:20  
Perfect.

Andrew Fish 12:21  
Well, we're going to take a short break, we'll continue this conversation with Rob and we'll also take some questions from our listeners, which is exciting. But first, a note from Talk CNY's presenting sponsor, NBT bank.

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Kate Hammer 13:02  
This is Talk CNY and we're continuing our conversation with Rob Simpson, President and CEO of CenterState CEO. This week, we took some questions from our listeners on LinkedIn. Andrew, do you want to kick us off with one?

Andrew Fish 13:16  
So one of the listeners asked the question, you know, we hear a lot about Micron, Amazon, some of the other big names that are out there. But what about opportunities for small businesses in the area? What are we seeing as it relates to that sector?

Rob Simpson 13:25  
Yeah, I mean, I listen, I think there's a huge amount of opportunity fundamentally, for our small business community. I think population growth and having additional wealth and our community having a greater GDP are fundamental to the economic success of small business, whether you're running a restaurant, whether you're, you know, running a, you know, landscaping company, a roofing, business, whatever a consulting company, more people more money in the economy means more opportunity for businesses to be successful. And so I think certainly we see the economic trajectory we're on today. Yes, Micron related, but also more broadly, like this is a trajectory we've been on for a while, right, this community has been on the rise. And I think that gives me a lot of hope. And I look, I was just yesterday, I was over at the Allyn family foundation, and we were talking about the success of the Salt City Market, right. Think about the Salt City Market, you have refugee and immigrant owned businesses. In many cases, I think almost all women and minority owned businesses in the first cohort of companies, four of those 10 businesses made over a million dollars in their first year in that environment, right? That is

yes, a product of how amazing Salt City Market is but it's also a signal that there's this great amount of buying growing amount of buying power that is accessible to entrepreneurs of all scales and to small business owners of all scales. We've got to continue to grow that we've got to continue to break down some of the regulatory barriers that hold our small business community back but fundamentally the future for our small business community is extremely bright because we anticipate more money in the economy, more businesses and people to serve population growth. You know, those are those are great things to look forward to.

Rob Simpson 13:43  
Okay, another one.

Rob Simpson 14:55  
Sure.

Kate Hammer 14:55  
You're ready?

Kate Hammer 14:56  
Yep.

Kate Hammer 14:56  
Okay, what is CenterState CEO doing to address infrastructure needed to meet incoming demand?

Rob Simpson 15:02  
You know, you talked, we talked the beginning about things that keep you up at night. This is definitely something that keeps me I think our whole team up at night is just and probably all of our community leaders, right, how do we scale and grow at the pace that we need to so that some of the systems we all come to depend on, don't break under the stress of growth? What are those systems like? First one that comes to mind is housing, everybody's talking about housing, you know, with mortgage rates, where they are right now, like the housing issues are particularly pronounced, there's a lot of inventory. And as a result, you know, prices have been going up. But rates are, are high, it's just it's very complex bottom line, we need more housing, we probably need 2500 more units of housing every year for the next 20 years. That's terrifying, because we typically build seven or 800, on average, right? So we got to 3x, three and a half X that number in order to meet the demand. Now good news is there's a tremendous amount of market interest. We are talking everyday to companies that are interested in building housing this community, affordable housing, market rate housing, luxury housing, single family, housing, housing of all types, that's a, that's a really good sign, the market is taking the signal that there's growth, about to happen, they want to build, but unfortunately, we are likely to run into, you know, some land use issues, and zoning issues and parochial issues, depending on the municipality that some projects might get cited. And we're gonna have to work through each of those. It's interesting, we've set up a Housing Task Force, I think we've got 20 or so of our members from, you know, the development world all the way through our not for profit sector

that are participating and helping to drive some thought leadership around what that looks like. That's super exciting. But housing is just one small sliver of the problem, right? We have a childcare system that's already under stress, how can you get more people to participate in the workforce if you can't provide childcare to allow them to leave the home? Right, that's a that's a massive problem. And I know the county's and our philanthropic community have been such great partners in thinking through solutions is something that's really important to the state. What about our healthcare infrastructure, I will tell you, I've had some of the most sobering conversations that I've had, over the course of the last 12 months with leaders in our healthcare system, our three major hospitals or nursing homes, some of our individual providers, the health care system is currently under stress, we don't have enough primary care physicians, we are lacking, you know, pediatrics, in some cases, we're lacking other critical specialty care that is going to be needed. And the capital plants of all of our existing hospitals are under strain, right. And you later than onto a situation where our whole healthcare system is struggling still to recover from the financial impacts of COVID, where we still have the uncertainty of how COVID and other illnesses might impact the financial ability of those systems to perform going forward. And it's, it's a little scary, I worry about the ability to attract people to our market, convince them to build a life here in Central New York. They've got to be able to find a primary care physician for their family, they have to be able to find that pediatric specialist that is going to take care of their their child's or children's particular needs. And we've got to be able to get people into emergency room in less than 18 hours, right. And that's the state of play in in some of our healthcare system, we are going to have to invest a lot of time and political capital, and money in preparing our healthcare system for what is coming, we're gonna have to get creative, our hospitals and our providers who don't always have a great history of working together, I'm sorry, folks that are listening like it's true, they are going to have to find ways to collaborate, to create efficiencies to share to share patients to figure out who's going to specialize in what we don't have the resources to build, you know, redundant specialty groups, and every one of our hospital systems, I'm sorry, we don't, we got to cover the basic needs first. So we're gonna have to put a lot more resources and I'm talking like resources with a B next to it not like 10s of millions of dollars like these are, these are massive infrastructure investments that are gonna be necessary to bring the system up to where it needs to be. Now, I've never been more confident in the leadership and our healthcare system right now, like across the board, we've got great partners, we've got great leaders, I believe they're committed to making this a priority. But I'll tell you, at our board retreat coming up this fall, we're just starting to engage in that process of planning. And already, we're carving out a subgroup to focus on nothing but healthcare infrastructure, because it is that important of an issue, it impacts not just our hospitals, but it impacts every employer and impacts every person who lives in Onondaga county. So that's just a sampling of some of the infrastructure issues that you know that we see coming, frankly, that probably a dozen more that we don't have time to talk about today. But growing and scaling a community in a way in which we are anticipating is hard work. There aren't a lot of great examples of people that have done it really well. The one thing that we know is that it is resource intensive. And so going back to the conversation and the thread, we're pulling around Tech Hubs and where we started this conversation, we need more resources. Those resources have to come yes from inside the community dedicated to our priorities, but they also have to come from outside of our community. We have to be better and more aggressive and chasing

funding from our partners in Albany, we have to, we have to be down in Washington every day knocking on the door of federal agencies and finding the funding and the resources to do things that we can't do ourselves. I think we've got a great and compelling story we've, we're going to building this prospectus of community needs as part of the Micron Community Engagement Committee process, and I'm really excited about but you know, building that resource base is going to be probably job number one, as we think about how to ensure success going forward.

Andrew Fish 20:27

Yeah, you know, absolutely. You, I caught myself, you're starting to talk about the how daunting it is, and all the things and I suddenly realized I had 1000 yard stare, and I was like, Oh, wait, I gotta, I gotta bring myself back around, because there's just a lot to work on. But questions like this is stuff that we're getting all the time out in the community when we talk to our members. And we are going to continue this conversation on LinkedIn. So check out that page there CenterState CEO's page on LinkedIn, we'll have those questions keep coming in. And Rob and others from the team here will be able to answer those. So appreciate you engaging in those questions. And certainly things that are on people's mind.

Rob Simpson 20:59

Right? Listen, I think that is the feedback, the questions, hearing directly from people in the community about what concerns they have, or what their hopes are, frankly, is so important to doing this planning. For those who haven't taken the time yet, I really encourage you, like, we'll have a link down in the notes below. But go participate in the online surveys in the focus groups that are happening as part of the Community Engagement Committee, this is an amazing group of people that has been assembled by the state in order to work with our community on planning for these infrastructure needs and, and these growth opportunities, but make your voice heard, we're going to use this document, the final product from this community engagement process, we're going to use this document at least for the next five years to go out and identify resource needs and build programs and build coalitions and partnerships. So make sure your voice is represented in that document, because it is going to be a foundational element of the work that we're going to engage in on a go forward basis.

Andrew Fish 21:51

All right, we've got our last segment.

Kate Hammer 21:52

One final question for you. I bet you know what it is. We need to know for this quarter coming up Q4, if there is one word maybe two, what would you pick to describe this coming quarter?

Rob Simpson 22:03

Some folks on the podcast know I lived in France for a few years when I was growing up. So I'm gonna I'm going to drop a French term, *raison d'etre*. *Raison d'etre* is effectively translates to like what is our purpose? Right. And to me, this next quarter is about, you know, building and developing that purpose for Central New York. What are the challenges we're in the process of facing? What are the needs of our members, our small business community? How do we

ensure that the future is brighter as a result of these incredible investments, then what perhaps our future look like even just a couple of short years ago, this is literally literally why CenterState CEO exists is to partner with the private sector and are not for profit organizations and our elected officials on the finding that purpose and helping to resource that purpose and to manifest that purpose in the reality. It's what makes getting up every day coming to work, incredibly rewarding. And I know just, you know, working with with Andrew and the rest of our team day in and day out like this is this is what we talked about when we are working on strategy we're thinking about this is our raison d'etre. It's our purpose is to figure out how we help this community maximize this moment.

Andrew Fish 23:11

Rob, thank you as always great conversation.

Rob Simpson 23:13

It's fun.

Andrew Fish 23:14

and we'll we'll work on that purpose as Q4 continues.

Rob Simpson 23:17

Sounds good. Thanks, everybody.

Kate Hammer 23:19

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Andrew Fish 23:29

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Kate Hammer 23:35

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