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IN DEPTH: NEWSMAKERS

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Mayor Stratton mulls sharing services to save costs for Schenectady

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Schenectady has had it tough: layoffs at GE, empty storefronts, a rock-bottom credit rating and a story in the New York Times letting the whole world know.

There's nowhere to go but up.

Not so fast, though, cautions new mayor Brian Stratton. There's still plenty of down.

"I don't think you can say, 'Gee, how much worse can it get? It can always get worse,'" Stratton said.

Unless something is done soon, the Electric City will run out of money by May, he told residents in his Jan. 1 inaugural speech.

Stratton, the son of legendary Capital Region Congressman (and Schenectady mayor) Sam Stratton, and 12-year veteran of the Schenectady City Council, defeated Republican Peter Guidarelli by just under 2,000 votes to win the honor of running the area's most troubled city.

His first priority is getting the city's financial house in order by filling a \$550,000 to \$600,000 budget gap and then reducing a debt that is reaching \$9 million, Stratton said.

Until that happens, all the other ideas he and others have for Schenectady--revitalizing the downtown with a 13-screen movie theater, building a new YMCA, redeveloping unused GE property--won't make any difference.

"It is incumbent upon us to do everything that we possibly can to get our hands around this financial problem because you can't expect to gain the confidence of the business community or of families, or of others that would come to Schenectady, if you can't show that your financial ship--your financial house--is in order," Stratton said.

He ran smack into the financial crisis on his third day on the job.

He went down to one of the offices to do a little glad-handing and introduce himself to the staff. Suddenly, he was being asked to authorize the transfer of \$50,000 from the 2004 budget to the 2003 budget to pay for fuel to keep snowplows running.

The most immediate way to put Schenectady's financial house in order is to collect on unpaid property taxes, Stratton said. The city is owed \$7.5 million in back taxes, mainly on commercial properties. In most cases, the property owners are paying the 21 percent interest on the overdue taxes but aren't paying up.

Stratton said he is going to get that money.

"We need the money. You think of what we could do with \$7.5 million and it is just incredible," he said.

If necessary, he will sell the tax liens for around \$6 million and let the investors get the money in court, Stratton said.

Next on the agenda is putting the arm on the state for more money.

"Schenectady is by every definition a distressed city and we are not that far distant from the situation Troy was in, in 1995," Stratton said. "Troy since 1995 has received some \$4 million in distressed cities aid. I think Schenectady needs to be eligible to receive more than the \$1 million or \$2 million it derives in state aid."

How will he do that without Senate Majority Leader Joseph Bruno (R-Brunswick) to watch out for the city's interests, as he did for Troy?

"You lobby and you appeal," Stratton said. "You are going to have to make your presence known in Albany. I don't think that the criteria for being qualified to receive the kind of financial aid that Troy has received should be that your senator is the Majority Leader."

Schenectady will get \$5.6 million in regular revenue sharing in the 2004-2005 budget Pataki announced Jan. 20.

To get rid of Schenectady's structural deficit, he's considering issuing 20-year bonds to generate the funds needed. That would take special state legislation. Newburgh and Niagara Falls have both used that vehicle as a way to resolve long-term debt issues, Stratton said.

All these things have to happen to convince Moody's Investors Service to upgrade the city's Ba2 rating, which is one of the 11 lowest municipal ratings in the country, Stratton said. Unless Moody's upgrades, the city won't be able to get the money it needs to make things happen.

To shave costs, Stratton is already investigating sharing services with Schenectady County and the surrounding towns. Schenectady is the heart of Schenectady County and the county government and the towns are realizing that if the city fails, the county will fail too, Stratton said.

He'd also like to turn tax collection in the city over to the county.

City taxes are paid quarterly. If the city turns that responsibility over to the county, it would save money and get an infusion of cash at the beginning of the year because the county collects taxes on an annual basis, Stratton said.

While the financial piece is vital in attracting businesses to town, people have to feel safe to do business or visit the downtown, Stratton said. He's looking forward to taking Gov. George Pataki up on the offer--made in the State of the State message on Jan. 7--of having New York State Police work with the Schenectady police department.

"It doesn't matter what buildings we build or what theaters we put up. If we cannot ensure a community that is safe, we are not going to be able to get businesses or families to come here," Stratton said.

Stratton has lots of plans he wants to put in action to rebuild the city's core.

He's hoping New York's new brownfields law, which provides businesses with some liability protection if an old industrial site is redeveloped, will give GE the confidence to let the city start reusing the idle parts of its 22-acre campus beside I-890.

He wants the Capital District YMCA to locate its new facility at the old Big M Plaza at the corner of Nott Street and Erie Boulevard. It would attract people to the city and provide employers with an incentive to locate nearby.

He wants Erie Boulevard to become a high-tech corridor where businesses employ workers trained at Schenectady County Community College, and he wants Schenectady to recapture the vibrancy it had in its heyday when GE was buzzing, downtown was packed and his father was the mayor.

Schenectady still has potential, Stratton said.

"It is a city that has a definite life, and it is an entertainment destination," Stratton said. "What it all comes down to is, we intend to make real change here and we intend to reclaim Schenectady's financial accountability and to demonstrate that we can compete with any other community in the Capital Region for business and for an outstanding quality of life."

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