

## THE ASSEMBLY STATE OF NEW YORK ALBANY

April 15, 2020

MINORITY LEADER PRO TEMPORE BANKING MINORITY MEMBER Committee on Social Services

> COMMITTEES Cities Governmental Operations Judiciary

Hon. Michael R. Schmidt, Commissioner New York State Dept. of Tax and Finance WA Harriman Campus, Building 9 Albany, New York 12227

Re:

Restarting New York

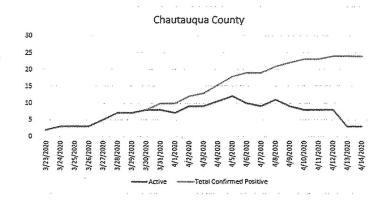
Dear Michael:

Thank you for discussing with me the incredibly important challenge of safely restarting the New York State economy. As you mentioned, it makes a great deal of sense from both a public health perspective and an economic development perspective to restart the economy on a phased-in basis by region and by business sector, consistent with appropriate CDC, OSHA, and other public health standards.

Working closely with Senator George Borrello, we prepared the attached memorandum to provide more detailed recommendations for assessing the risk level of a region based on active cases, infection density, inherent risk factors, and health care capacity and utilization. It recommends using the existing regional economic development zones (EDZ) as a template, adjusted to reflect unique situations within the EDZ zones. The OSHA guidelines and prior Executive Orders can then be used to evaluate the risk factors for different business sectors to determine the appropriate level of public health screening and protective measures that should be implemented consistent those standards.

Although the health crisis in New York City and the neighboring five counties is extremely serious, the situation in rural upstate New York is very different. For example, in Chautauqua County we currently have three active cases, no new cases for the last several days, and a substantial drop in the number of people in precautionary quarantine or isolation. We have never experienced more than 12

active cases at any time. To put those numbers into perspective, we currently average one active case per 350 square miles, or about one active case for every 43,000 residents. In the meantime, however, we have an estimated 35,000-45,000 people out of work, our businesses are losing customers to their national competitors, some of our businesses are facing financial ruin, and our sales tax revenues are in free-fall.



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Of course, the financial implications to New York State are equally horrific, with sales taxes, income taxes, business taxes, and other revenues dropping off a cliff. If we do not move as quickly and as safely as possible, absent a massive federal bailout the State government itself will be facing more severe cuts, lay-offs, and an inability to respond effectively. The sooner we can safely restart the economy, the quicker we can stem the financial hemorrhaging and restore fiscal stability. A regional phased-in restart will begin to restore those revenues, while allowing the supply chain to gradually restart across the State with a minimum of supply bottlenecks.

We hope these comments and the attached memorandum are helpful. Please contact us if we can be of any assistance in your critical effort to restart the New York State economy.

Sincerely yours,

Andrew Goodell

Assemblyman, 150th District

George Borrello

Senator, 57th District

cc:

PJ Wendel

**County Executive** 

Todd Tranum

Chautauqua Chamber of Commerce