

Empire State Development

**Testimony before the Joint Hearing of the Fiscal Committees of the State Legislature
FY 2014-15 Executive Budget
Empire State Development
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Chairman DeFrancisco, Chairman Farrell and distinguished members of the Senate and Assembly: good afternoon. I appreciate the opportunity to appear before you today to discuss Governor Cuomo's 2014-2015 Executive Budget for Empire State Development (ESD).

The Governor's Executive Budget contains several proposals for continued improvement of New York's economic climate, including corporate tax reform; the establishment of a 20 percent real property tax credit for manufacturers; elimination of the net income tax rate for upstate manufacturers as well as the 18-a temporary assessment for industrial customers.

As part of his economic development budget, the Governor announced Round 4 of the Regional Economic Development Council competition which will ensure that this initiative continues to generate investment and create jobs across New York. The Executive Budget includes \$150 million in new economic development capital funding and \$70 million in State tax credits that will be combined with a wide range of existing agency funding through the Consolidated Funding Application process.

The community-based, performance-driven approach of the Regional Economic Development Councils is enabling each region of the State to shape its own economic future, and it is working. As a result of the first three rounds of awards, \$2.2 billion in State funding has been awarded to support more than 2,250 economic development and community revitalization projects that are creating or helping to retain tens of thousands of jobs across New York and generating billions in private investment to grow our State's economy.

Moving forward, in the fourth round of the Regional Economic Development Councils, the Governor has proposed launching a new initiative, Global NY, which will link the Regional Council and START-UP NY initiatives to accelerate the State's success in growing exports and attracting foreign direct investment.

START-UP NY was launched by the Governor on October 22, 2013. Under the Governor's leadership, ESD is continuing to work with a number of colleges and universities on their START-UP NY proposals. We have seen a great deal of interest in this bold new initiative that creates a network of tax-free zones initiated and managed by public and private universities in the State, and eliminates all taxes for businesses in the zones for 10 years.

Since the program's launch, we have had hundreds of companies inquire about the program through the START-UP NY website, and many others have approached the schools directly.

In this year's budget, Governor Cuomo has also proposed initiatives that continue to grow the State's tourism industry, especially in Upstate New York. The tourism industry in New York State had an incredibly successful year in 2013, and is stronger now than in many years. Tourism spending has increased by an estimated \$4 billion from the previous year and tourism employment has increased by an estimated 25,000 jobs.

This year, as part of his commitment to tourism as a major economic driver for the State, the Governor is increasing awareness of the State's tourism destinations by launching the Path Through History, I Love New York and Taste NY signage campaigns to get residents and visitors alike off the roads and into communities.

The Governor is also proposing a second summer special event—the 2014 Bass Master Classic—to showcase the State's unparalleled natural beauty and recreational opportunities.

In Western New York, the region has made great strides in creating jobs and attracting private investment through strategic actions outlined in the Buffalo Billion Investment Development Plan, developed by the Western New York Regional Economic Development Council. With Governor Cuomo's commitment to invest \$1 billion in the Buffalo economy, New York State is helping the Greater Buffalo area realize immediate economic growth and put Western New Yorkers back to work, while setting the foundation for sustainable economic opportunity for future generations.

In closing, Governor Cuomo has outlined an innovative plan, inclusive of extensive tax relief and reform, to create jobs and make New York State the place to do business.

Under the Governor's leadership and by working together with you, our legislative partners, I am confident we will have another year of great success and achievement.

Thank you again for this opportunity to testify. I am happy to take any questions you may have.