



ECONOMIC DEVELOPMENT PROGRAMS AND POLICIES

The New York State Economic Development Council (NYSEDC) is the state's principal organization representing economic development professionals. Our more than 1000 members include the leadership of Industrial Development Agencies and Local Development Corporations, commercial and investment banks, underwriters, bond counsels, utilities, chambers of commerce, higher education institutions, and private corporations. Each year, the NYSEDC develops a set of policy and program recommendations for the upcoming State of the State (SOS) and Legislative Session. We were proud to work on and support several key initiatives that were introduced in the past two years including:

- \$200 Million for The Fast New York Program (Shovel Ready Program)
- \$250 Million RESTORE New York Fund
- \$200 Million for the Downtown Revitalization Initiative (DRI) and the new NY Forward Program
- \$350 Million for a new workforce development initiative
- \$50 Million in funding for New York State Land Banks
- The creation of the Green Chips Tax Credit Program (\$500 Million annually for 20 years)
- Increased funding for the Centers of Advanced Technology (CATs) and Centers of Excellence (COEs)
- A first of its kind digital gaming tax credit for New York State
- The Federal CHIP and Science Act which will allocate billions of dollars to NYS Semiconductor research, development, and manufacturing.

We thank the Governor and New York State Legislature for dedicating nearly \$1.6 Billion in targeted economic development investments in the past two years. The NYSEDC offers the following recommendations for the 2024 State of the State and Legislative Session.

Restore New York Communities Program

Established in 2006-07, the Restore New York Communities program supported municipal efforts to demolish, deconstruct, rehabilitate, or reconstruct vacant, abandoned, condemned, or surplus properties. The Executive Budget includes \$50 million for the program, which has been successful in jumpstarting local economies and investing in the future of New York State's communities. ***The NYSEDC supports the Restore NY Programs and recommends an INCREASE of at least \$50 Million to the program to help support more adaptive reuse projects across the state.***

FAST NY Shovel-Ready Grant Program

Supported by a \$100 million FY 2025 Budget appropriation, Empire State Development will provide up to \$100 million in grants to prepare and develop sites statewide to increase its attractiveness to large employers, including high-tech manufacturing, particularly semiconductor manufacturing, interstate distribution, and logistics businesses. The program will help diversify New York State's economy while propelling new investments in businesses, communities, and job creation. ***The NYSEDC supports FAST NY and recommends an INCREASE of an additional \$100 Million to the program and/or a multi-year appropriation to support projects in the pipeline as the program is currently oversubscribed.***



Create the County Partnership Grants Program

The FY 2025 Executive Budget creates a \$250 million grants program to fund shared expenses and promote collaboration between the State and Counties. The Program will consist of \$135 million of new funding, including \$85 million to help counties purchase public safety equipment, and \$50 million for site development preparation grants. ***The NYSEDC supports funding programs to support our partners in local government and is interested in learning more about the \$50 million for site development preparation grants.***

Downtown Revitalization Initiative

To further revitalize our communities, the Executive Budget provides \$100 million for another round of the Downtown Revitalization Initiative (DRI), which has been transforming downtown neighborhoods into vibrant communities where the next generation of New Yorkers will want to live, work, and raise families. Participating communities are nominated by the State's 10 REDCs based on the downtown's potential for transformation. Each winning community is awarded funding to develop a downtown strategic investment plan and implement key projects that advance the community's vision for revitalization. ***The NYSEDC supports the DRI and investing in downtown corridors.***

New York Forward

To support New York's rural communities, the State will continue its investment in the NY Forward program, designed to advance the renaissance of our smaller downtowns. New York's hamlets and villages serve as commercial and social centers, and support our agricultural, recreational, and tourism economies. Recognizing the distinct needs of smaller communities and their niche historical and cultural assets, the Executive Budget includes \$100 million for rural and smaller communities. Like the DRI program, NY Forward communities are selected in partnership with the REDCs, and the Department of State (DOS) will lead the community through an abbreviated planning process to develop a slate of readily implementable projects. The State's investment in projects that demonstrate their ability to accelerate revitalization will strengthen competitiveness and improve the future trajectory of New York State's small communities and larger urban centers. ***The NYSEDC supports the NY Forward Program which places an emphasis on smaller, rural, communities that need investment and revitalization.***

Continued Investment in Tourism

Tourism is New York's third largest employment sector. To support this important industry, the Budget continues to make significant investments by providing \$58.5 million for the State's robust tourism and advertising campaigns, which attract visitors from around the world. These investments include an additional round of \$15 million in competitive funding through the Market NY Program to support tourism marketing plans and other projects that best demonstrate regional collaboration among counties to promote regional attractions, as well as matching grants to assist counties and municipalities in local tourism efforts, the I Love NY marketing campaign, and other targeted investments. ***The NYSEDC supports investments into the tourism industry in New York State.***

NY CREATES

The FY 2025 budget includes \$500 million in capital resources to support the State's \$1 billion commitment to expand Albany's NY CREATES NanoTech Complex through the procurement of a High NA Extreme Ultraviolet lithography tool and the construction of a cutting-edge High NA Extreme Ultraviolet Lithography Center that will support the research and development of the world's most complex and powerful semiconductors. The State's



investment will leverage at least \$9 billion in private spending and investment and establish significant commitments to support and build talent development pipelines, including through partnerships with the State University of New York. This public-private alliance with companies such as IBM, Micron, Applied Materials and others, will make New York State home to the nation's most advanced, publicly owned semiconductor research and development infrastructure, support the long-term growth of New York's tech economy, and create and retain thousands of direct, indirect, and union construction jobs. ***The NYSEDC supports continued investment at NY Creates to drive the semiconductor sector forward through innovation and partnerships like this.***

One Network for Regional Advanced Manufacturing Partnerships

To meet the increasing demand for high-skilled workers, the Budget will provide \$200 million in new and existing capital and other resources to support the launch of the One Network for Regional Advanced Manufacturing Partnerships (ON-RAMP) program. ON-RAMP will establish four new workforce development centers in strategic, high-impact locations along the I-90 corridor, with a flagship facility in Syracuse. Through the ONRAMP initiative, workforce development centers will offer credentials and training related to advanced manufacturing with a focus on providing opportunities for disadvantaged populations. ***The NYSEDC supports the state's commitment to investing in people through workforce development. We are interested in learning more about these hubs and how this program will work.***

CATs and COEs

Gov. Hochul's 2024-25 Executive Budget Proposal includes cuts to the Centers of Excellence (COEs) and Centers of Advanced Technology (CATs). These are typically in line with what we have seen—the governor removing the legislative additions. In the Aid to Localities bill (A.8803/S.8303), is where the CAT and COE funding is detailed. Overall, the COE program receives \$12,025,005 (down from \$14M) and the CAT program receives \$13,599,320 (down from \$15M). All but one Center receives funding cuts and a few are cut more than others. ***The NYSEDC supports the CATs and COEs and recommends INCREASING the funding levels at each center to \$1.25 Million each.***

Maintaining the Community College Funding Floor

The Executive Budget will maintain a funding floor for community colleges at 100 percent of prior year funding. Without a funding floor, community colleges would face a \$143 million (23 percent) loss in formula aid due to enrollment declines. ***The NYSEDC supports the funding floor for community colleges to ensure they have the tools and resources to support their students and help train the future workforce.***

Increase Funding for the Manufacturing Extension Partnerships

The New York State Economic Development Council (NYSEDC) considers the New York Manufacturing Extension Partnership (NY MEP) to be vital to the competitiveness of our State's manufacturing sector. Like other states, New York receives federal MEP funding from the National Institute of Standards and Technology (NIST), which it matches with state funds to support small and mid-sized manufacturers. However, over the years, the proportion of State support for this powerful program has not kept pace with federal funding, which increased by 15% from 2016- 2021. Our state matching funds have remained flat at a time when other states are more aggressively supporting manufacturing and supply chain development. To maintain and strengthen New York's manufacturing competitiveness, NYSEDC advocates that NYS provide an additional \$2.875M annually to support NY MEP.



Modernizing Metrics for the Public Authorities Reporting Information System (PARIS)-

PARIS is an important and necessary database system for tracking industrial development agency (IDA) projects and investments, ensuring that the public has access to information about how these investments are performing. However, PARIS has not been updated since its creation to reflect a modern economy and remains a rigid, antiquated system on both the front and back end for users. We propose working with the Office of State Comptroller (OSC) and the Authorities Budget Office (ABO) to modernize and enhance both the metrics for how we measure IDA projects AND increase the functionality/access to the general public.

Metrics:

- Improve framing of report to reflect a more comprehensive view of public benefits of projects.
- Track increases to the tax base from where a property was prior to a project moving forward.
- Track housing starts and mixed-use development projects.
- Track additional modern metrics (ex. amount of renewable energy generated, growth in net new wealth, etc).
- Allow for reporting on all IDA activities including loan funds, community development projects, events, and grant programs.

Functionality:

- Simplify interface.
- Make the database forward facing and more accessible to the public.
- Add the ability to upload data from Excel or Word.
- Link definitions to improve understanding of question intent.
- Incorporate a system of revisions to allow IDAs to edit information for prior projects based on project changes.
- Modify system design to recognize multiple projects for the same company and phased projects

\$50 Million Digital Gaming Tax Credit-

New York State is home to some of the most innovative gaming companies in the world. New York City, The Capital Region, and Rochester, NY all boasts world class gaming clusters responsible for thousands of jobs. A targeted investment tax credit of \$50 million annually will put New York on par with Montreal and other gaming communities across the country. We support Senator Breslin and Assemblyman McDonald's bill that provides up to \$50 million annually in performance-based tax credits to grow the gaming industry in the state.

Responsibly Advance New York State's Climate and Energy Goals and Recent Headlines

We agree with the seven-point plan developed by business, utility, and labor leaders from across NY to balance our clean energy goals with the economic realities in our communities. We grow increasingly concerned that despite all our best efforts, we are not generating and transmitting enough renewable energy to meet the states aggressive timeline. This is going to impact affordability and reliability. NYISO has issued several studies which questions the capacity and capability for New York to meet its commitments and continue to grow economic development efforts without keep all available energy options on the table for the near future, including natural gas. We also grow increasingly concerned about the recent WARN notices being posted around the state and the news of businesses closing down and leaving New York State. the cost of doing business along with the cost of utilities costs have become a common theme amongst several of them and we need as many tools as possible to help business grow and thrive here in NYS.