



To: The New York State Legislature

Re: FY 2026-27 Joint Legislative Budget Hearing – Economic Development

February 26, 2026

The New York State Economic Development Council (NYSEDC) is the state's principal organization representing economic development professionals. The mission of NYSEDC is to provide advocacy education and policy development to enhance economic activity and improve the quality of life in New York State. We promote the economic development of the state and its communities, to encourage sound practices in the conduct of regional and statewide development programs, and to develop education programs that enhance professional development skills. Our nearly 1,000 members include the leadership of Industrial Development Agencies (IDAs) and Local Development Corporations (LDCs), private industry, financial institutions, law firms, developers, engineers, construction companies, chambers of commerce, higher education institutions, and other private businesses.

Governor Hochul's proposed FY 2026-27 Executive Budget includes many essential investments and critical policy initiatives designed to respond to the needs of the business community, attract economic development projects to New York, and return talent and private investment to our state.

In September, NYSEDC and the Business Council released a report titled *Blueprint for New York – Creating a Roadmap for Change*. This report detailed distressing trends compounding over the last few decades including population decline, lower than average job growth, high cost of living, and regulatory burdens that create a prohibitive business environment in New York. The report finds that New York is at a tipping point and the time for action to reverse these trends is now. We applaud Governor Hochul's immediate and thoughtful response to these findings, as her administration has swiftly and decisively taken action to address the red tape and longstanding policies that have created New York's harsh business climate.

The Blueprint in part recommended utilizing Empire AI to review all laws, rules and regulations on the books, in search of outdated, duplicative and unnecessary policies. In October, Budget Director Blake Washington issued a call letter directing all state agencies to review agency rules, regulations and public facing policies, and propose repeal or reform of those deemed outdated or obsolete. We understand that the agencies have delivered on that request, and the administration is supporting the advancement of these suggested remediations.

Governor Hochul took further action in her Executive Budget proposal, which included reforms to the State Environmental Quality Review Act (SEQRA). NYSEDC believe these changes will streamline review and improve agency coordination without weakening New York's environmental standards. This modernization signals that New York is ready to build smarter and faster. An improved SEQRA process will ensure important projects, from affordable housing to renewable energy and green manufacturing are developed, expanded and rehabilitated in an efficient and cost-effective manner without diminishing the review of environmental impacts.



The Executive Budget also includes funding to redesign the Public Authorities Reporting Information System (PARIS). PARIS is the database system for tracking IDA and other economic development-related authority projects and investments, ensuring that the public has access to information about how these investments are performing. The system 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. Industrial Development Agencies produce significant additional return on investment annually that is not currently captured in the PARIS system. For every \$1 of IDA abatement, \$68 in earnings, \$217 in sales and \$6.20 in new tax revenue is generated throughout the state - leading to \$12.1 billion in state tax revenue generated by IDA projects. Beyond job creation and direct, indirect and induced return on investment, there is also currently nowhere in the system to detail the additional prioritized community benefits analyzed as part of an assisted project. For example, over the last five years, IDA projects have supported the State's efforts to accomplish their stated economic development goals by facilitating the creation of 31,500 new housing units (roughly 1/3 of which were affordable housing), enough renewable energy to power 2.4 million homes (6,178 MW), and 393 much-needed revitalization projects in downtown corridors. None of that information can be found in the current system, which leads to a failure to present full and transparent project details when analyzing project performance, return on investment, or attainment of economic development priorities.

The Executive Budget continues vital investments in successful economic development programs. We are grateful for the Governor's investments in a second round of POWER-UP, to deliver electric readiness for underdeveloped properties, as well as continued funding in the Downtown Revitalization Initiative and New York Forward program to invest in downtowns in New York's smaller and rural communities. The Executive Budget recognizes the need to support projects that advance industry expansion and downtown revitalization across the state.

Because of this need, NYSEDC respectfully requests the Legislature restore funding for two widely-used programs with a strong track record of statewide success. The RESTORE NY program is a unique tool in that it supports the redevelopment of underutilized sites and provides the opportunity for capital assistance to projects that include housing development, which has proven to be critical as the state continues to address the housing crisis. NYSEDC recommends reinstating this program through an annual appropriation of \$100 million to help support adaptive reuse projects across the state. Similarly, we request the reinstatement of the FAST NY program, which has been essential to creating shovel-ready sites for investment. To date, FAST NY sites have attracted growth from companies like fairlife, Chobani, and Edwards Vacuum, and created more than 2,000 manufacturing jobs while leveraging nearly \$2.3 billion of investment.

Manufacturing projects like these are critical to New York's economy. To maintain and strengthen New York's manufacturing competitiveness, NYSEDC advocates that the Legislature maintains the budgetary allocations – including \$5 million in additional funding for manufacturing modernization – included in the Governor's budget targeting support for the Manufacturing Extension Partnerships and enhancement of the manufacturing ecosystem statewide. During FY 2022, NY MEP helped companies create or retain 7,622 jobs and generated \$1.13B in economic impact. With additional resources, NY MEP program can conservatively be expected to eventually expand its impact to annually help 2,000 companies create or retain about 10,000 jobs and generate \$1.3B in economic impact.



NYSEDC also supports specifically increased funding for the Centers for Advanced Technology (CATs) and Centers of Excellence (COEs). Funding for the CATs and COEs has remained relatively flat for nearly ten years. Based on a 2016 annual report provided by NYSTAR, every dollar NYS spent on the CATs and COEs created 49 dollars in private investment. There are very few programs that leverage public dollars at the ratio of 49 to 1. Given their economic impact, we recommend increasing each center to \$1.5 million annually or roughly \$500k per center.

This additional funding will:

- Create more than 100 direct research jobs at each of the academic institutions
- Lead to at least 45 new projects/companies assisted across NYS
- Create/retain at least 150 jobs from partner company projects annually
- Attract more than \$100 Million in new federal research dollars to New York State
- Leverage more than \$396 M in economic activity
- Help launch more than three dozen new startups in New York
- Help campuses modernize with state-of-the-art technology, software, and equipment

The New York State Economic Development Council appreciates the Legislature's continued commitment to revitalizing New York's economy and urges strategic enhancements to build on that momentum. NYSEDC recommends strengthening these programs and collaborating on implementation of the recommendations in the Blueprint report. These efforts will deliver measurable returns in job creation, private investment, and innovation. As we confront continued population decline, high costs, and regulatory complexity, bold reforms and sustained investment are essential. NYSEDC stands ready to partner with the Legislature to implement these recommendations and ensure a more vibrant, inclusive, and resilient economic future for all New Yorkers.