



ECONOMIC DEVELOPMENT



The FY 2025 Executive Budget will continue to invest in New York’s economic recovery, the promotion of job creation, job retention, workforce development, and the revitalization of every region of the State. The Executive Budget proposes investing in key capital projects, emerging and high-impact industries, and regionally-balanced economic development strategies.

Governor Hochul’s economic development vision will focus on industries where innovation is the key to success leading to the advancement of regional economic priorities through strategic investments in communities across the State.

OFFICES AND RESPONSIBILITIES

Together, the **Empire State Development Corporation (ESDC)** and the **Department of Economic Development (DED)** finance key economic development projects and provide policy direction to strengthen New York businesses and industries, and overall economic growth throughout the state. This also includes the newly-created **Office of Workforce Development** which leads Governor Hochul’s comprehensive effort to strengthen the skills and talents of New York’s workforce. Other State agencies and public authorities also oversee programs and investments that support economic development throughout the State.

CREATING JOBS AND GROWING THE ECONOMY

A key component of the State’s strategy for investment and economic development has been the Regional Economic Development Council initiative, which is rooted in a bottom-up approach that partners with local leaders to utilize regional strengths to support community revitalization and business growth.

The State also utilizes performance-based programs, such as the Excelsior Jobs program, to attract businesses to New York State that require them to achieve specific employment and investment goals before they benefit from tax credits and other incentives.

PROPOSED FY 2025 ECONOMIC DEVELOPMENT BUDGET ACTIONS

Regional Economic Development Councils. The Regional Economic Development Councils (REDC) will continue to play a key role in a regionally-driven strategy to support economic recovery and growth. The Executive Budget includes a wide spectrum of funding that will be coordinated with and driven by strategic plans developed by the REDCs at the ground level to ensure that available funding is matched with the unique sector-driven needs and priorities of each region. The Budget includes core REDC funding through \$150 million in new capital grants and \$75 million in new Excelsior tax credits through ESDC to fund high value regional priority projects, which is anticipated to be made available throughout the year to ensure that projects that are shovel-ready can be advanced in a timely fashion. The Executive Budget also includes downtown and community revitalization initiatives that will be coordinated with REDC-driven economic development strategies where appropriate.

Downtown Revitalization. Governor Hochul is committed to supporting New York State’s downtowns, large and small, and recognizes that the strength of the State lies in its partnerships with local governments. By working together to create economically, socially, and environmentally healthy community centers through downtown revitalization, we can make life better for New Yorkers and help secure the long-term well-being of the state. 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.

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 the competitiveness and improve the future trajectory of New York State's small communities and larger urban centers.

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.

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.

Empire AI. The State will invest \$275 million in capital grants and other funding, complemented by more than \$125 million from private partners, for the Empire AI initiative. This investment will accelerate pioneering developments in AI, positioning New York at the forefront of national efforts of research, innovation, and economic development in AI.

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 ON-RAMP initiative, workforce development centers will offer credentials and training related to advanced manufacturing with a focus on providing opportunities for disadvantaged populations.

Redevelopment of Underutilized Sites for Housing. The FY 2025 Executive Budget includes \$250 million in capital funding for the implementation of the Redevelopment of Underutilized Sites for Housing Initiative (NY RUSH). NY RUSH will provide \$500 million over two years to assist State agencies in the repurposing of existing State sites and properties for use as housing.

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. Under

Governor Hochul's leadership, this program has been expanded to target disadvantaged communities and address not only urban but also rural areas.

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.

New County Partnership Grants Program. The Budget advances \$135 million in capital resources that will support grants to counties outside of New York City for public safety communication infrastructure upgrades and enhancements (\$85 million), and site development and related costs for county infrastructure projects (\$50 million).

Olympic Regional Development Authority (ORDA) Capital Improvements. The Budget includes \$82.5 million in new capital funding for ORDA to support continued maintenance and enhancements to Olympic and other ORDA-owned facilities. Additional investments in these assets located in the North Country, Mid-Hudson, and Capital Region will continue to make New York State a competitive destination for winter recreation and travel, attracting large sporting events and International Championships, and ultimately driving year-round business and economic sustainability to the surrounding areas.

