

# Economic Development

Governor Cuomo has said that New York must be open for business. Therefore, job creation, the restoration of a vibrant State economy, and a new reputation for New York as a location for investment have been his top priorities from his first day in office.

Over the past year, Governor Cuomo has attracted new businesses and worked with companies across the State to help them expand in New York and create thousands of jobs.

The 2012-13 Executive Budget funds a comprehensive and coordinated blueprint for economic development programs. The Budget will create jobs in New York State by creating public-private partnerships that leverage State resources to generate billions of dollars in economic growth, improving the State's infrastructure to support business expansion and supporting regionally-based economic strategies.

A total of nearly \$1.2 billion in new appropriations is provided to fund strategic investments in economic development projects, programs and initiatives. Highlights of investments include the following:

**New York Works Infrastructure Investment.** The 2012-13 Executive Budget will seed a \$15 billion initiative to rehabilitate the State's critical infrastructure assets and create thousands of jobs by accelerating capital projects. The program will build and/or improve bridges, highways, parks, waste water treatment facilities, renewable and efficient energy systems, flood control structures, dams, SUNY facilities and other critical infrastructure components. New appropriations for New York Works in the Executive Budget total \$1.64 billion, including \$723 million in State funds and \$917 million of Federal transportation funds. These new resources, along with \$600 million in funding from existing State programs, will spark nearly \$12.8 billion of additional investments in job-creating infrastructure. The additional investments include more than \$760 million of Federal matching funds for environmental and economic development projects; \$9 billion from public authorities and local governments for major projects and \$3 billion of private sector investment to match public seed money for economic development and energy projects.

NY Works Fund		Source
State	\$1.3 billion	\$723 million new capital \$600 million existing capital accelerated
Federal	\$1.7 billion	Combination new and accelerated Federal aid (e.g. dam & municipal water systems)
Authorities	\$5 billion \$4 billion	New Tappan Zee Bridge Existing capital accelerated (e.g. NYSERDA & PA)
Private	\$3 billion	Leveraging new private investment
<b>TOTAL</b>	<b>\$15 billion</b>	

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The \$723 million of new State seed funding in the Budget includes:

- \$232 million for DOT bridge and highway projects;
- \$130 million as referenced below for Regional Council capital funding;
- \$102 million for Department of Environmental Conservation flood control and critical dam and coastal erosion projects;
- \$94 million for improvements and repairs at State parks and Olympic Regional Development Authority facilities;
- \$75 million for Buffalo Regional Innovation Cluster activities, part of the \$1 billion multi-year economic development package;
- \$75 million for the New York Works Economic Development Fund program; and
- \$15 million for the Peace Bridge capacity improvement project.

The \$75 million New York Works Economic Development Fund Program will provide capital grants to support projects that facilitate an employer's ability to create new, or retain existing, jobs. In addition, the program will fund infrastructure investments necessary to attract new businesses or to expand existing businesses, including improvements to transportation, water and sewer, communication, broadband internet access, and energy generation and distribution facilities.

In addition, the New York Works Task Force will be established to develop a master plan, and to coordinate, leverage and accelerate the State's capital investments. Previously, capital planning decisions were made at the individual agency level and not coordinated across agencies to maximize economic impact. The Task Force, working closely with the Regional Councils, will ensure the State's capital planning is done in a comprehensive manner that allocates capital resources in accordance with a clearly articulated set of priorities on the basis of objectively quantified infrastructure need and economic impact.

**Advancing New York's Economic Blueprint.** The State's economic development programs will support Governor Cuomo's economic blueprint for the revitalization and expansion of New York's economy using public-private sector partnerships and funds from existing State programs to create thousands of new jobs across the State. Significant initiatives include:

- Building a new convention center in New York City — using no public funding — that will attract the world's largest events, driving demand for our tourism industry, increasing tax revenues and creating jobs.
- Continuing the New York Open for Business initiative, a coordinated communications and marketing effort that demonstrates to business leaders across the world the benefits of doing business in New York State, thereby attracting investment and creating jobs.

**Second Round of Regional Council Awards.** This year Governor Cuomo created 10 Regional Councils that brought together stakeholders from labor, business, academia, and communities to develop long-term strategic plans based on each region's unique resources and specific priorities. These Councils awarded \$785 million competitively to projects determined to have the greatest potential for creating jobs.

- The Executive Budget authorizes a second round of funding for the Regional Councils, building on the process originated in 2011. Funding totaling \$200 million in competitive resources will be provided, as follows:
  - \$130 million in new capital funding from the New York Works initiative; and
  - \$70 million in tax credits from the enhanced Excelsior Jobs Program.
- In addition, resources from a wide range of existing agency programs will be available to businesses and project sponsors for economic development purposes that are consistent with Regional Council plans through the Consolidated Funding Application. This process provides one-stop access for project sponsors to apply and compete for \$800 million of existing funding from a variety of agency and authority programs.

**Buffalo Regional Innovation Cluster.** The Executive Budget contains the first phases of a multi-year \$1 billion economic development package for Buffalo. The Governor has challenged the area's Regional Council to develop the details of a viable plan to create thousands of jobs and to spur at least \$5 billion in new investment and economic activity. The budget includes \$100 million in State funding, for two years, for this initiative. New York Works capital funding of \$75 million is provided in each year and \$25 million will be reserved in each year from the Excelsior Tax Credit Program. Pending completion of the regional plan, this \$200 million initial package can be supplemented from other State programs with applicable infrastructure and economic development components.

**Strengthening New York's Agriculture Sector.** Recognizing that agriculture contributes billions of dollars to New York's economy, the Executive Budget supports Farm-NY, a series of measures to support farmers and help the agricultural industry grow. To improve access to low interest loans that will assist farmers with infrastructure upgrades, the New York State Linked Deposit Program will be expanded to provide farmers in any part of the State with capital at affordable interest rates. In addition, with 1.5 million New Yorkers living in areas with limited supermarket access, the Executive Budget provides for expanding the successful FreshConnect farmers' market program to provide more residents with healthy, New York-grown food.

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**Transformative Projects and Programs.** In addition to the New York Works program investments, the 2012-13 Executive Budget will appropriate funds for commitments previously made to projects across the State that attract investment and create and retain jobs. These include:

- \$250 million in capital funding for facilities at the SUNY College for Nanoscale and Science Engineering that will support the development of the next generation of computer chip technology in New York. The State capital commitment has helped to leverage an overall \$4.4 billion investment by an international technology group that includes Intel, IBM, GlobalFoundries, TSMC and Samsung. Cumulative State funding for the project will total \$400 million, including support to be provided from existing energy programs and previously appropriated capital funds.
- \$110 million for the SUNY 2020 Challenge Grant Program, including \$80 million to catalyze economic development at SUNY's university centers at Albany, Binghamton, Buffalo and Stony Brook; and a new \$30 million round of grants for projects at other SUNY institutions.

### Other Budget Actions

- **Increased funding for Minority and Women-Owned Business Initiatives.** The 2012-13 Executive Budget includes an increase of \$1.6 million to support expenses associated with achieving the Governor's MWBE participation goals, as well as development of a Minority and Women-Owned Business Enterprise (MWBE) Monitoring and Compliance System. These initiatives will work toward achieving the Governor's goal to increase the rate of MWBE participation across the State to at least 20 percent.
- **Continued Commitment to Critical Economic Development Investments.** The 2012-13 Executive Budget includes over \$84 million to support ongoing economic development initiatives including: the New York State Economic Development Fund, Jobs Now, Minority and Women-Owned Business Development and Lending programs, the Urban and Community Development Program, the Entrepreneurial Assistance Program, the retention of professional football in Western New York, tourism marketing initiatives, and international trade efforts. In addition, to augment the State's core tourism programs, the Open for Business marketing initiative will promote tourism by highlighting the State's regional treasures like the Adirondacks, Catskills, our wine country, and Long Island beaches.
- **Continued High Technology Funding.** The Executive Budget authorizes an aggregate amount of \$32 million to support ongoing university-based matching grants and other high technology and research and development programs administered by DED's Division of Science, Technology and Innovation.
- **Foreclosure Prevention Assistance:** The Department of Financial Services will create a Foreclosure Relief Unit to assist homeowners, either in foreclosure or at risk of foreclosure, via outreach, educational programs and regulatory assistance. This is revenue neutral.