



ECONOMIC DEVELOPMENT

LIFE SCIENCES



\$600 million to support construction of a life sciences public health laboratory.



JOB CREATION



\$750 million for 8th round of Regional Economic Development Councils (REDCs)



\$1.7 billion in continuing projects for the Upstate Revitalization Initiative



\$100 million for 3rd round of Downtown Revitalization Initiative



Since 2011, REDCs have awarded nearly **\$5.4 billion** in State funding to over **6,300 projects** to spur job creation based on regional priorities, resulting in **220,000 new or retained jobs.**

New York has more than **8 million private sector jobs** – an all-time high.

Budget Highlights

Life Sciences Public Health Laboratory. The Budget includes \$600 million to support construction of a state-of-the-art life sciences public health laboratory and promote collaborative research and development partnerships.

Photonics Attraction Fund in Rochester. The Budget dedicates \$30 million to a Photonics Attraction Fund to attract integrated photonics companies to set up their manufacturing operations in the greater Rochester area

Industrial Hemp Production. The Budget provides \$650,000 for a brand-new \$3.2 million industrial hemp processing facility in the Southern Tier.

Expand and Promote Tourism. The Budget includes additional funding to support the State's tourism campaign and attract visitors from around the world. The program includes a sixth round of \$15 million in competitive funding through the Market NY initiative.

The FY 2019 Executive Budget promotes job creation and the revitalization of every region of the State by investing in key capital projects, emerging and high-impact industries, and regionally-focused economic development strategies. Governor Cuomo's economic development strategy is contributing to an Upstate renaissance while expanding opportunities for all New Yorkers to share in economic success.

Overview

Together, the Empire State Development Corporation (ESD) and the Department of Economic Development (DED) finance key economic development projects and provide policy direction across the State. The Economic Development portfolio includes the administration of regionally-based economic development programs, marketing and advertising activities to promote tourism, strategic business investments as well as the administration of programs to expand university-based research and technology.

In addition to the efforts of these specific economic development agencies, Governor Cuomo has harnessed the full power and breadth of the State's activities for job creation and economic growth. Economic planning is now coordinated across all agencies and authorities so that capital investments, tax-credit funding, and the wide-range of agency programs have a much more profound economic impact than the sum of the individual programs.

Creating Jobs and Growing the Economy

In 2011, Governor Cuomo completely redesigned the State's economic development strategy through creation of the Regional Economic Development Councils (REDC). New York State's traditional top-down development strategy is replaced with an innovative approach that empowers regional stakeholders to develop long-term plans, putting to work their unique knowledge and understanding of local priorities and assets. Through seven rounds of awards, the REDCs have invested nearly \$5.4 billion in job creation and community development projects, creating or retaining over 220,000 jobs.

As part of this regional economic strategy, the State's \$1.5 billion investment in the Buffalo area economy is helping to create thousands of jobs and spur new investment and economic activity.

Through the Upstate Revitalization Initiative (URI), \$1.7 billion was awarded to seven Upstate regions over a multi-year period to support transformative investments that build on regional assets and leverage private sector capital to create jobs and strengthen regional economies. To give communities the tools they need to select and fuel targeted revitalization strategies, New York State has awarded twenty communities with \$10 million each through the Downtown Revitalization Initiative.

This year, Governor Cuomo will also announce Round III New NY Broadband Program awards to address the remaining 2 percent of New Yorkers, connecting approximately 120,000 locations. Round III is expected to catalyze more than \$360 million in total investment, including \$225 million in State funding. Round III projects that address eligible locations will also have access to matching funds in federal Connect America Fund support through the State's unique partnership with the Federal Communications Commission. After Round III, it is anticipated that 99.9 percent of New Yorkers will have commitments for high-speed broadband access.

In FY 2018, Governor Cuomo launched a groundbreaking initiative to spur the growth of a new, world-class life science research cluster in New York, as well as expand the state's ability to commercialize this research and grow the economy. By strengthening incentives, investing in facilities, and improving access to talent and expertise, New York is positioned to harness industry-funded research and development to be a magnet for emerging manufacturing based enterprises, bolstering regional economies and creating thousands of jobs.

The Executive Budget expands on these job-creating investments and provides additional funds to support construction of a new life sciences public health lab in the Capital District that will foster collaborative life science public/private partnerships. It also provides \$300 million to create the High Technology Innovation and Economic Development Infrastructure Program for the research and development of innovative technologies to support advance science technology, manufacturing and other economic development initiatives that will create or retain jobs, and makes key investments in economic development, tourism and infrastructure projects throughout the State.

Performance Profile

Creating Jobs Through Regional Economic Development Councils. - Since 2011, the REDCs have awarded nearly \$5.4 billion in State funding to over 6,300 projects through a competitive process to spur job creation based on regional priorities. This new strategy has resulted in 220,000 new or retained jobs in New York.

Connecting New Yorkers to Broadband. This year Governor Cuomo will announce Round III awards to address the remaining 2 percent of New Yorkers, connecting approximately 120,000 locations. Round III is expected to catalyze more than \$360 million in total investment, including \$225 million in State funding. Upon completion of the program, it is anticipated that 99.9 percent of New Yorkers will have commitments for high-speed broadband access.

Proposed FY 2019 Economic Development Budget Actions

- **Further Investment in Life Sciences.** Building on last year's \$620 million Statewide life sciences initiative and initial investment in a life science public health laboratory, New York is now strategically positioned to become a global powerhouse in the life science sector, with significant untapped potential to commercialize research and translate it into private sector economic impact. To fully realize this potential, the Executive Budget includes \$600 million to support construction of a world-class, state-of-the-art life sciences public health laboratory in the Capital District that will promote collaborative public/private research and development partnerships.
- **Regional Economic Development Councils.** In 2011, Governor Cuomo established 10 Regional Economic Development Councils (REDCs) to develop long-term regional strategic economic development plans. Since then, the REDCs have awarded \$5.4 billion to more than 6,300 projects. This strategy has resulted in 220,000 new or retained jobs in New York.

The Executive Budget includes core capital and tax-credit funding that will be combined with a wide range of existing agency programs for an eighth round of REDC awards totaling \$750 million. The core funding includes \$150 million to fund high value regional priority projects and \$70 million in State tax credits set aside from the Excelsior Jobs tax credit program. The Budget continues to make resources available from State agencies to support community revitalization and business growth consistent with the existing Regional Council plans through the Consolidated Funding Application process.

- **New York Works Economic Development Fund.** A second round of investment equaling \$200 million for the New York Works Economic Development Fund will provide additional statewide capital grants to support projects that facilitate the creation of new jobs or retain existing jobs, or fund infrastructure investments necessary to attract new businesses or expand existing businesses.
- **Downtown Revitalization.** The Downtown Revitalization Initiative is 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 ten REDCs based on the downtown's potential for transformation. Through two rounds of awards, each winning community was awarded \$10 million to develop a downtown strategic investment plan and implement key catalytic projects that advance the community's vision for revitalization. The FY 2019 Executive Budget provides \$100 million for the Downtown Revitalization Initiative Round III.
- **Long Island Transformative Investments.** The Budget includes the continued investment of \$550 million from existing capital resources in transformative projects on Long Island. Investments include regionally significant economic development initiatives that create or retain private sector jobs.

- **High Technology Innovation and Economic Development Infrastructure Program.** The Budget includes \$300 million for initiatives that foster research and development of innovative technologies and leverage private investment in advanced science and technology, economic development initiatives, infrastructure, manufacturing, and other economic development initiatives that leverage private investment in regional projects that create or retain jobs.
- **Photonics Attraction Fund in Rochester.** New York State will dedicate \$30 million to a Photonics Attraction Fund, administered through the Finger Lakes Regional Economic Development Council, to attract integrated photonics companies to set up their manufacturing operations in the greater Rochester area. Thanks to the world-renowned AIM Photonics consortium, the Finger Lakes is already a leader in photonics research and development, and this additional State funding will help leverage this unique asset to bring the businesses and the jobs of tomorrow to New York State.
- **Industrial Hemp Production.** The State will continue the investment in Hemp research, production, and processing made in FY 2018 through a broad, multi-pronged program. The FY 2019 Budget provides \$650,000 for a brand-new \$3.2 million industrial hemp processing facility in the Southern Tier. New York State will import thousands of pounds of industrial hemp seed, ensuring that farmers have access to a high-quality product and easing the administrative burden on farmers. Further, New York State will invest an additional \$2 million in a seed certification and breeding program, to begin producing unique New York seed. Finally, New York will host an Industrial Hemp Research Forum in February, bringing together researchers and academics with businesses and processors to develop ways to further boost industry research in New York.
- **Fund the Innovation Hot Spots and Incubators Program.** The Executive Budget authorizes \$5 million in new funding to continue the fostering of innovation by offering start-up companies valuable business support services to help commercialize academic research and promote further collaboration between business and academia.
- **Support High Technology Grants.** The Executive Budget authorizes over \$35 million to support ongoing university-based matching grants, and other high technology research and development programs administered by the Department of Economic Development's Division of Science, Technology and Innovation.
- **Clarkson-Trudeau Partnership.** An additional \$5 million is included in the Budget to support the partnership between the State, Clarkson University and the Trudeau Institute to form a world-class biotech enterprise and further establish the North Country Region as a premier center of biotechnology research and development.
- **Expand and Promote Tourism.** The Budget includes additional funding to support the State's tourism campaign and attract visitors from around the world. The program includes a sixth round of \$15 million in competitive funding through the Market NY initiative to

support tourism marketing plans and projects that best demonstrate regional collaboration among counties to promote regional attractions. Tourism is New York's fourth largest employment sector.

- **Olympic Regional Development Authority (ORDA) Capital Improvements.** The Budget includes \$62.5 million in new capital funding for ORDA, including \$50 million for a strategic upgrade and modernization plan to support improvements to the Olympic facilities and ski resorts, \$10 million for critical maintenance and energy efficiency upgrades, and \$2.5 million appropriated from the Office of Parks, Recreation and Historic Preservation budget as part of the New York Works initiative.
- **Promote Tourism in the North Country Through New Lodging.** The State will provide the North Country region with tools and resources to bolster tourism in the North Country and catalyze private investment in lodging. Empire State Development will commission a study to identify lodging development opportunities in the Adirondacks and Thousand Island regions, and provide \$13 million in capital funding through the REDCs and Upstate Revitalization Initiative to spur development activity.
- **Continue Commitment to Critical Economic Development Investments.** The Budget includes nearly \$35 million to support ongoing economic development initiatives including the New York State Economic Development Fund, the Minority- and Women-Owned Business Development and Lending Program, the Urban and Community Development Program, and the Entrepreneurial Assistance Program.
- **Brownfield Opportunity Area (BOA) Reform.** The Brownfield Opportunity Area Program provides financial and technical assistance to municipalities and community based organizations. These plans allow these communities and organizations to apply for designation by the Secretary of State and receive the accompanying Brownfield development tax credits. The Budget includes legislation that would make enhancements to the BOA program to allow plans that are financed with local or other state funding to also apply for designation as well as reform the current BOA process to bolster efficiency.
- **Establish the One World Utica Welcome and Opportunity Center.** The Budget provides \$1.5 million to invest in the expansion of the formerly vacant Utica School of Commerce building to establish a “One World Welcome and Opportunity Center” in the heart of downtown Utica, which will provide workforce and vocational training to the Mohawk Valley region.
- **Continue the Liberty Defense Project.** The FY 2018 Budget included \$10 million for a public-private legal defense fund to ensure that all immigrants, regardless of status, have access to high quality legal counsel. Immigrants are a crucial thread to the economic success of the State. As such, this Budget continues the work of the Liberty Defense Project to ensure legal protections for all immigrants in the State.