



Division of  
the Budget

## ECONOMIC DEVELOPMENT



Since 2011, REDCs have awarded **\$6.1 billion** in State funding to over **7,300 projects** resulting in more than **230,000 new or retained jobs.**



**\$15 million** to promote regional tourism through the Market NY initiative



**\$110 million** to launch a new round of grants for SUNY/CUNY 2020



**\$100 million** for 4th round of Downtown Revitalization Initiative



### STATE CONTRACT SPENDING WITH MWBE FIRMS

has grown from less than **\$100 million in 2010** to **\$2.6 billion in FY 2018.**

**NEW YORK NOW HAS THE HIGHEST MWBE CONTRACT PARTICIPATION IN THE NATION.**

## Budget Highlights

### Reauthorize and Expand New York's MWBE Program.

The Executive Budget reauthorizes and expands the Minority and Women Owned Business Enterprise program to include workforce participation goals, increase the opportunities for MWBEs to win their first project, and safeguard the program from fraud.

**Advance a 9<sup>th</sup> Round of REDCs.** The Budget includes another \$750 million to create jobs in every region of the State. The Budget also includes a 4<sup>th</sup> round of the Downtown Revitalization Act.

**Launch Another Round of NYSUNY 2020 and NYCUNY 2020.** The Budget includes \$110 million to launch a new round of grants. Priority will be given to plans that use technology to improve academic success, leverage public-private partnerships, and better connect students to the workforce.

**Expand and Promote Tourism.** The Budget includes \$59.5 million in funding to support the State's tourism campaign and attract visitors from around the world.

The FY 2020 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. These efforts have helped businesses create more than 1.1 million private sector jobs, setting records in employment, with job growth reflected in every region of the state.

## 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 a bottom-up, innovative approach that empowers regional stakeholders to develop long-term plans, putting to work their unique investing knowledge and understanding of local priorities and assets. Through eight rounds of awards, the REDCs have invested over \$6.1 billion in job creation and community development projects, creating or retaining over 230,000 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 30 communities with \$10 million each through the Downtown Revitalization Initiative.

The State also utilizes performance-based programs, such as the Excelsior Jobs, to attract businesses to New York that require them to achieve specific employment and investment goals before they benefit from tax credits and other support. The Excelsior Jobs Program was the primary economic development vehicle for attracting Amazon, the largest economic development project in New York State History. In November 2018, the Governor announced that Amazon will establish a new headquarters in Long Island City, Queens, investing \$3.6 billion and creating up to 40,000 jobs over the next 15 years with an average salary of more than \$150,000. The project provides a 9:1 return on investment; more than \$14 billion in new tax revenue for the State and a net \$13.5 billion in new revenue for New York City over the next 25 years. As with all Excelsior projects, the up to \$1.2 billion in tax credits Amazon can earn are tied to its job creation and investment commitments.

The Executive Budget expands on these job-creating investments and provides \$325 million of additional investment into 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

**Most Private Sector Jobs in History.** New York State's economy has added 1.1 million private sector jobs and experienced employment growth in 82 of the past 95 months.

### Creating Jobs Through Regional Economic Development Councils.

Since 2011, the REDCs have awarded over \$6.1 billion in State funding to over 7,300 projects through a competitive process to spur job creation based on regional priorities. This new strategy has resulted in more than 230,000 new or retained jobs in New York.

**Growing Tourism.** Since 2011, investment of over \$275 million in tourism promotion has seen yearly visitor spending increase by over \$13 billion. In 2017, New York State welcomed a record-high 243.8 million visitors generating an economic impact of \$108.7 billion.

### Expanding Opportunity for MWBE.

State contract spending with MWBE firms has grown from less than \$100 million in 2010 when utilization was just under 10 percent to \$2.6 billion as MWBE participation in State contracts grew to 28.62 percent in FY 2018. New York State now has the highest MWBE contract participation in the nation.

## Proposed FY 2019 Economic Development Budget Actions

- **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 over \$6.1 billion to more than 7,300 projects. This strategy has resulted in more than 230,000 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 a ninth round of REDC awards totaling \$750 million. The core funding includes \$225 million in grants and tax credits to fund high value regional priority projects. The Budget also makes \$525 million in resources from State agencies available 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 third round of investment equaling \$220 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 10 REDCs based on the downtown's potential for transformation. Through three 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 2020 Executive Budget provides \$100 million for a fourth round of the Downtown Revitalization Initiative.
- **New Wadsworth Lab in the City of Albany.** The Budget supports a \$750 million State commitment for construction of a new, world-class, state-of-the-art public health laboratory to replace the Wadsworth Center's aging facilities. Redesignated as "A Lab for the 21st Century," the new facility, to be located on Albany's W. Averell Harriman Campus, will function as a magnet for future private sector investments and public-private collaboration, accelerating innovation and value creation. The lab is being developed as part of New York State's initiative to spur the growth of a 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. A premier biomedical institute and one of the world's largest public health research laboratories, the Wadsworth Center merges clinical and environmental testing with fundamental, applied and translational research. It plays a vital role in the Department of Health's work to protect and promote the health of all New Yorkers.

- **High Technology Innovation and Economic Development Infrastructure Program.** The Budget includes \$325 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.
- **Build a World-Class Sports Complex in Downtown Utica.** Building on Utica's success, the State is awarding \$22 million toward the construction of the Nexus Center. Located next to the Aud, the Nexus Center will be a world-class, tournament-based, recreation sporting complex. The nearly 170,000 square foot facility will host ice hockey, box lacrosse, soccer, and other field sports. It will focus on attracting out-of-town tournament participants year-round, while also catering to local athletes looking for practice and training space.
- **Binghamton University Health Science Center and Innovation Park.** The Executive Budget authorizes \$30 million in high priority funding for state-of-the-art facilities to research and treat opioid addiction and Lyme disease, as well as investing in a groundbreaking elder care and geriatric science facility in the heart of New York's Southern Tier.
- **Launch Another Round of NYSUNY 2020 and NYCUNY 2020.** To build upon the success of the NYSUNY 2020 and NYCUNY 2020 Challenge Grant program, the Budget includes \$110 million to launch a new round of grants. Priority will be given to plans that use technology to improve academic success, leverage public-private partnerships, and better connect students to the workforce.
- **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.
- **Continued Investment in Tourism.** The Budget includes additional funding to support the State's tourism campaign and attract visitors from around the world. The program includes a seventh 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 \$82.5 million in new capital funding for ORDA, including \$70 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. Additional investments in these North Country assets will continue to make New York more competitive for winter

recreation and travel, attracting large sports events, and ultimately driving year-round business and economic sustainability for the area.

ORDA facilities in and around Lake Placid will be used for the 2023 World University Games, an international sports and cultural event staged every two years in a different city. The 11-day competition draws over 2,400 student-athletes together to compete in various disciplines including alpine, freestyle and cross-country skiing, biathlon, speed skating, curling, figure skating, hockey, short track speed skating and snowboarding. These events will attract thousands of visitors and contribute to Lake Placid's reputation as a world class destination.

- **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.
- **Continue Commitment to Critical Economic Development Investments.** The Budget includes nearly \$34 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.
- **Reauthorize and Expand New York's MWBE Program.** As part of his commitment to ensuring all New Yorkers have the opportunity to take part in New York State's growing economy, in 2014 Governor Cuomo set the Minority and Women Owned Business Enterprises (MWBE) utilization goal in State contracting to 30 percent. State contract spending with MWBE firms has grown from less than \$100 million in 2010 when utilization was just under 10 percent to \$2.6 billion as MWBE participation in State contracts grew to 28.62 percent in FY 2018. New York State now has the highest MWBE contract participation in the nation.