



Division of
the Budget

ECONOMIC DEVELOPMENT

MOST PRIVATE SECTOR JOBS IN HISTORY

New York State's economy has added **8.3 million** private sector jobs and experienced employment growth for 36 consecutive quarters.



Since 2011, the REDCs have awarded over **\$6.9 billion** to more than **8,300 projects**, resulting in more than **240,000 new or retained jobs** in New York.

The Budget provides **\$100 million** for a fifth round of the Downtown Revitalization Initiative that is transforming downtown neighborhoods into vibrant communities.



The Budget creates a

**NEW
GREEN JOBS
TAX CREDIT**

to create jobs in green economy businesses.



The New York State tourism campaign will receive **\$57.5 million** to attract visitors from around the world.

The Budget supports a **\$100 million** State multi-year commitment for the construction of a first-in-the-nation particle collider on Long Island.

State contract spending with MWBE firms has grown from less than **\$100 million** in 2010 to **\$3 billion**. New York State has the highest MWBE contract participation in the nation.

MWBE

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The FY 2021 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 initiatives are 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 1.23 million private sector jobs, setting records in employment and producing 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 the 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 nine rounds of awards, the REDCs have invested over \$6.9 billion in job creation and community development projects, creating or retaining over 240,000 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 40 communities with \$10 million each through the Downtown Revitalization Initiative.

The State also utilizes performance-based programs, such as the Excelsior Jobs program, 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.

Proposed FY 2021 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 \$6.9

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billion to more than 8,300 projects, resulting in more than 240,000 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 tenth 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 fifth 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 four 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 2021 Executive Budget provides \$100 million for a fifth round of the Downtown Revitalization Initiative.
- **Brookhaven National Lab Electric Ion Collider.** The Budget supports a \$100 million State multi-year commitment for the construction of a first-in-the-nation particle collider on Long Island. This important State investment made possible more than \$2 billion award by the Department of Energy to construct the collider at the state-of-the-art Brookhaven National Laboratory. The project will attract unprecedented research opportunities and partners to the region and represents a massive step forward not only for physics research, but also for New York's place as a haven for ground-breaking scientific discovery.
- **Cree Silicon Carbide Device Facility.** The budget supports a \$500 million state commitment for a major public-private partnership between the State of New York and Cree, Inc., the global leader in silicon carbide technology, to invest approximately \$1 billion over six years to construct and equip a new, state-of-the-art, highly-automated world's-first, 200mm silicon carbide wafer fabrication facility. This investment also includes a \$30 million research and development commitment by Cree, with plans to create over 600 full-time highly-skilled technician and engineering positions at the Marcy Nanocenter on the SUNY Polytechnic Institute campus near Utica.
- **Green Economy Tax Credit.** The budget creates a new refundable, discretionary Green Jobs Tax Credit totaling up to 7.5 percent of wages for each net new job created fostering the expansion of green economy businesses and position New York State to further capitalize on significant projected green economic growth. The State will also create a refundable, discretionary Green Investment Tax Credit totaling up to 5 percent of qualifying new capital investments in connection with qualifying green economy projects and increasing to up to 8 percent of eligible investment for research and development in qualifying green economy projects.

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- **Consolidation of the Centers of Advanced Technology and the Centers of Excellence Programs.** The Budget supports a revamped Innovation Centers program, which will combine the Centers of Advanced Technology (CATs) and Centers of Excellence (CoEs) into a competitive program. CATs are designated through a competitive process, therefore CoEs would need to migrate to this same structure. Program consolidation with an emphasis on a new competitive structure would allow New York State to better capitalize on the Centers with the highest performance that promote priority markets and job creation. The proposal also includes the establishment of a new Statewide Innovation Hub that will hold competitive funding opportunities for CATs and CoEs for specific projects in emerging industries that the State believes will lead to additional investment and industry development.
- **Empire Station Complex.** Governor Cuomo proposes to redevelop the full city block south of Penn Station to add rail capacity. This expansion would increase overall track capacity by nearly 40 percent by adding at least 8 new tracks to the existing 21 tracks, dramatically increase passenger terminal capacity, ease congestion with widened sidewalks and prominent subway entrances, and add new development opportunities on adjoining parcels that will transform the area into a modern, transit-oriented central business district called the Empire Station District. As part of this plan, Governor Cuomo further proposes to explore acquiring Madison Square Garden Theater to create a new 8th Avenue entrance to Penn Station. Together, these actions will combine the Moynihan Train Hall, Penn Station and the new Penn South city block into one, interconnected Empire Station District.
- **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 eighth 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 \$147 million in new capital funding for ORDA, including \$134.5 million for a strategic upgrade and modernization plan to support improvements to the Olympic facilities and ski resorts with a focus toward preparing for the 2023 World University Games, \$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 including support for a new mid-station lodge at Whiteface Mountain, 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

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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.
- **Expand Opportunities for 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 29.13 percent in FY 2019. New York State now has the highest MWBE contract participation in the nation. To build upon this success, the Empire State Development Corporation will establish a Statewide Integrated MWBE Application Portal. This will allow business owners to apply for any and all MWBE Certification programs in New York using one website and one common application. The portal will also provide applicants with direct assistance from program staff in order to make the process of completing the application as accessible as possible.