



ECONOMIC DEVELOPMENT

\$100 MILLION

NEW YORK FORWARD LOAN FUND

developed as a result of a public-private partnership, **supports NY's small businesses**



NEW

\$40 million Infectious Diseases Resiliency Commercialization Fund

helps companies fight infectious diseases and public health threats



NYS now spends **\$3.14B** with MWBE firms, up from less than **\$100M in 2010.**

MWBE participation in state contracts is at

29.51%

the highest MWBE level in the nation



MWBE

\$20M FOR PPE

\$20 million helps 36 NY manufacturers to **produce PPE** (PERSONAL PROTECTIVE EQUIPMENT)

PRODUCED EACH WEEK:



2 MILLION
N95 respirators

4 MILLION
surgical masks



600,000
face shields



1 MILLION
isolation gowns

Budget Highlights

Advance an 11th Round of REDCs. The Budget includes \$750 million to create and retain jobs in every region of the State.

Expand and Promote Tourism. The pandemic created a precipitous decline in travel, damaging the tourism industry. The Budget includes \$56 million support this industry's recovery and to attract visitors from around the world.

Launch a NY Infectious Diseases Resiliency Commercialization Fund. The Budget supports a new \$40 million Infectious Diseases Resiliency Commercialization Fund to accelerate the growth of companies and speed the development of innovations that address emerging infectious diseases, public health threats and support economic growth.

Enhancing MWBE Opportunities. Building on the success of the Minority and Women Owned Business program, the Empire State Development Corporation will launch an "Entrepreneurship Navigator" that will help minority and women entrepreneurs access services and programs to incubate start-ups in the technology and innovation sector.

Prior to the pandemic, New York State experienced its longest period of economic growth in modern history. This unprecedented period of economic expansion was upended when the State was blindsided by COVID-19 in the spring of 2020 as the Federal government failed to stop 3 million travelers from Europe arriving in New York City-area airports and other entry points. The FY 2022 Executive Budget takes steps to jumpstart New York's economic recovery and promote job creation, job retention and the revitalization of every region of the State. The Budget proposes investing in key capital projects, emerging and high-impact industries, and regionally focused economic development strategies with a focus on industries and businesses disproportionately impacted by the COVID-19 historical pandemic.

The Governor's economic development initiatives set a strong foundation for the State's economy. Prior to the pandemic, these programs and investments contributed to economic growth Upstate and expanded opportunities for all New Yorkers to share in economic success. The Executive Budget will build on these efforts to support economic recovery for communities, businesses and industries 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 to strengthen New York businesses, industries and overall economic growth throughout the state. The Economic Development portfolio includes the administration of regionally based economic development programs, marketing and advertising activities to promote tourism, and 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, job retention 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.

Responding to the Pandemic

Following Federal inaction as the coronavirus migrated from Europe to the United States, New York was among the first and most heavily impacted states in the nation by the pandemic. The need for New Yorkers to take significant health precautions to reduce the spread of the virus and save lives caused an economic upheaval in every region of New York State.

From the beginning of the pandemic, Governor Cuomo implemented numerous initiatives to support struggling businesses. These included:

- New York State's date-driven approach to re-opening, combined with the nation's most robust testing program, made it possible for the State to re-open much of the economy while keeping New Yorkers safe and maintaining one of the lowest infection rates in the nation.
- The \$100 million New York Forward Loan Fund was developed in partnership with the private sector to support New York State small businesses – with a focus on MWBEs – impacted by the pandemic. The fund provides businesses with low-interest loans to help them adapt to the pandemic and retain employees.
- To help prevent evictions of commercial tenants harmed by the pandemic, the Governor launched the New York Forward Small Business Lease Assistance Partnership (LAP) to provide commercial tenants and small business landlords with pro bono legal services, and the information needed to reach lease renegotiations.
- Through Empire State Digital, the State led a first-in-the-nation initiative to help New York State-based small businesses and restaurants grow their online presence during the pandemic. Developed with leading global commerce companies including Shopify, Square, Clearbanc, Etsy, Ritual and Paypal, the digital partners are providing specialized solutions, including education, free resources, marketing support, discounted pricing, hands-on assistance, training and counseling to New York State small business owners, restaurants and food service establishments.
- The State is supporting manufacturers who are retooling to produce personal protective equipment with than \$20 million awarded to 36 New York companies, putting the State on the path to self-reliance after global supply chains broke down in the spring. In 2021, New York State manufacturers are projected to have the capacity to produce up to 2 million N95 respirators, 4 million surgical masks, 1 million gowns, and 600,000 face shields per week.
- “Raising the NYS Bar” Restaurant Recovery Fund, was launched on January 11, 2021, and will assist restaurants in New York State during the COVID-19 pandemic. This grant funding has been made possible through financial donations led by Diageo North America and supported by Coastal Pacific Wine & Spirits (a division of Southern Glazer's Wine & Spirits) and will be implemented by the non-profit National Development Council (NDC). The “Raising the NYS Bar” Restaurant Recovery Fund will help eligible restaurants adjust

their operations to the impacts of COVID-19 and adherence to New York State's public health and safety measures. Initial round of grants is up to \$5,000.

As New York continues to recover, supports for business will remain in place and adapt to changing national, statewide and regional economic conditions and are supported by the FY 2022 Executive Budget.

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. The REDCs have invested over \$6.9 billion to more than 8,300 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.

Performance Profile

\$20 million in PPE Manufacturing Grants. The State is supporting manufacturers with more than \$20 million to retool to produce PPE. In 2021, New York State manufacturers will produce up to 2 million N95 respirators, 4 million surgical masks, 1 million gowns, and 600,000 face shields per week

Creating Jobs Through Regional Economic Development Councils. Since 2011, the REDCs have awarded over \$6.9 billion in State funding to over 8,300 projects through a competitive process to spur job creation based on regional priorities. Prior to the pandemic, this new strategy resulted in more than 240,000 new or retained jobs in New York.

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 \$3.14 billion as MWBE participation in State contracts grew to 29.51 percent in FY 2020. New York State has the highest MWBE contract participation in the nation.

Proposed FY 2022 Economic Development Budget Actions

- **Regional Economic Development Councils.** The REDC's Governor Cuomo created will play a key role in a regionally driven strategy to support economic recovery across the State with a focus on businesses and industries most impacted by the ongoing public health emergency. 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 sixth 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 in support of economic recovery.
- **Downtown Revitalization.** The pandemic has kept New Yorkers at home to save lives, disrupting the flow of commerce in the downtown communities across the State. These areas need support now more than ever. To that end, the FY 2022 Budget provides \$100 million for another round of the Downtown Revitalization Initiative, 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 catalytic projects that advance the community's vision for revitalization.
- **Transformational Midtown West Development -- Empire Station Complex.** With the completion of the Moynihan Train Hall, the State will launch a comprehensive \$16 billion project to expand and reconstruct the existing Penn Station. The fully renovated Penn Station, including the iconic new Long Island Rail Road entrance on 7th Avenue that opened on December 31, 2020, will comprise a widened and completely reconstructed 33rd Street LIRR concourse and an expanded and completely transformed station. Additionally, at least eight new tracks will be constructed south of the existing Penn Station to add capacity, cut down on delays, and improve operations. This will be a signature transportation project creating nearly 60,000 direct jobs and involving the federal government, Empire State Development, the Metropolitan Transportation Authority, New Jersey Transit, and Amtrak. New York State stands ready to work with New Jersey Transit and the Federal government to share in this historic investment for the future of the region.

- **High Line Extension to Moynihan Station.** As part of the Transformational Midtown West Development, the Budget includes funding to support the Governor's proposal to extend the High Line in Manhattan to give pedestrians seamless access to the elevated pathway from the recently opened Moynihan Train Hall. As part of a public-private partnership, Brookfield Property Group will partner with Empire State Development, the Port Authority of New York and New Jersey, and Friends of the High Line to build an L-shaped connection from the 10th Avenue terminus of the High Line to Brookfield's Manhattan West public space.
- **Continued Investment in Tourism.** The global pandemic caused a precipitous drop in travel, hitting the tourism industry – New York's fourth largest employment sector – particularly hard. As New York State advances its science-based re-opening with expanded testing and a rising number of vaccines, the Budget includes additional funding to support the State's tourism campaign, attract visitors from around the world and catalyze recovery of the vital tourism economy. The program includes a ninth 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.
- **Launch a New York State Infectious Diseases Resiliency Commercialization Fund.** As part of Governor Cuomo's Life Science Initiative, Empire State Development will create a new \$40 million New York State Infectious Diseases Resiliency Commercialization Fund led by ESD and advised by the New York State Department of Health and other private experts to capitalize on New York's substantial R&D assets and expertise in life sciences, biotechnology and biodefense. The fund will focus on accelerating the growth of companies to fast track the development of innovations that address emerging infectious diseases, public health threats and support economic growth.
- **Olympic Regional Development Authority (ORDA) Capital Improvements.** The Budget includes \$105 million in new capital funding for ORDA, including \$92.5 million for a strategic upgrade and modernization plan to support improvements to the Olympic facilities and ski resorts with a focus on 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 fostering 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 \$32 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 \$3.14 billion as MWBE participation in State contracts grew to 29.51 percent in FY 2020. New York State now has the highest MWBE contract participation in the nation. To build upon this success, the Empire State Development Corporation, in partnership with the Reimagine New York Commission, will launch the "Entrepreneurship Navigator" to provide customized services and streamlined access to start up programs to help incubate minority and women entrepreneurs in the technology and innovation sector.