[Date]

Dear (Legislator)

RE: Economic development budget priorities

As you begin the hard work of finalizing a state budget, I want to inform you of (Your organization)’s economic development priorities. Each issue summarized below would increase capacity at the local level for our community’s economic development efforts.

**Strategic investments in workforce development (A.3008-B; Part WW**): This measure would appropriate $10 million to create an industry-driven workforce development program to identify skills gaps, support organizations that work to close skills gaps, and assess urgent workforce needs statewide. New York State currently ranks 8th out of 9 Northeast Region states with regard to workforce development investment. Our competitors are making long-term investments in their workforce to foster economic success, and New York is not. This proposal would represent an important step forward.

**Excelsior Jobs Program (A.3009-B, Part WW):** Reduces the number of net new jobs that must be created for incentive eligibility. For example, the number of net new jobs that would have to be created for manufacturing would decrease from 10 new jobs to 5 new jobs. Excelsior Jobs Program is New York State’s most important state-level economic development program, yet it is out of reach for most manufacturers. Given that an average-sized manufacturer in New York State has 26 employees and is family-owned, to qualify for Excelsior Jobs tax credits now, the average manufacturers would have to increase existing employment by more than one-third. Reducing the threshold to five jobs makes the program more accessible for job-creating small manufacturers.

**Life Sciences Initiative (S.2009-B, Part K):** Provides $300 Million to implement the Life Science Initiative; makes life science businesses eligible for Excelsior Jobs Tax Credit benefits; increases the R&D tax credit benefit under the Excelsior Jobs Tax Credit program for life science businesses; creates angel investment tax credit program. New York’s life science sector accounts for 54,752 direct jobs and 186, 788 supported jobs. The average compensation paid to a life science industry worker in New York State is $101,000, and those employees pay more than $822 million in state taxes. The statewide economic output of the life science industry is $34 billion annually. This proposal would leverage other strengths New York State possesses that support the life science sector and facilitate greater growth.

**Start-Up NY (A3008-B, Part QQ):** Keeps the Start-Up NY program in place, but clarifies annual reporting requirements and submission date for the current Start-Up NY program report. The overall effect of the proposed changes to the program in the Executive Budget would be to limit entry into the program to just small businesses (fewer than 25 employees) and start-ups that are in an R&D and pre-income phase. These changes would make it very difficult for community colleges and four-year institutions to participate in the revised program. These institutions often lack the research capacity to work with businesses that meet the qualifying criteria of the revised program.

**RESTORE NY Communities Initiative (A.3004-B; UDC Capital Budget):** Appropriates $90 Million for this important downtown revitalization program. The RESTORE NY program provides municipalities with financial

assistance for revitalization of commercial and residential properties. The program encourages community development and neighborhood growth, along with the elimination and redevelopment of blighted properties. $90 Million would fund a fifth round of RESTORE NY grants and continue the success of this valuable and productive program.

**2 Percent Tax Cap and Property Subject to a PILOT (A.3006-A, Part HH**): This provision would require the Commissioner of Taxation and Finance to promulgate rules and regulations clarifying that property under a PILOT shall be factored into the calculation for determining a taxing jurisdiction’s tax levy. One goal of the 2 percent real property tax cap was to allow a taxing jurisdiction’s tax levy to grow as the assessed value of property increased due to economic development expansion. However, new growth that is subject to an IDA PILOT agreement is excluded from the calculation for determining a jurisdiction’s Quantity Change

Factor, and thus its Tax Base Growth Factor. Consequently, communities that are successful in attracting new economic growth through incentives provided by an IDA are penalized, thereby preventing taxing jurisdictions – especially school districts – from factoring this growth into the calculation for determining the tax levy limit.

Additionally, (Name of your organization) strongly urges your backing for **funding to support the development of shovel-ready sites**. Specifically, we request that $20 Million be reserved from the $199 Million NY Works Fund to support ESD’s Shovel-Ready Certification Program. Increasing the statewide and local inventory of shovel-ready sites is essential if our region is going to effectively compete for advanced manufacturing, food processing, data center, and distribution facility projects.

Each of these proposals would expand capacity of (Your community/county/city) to attract investment and jobs and deserves your support.

Sincerely,