



## **New York State Economic Development Council**

### **2023 State of the State Summary – January 2023**

Governor Hochul has released the [\*\*2023 State of the State Book\*\*](#), outlining budgetary and policy initiatives her administration plans to pursue this year.

Below, please find items of interest to you.

#### **HOUSING**

##### **Set Goals for New Home Construction Across the State**

The keystone of the New York Housing Compact will be targets for new home creation on a three-year cycle that will apply to all municipalities (villages, towns, and cities). The new home targets balance different levels of demand — both upstate and downstate — recognize the diversity in size and character of different communities, and emphasize simplicity in applicability. They seek to make municipalities partners in either meeting or exceeding the targets for permitting new homes.

Municipalities in the region serviced by the Metropolitan Transportation Authority (MTA), including New York City, where the housing need is most acute, will have a three percent new homes target over three years. In municipalities located in upstate counties, the new homes target will be one percent over three years. Setting new home targets as percentages of existing housing stock has the effect of tailoring the targets to the existing size of each locality.

Many localities already build homes at the pace necessary to reach their new homes target or come close. Census data for the North Country region, for instance, showed that nearly half of its localities met a one percent target over the last three years. Looking forward, based on current census data, roughly 80 percent of all localities in the state need to permit approximately 50 new homes or fewer over the next three years to achieve their respective goals.

Some regions and localities, however, have historically fallen short of their targets. Over the last three years, the number of homes in the lower Hudson Valley grew by roughly 1.65 percent. New York City recorded close to two percent growth. In Long Island, the number of homes increased by just 0.56 percent, the lowest percentage of any region in the state. Localities will have discretion on how to meet their new home targets. From repurposing underutilized office parks and strip malls to offering new incentives towards multifamily buildings, localities can choose how they tailor their strategies to build the homes we need. To encourage the inclusion of affordable housing as part of the new growth, affordable units will be assigned extra weight in calculating localities' progress toward their goals.

The design of new home targets, as well as the policies and actions described below that are an outgrowth of those targets, accounts for the possibility that some localities may not meet their targets simply because of a lack of local economic demand for new housing, rather than because of restrictive zoning or onerous approval processes. With



this in mind, the resulting actions triggered by a failure to meet a new homes target will have no practical effect in places where there is no demand to build housing, as described below.

### **Facilitate Housing Approval When Localities Do Not Meet Goals**

New Fast Track Approval mechanisms will be available for mixed-income, multifamily projects only in localities that do not meet their targets (and that also fail to adopt certain targeted approaches with a proven record for facilitating housing growth). In these localities, for the subsequent three-year cycle, if a proposed housing project meets key criteria, including a minimum number of homes and a minimum affordability requirement, and also does not violate health and safety requirements, it must be approved even if existing zoning restrictions do not allow it. A new appeals process that will be available at the State administrative level and through the court system will be established to provide approvals where localities do not.

Localities may choose to take actions that substantially increase capacity for new housing and mixed-use developments, which will exempt them from the Fast Track Approval mechanisms for the subsequent three-year cycle even if they do not meet the new homes target. In a locality where a lack of demand for new housing results in a failure to meet the new homes target, that same lack of demand will effectively preclude its use of Fast Track Approval.

This novel approach combines lessons learned from other states which have implemented similar programs, while providing flexibility to meet New York's unique needs. Massachusetts, Connecticut, California, Oregon, New Jersey, Washington, and other states are all equipped with state-level tools to promote development.<sup>12</sup>None of these states have been successful in attempts to drive housing growth solely by providing financial incentives to localities.

### **Provide \$250 Million to Support Planning and Infrastructure Needs**

To support local governments in achieving our housing goals, Governor Hochul will create a \$250 million fund to aid critical infrastructure projects triggered by plans for increased housing, such as sewer and water infrastructure, structured parking facilities that allow existing lots to be repurposed, potential school infrastructure needs, and improvements to the public realm to accommodate neighborhood growth and livability. The proposed fund would supplement existing sources of State infrastructure support for localities, including Water Infrastructure Improvement Act funding, Environmental Bond Act funding, the Clean Water State Revolving Fund, the Consolidated Local Street and Highway Improvement Program, and other programs.

An additional \$20 million fund will be established to support local governments as they pursue rezoning, collect critical housing data, and engage in other important planning activities tied to achieving the new home targets.

### **Establish Statewide Database to Promote Transparency**

The State will create a New York-wide database of housing permit data, zoning maps, and zoning requirements for all our localities. This publicly available database will allow the State to better serve local communities on a wide range of issues. The information will be used to track localities' progress towards their goals, and will be available



as a valuable resource for all localities. The State will work with county or regional entities to provide support for localities collecting the initial data and setting up systems to submit the information on an ongoing basis.

### **Remove Obstacles to Housing Approvals**

In order to facilitate the swift implementation of rezoning actions and development of new homes, specific relief from environmental review will be included in the New Homes Targets and Transit Oriented Development (TOD) proposals. As a reflection of the clear environmental and community benefits associated with targeting smart growth around lowemissions transit systems and in existing communities, TOD and housing capacity rezonings will have an expedited environmental review process, as will projects built within these rezoned areas that meet the criteria set forth for such rezonings in the Housing Compact. The State will still exercise crucial safeguards that prevent environmental harm and ensure that public health remains our highest priority. Similarly, in localities that have not achieved their housing targets projects eligible for the Fast Track Approval process will have the option to undergo an environmental review process that still retains focus on health and safety concerns.

### **Give the City of New York the Flexibility to Increase Residential Capacity**

For decades, the State has imposed a limitation on residential density in New York City. Governor Hochul will propose an amendment removing this antiquated limitation that restricts maximum density of residential floor area to 12.0, returning to the City of New York the ability to undertake local processes to allow for denser residential development where appropriate.

### **Create Greater Opportunities to Convert Office Spaces to Residential Housing**

New York State has always pursued bold creative strategies to reinvent itself in the face of challenges. With the rise of remote work at this key time in our housing crisis, it is incumbent upon us to do all we can to tackle these dual needs to transform this moment into an opportunity. Governor Hochul will propose legislation to expand the universe of commercial buildings eligible for conversion to residential use and provide necessary regulatory relief for such conversions. This would make an estimated additional 120 million square feet newly eligible for conversion.

### **Offer Critical Incentives to Build and Rehabilitate Housing**

Tax incentive programs, when well designed, can play a critical role in promoting the development of new housing, particularly below-market housing that would not otherwise be economically feasible.

To support the development of mixed-income housing outside of New York City, Governor Hochul will direct Homes and Community Renewal (HCR) to make \$5 million in State Low Income Housing Tax Credits (SLIHC) available to mixed-income projects. Such a tax credit can equip communities around the state with a new tool to encourage affordability.

Governor Hochul will also propose a new property tax exemption in New York City to incentivize the inclusion of affordable housing in commercial buildings that are converted to residential use.

To support homeowners who build out Accessory Dwelling Units (ADUs), Governor Hochul will propose to expand an existing property tax exemption that localities can opt into to explicitly cover these units, increasing the size of



the exemption to better support the creation of ADUs and extending the time frame to incentivize their development.

Governor Hochul will also propose a new property tax exemption that localities can opt into to encourage mixed income housing development near train stations.

While new construction is critical, preserving existing affordable housing is also a vital tool, particularly in New York City. Governor Hochul will propose an updated tax exemption to support property owners who need support for undertaking major capital repairs.

Governor Hochul will make the necessary changes to ensure that localities where new housing developments utilize Payment in Lieu of Taxes (PILOT) agreements are not penalized in tax cap calculations. The status quo accounting methodology can discourage the use of PILOT agreements by putting more downward pressure on a locality's overall tax levy.

Finally, Governor Hochul will work with the Legislature to fashion and enact a replacement for the 421a property tax exemption program that expired last year. A well-structured incentive is necessary to stimulate the production of new rental housing in New York City sufficient to meet the overall goals of this plan.

### **Create a Housing Planning Office**

Implementing the Housing Compact will require dedicated staffing and leadership within New York State's HCR. A new Housing Planning Office will support localities in meeting their goals, including in gathering and transmitting New Homes Targets documentation. It will help establish and manage the Fast Track Approval process, zoning and housing databases, and planning and technical assistance grants for localities, in addition to providing other support as needed to ensure the success of the New York Housing Compact.

## **Environment**

### **Meet New York's Climate Goals with a "Cap-and-Invest" Program That Prioritizes Affordability**

New York State is undertaking the most ambitious and comprehensive effort in the U.S. to address the threat of climate change by reducing harmful pollutants from emissions from every sector of our economy and investing in a renewable energy future that is equitable for all New Yorkers.

As announced in December 2022, New York State's Climate Action Council (CAC) determined that a carefully constructed Cap-and-Invest Program would be the most feasible, efficient, equitable, and affordable method to attain a more sustainable future. In response to the CAC's recommendation, and to ensure we meet our climate goals, Governor Hochul is today directing the Department of Environmental Conservation (DEC) and New York State Energy Research and Development Authority (NYSERDA) to advance an economy-wide Cap-and-Invest Program that establishes a gradually declining cap on greenhouse gas emissions, limits financial impact to New Yorkers, all while investing the proceeds in programs that drive emission reductions in an equitable manner, and maintaining the competitiveness of New York's industries.



At the direction of Governor Hochul, DEC and NYSERDA will design the program with the intent to reduce consumer costs, help businesses succeed in the low carbon economy, and bring program benefits to every community in the state. This process will solicit crucial feedback from consumer, industry, labor, and stakeholder groups to build out a system that works for everyone.

To design a program that can benefit all New Yorkers, Governor Hochul will be seeking legislative partnership on crucial changes that can allow New York's Cap-and-Invest Program to offer universal Climate Action Rebates to families across the state, helping defray their costs. New York will also develop a program that can potentially sync up with other emissions reduction programs across the country, helping to galvanize a nationwide climate movement.

New York's Cap-and-Invest Program will draw from the experience of similar, successful programs across the country and worldwide that have yielded sizable emissions reductions while catalyzing the clean energy economy. Indeed, New York's power sector is already part of a similar regional Cap-and-Invest Program known as the Regional Greenhouse Gas Initiative (RGGI). Since it was established in 2005, RGGI has helped reduce greenhouse gasses from power plants by more than half and raised almost \$6 billion to support cleaner energy solutions.

As required by the Climate Act, DEC and NYSERDA will design a program over the coming year that ensures compliance with statewide emissions reduction limits. To accomplish that, the program will set an annual cap on the amount of greenhouse gas pollution in New York. Every year, New York's pollution cap will be reduced, with the aim of setting the state on a trajectory to meet our greenhouse gas reduction goals of 40 percent by 2030, and at least 85 percent below 1990 levels by 2050, as mandated by New York State law.

Large-scale emitters of greenhouse gasses and distributors of heating and transportation fuels in the state will be required to purchase allowances — via auctions hosted by the State — for the emissions associated with their activities. Over time, as the cap on emissions declines and allowances become scarcer, their auction value will increase. By applying a price to the amount of pollution associated with certain fuels, New York's Cap-and-Invest Program will incentivize and support consumers and businesses in implementing strategies that lower energy bills and transition to lower-carbon alternatives such as electric vehicles or electric heating systems. Proceeds from allowance auctions will support the State's critical investments in climate mitigation, energy efficiency, clean transportation, and other projects, in addition to funding a Climate Action Rebate distributed to all New York families.

In directing DEC and NYSERDA to develop a Cap-and-Invest Program, the Governor today lays out five core principles that will shape the program's design:

- **Affordability:** A Cap-and-Invest Program must put the wellbeing of New York families first. Governor Hochul will propose legislation to create a universal Climate Action Rebate that, subject to a stakeholder and rulemaking process, is expected to drive more than \$1 billion in annual cap-and-invest proceeds to New Yorkers. The Climate Action Rebate will be designed to mitigate costs for New Yorkers, while preserving crucial funding for consumer-led decarbonization efforts, including energy efficiency measures that reduce energy and transportation costs, and create new job opportunities. These rebates will help offset the costs of energy use and, in combination with investments made possible by the program, help households reduce their energy use and switch to clean energy.



Many New York families will, for the first time, be able to afford energy efficient investments, electric vehicles and more, which will allow some of these households to come out ahead—and with more money in their pockets. Furthermore, Governor Hochul will seek program design features that can help ensure potential cap-and-invest costs are predictable and manageable for all consumers and businesses.

- **Climate Leadership:** New York's Cap-and-Invest Program will not only help achieve our climate goals at home, but also catalyze a nationwide movement to expand Cap-and-Invest markets that cross state borders, which could collectively minimize price pressures, and advance the climate movement. To that end, Governor Hochul is specifically directing DEC and NYSERDA to design a program with the capacity to join other current or future cap-based programs, which can lower the price of the overall transition across multiple jurisdictions.
- **Creating Jobs and Preserving Competitiveness:** The Cap-and-Invest Program will be designed to launch new investment in industries that will create tens of thousands of well-paying, family-sustaining jobs that can lift up entire communities. From home retrofits to green manufacturing, cap-and-invest proceeds can jumpstart the entire clean energy economy. The Governor is further directing DEC and NYSERDA to take every precaution in program design to ensure New York industries are not put at a competitive disadvantage and emissions are not pushed out of state. This will help businesses, especially energy-intensive industries that provide good jobs to New Yorkers, decarbonize in a way that is compatible with economic growth. Furthermore, cap-and-invest proceeds will support just transition initiatives to ensure no worker is left behind in New York's green economy.
- **Investing in Disadvantaged Communities:** Cap-and-invest will prioritize the disadvantaged frontline communities across New York State that have suffered from pollution and environmental injustice for far too long. The program will not allow high-emitting sources to utilize offsets that would allow them to further pollute and expand, but will instead be designed to ensure pollution burdens are reduced. Under Governor Hochul's leadership, at least 35 percent — and with a goal of 40 percent — of investments will directly benefit disadvantaged
- **Funding a Sustainable Future:** Cap-and-invest will provide the funding needed to achieve our climate goals. From helping business owners electrify their operations and make energy efficiency investments that will reduce energy bills, to funding electric vehicle (EV) chargers on Main Street, cap-and-invest proceeds will deliver benefits across New York State — enhancing livability, cutting transition costs for consumers, and creating a better New York.

Achieving these principles requires both a rigorous and transparent regulatory process led by DEC and NYSERDA, and crucial reforms made together with legislative partners, to ensure New York's Cap-and-Invest Program benefits all consumers, keeps our economy's competitive advantage while maximizing economic returns, and allows for linkages with other jurisdictions. Therefore, Governor Hochul will advance legislation that enables New York to distribute Climate Action Rebates to all.

### **Make Buildings More Sustainable**

Putting New York on the trajectory for a more sustainable future requires making sure that when we build new homes, we're constructing the zero-emission buildings of the future. Governor Hochul will seek an ambitious set of policies designed to usher New York into a new, electrified future that will reduce emissions and consumer costs.

As a complement to the New York Housing Compact and its goal of delivering 800,000 new homes over the next 10 years, **the Governor is calling for all new construction to be fully sustainable, with no on-site fossil fuel combustion by 2025 for smaller buildings and by 2028 for larger buildings.** Highly efficient, zero emission



buildings can be built at a minimal cost premium and will provide new residents with safer, healthier, and more comfortable homes.

To meet our ambitious climate goals, Governor Hochul is also proposing that New York take a nation-leading stand to prohibit the sale of any new fossil fuel heating equipment by no later than 2030 for smaller buildings, and no later than 2035 for larger buildings, along with related fossil fuel systems for all buildings. By closing the curtain on new fossil fuel equipment, New York will be advancing a zero emissions, electrified future and mobilizing the designers, manufacturers, engineers, installers, and workforce needed to realize this vision.

Finally, to help target investments and equip building owners with the data they need to reduce energy costs, Governor Hochul will be advancing a system to grade large buildings statewide on their energy usage as compared to their peers. You can't manage what you don't measure, and low-efficiency buildings can use up to three to seven times more energy than their direct counterparts. New York can put energy use data to work to benchmark similar buildings against a statewide common standard that will demonstrate the potential magnitude of energy saving interventions. Grading buildings is proven to help building managers make informed choices that cut bills and emissions.

### **Ensure a Just Energy Transition**

Since the passage of the Climate Act, New York has taken great strides to ensure that union labor and workers are at the center of the climate infrastructure build-out now underway — from large-scale renewables and transmission to community solar and beyond. Governor Hochul has already ensured that the labor industry has a greater voice on the Climate Action Council. But more can — and must — be done to support both conventional energy workers and communities burdened by fossil fuel infrastructure as they navigate the transition to a clean energy economy in the coming decades.

New York stands to see hundreds of thousands of jobs created in the future through the implementation of the Climate Act; even so, the State owes it to existing fossil fuel workers to undertake every effort to mitigate potential job loss and/or displacement and to protect them during their transition to a new occupation or sector, or to retirement. To address this, Governor Hochul will create the Office of Just Transition to centralize and direct state planning for a smooth, equitable transition for workers.

As the mission and programmatic priorities of the Office are built out, it will focus on three main areas in the near- and medium-term, including host community support, existing worker support, and new worker support. New York will join the ranks of other states that have started to establish similar offices as they contend with power plant closures and other energy transition impacts. However, New York's efforts will be the first dedicated, structured effort to achieve a just transition for affected workers and communities that looks beyond the transition from coal.

## **LABOR**

### **Index the Minimum Wage**

New Yorkers across our state are facing deep levels of financial hardship due to high inflation. As a result of the pandemic, disruptions to global supply chains, and other factors, New Yorkers are paying more and more for food, gasoline, clothes, energy, medical care, and rent. Inflation has hit 40-year highs across the U.S. in the past year. As a



result, households across our state are feeling the pinch of higher prices and cutting back to balance the family budget.

No one has felt the consequences of inflation more than low-income families across our state. The average monthly cost of goods and services for households has risen by 13.4 percent since October 2020, putting families in perilous economic circumstances.<sup>81</sup> In downstate New York, the \$15 minimum wage has lost \$1.78 in purchasing power since its implementation, making it tougher for New Yorkers at the supermarket, gas pump, and clothing shop.

That is why Governor Hochul is proposing to automatically increase our minimum wage to keep pace with inflation going forward. After reaching \$15 per hour, each region's minimum wage will increase consistent with the year-over-year Consumer Price Index-W for the Northeast Region, the best measure of inflation in our region. To ensure that no single-year increase would threaten employment, annual increases would be capped, and an "off-ramp" would be available in the event of certain economic conditions.

Indexing our minimum wage to inflation will ensure that the purchasing power of workers' wages aren't eroded year over year. For the hundreds of thousands of New York State minimum wage workers, linking their wages to inflation will represent an economic lifeline that can help ensure the value of their hard work is reflected in their paycheck. Increasing the minimum wage will overwhelmingly benefit low-income workers, but in particular the families of women and people of color, who comprise a disproportionate share of those working in minimum-wage jobs.

New York will not be alone in indexing the minimum wage to inflation. Seventeen other states either currently tie their minimum wage to inflation, or some other economic formula, or are slated to do so, including three states that will have minimum wages at or above \$15 in 2023. Economic research shows that raising the minimum wage can lead to reductions in poverty, reduced spending on social assistance, increases in consumer spending in communities, and improved worker productivity and retention.

Hardworking New Yorkers didn't invite any of these economic challenges and have heroically fought through everything the pandemic and its associated economic disruption have thrown at them. New York State can and must have their backs by ensuring inflation can't take any more bites out of their paychecks.

### **Create New Early College High School and P-TECH Programs**

College-level courses provided in high schools, such as those provided in early college high school and Pathways in Technology Early College High School (PTECH) programs, allow students to earn college credits in high school, helping them get a head start on college, reduce their student debt, and prepare them for a career. To encourage the growth of these programs across the state, Governor Hochul will establish a new, \$20 million grant program to support the establishment of new early college high school and P-TECH programs.

New funding will be targeted at school districts and institutions of higher education, working with industry partners to inform the design of their programs. With an eye toward the technology jobs of the present and future — including the tens of thousands of jobs that will be created in Central New York as a result of the Micron project — programs focused on computer science and computer and software engineering pathways will be prioritized, as will programs serving students in high-need school districts.



## **Create a Robust High School-College-Workforce Pipeline**

To build the economy of the future, and to ensure the goals of education and workforce are aligned across the state, Governor Hochul will invest \$10 million over two years in competitive funding for school districts, Boards of Cooperative Educational Services (BOCES), and community colleges — working in collaboration with local industry — to develop strategic workforce plans that promote job readiness in their local economies. Awards will be made in every Regional Economic Development Council (REDC) region of the state, and winning plans will receive multi-year seed funding to align industry needs throughout high school and college sequences. With this funding, New York will ensure it remains at the forefront of workforce preparedness while meeting the local needs of industry.

## **Modernize and Streamline the State's Training and Employment Infrastructure**

As New York's economy returns to normal, one factor hindering a full recovery is the ongoing mismatch between the skills needed by employers and those in the incumbent workforce. Businesses of all sizes are looking to hire for a diverse range of roles but report they simply cannot find the talent to do so. This is partially due to population loss during and after the pandemic. At the same time, an increasing number of workers are neither unemployed nor seeking jobs — they've simply left the labor market. Within the remaining labor force, there is a lack of both technical and general professional skills sought by employers in industries that are producing high-quality, family sustaining job.

New Yorkers are trained for positions requiring "professional skills,"<sup>91</sup> which makes it little surprise that approximately half of employers cite a lack of qualified candidates as a key reason why roles are difficult to fill. This sentiment is echoed by job seekers, a large segment of whom cite the lack of skills, education, training, and degrees or credentials as a key barrier to employment.<sup>93</sup> There are about 1.3 openings for every job seeker in New York, with the positions remaining open because of a mismatch in education requirements, lack of professional skills, and lack of training or opportunity for advancement.

Fortunately, New York State has several new and established tools at its disposal to deliver skills training at scale, provide job-seeking support to unemployed and underemployed New Yorkers, and ensure a streamlined pipeline from career exploration to employment. For example, New York's Career Center network, overseen by the Department of Labor (DOL), serves more than 500,000 New Yorkers each year, while SUNY Educational Opportunity Centers (EOCs) play a major role in eliminating barriers to job training and skill development by providing individuals with tuition free programming.

Governor Hochul will transform DOL Career Centers into "Community Training and Career Centers," with additional professional skills trainers that provide unemployed and underemployed New Yorkers with nocost training in high-need areas such as digital and financial literacy and entrepreneurship. This will be paired with a new, large-scale, on-the-job training program administered by the DOL to upskill 3,000 workers each year, focusing on high-demand industries and hard-to-fill job titles. New York State will also retool the outdated CareerZone platform to specifically help youth, young adults, and digital literacy learners explore career paths and develop baseline professional skills required by employers from all sectors.

To further streamline and grow the workforce development pipeline, Governor Hochul is directing DOL and SUNY to establish new and innovative partnerships between Career Centers and EOCs. Leveraging each asset's unique



strengths, this integrated approach will allow New Yorkers to seamlessly access a wide spectrum of job preparedness services at no cost. This will enhance the proven DOL Career Center model while supplementing its services with SUNY's robust training arm, which can pivot in real-time to best meet the needs of businesses and provide immediate access to tuition-free training for job seekers.

Under this new model, DOL and SUNY will explore a wide range of strategies to ensure a continuum of services to job seekers and improve employment outcomes. These strategies will ensure all New Yorkers are ready for today's job market through attainable diplomas and credentials paired with digital literacy and professional skills training, résumé development, job search and networking support, and other services that reduce barriers to employment. To further expand access, DOL and SUNY will work to braid federal funding and partnerships with other State agencies and community resources to ensure more New Yorkers can access these training opportunities and receive comprehensive wrap-around services throughout the process.

These changes will be coordinated with the latest addition to New York's job training arsenal: the Office of Strategic Workforce Development. Last year, Governor Hochul's creation of this office marked a decisive shift in the State's workforce development strategy to one that is employer-driven, aligning skills training with realtime employer needs, and focused on strategic growth industries — sectors like tech, advanced manufacturing, and electronics, which are poised to drive economic growth in the coming decade and more. Equipped with a data and outcomes-driven mission and a \$150 million grant program to support new innovative programming and scale what is already working, the Office will continue to award grants to proven providers that ensure New Yorkers are ready to meet employer needs, while expanding access for marginalized communities through wraparound services and other tested models that reduce systemwide inequities.

In the coming year, Governor Hochul will articulate a new, statewide framework that will guide New York's workforce development strategy. It will ensure that all agencies undertaking and funding workforce development projects are advancing in the same direction through better coordination, standardized system-level targets, and uniform metrics for success.

### **Establish the Office of Semiconductor Expansion, Management and Integration**

On the heels of the historic commitment by Micron to invest \$100 billion in Central New York, and the unprecedented opportunity for growth resulting from New York's Green CHIPS program and the federal CHIPS and Science Act, Governor Hochul is creating the Governor's Office of Semiconductor Expansion, Management, and Integration (GO-SEMI). The Micron project was the result of a historic federal, state, and local partnership led by Governor Hochul, Majority Leader Chuck Schumer, and Onondaga County Executive Ryan McMahon. This new Office will ensure ongoing, successful collaboration between all parts of government and our partners in the private sector to realize the transformative potential of this investment.

GO-SEMI, led by Empire State Development (ESD), will be supported by experts from numerous state agencies and work in coordination with our federal and local partners to help shepherd the Micron project. It will also oversee other associated investments in the semiconductor industry and shape and implement a broader, national model for maximizing industry and community returns on such public/private partnerships.

In addition to ESD, participating agencies and authorities include the Department of Labor, New York State Energy Research and Development Authority, New York Power Authority, Department of Transportation, Department of



State, Department of Environmental Conservation, Homes and Community Renewal, Department of Public Service, the State University of New York, and NY CREATES.

GO-SEMI will lead and centralize efforts to implement the Micron project; develop and advance policies to attract the semiconductor industry and its supply chain; coordinate workforce development and community investments between local, state, federal, and private partners; lead efforts to create, attract, and retain the highly skilled workforce needed; and support cohesive development focused on smart growth principles.

### **Improve the Excelsior Program to Attract Businesses and Jobs to New York State**

The Excelsior Jobs Program provides job creation, investment, and research and development incentives to firms in targeted industries, under a pay for performance structure. The program encourages businesses to relocate to New York, or expand here, while maintaining strict accountability standards to guarantee that those businesses deliver on commitments. In recent years, the program has been expanded to create a child care tax credit, a green economy tax credit, and the green CHIPS credit, which led to one of the largest manufacturing investments in U.S. history. Now, Governor Hochul will make improvements to the program to support additional critical priorities for the state, such as assisting disadvantaged communities and populations, as well as advancing the green economy.

Empire State Development will provide additional incentives to projects that are at least LEED Silver Certified or are located in disadvantaged communities. These changes will enhance the Excelsior Jobs Program and make the program more reflective of the State's priorities to build sustainably and invest in disadvantaged communities.

### **Take a Truly Statewide Approach to Economic Development Near Campuses**

Governor Hochul is focused on ensuring that the jobs of tomorrow are developed in New York today. In alignment with that vision, she will launch the Extended Prosperity and Innovation Campuses (EPIC) initiative, to support the growth of new businesses and help form strong partnerships between the private sector and the state's leading educational centers. Technology-related innovations have been strong growth engines for the State, leading to millions of dollars in investments and the creation of high-wage jobs. Governor Hochul knows that with additional support for our existing innovation engines, New York can lead the nation in developing new technologies and reap the benefits of unparalleled economic growth.

EPIC replaces the START-UP NY program, which was hamstrung by its design. Critically, EPIC will: have the same requirements, benefits, and eligibility criteria upstate and downstate; support a wider range of innovation businesses; be streamlined to remove barriers; and increase the amount of space in the state dedicated to growing innovation and creating jobs.

Participating businesses will operate tax-free for 10 years on or near eligible university or college campuses. These partnerships give businesses direct access to advanced research laboratories, development resources, and experts



in key industries, resulting in increased commercialization of new technologies and ensuring mutually beneficial collaborations. Synergies will grow as SUNY moves to implement the Governor's transformational vision for our state's higher education system.

### **Establish a New State Initiative to Focus on Supply Chain Resiliency**

Our national security and economic prosperity are dependent on a secure global supply chain. From food to medicine, this vital system provides the goods that feed our families and support our way of life. As recent events have shown, the global supply chain is dynamic, growing in size and complexity, and vulnerable to a host of threats such as natural disasters or product recalls.

Governor Hochul will establish a new State initiative to proactively secure supply chains for critical commodities and products by attracting and supporting those industries that provide essential supplies to manufacturers in New York. State agencies will collaborate on identifying key industries to attract that would enhance the state's economic security and prosperity by providing vital products. Empire State Development will then work with those industries and offer targeted incentives to relocate to New York.