



Make Strategic Shovel-Ready Investments for High-Growth Tech Sites

Amt: \$300+ Million Approved

New York State has been successful in attracting large private-sector employers, such as GLOBALFOUNDRIES, Wolfspeed (Cree), Alstom, Barilla, Regeneron Pharmaceuticals, and Plug Power, thanks to investments in long-term infrastructure and site-readiness. But more investment is needed to maintain job-creating, business-expansion opportunities.

Additionally, there is a shortage of shovel-ready sites around the country, making the need for New York to invest in sites greater than ever, with billions of dollars in federal infrastructure investment in the pipeline. To jumpstart New York's shovel readiness and increase the state's attractiveness to large employers, ESD will allocate funding to develop sites that will attract high-tech manufacturing, particularly semiconductor manufacturing, warehousing, distribution and logistics businesses to the state. These investments will develop sites to make New York State a more competitive place to locate and expand a business, helping New York usher in a new era of market-ready infrastructure.

Regional Economic Development Councils

Amt: \$225 Million Approved

The Regional Economic Development Councils (REDC) will continue to play a key role in a regionally driven strategy to support economic recovery and growth with a focus on businesses and industries most impacted by the ongoing public health emergency. The Executive Budget includes a wide variety of funding that will be coordinated with and driven by strategic plans developed by the REDCs at the ground level to ensure that available funding is matched with the unique sector driven needs and priorities of each region. The Budget includes core funding of \$225 million in grants and tax credits to fund high value regional priority projects, which is anticipated to be made available throughout the year to ensure that projects that are shovel-ready can be advanced in a timely fashion. The Executive Budget also includes significant resources for a robust package of workforce development initiatives (up to \$350 million) and downtown and community revitalization initiatives (up to \$450 million) that will be coordinated with REDC-driven economic development strategies where appropriate.

Small Business Assistance Program

Amt: \$1 Billion Approved

Small businesses are the heart of the New York economy, accounting for 98 percent of all businesses statewide. Supporting our small-business community is critical to the health of our state and local economies, as well as our tourism economy and our main streets. To help small businesses at a critical moment, Governor Hochul is proposing a nearly billion-dollar plan for New York's small businesses, including targeted programs strategically designed to respond to small business needs, and to ensure

that disadvantaged, minority-owned, women-owned, veteran-owned small businesses prosper throughout the state. Governor Hochul's billion-dollar plan for small businesses consists of the following programs:

- *Funding for Small Businesses of the Future*: This initiative will support venture capital and venture debt awards to fast-growing, venture-backed startups that either locate to, or remain and grow in, New York State. This funding will assist emerging small businesses in the innovation sector, including minority- and women-owned companies often overlooked by private-sector venture investments. Through this program, New York State will become a hub of innovation and small business growth.
- *A \$250 Million Small Business COVID Capital Investment Tax Credit*: This initiative will provide a tax credit to small businesses that took on COVID-related capital expenses, including retrofits, renovations, machinery, and equipment related to COVID safety enhancements.
- *Permanently Legalize the Sale of To-Go Drinks for Bars and Restaurants*: To-go drinks were a critical revenue stream for New York's bars and restaurants during the pandemic, helping many small businesses across the state pay their rents or mortgages. Governor Hochul will permanently allow for the sale of to-go drinks for off-premises consumption to continue supporting the recovery of bars and restaurants.
- *\$200 Million Seed Funding for Small Businesses*: This initiative will provide flexible grants to early-stage small businesses to help those that recently opened get off the ground, despite the COVID-19 pandemic. Priority will be given to socially and economically disadvantaged small business owners.
- *A Small Business Lending Initiative*: This initiative will provide reduced interest rate and accessible loans to expanding small businesses. It will seek to address disparities in the traditional loan market, which oftentimes precludes small businesses, particularly socially and economically disadvantaged small businesses, from accessing loans to grow their businesses or take on larger government contracts.
- *An Excelsior Contracting Opportunities Initiative*: This initiative will provide State-backed funding and technical assistance to position small businesses — particularly socially and economically disadvantaged businesses — to secure federally funded contracts related to the \$1.2 trillion federal Infrastructure Investment and Jobs Act (IIJA). This initiative will also include the establishment of an interagency Excelsior Contracting Opportunities Council— including ESD, NYSDOT, the Thruway Authority, MTA, and the Port Authority of New York and New Jersey — to identify strategies to encourage greater minority- and women-owned small business participation in forthcoming federally funded infrastructure projects across the state. This comprehensive initiative will ensure that small businesses in all regions of New York have access to the opportunities and resources needed to grow.

Revitalize and Spur Economic Growth Across Downtowns

Amt: \$100 Million Approved

The strength of the State lies in its partnerships with local governments. By working together to create economically, socially, and environmentally healthy community centers through downtown revitalization, we can make life better for New Yorkers and help secure the long-term well-being of the state. To further revitalize our communities, Governor Hochul is proposing a sixth round of the Downtown Revitalization Initiative (DRI), a cornerstone of the State's economic development policy, which transforms downtown neighborhoods into vibrant centers of activity that offer a high quality of life and attract redevelopment, businesses, jobs, and economic and housing diversity. To support

efficient execution of these projects, the communities will have the option to utilize DASNY's planning, design, procurement, construction, and closeout management services.

Revitalize and Spur Economic Growth Across Small Rural Communities

Amt: \$100 Million Approved

The successful DRI demonstrates that New York State's plan-then-build approach to downtown revitalization works, but more needs to be done to revitalize the burgeoning hamlets and villages of the state. To support a more equitable recovery across New York's rural communities, the State will create and invest in the NY Forward program, designed to advance the renaissance of our smaller downtowns.

New York's hamlets and villages serve as commercial and social centers, and support our agricultural, recreational, and tourism economies. They too have suffered from the remnants of obsolete industries and aging infrastructure, failed urban renewal, and a lack of modern housing. Recognizing the distinct needs of smaller communities and their niche historical and cultural assets, NY Forward will provide a streamlined plan-to-implement process tailored to more rural and smaller communities.

Like the DRI program, NY Forward communities will be selected in partnership with the Regional Economic Development Councils (REDCs), and the Department of State (DOS) will lead the community through an abbreviated planning process to develop a slate of readily implementable projects. The State's investment in shovel-ready projects that demonstrate their ability to accelerate revitalization will strengthen the competitiveness of future community projects, overcoming barriers and closing the gap between the trajectory of New York State's small communities and larger urban centers.

Strategic Econ Development Funds to Regional Economic Community Assistance Program (RECAP) A

Amt: \$800 Million Approved

New York is one of the top semiconductor industry employers in the nation. With 88 semiconductor establishments statewide, the industry has a \$4.7 billion annual wage impact, supporting more than 34,000 direct — and typically high-wage — jobs. As Governor Hochul noted in November, New York has invested hundreds of millions of dollars in preparing shovel-ready chip sites.

To build on our lead in this fast-growing industry and help create thousands of high-quality jobs, Governor Hochul will propose funding to support site-readiness investments to encourage semiconductor manufacturers to locate and grow in New York State. This funding — via the State's shovel-ready fund (described above) — would make New York an even stronger location to house a National Semiconductor Technology Center and additional chip fabrication plants.

These investments will help New York develop an in-state semiconductor supply chain that dramatically improves our economic resiliency and reduces U.S. reliance on overseas products — a critical lesson learned following the COVID-19 pandemic.

Renew Funding for and expand the "Restore New York Communities" Blight Removal Initiative

Amt: \$250 Million Approved

Established back 2006-07, the Restore New York Communities program supported municipal efforts to demolish, deconstruct, rehabilitate, or reconstruct vacant, abandoned, condemned, or surplus properties. To renew the State's commitment to rehabilitating blighted areas, New York will invest new funds in a revitalized Restore New York program, which has been successful in jumpstarting local economies and investing in the future of New York's communities. Prior rounds of the Restore New York program have resulted in the removal and restoration of dozens of sites statewide.

ConnectALL Initiative.

Amt: \$1 Billion Approved

ConnectALL initiative will be the largest-ever investment in New York's digital infrastructure, transforming it so all New Yorkers have affordable, reliable broadband statewide. Catalyzing over \$1 billion in new public and private investments, ConnectALL will provide affordable broadband access to New Yorkers in rural and urban areas statewide and continue New York State's leadership on connectivity.

across three key areas of focus: capital investments, affordability, and equity, and leveraging state assets, thus providing the nation's most comprehensive and innovative approach to closing the digital divide. The ConnectALL initiative will include efforts such as:

- *Broadband Assessment and Interactive Map:* The Public Service Commission is creating the New York's first-ever, in-depth interactive broadband map detailing the availability and reliability of high-speed broadband infrastructure statewide. Consumers will have the ability to search for providers in their area and see what plans are available for their address — a first-in-the-nation feature. Through field-verified research and with the help of internet service providers, the interactive map will demonstrate not only those areas meeting the State's definition of served — download speeds of greater than 100 Mbps — but most importantly where the unserved and underserved broadband areas remain.
- *Local Connectivity Planning Grant Program:* This program will provide grants to municipalities and non-profit organizations for local broadband planning.
- *21st Century Municipal Infrastructure Investment Program:* This program will provide grants to municipalities and other entities to plan, engineer, and construct open and accessible broadband infrastructure.
- *Rural Broadband Grant Program:* This program will provide matching grants — plus hundreds of millions of forthcoming dollars from the IIJA — to support rural broadband access, including last-mile connections and middle-mile projects.
- *Connectivity Innovation Fund Program:* This program will provide competitive grants to entities across the state to plan and construct creative, innovative, and new solutions that meet local connectivity needs. The State's leading broadband experts will advise on these strategic and innovative investments to ensure the state leads the 21st-century connected economy.
- *Affordability Program:* IIJA provides over \$14 billion to support a permanent \$30 a month broadband subsidy for low-income households. Increasing enrollment in this program — which lags below 30 percent of eligible households in New York — will be an objective of the ConnectALL initiative and digital equity programming.
- *Affordable Housing Connectivity Program:* Homes and Community Renewal (HCR) will include affordable internet in its overall housing plan.
- *Digital Equity Program:* Levering significant IIJA funding, ESD will lead the development of a statewide Digital Equity Plan in coordination with other state and local government agencies as well as private and not-for-profit organizations.
- *A Build-Free Initiative for Rural Broadband Deployment:* Governor Hochul will eliminate state fees for rural deployments where population density is too low to generate sufficient revenue to cover operating costs. Specifically, the State will exempt ConnectALL projects from use and occupancy fee for fiber in the State right-of-way, reducing costs for program participants.
- *Streamline Make-Ready Processes:* Governor Hochul will direct the Department of Public Service (DPS) to streamline the current make-ready process.

- *Standardize Right-of-Way Access for Cellular and Establish Clear Timelines*: Governor Hochul will establish clear timelines for cellular deployments on state land and rights-of-way with simple and standardized forms and processes.
- *Leverage Existing State Fiber Assets*: The State will conduct a pilot to leverage existing State fiber assets to support middle-mile broadband.
- *Implement a Cellular Siting Guide for Local Governments*: Governor Hochul will have ESD provide local governments with model siting requirements and master-lease agreements that can be adopted to facilitate cellular infrastructure deployments.
- *Address Barriers to Serving Multiple-Dwelling Units*: Governor Hochul will direct the DPS to review current regulations on agreements between broadband providers and landlords in apartment buildings to see if additional regulations or limitations are needed.

Overhaul the State's Workforce Development Efforts

Amt: Up to \$350 Million Approved

Support meaningful job opportunities and support industries across the state, NYS will overhaul the state's approach to workforce development through a robust funding package of up to \$350 million.

- Provide increased resources and up to \$11 million in additional funding to improve the MWBE program and ensure timely and efficient processing of MWBE certifications for qualified businesses
- Establish a new unit within ESD dedicated exclusively to processing administrative appeals, including challenges to the denial of MWBE certifications, to ensure timely processing of appeals
- A new Office of Workforce and Economic Development at Empire State Development (ESD) will coordinate efforts statewide through the State's Regional Economic Development Councils, and in conjunction with the Department of Labor, the State University of New York, the City University of New York, and other State agencies.

Create a World-Class Battery Research and Manufacturing Center at Binghamton University

To help New Yorkers advance their careers in a leading, high-paying clean-tech industry, Governor Hochul will establish BATTERY-NY, a Technology Development and Manufacturing Center hosted by Binghamton University. The Center will be led by 2019 Nobel Laureate in Chemistry, Binghamton University's Distinguished Professor M. Stanley Whittingham, in partnership with a Chief Operating Officer from the battery industry and New York Battery and Energy Storage Technology Consortium (NY-BEST), an organization that works to position New York as a global leader in energy storage technology.

The Center will support the Southern Tier economy by developing the advanced manufacturing of batteries for clean energy technologies that will transform the transportation, military, and energy sectors. The Center will also establish a robust manufacturing infrastructure to support multiple industries and their supply chains.

Rebuild the Wadsworth Center in Albany into a World-Class Campus

Amt: \$750 Million Approved

The Wadsworth Center in Albany, a public health research laboratory of the New York State Department of Health (DOH), played an essential role in helping New York battle COVID-19. New York State is committed to supporting the rebuilding of this Center, ensuring that these vital DOH facilities can prepare to fight future public health challenges on behalf of New Yorkers. The Dormitory Authority of the State of New York (DASNY) is currently updating the plans to reflect lessons learned from the COVID-19 pandemic.

Centers for Advanced Technology (CATs) and Centers of Excellence (COEs)

Amt: \$1 Million per Center Approved

The CAT program, created in 1983, facilitates a continuing program of basic and applied research, development and technology transfer in multiple technological areas, in collaboration with and through the support of private industry. CATs play a critical role in spurring technology-based applied research and economic development in the state; promoting national and international research collaboration and innovation; and leveraging New York's research expertise and funding with investments from the federal government, foundations, businesses, venture capital firms and other entities.

Centers of Excellence foster collaboration between the academic research community and the business sector to develop and commercialize new products and technologies, to promote critical private sector investment in emerging high-technology fields in New York State, and to create and expand technology-related businesses and employment. This program was created to enhance and accelerate the centers' operations, facilitating joint university-industry research and development, product commercialization and workforce training.

Empire State Gaming Tax Credit

Amt: \$5 Million per year for five years Approved

This program is designed to provide meaningful and effective incentives to an industry critical to future economic development throughout the State. The bill supports production activities occurring for digital gaming in the State similar to the support New York provides to the film industry. New York currently generates a small portion of the approximately \$43 billion U.S. video and digital gaming market. It is forecasted that the global market will grow 27% by 2026, according to Zion Market Research. If New York is to capture a larger Share of this growing market a functioning incentive program is critical as other states and counties offer aggressive incentives to this industry. Not only does the video game industry have a substantial economic impact that is even greater than the film industry, the industry is deeply rooted in the communities throughout the state.

Support for Community Colleges

Approved

The Budget includes a funding floor to protect community colleges from the loss of over \$80 million in funding from declining enrollment.

Investing and Partnering with Land Banks

Amt: \$50 Million Approved

New York State is home to 25 land banks created to address blighted properties that local government can address more efficiently than the private market. As of mid-2018, land banks acquired more than 2,800 blighted properties, sold 1,200-plus to other parties that renovated or redeveloped them, renovated, or redeveloped more than 500 themselves, and demolished 600-plus hazardous, deteriorated structures. Those activities leveraged more than \$100 million in private investment, returned more than \$40 million of assessed value to taxable status, and leveraged \$13 million in local government funding and \$13.5 million in other grant funds.