



2023 New York State Economic Development Council (NYSEDC) Policy Agenda DRAFT

The New York State Economic Development Council (NYSEDC) is the state's principal organization representing economic development professionals. Our more than 900 members include the leadership of Industrial Development Agencies and Local Development Corporations, commercial and investment banks, underwriters, bond counsels, utilities, chambers of commerce, higher education institutions, and private corporations. Each year, the NYSEDC develops a set of policy and program recommendations for the upcoming State of the State (SOS) and Legislative Session. We were proud to work on and support several key initiatives that were introduced in 2022 including:

- \$200 Million for The Fast New York Program (Shovel Ready Program)
- \$250 Million RESTORE New York Fund
- \$200 Million for the Downtown Revitalization Initiative (DRI) and the new NY Forward Program
- \$350 Million for a new workforce development initiative
- \$50 Million in funding for New York State Land Banks
- The creation of the Green Chips Tax Credit Program (\$500 Million annually for 20 years)
- Increased funding for the Centers of Advanced Technology (CATs) and Centers of Excellence (COEs)
- A first of its kind digital gaming tax credit for New York State
- The Federal CHIP and Science Act which will allocate billions of dollars to NYS Semiconductor research, development, and manufacturing

We thank the Governor and New York State Legislature for dedicating nearly \$1.6 Billion in targeted economic development investments in 2022. The NYSEDC offers the following recommendations for the 2023 State of the State and Legislative Session.

Reauthorization and increase of \$500 Million in funding for the Fast New York Program- There continues to be a shortage of shovel ready sites around the country; the need for New York to invest in sites has never been greater than it is today. We applaud the governor for highlighting this in her State of the State Address and support dedicated funding in this year's budget to invest long term in site. We support Senator Cooney and Assemblyman Billy Jones bill which dedicates \$500 million for site development across New York State.

Reauthorization of \$250 Million for the RESTORE New York Program- Prior rounds of the Restore New York program have resulted in the removal and restoration of hundreds of sites statewide. This has been a program long supported by the legislature. We recommend and support \$250 million in new funds for the program in 2023. We fully support this and encourage continued and renewed funding for this program annually.

Reauthorization of \$200 Million for the DRI and the NY Forward Program- The NYSEDC has long advocated for direct funding to local municipalities. We believe it has and will continue to help small cities revitalize across upstate New York. To support a more equitable recovery across New York's rural communities, the NYSEDC supports dedicating \$100 million to smaller municipalities across New York State.

Reauthorization of funds for workforce development efforts- Workforce development continues to be a challenge and opportunity for New York State. \$150 Million in funds should be dedicated annually for the new office of workforce development at Empire State Development (ESD) to ensure the companies that are relocating and expanding in the state have a skilled workforce of New Yorkers.

\$50 Million reauthorization of funding for New York Land Banks- Housing continues to be a challenge across the state from Buffalo to Binghamton to Brookhaven. 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. The NYSEDC recognizes the role land banks play in the larger economic development ecosystem and encourages the state to give them the tools needed to increase their activity.

NEW PROGRAMS

\$50 Million Digital Gaming Tax Credit- New York State is home to some of the most innovative gaming companies in the world. New York City, The Capital Region, and Rochester, NY all boasts world class gaming clusters responsible for thousands of jobs. A targeted investment tax credit of \$50 million annually will put New York on par with Montreal and other gaming communities across the country. We support Senator Breslin and Assemblyman McDonald's bill that provides up to \$50 million annually in performance-based tax credits to grow the gaming industry in the state.

\$1.5 Million per year for each Center of Advanced Technology (CAT) and Center of Excellence (COE)- These 29 unique programs 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. We propose increasing funding to \$1.5 million annually for each Center. This investment will leverage hundreds of millions of dollars in other federal and private sector funding.

\$100 Million Prison Redevelopment Fund- The Prison Redevelopment Commission developed a series of recommendations that would help solve the challenge of adaptively reusing closed prisons in the state. These funds would be used for a municipal technical assistance fund targeted to helping smaller communities, where these prisons are located, take control of the site and get them ready for reuse. There would be dedicated funding for construction work, demolition, infrastructure, and marketing depending on the economic opportunity presented at each site.

NEW POLICY RECOMMENDATIONS

Article VII Language amending the IDA statute to explicitly authorize housing project support

Housing has increasingly become a critical part of economic development efforts in communities across New York State. From the DRI to adaptive reuse projects, access to a variety of housing options is required for healthy, sustainable communities. Many IDAs are already doing housing projects as an OSC opinion gives them the authority to do so. However, some are hesitant to support these projects due to the vague language in Section 852 of the general municipal law governing IDAs. We recommend a minor change to this section of law:

It is hereby further declared to be the policy of this state to protect and promote the health of the inhabitants of this state by the conservation, protection and improvement of the natural and cultural or historic resources and environment and to control land, sewer, water, air, noise or general environmental pollution derived from the operation of industrial, manufacturing, warehousing, commercial, recreation,

horse racing facilities, railroad facilities, automobile racing facilities, **housing**, and research facilities and to grant such industrial development agencies the rights and powers provided by this article with respect to industrial pollution control facilities. It is hereby further declared to be the policy of this state to protect and promote the health of the inhabitants of this state and to increase trade through promoting the development of facilities to provide recreation for the citizens of the state and to attract tourists from other states, to increase **multi-housing options and opportunities**, and to promote the development of renewable energy projects to support the state's renewable energy goals as may be established or amended from time to time.

Modernizing Metrics for the Public Authorities Reporting Information System (PARIS)- PARIS is an important and necessary database system for tracking industrial development agency (IDA) projects and investments, ensuring that the public has access to information about how these investments are performing. However, PARIS has not been updated since its creation to reflect a modern economy and remains a rigid, antiquated system on both the front and back end for users. We propose working with the Office of State Comptroller (OSC) and the Authorities Budget Office (ABO) to modernize and enhance both the metrics for how we measure IDA projects AND increase the functionality/access to the general public.

Metrics:

- Improve framing of report to reflect a more comprehensive view of public benefits of projects.
- Track increases to the tax base from where a property was prior to a project moving forward.
- Track housing starts and mixed-use development projects.
- Track additional modern metrics (ex. amount of renewable energy generated, growth in net new wealth, etc).
- Allow for reporting on all IDA activities including loan funds, community development projects, events, and grant programs.

Functionality:

- Simplify interface.
- Make the database forward facing and more accessible to the public.
- Add the ability to upload data from Excel or Word.
- Link definitions to improve understanding of question intent.
- Incorporate a system of revisions to allow IDAs to edit information for prior projects based on project changes.
- Modify system design to recognize multiple projects for the same company and phased projects

Article VII Language to require the tax base growth factor include PILOTS- The current tax cap law ignores increases to the tax base of a community if that increase in tax base occurs under a PILOT agreement. By not recognizing PILOT-exempted projects, the law does not properly capture this contradiction and a community is restricted in providing resources in proportion to service demand increases. This can be resolved by amending the law to have the quantity change factor include the value of new assessment exempted under a PILOT agreement being added to a community. This recognizes growth to be factored into the 2% cap, providing school districts and municipalities more flexibility to stay under the cap. The legislature currently has a bill with language [S8840/A7091](#).

Income Disregard for Job Seekers

We support Senator Persaud's bill that would Establish a six-month, 100% income disregard for New Yorkers receiving cash assistance, SNAP benefits, childcare, and housing subsidies participating in publicly funded workforce and postsecondary education programs, and employment opportunities. A

six-month income disregard would allow the working poor, and those trapped in cycles of poverty, to save money and advance their careers. This is a commonsense reform that would empower job seekers with the flexibility needed to gain employment and not only enter but remain in the workforce.

Responsibly Advance New York State's Climate and Energy Goals

We agree with the seven-point plan developed by business, utility, and labor leaders from across NY to balance our clean energy goals with the economic realities in our communities.

1. Maintain safe, reliable, and resilient energy infrastructure.
2. Communicate impacts on energy consumers and businesses.
3. Create and retain high quality jobs.
4. Leverage the power of markets to achieve decarbonization.
5. Reduce emissions from all sectors, including transportation and heating.
6. Promote development and maintenance of needed energy infrastructure.
7. Support fuel and technology diversity.