



**New York State Assembly**

# **NY@Work**

**March 2004**

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# ***NY@Work***

## **2004 Assembly Economic Growth Agenda**

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*“New York must adopt a strategic, market-driven, and accountable approach to economic development — one that recognizes both the unique resources of each region of the State and the key industries within the regions. To accomplish this, the Assembly proposes NY@Work, an agenda for economic growth that will create tens of thousands of jobs and spur entrepreneurship and business expansion throughout the State.”*

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### **I. Establish a New Economic Development Model**

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To meet the considerable challenges of a global, 21<sup>st</sup> Century economy, New York must adopt a strategic, market-driven, and accountable approach to economic development — one that recognizes both the unique resources of each region of the State and the key industries within the regions. To accomplish this, the Assembly proposes NY@Work, an agenda for economic growth that will create tens of thousands of jobs and spur entrepreneurship and business expansion throughout the state.

NY@Work overhauls the State’s economic development bureaucracy and enacts major programmatic reforms. It also provides for comprehensive workforce education and training while laying the foundation for economic growth by ensuring that our children receive a quality education that will prepare them for the technology driven jobs of the 21<sup>st</sup> Century. By making wise investments in strate-

gic industries through the use of existing resources, NY@Work also ensures that the taxpayers will receive the best return on their investment.

The Assembly provides nearly \$525 million in State support for NY@Work, including \$280 million in new capital investments across the State by reprogramming \$250 million included within the Executive’s Budget proposal for State Fiscal Year 2004-05 and calling for an additional \$30 million to support the inclusion of the Educational Opportunity Centers (EOCs) within the State University of New York (SUNY) five year capital plan. In addition, it provides nearly \$23 million in State operational support and redirects over \$28 million in federal funds. The proposal also calls for \$60 million in tax credits beginning in SFY 2005-06 for the support of new venture capital investment to encourage high tech business formation.

### ***NY@Work Objectives***

- Establish a New Economic Development Model
- Reform the Empire Zones Program
- Develop a Workforce of the 21<sup>st</sup> Century
- Invest in Capital Projects that Create Jobs
- Create a Comprehensive Manufacturing Assistance Program
- Reform and Extend the Power for Jobs Program for an Additional Three Years
- Support Community Based Economic Development

## A. Create an Economic Policy Coordination Board

We must develop a strategy for economic growth and establish accountability measures to accurately determine the impact of the State's investments in academic research and development, other high-tech, research-intensive projects, and other business-specific economic development programs. Both the research institutions and the businesses that benefit from the State's investments, as well as the taxpayers who ultimately underwrite these investments, deserve nothing less.

Accordingly, the Assembly proposes to create a high-powered, private sector Economic Policy Coordination Board. Specifically, the Assembly proposes:

- 1. Appointments** The Governor would appoint six members and the Speaker of the Assembly and Senate Majority Leader would appoint three members to the panel, thus assuring input from different viewpoints and interests across the State.
- 2. Professional Background** Leaders from different sectors of the economy including manufacturing, high technology industries (such as biotechnology, nanotechnology and other emerging industries), labor, and academia would serve as members of the policy coordination board.
- 3. Primary Responsibility** The board's primary responsibility will be the development of a strategic plan for economic development based on a realistic assessment of regional economic strengths and weaknesses. This will be accomplished through a public process.
- 4. Priorities for Funding** The Economic Policy Coordination Board would identify those sectors of the economy with the greatest growth potential and establish priorities for funding, including a preference for small businesses and women- and minority-owned businesses.
- 5. Complementary Role** The Economic Policy Coordination Board's work will complement that of the Office of Science, Technology and Academic Research's Advisory Board and the new Economic Development Control Board and provide guidance and direction through the development of an overall strategic plan for economic development.

## B. Establish a New Economic Development Control Board

The Empire State Development Corporation (ESD) has not been accountable for its use of State economic development funds. They have not developed a comprehensive strategy that would serve as a blueprint for its economic success and spur job creation. A new model must be designed to move the State forward.

The State, first and foremost, must be responsive to regional economic needs when it determines what economic development projects it will support with limited State resources. Consistent with each region's strategic plan, key industries within the regions must be given priority in funding decisions. Within these key regional industries, small businesses and women- and minority-owned businesses must also be identified and prioritized.

The Assembly's plan would create a new control board to replace ESD's board of directors. This new board would be comprised of one member each appointed by the Governor, Speaker of the Assembly, and the Senate Majority Leader. The control board's decisions would require consensus with a unanimous vote required for action. The new control board, in conjunction with the Economic Policy Coordination Board, will provide the necessary structure for accountability and ensure a strategic focus in our economic development programs.

## II. Reform the Empire Zones Program

The Empire Zones Program, an Assembly Majority initiative which transformed the old Economic Development Zones Program, has been cited by both local governments and the business community as the most effective economic development program currently in existence in the State. Unfortunately, the current Administration has mismanaged the program and it has failed to live up to its potential. The Assembly recognizes the importance of this program and proposes sweeping reforms that will ultimately improve performance and accountability. In addition, the Assembly will continue to monitor and make recommendations to improve the performance of the program. The Assembly has called for a series of public hearings across the State on this issue as well as requesting an audit of the program by the Comptroller of the State of New York.

### A. Programmatic Reform

Recognizing that the taxpayers of the State ultimately bear the cost of the tax benefits provided by the Empire Zones Program, it is imperative that the program be reformed in ways that would produce the greatest public benefit and eliminate the potential for abuse. The Assembly's plan makes major changes to the program to improve performance and ensure appropriate administrative oversight and management, while also ensuring that the economic benefits accrue to areas of the State with the greatest level of economic distress. Specifically, the Assembly's plan includes:

- 1. Need-Based Eligibility** It makes necessary changes to the eligibility criteria to ensure that only economically distressed communities are considered. It ensures that the communities in most need of the benefits offered by the program are prioritized for designation.
- 2. Reconfiguration of Zones** It requires zones to be reconfigured into three distinct, contiguous areas, as specified in the original program regulations, so that the economic activity generated will be geographically concentrated, thus helping to ameliorate the poverty and unemployment in the zones. It will also ensure that zone businesses are more accessible to workers who rely on public transportation and other public services.

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**3. Accountability** It requires ESD to assume greater responsibility for the actions of local zone administrators to ensure overall program accountability. It clarifies ESD's role in verifying the content of each zone's annual report so that the state-wide report accurately reflects the program's accomplishments.

**4. Enhanced Role for the Department of Taxation & Finance** It enlists the Department of Taxation & Finance (T & F) in the effort to provide greater oversight and enhanced reporting. It also requires T & F to report on the true costs of the program and to decertify those businesses that simply changed their taxpayer identification numbers, without creating new jobs, in order to receive lucrative tax benefits.

**5. Creation of an Empire Zones Control Board** It replaces the existing Empire Zones Designation Board and consists of three members: the Temporary President of the Senate, the Speaker of the Assembly and the Governor. The new Empire Zones Control Board will have the authority to designate or redesignate Empire Zones, approve boundary revisions, assess the annual performance of each zone, approve all rules and regulations governing the program, and terminate the designation of a zone.

### B. Local Zone Administration

The Empire Zone Program is a highly decentralized program whose day-to-day operations are performed by the appointed representatives of local zone administrative boards. These local zone coordinators are responsible

for a wide range of duties — from certifying zone businesses to aggregating performance data. The Assembly’s plan includes:

**1. Local Accountability** It holds local zone administrators to a higher degree of accountability by requiring them to follow-up and track all certified zone businesses on an ongoing basis throughout the life of the program so that information on the status of each zone business is current and accurate. This hands-on approach will also allow the zone administrators to offer timely assistance to those businesses in need.

**2. Enhanced Reporting** It requires local zone administrators to report accurately on program performance, particularly on the number of jobs created as a result of businesses’ participation in the program. It requires them to verify, through whatever means possible, information reported to them by certified zone businesses.

# III. Develop the Workforce of the 21st Century

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The Assembly's plan, Expand Local Economies through Vocational and Technical Education (ELEVATE NEW YORK), will make investment in New York's best resource, its workforce. The Assembly recognizes that one of the best economic development investments the State can make is to build the skills of its workers, and that such investment must start in the schools. The Assembly plan includes:

## A. School-to-Work

Initiatives linking school-based activity to the workplace can be an important part of the educational experience. There are age appropriate learning opportunities that schools could consider as part of their instructional program. ELEVATE NEW YORK would support programs that encourage schools to develop structured programs opening opportunities for youth in various fields including science, technology, and community service. Included are:

- 1. Career Exploration** This activity, which uses resources from the business community, colleges, and universities, is important at all grade levels and should be an integral part of the educational experience.
- 2. Orientation and Education** New York's higher education institutions play a strong role advancing research and development in technology fields and in bringing the results of that work to the marketplace. As the State invests in projects, our higher education institutions must reach into schools and communities and create new initiatives that begin the process of educating our workforce to meet the technology needs of the future.
- 3. Technical Support** To help school districts develop structured internship programs that can be credited toward graduation, the State will need to provide technical support.

## B. Rediscover Vocational Education

The Assembly plan would also invest in vocational education and support programs that can train individuals for occupations that do not require a post-secondary education experience. Specifically, the plan would support:

- 1. Vocational Education** Resources will be directed to vocational education programs in high

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schools, as well as BOCES, that emphasize technology education and the integration of new technologies in traditional industries.

- 2. Youth Apprenticeship** Support for youth apprenticeship programs is an effective way to attract youth to apprenticeable occupations. It will ensure that individuals who want good-paying careers in the trades and other occupations accessed through apprenticeships are aware of those opportunities.

## C. Community Colleges

SUNY and CUNY community colleges are critical to the effort to prepare a technologically skilled workforce. Community colleges offer innovative two-year degree programs that are particularly sensitive to the needs of employers in the region.

A new program, “Experience and a Degree,” will promote the use of internships and practicums as important ways to bridge from the classroom to the workplace by offering students the opportunity to get some experience, and employers the opportunity to get a job candidate with experience and a degree.

The Assembly proposes:

- 1. Community Colleges — Workforce Development Centers** The resources of the community college system will be promoted through a campaign directed at State employers and out-of-state businesses that might be prospects for relocation. The campaign should advance the colleges as a network of “New York State Workforce Development Centers.”
- 2. Industry Alignment** The campuses will be aligned with industry clusters to create specialized centers of excellence within the community college system focusing particularly on the needs of employers for technicians and skilled workers.

**3. Contract Courses** This is a proven program that effectively uses matching funds from business and industry to create customized course offerings on campuses.

**4. “Experience and a Degree”** Campuses will receive funding to create new programs that develop degree tracks integrating internships and work-study with other course work.

**5. Installment Payments** The State will create a program that offers a payment option for low and low-to-moderate income wage earners who can gain job skill by taking career-related courses. The option would enable individuals to access classes on a “space available” basis and spread the cost of the courses over time through monthly installment payments.

## **D. Four-Year Colleges and Universities**

New York’s four-year colleges and universities are a fundamental part of the State’s employment and training system. Many jobs now require an education beyond a secondary or two-year associate degree program. Initiatives that link employers to campuses and bring the advantage of practical application to the classroom have been recognized as important ways to improve the educational process. The Assembly plan includes:

**1. Internships and Work Study** Funding initiatives that support the use of internships and work study programs at the post-graduate level will enable students to leave with a degree and some “hands-on” experience that gives them an advantage entering the workplace and gives employers a more productive entry-level employee.

**2. Installment Payments** A payment option for low and low-to-moderate income wage earners who can gain job skills by taking career-related courses. Identical to the payment option proposed for community college students, this would enable individuals to access classes on a “space available” basis and spread the cost of the courses over time through monthly installment payments.

## **E. Educational Opportunity Centers**

Educational Opportunity Centers (EOCs) are a successful Assembly initiative providing job training and educational services to roughly 20,000 low-income New Yorkers at 11 sites across the State. The services provided not only prepare individuals for jobs but also enable them to gain academic skills to pursue educational options. The Assembly has provided funding which has allowed the

program to develop classroom sites at community centers and in public housing developments. The Assembly plan includes:

**1. Capital Funding** Including EOCs in the SUNY capital program to provide for needed renovation and construction of new facilities will enable facilities to support technology instruction programs and continue to build their presence in community settings.

**2. Federal Support** It is also important to secure federal funding through the Temporary Assistance for Needy Families (TANF) Program to support continuation and expansion of technology training programs at facilities and in the community.

**3. Basic English Instruction** New York’s immigrant population, which has been so much a part of the State’s history, is an integral part of our current workforce. Many new entrants into the job market are workers for whom English is not their primary language. The EOCs and continuing education programs run through local school districts will provide literacy programs that contextualize instruction to the worksite, targeting the adult, working population in need of Basic English instruction.

## **F. Apprenticeship**

Traditional apprenticeships are an important part of the State’s jobs training system. These apprenticeships are supported through collective bargaining agreements between employers and unionized employees. For a significant part of the State’s workforce they are an effective on-the-job training program that provides for skills upgrading and access to career opportunities in the trades and other occupations. The Assembly plan includes:

**1. Ancillary Related and Supplemental Instruction Program (ARSIP)** This program supports the classroom components of traditional apprenticeship programs. Its funding must be increased to meet the costs and additional demand for training in apprenticeships.

**2. Youth Orientation** This initiative links schools and apprenticeships so that young people are oriented to opportunities in apprenticeable occupations. It is a simple but effective way to increase the number of individuals who look for careers in the trades and other occupations. Funding will raise the awareness of students about these opportunities and provide basic guidance material.

# IV. Invest in Capital Projects that Create Jobs

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The Assembly's plan provides support to address the many capital needs confronting our emerging high-tech industries and our established, mature industries. It invests in high technology and biotechnology/biomedical research and commercialization projects and ensures the accountability of these investments. It also provides the necessary financial help to turn scientific innovations into commercial opportunities.

The plan also provides valuable support to strengthen and maintain New York's manufacturing capacity and its network of skills and workforce training facilities. It makes investments in the physical infrastructure necessary to leverage the private sector support that will, in turn, spur renewed economic activity. The Assembly plan will provide opportunities in all regions of the State for our businesses and workforce. Specifically, it provides:

## A. Continued Capital Support for Technology Research at Academic Institutions

New York's future economic competitiveness, nationally and internationally, will be dependent upon the collective vision of our academic, economic and political institutions to position the State to take advantage of constant technological change. Silicon Valley, the Research Triangle, and Route 128 were not accidents of fate, but rather the results of long-term, substantial investments in intellectual infrastructure and promotion of policies and programs to bring innovations to the marketplace. The Assembly's plan includes:

- 1. Capital Support** It provides support for projects at academic and other scientific research institutions engaged in cutting-edge research in the fields of biotechnology, nanotechnology and other advanced technologies. This support will leverage additional federal and private investment.
- 2. Priorities for Funding** It targets funding for those institutions conducting research with the greatest commercial potential and which make commitments to license discoveries to New York firms or promote the creation of new businesses which bring technologies from the lab to the marketplace.
- 3. "Metropolitan Medical Matrix" Program (M<sup>3</sup>)** The Assembly plan creates a new capital fund in the New York City region to provide support to

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develop and commercialize technologies emanating from the region's preeminent academic biomedical research institutions.

## B. Ensure Accountability in High-Tech Investments

The Assembly recognizes that our investment in university-based research should be viewed as a complement to our investments in education, higher education and workforce training. Taken as a whole, these investments represent a comprehensive, unified approach to high-tech economic development in which the State's highly-skilled, educated and diverse workers share the economic rewards along with our high-tech entrepreneurs. The Assembly's plan also recognizes that those research institutions that are the beneficiaries of the State's investment dollars bear a justifiable and reasonable responsibility to ensure that the intellectual property created in their labs are patented and licensed to New York firms who hire New York workers.

The Assembly also believes that before we commit State support to major high-tech capital projects we must ensure that the objectives are clearly articulated and criteria set forth that will mark progress along the way. Specifically, the Assembly's plan includes:

- 1. Strategic Partnerships** It requires that the educational, scientific, and business communities enter into partnerships so that, in return for the State's significant investments in academic research and development, they are better able to devise strategies to ensure that each region is prepared for high-tech growth.



**2. Technology Transfer** The Assembly's plan requires academic research institutions to have highly visible and active technology transfer offices, working extensively with the local, regional and Statewide business communities, located in close proximity to laboratory and research space.

**3. Educational Foundation** It ensures that elementary, secondary and post-secondary students have opportunities to excel in mathematics and the applied sciences so that they can compete for the next generation of high-tech jobs in the State.

**4. Minority and Women Recruitment** The Assembly's plan ensures that minorities and women are recruited through comprehensive outreach efforts and trained for a wide variety of jobs in the newly emerging high-tech industries.

**5. School-to-Work** It ensures that the businesses created as a result of the State's investment in academic research and development have an opportunity to participate in school-to-work activities that provide important career exploration opportunities for secondary school students.

**6. An Independent Board** It creates the Innovation and Accountability Board to assess the value of the State's capital investment in academic research and development. The board would also review all State supported high-tech programs and provide recommendations concerning the relative success of each program.

### **C. "Take the Next Step" – Commercialize**

New York must take the next step and formulate a commercialization policy that commits academic research institutions to translating their innovations into jobs for New Yorkers. A critical element of a successful commercialization policy is establishing linkages between private sector investment capital and the innovations discovered in the labs of New York's research institutions or by individual companies.

Additionally, the State needs to continue to spur investment in business incubators for start-up firms and "accelerator" facilities for later-stage companies, which provide low-cost, flexible, state-of-the-art space for young and expanding technology firms to thrive. These facilities also provide access to vital technology transfer ser-

vices including management, business plans, and marketing assistance. The Assembly proposes support for the following:

**1. Technology Commercialization Capital Fund** This fund will provide capital support for facilities that would be equipped with high-tech resources appropriate to different technology sectors, including advanced telecommunications, wet labs, and clean rooms. The State will promote networking among incubator/research park facilities and provide technical assistance in planning, financing and resource sharing.

**2. CAPCO** This program provides tax incentives to institutional investors to capitalize privately-managed venture funds which, in turn, finance the creation/expansion of high-tech companies.

**3. New York Seed Capital Program (NYSEED)** This initiative will spur individual/institutional investment in a fund which provides essential capital at the earliest and most critical stages of business formation.

**4. Capital Access Program** This important small business program provides a loan loss reserve fund to help businesses expand, upgrade their technologies or meet other start-up or working capital needs through traditional debt financing.

**5. New York State Venture Capital Fund** This valuable fund, which is administered by the State Comptroller, authorizes equity investments in independently owned small businesses engaged in high-tech development or manufacturing. The State will coordinate this program with the Office of the State Comptroller to ensure that qualified businesses seeking equity investors are able to find them, thus minimizing the possibility that these businesses will be forced to relocate to satisfy out-of-state investors.

### **D. Investments in Projects that Strengthen our Economic Base**

Technology will continue to impact the workplace of the 21<sup>st</sup> Century. It will continue to drive our economy as each sector comes to rely more and more on technological innovations to remain competitive and efficient. As the competition for jobs intensifies with other states and other countries, it is clear that New York must invest in its aging workforce development, manufacturing and tourism destination facilities, as well as in our aging transportation network and former military installations.

# V. Create a Comprehensive Manufacturing Assistance Program

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Manufacturing is a vital component of the national and State economy. It greatly influences trade and prosperity despite the increasing emphasis placed on the knowledge-based and service sectors of the economy. However, manufacturing employment is on the decline. In New York, between 1981 and 2001, manufacturing employment as a percentage of total employment has dropped from roughly 17 percent to under 8 percent, a loss of over 600,000 jobs.

Recent studies and analyses have identified areas where manufacturing in the U.S. can continue to survive, and even thrive. While acknowledging that labor-intensive industries will continue to move to low-cost labor markets, success in manufacturing often results from innovation, investment in new products, new designs, new materials, and new production technologies. In the 21<sup>st</sup> Century environment for manufacturing, those industries that apply new technologies, generate new products, stabilize fixed costs such as energy, and have access to the educated, skilled and technologically sophisticated managers and workers will succeed.

New York State is particularly well suited to capitalize on these keys to growth, possessing a skilled and educated workforce, strong educational institutions, and an exceptionally powerful research and development capacity. Small, high-technology firms, especially, provide positive opportunities for renewed growth. Moreover, among older, more traditional firms, increased productivity, the application of new technologies, and creative partnerships among firms can also create synergies leading to renewed vitality. Finally, existing clusters of viable manufacturing industries continue to operate in the State and must be identified and encouraged.

New York has the opportunity to stabilize and even grow its still significant manufacturing sector by establishing a “Make-It-Here” manufacturing initiative. Elements of such a “Make-It-Here” strategy should focus on:

## A. The Small Manufacturer and Niche Markets

The importance of the small manufacturer and niche markets needs to receive greater emphasis in manufacturing assistance programs. Outreach to the small busi-

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ness sector, building upon such successful programs as those run by the New York Industrial Retention Network, should be expanded.

## B. Flexible Manufacturing and Networking

Flexible manufacturing and small business networking should receive greater attention and encouragement. As a way of maximizing the impact of State support, economic development programs should focus on strategic industry clusters, rather than individual firms. Further, the State should assist in the creation of industry associations within these clusters to facilitate cooperation and shared problem solving.

## C. Research and Development

Research and development activities directed toward manufacturing firms can help keep such firms competitive through the introduction of new products and manufacturing processes. New York should build upon existing State university-industry research alliances and initiate R&D programs that enable small firms, lacking an extensive R&D capability, to become partners of universities in the existing, large, State-sponsored applied R&D programs.

## **D. Export Assistance**

The ability of small manufacturing firms to enter the export market often makes the difference in the survival of such firms over the long term. The State should provide assistance directed toward stimulating small firms to take advantage of the export market, distinguishing between export promotion and the direct export assistance small firms may need.

## **E. Power For Jobs**

Lowering the cost of energy is a major component in the strategy to maintain a viable manufacturing industry in the State. The Power for Jobs Program, first proposed in legislation by the Assembly, was created in 1997 as a temporary program to provide low-cost power comparable to what manufacturers would pay in other states. The Assembly's plan extends the program for three years while making some key changes. For example, the New York Power Authority will act as a purchasing agent for all participants both as a way to support the faltering electricity markets in the State and to secure the lowest possible prices for manufacturers.

## **F. ManuTech 2004**

A skilled and educated workforce forms the foundation on which a manufacturing economy is built. The Assembly proposal creates ManuTech 2004, a new program that focuses on employers adopting new technologies to retool existing facilities to upgrade their production processes. It will retain skilled workers in their current occupations, increase productivity, and maintain employment in industries and geographic regions where jobs are now located. The program will be administered through a partnership of labor, community colleges, and employers and will meet the demand for training at the workplace for employers adjusting to the requirements of new technologies. Traditional manufacturing, such as the automotive industry, as well as new and emerging industries, such as the semiconductor industry, will benefit from the program.

# VI. Support Community-Based Economic Development

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Community-based economic development is the key to economic empowerment. It is a process by which communities seek to enhance their competitiveness through a rigorous process of analysis of their respective assets and liabilities. It involves the identification of barriers to development, the development of a plan to overcome the barriers, and the implementation of the plan throughout the community. With the active involvement of key public, private and community-based leaders, such a process leads to a consensus for a community-based economic development strategy that both complements and facilitates a broader regional strategy. The Assembly supports community-based economic development through its support for:

## A. Minority and Women-Owned Business Development Lending Program

This Assembly initiated program provides vital financial and technical assistance to minority- and women-owned business entrepreneurs. It involves the participation of traditional and community-based lending institutions such as Community Development Financial Institutions and State and federally chartered credit unions and provides an entry point for participation in the Excelsior Linked Deposit Program. This program also supports a network of 22 Entrepreneurial Assistance Program (EAP) centers across the State.

## B. Urban and Community Development Program

This Assembly initiated program offers valuable technical and financial assistance to local economic development entities such as business improvement districts and local development corporations to design and develop commercial strips and downtown areas in economically distressed communities.

## C. Rural Revitalization

The Assembly created this program in recognition of New York's rural communities' need for immediate help in developing the capacity to plan and organize economic development strategies that fully utilize their indigenous resources to provide rural residents with economic opportunities. The Rural Revitalization Program is designed

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to catalyze rural economic development initiatives by providing financial and technical assistance for growth of agribusinesses, expansion of farmers' markets, establishment of business incubators, and support of agricultural industry job training programs.

## D. Small Business Assistance

Small businesses account for eight out of every ten new jobs in New York State. While jobs have declined in the State over the last several years, the number of small business start-ups has increased. At present, small businesses account for nearly half of all sales occurring in New York. The Assembly Majority recognizes that small business is the engine that drives the State's economy and proposes to provide support for:

- 1. Entrepreneurial Assistance Program (EAP) Centers** These centers provide vital assistance to minorities, women, displaced workers, and persons with disabilities in starting or growing their small business ventures. While there are other programs that focus on small business development, EAP centers provide critical assistance to underserved populations and underserved geographic regions of the State.
- 2. Credit Union Participation in Linked Deposit Program** The Excelsior Linked Deposit Program (LDP) provides small businesses with access to capital through "linked loans." With the inclusion of credit unions in the LDP the State could assist more small businesses who have been turned down by traditional lending institutions.
- 3. Incubator Assistance** Incubators nurture young firms, helping them survive and grow during the start-up period when they are most vulnerable. Incubators provide hands-on management assistance,

access to financing and orchestrated exposure to critical business or technical support services. They also offer entrepreneurial firms shared office services, access to equipment, flexible leases and expandable space — all under one roof.

**4. Loans to Micro-Enterprises through Community Development Financial Institutions (CDFIs)** CDFIs are private sector financial institutions that make loans and investments in areas underserved by banks — usually urban and rural communities. They include community investment banks, credit unions, loan funds, microenterprise funds and venture capital funds.

## **E. Tourism Promotion**

According to the Tourism Industry Coalition, tourism accounts for over \$37 billion in spending and generates nearly \$2 billion in state tax revenue each year. This translates into millions of dollars in discretionary spending and hundreds of jobs in each of New York's counties. The marketing of tourism destinations in the State retains jobs in this important industry and creates new economic opportunities by increasing the number of visitors to these attractions. The Assembly plan includes support for:

**1. University Based Hospitality, Tourism and Sports Management Partnerships** This initiative will serve to create a comprehensive, state-wide tourism jobs development program. It includes an on-line education program that would be available at low-cost, and for which a certificate would be available. The universities would also provide research and technical assistance to the statewide network of Tourism Promotion Agencies.

**2. Tourism Matching Funds Program** This collaborative effort between the State and local Tourism Promotion Agencies (TPAs) provides critical support for the marketing of out-of-the-way tourism destinations in remote locations, as well as support for the promotion of the State's most highly visible attractions.

**3. Motion Picture Investment Program** Growing competition from other states and countries, particularly Canada, has led to the decline of the State's feature film and television production industry. The Assembly's plan proposes a fund to help finance independent films, increase marketing strategies, and provide enhanced film education.

**4. Cultural Marketing Collaboratives** This initiative will encourage non-profit cultural organizations within geographic regions to pool their marketing budgets. A State match of up to 100 percent of the amount pooled for marketing will encourage groups to advertise and promote themselves collectively as a destination. By both pooling their resources and leveraging the State match, these institutions will be able to produce itinerary-based marketing materials to attract greater numbers of visitors to multiple destinations.

**5. Historical and Cultural Marketing Initiative** This program targets out-of-State tourists through a marketing effort of institutions of historical and cultural significance. It would focus on marketing as tourist attractions those institutions linked by historical events that can operate synergistically, and promote themselves collectively, as thematic destinations for special interest out-of-State travelers. This program would be operated by a singular entity whose experience would enable it to promote the institutions as part of an overall historical story.

## **F. Promote the FARM Program**

Agriculture is one of the State's largest and most important industries. It is imperative that the State focus its efforts on retaining and expanding its agriculture investments and attracting the next generation of farmers. To accomplish these goals, the Assembly proposes the creation of the FARM (Farm and Agriculture Reinvestment and Marketing) Program. This program would consist of:

**1. The "Locally Grown, Locally Known" Program** This program promotes and markets the State's bounty of "locally grown, locally known" agriculture products and assists in the development of new markets domestically and internationally.

**2. Agri-Development Program** This program authorizes the New York State Venture Capital Program to invest in food processing companies, vineyards and other agribusinesses. It also provides funding for the construction and reconstruction of agricultural facilities and the purchase of farm equipment.

**3. Diversity in Agriculture Program** This program authorizes the establishment of a micro-winery license at the State Liquor Authority to help small fruit growers expand their operations. It also allows New York State wines to be sold by the bottle at on-premises locations during official wine tasting.

**4. Getting to Market Program** This program establishes a kitchen incubator/shared-use facility program to develop or expand food production. It also authorizes grants to local development corporations, municipalities, educational facilities, and not-for-profit organizations for technical assistance, business management and marketing, distribution and storage and retailing assistance.