



Please find the information below that was requested at the recent Joint Legislative Budget Hearing on Economic Development.

1) NYS Division of Tourism Support for Arts & Culture

Empire State Development's (ESD) Division of Tourism supports arts and cultural organizations through both marketing efforts and grant awards.

Marketing

ESD, through the Division of Tourism, promotes visitation to arts and cultural organizations across the state through marketing and promotional work that including advertising, digital and social media, PR/earned media, experiential marketing and international sales work.

ESD Capital and Tourism Marketing grants

Since 2022, Empire State Development has administered approximately \$60 million in capital and working capital grants to support arts and cultural programming and organizations throughout the state. Programs include:

ESD REDC Capital Grants

Over the past two years, more than \$40 million in capital grant funds has been awarded to more than 45 projects that support arts & cultural organizations and activities.

Market NY Grant Program

In the past three rounds of Market NY, over \$10.5 million has been awarded to arts & cultural organizations and marketing projects.

Tourism Matching Funds

Approximately \$7 million has been awarded for the 2023 and 2024 Matching Funds program years to 62 county Tourism Promotion Agencies (TPAs). TPAs use these funds to market tourism destination including a wide array of arts & cultural attractions.

Tourism Return to Work

To date, over \$3 million has been awarded to 42 Arts & Cultural organizations that have hired over 600 full-time employees through the Tourism Return to Work COVID relief program.

2) Long Island Investment Fund (LIIF)

The LIIF has made four awards totaling \$56.5 million to support the following projects:

- The Feinstein Institutes for Medical Research State of Art Laboratories (\$10 million)

- Long Island University College of Science Applied Research and Innovation Capital (\$10 million)
- Stony Brook University Long Island Quantum Internet Testbed (\$6.5 million)
- Farmingdale State College's New Center for Computer Science and Information Technology (\$30 million)

3) ESD Procurement

ESD's procurement process is conducted in accordance with our *Guidelines Regarding the Use, Awarding, Monitoring and Reporting of Procurement Contracts* which are adopted annually by the Board of Directors and is in compliance with the Public Authorities Law. The process includes consultation with both the U.S. General Services Administration (GSA) and NYS Department of Labor (DOL) debarment lists.

4) Creating the Conditions to Attract and Grow Businesses

Since taking office, Governor Hochul has worked with the Legislature to help create more than 600,000 jobs and reduce unemployment from 7.4% to 4% while holding the line on taxes across the board. The Governor's Executive Budget will help usher in an era of prosperity and growth and create a climate that welcomes all businesses. The Governor's Budget will:

Invest in Shovel-Ready Sites to Attract Businesses

When choosing where to locate, businesses are seeking both shovel-ready sites and predictability. In 2022, Governor Hochul announced the launch of the Focused Attraction of Shovel-Ready Tracts New York (FAST NY) program, allocating \$200 million to develop sites to attract high-tech manufacturing to the state, particularly semiconductor manufacturing, as well as distribution, and logistics businesses. To enhance New York's competitive posture, Governor Hochul will launch a new round of the FAST NY program. This will ensure New York can continue to attract large-scale economic development projects that bring 21st-century jobs and sustained investment in communities across the state. It will also prepare sites for the arrival of semiconductor supply chain partners that establish and grow their presence in the state, building off Micron's historic \$100 billion investment in Central New York.

Create One Network for Regional Advanced Manufacturing Partnerships (ON-RAMP)

Capitalizing on the rapid growth of the semiconductor industry in New York State and the reshoring of traditional and advanced manufacturing businesses will require not only shovel-ready sites, but also a steady pipeline of skilled workers ready to fill jobs that come with Micron and other semiconductor and supply chain companies. Since taking office, Governor Hochul has added more than 13,000 manufacturing jobs to the state's economy, with many more to follow under recent announcements. To address the increased need for skilled workers, the Governor will launch a new program to establish workforce development centers in strategic, high-impact locations to meet the growing demand for high-skilled workers. The ESD-led program – One Network for Regional Advanced Manufacturing Partnerships (ON-RAMP) – will offer credentials and

training related to advanced manufacturing with a focus on providing opportunities for disadvantaged populations.

Transform Blighted Communities

Blight has a chilling effect on neighborhood vitality, discourages the arrival of new businesses, and depresses economic activity. Removing blight is transformational for communities, but municipalities often lack the resources to undertake such projects on their own. The Restore NY program, in which Governor Hochul invested \$50 million in last year's budget, has served as a catalyst for neighborhood revitalization and business attraction in communities across the state. In 2024, Governor Hochul will help build livable communities through Restore NY. This new competitive funding round will support projects that turn vacant, abandoned, and condemned properties into viable sites that advance key goals including downtown redevelopment, waterfront planning and resiliency, and housing production.

Help Small Businesses Navigate Environmental Regulations

Governor Hochul has implemented a bold climate plan that reaffirms New York's status as a national leader in protecting the environment. While existing State and Federal environmental regulations are in place to ensure a clean and safe environment for all, regulations can also prove challenging for small business owners to interpret and implement. This year, ESD will expand its Ombudsman program, which already provides small businesses with free, confidential advice on how to navigate regulations, and remedy violations by establishing the Small Business Environmental Support Office (SBESO). The SBESO will assist small businesses with a wide range of environmental regulations, including those involving water, air, waste, bulk storage, and more. Providing this level of hands-on support will help the State achieve its goals both on climate change and business climate.

5) ESD Marketing Appropriation

ESD anticipates fully committing the FY2023-24 \$45 million marketing appropriation this fiscal year. This funding supports the I Love NY tourism marketing, the NYS Business Development marketing and Global NY marketing.

6) MWBE

Waivers

MWBE waiver requests are reviewed by the ESD legal division to ensure that contractors are providing evidence of good faith efforts. Waivers are a necessary part of the MWBE program and necessary to maintain constitutionality. Without waivers, aspirational goals would have the same effect of a quota, which is unconstitutional.

Contracts

During the 2022-23 Fiscal Year, State Agencies and Authorities reported nearly 8,000 contracts awarded to MWBEs into the New York State Contract System. This is an increase from 6,700 contacts in FY 2020-21 and 7,300 in FY 2021-22. Note that these totals represent the low-end

totals, as not every Agency and Authority report contract information into the New York State Contract System.

Additional information on MWBE waivers and contracts can be found in the [Division of Minority and Women's Business Development's Annual Report](#).

7) NYS Venture Competitions

ESD's venture competitions, led by the NYSTAR Division, is a competitive process to identify promising start-up companies and provide funding and accelerator services to increase likelihood of success. These competitions include diverse, cutting-edge industries, such as agribusiness and cybersecurity, and generate ideas that can potentially revolutionize established fields. There are currently seven ESD funded accelerators and competitions summarized below with another in development focusing on Life Science on Long Island.

- Luminate (\$5M annual state investment): Optics, photonics, or image-enabled technology accelerator targeting early-stage companies located anywhere in the world and bringing their businesses to Rochester. ([Home - Luminate](#))
- 43North (\$8M annual state investment): Industry agnostic accelerator program targeting high-growth startups that want to grow their businesses in Buffalo. ([43North - Accelerator Program in Buffalo, NY](#))
- Grow-NY (\$5M annual state investment): Food and agri-tech accelerator focused on growing the food and agriculture innovation cluster in the Grow-NY regions which include the Finger Lakes, Central NY and Southern Tier. ([Grow-NY | Grow NY Food and Agriculture Competition](#))
- Genius NY (\$5M annual state investment): Uncrewed aerial systems, robotics, and big data accelerator that brings companies to Syracuse and Central NY. ([GENIUS NY | Scale Your Startup in New York State](#))
- Hustle (\$667K annual state investment): AI, machine learning, cybersecurity, quantum science, uncrewed aerial system solutions accelerator for pre-seed and seed-stage companies that want to build defense technologies. ([HUSTLE | Griffiss Institute](#))
- Commercialization Competition (\$420K annual state investment): The FuzeHub Commercialization Competition is intended to help small manufacturing and technology companies further develop their prototype in an effort to pursue additional investment and customers as well as strengthen their "go-to-market" strategies, as they move from new product/production method to marketplace. ([Commercialization Competition - FuzeHub](#))

- NYS Business Plan Competition (\$153K annual state investment): Statewide, intercollegiate entrepreneurship competition supporting students enrolled in accredited NYS colleges and universities. ([New York Business Plan Competition \(nybpc.org\)](https://www.nybpc.org))

Starting this Fall, data for all venture competitions will be included in future NYSTAR Annual Reports.

8) ConnectALL

Governor Hochul's ConnectALL initiative is a once-in-a-generation investment to transform NY's digital infrastructure. Leveraging over \$1 billion in public funds, ConnectALL programs drive a robust and inclusive marketplace that delivers affordable, high-speed broadband to New Yorkers in rural and urban areas statewide and ensures that NY remains a national leader on internet connectivity. In addition to funding to reach unserved and underserved locations, ConnectALL includes grant programs to invest in publicly owned open-access broadband infrastructure, to upgrade service to affordable and public housing, and to support digital inclusion and education on using the internet. ConnectALL funding includes:

- Municipal Infrastructure Investment Program (\$228 million): will invest in publicly owned broadband infrastructure.
- ConnectALL Rural Deployment Program (\$696 million): matching grants to connect the remaining ~2% of locations across the state that do not have high speed, reliable internet service.
- Affordable Housing Connectivity Program (\$100 million): to retrofit public and affordable housing across the state with new and upgraded broadband infrastructure and service to increase quality, affordability, and consumer choice in metro areas.
- Digital Equity Program (\$50 million): development of a statewide Digital Equity Plan in coordination with state and local government agencies and not-for-profit organizations. In 2024, ConnectALL will commit at a minimum \$50 million to the Digital Equity Grant Program to build capacity in every region to provide training, education, access to devices, and other services to support broadband adoption and use.
- \$300 million in state funding will address any gaps in that program, including locations that are unserved but are not eligible under the federal rules of the program, and to support the Connectivity Innovation Fund Program, cellular coverage, technical assistance for municipalities as well as workforce and business development initiatives. Those initiatives and the associated funding will be announced through 2024.

Note – the majority of funds are dedicated to the Rural Deployment Program – which allocates funding exclusively to unserved areas of the State.

9) Downtown Revitalization Initiative

The Downtown Revitalization Initiative (DRI) is led by the Department of State (DOS), in partnership with ESD, Housing and Community Renewal (HCR) and the NYS Energy Research and Development Authority (NYSERDA). Beginning in 2022, the NY Forward (NYF) program was launched. Below is a summary of the DRI funding by round.

- DRI Rounds 1-5: All DRI communities from DRI Rounds 1-5 have developed a strategic investment plan and have fully committed their funding to projects within their community.
- DRI Round 6 & NYF Round 1: All 10 DRI communities and 24 NYF communities have completed their community driven planning process.
- DRI Round 7 & NYF Round 2: DRI Round 7 & NYF Round 2 communities that have been awarded and announced as of 2/2/2024. Additional announcements for the remaining regions will continue to be made in early 2024.

10) Atlantic Yards

ESD is committed to the project's construction and recognize the tremendous need for housing, and affordable housing, and will continue to work to deliver on the full potential of this project to meet that need. ESD has retained the rights under the agreement with the developer to pursue the collection of the financial penalties if the affordable housing is not completed by next year's deadline.

11) Creedmoor Public Engagement

Over the next several months ESD will continue its public outreach by meeting with civic associations and the Community Board to solicit further input on the Creedmoor Community Master Plan. ESD, in conjunction with the local elected officials, will also convene a Creedmoor Community Advisory Committee (CCAC) which will be consulted throughout the environmental and General Project Plan review process. These processes will include an additional public hearing and comment period allowing for further community input prior to the completion of the Final Environmental Impact Statement and ESD's affirmation of the General Project Plan. In addition, the public will have an opportunity to comment on the Draft Scope of Work in writing and during public scoping meetings.

12) State of Small Business Report

ESD's *State of Small Business Annual Reports* utilize the Department of Labor's (DOL) Quarterly Census of Employment and Wages (QCEW) to analyze growth and economic trend of small businesses in New York State. ESD strives to use the best data and methodology to ensure the report reflects an accurate snapshot at the time of the report.