

Final – Adopted 05.24.2022

**MHREDC Public Meeting
Monday, February 28, 2022**

Introductory Information:

Date and Time Meeting Commenced:

Monday, February 28, 2022 – Public Session: 11:03am

Location:

Virtual Meeting – via Zoom

Council Members Present: Lt. Governor Brian Benjamin; Thomas Scaglione; Donald Christian; Marsha Gordon; Kristine Young; Thomas Carey; Reinaldo Diaz; Aleida Frederico; Wiley Harrison; Sabrina HoSang Jordan; Joseph Kenner; Harold King; Jacqueline Leventoff; Robin Rosenberg; Ned Sullivan; James Taylor, Jr.;

Council Members Substitutes: Mario Caruso (Rep. Spano); Lucy Redzeposki (Rep. Day); Tim Weidemann (Rep. Ryan);

State Agency/Local Government/ESD Staff: James Kostenblatt (ESD); Monique Le Gendre (ESD); Linda Malave (ESD); Omayra Vazquez (ESD); Eric Warren (ESD); Phil Giltner (Chamber); Erin Drost (Parks); Daniel Jeanson (HV Greenway); Lance MacMillan (DOT); Johny Nelson (DOL); Kelly Turturro (DEC); Lydia Biskup (Rep. MoS Serino); Jacob Coupart (Rep. MoA Jacobson); Victoria Doody (Rep. MoS Harckham); Maryanne Joyce (Rep. MoS Mayer)

Time Adjourned: 11:46am

Welcome and Remarks:

Call to Order:

☒ Preamble requesting disclosure of any conflicts of interest read.

☐ Conflicts noted: (Please List)

☐ Recusals noted: (Please List)

☒ No conflicts noted.

☐ The record of recusals was noted and acknowledged at the meeting.

President Donald Christian welcomed all to the public meeting and introduced NYS Lieutenant Governor Brian Benjamin.

Lt. Governor Benjamin thanked President Christian for his leadership and service. He proceeded to welcome the new MHREDC co-chairs, Dr. Marsha Gordon, President & CEO of the Business Council of Westchester and Dr. Kristine Young, President of SUNY Orange. Lt. Governor Benjamin stated he looks forward to the work they will do in the Mid-Hudson Region.

President Christian thanked Lt. Governor Benjamin for his words and proceeded with the meeting.

President Christian requested attendees to disclose any conflicts of interest from any item in the agenda. No conflicts noted.

Farewell MHREDC Co-Chair Donald P. Christian

President Christian announced he would be retiring as SUNY New Paltz President at the end of the academic year and thus stepping down as Co-Chair of the Mid-Hudson Regional Economic Development Council.

President Christian announced that Dr. Marsha Gordon, President & CEO of the Business Council of Westchester and Dr. Kristine Young, President of SUNY Orange, will be succeeding him as the MHREDC's co-chairs.

President Christian stated that having worked closely with them in the council, he is thrilled they are stepping into the leadership roles and will continue to grow the success of the council in advancing the economy and quality of life in the region.

President Christian stated he is grateful for his time on the council and has been rewarded that this work aligned so well with the rules and values of SUNY New Paltz as a top tier university in a major economic engine in the Hudson Valley, and thanked everyone for the opportunity to serve on the council.

Dr. Marsha Gordon thanked President Christian for his leadership and dedication to the council and stated that it has been such an honor to work with him and learn from him. She proceeded to wish him much health and happiness in his retirement.

Dr. Gordon stated she is honored to serve as Co-Chair to the MHREDC. As a longstanding member of the business community throughout the Hudson Valley, she has seen how the REDC transformed the region and looks forward to continuing the many successes.

Dr. Kristine Young stated she looks forward to working with Dr. Gordon and the rest of the council to further advance the region. She thanked President Christian for his exemplary leadership and stewardship of the council. Dr. Young invited Thomas Scaglione to make remarks.

Thomas Scaglione echoed everyone's sentiments in looking forward to continuing the impactful work along with the new co-chairs that President Christian has worked with the council to achieve and thanked President Christian for his service.

Round XI

Mr. Scaglione proceeded with updates for CFA Round 11. He stated that Round 11 made more than \$750 million available from over 30 programs across 9 state agencies, with \$150 million in ESD Grant Funds available on a rolling basis with emphasis placed on project readiness and alignment with regional strategy.

Mr. Scaglione proceeded with the CFA Round 11 updates by indicating that the Mid-Hudson region has received 335 applications across all CFA agencies and programs which is more applications than every other region in the state. He also stated that of those 335 applications, 65 applications were for the ESD Capital Grant Fund, 108 awards have been granted totaling \$102,172,304, more than every other region in the state. The Mid-Hudson has had 19 ESD Capital Grant Awards for project sin the region in Round 11 totaling \$18,283,045. The Mid-Hudson Regional Office continues to work with awardees on their incentive proposals.

The work of the council has resulted in New York State awarding \$815 million to over 1,000 projects in the region.

Mr. Scaglione proceeded to provide examples of Round 11 awardees. Projects highlighted:

- **LIVE Strategy** – Sleepy Hollow Commons, Village of Sleepy Hollow, CFA # 111749, Sleepy Hollow, Westchester County, Total Project Cost: \$17,940,000, REDC Award: Round 11 - ESD Grant of up to \$2 million to transform the East Parcel of the former General Motors site into a meaningful public space that serves as a lynchpin of local trail & transit connections, linking isolated community assets. This phase of the project includes engineering, construction and inspection for a vehicular/pedestrian bridge connecting the East Parcel to mixed-use waterfront development, improving access to public transit, fostering accessible job centers, and enabling critical services to respond ably during storm events.
- **WORK Strategy** – Viking Industries Expansion, Viking Industries, CFA# 111107, New Paltz, Ulster County, Total Project Cost: \$11,474,371, REDC Awards – ESD Capital Grant of up to \$780,000 and Excelsior Tax Credits up to \$500,000 to expand its long-established factory in

New Paltz, to meet growing needs for corrugated packaging among its diverse customer base. The project will significantly increase capacity and efficiency by constructing and equipping a new 45,000 square foot addition on the plant.

- WORK Strategy – Upriver Studios Expansion, Upriver Studios, CFA #: 108220, Saugerties, Ulster County, Total Project Cost: \$7,407,000, REDC Award – up to \$500,000 through the ESD Capital Grant Fund to create a carbon neutral campus and a more competitive series of sound stages for film and television production projects in a 101,000 square foot state-of-the-art facility.
- PLAY Strategy – Storm King Capital Project, Storm King Art Center, CFA #: 108304, New Windsor, Orange County, Total Project Cost: \$28,175,000, REDC Award - \$2,000,000 through the ESD Capital Grant Fund to create two building elements: the Welcome Sequence, which will streamline the arrival into Storm King, and the Conservation, Fabrication, and Maintenance Building that will protect the safety of staff and the artwork.

Fiscal Year 2023 NYS Executive Budget Overview

Mr. Scaglione proceeded with an overview of the FY2023 NYS Executive Budget as follows:

- \$200M Seed Funding for Small Businesses Grant Program
- \$250M Restore NY
- \$170M New Office of Workforce Development
- \$11.4M Resources for MWBE Division
- \$1.4B ConnectALL Initiative
- \$250M Small Business COVID Capital Costs Tax Credit
- \$500M Small Business Initiative (SSBCI Funding)
- Shovel Ready Investments
- \$800M Regional Economic & Community Assistance Program
- \$75M Venture Competitions

Mr. Scaglione continued by providing the executive budget details on extenders and expansion as follows:

- Infrastructure Act
 - Includes broadband and URI (from 2022 to 2027)
- NYC Musical & Theatrical Production Tax Credit
 - \$100M Added – extended from 12/31/22 – 6/30/23
- Loan Powers of UDC
 - From 2022 to 2025
- Ability for UDC to Administer the Empire State Economic Development Fund
 - From 2022 to 2025
- Enhance the Linked Deposit Program

- Allows CDFIs to participate, thereby increasing MWBE participation in Linked Deposit
- Film
 - Starting in 2023, require recipients to submit a diversity plan, and extend from 2026 to 2029

Mr. Scaglione continued outlining items in the executive budget, including:

- \$200M Small Business Seed Funding Program
 - Companion to the \$800M Small Business COVID recovery grant program
 - Flexible grants to new small businesses, with priority to socially and economically disadvantaged business owners
 - Must have \$5K - \$1M in gross receipts, or \$10K in demonstrated expenses
 - Industry Neutral – emphasis on micro-businesses
- \$250M Restore NY
 - Funding covers costs to demolish / rehab vacant and abandoned properties
 - First funding round for Restore since FY 2017-18
 - This round will target disadvantaged communities and rural areas in addition to urban centers
- \$170M New Office of Workforce Development
 - \$115M Pay for Performance Grant Program
 - \$35M Capital Grant Program for capacity building (grants to trainers for equipment, space, laptops, etc.)
 - \$20.8M Admin
 - \$180M in other agency programs through this office
- \$11.4M for the Division of Minority and Women Business Development
 - Funding to address a certification backlog, appeals backlog, and to add new staff to both certifications and appeals.
 - \$5.6M to clear the certification backlog
 - \$3M to address the appeals backlog
 - Phase 1 of a larger strategy to address the historic challenges in the program
- \$1.4B ConnectALL Initiative
 - \$300M State + \$345M fed + \$800M additional forthcoming fed funds
 - Funds cover grant programs focused on 1) municipal planning, 2) rural deployment, 3) municipal solutions, and 4) innovative technology adoption
 - Legislation proposed for the “Build Free Initiative” – exempting grant recipients from build-out fees imposed by NYS Department of Transportation
- \$250M COVID Capital Costs Small Business Tax Credit
 - 50% Credit, up to \$25K

- Covers costs such as cleaning supplies, outdoor heaters, air purifiers, signage denoting vaccine/masking policies and where to stand for social distancing, equipment to accommodate contactless payment, etc.
- Must attest to not using funds from the \$800M Small Business program for the same costs
- Costs must be incurred from 1/1/21 – 12/31/22
- \$500M Small Business Initiative
 - For use of Federal Funding under the State Small Business Credit Initiative
 - Funds will cover broad categories of venture investments, debt programs, capital access programs, and program admin
- Shovel Ready Investments
 - Program will focus on Shovel Ready sites in general, and semiconductor sites in particular
 - Investments will include site readiness and preparation to position NYS for incoming businesses
- \$800M Regional Economic and Community Assistance Program (RECAP)
 - Funding for initiatives that foster regional workforce and commercial development, tourism and infrastructure improvement, community and urban revitalization, small business support, local community priority projects, and other economic development purposes.
 - Funds are available for acquisition of real property, preparation of plans, design, construction, renovation, purchase and installation of equipment, and costs associated with program implementation.
- \$75M Venture Competitions
 - Bring all 8 ESD venture competitions under unified structure, based on best practices
 - These venture competitions connect start-ups with investors to support early-stage innovation businesses
 - The competitions are: 1) Genius NY 2) 43 North 3) IDEA NY 4) 76 West
 - 5) Luminate 6) Grow NY 7) NY Business Plan Competition 8) Commercialization Competition

Mid-Hudson Labor Market

Dr. Gordon proceeded to introduce Johny Nelson for an update on the Mid-Hudson Labor Market.

Johny Nelson, Labor Market Analyst, NYS Department of Labor, began a presentation showing the Hudson Valley Region Labor Market Profile. He highlighted the below statistics as of December 2021:

| | |
|-------------------------------|-----------------------------------|
| Resident Civilian Labor Force | 1,095,000 (-2700 from Nov. 2021) |
| Employed | 1,065,400 (+7,400 from Nov. 2021) |

| | |
|--|--|
| Unemployed | 29,600 (-10,100 from Nov. 2021) |
| Hudson Valley Region Unemployment Rate | 2.7% (-0.6% from Nov. 2021) |
| NYS Unemployment Rate | 5.0% (-0.5% [^] from Nov. 2021) |
| US Unemployment Rate | 3.7% (-0.2% from Nov. 2021) |

Mr. Nelson highlighted the following additional employment statistics as of December 2021:

| | | |
|--|---------|----------------------------------|
| Total Nonfarm | 915,400 | 913,400 (+2,000 from Nov. 2021) |
| Total Private | 769,300 | 766,100 (+3,200 from Nov. 2021) |
| Goods-producing | 94,000 | 94,400 (-400 from Nov. 2021) |
| Natural Resources, Mining and Construction | 51,900 | 52,400 (-500 from Nov. 2021) |
| Manufacturing | 42,100 | 42,000 (+100 from Nov. 2021) |
| Service-Providing | 821,400 | 819,000 (+2,400 from Nov. 2021)) |
| Private Service-Providing | 675,300 | 671,700 (+3,600 from Nov. 2021) |
| Trade, Transportation and Utilities | 177,100 | 173,600 (+3,500 from Nov. 2021) |
| Information | 13,600 | 13,600 |
| Financial Activities | 40,900 | 41,000 (-100 from Nov. 2021) |
| Professional and Business Services | 117,700 | 116,600 (+1,100 from Nov. 2021) |
| Education and Health Services | 205,600 | 206,800 (-1,200 from Nov. 2021) |
| Leisure and Hospitality | 83,200 | 82,800 (+400 from Nov. 2021) |
| Other Services | 37,200 | 37,300 (-100 from Nov. 2021) |
| Government | 146,100 | 147,300 (-1,200 from Nov. 2021) |

Mr. Nelson continued to provide updates on the labor market by stating that in December 2021, there were 769,300 private sector jobs and 915,400 non-farm (Private and government) jobs in the region. He stated that four industry sectors make up 71% of total nonfarm jobs, which are Education & Health Services at 205,600, Trade, Transportation & Utilities at 177,100, Government at 146,100 and Professional & Business Services at 117,700.

Mr. Nelson provided the link to obtain Labor Market Briefings at <https://dol.ny.gov/labor-market-briefings>.

Mr. Nelson added that the educational attainment in the Mid-Hudson is very high, stating that 54% of Westchester County population has bachelor's degree or higher. He stated that the Mid-Hudson has the workforce; the challenge is getting these people to the jobs available. He stated that it is a good position to be in as opposed to having a large workforce with no available jobs.

Dr. Young thanked Mrs. Nelson and advised the public to submit questions or comments on anything in the agenda to midhudsonREDC@esd.ny.gov.

Meeting was adjourned at 11:46am