



**Regional Economic
Development Councils**

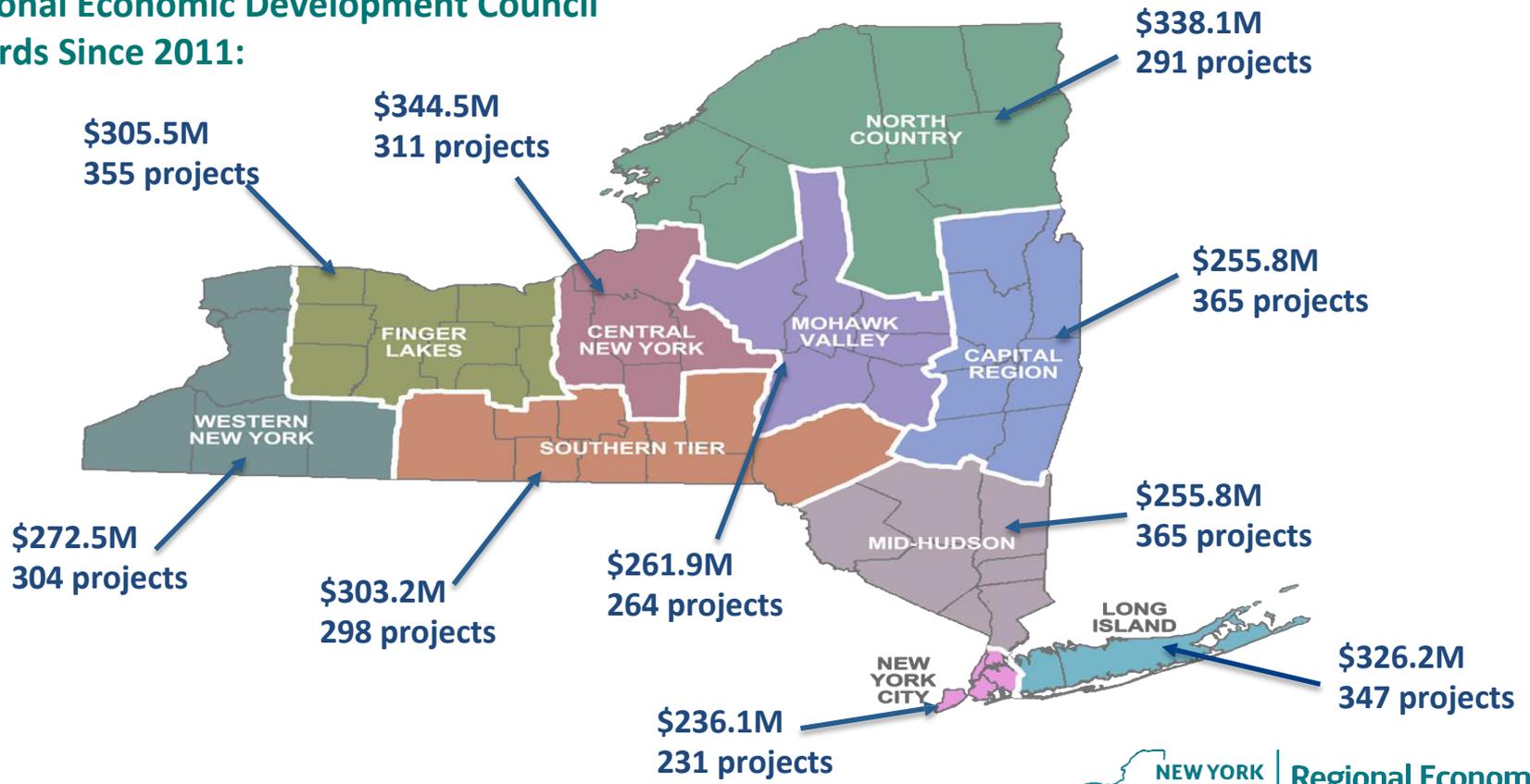
2015 Regional Economic Development

Council

CFA Round V and URI

May 4, 2015

Regional Economic Development Council Awards Since 2011:



Southern Tier Strategic Priorities

- ✓ Energy Efficiency & Renewable Energy Technology
- ✓ Transportation and Manufacturing Industries ... Next Generation Technology and Advanced Manufacturing
- ✓ Health Care 2020
- ✓ Revitalize the Rural Farm and Forest-based Economy
- ✓ Economic Development Backbone
 - Community Revitalization
 - Infrastructure Development
 - Business and Technology Development
 - Tourism and Waterfront Development
 - Workforce Development

Governor's Opportunity Agenda

- Broadband Initiative (\$500M)
- Rural Hospitals (\$400M) – Debt restructuring and capital projects
- Statewide Infrastructure Improvements (\$115M)
- Southern Tier and Hudson Valley Agriculture Enhancement Program (\$50M)
- 76West, a Clean Energy Business Competition in the Southern Tier (\$20M)
- Global NY Development Fund (\$35M)
- Economic Development Initiatives (\$45M)
- Tourism (\$45M) – Market NY

Changes from 2014

- Market NY funds up to \$12 million from \$10 million
- Additional \$1.25 million for Innovation Hot Spots
- New “Recreational Trails Program” pot of \$1.2 million from Office of Parks, Recreation & Historic Preservation – (not certain if repurposed from a different program)
- Local Waterfront Revitalization funds up to \$17 million from \$11.75 million
- ReCharge NY megawatts down to 141 from 174

Changes from 2014

- New \$35 million pot from DEC for “Water Quality Improvement Projects”
- Green Innovation Grant Program up from \$12.6M to \$14.85M
- Another \$30M for Cleaner Greener plan implementation (compared to \$31M in 2014; but this represents an extension of the program beyond the initial 3 years)
- DOL workforce development \$ are the same
- ESD Industrial Development Bond Cap program down from \$350 million to \$300M

CFA and URI

2015 Competition Breakdown

- \$1.5 Billion in Upstate Revitalization Initiative Funds with three \$500 Million Awards
 - 7 Upstate Regions will compete
- \$150 Million in Capital Grants; \$70 Million in Excelsior Tax Credits
 - 3 URI Winners will not be eligible; 7 remaining regions eligible including Western NY, NYC, and Long Island
- \$530 Million in additional state funding through the Consolidated Funding Application (CFA) from various state agencies
 - All 10 regions are eligible; 3 winning URI regions will be capped at \$30 Million per region



CFA and URI

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2015 Competition Breakdown

- **3 Upstate Revitalization winners will receive up to \$130 Million in Funds**
 - ✓ \$100 Million from the URI; \$30 Million from additional state funding
- **3 Top Performers of the REDC competition will receive up to \$105 Million in Funds**
 - ✓ \$30 Million in Capital Grants; up to \$75 Million in additional CFA Funds
- **4 Remaining Regions will receive up to \$90 Million in Funds**
 - ✓ \$15 Million in Capital Grants; up to \$75 Million in additional CFA Funds

CFA and URI Timelines

CFA

Competition opened May 1, 2015

Closes 4 PM on July 31, 2015 – No late submissions

Annual Progress Report and Priority Projects due September 21

URI

Plan due October 5, 2015

Presentation in late October/early November

2015 CFA Highlights

CFA ROUND V

- 10 REDCs will compete for shares of up to \$150 million in Capital Funds and up to \$70M in Excelsior tax credits
- Additional \$530 million in state funding and incentives will be awarded through the CFA to support economic development, job creation, and strategic plan implementation.

2015 CFA Competition Criteria

In 2015, each REDC will be required to:

- ✓ Develop a Regional Industry Cluster Plan
- ✓ Update Global NY Plan and identify projects
- ✓ Update ongoing regional initiatives in Progress Report
- ✓ Build and expand the Project Pipeline
- ✓ Strategic Plan Implementation
- ✓ Workforce Development
- ✓ Update Performance Measures

Ongoing Initiatives

- ✓ Global NY
- ✓ Opportunity Agenda
- ✓ SUNY 2020
- ✓ NY Community Rising
- ✓ Incubator Programs
- ✓ Veteran's Initiative
- ✓ Cleaner, Greener Communities
- ✓ Engage Local Governments

Global New York

Objective

To expand businesses, and create and retain jobs by:

- Increasing exporting of products and services
- Increasing spending by foreign businesses and consumer groups
- Attracting Foreign Direct Investment (FDI) in business development

Regional Strategy

- Greatest potential for growth in export activity: advanced manufacturing, transportation (rail, bus and aerospace), metal fabricating, natural gas exploration – export of electronics, software and technology development, generic pharmaceuticals, clean energy products, food processing, forest-based and agricultural products
- Strong potential of attracting foreign direct investment: transportation industry, food processing
- Strong potential for increasing spending: tourism, foreign college/university students (7,700+, \$180M annually)



**Regional Economic
Development Councils**

Global NY: Encouraging Export Growth

Funding is available to help small and medium-sized businesses explore new exporting opportunities – or to expand globally with the financing that enables them to both grow and compete.

- **\$35 Million Global NY Development Fund**
 - ❑ \$25 Million Lending Program: Working in partnership with private lenders to help companies develop capacity to enter new markets
 - ❑ \$10 million Grant Fund: To help companies develop export capacity
- **Partnership with the Federal Export/Import (Ex-Im) Bank**
 - ❑ Connects small businesses to export financing
- **State Trade and Export Promotion (STEP)**
 - ❑ A partnership with the U.S. Small Business Administration to increase the value of exports by boosting the marketing capacity of new and existing exporters



Southern Tier Opportunity Agenda

- Target geographic areas with the highest concentration of poverty: Binghamton (1, 2, 5, 6, 9, 11, 12, 13, 18), Corning (9625, 9627), Elmira (1, 2, 6, 7, 10), Endicott (134, 135, 136, 137), Hornell (9608, 9609), Johnson City (135, 139, 140) and Norwich (9703, 0704).
- Training and apprenticeship programs in targeted job categories: Agriculture (food manufacturing); Healthcare (home health care, personal care, registered nurses, nurse aides, administrative assistants, clerks, physicians, licensed practical nurses, supervisors and managers, medical assistants, and cleaners); Energy (energy inspections, weatherization and installation of renewable systems); Transportation (manufacturing and assembly); Travel and Tourism.
- Programs that support employment readiness to help people gain the skills, confidence and work ethic.
- New business development in targeted areas that generate employment opportunities.
- Creative solutions to barriers such as transportation.





**Upstate
Revitalization
Initiative**



Upstate Revitalization Initiative

URI Key Words

Key Words:

- Leverage unique assets and opportunities
- Make game changing investments
- Be innovative
- Be transformational
- Take a strategic approach
- Make decisions based on data
- Be collaborative
- Focus on growth sectors
- Target geographic areas

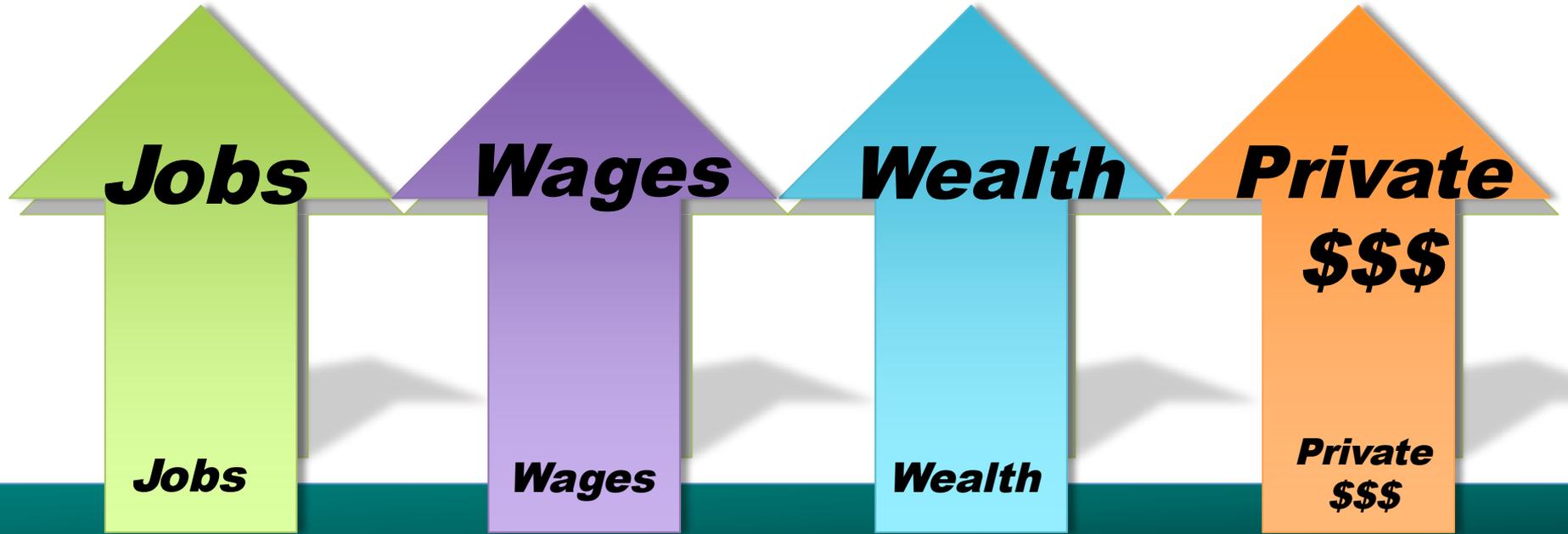
“A revitalization plan should not simply be a compilation of projects that equal \$500 million, but rather should be a plan based upon a comprehensive view of the region’s economy, supported by data, with targeted sectors and activities that will lead to transformative changes in the regional economy. It is expected that the bulk of the plan will focus on sectors, strategies and approaches.”

Note: The reason for selecting initiatives and priority projects selected must be supported by hard data and reflect the regional priorities established in the region.



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Revitalization Plan Objectives



URI Plan Objectives

Objectives:

- Significant increase in number of permanent private sector jobs that pay above average wages for the region
- Increased wealth via high paying jobs
- Significant private sector investment

Concepts to Address

Job Creation and Investment Goals



Innovation



**Workforce
Development**



Collaboration



Sector Investment



**Hard-to-place
Workers**



Readiness



Connectivity



Global Economy



**Leveraging Other
State Initiatives**



Sustainability



**Advancing
Industry Clusters**



**Community
Investment**

URI Priorities and Musts

- Innovation: Innovative industries that build the advanced economy. Focus on startup firms, research facilities, academic institutions, and organizations that emphasize creative ideas and technologies.
- Leverage private sector investment with a 5-1 Ratio: Each plan must demonstrate a minimum of private investment ratio of 5 to 1. Ratio must be met in aggregate and over time.
- Connectivity: Strong synergies between individuals, target industries, academia, non-profit sector and government to create conditions for economic growth.
- Sustainability: Demonstrate how the positive results of URI investments will be maintained over time; how projects will be financially sustainable without additional public investment; how spinoff from investments will be retained within the region and NYS.
- Workforce Development: Cultivate a workforce that is responsive to employment prospects and industry demand.



URI Priorities and Musts

- Global economy: Attract international investment and jobs; and increase export activity.
- Hard-to-place workers: Ex-offenders, veterans, low-income
- Leverage other state initiatives: Demonstrate the intent to compete for and use other State programs. Discuss how gaps need to be filled by URI funds.
- Community reinvestment: *Must link* community rebuilding efforts to the overall growth strategy to advance target industries, create jobs and increase wealth, and attract private investment.
- Readiness: Some projects are ready to go, and region is equipped to use the entire funding investment over time.
- Collaboration: Region-wide public engagement necessary to achieve consensus.



Evaluation of URI Plans

- *Use of hard data for decision-making*
- *Public participation*
- *Transformational projects with large-scale targeted job growth*
- *Business growth*
- *Leveraging private sector investment*
- *Increase in net new wealth within the region*
- *Engagement of hard-to-place workers*
- *Readiness to implement*

Receipt of URI Funds

- *URI awards will be paid out at \$100 M per year or 5 years*
- *Funds will be awarded via an application process*
- *Form of awards: grants, loans or tax credits*
- *NYS programs and guidelines will apply: prevailing wage, MWBE requirements, workforce participation, etc.*

Buffalo Billion Strategies

- *Commercializing valuable medical research*
- *Using the region's historic manufacturing prowess in pursuit of high-tech advanced manufacturing*
- *Reinvigorating Niagara Falls as a tourist asset*
- *Training local workers*
- *Concentrating projects in the region's urban cores to keep jobs accessible and use existing infrastructure*



Ineligible URI Projects

- *Support for general education; unless related to a workforce development initiative*
- *Direct provision of health care services*
- *Broad-based public infrastructure; as distinguished from infrastructure needed to support a specific project*
- *Speculative real estate development*
- *Buy-outs and roll-ups*
- *Sports or recreational facilities that primarily serve local populations*
- *Retail businesses*
- *Gaming businesses*

URI Eligible Projects

- Land Acquisition and Site Development for Industry Growth
- Funds to Support Innovation in College and University Settings
- Health-related Research and Manufacturing of Health Care Devices and Pharmaceuticals
- Infrastructure Tied to Project Development Resulting in Job Creation
- Support for Company- Based Projects
- Direct Support of Companies in Targeted Industry Sectors
- Support to Companies to Upgrade Technology
- Site Attraction Specialists
- Project Managers
- Working Capital
- Creation of Venture Funds
- Support of Start-up Companies
- Opportunities for Hard-to-Place Workers
- Job Training and Workforce Development
- Tourism Marketing

Southern Tier Industry Growth Potential

Southern Tier Highest Concentration of Jobs

- Food service
- Education (larger than average share of employment when compared with the rest of Upstate)
- Healthcare (hospitals, nursing homes, home care, etc.)
- Computers and electronic manufacturing

Industry Clusters With Greatest Potential: Economic Impact, Job Creation, STEM Jobs with High Wages, Global Exports and Foreign Investment

- Transportation Manufacturing & Distribution Services
- Advanced Manufacturing
- Machinery Mfg
- Electronics Instrument Mfg
- Education Services
- Systems Design & Related Svcs
- Scientific Research & Development Svcs
- Healthcare
- Computers & Systems Design
- Information Technology & Software Development
- Medical & Diagnostic Labs
- Medical Equipment & Supplies
- Food Processing (manufacturing)
- Furniture & Other Forest Products
- Tourism – potential for growth and supports Global NY, but does not include high wages or STEM jobs



Opportunities for Potential Strategic Priorities Based on Key Sectors

Manufacturing and High-Technology Industry Hubs

Centers for Innovation and Commercialization of Technology

Tourism Generators that capitalize on our strategic location and easy accessibility to major population centers

Agriculture and Value-added Product Development

Innovation Districts and Opportunity Zones that package unique elements of change with public-private investment and result in a dynamic community and economic development support structure



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The Southern Tier's Tourism Industry

Tourism Trends: 2009-2013

- Tourism accounts for a comparatively low share of all jobs in the region; supports 4.4% of private sector employment, slightly less than Upstate (6%) and NYS (11%)
- Job growth was 8% in the region, outpacing private sector employment growth that increased by less than 1% over this period
- Tourism industry added 87 establishments and 700 new jobs in the region
- Industry wages are lower than the regional average, about half the private sector average of \$42,235
- Wages grew 15%; greater rate than other private sector wages

Tourism Trends: 2009-2013

- Visitor spending in the Southern Tier grew 18% between 2009 and 2011 ... on par with NYS (18%) and outpacing Upstate (12%).
- Total visitor spending in the ST is 6% of total visitor spending across Upstate, and 2% of NYS
- International visitors to the Southern Tier consumed \$328 million in travel and tourism related services in 2012.
- Tourism related exports grew 21% between 2009 and 2012, just slightly under the 22% growth in exports overall.
- While growing, tourism exports are a comparatively smaller piece of the Southern Tier's export picture, accounting for 6% of total exports; less than Upstate (9%) and NYS (11%).

Discussion: Opportunities for Innovation, Transformation, Job Creation



Keys to Innovation and Transformation

***Innovation =
Creativity + Communication + Commercialization***

A “creative economy” is based on “The ability to come up with new ideas and better ways of doing things drives productivity and thus living standards.”

Source: Richard Florida

Innovation in the Future

Technology Drivers

- Mobile Internet
- Automation of Knowledge Work
- The Internet of Things
- Cloud Technology
- Advanced Robotics
- Autonomous and
Near-autonomous Vehicles

- Next Generation Genomics
- 3-D Printing
- Advanced Materials
- Energy Storage
- Renewable Energy



Key Questions to Keep in Mind: Southern Tier's Tourism and Arts Industry

Key questions:

1. What are the major trends in the nation and the world that are impacting tourism in the Southern Tier?
2. How can the tourism industry intersect with the drivers of innovation and technology?
3. How can the tourism industry be more entrepreneurial?
4. How can the tourism industry inspire creativity and innovation?
5. How can the Southern Tier's tourism industry contribute to attracting the "creative worker" to the region and create jobs?

Examples of Initiatives Submitted



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Tourism Venues and Programs

- Tioga County - I-86 Southern Tier Education and Visitors Center
- Tompkins County – Wayfinding and Interpretive Signage Project, farmer’s market, trail connections
- The MARK Project – region-wide Main Street entrepreneur program; focus on foods, arts and other retail. Links with community revitalization.

Arts and Cultural Activities

- Johnson City – Development of the Health and Cultural District, including expansion of performing arts facilities, media and communications providers. Linked to Greater Binghamton Innovation District and BU medical campus development
- City of Binghamton – enhance cultural destinations (museums, performing arts); attract artisans and entrepreneurs
- Tompkins County – Enhance museums and cultural attractions; i.e., Science Re-Imaged Initiative at TheSciencenter

Waterfront Development and Water-based Recreational Activities

- City of Binghamton – Susquehanna River waterfront development and water-based recreational activities including boat launches, competitions and recreational boating. Links with Community Revitalization and Greater Binghamton Innovation District
- Town of Urbana and Village of Hammondsport – Keuka Lake waterfront, Hammondsport business district development, and Curtiss Museum expansion.

Examples of Initiatives Submitted

Agri-tourism

- Schuyler County - Bi-national ultra premium wine, craft beverage and culinary region. Expanded tourism venues such as Finger Lakes Railway; enhanced parks and walking paths. Linked to other regional initiatives; i.e., food processing, food distribution, and community revitalization.
- City of Binghamton – Food & Beverage Institute. Links to agriculture, food processing and community revitalization initiatives.
- Town of Union (Endicott) - Sustainable Grocery Store (café, farm, grocery)
- Tioga County – Southern Tier Agriculture Branding – regional branding and marketing campaign; indoor-year round terminal market “Agricultural Mall.” Links to food processing and packaging, inter-modal distribution hub; research
- Tompkins County - Agri-culinary Tourism Development and Marketing project
- Cornell University – Food System Innovation Hub. Links to R&D, food processing and packaging, regional distribution system



Next Steps



Discussion: Top Initiatives

Who are the players to make the top initiatives/projects a reality, and how are they connected now?

What needs to be done to make it a reality and are they realistic?

- Partnerships
- Private investment
- Workforce (more people, better skills, etc.)
- Land and physical infrastructure
- Community infrastructure and culture
- Other



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