

Final – Adopted 07.12.2022

**MHREDC Public Meeting  
Tuesday, May 24, 2022**

**Introductory Information:**

Date and Time Meeting Commenced:

Tuesday, May 24, 2022 – Public Session: 1:32pm

Location:

Zoom

Council Members Present: Thomas Scaglione; Marsha Gordon; Kristine Young; Adam Bosch; Elizabeth Bradley, Thomas Carey; Aleida Frederico; Wiley Harrison; Sabrina HoSang Jordan; Colin Jarvis; Joseph Kenner; Harold King; Jacqueline Leventoff; Farshad Maltés; Matt Rand; Robin Rosenberg; Al Samuels; James Taylor, Jr.

Council Members Substitutes: Barbara Barosa (Rep. Odell); 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); Rachel Adler (DOL); Kelly Turturro (DEC); George Paschalis (New NY Bridge); Lydia Biskup (Rep. MoS Serino); Emma Cohen (Rep. MoS Hinchey); Ariel Schwartz (Rep. MoA Barrett)

Time Adjourned: 2:22pm

**Welcome and Remarks:**

Call to Order:

Preamble requesting disclosure of any conflicts of interest read.

Conflicts noted: (Please List)

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Recusals noted: (Please List)

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No conflicts noted.

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

Dr. Gordon gave an overview of the agenda. A motion was entered to approve the meeting notes from the February 28<sup>th</sup> public meeting. All members were in favor.

Dr. Kristine Young proceeded to welcome the five newly appointed voting members to the Mid-Hudson Regional Economic Development Council:

- Adam Bosch, President and CEO of Hudson Valley Pattern for Progress
- Elizabeth H. Bradley, President of Vassar College
- Colin Jarvis, Executive Director of The Newburgh Ministry
- Farshad Maltés, President & CEO of Community Capital New York
- Matt Rand, CEO of Howard Hanna | Rand Realty

Mr. Thomas Scaglione then provided an overview of the FY2023 NYS Enacted Budget:

1. \$1B Small Business Rescue Plan
2. \$250M Restore NY
3. \$350M New Office of Strategic Workforce Development
4. \$11.4M Resources for MWBE Division
5. \$1.4B ConnectALL Initiative
6. \$200M Shovel Ready Investments (FAST NY)
7. \$75M Venture Competitions
8. \$25M Digital Game Development Tax Credit
9. \$35M Restaurant Return to Work Tax Credit
10. \$150M REDC Round XII
11. \$100M DRI Round VI (DOS Led)
12. \$100M NY Forward Communities (DOS Led)
13. Remote Work Allowance
14. Additional Provisions:
  - a) Enhance the Linked Deposit Program
  - b) Film Extender
  - c) DOT Right-of-Way Fee
  - d) Additional Funding for CATs / CoEs
  - e) Commission to Study Reform of Alcoholic Beverage Control Law

Mr. Scaglione gave a brief overview of each of the highlighted budget items as follows:

1. \$1B Small Business Rescue Plan
  - a. \$200M Small Business Seed Funding Program

- Companion to the \$800M Small Business recovery program – for new small businesses
  - Intended to support newer businesses that opened on / after September 1, 2018 impacted by the global pandemic
  - Flexible grants \$5K - \$25K. Priority to socially / economically disadvantaged owners
  - Industry Neutral – emphasis on micro-businesses, and arts sector
  - Applicants must show revenues of \$5K - \$1M, or \$5K in expenses
- b. \$250M COVID Capital Costs Small Business Tax Credit
- 50% Credit, up to \$25K. Minimum spend of \$2K
  - Covers all COVID-related purchases small businesses had to take on
  - Signage, PPE, equipment for contactless sales, etc.
  - Uses a “Variant Window” for purchases made (2021 and 2022)
- c. \$500M State Small Business Credit Initiative (SSBCI)
- The American Rescue Plan Act allocated \$10B to the SSBCI to support small businesses across the country
- Funding allocated to NYS will be split across multiple programs:
- Capital access programs
  - Affordable debt programs
  - Equitable venture investments
2. \$250M Restore NY
- a. Funding to demolish, rehab vacant and abandoned properties  
This round targets disadvantaged communities & rural areas in addition to urban centers
  - b. Provides higher dollar awards to exclusively affordable housing projects
  - c. Disallows parts of NYC that are not economically distressed
3. \$350M New Office of Strategic Workforce Development
- a. \$115M Pay for Performance Grant Program
    - \$50M sub-allocation for advanced / emerging energy efficiency tech, and renewable energy tech
    - \$10M sub-allocation for YouthBuild
    - \$5M for SUNY / CUNY mental health training initiatives
    - \$35M Capital Grant Program for Capacity Building
  - b. Business survey due by May 13 to help shape priorities of OWD
  - c. In partnership with NYS DOL and NYS Business Council
  - d. Business Workforce Survey 2022 (research.net)
4. \$11.4M Resources for MWBE Division
- a. Funding to address a certification backlog, appeals backlog, and to add new temporary staff to both certifications and appeals
  - b. Part of a larger effort to address the historic challenges in the program

5. \$1.4B ConnectALL Initiative
  - a. \$300M State + \$1.1B federal funds
  - b. Covers grant programs focused on municipal planning, rural deployment, municipal solutions, and innovative technology adoption
  - c. Creates an advisory board – 16 members (4 appointed by Governor, 1 from each House, the rest being commissioners or designees)
  - d. Preference to applicants that can deliver 1GB speed, to unserved areas, commit not to impose data caps  
Prevailing wage applied to all projects
6. \$200M Shovel Ready Investments (FAST NY)
  - a. Up-to \$200M for investments in Shovel Ready sites
  - b. Program will focus on Shovel Ready sites in general, and semiconductor sites in particular
  - c. Intended to foster investments in NYS by removing barriers to development
7. \$75M Venture Competitions
  - a. Bring all 8 ESD venture competitions under unified structure, based on best practices
  - b. These venture competitions connect start-ups with investors to support early-stage innovation businesses
  - c. 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
8. \$25M Digital Game Development Tax Credit
  - a) Creates a new tax credit for digital game development
  - b) \$5M per-year, for 5 years
  - c) Provides 25% credit, with a 10% bump to areas outside the MTCD
  - d) \$100K minimum spend, \$4M maximum spend
  - e) Requires a diversity plan from each applicant
  - f) Applies to tax years 2023 - 2027
9. \$35M Restaurant Return to Work Tax Credit
  - a. Enhances this existing COVID-recovery tax credit r
  - b. Raises the jobs cap from 10 to 20
  - c. Provides additional relief for high job creating restaurants
  - d. \$5K per job credit at COVID-impacted restaurants in certain areas
10. \$150M REDC Round XII
  - a. New round of this ground-up economic development strategy
  - b. Continues the rolling awards strategy
11. \$100M DRI Round VI (DOS Led)
  - a. Transforming additional downtowns into vibrant centers
  - b. Utilize a ground-up, community-based planning strategy to identify projects that leverage further private and public investments

12. \$100M NY Forward Communities (DOS Led)
  - a. Focusing on recovery across New York's rural communities
  - b. Similar to the DRI, communities will be selected in collaboration with the REDCs and DOS
  - c. Program will be tailored to the distinct needs of smaller rural communities
13. Remote Work Allowance
  - a. Allows temporary remote work for Start-Up NY, Excelsior, and Film
  - b. Retroactive to November 26, 2021, and expires when Executive Order 11 of 2021 expires, or December 31, 2022, whichever is sooner
  - c. Businesses must certify they continued to conduct business within NYS during this time
14. Additional Provisions:
  - a. Film Program Extender – through 2029
  - b. Linked Deposit Enhancement - Allows CDFIs to participate in the Linked Deposit Program
  - c. DOT Right-of-Way Fee – Fully repealed, with grandfather provisions
  - d. Additional Funds for CATs / CoEs - each center will receive approx. \$1M in total funds
  - e. Commission to Study Reform of Alcoholic Beverage Control Law – to study the economic / fiscal health of the industry and participants. Creates a 21-person commission, including SLA, DTF, DOB, ESD, 10 Governor appointees, 6 Legislature appointees.

Mr. Scaglione then provided an overview of the MHREDC strategy and gave an update on Round XI of the CFA.

Mr. Scaglione highlighted that the Mid-Hudson region is one of 10 economic development regions in the state. The Mid-Hudson region is made up of 7 counties: Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester.

The Mid-Hudson REDC imagines a future that includes dynamic community centers featuring businesses in thriving industry sectors, residents from all walks of life benefitting from quality employment, and countless tourist attractions that make the Mid-Hudson a unique destination and place to live.

The Mid-Hudson REDC's current strategy of Live, Work, and Play connects with the statewide economic development priorities of innovation, placemaking, tradeable sectors and workforce. He defined the state economic development priorities as follows:

- Placemaking – In order to attract a talented workforce and grow business, our built environment must emphasize creating accessible job centers, sustainable infrastructure, and vibrant, livable communities.



- Workforce – People drive the economy. Targeted job training and education ensure that jobs in high-paying, in-demand, tradeable sectors are filled in an equitable way.
- Innovation – Our investment focus on creating jobs of the future sparks entrepreneurship and the birth of new businesses. The strategy creates synergies between research and commercialization to achieve economic growth.
- Tradeable Sectors – New York State is investing in industries that increase export-based employment opportunities – creating greater output and higher-paying jobs.

The MHREDC strategy of Live, Work, and Play is defined as follows:

- With the LIVE initiative, the Council seeks to continue to revitalize the region’s community centers through placemaking, smart growth, transit-oriented development, downtown revitalization, and infrastructure improvements.
- With the WORK initiative, the Council seeks to attract and retain investment in the region’s mature and emerging clusters including life sciences, advanced manufacturing, information technology, distribution, financial and professional services, and film & television production.
- The PLAY initiative positions the region as a premier tourist destination and enhances quality of life for those who live and work in the region.

Mr. Scaglione encouraged those in attendance to visit the Council’s website at [regionalcouncils.ny.gov/mid-hudson](https://regionalcouncils.ny.gov/mid-hudson) to view the Council’s 2021 Annual Report for more details on the information provided.

The Council’s work over the past decade has resulted in NYS granting over 1,000 awards totaling \$818.3 million for the region. This investment by NYS is projected to generate more than \$2.7 billion of economic activity.

For Round 11, which launched in May 2021, the Mid-Hudson region received 421 applications across all CFA agencies and programs. Of those, 116 awards have been granted totaling \$104,841,305, more than every other region in the state. He stated that the Mid-Hudson has had 25 ESD Capital Grant Awards to the region in Round 11 totaling \$20,477,045. He stated that a full list of awarded projects can be found on the website at [regionalcouncils.ny.gov/2021-awards](https://regionalcouncils.ny.gov/2021-awards).

Mr. Scaglione then highlighted a few Round 11 awarded projects in the region:

- Sleepy Hollow Commons (as an example of the LIVE strategy)
- Viking Industries Expansion (as an example of the WORK strategy)
- Upriver Studios Expansion (another example of the WORK strategy)
- Storm King Capital Project (as an example of the PLAY strategy)

Mr. Scaglione then provided information on the Regional Economic Development Councils Round 12 and noted that all guidance documents are posted on the Mid-Hudson REDC website:

[regionalcouncils.ny.gov/mid-hudson](https://regionalcouncils.ny.gov/mid-hudson).

This year, Regional Councils are asked to provide an annual report highlighting the state of the region, a “Regional Workforce Inventory” of workforce needs as a result of pandemic, public outreach and engagement efforts and a summary previous awards made through the Regional Council Initiative. The goal of the annual report will be to showcase the regions’ continued focus on post-pandemic recovery efforts while focusing on the workforce needs resulting from the pandemic.

Mr. Scaglione continued discussing the 2022 annual report. He stated that the first part includes an executive summary of the report. This should include the regional vision, a message from the co-chairs, and an overview of the state of the region. Additionally, he stated that this year, a new Office of Strategic Workforce Development was created at ESD to build on the agency’s expertise in working with businesses in the state and better connect economic development efforts with workforce training to ensure that employers in growing industries have access to the high-quality, skilled labor needed to be competitive. He stated that to accomplish this, the Regional Councils, in collaboration with the State, will use their expertise to identify the regional workforce needs in tradable sectors along with strategies to accomplish this through a two-phase approach. In the first phase, Regional Councils will be tasked with creating a “Regional Workforce Inventory” that will be included in the annual report for this year to examine and determine what the regional workforce needs are in tradeable sectors.

Mr. Scaglione continued by stating that the Regional Workforce Inventory will outline the region’s post-pandemic workforce needs and will include:

- The priority regional tradable sectors and/or statewide target industries for targeting workforce development training programs.
- The most in-demand skill sets needed by employers.
- Populations for whom workforce training is most needed.
- The types of wraparound services most needed to reach target populations.

He also stated that ESD and the Department of Labor have collaborated to release a survey to employers across the state to collect what their post-pandemic workforce challenges are which will be used to guide the Regional Workforce Inventory for each region. He stated that councils will be provided recent survey results and should then engage with local stakeholders to assess the workforce needs for the region. In phase 2 – Regional Councils will select several regional tradable sectors to develop a strategy & roadmap for the region.

Mr. Scaglione continued discussing the 2022 annual report by stating that the next part of such report should include participation for the year and provide an overview of the workgroups that are

engaged in Council's activities and the role that they play. Any new workgroups or restructured workgroups should be included. Additionally, Mr. Scaglione stated that given the new and continued realities of public interaction, the Regional Councils should continue to engage with the public and local stakeholders.

Mr. Scaglione proceeded to discuss available resources for 2022. This year, \$150 million in ESD grant funds will continue to be available on a rolling basis, meaning applicants will be notified of their awards as they are approved. Additional programs from 10 state agencies will be made available with awards in Fall 2022.

Mr. Scaglione reviewed the CFA timeline. Most agency programs will have a due date of July 29, 2021 by 4pm. Announcements will be made in the fall. Additionally, the application for ESD Grant Funds will remain open until the funds are exhausted with the first batch of projects being due on July 29th to coincide with the deadline for agency programs.

Mr. Scaglione concluded by reminding the council to complete their annual ethics training, that the annual report is due July 29<sup>th</sup>, and reminded the Council to review round 12 materials, to promote round 12 resources and to review the 2022 calendar.

Dr. Young opened the meeting up for the public to comment or ask questions. No questions nor comments were made.

Dr. Gordon thanked Mr. Scaglione and all for attending.

Meeting was adjourned at 2:22pm.