

781

2011-2012 Regular Sessions

I N S E N A T E

(PREFILED)

January 5, 2011

Introduced by Sen. YOUNG -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend the executive law, in relation to establishing the empire virtual incubator program

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 Section 1. The executive law is amended by adding a new section 209-u
2 to read as follows:
3 S 209-U. ESTABLISHMENT OF THE EMPIRE VIRTUAL INCUBATOR PROGRAM. 1. THE
4 OFFICE SHALL ESTABLISH A WEB BASED VIRTUAL INCUBATOR PROGRAM, TO BE
5 KNOWN AS THE EMPIRE VIRTUAL INCUBATOR PROGRAM, DESIGNED TO ASSIST ENTRE-
6 PRENEURS WHO ARE SEEKING TO ESTABLISH OR WHO ARE OPERATING SMALL BUSI-
7 NESS VENTURES IN RURAL AREAS WHERE, FOR REASONS OF DISTANCE, POPULATION
8 DISPERSAL OR SCALE OF BUSINESS VENTURE, CONVENTIONAL BUSINESS INCUBATION
9 AND ASSISTANCE PROGRAMS ARE NOT FEASIBLE. THE PROGRAM WILL UTILIZE THE
10 INTERNET TO DELIVER SERVICES TO ENTREPRENEURS INCLUDING BUT NOT LIMITED
11 TO BUSINESS PLANNING, STRATEGIC GUIDANCE ON MARKETS, ANALYSIS OF PROOF
12 OF CONCEPT ACTIVITIES, SUPPORT IN REACHING STATE, NATIONAL AND GLOBAL
13 MARKETS, ACCESS TO BUSINESS MENTORS, AND MANAGEMENT CONSULTING.
14 2. FOR THE PURPOSES OF THIS SECTION:
15 (A) "ELIGIBLE BUSINESS" SHALL MEAN A START-UP OF NEW AGRIBUSINESSES,
16 AGRICULTURE OR RELATED VALUE-ADDED SMALL BUSINESS FOCUSED ON THE DEVEL-
17 OPMENT AND IMPLEMENTATION OF NEW AND ALTERNATIVE PRODUCTION, PROCESSING,
18 STORAGE, DISTRIBUTION AND MARKETING TECHNOLOGIES AND IMPROVEMENTS FOR
19 NEW YORK FOOD, AGRICULTURAL AND FOREST PRODUCTS AND THOSE BUSINESSES
20 TRANSITIONING TO PRODUCTION OF NON-TRADITIONAL, HIGH-VALUE ADDED CROPS
21 FOR A NATIONAL OR INTERNATIONAL MARKET;
22 (B) "TENANT" SHALL MEAN AN INDIVIDUAL OR BUSINESS SELECTED TO PARTIC-
23 IPATE IN THE VIRTUAL INCUBATION PROGRAM; AND

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [] is old law to be omitted.

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(C) "RURAL AREA" SHALL MEAN A RURAL AREA AS DEFINED IN SUBDIVISION SEVEN OF SECTION FOUR HUNDRED EIGHTY-ONE OF THIS CHAPTER.

3. (A) THE OFFICE IS AUTHORIZED TO AWARD A CONTRACT ON A COMPETITIVE BASIS IN RESPONSE TO REQUESTS FOR PROPOSALS, TO AN ORGANIZATION OR CONSORTIUM THAT HAS DEMONSTRATED EXPERTISE IN ALL OF THE FOLLOWING AREAS: BUSINESS AND FINANCIAL CONSULTING, PROGRAM ADMINISTRATION, INSTRUCTIONAL DESIGN, AND ONLINE PLATFORM ADMINISTRATION AND HOSTING. CONSORTIUMS MAY INCLUDE ANY VOCATIONAL EDUCATION AGENCY OFFERING TECHNICAL ASSISTANCE SERVICES TO SMALL BUSINESS, SMALL BUSINESS DEVELOPMENT CENTER, COUNTY COOPERATIVE EXTENSION SERVICE, OR NOT-FOR-PROFIT CORPORATION OFFERING TECHNICAL ASSISTANCE TO AGRICULTURE AND AGRIBUSINESS.

(B) THE OFFICE SHALL, FROM APPROPRIATIONS SPECIFICALLY MADE AVAILABLE FOR THIS PURPOSE, FROM ANY GRANTS MADE AVAILABLE FOR THIS PURPOSE, AND/OR FROM FUNDS MADE AVAILABLE TO THE OFFICE BY THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION FROM AVAILABLE APPROPRIATIONS IN THE EMPIRE STATE ECONOMIC DEVELOPMENT FUND ESTABLISHED PURSUANT TO SECTION SIXTEEN-I OF THE URBAN DEVELOPMENT CORPORATION ACT, OR FROM ANY OTHER APPROPRIATE FUNDS OF THE URBAN DEVELOPMENT CORPORATION INCLUDING RURAL REVITALIZATION ASSISTANCE GRANTS. THE OFFICE IS FURTHER AUTHORIZED TO CONTRACT WITH THE COMMISSIONER OF AGRICULTURE AND MARKETS, AND SUCH COMMISSIONER IS AUTHORIZED TO CONTRACT WITH THE OFFICE, TO ASSIST IN THE PREPARATION OF REQUESTS FOR PROPOSALS AND REVIEW OF GRANT APPLICATIONS AND SELECTION OF APPLICANTS.

(C) APPLICANTS SHALL BE REQUIRED TO PROVIDE THE FOLLOWING INFORMATION IN THEIR APPLICATIONS:

(I) A DESCRIPTION OF HOW SUCH ASSISTANCE AND SERVICES WILL BE DELIVERED;

(II) A PROGRAM FOR MARKETING THE PROGRAM AND SECURING ELIGIBLE TENANTS;

(III) A MANAGEMENT PLAN AND A BUSINESS PLAN FOR OPERATING THE INCUBATOR;

(IV) A PLAN FOR MAKING THE INCUBATOR SELF-SUSTAINING. SUCH PLAN MAY INCLUDE CHARGING TENANTS FEES FOR SOME SERVICES TO COMPANIES AT CERTAIN STAGES OF DEVELOPMENT OR ON AN ABILITY TO PAY BASIS; AND

(V) OPPORTUNITIES TO INCLUDE POST-SECONDARY STUDENTS IN REAL-WORLD LEARNING THROUGH PROVIDING SERVICES, UNDER GUIDANCE, TO INCUBATOR TENANTS.

4. THE OFFICE SHALL PROVIDE POLICY GUIDELINES FOR THE FOLLOWING:

(A) PROCEDURE FOR SELECTION OF INCUBATOR TENANTS. TENANTS FOR THE VIRTUAL INCUBATOR WILL BE SELECTED ON A COMPETITIVE BASIS THROUGH AN APPLICATION PROCESS ESTABLISHED BY THE OFFICE. THE OFFICE SHALL CONSULT WITH THE DEPARTMENT OF AGRICULTURE AND MARKETS IN ORDER TO ESTABLISH SUCH CRITERIA GOVERNING THE SOLICITATION OF PROPOSALS FROM PROSPECTIVE TENANTS AND THE AWARD OF GRANTS;

(B) CRITERIA FOR EVALUATING GRANT APPLICATIONS. SUCH CRITERIA SHALL INCLUDE, BUT NOT BE LIMITED TO, AN ASSESSMENT OF THE POTENTIAL ECONOMIC IMPACT OF THE BUSINESS AS MEASURED BY SUCH VARIABLES AS POTENTIAL REVENUE, JOB CREATION, EFFECT ON THE LOCAL ECONOMY, LIKELIHOOD OF SUPPORT FOR OR COLLABORATION WITH RESEARCH INSTITUTIONS IN THE STATE; FINANCIAL COMMITMENT AND INDUSTRY KNOWLEDGE OF THE APPLICANT; AND THE LIKELIHOOD THAT THE BUSINESS WILL BECOME PROFITABLE AND SELF-SUSTAINING WITHIN THREE YEARS;

(C) ENTRANCE TO AND EXIT FROM THE INCUBATOR FACILITY. THE OFFICE SHALL DEVELOP A CLEAR POLICY FOR THE GRADUATION OF TENANTS FROM THE INCUBATOR AFTER A PERIOD OF TIME AND/OR AFTER A SPECIFIED STAGE OF BUSINESS DEVELOPMENT;

1 (D) FINANCIAL ASSISTANCE FOR VIRTUAL INCUBATOR TENANTS. THE OFFICE IS
2 AUTHORIZED, WITHIN AVAILABLE APPROPRIATIONS IN THE EMPIRE STATE ECONOMIC
3 DEVELOPMENT FUND ESTABLISHED PURSUANT TO SECTION SIXTEEN-I OF THE URBAN
4 DEVELOPMENT CORPORATION ACT, TO PROVIDE FINANCIAL ASSISTANCE IN THE FORM
5 OF LOANS, LOAN GUARANTEES, AND INTEREST SUBSIDY GRANTS TO SUBSIDIZE
6 LOANS FROM FEDERALLY CHARTERED INSTRUMENTALITIES AND STATE AND PRIVATE
7 LENDING INSTITUTIONS, INCLUDING AGRICULTURAL COOPERATIVE CORPORATIONS,
8 PROVIDED THAT SUCH ASSISTANCE TO STATE LENDING INSTITUTIONS SHALL NOT
9 EXCEED ONE-HALF OF THE TOTAL PROJECT COST OR ONE HUNDRED THOUSAND
10 DOLLARS; AND

11 (E) REPORTING AND TRANSPARENCY. THE SELECTED CONTRACTOR FOR THE VIRTU-
12 AL INCUBATION PROGRAM SHALL SUBMIT ANNUAL REPORTS TO THE OFFICE DESCRIB-
13 ING THE ASSISTANCE PROVIDED PURSUANT TO THIS SECTION, INCLUDING: THE
14 NUMBER OF TENANT APPLICATIONS AND THE NUMBER AND REASONS FOR THOSE
15 REJECTED AND SELECTED; A DESCRIPTION OF THE BUSINESS ACCEPTED AS A
16 TENANT; THE NUMBER OF JOBS CREATED OR RETAINED; AND SUCH OTHER INFORMA-
17 TION AS THE OFFICE MAY REQUIRE.

18 S 2. This act shall take effect on the one hundred twentieth day after
19 it shall have become a law; provided, however, that effective immediate-
20 ly, the addition, amendment and/or repeal of any rule or regulation
21 necessary for the implementation of this act on its effective date is
22 authorized and directed to be made and completed on or before such
23 effective date.