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2009-2010 Regular Sessions

I N A S S E M B L Y

February 4, 2009

Introduced by M. of A. TOWNS, SPANO, JAFFFEE, SCHROEDER, CHRISTENSEN, LUPARDO, DeMONTE, CASTRO, RAMOS, MILLMAN, FIELDS, CLARK, GORDON, WRIGHT -- Multi-Sponsored by -- M. of A. ALFANO, BARCALLES, CROUCH, ERRIGO, GUNTHER, KOLB, KOON, MOLINARO, OAKS, PEOPLES-STOKES, ROBINSON, SCARBOROUGH -- read once and referred to the Committee on Small Business

AN ACT to amend the New York state urban development corporation act, in relation to creating niche market assistance projects to promote economic development

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

1 Section 1. Statement of legislative intent. Small manufacturing enter-
2 prises are responsible for an estimated twenty-eight to forty percent of
3 employment in the manufacturing sector. They tend to be more effective
4 at job creation and job replacement, more innovative in the development
5 of products and process improvements, more flexible, and thus more
6 competitive, in terms of the ability to produce small quantities. All of
7 these factors help to explain the shift to smaller and average sized
8 plants and the national trend toward more of the total production of
9 goods coming from small manufacturers.
10 Small manufacturing enterprises, often owned by minorities and new
11 immigrants, have been growing. Leading this expansion in New York are
12 specialty and ethnic food manufacturers, which have grown by more than
13 eight percent over the past year. Other evidence suggests that there is
14 similar growth in construction; specialty apparel for niche markets and
15 other design-based manufacturing industries such as luxury consumer
16 goods like jewelry; medical instruments; suppliers to service indus-
17 tries; and companies serving local markets, such as makers of food
18 products or suppliers of construction materials.
19 Often, small manufacturers can not only survive, but grow, if they can
20 identify and develop niche markets - targeted markets composed of indi-

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

viduals and businesses that have similar interests and needs, which can be readily identified, and that can be easily targeted and reached, or a group of potential customers who share common characteristics making them especially receptive to the company's product, service, or opportunity.

S 2. Section 1 of chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, is amended by adding a new section 16-t to read as follows:

S 16-T. NICHE MARKET ASSISTANCE PROJECTS. 1. THE CORPORATION IS HEREBY AUTHORIZED TO PROVIDE ASSISTANCE TO NICHE MARKET ASSISTANCE PROJECTS DESIGNED TO ENCOURAGE AND ASSIST SMALL AND MEDIUM-SIZED MANUFACTURING OR FOOD PROCESSING BUSINESSES WITH FEWER THAN TWO HUNDRED FIFTY EMPLOYEES TO IDENTIFY AND DEVELOP NICHE MARKETS FOR THEIR PRODUCTS.

2. FOR THE PURPOSES OF THIS SECTION, "NICHE MARKET" SHALL MEAN A TARGETED MARKET COMPOSED OF INDIVIDUALS AND BUSINESSES THAT HAVE SIMILAR INTERESTS AND NEEDS, WHICH CAN BE READILY IDENTIFIED AND REACHED, OR GROUP OF POTENTIAL CUSTOMERS WHO SHARE COMMON CHARACTERISTICS MAKING THEM ESPECIALLY RECEPTIVE TO THE COMPANY'S PRODUCT, SERVICE OR OPPORTUNITY.

3. THE CORPORATION SHALL ACTIVELY SEEK TO IDENTIFY ENTITIES AND DISSEMINATE INFORMATION TO SUCH ENTITIES WHICH MAY BE ELIGIBLE TO RECEIVE ASSISTANCE PURSUANT TO THIS SECTION AND SHALL MAKE AWARDS, SUBJECT TO AVAILABLE APPROPRIATIONS, FOR NICHE MARKETING ASSISTANCE PROJECTS ON A COMPETITIVE BASIS TO SUCH ENTITIES.

(A) ENTITIES ELIGIBLE TO APPLY FOR FUNDING FOR A NICHE MARKET ASSISTANCE PROJECT SHALL INCLUDE NOT-FOR-PROFIT CORPORATIONS, LOCAL DEVELOPMENT CORPORATIONS, TRADE ASSOCIATIONS, EDUCATIONAL INSTITUTIONS, TECHNOLOGY DEVELOPMENT CORPORATIONS ESTABLISHED PURSUANT TO SECTION 3102-D OF THE PUBLIC AUTHORITIES LAW WHICH OPERATE MANUFACTURING EXTENSION PROGRAMS, AND OTHER NOT-FOR-PROFIT ORGANIZATIONS WHICH PROMOTE ECONOMIC DEVELOPMENT.

(B) APPLICANTS SHALL BE REQUIRED TO DEMONSTRATE:

(I) THEIR ABILITY TO PROVIDE THE SERVICES PROPOSED;

(II) THE POTENTIAL FOR MANUFACTURING OR FOOD PROCESSING INDUSTRIES IN THEIR AREA OF SERVICE TO DEVELOP NICHE MARKETS;

(III) THE POSSIBILITY THAT THE SERVICES TO BE FUNDED WOULD BECOME SELF-SUSTAINING;

(IV) THE PARTICIPATION OF LOCAL AND REGIONAL ECONOMIC DEVELOPMENT ORGANIZATIONS; AND

(V) TO PROVIDE A PROGRAM BUDGET, INCLUDING MATCHING FUNDS, IN-KIND AND OTHERWISE, TO BE PROVIDED BY THE APPLICANT.

(C) A PROJECT ELIGIBLE TO BE A NICHE MARKET ASSISTANCE PROJECT MAY INCLUDE, BUT NOT BE LIMITED TO, RESEARCH, MARKET ANALYSIS, MARKETING ASSISTANCE, AND IDENTIFYING SOURCES OF FINANCIAL ASSISTANCE TO ENTER INTO NEW MARKETS.

4. NO SINGLE GRANT FOR A NICHE MARKET ASSISTANCE PROJECT SHALL EXCEED TWO HUNDRED THOUSAND DOLLARS.

S 3. This act shall take effect immediately.