S T A T E O F N E W Y O R K

7209

I N S E N A T E

May 6, 2014

Introduced by Sen. KLEIN -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the New York state urban development corporation act, in relation to including kitchen incubators in the New York state business incubator and innovation hot spot support act

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

Section 1. Legislative intent. The legislature hereby finds that in order to improve economic opportunities for New York state citizens and entrepreneurs, it must use the capabilities of government, business and community based organizations to offer space and resources to the next generation of food manufacturing businesses.

One of the chief obstacles for start-up food manufacturing businesses is their inability to access affordable commercial kitchen space. Currently, all over the state, there are only a few kitchen incubators which are facing high demand and are unable to meet the needs of the many potential start-up businesses.

Kitchen incubators are a valuable resource for New York state as it moves to promote more job development, business development and increased tax revenues.

In New York City alone, there are more than 900 food firms, with over 16,000 employees and another 2,500 who are self-employed. This data has been viewed as evidence of entrepreneurs' intent to develop their food manufacturing ideas into full scale production capabilities and fully functional business entities.

Minority and immigrant populations are growing significantly throughout the state and so are their number in entrepreneurship activities, including in the development and sale of foods from their native place of origin. This increase in the population of minority and immigrant communities, creates growing demand for such foods.

Kitchen incubators housed at select locations throughout New York state will help develop new entrepreneurs and increase the economic benefits of such activities for the entire state.

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

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However, New York must do more to propel these business start-ups and potential manufacturers into full scale operations and should move to allow its governmental and non-governmental entities to expand their regional economic catalyst activities to serve entrepreneurs looking to enter the food manufacturing sector. Kitchen incubators should be recognized and included within New York state's business incubator program.

S 2. Subparagraph (xvi) of paragraph b of subdivision 2 of section 16-v of section 1 of chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, as added by section 1 of part C of chapter 59 of the laws of 2013, is amended to read as follows:

(xvi) a plan to recruit IMMIGRANT, minority- and women-owned businesses for location and participation with the incubator program.

S 3. Subdivision 10 of section 16-v of section 1 of chapter 174 of the laws of 1968, constituting the New York state urban development corporation act is renumbered subdivision 11 and a new subdivision 10 is added to read as follows:

10. (A) NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW TO THE CONTRARY, THE CORPORATION IS AUTHORIZED, WITHIN APPROPRIATIONS MADE AVAILABLE UNDER THIS SECTION, TO AWARD GRANTS, LOW INTEREST LOANS OR OTHER FINANCIAL SUPPORT IN RESPONSE TO REQUESTS FOR PROPOSALS FROM LOCAL DEVELOPMENT CORPORATIONS, EDUCATIONAL INSTITUTIONS AND OTHER NOT-FOR-PROFIT ORGANIZATIONS FOR THE COSTS ASSOCIATED WITH STARTING OR OPERATING, A KITCHEN INCUBATOR. SUCH GRANTS, LOANS OR OTHER FINANCIAL SUPPORT MAY BE USED FOR THE PURPOSES OF THE PURCHASE OF EQUIPMENT, TRAINING, TECHNICAL ASSISTANCE, AND OTHER PURPOSES NECESSARY FOR THE SUCCESSFUL OPERATION OF THE KITCHEN INCUBATOR. KITCHEN INCUBATORS SHALL BE "FOOD PROCESSING OR PREPARATION FACILITIES" THAT PROVIDE SHARED EQUIPMENT AND SPACE FOR BUSINESSES IN THE FORMATIVE STAGE OF DEVELOPMENT AND ARE LOCATED IN NEW YORK STATE. ORGANIZATIONS PROVIDING KITCHEN INCUBATOR SPACE MUST, TO THE BEST OF THEIR ABILITY, ALSO MAKE AVAILABLE OR ASSIST PARTICIPATING BUSINESSES IN ACCESSING FOOD PRODUCTION, PREPARATION OR PROCESSING TECHNICAL ASSISTANCE, COMPLYING WITH ALL STATE AND LOCAL SANITARY CODES, MARKETING, STORAGE, DISTRIBUTION, BUSINESS DEVELOPMENT SERVICES, CAPITAL ACCESS AND OTHER SERVICES. APPLICANTS FOR GRANTS, LOW-INTEREST LOANS OR OTHER FINANCIAL SUPPORT MUST PROVIDE A PRACTICAL BUSINESS PLAN FOR THE PROFITABLE OPERATING OF THE KITCHEN INCUBATOR WHICH INCLUDES A POLICY FOR TENANTS' ENTRANCE TO AND EXIT FROM THE FACILITY; DOCUMENTATION OF THE APPLICANT'S ABILITY TO PROVIDE SERVICES TO TENANTS, COMPLY WITH ALL STATE AND LOCAL SANITARY CODES, AND HOW SERVICES WILL BE FINANCED; AND A PLAN FOR RECRUITING IMMIGRANT, MINORITY- AND WOMEN-OWNED BUSINESSES FOR PARTICIPATION IN THE INCUBATOR.

(B) FOR THE PURPOSES OF THIS SUBDIVISION, "FOOD PROCESSING OR PREPARATION FACILITIES" SHALL MEAN THOSE FACILITIES IN WHICH FOOD OR FOOD PRODUCTS ARE ASSEMBLED, PROCESSED, COOKED, PRESERVED, FROZEN, OR CANNED OR BOTTLED TO BE USED FOR HUMAN CONSUMPTION. SUCH FACILITIES MAY INCLUDE ALL SUPPORTING ANCILLARY FACILITIES TO BE USED FOR THE STORAGE OR WAREHOUSING OF PROCESSED OR MANUFACTURED FOODS OR FOOD PRODUCTS, EMPTY CONTAINERS, BOTTLES AND CANS TO BE USED IN THE PROCESS OF MANUFACTURING SUCH FOOD ITEMS AND THE EQUIPMENT NEEDED TO PROCESS, BOTTLE OR PACKAGE SUCH FOODS OR FOOD PRODUCTS.

S 4. This act shall take effect immediately.