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I N   S E N A T E

May 6, 2014

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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:

1     Section 1. Legislative intent. The legislature hereby finds that in  
2     order to improve economic opportunities for New York state citizens and  
3     entrepreneurs, it must use the capabilities of government, business and  
4     community based organizations to offer space and resources to the next  
5     generation of food manufacturing businesses.  
6     One of the chief obstacles for start-up food manufacturing businesses  
7     is their inability to access affordable commercial kitchen space.  
8     Currently, all over the state, there are only a few kitchen incubators  
9     which are facing high demand and are unable to meet the needs of the  
10    many potential start-up businesses.  
11    Kitchen incubators are a valuable resource for New York state as it  
12    moves to promote more job development, business development and  
13    increased tax revenues.  
14    In New York City alone, there are more than 900 food firms, with over  
15    16,000 employees and another 2,500 who are self-employed. This data has  
16    been viewed as evidence of entrepreneurs' intent to develop their food  
17    manufacturing ideas into full scale production capabilities and fully  
18    functional business entities.  
19    Minority and immigrant populations are growing significantly through-  
20    out the state and so are their number in entrepreneurship activities,  
21    including in the development and sale of foods from their native place  
22    of origin. This increase in the population of minority and immigrant  
23    communities, creates growing demand for such foods.  
24    Kitchen incubators housed at select locations throughout New York  
25    state will help develop new entrepreneurs and increase the economic  
26    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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1 However, New York must do more to propel these business start-ups and  
2 potential manufacturers into full scale operations and should move to  
3 allow its governmental and non-governmental entities to expand their  
4 regional economic catalyst activities to serve entrepreneurs looking to  
5 enter the food manufacturing sector. Kitchen incubators should be recog-  
6 nized and included within New York state's business incubator program.

7 S 2. Subparagraph (xvi) of paragraph b of subdivision 2 of section  
8 16-v of section 1 of chapter 174 of the laws of 1968, constituting the  
9 New York state urban development corporation act, as added by section 1  
10 of part C of chapter 59 of the laws of 2013, is amended to read as  
11 follows:

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

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

18 10. (A) NOTWITHSTANDING THE PROVISIONS OF ANY OTHER LAW TO THE CONTRA-  
19 RY, THE CORPORATION IS AUTHORIZED, WITHIN APPROPRIATIONS MADE AVAILABLE  
20 UNDER THIS SECTION, TO AWARD GRANTS, LOW INTEREST LOANS OR OTHER FINAN-  
21 CIAL SUPPORT IN RESPONSE TO REQUESTS FOR PROPOSALS FROM LOCAL DEVELOP-  
22 MENT CORPORATIONS, EDUCATIONAL INSTITUTIONS AND OTHER NOT-FOR-PROFIT  
23 ORGANIZATIONS FOR THE COSTS ASSOCIATED WITH STARTING OR OPERATING, A  
24 KITCHEN INCUBATOR. SUCH GRANTS, LOANS OR OTHER FINANCIAL SUPPORT MAY BE  
25 USED FOR THE PURPOSES OF THE PURCHASE OF EQUIPMENT, TRAINING, TECHNICAL  
26 ASSISTANCE, AND OTHER PURPOSES NECESSARY FOR THE SUCCESSFUL OPERATION OF  
27 THE KITCHEN INCUBATOR. KITCHEN INCUBATORS SHALL BE "FOOD PROCESSING OR  
28 PREPARATION FACILITIES" THAT PROVIDE SHARED EQUIPMENT AND SPACE FOR  
29 BUSINESSES IN THE FORMATIVE STAGE OF DEVELOPMENT AND ARE LOCATED IN NEW  
30 YORK STATE. ORGANIZATIONS PROVIDING KITCHEN INCUBATOR SPACE MUST, TO THE  
31 BEST OF THEIR ABILITY, ALSO MAKE AVAILABLE OR ASSIST PARTICIPATING BUSI-  
32 NESSES IN ACCESSING FOOD PRODUCTION, PREPARATION OR PROCESSING TECHNICAL  
33 ASSISTANCE, COMPLYING WITH ALL STATE AND LOCAL SANITARY CODES, MARKET-  
34 ING, STORAGE, DISTRIBUTION, BUSINESS DEVELOPMENT SERVICES, CAPITAL  
35 ACCESS AND OTHER SERVICES. APPLICANTS FOR GRANTS, LOW-INTEREST LOANS OR  
36 OTHER FINANCIAL SUPPORT MUST PROVIDE A PRACTICAL BUSINESS PLAN FOR THE  
37 PROFITABLE OPERATING OF THE KITCHEN INCUBATOR WHICH INCLUDES A POLICY  
38 FOR TENANTS' ENTRANCE TO AND EXIT FROM THE FACILITY; DOCUMENTATION OF  
39 THE APPLICANT'S ABILITY TO PROVIDE SERVICES TO TENANTS, COMPLY WITH ALL  
40 STATE AND LOCAL SANITARY CODES, AND HOW SERVICES WILL BE FINANCED; AND A  
41 PLAN FOR RECRUITING IMMIGRANT, MINORITY- AND WOMEN-OWNED BUSINESSES FOR  
42 PARTICIPATION IN THE INCUBATOR.

43 (B) FOR THE PURPOSES OF THIS SUBDIVISION, "FOOD PROCESSING OR PREPARA-  
44 TION FACILITIES" SHALL MEAN THOSE FACILITIES IN WHICH FOOD OR FOOD  
45 PRODUCTS ARE ASSEMBLED, PROCESSED, COOKED, PRESERVED, FROZEN, OR CANNED  
46 OR BOTTLED TO BE USED FOR HUMAN CONSUMPTION. SUCH FACILITIES MAY  
47 INCLUDE ALL SUPPORTING ANCILLARY FACILITIES TO BE USED FOR THE STORAGE  
48 OR WAREHOUSING OF PROCESSED OR MANUFACTURED FOODS OR FOOD PRODUCTS,  
49 EMPTY CONTAINERS, BOTTLES AND CANS TO BE USED IN THE PROCESS OF MANUFAC-  
50 TURING SUCH FOOD ITEMS AND THE EQUIPMENT NEEDED TO PROCESS, BOTTLE OR  
51 PACKAGE SUCH FOODS OR FOOD PRODUCTS.

52 S 4. This act shall take effect immediately.