

# STATE OF NEW YORK

---

3392

2017-2018 Regular Sessions

## IN SENATE

January 23, 2017

---

Introduced by Sen. GALLIVAN -- read twice and ordered printed, and when printed to be committed to the Committee on Commerce, Economic Development and Small Business

AN ACT to amend the economic development law, in relation to establishing an economic gardening pilot program within the department of economic development

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The economic development law is amended by adding a new  
2 article 23 to read as follows:

### ARTICLE 23

#### GROWNNY PROGRAM

#### Section 450. GrowNY pilot program.

6 § 450. GrowNY pilot program. 1. (a) There is hereby created within the  
7 department the GrowNY pilot program. The purpose of the pilot program is  
8 to stimulate investment in the state economy by providing technical  
9 assistance for expanding businesses in the state.

10 (b) The department is authorized and directed to promulgate all neces-  
11 sary rules and regulations required to implement the GrowNY pilot  
12 program.

13 2. (a) The department shall contract with regional non-profit economic  
14 development entities to administer the pilot program under this section.  
15 The department shall award competitive grants of up to five hundred  
16 thousand dollars a year for a period of up to five years to each entity  
17 that demonstrates the ability to implement the pilot program in their  
18 region, has an outreach plan, and has the ability to provide counseling  
19 services, access to technology and information, marketing services and  
20 advice, business management support, and other similar services.

21 (b) Contracts with selected economic development entities shall be for  
22 a period of five years and shall be reevaluated by the department every  
23 twelve months to ensure such entities continue to provide a positive

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

LBD00275-01-7

1 economic benefit to the community and conform to the program criteria.  
2 Contracted entities shall not limit services offered under this program  
3 to members of such entity and shall seek to provide economic gardening  
4 services to every eligible business that meets the criteria of the  
5 program.

6 (c) Contracted entities shall coordinate their efforts with the local  
7 New York State Small Business Development Center or other lead economic  
8 development organizations in counties and cities within the region of  
9 the contracted entity and shall establish a referral system and linkages  
10 to existing area small business assistance programs and financing sourc-  
11 es.

12 3. A contracted entity administering the pilot program shall provide  
13 technical assistance for eligible businesses which includes, but is not  
14 limited to:

15 (a) Access to affordable information services and consulting services,  
16 including information on markets, customers, and competitors, business  
17 databases, geographic information systems, internet and social media  
18 strategies, business to business referrals, and search engine optimiza-  
19 tion;

20 (b) Development of business connections, including interaction and  
21 exchange among business owners and resource providers, including  
22 colleges and universities, trade associations, think tanks, academic  
23 institutions, business roundtables, financial service and workforce  
24 development providers, peer-to-peer learning sessions, and mentoring  
25 programs;

26 (c) Assistance in developing a listing of shovel ready sites currently  
27 available to the needs of the business;

28 (d) Assistance in understanding state laws and regulations applicable  
29 to such business;

30 (e) Any other form of consultation and technical assistance that may  
31 be provided to the eligible business to assist with its business and  
32 marketing needs.

33 4. (a) This program shall be targeted at emerging growth businesses,  
34 known as second stage companies. To be eligible for assistance under the  
35 pilot program, a business must be a for-profit, privately held business  
36 that employs at least five persons, but not more than ninety-nine  
37 persons, has maintained its principal place of business in the state for  
38 at least the previous two years, and generates at least seven hundred  
39 fifty thousand dollars, but not more than fifty million dollars, in  
40 annual revenue. The commissioner shall have the authority to make  
41 exceptions to these provisions at his or her sole discretion.

42 (b) A contracted entity administering the pilot program, in selecting  
43 the eligible businesses to receive assistance, shall actively reach out  
44 to businesses in more than one industry cluster and, to the maximum  
45 extent practicable, shall choose businesses that are geographically  
46 distributed throughout the region with the greatest potential for job  
47 growth.

48 5. (a) A business receiving assistance under the pilot program must  
49 enter into an agreement with the contracted entity administering the  
50 program to establish the business' commitment to participation in the  
51 pilot program. The arrangement must require, at a minimum, that the  
52 business:

53 (i) attend a minimum number of meetings between the business and the  
54 contracted entity administering the pilot program. Such meetings shall  
55 be held at the convenience of the business;

1 (ii) report investment, revenue, and job creation and retention data  
2 in the manner prescribed by the contracted entity administering the  
3 pilot program; and

4 (iii) provide non-proprietary financial data in the manner prescribed  
5 by the contracted entity administering the program.

6 (b) The regional non-profit economic development entity or the  
7 contracted entity administering the pilot program shall report the  
8 information to the department on an annual basis.

9 6. A contracted entity administering the pilot program is authorized  
10 to promote the general business interests or industrial interests of the  
11 state.

12 7. The department shall review the progress of the contracted entity  
13 administering the pilot program at least once every twelve months and  
14 shall determine whether the contracted entity is meeting its contractual  
15 obligations for administering the pilot program. The department may  
16 terminate and rebid a contract if the contracted entity does not meet  
17 its contractual obligations.

18 8. By March thirty-first, two thousand eighteen and annually thereaft-  
19 er, the department shall submit a report to the governor, the temporary  
20 president of the senate, the speaker of the assembly, the minority lead-  
21 er of the senate and the minority leader of the assembly which describes  
22 in detail the progress of the GrowNY pilot program. The report shall  
23 include, but is not limited to, the number of businesses receiving  
24 assistance, the number of full-time equivalent jobs created or retained  
25 as a result of the assistance, if any, and the aggregate amount of wages  
26 paid to such employees.

27 § 2. This act shall take effect immediately.