# STATE OF NEW YORK

3392--A

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 -- recommitted to the Committee on Commerce, Economic Development and Small Business in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:**

Section 1. The economic development law is amended by adding a new article 24 to read as follows:

**ARTICLE 24**

**GROWNY PROGRAM**

**Section 470. GrowNY pilot program.**

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

**(b) The department is authorized and directed to promulgate all necessary rules and regulations required to implement the GrowNY pilot program.**

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

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

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(b) Contracts with selected economic development entities shall be for a period of five years and shall be reevaluated by the department every twelve months to ensure such entities continue to provide a positive economic benefit to the community and conform to the program criteria. Contracted entities shall not limit services offered under this program to members of such entity and shall seek to provide economic gardening services to every eligible business that meets the criteria of the program.

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

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

(a) Access to affordable information services and consulting services, including information on markets, customers, and competitors, business databases, geographic information systems, internet and social media strategies, business to business referrals, and search engine optimization;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 2. This act shall take effect immediately.