

# STATE OF NEW YORK

1370--A

2025-2026 Regular Sessions

## IN SENATE

January 9, 2025

Introduced by Sen. SERRANO -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions -- recommitted to the Committee on Corporations, Authorities and Commissions 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 New York state urban development corporation act, in relation to establishing a Second Avenue Subway construction economic development grant program

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

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

4 § 16-bb. Second Avenue Subway construction economic development grant  
5 program. (1) There is hereby created a Second Avenue Subway construction  
6 economic development grant program for the purpose of providing finan-  
7 cial and technical assistance to businesses located within the Second  
8 Avenue Subway construction business zone area during periods of  
9 construction.

10 (2) For the purposes of this section the following words or terms  
11 shall mean as follows:

12 (a) "Small business" shall have the same meaning as defined in section  
13 131 of the economic development law.

14 (b) "Qualified business" shall mean a small business operating and  
15 employing at least three full-time equivalents at a physical location  
16 within a one hundred fifty foot radius of the business zone area during  
17 a period of authorized construction, and the business has a demonstrated  
18 loss.

19 (c) "Business zone area" shall mean:

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

LBD00792-02-6

1 (i) an area in which the chair of the corporation determines that  
2 construction on the Second Avenue Subway project has occurred that has  
3 been certified by the commissioner for the Metropolitan Transportation  
4 Authority; or

5 (ii) the following areas:

6 (A) 125th Street from 5th Avenue to Broadway Street;

7 (B) 2nd Avenue from 129th Street to 91st Street;

8 (C) 2nd Avenue from 87th Street to 83rd Street;

9 (D) 2nd Avenue from 73rd Street to 69th Street;

10 (E) 2nd Avenue from 65th Street to 58th Street;

11 (F) 2nd Avenue from 45th Street to 41st Street;

12 (G) 2nd Avenue from 36th Street to 32nd Street;

13 (H) 2nd Avenue from 26th Street to 23rd Street;

14 (I) 2nd Avenue from 15th Street to 11th Street;

15 (J) 2nd Avenue from 6th Street to 4th Street;

16 (K) 2nd Avenue from 4th Street to Houston Street;

17 (L) Chrystie Street from Houston Street to Canal Street;

18 (M) Bowery from Pell Street to Worth Street;

19 (N) Worth Street from Mott Street to St. James Place;

20 (O) Water Street from Dover Street to John Street;

21 (P) Water Street from Wall Street to Coenties Slip.

22 (d) "Period of authorized construction" shall mean those dates for  
23 which the chair of the corporation determines that construction on the  
24 Second Avenue Subway project has occurred for the specific portion of  
25 the business zone area.

26 (e) "Demonstrated loss" means a ten percent decline in taxable income  
27 in the year in which the grant is applied for compared to the business'  
28 base fiscal year.

29 (f) "Base fiscal year" means the average of the two tax years imme-  
30 diately preceding the year in which construction began in that portion  
31 of the business zone area in which the business is located.

32 (g) "Endangered business" means a business that would otherwise be  
33 deemed a qualified business as defined in paragraph (b) of this subdivi-  
34 sion, but who can show a demonstrated loss of a thirty percent decline  
35 in taxable income in any given year compared to the business' base  
36 fiscal year.

37 (h) "Terminal business" means a business that would otherwise be  
38 deemed a qualified business as defined in paragraph (b) of this subdivi-  
39 sion, but who can show a demonstrated loss of a fifty percent decline in  
40 taxable income in any given year compared to the business' base fiscal  
41 year.

42 (3) Assistance, out of moneys made available for this program, shall  
43 be provided to qualified businesses for the following purposes:

44 (a) capital improvements costs related to the following:

45 (i) improving signage so that pedestrians can easily see and identify  
46 the business as an operating business;

47 (ii) expanding existing entryways to the business;

48 (iii) altering the existing entryways, windows, walls or structure to  
49 prevent or minimize excessive noise occurring from the construction;

50 (iv) improving ventilation within the building to maintain air quality  
51 within the business;

52 (v) equipment, machinery, furniture, fixtures and fittings necessary  
53 to the running of a qualified business that shall be affixed to and  
54 remain a part of the qualified business location within the business  
55 zone area; and

1 (vi) such other capital improvements as determined by the chair of the  
2 corporation.

3 (b) marketing and advertising costs.

4 (c) for endangered businesses, as determined by the chair of the  
5 corporation, such as:

6 (i) payroll assistance; provided, however, any payroll assistance  
7 payments made must be made to an employee who has been employed by the  
8 business for at least one year, does not have an ownership interest in  
9 the business, and is not related, either through blood or marriage, to  
10 the owner of the business;

11 (ii) rental payment assistance, whether for real property or equipment  
12 and services;

13 (iii) utilities, including but not limited to electricity, phone,  
14 cable, internet, and water; and

15 (iv) insurance, as determined by the chair of the corporation.

16 (d) for terminal businesses, as determined by the chair of the corpo-  
17 ration, such as:

18 (i) assistance offered to qualified and endangered businesses under  
19 this subdivision; and

20 (ii) professional counseling services, dissolution services, profes-  
21 sional bankruptcy assistance services, and debt management services.

22 (4) The chairperson shall establish rules and regulations to ensure  
23 that all moneys disbursed pursuant to this section are used for the  
24 purposes specified by the applicant. If it is determined that a recipi-  
25 ent of funds used the money in a manner inconsistent with the informa-  
26 tion set out in their application, the applicant shall be required to  
27 reimburse the corporation the amount disbursed to the applicant.

28 (5) The corporation shall also:

29 (a) (i) Establish a comprehensive technical assistance program in  
30 cooperation with the department of economic development to assist quali-  
31 fied businesses through third party service providers, which assistance  
32 shall include, but not be limited to:

33 (A) technical assistance with applications for obtaining funds from  
34 public and private financing sources;

35 (B) technical assistance in the development of a working capital budg-  
36 et;

37 (C) referrals to other providers of technical assistance to small  
38 businesses, where appropriate, including the entrepreneurial assistance  
39 program established pursuant to article 9 of the economic development  
40 law; and

41 (D) technical assistance through education programs.

42 (ii) Technical assistance may be provided through direct corporate  
43 support, or through grants to or contracts with service providers or  
44 governmental entities.

45 (b) establish programs to assist qualified businesses in developing  
46 workplace policies, including but not limited to the design of employee  
47 benefit and assistance programs and developing child care programs.

48 (c) provide grants to business improvement districts, local develop-  
49 ment corporations, other not-for-profit economic development organiza-  
50 tions, and municipalities for tourism, marketing, promotion, information  
51 activities and commercial revitalization activities in the business zone  
52 area, such activities may include, but are not limited to, joint print,  
53 mailed and internet advertisements, marketing campaigns and redevelop-  
54 ment work in connection with the design and implementation of a plan for  
55 facade and other improvements throughout the business zone area. Such  
56 grants may include monies available for individual property owners

1 and/or tenants who agree to improve their property in accordance with an  
2 overall design plan, provided that, such individual property owners  
3 and/or tenants shall be required to match at least fifty percent of the  
4 amount of any grant awarded to them.

5 (d) provide grants to qualified businesses to offset costs associated  
6 with the start-up of new business enterprises provided that the space in  
7 which the business is going to be located has been vacant for at least  
8 one year, the business owner has entered into a lease for at least two  
9 years and the landlord or business owner shall be required to match at  
10 least half the amount of any grant awarded to them. Such grants may be  
11 used to provide technical assistance in development and execution of  
12 business plans, including the formation of, acquisition of, management  
13 of, or diversification of a qualified business.

14 (6)(a) The corporation shall, within available appropriations, award  
15 grants or enter into contracts for services pursuant to this section to  
16 qualified businesses, through direct applications accepted at the  
17 discretion of the corporation. For the purposes of this subdivision the  
18 corporation shall enter into annual contracts for services or award  
19 grants in an amount equal to fifty percent of the total project costs to  
20 qualified businesses.

21 (b) The corporation shall enter into no more than one contract or make  
22 more than one grant per year per applicant under this subdivision with  
23 any qualified business regardless of the number of projects for which an  
24 applicant has applied and for which funding has been approved. In the  
25 case of applications for multiple projects to be conducted by a single  
26 applicant, the corporation may, at its discretion, provide a grant or  
27 enter into a single contract for services with the applicant for some or  
28 all of the projects for which an applicant has applied.

29 (c) Not-for-profit corporations, business improvement districts and  
30 community development organizations shall be eligible to apply for  
31 support under this subdivision to operate a program or programs of busi-  
32 ness and economic development services to stabilize, retain or revital-  
33 ize existing qualified businesses, and to assist qualified and reinvest-  
34 ing businesses, including, but not limited to assistance to individual  
35 businesses in such project areas as:

36 (i) business planning, management assistance and counseling, and  
37 financial packaging assistance to qualified businesses, including the  
38 establishment of neighborhood-based business service centers designed to  
39 deliver comprehensive technical assistance to new and small businesses  
40 in specific communities and neighborhoods;

41 (ii) programs to assist qualified businesses in the business zone area  
42 to identify new business opportunities, plan for new enterprise develop-  
43 ment, and manage economic development projects;

44 (iii) innovative programs of public and private cooperation to foster  
45 new enterprise development and qualified business growth;

46 (iv) programs to assist new enterprises and qualified businesses to  
47 identify and access public and private sources of equity, working capi-  
48 tal and other types of financing; and

49 (v) programs that improve the ability of qualified businesses to  
50 access state job training programs.

51 (7) Any applicant, who is awarded a grant pursuant to this section  
52 where the moneys of such grant are to be used for the construction,  
53 demolition, reconstruction, excavation, rehabilitation, repair, reno-  
54 vation or alteration of a facility or an improvement to property shall  
55 require that the work covered by such contract shall be deemed "public

1 work" and subject to and performed in accordance with articles 8 and 9  
2 of the labor law.

3 (8) An applicant who receives a grant pursuant to this section shall  
4 ensure and shall sign a written declaration prior to receiving any funds  
5 stating that all provisions of the labor law, specifically including the  
6 minimum wage provisions of article 19 of the labor law, are adhered to  
7 by the business receiving the grant.

8 § 2. This act shall take effect on the one hundred eightieth day after  
9 it shall have become a law. Effective immediately, the addition, amend-  
10 ment and/or repeal of any rule or regulation necessary for the implemen-  
11 tation of this act on its effective date are authorized to be made and  
12 completed on or before such effective date.