

Empire State Development

EMPIRE STATE DEVELOPMENT

Capital Corridor 3rd Annual Conference:

Focus 2011: Business at the Border

James Fayle

North Country Regional Director, Watertown

LEADERSHIP

Governor Andrew Cuomo

Lt. Governor Bob Duffy

Deputy Secretary for Economic Development

Pat Foye

ESD Chair, designate, Julie Shimer

ESD President, CEO & Commissioner

Kenneth Adams

HOW ESD HELPS BUSINESS

ESD works with individual companies to:

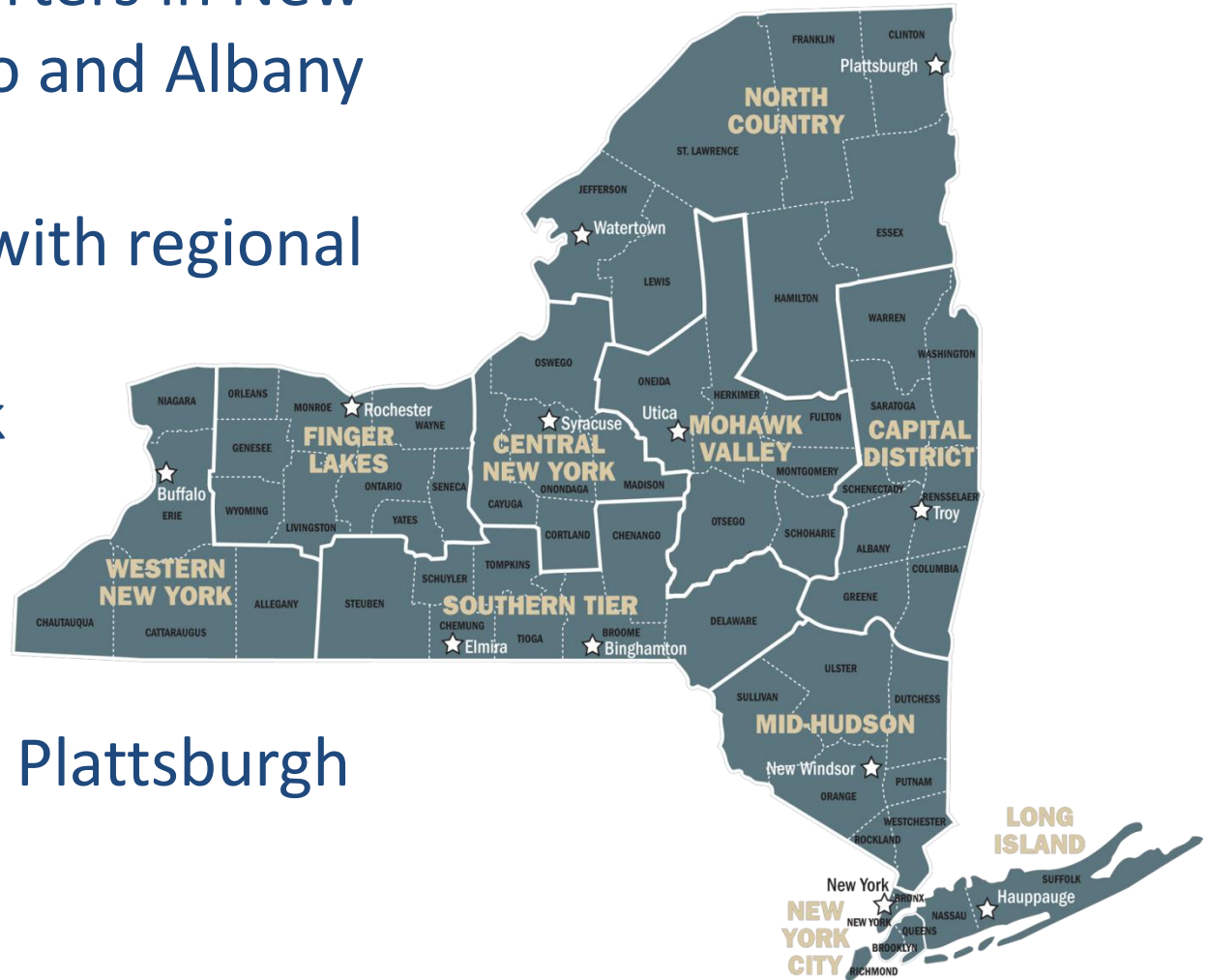
- Identify creative solutions
- Generate enhanced growth opportunities
- Assist in the achievement of short- and long-term goals

ESD helps entrepreneurs and businesses:

- Start a company or establish a presence in New York
- Expand or upgrade existing operations in New York
- Retain or enlarge their workforce
- Compete more effectively and profitably

ESD's REGIONAL OFFICES

- ESD co-headquarters in New York City, Buffalo and Albany
- 10 ESD regions with regional offices across New York
- North Country Regional Offices in Watertown & Plattsburgh



INTERNATIONAL DIVISION

Creates opportunities for businesses to compete in the international marketplace

Helps foreign businesses relocate to or establish a presence in New York State

- **Assists existing New York State businesses to expand operations and compete more effectively and profitably in domestic and international markets**
- **Identifies capital for export expansion and job creation**
- **Offers consultant services, including:**
 - Providing customized market intelligence
 - Distinguishing global trade leads
 - Identifying potential agents, distributors and sales partners

INTERNATIONAL DIVISION

Offices worldwide, in every continent and every major market

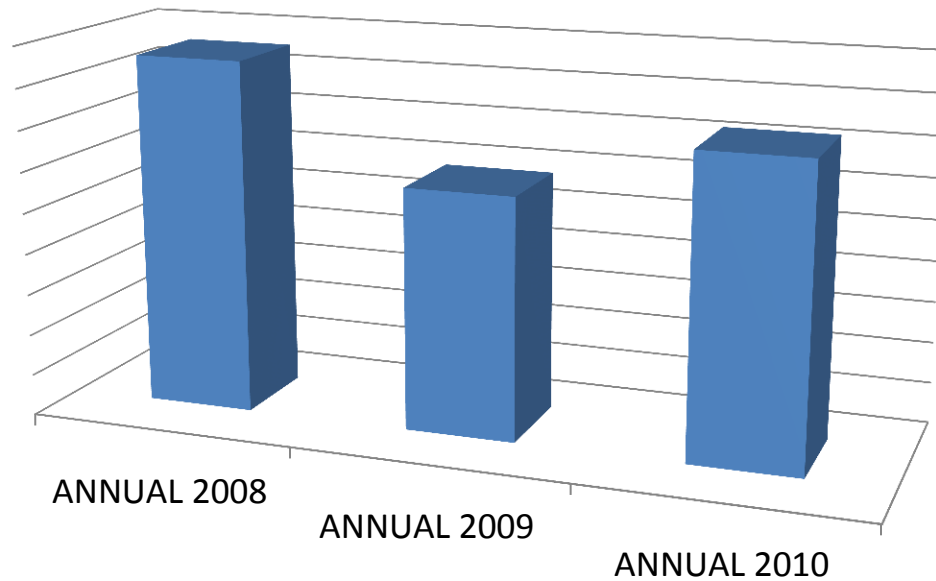


TRADE WITH CANADA



TRADE WITH CANADA

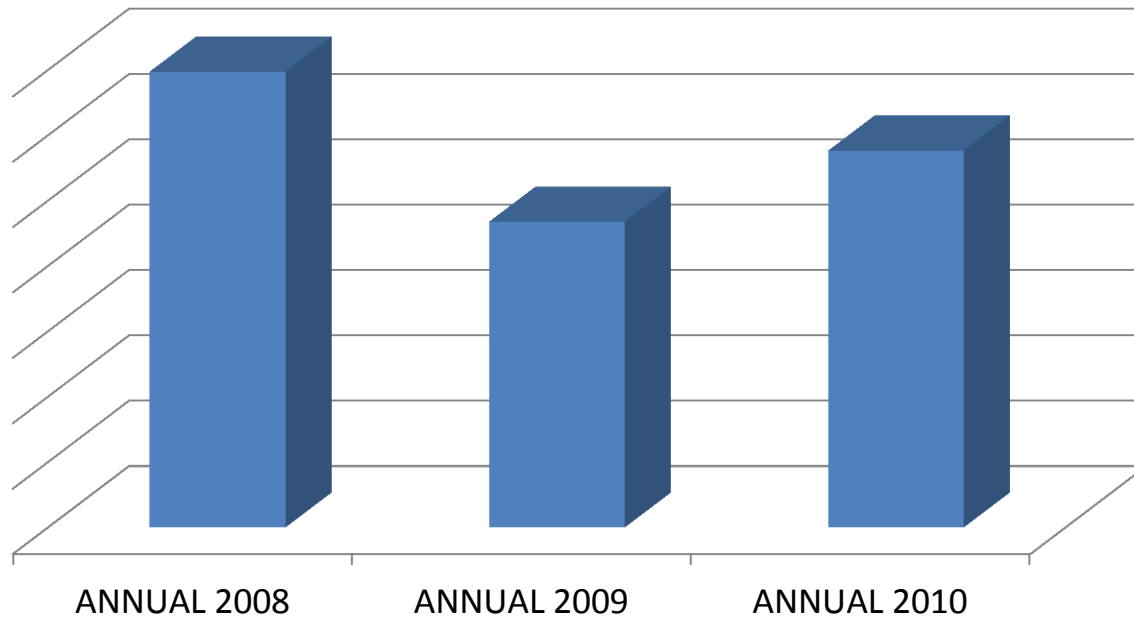
Canada's Trade with the U.S./2010



Exports: \$364 billion

TRADE WITH CANADA

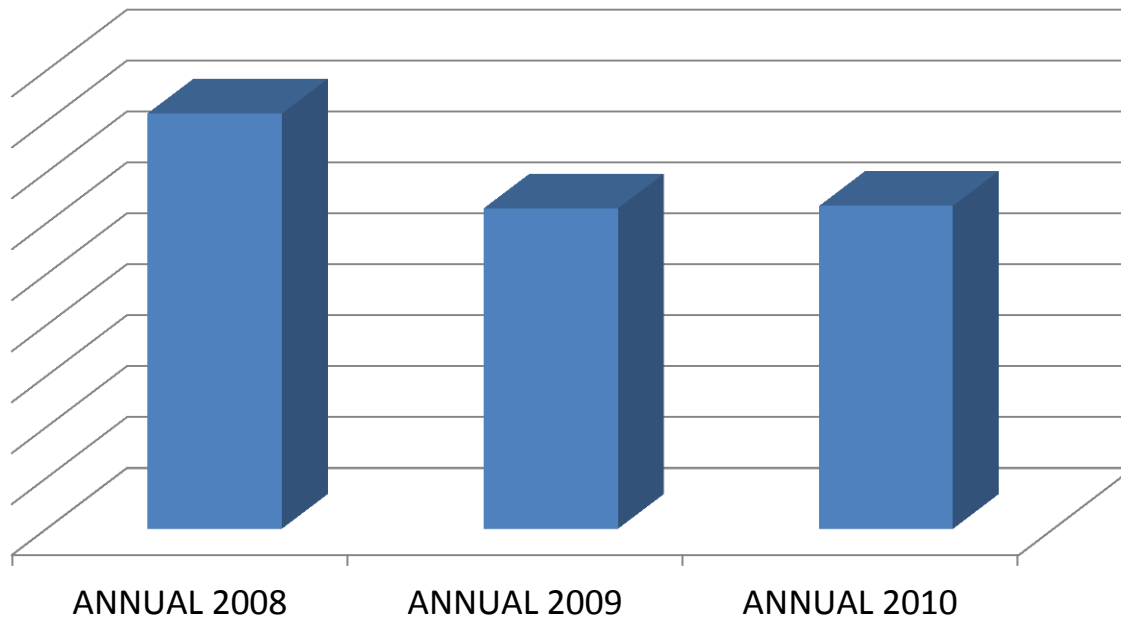
Canada's Trade with the U.S./2010



Imports: \$288 billion

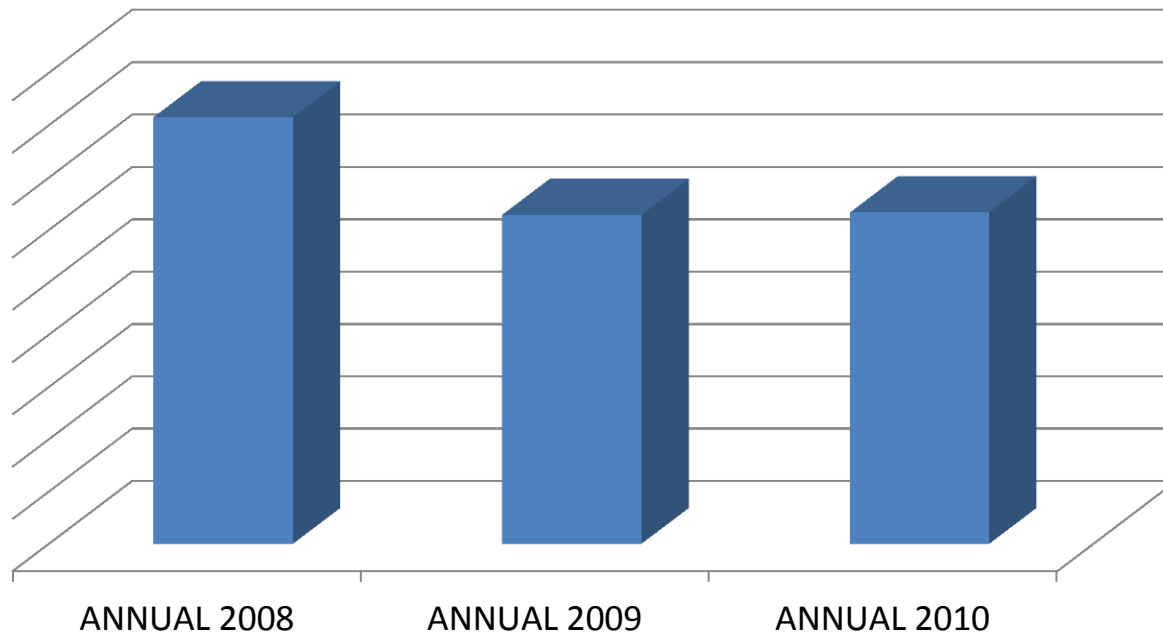
Canada is one of New York's largest trading partners with annual two-way trade exceeding \$43 billion

Canada's Trade with the NYS/2010



Exports: \$21 billion- 24.5% change from 2009

Canada's Trade with the NYS/2010



Imports: \$13 billion- .08% change from 2009

WHY EXPORT?

- Approximately 2 million jobs in both the U.S. and Canada are directly related to cross border exchange of goods and services
- Trade represents a chance for manufacturers to enlarge their markets and increase products
- Generates new jobs, tax revenue and keeps companies located in their home

NYS PRODUCT EXPORTS TO CANADA

- Industrial machinery \$1.2 Billion
- Vehicles \$805 Million
- Electrical Machinery And Equipment \$736 Million
- Aluminum \$601 Million
- Paper and paperboard \$415 Million
- Plastics \$343 Million

Other: mineral fuels; optical, photographic, cinematographic instruments; iron and steel; books, newspapers; pharmaceutical products

SERVICES OF CANADIAN OFFICES

NYS offices in Toronto & Montreal promote NYS interests through international trade and FDI

- Market entry
- Agent/distributor/rep search
- Market overview
- Trade shows, trade missions
- Contacts and company lists

EXPORT MARKETING ASSISTANCE SERVICE

- Provides customized research conducted by our trade specialists at home and abroad
 - Foreign-based offices provide local intelligence for the markets you select and identify the best possible parties to represent your company's sales interests abroad
- Offers a range of for-fee services, such as:
 - Agent-distributor searches
 - Distribution channel analysis
 - Customized market research
 - Identification of strategic venture partners
 - Competitive pricing analysis

GLOBAL EXPORT MARKETING ASSISTANCE

- Matching grants to advance the export prospects and global competitiveness of small and mid-sized firms through:
 - Preparation of customized global market, product, industry and engineering studies
 - Participation in the international marketplace, notably through selected overseas trade shows
 - Implementation of effective export strategies

With the 2011-2012 Budget in place, one of ESD's primary goals is to support and retain our *existing* businesses so they can grow and prosper across the state.

PRINCIPAL INCENTIVE PROGRAMS

Loans & Grants

- Economic Development Fund (EDF)
- Manufacturing Assistance Program (MAP)
- Entrepreneurial Assistance Program (EAP)
- Environmental Investment Program (EIP)
- Small Business Revolving Loan Fund
- JDA Direct Loan Program

Tax Credits

- Excelsior Jobs Program

Financing & Technical Assistance

- Linked Deposit Program (LDP)

EXCELSIOR JOBS PROGRAM

EXCELSIOR JOBS PROGRAM

The Excelsior Jobs Program was created in 2010 to provide job creation and investment tax credit incentives to businesses in targeted industries.

2011-2012 Budget revises the program to produce better results for New York's strategic industries.

EXCELSIOR JOBS PROGRAM

Targeted “Activities” / Industries

Firms in these industries that create and maintain new jobs or make significant financial investment are eligible to apply for up to four new tax credits.

biotech

pharmaceutical

green tech

agriculture

distribution

software development

high-tech

clean-tech

financial services

manufacturing

back office

R&D

EXCELSIOR - 2011 ENHANCEMENTS

Eligible Businesses

2010 – Strategic industries

2011 – No change

Benefit Period

2010 – 5 years

2011 – 10 years

Job and Investment Commitments

2010 - Must meet the commitments established in the Preliminary Schedule of Benefits for each year of the schedule or lose access to the benefits for any year in which the commitments are not met.

2011 - Must meet the minimum job and investment commitments in the eligibility criteria, but can receive benefits for interim milestones up to the maximums established in the Preliminary Schedule of Benefits.

EXCELSIOR - 2011 ENHANCEMENTS

TAX CREDITS

2010

Jobs Credit

- Sliding scale percentage of wages (incl. fringe benefits) up to max of \$5,000 per net new job created.

Investment Credit

- 2% of qualifying investment
- R&D business cannot qualify for the standard investment credit for R&D equipment, the Qualified Emerging Technology Credit (QETC) for R&D property along with the Excelsior investment credit

2011

Jobs Credit

- 6.85% of gross wages per net new job created

Investment Credit

- 2% of qualifying investment
- R&D company can qualify for the Excelsior investment credit, the standard investment credit for R&D equipment and the QETC for R&D property

EXCELSIOR - 2011 ENHANCEMENTS

TAX CREDITS

2010

R&D Credit

- 10% of federal R&D credit
- R&D business cannot qualify for the QETC credit and the Excelsior research credit for the same research expenses

Real Property Tax Credit

- 50% of real property taxes paid on the property in the year preceding the application for assistance under the Program.

2011

R&D Credit

- 50% of federal R&D credit, up to max of 3% of R&D expenses in NYS
- R&D business can qualify the Excelsior research credit and the QETC for the same research expenses

Real Property Tax Credit

- 50% of real property taxes paid on the property post-improvements made to the property after admittance into the Program

EXCELSIOR JOBS PROGRAM

The Program is limited to firms making a substantial commitment to growth – either in employment or through investing significant capital in a NYS facility

Eligibility

Job Growth Track:

- Targeted industries
- Creating net new jobs
- RSP (net new jobs & significant capital investments)

Investment Track:

- Firms with at least 50 full-time equivalent employees
- Makes investment
- Meets a benefit-cost ratio of at least 10:1

EXCELSIOR JOBS PROGRAM

Program launched in September 2010, to date:

- 74 companies have applied
- Offers have been made to 37 companies
- 24 offers have been accepted
 - assistance totaling \$31.7 million in tax credits have been committed to these 23 projects over the years 2011 through 2018
 - projecting the creation of 2,218 jobs
 - capital investments of \$175.3 million
 - R&D expenditures of \$474 million

FOR MORE INFORMATION

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