

2019 Annual Report



HIGHLIGHTS • YEAR IN REVIEW



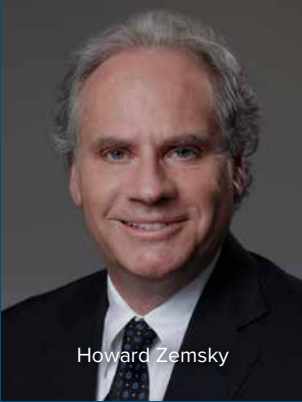
**Empire State
Development**

Table of Contents

I. A MESSAGE	
ESD Chair, Howard Zemsky and ESD Acting Commissioner and President & CEO-designate, Eric Gertler	2-3
II. ABOUT EMPIRE STATE DEVELOPMENT	
Mission Statement	6-7
Overview Regional Map	8-9
ESD Subsidiaries	10-11
Our Investment Strategy	12-13
Placemaking: Where We Invest Matters	14-15
Workforce: Connecting People and Jobs	16-17
Tradable Sectors: Bringing New York to the World	18-19
Innovation: Driving the Economy	20-21
III. ECONOMIC GROWTH	
Economic Indicators Dashboard	24-25
Economic Growth Highlights	26-27
IV. REGIONAL INITIATIVES	
Regional Economic Development Councils	30-31
Buffalo Billion	32-37
Upstate Revitalization Initiative	38-41
Complete URI Project List from Program Inception	42-51
Downtown Revitalization Initiative	52-55
V. OUR PROGRAMS AND DIVISIONS	
Broadband	58-59
Global New York	60-63
Governor's Office of Motion Picture and Television Development	64-67
Infrastructure and Real Estate Development	68-71
Life Science	72-75
Minority and Women's Business Development	76-77
NY CREATES	78-79
NYSTAR	80-83
New York Ventures	84-87
Small Business and Technology Development	88-89
Tourism and Business Marketing	90-93
VI. FINANCIALS	
Comprehensive Economic Development Report	
Introduction	96-102
Additional Resources	103
Appendices	
Table of Contents	104-105
Program Definitions	106-109
Appendix 1: Tax Expenditure Programs	110-111
Appendix 2: Loans & Grants Programs	112-131
Appendix 3: Marketing and Advertising	132-133
Appendix 4: Innovation	134-138

PART ONE

A Message



Howard Zemsky



Eric Gertler

This past year has been one of remarkable accomplishment and continued success for ESD. From projects that we have completed to the daily work of advancing key programs, there are hundreds of communities and thousands of people being supported and strengthened by the agency's efforts.

The work of ESD would not be possible without the support of dedicated partners who share our vision of a vibrant, growing and opportunity-rich economic environment for New York State. We are continually reminded that economic development is a team endeavor, and our first and foremost appreciation is to Governor Cuomo and the Legislature, who support our mission and provide the means for us to carry it out.

While historians have debated the origins of New York's "Empire State" nickname, they agree it likely acknowledges the state's wealth of resources and talent. Similarly, the agency benefits from an extraordinarily talented staff, whose commitment and integrity are the very definition of public service. This report highlights the diverse programs and initiatives ESD's departments manage daily, including: Legal, Real Estate Development and Planning, Finance, Marketing, Public Affairs, Broadband, Loans and Grants, Human Resources, Minority and Women's Business Development, Small Business and Technology Development, Subsidiaries, Public Policy, Planning & Incentives, Economic Analysis and Research, Information Technology, Administration and more.

In addition to ESD's dedicated professional staff, we are fortunate to have the support and talent of our board and the local leadership of our Regional Economic Development Councils, especially the chairs, all of whom voluntarily dedicate their time and energy to advance the agency's mission. The ESD Board, in particular, continues to influence the state and the agency with its collective input and oversight. In August, Governor Cuomo asked Eric to assume the leadership of ESD as the agency's new president and CEO, and Howard was appointed board chairman. It is a tremendous honor for us to helm the agency, particularly under a governor who not only recognizes the importance of economic development but has done so much to advance it across this state. In 2019 the board welcomed ex-officio member Linda Lacewell, Superintendent of the Department of Financial Services, replacing Maria Vullo, and the agency is profoundly grateful for the long service of Derrick Cephas and Rob Dyson, both of whom left the board this year. We appreciate the dedication each member has for the job to which they have been appointed.

Our thanks extend to the many partners across the public and private sectors with whom we work daily. Their collaboration is essential in ensuring New York's economy grows stronger and more diverse regionally and expands to benefit all residents.

Within this comprehensive annual report are the key strategies guiding ESD's work, reflecting Governor Cuomo's approach to economic development:

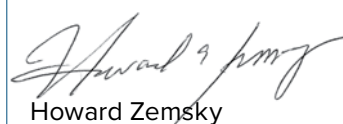
- Making place-based investments to help revitalize downtowns, in cities, towns or villages.
- Robust work centers are important to attract and retain talent, so we are working to create places they will want to return to and stay. This revitalization includes restoring historic buildings, activating waterfronts, encouraging transit-oriented development, creating vibrant mixed-use districts and more.
- Developing the state's workforce through training, by aligning skills with available jobs, is a must if we are going to continue to grow the economy. For example, recognizing the demand for STEM-related skills is essential to providing opportunity for New Yorkers to obtain interesting and gainful employment, and it's also important for industries that need a well-trained workforce to compete successfully.
- Supporting tradable sectors by providing businesses with loans, grants or tax credits to incentivize them to make investments, grow employment in New York State, and export products and services.

- Fostering innovation, primarily through ESD's Division of Small Business and Technology Development where we support NYSTAR's Centers of Excellence, Centers for Advanced Technology, Manufacturing Extension Partnership Centers, Innovation Hot Spots and Certified Business Incubators. We also fund business plan competitions and encourage collaboration between industry and academia.

This report highlights these pillars throughout and concludes with a section containing detailed statistics and financial information. Extensive additional information on thousands of economic development projects throughout the state is available on our website at esd.ny.gov.

Governor Cuomo's strategy is not only providing positive economic results in the short term, but also planting seeds for sustainable economic prosperity over the long term. Nine years of sound regional economic planning and implementation has led to economic vitality and growth across New York, proving our focus on revitalizing regions, encouraging innovation, investing in our workforce and supporting industries that create jobs, such as the advanced technology sector, is yielding success.

Thanks to Governor Cuomo's leadership, New York State enters 2020 with a record level of private-sector job growth and the lowest unemployment rate ever, leaving ESD well positioned to continue our economic momentum into the new year.



Howard Zemsky
ESD Chair



Eric Gertler
ESD Acting Commissioner
and President &
CEO-designate



POSE "In My Heels" – Season 2, Episode 10. Pictured: Dominique Jackson as Elektra.
Photo Credit: Michael Parmelee/FX. Copyright 2019, FX Networks. All rights reserved.

Governor's Office of Motion Picture and Television Development

Supporting and strengthening a thriving industry

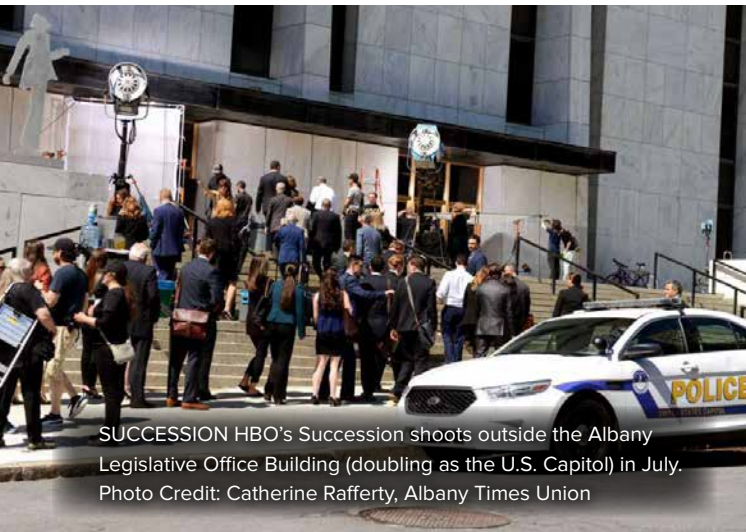
New York's Film Tax Credit Program is responsible for significant economic impact, attracting film and television production and post-production that supports local small businesses and communities while creating hundreds of thousands of well-paying jobs across New York State each year.

The New York State Governor's Office of Motion Picture and Television Development (MPTV) actively promotes and publicizes ESD's film and television production and post-production tax incentives for qualified expenditures in New York State. Since Governor Cuomo took office, the tax credit program has received 2,280 applications (production and post-production combined) representing \$28.2 billion in NY spend and 1.6 million hires.

The production incentive, funded at \$420 million per year, generates continued growth in multi-year television, and feature film productions, which has led to investments in industry production infrastructure.

2019 HIGHLIGHTS

- Through the end of November, the New York State Film Tax Credit production program received 188 applications representing \$4.7 billion in NY spend and 248,477 hires.
- Seventy-three TV series applied to the program, projecting \$3.9 billion in NY spend and over 189,600 hires.
- The New York State Film Tax Credit post-production program received 92 applications representing \$209 million in NY spend and over 1,471 direct hires.
- Productions invest \$4.50 in the NYS economy for every \$1 in tax credits issued.
- On April 18, Governor Cuomo announced that Netflix will be expanding its presence in New York City with 125 executive positions in Manhattan, and 100,000 square feet of new corporate office space and six soundstages in Brooklyn, bringing hundreds of jobs and up to \$100 million in investments to the state.



SUCCESSION HBO's *Succession* shoots outside the Albany Legislative Office Building (doubling as the U.S. Capitol) in July. Photo Credit: Catherine Rafferty, Albany Times Union



FOSSE/VERDON "Nowadays" Episode 7 Pictured: (center) Michelle Williams as Gwen Verdon. Photo Credit: Nicole Rivelli/FX. Copyright 2019, FX Networks. All rights reserved.

- In July, Governor Cuomo announced the first-in-the-nation Empire State Entertainment Diversity Job Training Development Fund. Productions participating in the tax credit program will see a small reduction in their tax credits that will be put into a fund for job training and workforce development across the entertainment industry. The fund will ensure that the jobs related to the growth of New York's entertainment industry are filled by New Yorkers who are representative of the diverse nature of New York State. The fund was passed as part of an end-of-session comprehensive capital spending bill and will initially provide \$1.05 million per year.
- In December, the Motion Picture Association and the Ghetto Film School partnered with ESD to present the third New York State Multicultural Creativity Summit at Viacom's New York offices. At this event, ESD, Bronx Community College and

IATSE Local 52 announced that the first cohort of the Film Production Training Program had begun, with an anticipated graduation in spring 2020.

Statewide Impact

- Of the 188 applications submitted to the Production program, 77 (41%) applied to shoot outside New York City. Of these, 53 scheduled 10 or more shoot days, totaling 1,057 days with an estimated \$288 million of qualified spend outside NYC.
- Thirty-three productions applied for the Upstate labor credit, projected to spend \$97.6 million on Upstate labor.
- With the help of the MPTV office, productions continued to work in partnership with agencies across state government. For example, Warner Media worked with MTA-NYC Transit for its feature *Joker*, using eight different subway stations for various scenes. HBO's *Succession* cast the Albany Legislative Office Building as a U.S. Senate Office in Washington, D.C., working with the Office of General Services and NYS Senate and local officials.

Regional Highlights:

- **Central New York:** Producer/Director Jeremy Garelick's former high school-turned-film studio outside Syracuse, American High Productions, has produced six features in Syracuse using local crew, including *Big Time Adolescence*, which was picked up for distribution by Hulu after premiering at the Sundance Film Festival in January. American High has entered in a multi-picture deal with Hulu and is completing production on *The Binge*, starring Vince Vaughn. Eight feature films have applied this year to shoot in Central New York, representing an estimated \$22 million in qualified spend outside NYC and over 3,100 hires.
- **Long Island:** Long Island was the site of 21 projects generating \$896 million in spend and over 40,000 hires including *Dickinson*, starring Hailee Steinfeld and Jane Krakowski, an Apple+ production; Amazon's *The Hunt* and *The Marvelous Mrs. Maisel*; Showtime's *Ray Donovan*, *City On A Hill*, and *Billions*; and HBO's *The Deuce* and *The Plot Against America*.
- **Mid-Hudson:** The Mid-Hudson region saw significant production activity this year, including hosting an entire series, *I Know This Much Is True*, for HBO. The show, based at Umbra Stages in

Newburgh and on locations across the river in Poughkeepsie, shot over 85 days on location. The region saw 40 film and television projects representing \$1 billion in spend and over 57,700 hires.

- **Western New York:** Western New York landed its largest project ever, Paramount Pictures' *A Quiet Place 2*. The production was expected to hire more than 400 people in the area and invest more than \$10 million into the regional economy. All told, eight projects representing \$70 million in spend and over 1,400 hires occurred in WNY.

Soundstage Growth and Development:

- There are now 116 designated Qualified Production Facilities (QPF) statewide containing more than 350 soundstages, compared to 11 QPFs with 61 stages in 2005.
- Fifteen new facilities were designated as QPFs; seven of those are outside NYC including Central New York, Mid-Hudson, Long Island and the Finger Lakes.
- Construction began on six new soundstages in Brooklyn for Netflix, with a target opening of Sept. 1, 2020.
- Queens-based York Studios is slated to complete construction on five new stages in the Bronx in the fourth quarter of 2019.

Ongoing Initiatives:

- Twenty-one seminars, panels and roundtables were held in 2019 with filmmakers, crew, vendors, support services, regional film commissioners and other stakeholders across the state.
- In partnership with NBCUniversal and the Tribeca Film Institute, MPTV hosted the fourth PITCHNYSM event in November. Over the past four years, more than 150 students or recent graduates from over 30 schools have connected with 100+ industry professionals for panel discussions and one-on-one pitch mentoring.
- New York State's Film Good/Do Good program, the first and only state government-organized community giveback program tailored specifically to the film and television industry, expanded by partnering with New York Cares to coordinate participating volunteers. Through November, 150 volunteers have participated in over 35 events helping hundreds of New Yorkers.

For more information go to:

<https://esd.ny.gov/industries/tv-and-film>



THE IRISHMAN Martin Scorsese directs Robert De Niro and Joe Pesci in a scene from *The Irishman*. Photo Credit: Niko Tavernise. Copyright 2019, Netflix US, LLC. All rights reserved.