

Senate Proposal PPGG Part VVV

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BILL Senate Proposal PPGG Part VVV
SUBJECT Prohibiting IDAs From Providing Assistance to Facilities Engaged in E-Commerce
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OPPOSE

The Business Council of New York State strongly opposes Senate Proposal PPGG Part VVV, which would prohibit Industrial Development Agencies (IDAs) from providing assistance to facilities engaged in electronic commerce. This proposal is a blunt, misguided restriction that would strip local communities of a vital economic development tool, block job-creating investment, and undermine New York's competitiveness. At this moment in time, the state should be doing everything in its power to attract and retain private-sector growth in a notoriously tough business climate. This proposal, as it stands, sends a clear message that New York is no longer serious about job creation or regional growth.

Across the state, IDAs are on the front lines of economic development. These locally governed agencies are tasked with identifying opportunities, attracting investment, and supporting job-generating projects that meet the unique needs of their communities. Their decisions are rooted in on-the-ground realities, not politics or ideology, but what's best for the local workforce, tax base, and long-term prosperity. Proposal PPGG Part VVV would override that discretion, categorically banning a wide range of projects tied to e-commerce, regardless of their merit or local benefit.

This prohibition would remove a critical tool from local development agencies at a time when e-commerce is an essential driver of economic growth. Across the state, IDAs have successfully used their authority to support the redevelopment of underutilized sites, attract new business activity, and generate thousands of good-paying jobs through logistics, warehousing, and fulfillment projects. These are not speculative ventures, they are truly tangible success stories that have delivered measurable results in terms of employment, increased tax revenues, and economic stability for struggling regions.

Moreover, there are projects currently in the pipeline that are actively considering New York for major e-commerce-related investments. These projects represent thousands of new, good paying jobs and hundreds of millions of dollars in capital investment. If PPGG Part VVV becomes law, those companies

will bypass New York and relocate to such states as New Jersey or Pennsylvania that continue to welcome and support this critical segment of the economy. Enacting this restriction would send a damaging message that New York is closed to innovation, logistics infrastructure, and job-generating development. In short, this restriction is not only unnecessary, but also economically dangerous.

It is also important to note that the term “e-commerce” is so broadly defined that it risks capturing nearly any business that transacts online, an increasingly common practice across nearly all sectors. From food processing to advanced manufacturing and small-scale retail, digital sales channels are now a standard part of doing business. Banning IDA support on the basis of online activity would disqualify a wide range of otherwise eligible and desirable development projects, further chilling investment across the state.

This proposal ignores the reality that flexible warehousing and distribution facilities are not just used by large corporations. Small businesses, entrepreneurs, and home-based operations increasingly rely on these spaces to store goods, manage inventory, and fulfill customer orders. Projects like Launchbox in Albany County, which transformed a long vacant warehouse into a hub for e-commerce startups demonstrate how strategic IDA support can empower local businesses and stimulate grassroots economic activity. In Rockland County, the IV2 Logistics Center, supported by the local IDA, represents a \$300 million investment and 450 permanent jobs. In Broome County, a \$63 million distribution center for Dick’s Sporting Goods brought 500 jobs to Binghamton, a deal made possible only through IDA assistance. These projects would not have been feasible under the restrictions proposed in PPGG Part VVV.

Ultimately, this proposal strips communities of their ability to make informed, strategic decisions tailored to their unique economic needs. It sets a dangerous precedent of state level interference in local development policy, jeopardizing future growth and competitiveness. This proposal is a solution in search of a problem. It would punish successful local strategies; block urgently needed investment and undermine New York’s ability to grow in a digital economy.

The Business Council urges the Legislature to reject this shortsighted restriction and protect the full range of tools IDAs need to build the future of New York’s economy and foster inclusive, job-creating growth across the state.