



Policy Committee

July 13, 2021

9:00 am

Special Working Group Meeting

MWBE Policy Discussion

ECIDA Offices, 95 Perry St.

5th Floor Conference Room

1. Call Meeting to Order

2. Review and Discussion of Draft Policy Document
 - a. Review and Discussion of PILOT Schedules

 - b. Policy Concepts
 - i. Construction Period
 - ii. Post Construction Period

3. Next Steps

4. Next Meeting/Adjournment

MWBE ENHANCED PILOT SCHEDULES



Current 7 Year PILOT Schedule

Year	1	2	3	4	5	6	7	8
PILOT Payment %	10%	10%	20%	20%	30%	30%	30%	100%

MWBE Enhanced 8th Year PILOT Schedule

Year	1	2	3	4	5	6	7	8
PILOT Payment %	5%	5%	10%	15%	20%	25%	30%	30%

Modified Yearly % and added an Extra Year of Benefit

Resulted in 44% difference in total PILOT payments comparing Current 7 Year PILOT Schedule to proposed MWBE Enhanced Schedule of 8 years.

*UTEF Proposing Changing PILOT Schedules

MWBE ENHANCED PILOT SCHEDULES



Current 10 Year PILOT Schedule

Year	1	2	3	4	5	6	7	8	9	10	11
PILOT%	10%	10%	10%	20%	20%	20%	30%	30%	30%	30%	100%

MWBE Enhanced 11th Year PILOT Schedule

Year	1	2	3	4	5	6	7	8	9	10	11
PILOT%	5%	5%	10%	10%	15%	15%	20%	20%	30%	35%	40%

Modified Yearly % and added an Extra Year of Benefit

Resulted in 34% difference in total PILOT payments comparing Current 10 Year PILOT Schedule to proposed MWBE Enhanced Schedule of 11 years.

*UTEPI Proposing Changing PILOT Schedules

Summary of ECIDA MWBE, Diversity and Inclusion Incentive Policy Concepts

Overall Goal:

Create a program that will encourage ECIDA tax incentive applicants to promote diversity and inclusion initiatives within their organizations and create MWBE utilization goals for ECIDA incentivized projects (ECIDA project).

Policy Objective:

Projects seeking ECIDA assistance would be incentivized to participate in the Agency's MWBE Diversity and Inclusion Policy. Applicants that participate in the program would receive extra incentives (PILOT) for meeting goals and objectives as outlined in the Policy.

The policy would have two component phases, one for the construction or project procurement period and the second for post construction operations over the term of the ECIDA incentive period.

ECIDA projects would qualify for a "MWBE Enhanced PILOT Schedule" if they achieve the MWBE goals during the construction period and/or meet certain post construction operational diversity and inclusion goals.

Construction Period:

Companies engaging in construction activities (Includes labor and materials as well as design and engineering services) for ECIDA projects would report on MWBE goals and show that they made a "good faith effort", which would include every reasonable attempt to comply with the provisions of the policy to achieve a level of MWBE utilization for the ECIDA project construction period. Percentage of MWBE utilization would be set by the ECIDA board based on the dollar value of the project construction budget.

Post Construction Operational Period:

ECIDA projects could qualify for additional incentives if they would meet or undertake certain post construction operational diversity and inclusion goals or activities.

A list of potential goals and activities would be developed as part of the policy formation that companies could choose from to participate in, including employment utilization goals, procurement goals for operational purchases, and organizational diversity and inclusion training and programming.

Upon application to the ECIDA, businesses would sign up to participate in the program which would allow them to receive potential additional benefits through the MWBE Diversity and Inclusion Enhanced PILOT Schedule. The company's efforts would be monitored through ECIDA's compliance program throughout the term of the incentive period.

Approval Process:

The ECIDA Policy Committee will review the draft MWBE Diversity and Inclusion Incentive Policy and make recommendations to the full ECIDA Board for consideration and approval. If the policy is approved, changes to the Uniform Tax Exemption Policy (UTEP) will be made to include the new MWBE enhanced PILOT. Alterations to the UTEP would involve notifying the taxing jurisdictions of intent to modify the Agency's UTEP.

Summary of ECIDA MWBE, Diversity and Inclusion Incentive Policy Concepts

Construction and Post Construction Period

Construction Period Outstanding Policy Issue

- MBE/WBE % utilization goal for construction based on contract value/ NYS uses 30% total between MBE and WBE. For ECIDA professional service procurements we presently use 25% MBE, 5% WBE.

Proposed Structure for a two-tiered requirement

Construction Period

- To receive the Enhanced MWBE PILOT schedule an applicant would need to meet the construction goal % as defined in the policy ie: 30%.

Once an applicant meets the goal for construction, they would then need to participate in the Post-Construction Period program to qualify for the Enhanced MWBE PILOT.

Post Construction Period

- Applicants can select and comply with the job creation goal of 30% of the new jobs to be created to be women and minorities (minimum of 15% minority and at least 30% minorities or women)

If an applicant pledges and meets that goal over the job creation period, typically 2 years and maintains that ratio for the identified new hires during the period of the PILOT they would qualify for the Enhanced MWBE PILOT.

If an applicant does not choose the job creation requirement, they may qualify for the Enhanced MWBE PILOT by choosing (2-4?) of the following tracts.

- Job Retention Tract – Applicants must demonstrate that their existing workforce consists of at least 30% women and minorities (minimum of 15% minority and at least 30% minorities or women) and must maintain above percentage for the term of the PILOT.
- Procurement Tract – Applicants to set and meet procurement goals for operations including supplies, equipment and or professional services of 10% of applicant's operational contract purchases which are within their local control.
- Diversity & Inclusion Tract– Applicants to create a Diversity & Inclusion policy for their organization with identified goals and objective metrics and report on implementation annually for the term of the PILOT.

- **Annual Training Tract** – Applicants management and or key staff to participate in annual training or specified Diversity and Inclusion activities designed to advance D&I company initiatives for the term of the PILOT.
- **Mentorship Tract** – Applicants to develop and or participate in mentorship program(s) designed to support WMBE businesses or mentor WMBE candidates for leadership positions within their organizations or in their occupational fields for the term of the PILOT.
- **Community Organization Tract** – Applicants to demonstrate financial or personnel commitment to supporting Community Organizations that provide resources for WMBE business formation, business operational support or mentorship. Or organizations that provide Diversity and Inclusion activities in the community for the term of the PILOT.