Businesses may apply for Start-Up NY tax benefits under JCC program

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WATERTOWN — Businesses are now eligible to apply for Start-Up NY tax benefits by setting up shop near Jefferson Community College.

This month, Empire State Development Corp. approved a “prospective campus plan” submitted by the college for the state’s new economic development program, said Michelle L. Capone, Development Authority of the North Country’s director of regional development. Mrs. Capone, chairwoman of the advisory committee that developed the proposal, said businesses are eligible to apply for benefits by locating anywhere within a 1-mile radius of the campus off Coffeen Street. The proposal did not include an on-campus tax-free zone because JCC has no space available for businesses on its campus. The committee’s proposal was approved in March by JCC.

“They called it a prospective plan, because you can’t have a final approved plan until you have sites or a building located on a campus,” Mrs. Capone said. “We can’t have a final approved plan until a business is ready to apply for the program. Businesses will be approved on a case-by-case basis.”

Although successful applicants will be eligible for some tax benefits under the JCC program, they won’t be allowed to acquire real-property tax exemptions available at other participating SUNY campuses, Mrs. Capone said. Those exemptions are made available only for businesses that are started on land owned by SUNY institutions.

Even so, applicants still will be eligible to receive exemptions for sales and business taxes for 10 years under the program, including franchise fees, Mrs. Capone said. Employees of participating businesses also would be exempt from state personal income taxes. Retail, hospitality and service-related businesses aren’t eligible for benefits under the Start-Up NY program.

JCC’s Start-Up NY plan is geared toward attracting companies that make products that are locally sourced and would benefit from a partnership with the college, Mrs. Capone said. In its proposal, the advisory committee identified 200,000 square feet of space near the campus that could be eligible for tax benefits,
although businesses could locate anywhere in the Watertown area to meet the criteria. Potential sites listed in the plan include the Watertown Center for Business and Industry off Starbuck Avenue, Jefferson County Corporate Park off outer Coffeen Street, City Center Industrial Park off South Bellew Avenue and the corporate park planned by Purcell Construction Co. off outer Bradley Street.

The Start-Up NY program stipulates that businesses must be located within 1 mile of college campuses to be eligible for benefits, but Mrs. Capone said exceptions to that rule likely will be approved by Empire State Development. She said the program’s criteria are still subject to revision. The state initially announced that businesses within 3 miles of college campuses would be eligible for benefits, for example, but it recently has revised that criterion.

“I think the bigger selling point will be the connection between the college and the business,” Mrs. Capone said.

Committee member Donald W. Rutherford, CEO of the Watertown Local Development Corp., described the program as another economic development tool to help lure new businesses to the Watertown area.

“It’s certainly another tool to put on the table to see if it works,” Mr. Rutherford said. “There are other incentives that the IDA, DANC and LDCs here offer, and this is just one program we want to be in that mix. To make it fit, we’re going to have to find the right businesses and products, and the right tie-in with JCC.”

Other members of the JCC advisory committee are F. Eric Constance, director of the Watertown Small Business Development Center at JCC; John K. Bartow Jr., executive director of the state Tug Hill Commission and member of the North Country Regional Economic Development Council; Donald C. Alexander, CEO of the Jefferson County Local Development Corp.; and David J. Zembiec, deputy CEO of the JCLDC.

Visit http://startup.ny.gov for more information about Start-Up NY.