



## Partnership for New York City

**From:** New York City Investment Fund/Partnership for New York City  
Contact: Ethan Davidson (212) 493-7488

Rubenstein Communications, Inc.  
Contact: Bud Perrone (212) 843-8068

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### NEW YORK CITY INVESTMENT FUND STUDY FINDS BURGEONING CLEAN TECHNOLOGY INDUSTRY OFFERS NEW OPPORTUNITIES FOR NEW YORK STATE ECONOMY

#### STATE AND LOCAL GOVERNMENT ACTION NEEDED TO JUMPSTART INITIAL BUSINESS ACTIVITY

*NEW YORK, January 16, 2007-* In a new study, the New York City Investment Fund identified the emerging clean technology, or “cleantech” market, as a large potential source of new jobs that offers attractive growth prospects for the future of New York State’s economy. *Cleantech: A New Engine of Economic Growth for New York State* concludes that while New York City and State have strong environmental policies, in order to be leaders in the emerging cleantech industry, government must also create policies to attract investment and create job growth. With global revenues in 2005 estimated at \$150 billion, the cleantech industry is large and continues to expand, attracting substantial dollars from venture firms –over \$2.2 billion in the first nine months of 2006– as well as significant interest from the corporate sector. New York-based cleantech companies have not kept pace with the nationwide growth of investment activity in this sector, and New York State could be left behind if it does not act quickly.

“New York is one of the leading states in the U.S. with respect to policies and incentives supportive of the alternative energy sector,” said Kathryn S. Wylde, President and CEO of the Partnership for New York City. The New York City Investment Fund is the economic development arm of the Partnership. “However, the majority of these are focused on increasing the use of these technologies within the state as opposed to explicitly supporting the local development of the industry and the jobs that come with it. Economic development policies and incentives geared toward this industry could be good for business and the environment.”

According to the report, New York State is particularly well positioned to attract investment in cleantech because of the complementary assets of Upstate and Downstate. The Upstate region has an underutilized manufacturing base (both in expertise and sites), raw materials and research talent that are all necessary

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to the cleantech industry, while the New York City Metro Area has investment capital, a large market for cleantech products, and the propensity to be an early adopter of new technologies that conserve natural and financial resources.

The report also found that while New York State is a national leader on environmental policy, that does not help create jobs or investment, and further measures are necessary to create an environment that will create more jobs in cleantech.

“The cleantech industry, in particular the alternative energy segment, can be a significant source of diverse types of jobs in New York State –from technology to manufacturing to professional services,” said Maria Gotsch, Co-President and Co-CEO of the Investment Fund. “However, most cleantech investment is going to America’s traditional centers of entrepreneurial tech-sector activity, namely California and Massachusetts. If this does not change, New York risks repeating its experience with the information technology and biotechnology industries, where companies came to New York to raise money and sell their products, but created most of their jobs and paid most of their taxes in other states.”

The report recommends a series of initiatives by City and State government to spur investment and job creation in this sector, including:

- Creating a targeted effort to market the state’s cleantech-related assets to investors, entrepreneurs and corporations focused on this industry;
- Committing \$150 million of New York State pension fund monies to investment managers who will invest in cleantech companies and projects located within New York;
- Establishing other producer-related incentives, such as procurement from in-state companies, beta testing programs, and reorientation of NYSERDA to focus on local production;
- Leveraging the opportunities presented by the Regional Greenhouse Gas Initiative to create jobs in the financial services sector and with related offset projects, such as landfill gas capture, forestation of non-forested lands, or projects that increase the efficiency of energy systems; and,
- Identifying legislative and regulatory actions that could support the growth of the industry within the state, such as expanded net metering and targeted procurement.

The Investment Fund’s full report is available online at [www.nycif.org](http://www.nycif.org).

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The New York City Investment Fund ([www.nycif.org](http://www.nycif.org)), an affiliate of the Partnership for New York City, the city's largest business organization, is the vision of Henry R. Kravis, founding partner of Kohlberg, Kravis, Roberts & Co., who serves as its Co-Chairman, along with Russell L. Carson, General Partner of Welsh, Carson, Anderson & Stowe. The Fund's goal is to mobilize the city's world financial and business leaders to help build a stronger and more diversified local economy. To that end, the Fund has built a network of top experts from the investment and corporate communities who help identify and support New York City's most promising entrepreneurs in both the for-profit and not-for-profit sectors.

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