

**RESOLUTION AUTHORIZING THE AGENCY TO BEGIN FORMATION OF A  
PUBLIC/PRIVATE PARTNERSHIP TO ACCELERATE THE GROWTH OF  
THE GAMING SOFTWARE INDUSTRY CURRENTLY  
CLUSTERED IN TROY, NEW YORK**

**WHEREAS**, Troy, New York is home to a strong cluster of gaming development enterprises; and

**WHEREAS**, Troy and the surrounding region is home to world-class colleges and universities, whose engineering, art and gaming development programs foster and support new developments in the gaming industry, and provide the needed engineering, artistic and technical talent required for the industry's growth and success; and

**WHEREAS**, current societal and technical realities have combined to create a climate where the gaming development industry in Troy and the region can be spurred on to new growth and success, with the right mixture of public and private support, or wither and die without it; and

**WHEREAS**, the Agency is desirous of supporting and growing this important modern Rensselaer County industry, which provides significant employment opportunities as well as a new vitality to the community; and

**WHEREAS**, the Agency's Executive Director has asked the Agency to authorize the Agency staff to undertake the groundwork necessary to create a public/private "accelerator" for the gaming development industry in Rensselaer County and to commit Agency resources to that project; now, therefore, be it

**RESOLVED**, that the Agency does hereby authorize the Agency's Executive Director and Agency staff to move the described project forward expeditiously, and to provide the Agency Members with a timeline for the project at the September meeting of the Agency; and, be it

**FURTHER RESOLVED**, that the Agency does hereby commit to the project a sum not to exceed Three Hundred Thousand Dollars, only to be expended subject to a budget for the project to be developed by agency staff and submitted to the Agency for approval and adoption, and subject to all other financial rules and policies of the Agency.

**Resolution ADOPTED by the following vote:**

**Ayes: 4**

**Nays: 0**

**Abstain: 0**

**August 13, 2020**

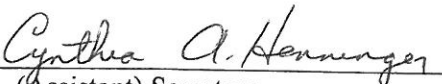
STATE OF NEW YORK                    )  
  ) SS.:  
COUNTY OF RENSSELAER            )

I, the undersigned (Assistant) Secretary of Rensselaer County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on August 13, 2020 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 13th day of August, 2020.

  
\_\_\_\_\_  
(Assistant) Secretary

(SEAL)

## GameOn NY Accelerator

We can transform the Capital Region economically and socially with a world-class digital game industry that builds blockbuster entertainment for the world, attracts global talent and invests locally. This is economic development via workforce development built on four pillars:

- A rapidly growing employment base in digital gaming from a production tax credit
- A vibrant pool of entrepreneurs from a gaming accelerator that focuses on helping student teams and independent developers with compelling game software prototypes to go-to-market.
- Cultivation of new video game brands created in the Capital Region
- The private investment capital that would follow

### Overview

As surveyed by the **Center for Economic Growth**, today the Capital Region is home to 450+ developers and 21 companies. The major studios are: Vicarious Visions, Velan Studios, PUBG MadGlory, WB Games, 1st Playable. This represents ~350 developers in 5 companies that account for some of the biggest blockbusters in entertainment: *Guitar Hero*, *Skylanders*, *PUBG*, *Mortal Kombat* and others. The remaining talent are combination of indie startups, a couple of game services firms, and freelance.

The Regions core assets are: 1. A Proven track record of several top companies in the area; 2. Universities in the Northeast with strong engineering, art, and game development programs, including RIT, RPI, NYU, and Champlain College. We have a promising core - but it's not enough.

The Covid-19 pandemic has put acute pressure on educational institutions, in particular RPI's Game Design and Simulations and Digital Gaming Hub programs. It has moved more development offsite, and away from the Capital Regions urban cores.

Video Games is a \$140B a year industry globally. The Covid-19 Pandemic has led to a surge in growth in video game sales and provides a bright spot to the local economy.

But it combines the risk of entertainment and technology. Popularity of games drive the growth...and failures of firms. For a game cluster to survive and thrive, there needs to be a wider base of development studios and publishing firms so labor and economics can stay within the Region regardless of individual company success. A little bit of bad luck in a given year could have fatal impact to this cluster that has taken 20+ years of organic growth. The right kind of support can lead to dramatic growth at a time that the region and the state most need it.

To sustain the game cluster at its current level, there are **two missing elements**:

- **more companies at scale** locating projects and jobs here; and
- **a system to attract world class entrepreneurial talent** to locate and grow their businesses here.

A production tax credit, similar to the Film Production Tax Credit, can help with the attracting more established firms and scale current ones.

A game focused accelerator can help with the attracting top entrepreneurial talent from across the world, and should be considered an **innovative workforce development initiative**.

## The Accelerator

**This proposal builds on the good work that CEG has done so far in studying the feasibility of a gaming accelerator/incubator.**

**INCUBATE GAME STARTUPS WITH COMPELLING GAME PROTOTYPES.** A dedicated world class Game Incubator/Accelerator would make Troy the destination for video game talent in the North East. This program not only has a CAPEX requirement, but more importantly an OPEX requirement for a Leadership Team comprised of proven industry experts (business, marketing, engineering, art, design) who can scout and select teams and mentor them through the growth of the startup and the game projects. Importantly, the accelerator supports the go-to-market publishing approach for proven game prototypes, rather than development of business plans, paper concepts, or clever pitches.

The business model is to take equity in the project IP, gaining a royalty from products released, rather than % equity in the game companies. Therefore, the Accelerator focuses on IP generation, rather than service or work-for-hire businesses. It also offers a quicker payback potential than company liquidity opportunities.

The Leadership team members must have a prior track record of critical and commercial success running scale businesses as well as building successful startups in gaming. Execution Labs in Montreal, and Magic Spell Studios at RIT provide good example models.

- These game startups need to be a mix VETERAN developers and STUDENT developers.
- They must have a software prototype that has found the fun in the core game experience with a viable path to market.
- Investing in and attracting small VETERAN teams (individuals who have 5-10+ years of industry experience who ventured on their own to build a new startup and new IP) from out of state and relocating them to Troy.
- Scouting the top graduating STUDENT teams from around the country (in addition to the regional schools) to relocate them into the incubator/accelerator program.
- The Leadership Team's track record will also be the basis of bringing in follow on private capital such as Venture Capital (Equity Financing) and Publishers (Project Financing) to help bring these products to market.
- The operating budget for this work would comprise \$20K - \$50K of investment for each game to go to market in independent publishing formats. With 5 – 10 games per year, this would require an investment of around \$500K per year. Approximately \$300K per year would be required for leadership and key staff to operate the program.
- The initial CAPEX is likely to be a small percentage of the total, with the rest being company investments and program management.
- The table below illustrates an operating budget and funding support until the first round of exists makes the program evergreen.

<b>Initial Capital</b>	\$200,000 initial facilities, equipment	
<b>Annual Programming/OPEX</b>	\$50,000 (travel, logistics, speakers)	\$100,000
<b>Startup Team Investment</b>	\$50,000/team * 5 teams	\$250,000
<b>Leadership Team</b>	\$300,000 (CEO/Creative Director, Technical Director,)	\$300,000
<b>Annual Total Cost Estimate</b>		\$650,000
<b>Total Funding Requirement</b>	5 Years OPEX + Initial CAPEX	\$3,250,000

## Locate within Opportunity Zones

The talent for game development is attracted to dense urban core, vibrant with diversity and culture, in a live, work and play environment. The urban corridors in the Capital Region, and especially in Troy are conducive to this. Downtown Troy is an ideal location for further growth of the digital gaming industry, and the GameON NY Accelerator.