



# Regional CFA Workshop

## Empire State Development

# ESD Programs



- Empire State Development Grant Funds (\$174 Million)
  - Regional Council Capital Fund (\$150 million)
  - Empire State Economic Development Fund (\$20 million); and
  - Urban and Community Development Program (\$4 million)
  
- Excelsior Jobs Tax Credits (\$70 M)
  
- Regional Tourism Marketing Grant Initiative (I Love New York Fund (\$3 M)
  
- INDUSTRIAL DEVELOPMENT BOND CAP (\$350 M)
  
- Environmental Investment Program (\$1 M)

*Direct job commitments is the goal with all ESD programs and potential projects*

# **EMPIRE STATE DEVELOPMENT GRANT FUNDS**

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# Empire State Development Grant Funds



## \$174 Million Available in Round 2 Funding

- Regional Council Capital Fund (\$150 million)
- Empire State Economic Development Fund (\$20 million); and
- Urban and Community Development Program (\$4 million)

# Empire State Development Grant Funds



## Funds may be used for:

- Acquisition of land, buildings, machinery and/or equipment;
- Acquisition of existing business and/or assets;
- Demolition and environmental remediation;
- New construction, renovation or leasehold improvements;
- Acquisition of furniture and fixtures;
- Soft costs; and
- Planning and feasibility studies related to a specific capital project.

# Empire State Development Grant Funds



## Eligible applicants include:

- for-profit businesses
- not-for-profit corporations
- business improvement districts
- local development corporations
- public benefit corporations (including industrial development agencies)
- economic development organizations
- research and academic institutions
- Incubators
- technology parks
- Municipalities
- counties
- regional planning councils
- tourist attractions
- community facilities

# Empire State Development Grant Funds



## Project Cash Disbursements Methods and Other Information

- Funds may only be used for expenses incurred after an ESD incentive offer letter has been countersigned by the Applicant.
- Although funding is offered prior to project commencement as an inducement to undertake the project, funds generally are disbursed as reimbursement for expenses undertaken by the project.
- In accordance with State law a public hearing may be required if the project involves the acquisition, construction, reconstruction, rehabilitation, alteration or improvement of any property.
- The ESD Board of Directors reviews and approves contracts. The Public Authority Control Board may be required to hold a public hearing before a final contract is released.
- A \$250 application Fee, payable when funding is documented in an Incentive Proposal, and a one percent (1%) non-reimbursable commitment fee based on the grant amount awarded will be assessed to all awardees. The commitment fee will be due when the Applicant executes documents required for processing the grant.
- ESD generally seeks to provide no more than twenty percent (20%) of the financing for any particular project and generally requires ten percent (10%) equity in all projects. Projects that seek less than 20% ESD funding generally are viewed more favorably.

# **EXCELSIOR JOBS PROGRAM**

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# Excelsior Jobs Program



\$70 million in tax credits is available for economic development initiatives and projects that:

- Create or retain jobs
- Prevent, reduce or eliminate unemployment and underemployment
- Increase business activity in the community or region

*Excelsior program is Discretionary in that applicants may not be awarded the maximum allowable amount*

# Excelsior Jobs Program



*The Program is limited to firms making a substantial commitment to growth – either in employment or through investing significant capital in a NYS facility*

## Eligibility

### Job Growth Track:

- Targeted industries
  - Creating net new jobs
  - RSP (net new jobs & significant capital investments)

### Investment Track:

- Firms with at least 50 full-time equivalent employees
- Makes investment
- Meets a benefit-cost ratio of at least 10:1

# Excelsior Jobs Program



## Targeted “Activities” / Industries

*Firms in these industries that create and maintain new jobs or make significant financial investment are eligible to apply for up to four new tax credits.*

Biotech

High-tech

Clean-tech

Scientific R&D

Green tech

Financial services

Agriculture

Manufacturing

Back office operations  
center

Distribution

# Excelsior Jobs Program



## Job Growth Track

### EXCELSIOR MINIMUM ELIGIBILITY CRITERIA

Strategic Industry	Min Jobs	RSP Min Jobs & Investments	
Scientific R&D	10	20	\$6,000,000
Software Development	10	N/A	N/A
Agriculture	10	20	\$500,000
Manufacturing	25	50	\$5,000,000
Financial Services	100	300	\$6,000,000
Back Office	150	300	\$6,000,000
Distribution	150	300	\$30,000,000
Other	N/A	300	\$6,000,000

## Investment Track

Strategic Industries who make significant investment  
AND  
have and retain at least 50 full-time job equivalents

Minimum Benefit Cost Ratio = 10:1

Significant Capital Investment + wages(benefits )(net new jobs ) / Excelsior Tax Credits

# Excelsior Jobs Program



## Jobs Credit

- 6.85% of gross wages per net new job created

## Investment Credit

- 2% of qualifying investment

## R&D Credit

- 50% of federal R&D credit, up to max of 3% of R&D expenses in NYS

## Real Property Tax Credit

- Available to firms locating in certain distressed areas and firms in targeted industries that meet higher employment and investment thresholds.

**REGIONAL TOURISM MARKETING GRANT INITIATIVE  
( I LOVE NEW YORK FUND )**

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# REGIONAL TOURISM MARKETING GRANT INITIATIVE

## New CFA Program

- \$3 million available for projects that focus on promoting regional tourism destinations, attractions , events and other tourism activities in your region.
- Proposals must align with the Regional Council(s) strategic plan.
- Eligible Applicants include: Non-profit organizations, municipalities and public benefit corporations.
- Although funding is offered prior to project commencement as an inducement to undertake the project, funds are disbursed as reimbursement for expenses undertaken by the project sponsor.
- Recipients will work to co-brand with I LOVE NEW YORK and align to its marketing program and consumer message.
- This is a new program to the CFA in 2012, designed to assist Regional Council efforts in advancing strategic priorities identified in their strategic plans. This is in addition to and can complement the I LOVE NEW YORK campaign program.



# REGIONAL TOURISM MARKETING GRANT INITIATIVE

## ADDITIONAL RESOURCES/PROGRAM CONTACT

- Please contact the Department of Economic Development for additional details at 518.292.5360 and/or [RegionalTourism@esd.ny.gov](mailto:RegionalTourism@esd.ny.gov) .

# **INDUSTRIAL DEVELOPMENT BOND CAP**

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# INDUSTRIAL DEVELOPMENT BOND CAP



## 2011 CFA Results

- \$350 million of private activity bond volume cap set aside for 2011 CFA
- Cap was awarded to all regions on a project-specific basis.
- Non-project specific awards to North Country Region (\$40 million), Long Island (\$25 million) and Southern Tier (\$10 million).

# INDUSTRIAL DEVELOPMENT BOND CAP



## Program Description

2012 statewide private activity bond allocation authority under federal guidelines, dedicated to facilitate tax-exempt financing for qualified projects originating through Regional Economic Development Councils.

Must meet federal eligibility requirements which include:

- Multi-family and/or elderly rental housing for low income residents – if multi-family, what percent of the units are set aside for low income residents;
- Residential Rental Facilities;
- Small (less than \$10 million) manufacturing Projects;
- Local furnishing of electric energy or gas;
- Local district heating or cooling facilities;
- Sewage facilities and solid waste disposal facilities;
- First-time farmers property, equipment, and other capital improvements; and
- Utility projects, including water, sewer, electric and gas.

IDB Cap is available for state and local government issuers to sell tax exempt bonds for private projects that demonstrate a public purpose.

*\*\*Funding mechanism: Local Industrial Development Agencies act as conduit financiers by selling tax exempt bonds to private investors to fund economic development projects.*

# INDUSTRIAL DEVELOPMENT BOND CAP



## Applicant Eligibility Requirements:

Applicants/projects must meet eligibility requirements of authorized issuer (local IDA, or state agency issuer) for financial assistance, and

Projects must meet eligibility requirements of Internal Revenue Code sections 142-144, and 1394 , and related regulations pertaining to tax exempt bonds issues.

# INDUSTRIAL DEVELOPMENT BOND CAP



## Project Cash Disbursements Methods

Volume cap allocations made to / at request of local issuer (IDA) working with CFA applicant

# **ENVIRONMENTAL INVESTMENT PROGRAM**

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# Environmental Investment Program



## 2011 CFA Results

- \$1,000,000 Awarded
- \$4 projects at \$250,000 each

## Regions Awarded:

- ✓ NYC: Inland Paper Products & Action Environmental
- ✓ Capital Region: Ecovative Design
- ✓ WNY: RubberForm Recycled Products

# Environmental Investment Program



## Program Description

\$1 million available for recycling, pollution prevention and sustainable product development at businesses; resulting in economic benefits for the business and the community.

### 3 Project Categories

**Capital:** Non-profits or municipalities on behalf of NYS business. Businesses use EIP funded equipment to recycle/ prevent pollution.

**Technical Assistance (TA):** Non-profits or municipalities providing TA to groups of NYS businesses.

**Research Development & Demonstration (RD&D):** Businesses and non-profits under 500 employees or \$10 million in sales. RD&D to answer final questions between prototype and commercialization.

# Environmental Investment Program



## Ineligible Projects

- Environmental compliance or pollution control
- Energy conservation, energy recovery, incineration
- Clean-up or remediation of contaminated sites
- Processing out of process hazardous waste or substances
- Municipal waste treatment projects
- Municipal waste reduction or recycling project eligible for funding through NYSDEC
- Material Recycling Facilities for basic processing of residential recyclables with no intermediate or advanced processing

# Environmental Investment Program



## Funding Disbursement Methods

**Capital Funding:** A one-time reimbursement when agreed-upon project outcomes are achieved.

**TA and RD&D Funding:** Quarterly reimbursements as agreed-upon project outcomes are achieved.

A signed contract must be in place before any funding is disbursed.

# ESD MWBE Goals



Governor Andrew Cuomo signed Executive Order #8 establishing a team to explore ways to expand participation of Minority and Women Owned Businesses (MWBEs) in State contracts. The Governor also expressed his desire to see a 20% MWBE utilization rate in State contracts.

ESD is committed to meeting both the Governor's priorities and its obligation under Executive Law Article 15-A, which promotes the meaningful participation of MWBEs in State contracting. ESD has established a 23% goal for Regional Council awards. Historically, a substantial challenge impeding access by MWBEs to State contracting activities has been lack of clarity and consistency in State contract language to hold all contractors accountable for meeting their MWBE goals. For the first time, the State has implemented standardized MWBE contract and RFP language to address this problem. MWBE goals will be established on a contract-by-contract basis.

All Regional Council awards will contain appropriate goals and the MWBE model language to ensure that awardees are meeting their obligation under the law.

All awardees and contractors must document their "good faith efforts" to provide meaningful participation by MWBEs as subcontractors or suppliers in the performance of the contract. If a contractor is found to have willfully and intentionally failed to comply with the MWBE participation goals set forth in the contract, such a finding will constitute a breach of contract and the contractor will be held liable for liquidated or other appropriate damages.

# For More Information



**Consolidated Funding Application:  
<http://nyworks.ny.gov>**

**Email Empire State Development:  
[cfa\\_esd@esd.ny.gov](mailto:cfa_esd@esd.ny.gov)**

**Empire State** Development