



# Regional CFA Workshop

## Empire State Development

# ESD Programs



- Excelsior Jobs Tax Credits (\$70 M)
- Empire State Development Grant Funds (\$152 Million)
- Market New York (\$10 M)
- Business Incubator and Innovation Hot Spot (\$1.25 Million)
- ESD Technical Assistance and Training Grants – Opportunity Agenda Projects (\$1 M)
- Strategic Planning and Feasibility Studies (\$1 M)
- Environmental Investment Program (\$1 M)
- Industrial Development Bond Cap (\$350 M)

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

# **EXCELSIOR JOBS PROGRAM**

---

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

Biotech/Clean-Tech

High-tech

Green Tech

Scientific R&D

Financial services

Manufacturing

Agriculture

Software Development

Distribution center

Back office operations

# 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 investment  
AND  
have and retain at least 50 full-time job equivalents

Minimum Benefit Cost Ratio = 10:1

$\text{Capital Investment} + \text{wages}(\text{benefits}) (\text{net new jobs}) / \text{Excelsior Tax Credits}$

# 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.

# Excelsior Jobs Program



## Effective Date:

- The effective date of certification is no sooner than the award date
- Net new jobs created **after** effective date may be counted
- Qualified Investment made **after** effective date may be counted
  - Tangible property (including bldg or structural component of bldg.)
  - Owned by a business enterprise
  - Depreciable per Section 167 of the Internal Revenue Code
  - Useful life of four years or more
  - Has a situs in the State
  - Placed in service on or after certification effective date

*(Placed in service is defined by the IRS as when property is ready and available for a specific use, whether in a business activity, an income-producing activity, a tax-exempt activity, or a personal activity)*

# ESD GRANT FUNDS

---

# ESD Grant Funds



## \$152 Million Available in Round 3 Funding

- Regional Council Capital Fund (\$150 million); and
- Urban and Community Development Program (\$2 million)

# ESD Grant Funds



## Eligible Applicants

- 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

# ESD Grant Funds



## Program Objectives: Capital Projects

- **Business Investment:**
  - Capital expenditures that facilitate an employer's ability to create new jobs in New York State or to retain jobs that are otherwise in jeopardy.
  - Five-year job commitments.
  
- **Infrastructure Investment:**
  - Capital expenditures including transportation, water and sewer, communication, energy generation and distribution, parking garages.
  - Should show ability to attract new businesses and expand existing businesses.
  - Infrastructure investment projects that are able to provide direct job commitments will be viewed favorably.
  
- **Economic Growth Investment:**
  - Capital expenditures that foster economic growth through cultural activity, higher education activity, regional revolving loan and grant programs, other local or regional initiatives, agribusiness initiatives, improvements to commercial industrial and mixed-use facilities in highly distressed areas, commercial revitalization activities in central business districts or commercial strips, or other projects that may not have direct job creation goals.
  - Economic growth investment projects that are able to provide direct job commitments will be viewed favorably.

# ESD Grant Funds



## Project Costs (Eligible/Ineligible)

### Funds may be used for:

- Acquisition or leasing 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 capital project

**Funds may not be used for residential development, though this may be included in project budgets for multi-use developments**

# ESD Grant Funds



## Other Information

- ESD generally seeks to provide no more than twenty percent (20%) of the financing for any particular project and generally requires ten percent (10%) cash equity contribution after the award is made for all projects.
- Project budgets should include only costs for the specific project (or phase, if the project has multiple phases) for which funds are being requested via the CFA.
- The project should not begin, and expenses should not be incurred, prior to an award announcement.
- Although funding is offered prior to project commencement as an inducement to undertake the project, funds generally are disbursed in arrears, as reimbursement for expenses undertaken.
- A public hearing is required if the project involves the acquisition, construction, reconstruction, rehabilitation, alteration or improvement of any property.
- \$250 application Fee and one percent (1%) commitment fee based on the grant amount awarded will be assessed to all awardees.

# ESD Grant Funds



For more information contact:

your ESD Regional Office. You can find your regional office contact information at:

<http://www.esd.ny.gov/regionaloverviews.html>

# MARKET NY

---

# MARKET NEW YORK



## New CFA Program

- State budget includes **up to \$10 million** in new funding for the Market New York Program to help bolster tourism economic growth.
- The focus is on projects that best demonstrate regional collaboration to promote tourism destinations, attractions, existing and newly created special events. Additionally, Market NY will support capital grant funding for tourism facilities in New York.
- While this is one program there are **two separate funding tracks available**, each with different requirements and administrative reviews. Funding track are the following:
  - **Regional Tourism Marketing Competition**
  - **Tourism Facility Funding**

# MARKET NEW YORK



- **Regional Tourism Marketing track**--there is no match requirement for this program.
- **Tourism Facility Funding**—there is an 80% match, we will fund up to 20% of the total costs and 10% of the match must be cash injected by the Applicant or by investors. Projects that include a hotel, with more than 15 employees, as a principal function are required to demonstrate compliance with Section 2879-b of Public Authorities Law regarding labor peace.
- This grant program is a reimbursement grant. The applicant must be able to provide proof of financial ability to start the project.

## Eligibility

- Awarded competitively to regionally themed Regional Tourism Marketing efforts and Tourism Facility Funding that:
  - Promote tourism destinations, attractions, existing and newly created special events; and
  - Support Tourism Facility plans to expand, construct, restore or renovate regional tourism destinations and/or attractions.

# MARKET NEW YORK



- Successful projects must advance Regional Council strategies.
- Entities that may apply include: Not for profits, municipalities, Tourism Promotional Agencies (TPAs), public benefit corporations, and for-profit companies.

## Process

- Applications will be accepted through the Consolidated Funding Application (CFA).  
Funded Projects will be used to:
  - Promote Regional Tourism Marketing efforts and Support Tourism Facility Funding;
  - Support tourism destinations, attractions, existing and newly created special events that work to support the Regional Council strategic plans;
  - Attract visitors to New York State.
- Funds will be awarded based on scores from the ESD internal scoring committee and at the recommendation and consent of the relevant Regional Economic Development Council (REDC)

# MARKET NEW YORK



## ADDITIONAL RESOURCES/PROGRAM CONTACT

Please contact ESD  
[RegionalTourism@esd.ny.gov](mailto:RegionalTourism@esd.ny.gov)

# **BUSINESS INCUBATORS AND INNOVATION HOT SPOTS**

---

# NYS BUSINESS INCUBATOR AND INNOVATION HOT SPOT SUPPORT PROGRAM



\$1.25 Million Available in Round 3 Funding.

Successful applicants will be awarded operating grants to expand the services and programs provided to start-up companies served by the incubator.

- Up to Up to \$125,000 will be provided annually to entities designated as a New York State Business Incubator.
  - Ten awards are anticipated in this category for CFA Round Three funding (2013).
  
- Up to \$250,000 will be provided annually to entities designated as a New York State Innovation Hot Spot.
  - ESD is limited by statute to designating no more than five Hot Spots in fiscal 2013-14 with an additional five Hot Spots to be designated in fiscal 2014-15.

# NYS BUSINESS INCUBATOR AND INNOVATION HOT SPOT SUPPORT PROGRAM



## Program Objectives:

- Improve the quality and quantity of incubator services provided to young companies thereby enabling these businesses to successfully transition from their start up phase to large scale commercialization of their products and services.
- More effectively harness our innovation assets and better serve inventors and entrepreneurs.
- Innovation Hot Spots – Give targeted tax breaks to companies at their most vulnerable stage giving them the extra resourced needed to grow and be sustainable.

# NYS BUSINESS INCUBATOR AND INNOVATION HOT SPOT SUPPORT PROGRAM



## Eligible Applicants Business Incubators:

- Must currently be providing a business incubation program which has been in existence for three years.
- Applicants must provide a strategic plan for their incubator and its operations and demonstrate that their services align with industry best practices.
- Applicants must also agree to expand the services they provide to their tenant clients and demonstrate a 2:1 match of state funds.
- An entity may act as a lead entity and apply for designation in partnership with other incubators in the region.

## Innovation Hot Spots all of the above, and:

- All applicants must be affiliated with one or more colleges, universities or independent research institutions.

# NYS BUSINESS INCUBATOR AND INNOVATION HOT SPOT SUPPORT PROGRAM



Applications will be evaluated and judged using the following criteria:

- Alignment with regional strategies, priorities, assets and opportunities
- The additional resources which will be leveraged by state grant assistance
- The number of clients served
- Demonstrated success in graduating clients from the incubator
- Type and quality of services provided
- How well the services and programs offered by the incubator conform to best practices
- Effectiveness in accelerating the growth of start-up companies
- The financial and programmatic support of the institution or communities it serves
- Commitment and support of the business sector
- Demonstrated commitment to growing the entrepreneurial and innovation network

# NYS BUSINESS INCUBATOR AND INNOVATION HOT SPOT SUPPORT PROGRAM



For more information contact:

Michael Ridley  
Director Business Development  
Empire State Development, NYSTAR

518-292-5707  
[mridley@esd.ny.gov](mailto:mridley@esd.ny.gov)

**ESD TECHNICAL ASSISTANCE  
AND TRAINING GRANTS –  
OPPORTUNITY AGENDA PROJECTS**

---

# ESD Technical Assistance and Training Grants – Opportunity Agenda Projects



\$1 Million Available in Round 3 Funding

# ESD Technical Assistance and Training Grants – Opportunity Agenda Projects



## Eligible Applicants

- Not-for-profit corporations
- Community development organizations
- Economic development organizations
- Local development corporations

# ESD Technical Assistance and Training Grants – Opportunity Agenda Projects



## Program Objectives

- Grants of up to \$100,000 each to support the following types of programs:
  - technical assistance to local businesses; and/or
  - training and career development opportunities to local workers.
- Preference shall be given to projects supporting Regional Economic Development Council Opportunity Agenda priorities and located in highly distressed areas.
- Projects should focus on economic development purposes, such as increasing viability of existing businesses, stimulating new enterprises, training workers, providing career development opportunities, and analyzing potential development opportunities or obstacles to development.
- Projects should clearly define project scope, work plan, and anticipated results

# ESD Technical Assistance and Training Grants – Opportunity Agenda Projects



## Project Costs (Eligible)

Funds may be used for the following:

- Salaries, wages (including OJT), fringe
- Contractual services
- Marketing, outreach, advertising
- Rent, utilities
- Training
- Supplies and materials, travel
- Furniture, fixtures, machinery, and equipment

# ESD Technical Assistance and Training Grants – Opportunity Agenda Projects



## Other Information

- ESD requires ten percent (10%) cash equity contribution after the award is made for all projects.
- Project budgets should include only costs for the specific project (or phase, if the project has multiple phases) for which funds are being requested via the CFA.
- The project should not begin, and expenses should not be incurred, prior to an award announcement.
- Although funding is offered prior to project commencement as an inducement to undertake the project, funds generally are disbursed in arrears, as reimbursement for expenses undertaken.

# **ESD STRATEGIC PLANNING AND FEASIBILITY STUDIES**

---

# ESD Strategic Planning and Feasibility Studies



\$1 Million Available in Round 3 Funding

# ESD Strategic Planning and Feasibility Studies



## Eligible Applicants

- Cities
- Counties
- Municipalities
- Business Improvement Districts
- Local development corporations
- Not-for-profit economic development organizations

# ESD Strategic Planning and Feasibility Studies



## Program Objectives

- Matching Grants of up to \$100,000 each to support the following types of programs:
  - strategic development plans for a city, county, or municipality or a significant part thereof; and/or
  - studies for site(s) or facility(ies) assessment and planning.
- The program promotes economic development in the State of New York by encouraging economic and employment opportunities and stimulating development of communities and urban areas.
- Projects should focus on economic development purposes.
- Preference shall be given to projects located in highly distressed areas.
- Projects should clearly define project scope, work plan, and anticipated results

# ESD Strategic Planning and Feasibility Studies



## Project Costs (Eligible)

Funds may be used for the following:

- Salaries, wages, fringe
- Contractual services
- Architecture and engineering
- Marketing, outreach, advertising
- Rent, utilities
- Planning
- Supplies and materials, travel

## Other Information

- ESD requires ten percent (10%) cash equity contribution after the award is made for all projects.
- Project budgets should include only costs for the specific project (or phase, if the project has multiple phases) for which funds are being requested via the CFA.
- The project should not begin, and expenses should not be incurred, prior to an award announcement.
- Although funding is offered prior to project commencement as an inducement to undertake the project, funds generally are disbursed in arrears, as reimbursement for expenses undertaken.

# **ENVIRONMENTAL INVESTMENT PROGRAM**

---

# 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 funded equipment to recycle/ prevent pollution.

**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.

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

# Environmental Investment Program



## Ineligible Projects

- Energy production, recovery, conservation and efficiency, incineration, the processing of waste as refuse derived fuel, substituting lower cost energy sources, energy sales
- End of pipe pollution control technologies including practices and equipment to achieve compliance with NYS environmental conservation laws or regulations
- Clean-up or remediation of contaminated sites
- Recycling, reuse or processing of DEC regulated hazardous waste or hazardous substances that were not used in the company's own process
- Substitution of a hazardous substance or output with another with no net environmental benefit
- Storm water run-off mitigation
- Municipal waste treatment projects
- Municipal waste reduction or recycling projects eligible for funding through NYSDEC
- Collection and processing of non-industrial recyclables with no intermediate or advanced processing
- One-time pollution prevention or recycling outcomes

# Environmental Investment Program



For more information contact:

Environmental Investment Program

Empire State Development

Phone: 518-292-5340

Email: [environment@esd.ny.gov](mailto:environment@esd.ny.gov)

# **INDUSTRIAL DEVELOPMENT BOND CAP**

---

# INDUSTRIAL DEVELOPMENT BOND CAP



## Program Description

Up to \$350 million of the 2013 Statewide private activity bond allocation (“volume cap”) authority under federal guidelines, will be dedicated to facilitate lower cost tax-exempt bond financing for qualified projects by authorized State agency and/or local government issuers, or projects originating through Regional Economic Development Councils.

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



In order to receive the benefits of a tax-exempt interest rate, private borrowers and their projects must be eligible under one of the federally-recognized private activity bond categories described in Internal Revenue Code (IRC) sections 142-144, and 1394.

Such categories 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.

# INDUSTRIAL DEVELOPMENT BOND CAP



## Applicant Eligibility Requirements:

Applicants must be authorized issuers (e.g., local industrial development agency (IDA)) or agents of such authorized issuers (e.g., project applicants that have applied to/been induced by an authorized issuer for financial assistance).

Note: Where an applicant is not the authorized issuer, the authorized issuer must be included as an additional contact/co-applicant.

Projects must meet eligibility requirements of the federal Internal Revenue Code and any laws/ rules/ regulations governing the issuance of private activity bonds and the provision of financial assistance by the authorized issuer.



## Project Disbursements Method

Volume cap allocation award letter will be provided to local issuer (e.g., IDA) upon such issuer's notification to ESD that bond issuance date (closing) has been scheduled for the applicant project.

# ESD MWBE GOALS

---

# 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 asserted his goal to achieve an overall MWBE utilization rate of 20% in State contracting.

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 its Regional Council awards. Historically, inconsistent MWBE policies and procedures impeded MWBEs from full and fair access to State contracting opportunities. For the first time, the State has implemented standardized RFP and contract language to provide clarity and accountability with respect to MWBE requirements and hold contractors accountable to meeting their MWBE goals. The State has also provided unprecedented MWBE training to improve State agencies procurement officers' understanding of the provisions of Article 15-A.

MWBE goals will be established on a contract-by-contract basis. All Regional Council awards will contain appropriate goals and 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 State contract. If a contractor is found to have willfully and intentionally failed to comply with the MWBE requirements set forth in the contract, such a finding will constitute a breach of contract and the contractor may 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