



**Empire State
Development**



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ESD GRANT FUNDS

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\$175 Million Capital Grant Funding Available
in Round 6

ESD Grant Funds

Eligible Applicants

- 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

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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, parking garages, water and sewer, communication and energy generation and distribution.
 - 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.
 - If the employer will be an entity other than the Applicant, a third party guarantee of the Applicant's job commitment must be provided by the prospective employer and both the prospective employer and the third party guarantor must be found by ESD to be creditworthy.
- **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 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.

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Project Costs (Eligible/Ineligible)

Funds may be used for:

- Acquisition of land, buildings, machinery and/or equipment;
- Demolition and environmental remediation;
- New construction, renovation or leasehold improvements;
- Acquisition of furniture and fixtures;
- Soft costs of up to twenty-five percent (25%) of total project costs; and
- Planning and feasibility studies related to a specific capital project or site.

Ineligible Activities Include:

The following types of expenses may be included in budgets but shall not be eligible for reimbursement by grant funds:

- Developers fees;
- Training
- Residential development, although program funds may be used for the commercial component of a mixed-use project.

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Other Information

- 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.
- A commitment to undertake the project should not be made, and expenses should not be incurred, prior to award announcement.
- ESD generally seeks to provide no more than twenty percent (20%) of the financing for any particular project.
- ESD requires that the Applicant contribute a minimum of ten percent (10%) of the total project cost in the form of equity contributed after the Applicant's acceptance of ESD's incentive proposal.
 - Equity is defined as cash injected into the project by the Applicant or by investors and should be auditable through the Applicant's financial statements or accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project or grants from a government source.
- The Applicant must always disclose whether it is pursuing or intends to pursue multiple ESD funding sources, including grants, loans and tax incentives.



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- Notice of a funding award will be given initially in an award letter, which is followed by an incentive proposal outlining the terms of the award. The award is subject to approval of the ESD Directors and compliance with applicable laws and regulations.
- All Applicants will be requested to certify and agree that any decrease in the scope of work described in the Applicant's final CFA submission including, but not limited to, total project costs, jobs retained, and jobs created, may result in ESD's reduction of the award, in ESD's sole discretion, in an amount proportionate to any such decrease.
- All Applicants will be requested to certify and agree that any expansion of the scope of work described in the Applicant's final CFA submission including, but not limited to, total project costs, jobs retained, and jobs created, will not result in the increase of the award by ESD.
- Please note that awarded grants are **not transferable** and reimbursement payments may only be made to the awardee.
- A \$250 application fee (due when incentive proposal is signed) and one percent (1%) commitment fee based on the grant amount awarded (due after ESD Directors' approval, which usually occurs at project completion) will be assessed to all awardees.



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- Although funding is offered prior to project commencement as an inducement to undertake the project, funds are disbursed in arrears, as reimbursement for expenses undertaken.
- Please note that ESD's agency-wide MWBE utilization goal is 30%. Each project will be assigned an individual contract-specific goal, which may be higher or lower than 30%.
- A public hearing is required if the project involves the acquisition, construction, reconstruction, rehabilitation, alteration or improvement of any property.
- The Awardee will be obligated to pay for out-of-pocket expenses incurred by ESD in connection with the project, including, but not limited to, expenses related to attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, public hearing expenses and other requirements deemed appropriate by ESD.

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- Grant funds will be subject to pro rata recapture if property is sold within 5 years of disbursement of funds.
- Projects generally are presented to the ESD Directors once all project expenditures have been undertaken and disbursement of ESD assistance is sought.
- All required public approvals must be in place prior to the start of construction and approval by the ESD Directors, including State Environmental Quality Review (SEQR) and consultation with the State Historic Preservation Office, if applicable.
- Projects having a hotel as a principal function will be required to demonstrate compliance with Section 2879-b of Public Authorities Law regarding labor peace if funding is awarded.
- For projects with job creation and/or retention, job numbers will be verified using the employer's NY-45 and NY-45 ATT and/or payroll reports prior to disbursement of funds and annually thereafter through the required reporting period.

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For more information, eligible Applicants should contact the local Empire State Development Regional Office.

A complete list of the ESD Regional Offices can be found at:

<http://esd.ny.gov/RegionalOverviews.html>