

Empire State Development

Industrial Development Bond (IDB) Cap

Q. What is IDB Cap or “Bond Cap”?

A. Industrial Development Bond (IDB) Cap refers to the dollar limitation set by the federal government for each state for the issuance of tax-exempt private activity bonds for private projects that demonstrate a public purpose.

Q. Can I apply for funding for Strategic Feasibility studies and the Industrial Development Bond Cap at the same time?

A. Industrial Development Bond Cap applicants should have projects that have been vetted at the local issuer (e.g., IDA) level for eligibility. Ideally the CFA applicant should be the local issuer, with the project developer listed as a co-applicant or additional contact. This indicates to the reviewer that the project meets both the IDB Cap eligibility requirements of the federal Internal Revenue Code and the financial assistance eligibility prerequisites of the local issuer. If the project planning is not yet at the stage where the applicant is prepared to apply to a local issuer/IDA for financial assistance, it is not ripe for IDB Cap.