



**Empire State
Development**



Empire State Development

ESD GRANT FUNDS

5/9/2019

ESD Grant Funds

\$150 Million Capital Grant Funding Available
in Round 9

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

➤ Strategic Community Development Investment:

- Capital expenditures to promote strategic community development investments within a downtown, mixed-use commercial district in order to attract new businesses and expand existing businesses, thereby fostering further investment.
- Strategic community development investments include but are not limited to transportation, parking garages, water and sewer, communication and energy generation and distribution.
- Projects should demonstrate the ability to attract new businesses and expand existing businesses.
- Projects that are able to provide direct job commitments will be viewed favorably.

➤ Business Investment:

- Capital expenditures that facilitate an employer's ability to create new jobs or to retain jobs in New York State that are otherwise in jeopardy.
- Five-year job commitments.

➤ Economic Growth Investment:

- Capital expenditures that foster economic growth through cultural activity, higher education activity, agribusiness initiatives, other local or regional initiatives, planning or feasibility studies relating to a specific capital project or site, 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.

ESD Grant Funds

Project Costs (Eligible/Ineligible)

Grant 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 only be used for the commercial component of a mixed-use project.
- Block grant projects or revolving loan funds

ESD Grant Funds

Other Information

- A commitment to undertake the project should not be made, and expenses should not be incurred, prior to award announcement.
- Generally, applicants should not apply for, nor will be considered for, more than twenty percent (20%) of the financing for any particular project based on the eligible total project cost. Typically, awards will be less than 20% of the eligible total project cost and the likelihood of winning an award improves as the percentage of ESD assistance is reduced and private investment or other sources are better leveraged. Exceptions to this limit may be made at the sole discretion of ESD in cases where it is found that a project or projects will have an unusual or extraordinary regional or statewide impact.
- 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.

ESD Grant Funds

- 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 transferable at the sole discretion of ESD.
- 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.



ESD Grant Funds

- 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%.
- In 2014, the Service-Disabled Veteran-Owned Business Act was signed into law. The new law created the Division of Service-Disabled Veterans' Business Development in Office of General Services to certify, promote and encourage economic development among disabled veterans throughout the state. Project Applicants are urged to work with Service-Disabled Veteran-Owned Businesses (SDVOBs) and a directory can be found at <https://ogs.ny.gov/Veterans>.
- 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.



ESD Grant Funds

- 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.

ESD Grant Funds

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>



**Empire State
Development**



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Excelsior Jobs Program

5/9/2019

Excelsior Jobs Program

\$75 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

Discretionary – 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 investment)

Investment Track:

- Firms in targeted industries (except manufacturing) who retain at least 25 employees; manufacturing firms who retain at least 5 employees
- Makes investment
- Meets a benefit-cost ratio of at least 10:1

Excelsior Jobs Program

Targeted “Activities”/Industries

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

- Manufacturing
- Agriculture
- Software Development & New Media
- Scientific R&D
- Distribution Center
- Back office
- Financial Services
- Music Production
- Entertainment Company
- Life Sciences

Excelsior Jobs Program

Tax Credits:

- **Excelsior Jobs Tax Credit**
- **Excelsior Investment Tax Credit**
- **Excelsior Research & Development Tax Credit**
- **Excelsior Real Property Tax Credit**

Excelsior Jobs Program

Job Growth Track			
Excelsior Minimum Eligibility Criteria (Effective 4/10/2017)			
Strategic Industry	Minimum Jobs	Regionally Significant Project Minimum Jobs & Investments	
Scientific R&D	5	10	\$3,000,000
Software Development	5	N/A	N/A
Agriculture	5	10	\$250,000
Manufacturing	5	10	\$1,000,000
Financial Services	25	100	\$3,000,000
Back Office	25	100	\$3,000,000
Distribution	50	100	\$15,000,000
Music Production	5	N/A	N/A
Entertainment Company	100	200	N/A
Life Sciences	5	20	N/A
Other	N/A	150	\$3,000,000



Excelsior Jobs Program

Investment Track

Firms in Strategic Industries (except manufacturing) who retain at least 25 employees; manufacturing firms who retain at least 5 employees

Minimum Benefit Cost Ratio = 10:1

Total investment, wages and benefits / Excelsior Jobs Program Tax Credits

Excelsior Jobs Program

Effective Date:

- The effective date of the 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 building or structural component of building)
 - 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)

For More Information

**Resource Guide & Consolidated Funding
Application:**

<https://regionalcouncils.ny.gov/>

**Empire State Development Regional Office
Locations:**

<https://esd.ny.gov/regions>



**Empire State
Development**



Empire State Development

Strategic Planning and Feasibility Studies

5/9/2019

ESD Strategic Planning and Feasibility Studies

\$2 Million Grant Funding
Available in Round 9

ESD Strategic Planning and Feasibility Studies

Eligible Applicants

- Cities
- Counties
- Municipalities
- Business Improvement Districts
- Local Development Corporations
- Not-for-profit Economic Development Organizations*

*If awarded funding, prior to ESD Directors' approval and execution of a contract with ESD, a not-for-profit corporation must be registered and up-to-date with filings with the New York State Office of the Attorney General's Charities Bureau and the New York State Office of the State Comptroller's VendRep System and must be prequalified in the New York State Grants Gateway.

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
- Feasibility 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
- Supplies and materials
- Travel

Funds may not be used for site assessment or planning for residential development, although program funds may be used for a study involving for a mixed-use project.

Pre-Application Requirements:

Applicants must complete and submit a Consolidated Funding Application (CFA) for review by ESD and the Regional Council for the region in which the proposed project is located.

ESD Strategic Planning and Feasibility Studies

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.
- In accordance with the requirements of Article 15-A of the New York State Executive Law: Participation By Minority Group Members and Women With Respect To State Contracts by providing opportunities for MBE/WBE participation, projects awarded funding shall be reviewed by ESD's Office of Contractor and Supplier Diversity, which will set business and participation goals for minorities and women. Such goals shall typically be included in the incentive proposal.
- 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%. Should an Applicant receive a funding award, the Applicant shall be required to use good faith efforts to achieve the prescribed MWBE goals assigned to this project. Applicants must maintain such records and take such actions necessary to demonstrate such compliance.
- In 2014, the Service-Disabled Veteran-Owned Business Act was signed into law. The new law created the Division of Service-Disabled Veterans' Business Development in Office of General Services to certify, promote and encourage economic development among disabled veterans throughout the state. Project Applicants are urged to work with Service-Disabled Veteran-Owned Businesses (SDVOBs) and a directory can be found at <https://ogs.ny.gov/Veterans>.

ESD Strategic Planning and Feasibility Studies

- Notice of a funding award will be given in the form of an incentive proposal outlining the terms of the proposed assistance. The award is subject to approval of the ESD Directors and compliance with applicable laws and regulations. Project funding may only be used for expenses incurred after date that notice of the funding award is given. Applicants are strongly encouraged to review and countersign ESD's incentive proposal prior to starting the project.
- The essential terms for the assistance are included in the incentive proposal. Although funding is offered prior to project commencement as an inducement to undertake the project, funds are disbursed in arrears, as reimbursement for eligible project expenditures.
- 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.

ESD Strategic Planning and Feasibility Studies

- 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.
- Projects generally are presented to the ESD Directors once all project expenditures have been undertaken and disbursement of ESD assistance is sought.
- The Applicant must always disclose whether it is pursuing or intends to pursue multiple ESD funding sources, including grants, loans and tax incentives.
- All required public approvals must be in place prior to the start of construction (should the project result in construction) and approval by the ESD Directors, including State Environmental Quality Review (SEQR) and consultation with the State Historic Preservation Office, if applicable.

ESD Strategic Planning and Feasibility Studies

- Please note that awarded grants are transferable at the sole discretion of ESD.
- It is expected the project will proceed in the time frame set forth by the Applicant. If the implementation of a project fails to proceed as planned and is delayed for a significant period of time and there is, in the exclusive judgment of ESD, doubt as to its viability, ESD reserves the right to cancel its funding commitment to such project. If awarded, the Incentive Proposal expires two years from the date of acceptance by the Recipient. ESD reserves the right to require Recipient to provide any additional information and/or documentation ESD deems necessary and terminate the project at any point if the applicant fails to provide such documentation in a timely manner.
- Projects should focus on economic development purposes, such as increasing viability of existing businesses, stimulating new enterprises, and analyzing potential development opportunities or obstacles to development.
- Priority will be given to projects located in Highly Distressed Areas
 - In determining whether a project is in a highly distressed area, ESD considers whether the area is characterized by pervasive poverty, high unemployment, and general economic distress.

ESD Strategic Planning and Feasibility Studies

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

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MARKET NEW YORK – Tourism Grant Program

www.iloveny.com/MarketNY

5/9/2019

Market New York Program Goals

Funding Available: Up to \$15 Million

The Market New York Grant program's objective is to support:

- tourism marketing initiatives;
- capital/construction projects;
- recruitment, execution of new big events, meetings/conferences;
- conventions, festivals, athletic competitions and consumer/industry trade shows; and
- visitation connected to agritourism including the craft beverage industry.

Market New York Program Information

Entities that may apply for funding include not-for-profit corporations, municipalities, tourism promotional agencies (TPAs), public benefit corporations, and for-profit companies. *Individuals, SUNY schools & NYS agencies are not eligible to apply.

There are two categories of funding available under *Market New York*, each with varying requirements. Up to **\$15 million** is available for the following project categories:

1) Regional Tourism Marketing- \$7 million

Only minimum grant requests of \$50,000 or more will be considered

2) Tourism Capital- \$8 million

Only minimum grant requests of \$150,000 or more will be considered

Note: Applicants with projects with both marketing and capital elements **apply for both tracks**.

Market New York Program Information

Project plans (as an attachment to your CFA application) are essential to a successful Market New York project proposal!!!

Successful applications will demonstrate how:

- they plan to increase visitation and demonstrate a positive economic impact especially by enhancing the visitors' experience and increasing their likelihood to advocate for New York State as a travel destination;
- they will complement the goals and strategies of I LOVE NY:
 - ❖ Projects that market/promote/showcase, on at least a regional basis, New York State's:
 - +Unique, world-class destinations & unique special events;
 - +Broad array of available activities; and /or
 - +Strength in creating family memories through activities including but not limited to outdoor recreation, historic sites and museums, food and drink, festivals and the performing arts.

More information is available at www.iloveny.com/MarketNY

FUNDING INFORMATION

If awarded a Market New York Grant:

- Grantees should be prepared to subsidize the project for a term of at least 6 months;
- ESD will pay the grantee on a **reimbursement basis**, no upfront grant funds will be provided;
- Awarded grants are not transferable and payments may only be made to the awardee;
- All project expenditures must be shown to be spent directly from the grantees accounts;
- Use of the I LOVE NY logo will be required and all usage must be reviewed and approved by ESD;
- Each awarded project will be assigned an individual contract-specific MWBE goal, which may be **higher or lower** than 30 percent (30%).
- Projects that have been funded in three (3) consecutive rounds may be deemed ineligible (see Market New York Round 9 Guidelines for more information);
- Being awarded a grant does not imply approval of elements in the submitted project plan/budget;
- All projects will require that a Project Performance Measure report and a final report, be completed before a final reimbursement will be made;

FUNDING INFORMATION

- For projects with marketing expenses only reimbursement can be requested quarterly after executing a GDA/Contract;
- For projects with capital expenses:
 - reimbursement is made in a lump sum at the completion of the project;
 - \$250 application Fee, payable upon return/execution of Incentive Proposal;
 - 1% non-reimbursable commitment fee, due after grantee executes required documentation;
 - grantees will be required to pay for out-of-pocket expenses incurred by ESD in connection with the project.

SUCCESSFUL APPLICATIONS MUST:

- Read the full version of the Market New York Round 9 Guidelines www.iloveny.com/MarketNY
- Ensure your project proposal demonstrates all of the elements in the scoring criteria (Market New York Round 9 Guidelines);
- Include a project/marketing plan (*also for capital projects*): outlining the specifics of the project, how the project will increase tourism, a specific budget and (how the grant funds and the grantee equity is planned to be used), and any other information that the applicant would like to share with the scoring teams;
- Check that the budget in the project plan reflects the same total project costs indicated in budget section of the CFA application;
- Review your match & minimum grant requests- ensure that they meet the requirements;
- Don't wait until the final date of the CFA to submit your application- applications filed after the deadline are not accepted;
- Request a specific amount of money- ensure the area requesting funding is completed.

FOR MORE INFORMATION

- Email: RegionalTourism@esd.ny.gov
- CFA & Regional Council strategic plan information can be found at: <http://regionalcouncils.ny.gov/>
- Applicants can reference the most recent New York State Tourism Summit information and other Market New York materials at www.iloveny.com/MarketNY



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INDUSTRIAL DEVELOPMENT BOND CAP

5/9/2019

INDUSTRIAL DEVELOPMENT BOND CAP

A portion of New York State's annual 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 enumerated in the Federal Internal Revenue Code (IRC sections 142-144, and 1394).

Such categories include:

- Residential Rental Facilities:
 - Multi-family housing where at least 20% of the units must be set aside for low income residents; or,
 - elderly rental housing for low income residents.
- Small Issue (less than \$10 million) Manufacturing Projects;
- Solid Waste Disposal Facilities;
- Sewage Facilities
- Water Furnishing Facilities
- Local furnishing of electric energy or gas;
- Local district heating or cooling facilities;

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 on the CFA.

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.

Industrial Development Bond Cap

Time-Sensitive Projects/REDC Option

Most REDCs have been awarded discretionary recommendation authority over limited amounts of volume cap through the annual Regional Awards.

An **authorized issuer** with a time-sensitive, or other, project that meets the regional economic development priorities of its region is encouraged to apply for volume cap directly to its REDC, through ESD's regional office.

Upon the recommendation of the REDC, ESD can work with the Division of Budget to facilitate a timely allocation to the project's authorized issuer.

INDUSTRIAL DEVELOPMENT BOND CAP

Project Disbursements Method

Volume cap allocation award letter will be sent to local issuer (e.g., IDA) upon such issuer's notification to ESD that:

- the letter is needed in order to firm up financing commitments; and/or,
- the bond issuance date (closing) has been scheduled for the applicant project.

INDUSTRIAL DEVELOPMENT BOND CAP

Questions?

Contact:

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