

## 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.

**Q. Can I apply for an allocation of Industrial Development Bond Cap directly through my REDC?**

A. If you have applied for financial assistance through a local issuer (e.g., Industrial Development Agency (IDA)) and the local issuer has determined that additional IDB cap will be needed in order to issue tax-exempt private activity bonds for your project, the local issuer may request such additional IDB cap through the REDC via ESD’s regional office. The REDC may recommend approval of IDB cap allocations subject to its prior years’ regional awards balance, if any.