

Empire State Development

(Excelsior Jobs Program, ESD Grant Funds, Grants for Strategic Planning and Feasibility Studies, Business Incubator and Innovation Hot Spot Support Program, Market New York, and Federal Industrial Development Bond Cap)

Excelsior Jobs Program

Q. When can funds be used; when the award is announced or when the award letter is received?

A. Expenses incurred on or after the acceptance date of the Investment Proposal (IP) are included in the calculation of the Excelsior Program tax credit. Expenses incurred before the acceptance date of the IP are not eligible for tax credits.

Q. Can a business already taking the NYS investment tax credit also seek an excelsior tax credit?

A. A business may not claim both the investment tax credit component of the Excelsior Jobs Program and the “as of right” NYS Investment Tax and Employment Incentive credits on the same qualified investments. You must choose to claim one or the other and you should consult your tax advisor for guidance on this important decision. Once the decision is made, it is irrevocable. This does not preclude a business from qualifying for the Excelsior Jobs Tax Credit, the Excelsior Research and Development Tax Credit, or the Excelsior Real Property Tax Credit.

Q. Do all projects require a net new job commitment?

A. No, firms in targeted industries making a substantial commitment to growth – either in employment or through investing significant capital in a New York facility may qualify. If a firm is applying based on making a significant capital investment, it must meet minimum job retention criteria, make significant new capital investments in a New York facility and meet a benefit-cost threshold of at least \$10 of investment and new wages for every \$1 of tax credit.

Q. Could collaborating party, such as a bank agreeing to back a [personal] business venture, be eligible to apply for Excelsior Jobs Program?

A. No.

Q. Are the Tax Credits usually used up each year?

A. No.

Q. Are any particular manufacturing sectors being targeted or emphasized?

A. Yes, targeted manufacturing industries include biotechnology, pharmaceutical, high-tech, clean technology, green technology, and others.

Q. What is the verification process for determining whether the private employer is creating or retaining the jobs they said they've committed to?

A. The applicant entity completes a Performance Report annually that is reviewed by Program staff for each year credits are claimed. This Performance Report is reviewed along with other corroborating documents to substantiate that the commitments have been fulfilled.

Q. Is the funding given in advance? Can this be utilized for jobs created for the past investment projects?

A. No. Excelsior tax credits are performance based and not distributed in advance. The requisite commitments have to be met by the applying company before they can claim tax credits.

Q. At what point do new hires become existing employees?

A. Only employees hired after the business has been admitted into the Program can be counted as new hires. An eligible new hire is a full-time, permanent, private-sector employee on the Recipient's payroll who has worked at the Project Location for a minimum of 35 hours per week for more than six months of a year and is entitled to receive the usual and customary fringe benefits extended to other employees with comparable rank and duties.

ESD Grants Program

Q. When can funds be used; when the award is announced or when the award letter is received?

A. Eligible expenses will be reimbursed as of the award announcement.

Q. If my project is in a downtown area, am I to understand that even if my project is not located in the downtown selected for the DRI, the project may get special consideration because it is located in a downtown?

A. Priority consideration will be given to proposals which demonstrate they will advance downtown revitalization through transformative housing, economic development, transportation and community projects that will attract and retain residents, visitors and businesses – creating dynamic neighborhoods where tomorrow’s workforce will want to live, work, and raise a family.

Q. Would an infrastructure only project require a job commitment?

A. No. However, projects that are able to provide direct job commitments will be viewed favorably.

Q. In reference to ESD Grant Fund eligible costs: Can you provide examples of eligible costs?

A. 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 (up to 25%); Planning and feasibility studies related to a specific capital project or site.

Q. Is Facilities Engineering a capital cost?

A. Soft costs related to a specific capital project or site is considered a capital cost.

Q. Is there a maximum amount of funds that can be received or are there funding caps for projects?

A. ESD generally seeks to provide no more than 20% of the financing for any particular project.

Q. Are any particular manufacturing sectors being targeted or emphasized?

A. No.

Q. Why would money disbursement not be approved? Are you saying that if all criteria as agreed on are met, the money will be disbursed?

A. Funds will be disbursed when specific disbursement terms are met for a project.

Q. What is the verification process for determining whether the private employer is creating or saving the jobs they said they would in the grant?

A. To confirm employment, a company will be required to submit a NYS-45 form along with other documentation required by ESD.

Q. Is the funding given in advance? Can this be utilized for jobs created for the past investment projects?

A. Funding is not given in advance. No funding may be applied to expenses that were incurred prior to the award announcement.

Q. If a business may not get registered until later this year, can I use a conduit to file the application for funding?

A. No

Q. Is there any opportunity to ask for payment of overhead costs related to grants?

A. Yes

Q. Is software eligible for funding if a business is paying a staff to develop the software?

A. Soft costs related to a specific capital project or site is considered a capital cost.

Q. For grant funds for capital projects, what does a business do if it wants to buy equipment but they're not purchasing the equipment from a minority-based seller?

A. If a project is funded, MWBE goals will be established the project. Any equipment purchased prior to award announcement will not be eligible for reimbursement.

Q. Is there an online tool to be able to find MWBE's in NYS?

A. Yes. These resources will be provided to applicants subsequent to award announcements.

Q. At what point do new hires become existing employees?

A. **Full-time Permanent Employee:** (i) a full-time, permanent, private-sector employee on the Recipient's payroll, who has worked at the Project Location for a minimum of 35 hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary

fringe benefits extended by Recipient to other employees with comparable rank and duties; or
(ii) two part-time, permanent, private-sector employees on Recipient's payroll, who have worked at the Project Location for a combined minimum of 35 hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Recipient to other employees with comparable rank and duties.

Strategic Planning and Feasibility Studies

Q. When can funds be used; when the award is announced or when the award letter is received?

A. Eligible expenses will be reimbursed as of the award announcement.

Q. Can we apply if we have land?

A. Yes funding is available for working capital grants to support 1) strategic development plans for a city, county, or municipality or a significant part thereof and 2) feasibility studies for site(s) or facility(ies) assessment and planning.

Q. What's the timeline for grant submission? Is only planning and design funded? If planning and design is funded, can demolition and construction also be funded? What if it's a later phase of the project and the earlier phases weren't funded? What if they were?

A. The CFA will close on July 29, 2016. Under SPFS, the following are eligible project costs: salaries, wages, fringe benefits; contractual services; supplies and materials; and travel. Demolition and construction is not funded under SPFS. Applicants are free to apply for funding in future CFA rounds.

Q. If a project is a feasibility study, what is the maximum grant amount?

A. \$100,000

Q. How are funds dispersed for projects?

A. Funds are disbursed upon project completion in a lump sum. Funds may be disbursed in several disbursements if a hardship can be established.

NYS Incubator and Innovation Hot Spot Support Program

Q. Can an existing incubator receiving funding for expansion?

A. The purpose of this program is to provide funding to expand services and assist a greater number of early stage companies. Expansion does not include to construction and/or remodeling costs.

Q. Could an incubator specifically target worker cooperatives?

A. The business model and mission is up to the applicant. Applicants must demonstrate how they will meet the selection criteria and will be scored according to the methodology listed in the resource manual.

Q. Would the research and development center within a manufacturing company qualify for the ESD incubator program?

A. Eligible applicants must be a not-for-profit currently operating as an incubator. “New York State incubator” shall mean a business incubation program which provides physical space or virtual incubation.

Q. Will incubator funding also be in arrears or a monthly voucher?

A. This is a reimbursement program. The money is provided on a bi-annual basis as a reimbursement to eligible expenses being made that are in line with the application and proposed budget. That is why it is important for any incubator who is applying to be financially sound and able to carry (float) the expense of this program awaiting reimbursement.

Q. You said that in order to meet the three year existence rule you can partner with another Business Incubator. Can you partner with a Business Incubator from another Region?

A. Yes, in order to meet the three year requirement you can partner with a business incubator from another region. This partnership must be clearly demonstrated in the application.

Q. Can you partner with an incubator who has previously received funding?

A: Yes.

Q. What is Regional Incubator Leadership Assistance?

A. We expect any awardee to take leadership in the region promoting entrepreneurship activities and competitions. The applicant should actively inject their program into the ecosystem regarding tech commercialization, business development and entrepreneurship. Proposals should demonstrate partnerships within the region.

Q. What does “endorsements” mean?

A. Endorsements are from partners and/or other community leaders supporting your program. Endorsements should be in the form of a letter.

Q. When does your project have to be in by?

A. July 29th 4:00pm

Q. When are your letters of support due?

A. July 29th 4:00pm (attach the letters in one continuous PDF to upload)

Q. When can funds be used; when the award is announced or when the award letter is received?

A. Funds can be used at the start date of the contract which is *scheduled* to be effective January 1, 2017 for the Hot Spots and April 1, 2017 for the Incubators.

Q. If an existing incubator wanted to relocate would it need to seek a new designation as an incubator or would the status move with it?

A. If the incubator moves within its region and does not change the focus it competed for, it will retain its designation.

Q. In reference to NYS Business Incubator and Innovation Hot Spot Program: Can you define ‘NYS Incubator’? Does the business have to be an incubator in the conventional sense of the word?

A. “New York State incubator” shall mean a business incubation program which provides physical space or a virtual incubation program that has been designated upon application by ESD.

Q. Why would money disbursement not be approved?

A. Disbursement would be approved for all eligible expenses and any ineligible expenses will be denied.

Q. Is there any opportunity to ask for payment of indirect costs related to grants?

A. Indirect costs are capped at 15% of salary and fringe combined.

Market New York

Q. When can funds be used; when the award is announced or when the award letter is received?

A. Successful grantees for the Market New York grant will receive an award grant letter a few days following the award announcement. Since this is a reimbursement based grant, it is strongly advise that you first communicate with your Project Manager before spending against the grant to gain a better understanding of the grant requirements.

Q. Does the 30% MWBE goal also apply to funds sought for Travel and Marketing?

A. Goals will be applied to all Market New York projects, including those for Marketing. The 30% MWBE goal is a benchmark only as each individual project will be assigned a specific goal for their project, which could be higher or lower than 30%.

Q. In reference to Market New York Tourism Grant Program: Will this grant market my project as opposed to my organization having to market it?

A. No, the successful applicant will be initiating all proposed project plans, including marketing.

Q. Can you provide examples of eligible costs?

A. Please see examples of eligible and ineligible costs in the Market New York Guidelines that can be found at: www.iloveny.com/MarketNY

Q. Can a project to build shops, and increase tourism, be considered under the CFA?

A. Yes any project that is tourism related, can show a significant economic impact to the region, and can demonstrate the required match, is eligible to apply for Market New York.

Q. Is there a maximum amount of funds that can be received or are there funding caps for projects?

A. There is currently no minimum or maximum thresholds for the Market New York Grant program.

Q. Is there any opportunity to ask for payment of overhead costs related to grants?

A. No, overhead costs related to the grant are not eligible for reimbursement under the Market New York grant program

Q. Under the Market NY Program, are funds only available for bringing events to hold from outside NY State? Or, can it be for new ventures here?

A. Any "new" event would be considered--- we are specifically looking for events that haven't been held in the last 3 years and that will create a significant economic impact for the region.

Federal Industrial Development Bond Cap

Q. What is the timetable after awards are announced (since this is a bank) when the entity can begin its project?

A. ESD will mail volume cap allocation letters to the CFA awardee/authorized issuer of the bonds (e.g., IDA) upon notification from the authorized issuer that the project/entity is ready to close on the bonds. Allocation letters generally are sent within a week to 10 days after ESD notification, allowing for ESD to receive the volume cap allocation from the Division of the Budget.

In order to avoid problems created by allocating volume cap to projects that are not ready to close, ESD does not automatically mail IDB Cap award letters to successful CFA applicants. However, Awardees will be listed by region in the CFA awards booklet.

The Actual Volume Cap Allocation letters will be sent to the CFA awardee when needed, as follows:

- Notification to ESD that volume cap allocation is needed for closing, or moving forward with project financing;
- ESD will then request a transfer of volume cap from the NYS Division of Budget, referencing the volume cap award to the CFA applicant (or the directive from the REDC);
- Upon receipt of the transfer from DOB, ESD will issue the volume cap allocation letter to the CFA awardee, referencing the CFA award and/or directive from the REDC.

This process also makes it easier for a project that might not be able to close in the CFA award year, to get its allocation in the following year by merely referencing its CFA award.

Q. Can you provide examples of project applicants?

A. CFA bond cap applicants must be authorized issuers of tax-exempt private activity bonds, such as local industrial development agencies (IDA's), local economic development corporations, local housing authorities, or other authorized issuers under the federal Internal Revenue Code.

Entities with projects that may be eligible for tax-exempt private activity bond financing under the IRC (e.g., small issue manufacturing, residential rental facilities with an affordable housing component, solid waste disposal facilities) should first consult with such authorized issuers to determine whether:

- the project qualifies for tax-exempt bond financing under the IRC;
- the authorized issuer is eligible to issue bonds for that type of project; and,
- the authorized issuer must apply via the CFA for additional volume cap necessary to accommodate the project.

Q. Can you provide examples of types of private activity bonds/projects that can utilize (or are subject to) volume cap?

A. The following are some of the types of projects eligible for bond cap financing under the Internal Revenue Code:

IRC section 142 exempt facilities:

- mass commuting facilities
- facilities for the furnishing of water
- sewage facilities
- privately owned solid waste disposal facilities
- qualified residential rental projects
- facilities for the local furnishing of electric energy or gas
- local district heating or cooling facilities
- qualified hazardous waste facilities

IRC section 144:

- (a) qualified small issue (manufacturing) bonds
- (c) qualified redevelopment bonds