

# *Guidelines for Financial Assistance\**

## Empire State Development Long Island Investment Fund



**State of New York**

**Kathy Hochul, Governor**

**Empire State Development**

**President and CEO Hope Knight**

\*As amended on November 15, 2023.

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## **I. Overview and Background**

The FY 2023 New York State Budget includes a \$350M appropriation to support transformative projects in Nassau and Suffolk Counties (Long Island). This new fund is referred to as the “Long Island Investment Fund” (LIIF or the Program).

The Program will focus on large-scale, transformative projects that will have lasting impacts on Long Island and that are consistent with the strategic goals and priorities of the Long Island Regional Economic Development Council’s strategic plan and the “four strategic pillars” of Empire State Development. This includes projects that 1) have garnered community and State Legislator support, 2) will result in quality jobs, 3) leverage non-State investment, 4) are financially sound, and 5) can quickly begin. Funds will be directed towards purposes that may include, but not be limited to, support of manufacturing, agriculture, business parks, community anchor facilities, advanced technology, biotechnology and biomedical facilities, main street revitalization, and multi-family housing<sup>1</sup>.

In particular, the Program will focus on:

- Investment in main street revitalization that will have a clear nexus to economic growth, job creation or attraction of private sector investment.
- Expansion of transformative housing development opportunities to support regional industry growth.
- Positioning Long Island and New York State (NYS) to lead in cutting edge sectors, including innovation, biotechnology, life sciences, and biomedical investments. Projects could include initiatives to support early-stage innovation businesses and business plan competitions.
- Expansion of workforce development, training and career-focused educational opportunities for residents of Long Island from all backgrounds.

Empire State Development (ESD) will administer the LIIF and will coordinate the project selection process, application administration, and ongoing reporting by awardees. The Long Island Regional Council (LIREDC) will review applications and make recommendations. As it does with similar programs, ESD will make funding decisions, with priority given to projects that demonstrate the support of state legislators representing the areas surrounding proposed project locations. The purpose of this award decision structure is to assure that funding decisions include the input of affected communities and stakeholders.

To assist ESD, and to encourage robust public engagement, the LIREDC will conduct outreach and will conduct the initial vetting of LIIF projects. The LIREDC will make recommendations to ESD, in line with the project selection criteria.

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<sup>1</sup> Funding may be supplemented or increased with other sources for alignment with the mission of the intention of the Long Island Investment Fund.

## II. Definitions

- “Affiliate” shall mean any person or entity that directly or indirectly controls or is controlled by or is under common control or ownership with the specified party.
- “Applicant” shall mean the entity that is applying for ESD financial assistance.
- “Beneficiary” shall mean an entity who may occupy the project or in some way “benefits” from the financial award.
- “Eligible Area” shall mean the counties of Nassau and Suffolk in New York State.
- “Four strategic pillars: shall mean 1. Innovation 2. Placemaking 3. Workforce development and 3. Tradeable Sectors.
- “Grantee” or “Recipient” shall mean the party or parties awarded Program funds.
- “MWBE” shall mean a business that has been certified and currently holds a NYS certification as a minority and/or woman owned business.
- “MWBE goal” shall mean a specific goal as a percentage, and / or dollar amount of the NYS grant which shall be awarded to a certified MWBE.
- “Regional Workforce Development Center”: One or more new or renovated facilities dedicated to training Long Island’s workforce to meet the needs and opportunities of regional industry
- “Related Party” shall mean: (i) the party’s spouse, (ii) natural or adopted descendants of the party or of the spouse, (iii) any sibling of the party or of the spouse, (iv) the son-in-law, daughter-in-law, brother-in-law, sister-in-law, father-in-law, or mother-in-law of any of the foregoing, (v) any person sharing the home of any of the foregoing, (vi) any staff member, employee, director, officer or agent of the party, and (vii) Affiliates or subcontractors of the party.
- “Sponsoring Member(s)” shall mean the sponsoring New York State Assemblymember or Senator as identified in the application. In addition, “Sponsoring Member(s)” may include the Governor when appropriate.
- “The LI Regional Council Strategic plan” shall mean the document(s) approved by the REDC that serve as an economic blueprint for the region. These documents can be found at <https://regionalcouncils.ny.gov/long-island>
- “The Regional Council” (REDC) shall mean the LIREDC

- “Transformative Housing Development” shall mean a multi-family residential development (in one or more phases) of at least 100 units (including all phases). More than 25% of the total unit count would be restricted for families earning at or below 120% of the area median income, or more than 20% of the total unit count would be restricted for families earning at or below 100% of the area median income, or more than 10% of the total unit count would be restricted for families earning at or below 80% of the area median income.

### **III. Allocation of Funds Within the LI Investment Fund**

LIIF, totaling \$350M, will be allocated into three programs as follows:

1. **Transformative Projects** - \$250M.
2. **Business Plan Competition** - \$50M. Funds will support a regional Long Island Business competition and Accelerator Program, focused on the Life Science and Healthcare sectors.
3. **Workforce Development** - \$50M. Funds will support one or more Regional Workforce Development Centers.

#### **Transformative Projects (\$250M)**

To foster future regional development, \$250M will be allocated from the LIIF to support transformational projects. These projects must be aligned with the Long Island Regional Economic Development Council Strategic Plan, the four strategic pillars of Empire State Development and have the potential to support industry growth, including but not limited to local revitalization efforts, blight removal, job creation, workforce development and/or the creation of multifamily housing. These catalytic projects may be multi-year projects but must be either ready to commence construction within two years of being selected for funding or be completed within six years

Transformative projects will position Long Island and New York State (NYS) to lead in cutting edge sectors, including innovation, biotechnology, life sciences, and biomedical investments. Projects could include initiatives to support early-stage innovation businesses and business plan competitions

Transformative Housing Developments must be able to revitalize or redevelop communities by helping to support economic growth. Projects should provide increased access to housing options throughout the region. Projects will be prioritized that: 1. repurpose vacant office or industrial sites; 2 remove blight, 3. are near transit or downtowns, or 4. have a mix of uses.

Projects include grants to municipalities or developers for infrastructure necessary to support Transformative Housing Developments that are planned and entitled, including but not limited to sewer, water or parking infrastructure. These grants are not intended to fund the housing

units, but rather the infrastructure to accommodate the development. Projects located within municipalities that are designated Pro Housing by HCR will be prioritized.

<https://hcr.ny.gov/pro-housing-community-program>

#### Business Plan Competition (\$50M)

The Business Plan Competition will select promising new companies in life sciences, health technology, and medical devices that will be job creation engines in the region's future. The Business Competition will be operated by an entity selected through a competitive Request for Proposals (RFP) issued by ESD.

The \$50M LIIF allocation will provide funding for an annual business competition, for approximately five years. The Business Plan Competition will also leverage a Business Accelerator entity, which will work collaboratively with Long Island universities and research institutions to select life science start-up businesses that possess the potential for permanent high wage job creation and a high likelihood of successful technology commercialization. The Long Island business competition will be designed to complement other NYS business competitions.

#### Workforce Development (\$50M)

To foster workforce development, \$50 million will be allocated from the LIIF for the "development of one or more regional workforce training centers, to be modeled after successful centers throughout the country/state." Capital grants will be awarded from this LIIF allocation to support one or more entities that will build, equip and operate centers to train/retrain Long Island's workforce to meet the needs and opportunities of regional industry. Successful applicants will show an operating budget and a plan to work cooperatively with a wide variety of public and private training and education providers and workforce stakeholders to develop curriculum and offer hands-on training, in collaboration with workforce and industry partners. These centers should be centrally located in areas with access to transit and near populations identified with the greatest need. Goals should also align with the Long Island Strategic Plan (["Long Island REDC Phase II Sector-Based Strategies" report](#)).

ESD has identified several industries targeted for growth, including Biotech and Life Sciences, Cleantech and Renewable Energy, Craft Beverage, Tourism, Advanced Manufacturing, Agribusiness. Project(s) with focus on training in the identified industries and that lead to jobs within those industries will be prioritized.

The goal of such centers will be to work cooperatively with high schools, colleges, and universities and local industry to develop curriculum and provide hands on training for in demand workplace skills.

Applicants awarded grant funding will be required to track and record information relevant to the success of this grant. Data will be made available to ESD as requested. Data points to be captured and tracked are at the discretion of ESD.

Applicants awarded will be required to report outcomes data and metrics to demonstrate impact of the training and education program to ESD’s Office of Strategic Workforce Development (OSWD). Currently defined metrics include, but may not be limited to:

- Total enrollment and rate of program completion
- Credentials earned
- Job placement rate within a set time (three-six months), and distribution of placement by employer type, occupation, and skill level
- Participant earnings pre- and post-placement
- Participant demographics (if demographics have been voluntarily reported)
- Job/earning outcomes by demographic group (if available)
- Job retention at three, six, and 12-month periods

The full reporting standards and metrics will be made available to awarded applicants.

## **IV. Eligible Applicants**

### **Transformative Projects (\$250M)**

- Businesses involved in industrial, manufacturing, warehousing, commercial and distribution
- Research and development, high technology, service and other non-retail commercial enterprises
- Not-for-profits, including colleges and universities
- For-profit firms, including real estate development firms
- Local development corporations and industrial development agencies
- Municipalities

### **Regional Workforce Training Centers (\$50M)**

- Community-based organizations
- Not-for-profit organizations
- Chambers of Commerce and Trade Associations
- Certain Governmental Organizations (such as workforce development boards, Boards of Cooperative Educational Services (BOCES), municipalities, etc.)
- Higher educational institutions (public or private four-year colleges/universities, or two-year technical/community colleges)
- Career & technical education providers
- Organized labor training programs
- For-profit training providers

### **Eligible Projects and Uses of Funds:**

- Construction, expansion, and rehabilitation of facilities

- Acquisition of machinery and equipment
- Infrastructure and site development
- Design/engineering related to construction

### **Ineligible Projects and Uses of Funds:**

- Casino or gambling institutions
- Legal services
- Medical and Nursing services\*
- Retail firms with no other eligible components
- Refinancing
- Operating expenses

\*A project that provides medical services only is not eligible, but a project to expand research and development at a location that might also provide medical services could be eligible.

Applicants are strongly urged to contact Long Island ESD staff to discuss a potential projects eligibility and compliance with Program parameters.

### **Business Plan Competition (\$50M)**

- Eligible applicants will be articulated in a forthcoming competitive RFP

## **V. Project Selection Criteria**

Transformative projects will be reviewed based on the following criteria:

- Alignment with LIREDC strategy and the four pillars of Empire State Development
- Project Readiness
- For municipal applicants, projects in designated pro-housing communities will be prioritized
- Project Impact/Scale of Transformation (number of high-quality jobs, economic impact, income restricted housing units)
- Projects that clearly demonstrate the ability to create new Long Island based life science start-ups
- Number of permanent, high-quality jobs
- Ability to leverage prior NYS investment
- Amount of leveraged non-state funding sources, including demonstration that at least 50 percent of non-state funds are utilized
- Support of NYS officials (letters of support from Senators and Assemblymembers)
- Demonstrated local government and/or community support (if site plan approvals necessary process should be underway)



- Financial strength of applicant, and demonstrated ability to complete projects in a timely manner

Regional Workforce Development Center applications will be reviewed based on the following criteria:

- Project readiness
- Collaborations between industry and training partners
- Knowledge of industry sector workforce needs
- Proof of operational funding
- Experience of applicant institution and demonstrated capacity to complete the project
- Letters of support from elected officials and stakeholders

Selection criteria for the Business Plan Competition funding will be articulated in a forthcoming RFP.

## **VI. Grant Amounts**

- Competitive awards (excludes the Regional Business Plan Competition) - minimum \$2 million, maximum \$20 million
  - As noted above, 50 percent of total project costs must be sourced from non-state funds. For example, a \$10M LIIF award would support a minimum \$20M total project. As noted, this excludes the Regional Business Plan Competition and Workforce Development Programs.

NYS fully understands that in many cases, smaller projects can still be meaningful investments, and there are dedicated funding sources for such smaller projects. Applicants that do not qualify for LIIF are encouraged to contact ESD regarding resources for such smaller projects.

## **VII. Documentation Requirements and Ethics Disclosure**

Any interested applicant must fill out an ESD application for Financial Assistance [will add link to fillable PDF]. The application must be signed and notarized and the basis of an award decision will be information contained in this application. In addition, all applicants will be required to complete and sign a Disclosure and Accountability Certification clearly noting any conflicts of interest. The applicant's signed application will acknowledge that intentional submission of false or misleading information may constitute a felony under Penal Law.

The application will require information including but not limited to a concise project description, project location, evidence of site control, a schedule of measurable milestones, and financial information including: an organizational chart and list of owners, affiliates, related parties, and beneficiaries.

Applicants may be required to submit financial information such as tax returns, audited financial statements, and in some cases financial projections and a business plan.

## **VIII. Scoring and Project Review / Evaluation / Funds Disbursement**

Applicants will submit an application to ESD or to the LIREDC. The applicant may be asked to make a public presentation at which time they can describe the project and take questions from REDC members, ESD staff, and the public. The process will be open to the public, and highly transparent. These public presentations should support the materials contained in the application.

It is the goal of ESD to provide award notification approximately 60 to 90 days after an application is submitted. Projects may not commence until such award notice is received and acknowledged in writing. Projects that commence prior to such award notice could be deemed ineligible. These taxpayer funds are an inducement to proceed with a project and an applicant proceeding prior to award notice is a violation of ESD regulations.

The ESD award notification will outline the terms and conditions of the award and will include an MWBE utilization goal for every award. The applicant will be required to submit to ESD an MWBE utilization plan and ESD staff will work closely with awardees to meet the MWBE goals.

ESD funds, in general, will be disbursed upon the completion of all construction and issuance of a Certificate of Occupancy. All applicants are expected to secure adequate bridge or construction financing which can be reimbursed by ESD upon board approval. Following ESD board approval the applicant will receive a Grant Disbursement Agreement outlining disbursement conditions.

### **Additional Resources**

Please contact Empire State Development Regional Office 631-435-0717 for questions

Empire State Development email: [Cara.Longworth@esd.ny.gov](mailto:Cara.Longworth@esd.ny.gov)

NYS Regional Council website to review Strategic Plans: <https://regionalcouncils.ny.gov/>