

# *Guidelines for Financial Assistance*

## Empire State Development Long Island Investment Fund



**State of New York**

Kathy Hochul, Governor

**Empire State Development**

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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. Per the program appropriation language, 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, and main street revitalization<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.
- 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.
- “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.
- “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

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

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

1. **Transformative Projects** - \$250M.
  - a. \$100M for multi-year, catalytic, large-scale real estate development projects that must be ready to commence within three years of selection, or complete within seven years. Minimum award would be \$25M.
  - b. \$150M for all other transformative projects, with a minimum award of \$5M.
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 LIIIF to support transformational projects. Of which, \$100M will support large scale real estate development projects. These catalytic developments may be multi-year, and multi-phased, but must be either ready to commence construction within three years of being selected for funding or be completed within seven years. Additionally, \$150M will support all other transformative projects. These projects must have the potential to develop or redevelop communities and sites into transformative job creation engines.

#### **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 LIIIF 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)**

ESD will issue an RFP for the development and operation of one or more regional workforce training centers, to be modeled after successful centers throughout the U.S. A \$50M LIIIF

allocation will support one or more entities that will build and operate a center to train/re-train Long Island’s workforce to meet the needs and opportunities of regional industry.

The goal of such center will be to work cooperatively with high schools, colleges, and universities and local industry to develop curriculum and offer hands on training at a centralized location.

## **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
- Local development corporations and industrial development agencies
- Municipalities

### **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:**

- Residential with no other uses at the project location\*
- Casino or gambling institutions
- Legal services
- Medical and Nursing services\*
- Retail firms with no other eligible components
- Refinancing

\*Note: a project that is a stand-alone residential development is not eligible but a mixed-use development which includes a residential component could be eligible.

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

### Workforce Development (\$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
- 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

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

## **VI. Grant Amounts**

- Competitive awards (excludes the Regional Business Plan Competition and Workforce Development Center) -no less than \$5M.
  - 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

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