

Empire State Development County Infrastructure Grant Program



State of New York
Governor Kathy Hochul

Empire State Development
President and CEO Hope Knight

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I. Overview

The FY2025 New York State Budget includes \$50M for a new *County Infrastructure Grant Program* (the Program). The Program supports county-led infrastructure projects across the State, with enhanced awards for projects supporting the creation of housing.

The Program intentionally focuses on smaller-scale infrastructure projects which may lack standalone funding sources, but nevertheless are priority capital projects for counties. The Program is designed to invest in projects that: contribute to placemaking, support the creation of housing, and encourage visitation and tourism.

II. Eligible Applicants

Counties located in New York State, excluding the counties of Kings, Queens, Richmond, Bronx, and New York.

III. Eligible Projects and Uses of Funds

Small and moderate-scale priority infrastructure projects identified by the county which directly or indirectly support economic development, contribute to placemaking, or encourage tourism.

- Eligible uses of funds include:
 - Construction, expansion, and/or rehabilitation of municipal, utility, or other public property and/or ancillary infrastructure to support such developments;
 - Extension or reconstruction of road, water, sewer, or utilities;
 - Design or engineering costs related to construction (limited to 20% of total project cost);
 - Acquisition of machinery and equipment related to infrastructure projects;
 - Placemaking and beautification project costs;
 - Site preparation, demolition, acquisition of real property related to the county-led infrastructure project; and
 - Other capital uses as determined by Empire State Development (ESD)

IV. Ineligible Projects and/or Costs

- Any direct costs related to construction of buildings intended for private ownership;
- Routine maintenance and upkeep costs;
- The creation of revolving loan fund programs;
- Religious institution projects;
- Operating, marketing, or other non-capital costs;
- Wages for municipal employees;
- Costs incurred prior to the award of a Program grant; and,
- Other costs or expenditures deemed ineligible by ESD.

Applicants may contact their [ESD Regional Office](#) to discuss a potential project's eligibility and compliance with program parameters.

V. Project Selection Criteria

Projects will be reviewed based on the following criteria:

- Alignment with the local Regional Economic Development Council (REDC) goals and development priorities;
- Amount of leveraged funding sources, including demonstration that at least 50 percent of non-Program funds are utilized;

- Demonstrated local government, elected official, and/or community support;
- Project readiness. All projects must be ready to commence within one year of award; and,
- Project focus. Eligible projects may focus on: construction, expansion, and/or rehabilitation of municipal, utility, or other public property and/or ancillary infrastructure to support such developments, which may include related capital equipment, maintenance, repair, or extension of roads, water and sewer access, and utility access. All applicants must demonstrate how the proposed project directly or indirectly contributes to economic development, encourages tourism, and / or contributes to placemaking.

VI. Grant Amounts

All projects that do not directly support the creation of at least 10 new housing units are eligible for an award up to \$500,000.

All projects that directly support the creation of at least 10 new housing units are eligible for an award up to \$1,000,000.

Only one application and one grant are permitted per county, each round. Any unspent funds will be redeployed in future rounds, at the discretion of ESD.

VII. Documentation Requirements

The Program application must be submitted by the county's chief elected official. All applications must be complete, true, and accurate. Incomplete applications will not be considered. However, ESD, at its sole discretion, reserves the right to accept minor amendments and additions to applications.

The following documents must be included with the application:

- Project proposal;
- Letter of support from the chief executive and/or legislative resolution of the local municipality that maintains land use control over the proposed project site;
- Project budget and description of all associated funding sources;
- Third-party cost estimates; and,
- Letter of matching fund commitment(s).

The application will require information including, but not necessarily limited to, a concise project description, project location, evidence of site control, and a schedule of measurable milestones. ESD reserves the right to request additional information to aid in the evaluation of an application, including financial information such as an organizational chart and a list of owners, affiliates, related parties, and beneficiaries.

VIII. Scoring and Project Review / Evaluation / Funds Disbursement

ESD will review all applications and will provide award notifications. Project expenses that are incurred prior to the date of the ESD award will not be eligible for reimbursement and could result in the project being deemed ineligible.

The ESD award notification will outline the terms and conditions of the award and will include a minority and women-owned business (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 provide guidance regarding ways 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 (when applicable). All applicants are expected to secure adequate bridge 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.

IX. Award Criteria Details

- If the implementation of a project fails to proceed as planned, 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 granted, the award letter remains valid for two years from the date of acceptance. ESD reserves the right to require 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.
- In accordance with State law, after approval by the ESD Directors, a public hearing will be required if the project involves the acquisition, construction, reconstruction, rehabilitation, alteration, or improvement of any property. ESD will schedule a public hearing in accordance with the New York State Urban Development Corporation Act (“UDC Act”) and will take such further action as may be required by the UDC Act and other applicable law and regulations. The ESD Directors must reconsider the matter if any negative testimony is received at the public hearing. (Generally, this hearing occurs the month after the Directors’ initial approval). Approval by the Public Authorities Control Board (“PACB”), New York State Comptroller (“OSC”) and the New York State Attorney General (“AG”) may then be required. Following approval by the ESD Directors and PACB, OSC and AG approval, if required, the documents for processing the grant award will be prepared by ESD.
- The State Smart Growth Public Infrastructure Policy Act of 2010 requires that public infrastructure projects approved, undertaken, supported or financed by a State Infrastructure Agency, which includes ESD, to the extent practicable, are consistent with relevant Smart Growth Criteria specified in the law. Projects that involve ESD approval of funding for public infrastructure (e.g., publicly-supported roads, bridges, streetscapes, other transportation systems, drinking water, sewers, drainage systems, and utilities) will require the completion of a Smart Growth Impact Statement prior to approval of funding.
- A \$250 non-refundable application fee will be required prior to application submission and documentation of this payment is required as a part of the application. A one percent (1%) non-reimbursable commitment fee based on the grant amount awarded will also be assessed to all awardees.
- Grant funds originally awarded to projects that have since been cancelled or terminated will be repurposed for economic development projects by ESD at its discretion.