Rochester-Monroe Transformation Initiative

Program Guidelines

Adopted as of July 23, 2026

I. Overview

Throughout New York State's history, the City of Rochester and Monroe County have served as vital engines of economic growth. By the early twentieth century, the region had achieved global prominence as a center for innovation, anchored by the pioneering work of companies such as Eastman Kodak, Xerox, and Bausch & Lomb. These firms pioneered breakthroughs in photography, document technology, and optics that reshaped industries worldwide. For nearly a century, this concentration of industry leaders fueled extraordinary growth and prosperity. The region's economy supported a strong middle class, vibrant neighborhoods, and thriving commercial districts, while local universities and research institutions supplied a steady pipeline of skilled talent.

However, intensifying international competition, rapid technological shifts, and the decline of traditional manufacturing eventually led to corporate restructuring and downsizing across these legacy industries. As a result, the region experienced significant economic disruption, leaving behind underutilized industrial sites throughout the county and disinvestment in large swaths of Rochester's urban core.

Despite these challenges, Rochester and Monroe County have demonstrated resilience and a commitment to renewal. Public and private partners have advanced initiatives aimed at revitalizing downtown, restoring historic assets, and reconnecting the community with its waterfront and public spaces. Efforts such as "ROC the Riverway" have focused on unlocking the potential of the Genesee River corridor through investments in parks, trails, and riverfront development, helping catalyze new activity and interest in the city's core. These investments have begun to generate meaningful progress and are laying the foundation for a more diverse and innovation-driven regional economy.

While this momentum is encouraging, continued investment is necessary to fully realize the region's potential. Governor Kathy Hochul has announced $225 million for the Rochester-Monroe Transformation Initiative (RMTI) - a catalytic investment in the future. This initiative is designed to support transformative projects that strengthen economic foundations while unlocking new opportunities for residents and businesses. By reactivating underutilized sites, strengthening connections to the Genesee River, and supporting projects that foster safe and vibrant neighborhoods, the initiative will breathe new life into the region. Together, these efforts will help ensure that Rochester and Monroe County remain engines of growth, resilience, and prosperity for generations to come.

II. Eligibility Criteria

Eligible Applicants

- The City of Rochester;
- Monroe County;
- For-Profit Businesses and/or Developers;
- Not-for-Profit Entities;
- Local Public Authorities;
- Industrial Development Agencies (IDAs);
- Local Development Corporations (LDCs);
- Municipally Designated Economic Development Organizations (EDOs); or
- Business Improvement Districts (BIDs).

Eligible Projects Must:

- Be in Monroe County – with priority on projects within the City of Rochester;
- Have a minimum total project cost of $5M (inclusive of ESD funding);
- Include a minimum of non-State funding based on type of project sponsor:
    - Private: ESD will provide a maximum of 40% of the project cost;
    - Non-Profit: ESD will provide a maximum 60% of the project cost;
    - High-impact transformational projects may be considered for an enhanced incentive on a case-by-case basis. Note: projects that include a lower percentage of ESD-funding will be scored more favorably.
- Involve the applicant either having control of the site or having written consent from the ownership entity; and,
- Involve only capital-eligible expenses, such as permanent construction, structural renovations, and long-term equipment. Operating expenses, such as supplies, salaries or administrative costs, are not eligible for grant funding.

Eligible Costs

- New construction, renovation or leasehold improvements;
- Machinery and/or equipment;
- Demolition and environmental remediation;
- Furniture and fixtures;
- Public safety equipment for law enforcement, fire departments, and other first responder agencies;
- Soft costs of up to twenty-five percent (25%) of costs related to the eligible capital expenditures; and
- Other costs and expenditures deemed eligible by ESD.

Ineligible Costs

- Developer fees;
- In-kind costs;
- Improvements to currently occupied residential units;
- Overhead and indirect costs associated with the day-to-day operations of the applicant, including but not limited to:
    - Salaries and wages;
    - Rent/lease costs;
    - Marketing or advertising media costs;
    - Costs associated with completing an application; and,
- Other costs / expenditures deemed ineligible by ESD.

Example Projects

Potential projects include, but are not limited to:

- *Strategic Placemaking:* Improvements to waterfront, public spaces, community assets, or streetscapes that unlock private development and increase economic activity.

- *Adaptive Reuse:* The conversion of existing commercial office buildings or vacant properties of significance into mixed-use buildings with ground-floor commercial space and housing units on the upper floors.
- *Innovation Infrastructure:* Building shared state-of-the-art labs or facilities to support the region's leadership in high-tech innovation.
- *Public Safety:* Public safety equipment for law enforcement, fire departments, and other first responder agencies.

Ineligible Projects

Ineligible projects include, but are not limited to:

- Those that involve only repair, resurfacing, or cosmetic upgrades without broader transformative impact;
- Temporary attractions or projects that don't have a lasting impact on the city's economy, streetscape, or neighborhoods; or,
- Projects lacking site control, preliminary planning, or realistic implementation timelines.

Program Awards

- Minimum award of $2 million.

III. Selection Criteria

In addition to the criteria noted below, ESD shall have the discretion to consider additional factors in determining the relative merits of projects. ESD also reserves the right to consider additional project structures that provide high-impact transformative outcomes.

Projects should:

- Result in a transformational impact;
    - Result in clear economic benefits such as job creation, increased visitation, expanded housing or commercial activity, improved public spaces, and/or strengthened neighborhood vitality;
    - Be highly visible and accessible, creating places or experiences that residents and visitors can readily engage with and that help reshape public perceptions in a positive way; and,
    - Create benefits that extend beyond the project site, contributing to Rochester and/or Monroe County's broader revitalization and strengthening its role as a regional hub.
- Leverage additional investment;
    - Projects should have a clear path to leveraging private, philanthropic, or other public funding, maximizing the impact of state resources.
    - Projects that include a lower percentage of ESD-funding will be scored more favorably.
- Demonstrate long-term operational and financial viability to ensure that state-funded investments remain assets well beyond initial implementation.

IV. Applicant Requirements

Applicants are strongly encouraged to reach out to the ESD Finger Lakes Regional Office to discuss their project prior to submitting an application. Applicants must complete and submit a Consolidated Funding Application (CFA) for review by ESD. Expenses incurred prior to an award are not eligible costs and should not be included in project budgets.

Applicants must always disclose when pursuing, or intending to pursue, other public funding sources including grants, loans, and tax incentives.

V. Award Criteria Details

- The award is subject to approval of the ESD Directors and compliance with applicable laws and regulations. Project funding may only be used for expenses incurred after the date that notice of the funding award is given. Applicants are strongly encouraged to review and countersign ESD's incentive proposal prior to starting the project.

- All Applicants will be requested to certify and agree that any decrease in the scope of work described in the Applicant's final CFA submission may result in ESD's reduction or cancellation of the award, in ESD's sole discretion.

- All Applicants will be requested to certify and agree that any expansion of the scope of work described in the Applicant's final CFA submission including, but not limited to, total project costs, will not necessarily result in an increase of the award by ESD.

- The awarded grants are transferable at the sole discretion of ESD.

- The essential terms for the disbursement of assistance are included in the incentive proposal. Although funding is offered prior to project commencement as an inducement to undertake the project, funds are generally disbursed in arrears, as reimbursement for eligible project expenditures.

- Grant funds may be subject to pro rata recapture if property is sold within 5 years of disbursement of funds.

- It is expected the project will proceed in the time frame set forth by the Applicant. If the implementation of a project fails to proceed as planned and is delayed for a significant period of time 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. ESD reserves the right to require Recipient to provide any additional information and/or documentation ESD deems necessary and to terminate the project at any point if the applicant fails to provide such documentation in a timely manner.

- All required public approvals must be in place prior to the start of construction and approval by the ESD Directors, including State Environmental Quality Review (SEQR) and consultation with the State Historic Preservation Office, if applicable. Physical work on an ESD-funded project may not be started prior to the completion of any necessary environmental, historic and/or smart growth review.

- Pursuant to New York State Executive Law Articles 15-A and Article 3 of New York State Veterans' Services Law, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned business enterprises (MWBEs) and service-disabled veteran-owned businesses (SDVOBs) in the performance of ESD projects. The Recipient shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8 and 9 NYCRR § 252.2(n)) to achieve MWBE and SDVOB Participation. In addition, ESD's MWBE and SDVOB Participation/Equal Employment Opportunity Policy will apply to this program. Specific goals related to the total value of ESD's funding will be established on a grant-by-grant basis.

- ESD has an agency-wide goal of 30% for MWBE participation, 15% for New York State-certified Minority-owned Business Enterprise ("MBE") participation and 15% for New York State-certified Women-owned Business Enterprise ("WBE") participation (based on the current availability of MBEs and WBEs). ESD has an agency-wide goal of 6% for SDVOB participation, based on the current availability of qualified SDVOBs.

- 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. Notwithstanding the process outlined above, no project shall be funded if sufficient resources are not received by ESD for such project.

- A $250 Application Fee, payable when funding is documented in an Incentive Proposal, and a one percent (1%) non-reimbursable commitment fee based on the grant amount awarded will be assessed to all awardees. The commitment fee will be due when the Applicant executes documents required for processing the award, after approval by the ESD Directors. The Applicant will be obligated to pay for out-of-pocket expenses incurred by ESD in connection with the project, including, but not limited to, expenses related to attorney fees, appraisals, surveys, title insurance, credit searches, filing fees, public hearing expenses and other requirements deemed appropriate by ESD.

- Projects having a hotel as a principal function will be required to demonstrate compliance with Section 2879-b of Public Authorities Law regarding labor peace if funding is awarded. Public Authorities Law Section 2879-b prohibits public authorities from providing financing for any project that includes, as one of the principal functions, a hotel with more than fifteen employees unless a labor peace agreement ("LPA") is entered into with a labor organization representing hotel or convention center employees in the State, for a period of at least five years. An LPA is an agreement between the project developer (or its contractors) and a labor organization prohibiting the labor organization and its members from engaging in labor activities that disrupt the hotel's operations.