

Niagara Falls

City Business Loan and Grant Programs

New York

& Regional Resource Guide



City of Niagara Falls

Paul Dyster, Mayor



Department of Economic Development

Department of Community Development

745 Main Street, Niagara Falls, New York 14302

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Grants and Loans Overview Matrix

	Funding Source						Incentive Type					Business Type			Business Location					Eligible Costs												
Name	City NFC Corporation	City of Niagara Falls	City Community Development	Niagara County	New York State	Utility Companies	Federal Government	Loan	Loan/Grant Subsidy	Grant	Rebate	Tax Credit/Incentive	Commercial	Manufacturing	Retail	Must be City of Niagara Falls	Must be Community Development Zone**	Must be Empire Zone	Must be Niagara County	Must be Renewal Community	Real Estate	Machinery & Equipment	Project Costs	Soft Costs	Inventory	Working Capital	Energy Efficient Equipment	Façade Improvements	Exterior Code Violations	Energy Conservation	Building Rehabilitation	
Direct Loan Program								•					•	•	•	•					•	•	•	•								
City-Wide “Green Initiative”	•							•		•			•	•	•	•											•					
Micro-Enterprise Assistance Loan	•							•		•			•	•	•	•					•	•	•	•	•	•						
Renewal Community Incentives		•										•	•	•	•	•				•												
Minority & Women Business Enterprise	*							•		•			•	•	•	•					•	•		•	•	•						
Micro-Enterprise Assistance*	*							•		•			•	•	•	•					•	•		•	•	•						
Commercial Façade Rebate Program			•								•		•		•	•	•											•	•	•		
Commercial Loan Subsidy Program			•						•				•		•	•	•												•	•	•	
Niagara Economic Development Fund				•						•				•					•		•	•	•	•								
Real Property Tax Abatement		•										•	•	•		•																
Empire Zone Incentives					•	•						•	•	•	•	•		•														
Revolving Loan Program	*			•				•						•					•		•	•		•	•							
Link Deposited Program					•				•					•				•			•	•	•	•								
Statewide Zone Capital Corporation					•			•					•	•				•			•	•	•	•								
USA Niagara Grant Program*					•					•			•		•																	
Environmental Investment Program					•			•		•			•	•	•						*											
SBA (504) Direct Loan							•	•					•	•	•						•	•	•	•								

*Additional requirements can be found in this packet

**Zone details and map can be found in this packet

Section I: City Business Loan and Grant Programs

Introduction to Available Loan Programs

The City of Niagara Falls can provide qualified businesses in the City of Niagara Falls a wide variety of loan programs, which can assist in opening a new business or an existing business in its plans to expand. The object of these programs is to stimulate growth in the business and local economy through job creation or retention, broaden the City's tax base, and generate new business for years to come.

Loan Criteria

- Project must demonstrate the creation or retention of one job for every \$35,000 funded
- Applicant must present need as well as the ability to complete the project and repay the proposed loan(s)
- Applicant must be operating in the City of Niagara Falls
- Personal and Corporate guarantees are required by all lending institutions
- Applicant must be current with all real estate taxes
- Loans will be secured by fixed assets or other acceptable collateral

Benefits to Your Business

- Fixed asset financing
- Flexible, below market, fixed rate financing
- Long term subordinate debt
- Low equity injection

How to Get Started

The staff of the City's Department of Economic Development will screen potential projects, determine what funding criteria the project meets, and thus structure a financial package using available public programs and private financing. The staff through its established contacts with private and public lending agencies will work with you in preparing and submitting the application(s). Timetables will then be established in order for you to fully understand the time required to obtain all necessary approvals. Once financing is approved and the project is proceeding, the staff will work with you in order to assure a smooth completion of the project.

Direct Loan Program

Funding Source: NFC Corporation

Contact: NFC Development Corporation (716) 286-4480

The NFC Development Corporation can make limited direct loans to help complete/fill the gap of financial packages for projects, which create new permanent jobs or will have a significant impact on economic conditions in the City of Niagara Falls. Project must demonstrate the creation or retention of one or more jobs.

Eligible Costs

Capital Improvements, Machinery and Equipment, any necessary project costs - soft costs: legal, accounting, architectural,, etc.

Eligible Businesses

Commercial, manufacturing and retail

Rate/Term

The City staff will determine a loan rate necessary to make the project feasible. The term of each loan will generally reflect the useful life of the asset being financed.

Application Process

The loan application, when completed is summarized and a report and recommendation is presented to a Loan/Grant Review committee for final recommendation to the NFC Board of Directors. The NFC Board of Directors makes the final decision.

Loan Rate/Term

This is permanent financing which requires the borrower to arrange interim financing for the project.

Contact

NFC Development Corporation 745 Main Street, Room 17, Niagara falls, NY 14302 (716) 286-4480

Minority & Women Business Enterprise Loan

Funding Source: NFC Development Corporation

Contact: NFC Development Corporation (716) 286-4480

The City of Niagara Falls can make available up to \$25,000 in funds for minority -owned businesses operating in the City of Niagara Falls.

Project must demonstrate the creation or retention of one or more jobs.

Eligible Costs

Capital improvements, Machinery and Equipment, Inventory, Working Capital, any necessary project soft costs: legal, accounting, architectural, etc.

Eligible Businesses

Commercial, Manufacturing and Retail.

Rate/Term

The interest rate will be fixed at a Rate necessary to make the project feasible at the time of commitment. The term of each loan will generally reflect the useful life of the asset being financed.

Application Process

All completed applications must first be submitted to the NFC Development Corporation for completeness review. A summarized report and recommendation will then be presented to a Loan/Grant Review Board for final recommendation to the NFC Board of Directors. The NFC Board of Directors makes the final decision.

Contact

NFC Development Corporation, 745 Main Street, Room 17, Niagara Falls, NY 14302 (716) 286-4480 or 286-4481

Micro-Enterprise Assistance

Funding Source: NFC Corporation/Casino Revenue Funds

Contact: NFC Development Corporation (716) 286-4480

Based on the availability of Casino revenue funding, the City of Niagara Falls can provide financial assistance to establish a new micro enterprise or assist an existing micro enterprise operating in the City of Niagara Falls. "Micro Enterprise" means a business hiring five or fewer employees, one or more of whom owns the business.

Assistance can be in the form of a loan (maximum \$25,000) or a fifty percent (50%) matching grant up to \$10,000. Project must demonstrate the creation or retention of a minimum of one new FTE over a three year period.

Eligible Costs

Capital Improvements, Machinery and Equipment, Inventory, Working Capital, any necessary project soft costs: legal, accounting, architectural, etc.

Eligible Businesses

Commercial, Manufacturing and Retail

Eligible Applicants

Business owners who have meet the following criteria:

- 1) Graduate of a multi week educational program offered through the City of Niagara Falls or Niagara County's educational program or;
- 2) AAS degree or higher in Business or;
- 3) Three years direct management experience in the type of business being opened.

Loan Rate/Term

The interest rate will be fixed at a Rate necessary to make the project feasible at the time of commitment. The term of each loan will generally reflect the useful life of the asset being financed.

Grant

The applicant must demonstrate need for the grant to complete the project. Approval and need for a grant will be at the sole discretion of the NFC Development Corp.

Application Process

All completed applications must first be submitted to the NFC Development Corporation for completeness. A summarized report and recommendation will then be presented to a Loan/Grant Review Board for final recommendation to the NFC Board of Directors. The NFC Board of Directors makes the final decision.

Contact

NFC Development Corporation 745 Main Street, Room 17, Niagara falls, NY 14302 (716) 286-4480

City Wide “Green Initiative”

Funding Source: NFC Corporation/Casino Revenue Funds

Contact: NFC Development Corporation (716) 286-4480

Based on the availability of Casino revenue funding, the City of Niagara Falls can provide financial assistance to assist in the construction or retrofitting of buildings to create a high performance building. The NFC Corporation will provide low interest loans to qualified business property owners.

The assistance will be in the form of a low interest loan up to a maximum of \$25,000 and a grant in the form of twenty percent (20%) reduction in the loan amount available upon demonstrated evidence of energy savings of 10% or greater based on past history.

Eligible Costs

Acquisition and installation of energy efficient equipment and products intrinsic to the building. These products can include heating/air condition equipment, lighting, weatherization, solar/wind energy among others.

Eligible Businesses

Commercial, Manufacturing and Retail properties in the City of Niagara Falls.

Eligible Applicants

Individual, partnership, limited partnership, limited liability company (LLC) or a corporation that owns the property to be assisted.

Loan Rate/Term

The interest rate will be fixed at a Rate necessary to make the project feasible at the time of commitment. The term of each loan will generally reflect the useful life of the asset being financed.

Grant

Approval of the grant is based on a demonstrated 10% reduction of energy costs. It will be determined at the sole discretion of the NFC Development Corp. The NFC evaluations will be based on a review of demonstrated energy costs savings after six months of operation.

Application Process

All completed applications must first be submitted to the NFC Development Corporation for completeness. A summarized report and recommendation will then be presented to a Loan/Grant Review Board for final recommendation to the NFC Board of Directors. The NFC Board of Directors makes the final decision.

Contact

NFC Development Corporation 745 Main Street, Room 17, Niagara falls, NY 14302 (716) 286-4480

Renewal Community Tax Incentives

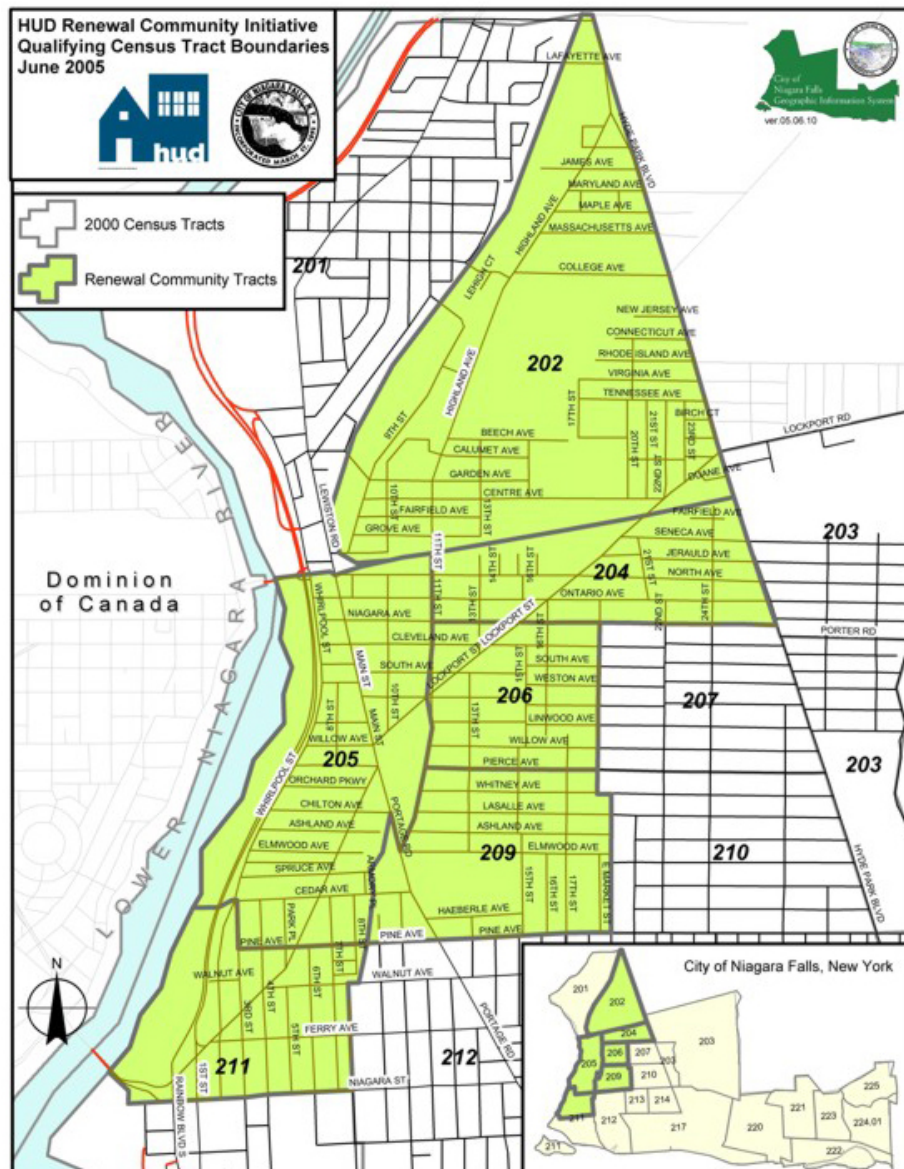
Funding Source: City of Niagara Falls

Contact: Tom Tedesco, Department of Economic Development: Renewal Community (716) 286-4482

The Community Renewal Tax Relief Act of 2000 authorizes up to 40 renewal communities in which businesses will be eligible for federal tax incentives. The tax incentives will be available January 1, 2002, through December 31, 2009.

Businesses that qualify and operate in a renewal community designated census tract in the City of Niagara Falls will be eligible for the following tax incentives.

- *Renewal community employment credit*
- *Increased sections 179 deduction*
- *Commercial revitalization deduction*
- *Capital gain exclusion*



Map of Eligible Renewal Communities

Renewal Community Employment Credit

The renewal community employment credit provides businesses with an incentive to hire individuals who both live and work in a renewal community. You can claim the credit if you pay or incur "qualified wages" to a "qualified employee." The credit is for wages paid or incurred after 2001.

The credit is 15% of the qualified wages paid or incurred during a calendar year. The amount of qualified wages you can use to figure the credit cannot be more than \$10,000 for each employee for each calendar year. As a result, the credit can be as much as \$1,500 (15% of \$10,000) per qualified employee each year.

Increased Section 179 Deduction

Section 179 of the Internal Revenue Code allows you to choose to deduct all or part of the cost of certain qualifying property in the year you place it in service. You can do this instead of recovering the cost by taking depreciation deductions over a specified recovery period. There are limits, however, on the amount you can deduct in a tax year.

You may be able to claim an increased section 179 deduction if your business qualifies as a renewal community business. The increase can be as much as \$20,000 (\$35,000 for 2002 and later years). This increased section 179 deduction applies to "qualified renewal property" you acquire after December 31, 2001, and before January 1, 2010, and place in service in a renewal community.

Commercial Revitalization Deduction

You can choose to treat qualified revitalization expenses chargeable to a capital account for any qualified revitalization building in either of the following ways:

1. Deduct half of the expenses for the tax year the building is placed in service, or
2. Amortize all the expenses over a 120-month period beginning with the month the building is placed in service.

Capital Gain Exclusion

If you hold a qualified Renewal community asset more than 5 years, you will not have to include any "qualified capital gain" from its sale or exchange in your gross income. This exclusion applies to an interest in, or property of, certain businesses operating in a renewal community.

Commercial Facade Rebate Program

Funding Source: Community Development

Contact: Community Development (716) 286-8801

Eligibility

1. Applicant must own or lease a commercial building in one of the target areas listed below:
 - Pine Avenue - Main St. to Hyde Park Blvd.
 - Main Street - Rainbow Blvd. to Ontario Ave.
 - Niagara Street - Third St. to Hyde Park Blvd.
 - East & West Market Streets
 - Highland Avenue from Grove Ave. to Garden Ave.
 - Third Street – Main Street to Niagara Street & Rear alley on West side of street only
 - Buffalo Avenue – 56th Street to LaSalle Expressway Ramp (Casino revenues only)
 - Cayuga Dr. – LaSalle Expressway Ramp to so. Military rd. (Casino Revenues only)
2. All property taxes (City, County and School) and water/sewer charges must be current.
3. All code violations must be corrected prior to receipt of the funds.

Rehabilitation Priorities

All facades must be rehabilitated in compliance with established City approved design standards. Structural and decorative elements, signs, building color, windows and doors are examples of eligible facade improvements.

Additionally, the following items may be included in the plan:

- exterior code violations
- energy conservation measures

Rebate

Community Development will reimburse the owner for 50% of the project costs, up to \$10,000 for projects located on Pine Avenue, East and west Market St, Niagara St, Main St and Highland Avenue, Buffalo Ave, Cayuga Dr.

And Third St. Funding is available on a first come – first served basis based on the date of execution of a rebate agreement with the City.

Rebates will be processed upon receipt of certification that construction is complete, including the correction of code violations and upon receipt of proof of payment in full to the contractor(s) (invoices & cancelled checks only)

Design Architect

The City has retained a registered architect to provide a preliminary design rendering of proposed façade improvements at no cost to the owner.

After approval of renderings by owner, construction drawings will be prepared upon receipt of a \$250 refundable deposit from owner.

Note: The deposit is not refundable if owner withdraws from program.

Application

Please contact the Community Development Department.

Contact

Department of Community Development 1022 Main Street, Niagara falls, NY 14302 (716) 286-8801

Commercial Loan Subsidy Program

Funding Source: Community Development

Contact: Community Development (716) 286-8801

The objective of the Niagara Falls Community Development Commercial Rehabilitation Program is to provide an incentive for private property owners and lease tenants to rehabilitate their commercial buildings in such a way that the character and quality of their buildings can be improved and stabilized. Commercial loan subsidies will be made available to correct code violations in designated commercial areas on a first come, first served basis.

The program requires that the applicant qualify for and obtain a loan from a local lending institution. The Community Development's subsidy will be calculated based on the terms of the bank loan. The maximum loan that will be subsidized is \$50,000. The following guidelines constitute the basic operating procedures of the program.

Rehabilitation Priorities

- Code violations that create hazardous conditions regarding safety or health, e.g. basic heating, plumbing, roofing, or electrical systems.
- Energy saving measures.
- Incipient code violations

Eligibility

Applicant must own or lease a commercial building within the designated C.D. target areas and mortgage or lease must be in good standing. Term of the lease must be equal to or greater than the term of the loan.

All property taxes (City, County and School) and water/sewer charges must be current.

Subsidy of Bank Loan

Community Development provides a subsidy to the applicant in an amount equal to the result of a theoretical reduction in the interest rate of the commercial loan by five (5) percentage points. This amount will be provided as a rebate to the applicant at project completion.

Please note that the terms of the private loan are not modified by this subsidy.

Subsidy of Private Funds

Where the applicant chooses not to obtain a bank loan, he or she may be eligible for a rebate for the private portion of the rehabilitation cost. In situations where the applicant is privately financing the project, the rebate is calculated as if the owner had borrowed the funds at prime + 1% for five (5) years.

Limitations

Maximum loan to be subsidized by City may not exceed \$50,000.00 per building.

Loan proceeds must be used for capital improvements that are fixed improvements to the property. The following items cannot be included in the subsidy calculation - replenishing or furnishing of stock, inventory, business vehicles, advertising, promotional services, furniture, fixtures or equipment.

Contact

Department of Community Development 1022 Main Street, Niagara falls, NY 14302 (716) 286-8801

Real Property Tax Abatement (485-b)

Funding Source: City of Niagara Falls

Contact: City of Niagara Falls Assessor's Office (716) 286-4380

The City of Niagara Falls offers a real property tax abatement for certain commercial and industrial projects. This incentive authorizes a partial exemption from real property that increased in value due to alterations or improvements to the property.

Exemption Amount

The amount of exemption is for 10 years in which the first year is 50% of the increase in assessed value attributed to the eligible improvements then it decreased by 5% in each of the remaining 9 years.

Application Process

The application should be filed with the City Assessor on or before the appropriate taxable status date within one (1) year from date of completion.

Contact

The City of Niagara Falls Assessor's Office (716) 286-4380

Funding Source: New York State

The Empire Zones Program was established by the Economic Development Zones Act of 1986, and was most recently amended in 2009. The primary objective is to stimulate economic growth and job creation in regionally distressed areas.

In addition to business tax incentives, in cooperation with the major utility companies across New York State, discounts on electricity and gas services may be available to zone certified businesses.



20:1 ratio for any non-manufacturing business to be certified

10:1 ratio for manufacturers to be certified.

Note: The Empire Zone program is scheduled to sunset June 30, 2010.

Wage Tax Credit (Form IT-601 or CT-601)

Certified EZ businesses are eligible for up to five (5) years for a wage tax credit for newly created full time jobs. The wage tax credit is \$3,000 for employees in targeted groups; \$1,500 wage tax credit for employees in a non-targeted group. The employee must work a minimum of 1/2 of the company's tax year to qualify. Contact: New York State Department of Labor – Janice Skotarczak, 716-851-2684

Investment Tax Credit (IT-603/IT605 or CT603/CT-605)

Certified EZ businesses are eligible for a one-time refundable investment tax credit for investment costs (property acquisition, construction, renovations, machinery and equipment acquired by purchase, has a useful life of 4 years and must be depreciable under Internal Revenue code). This credit is equal to 10% of the investment for corporations and 8% for personal income tax. For Manufacturing, Research & Development and Financial service businesses only. Retail and commercial are not eligible. Property must be located in the Zone and principally used more than 50% by the taxpayer. Note: Leased property does not qualify.

Employment Incentive Credit (IT-603/IT605 or CT-603/CT-605)

An additional investment tax credit for up to three (3) years for increased employment, equal to 3% of the initial investment (30% of the investment tax credit) is available to employers in the Empire Zone who employ 101% of the number of people employed in the year before the investment tax credit was claimed. (Retail is not eligible) ****This credit applies to franchise tax and business corporations only.**

Sales Tax Refund for Building Materials (AU-11)

The purchaser of building materials is eligible for the NYS (4.00%) and Niagara County (4%) sales tax exemption on the purchase of building materials that are incorporated into a qualifying commercial or industrial structure (in connection with construction, expansion or rehabilitation of properties in the Empire Zone). ****Does not apply to residential property.**

Tax Reduction Credit (IT-604 or CT-604)

The Tax Reduction Credit is applied against business related income (corporate taxes, personal income taxes, banking corporation taxes or insurance corporation taxes. This credit is computed by a formula based on the number of increased jobs, the company's assets in the zone and in the State and income taxes owed by the company. This credit is available for a 15 year period; 10 years at 100% and decreasing 20% each year thereafter.

Real Property Tax Credit (IT-606 or CT-606)

A Business who is certified and eligible will receive a real property tax credit equal to 75% of the amount calculated pursuant to the statute.

Sales Tax for Qualified Empire Zone Enterprise (QEZE)(DTF-81)

A qualified business must file form DTF-81 to receive sales tax in the form of a credit or refund.

Employment Test Eligibility

A certified business must meet their employment test eligibility to maintain or exceed their employment base.

- Test Date – Date a business becomes certified
- Test Year – Your last taxable year ending before test date
- Base Period – Employee average for five years immediately preceding the test year

Zone Capital Tax Credit

A 25% tax credit is available to taxpayers who make eligible investments in or contributions to a certified zone business; an approved community development project or an approved local loan or equity fund.

Local Contact : Clara Dunn, Empire Zone Coordinator (716) 286-4481

City of Niagara Falls Contact Information

Department of Economic Development

NFC Development Corporation

745 Main Street, Room 17
Niagara Falls, New York 14302

Peter Kay: *Director of Economic Development*
Phone: 716-286-4490
Email: Peter.kay@niagarafallsny.com

Frances Lusi: *Director of Business Development*
Phone: (716) 286-4480
Fax: (716) 286-4484
Email: Frances.lusi@niagarafallsny.gov

Joseph Collura: *Economic Development Professional*
Phone: (716) 286-4313
Fax: (716) 286-4485
Email: joseph.collura@niagarafallsny.gov

Planning & Environmental Services

Thomas DeSantis: *Senior Planner*
Phone: (716) 286-4477 or 4470
Fax: (716) 286-4485
Email: tdesantis@nfez.org

Empire Zone

Clara Dunn: *Zone Coordinator*
Phone: (716) 286-4481
Fax: (716) 286-4484
Email: Clara.dunn@niagarafallsny.gov

Renewal Community

Thomas Tedesco: *Economic Development Specialist*
Phone: (716) 286-4482
Fax: (716) 286-4484
Email: thomas.tedesco@niagarafallsny.gov

Department of Community Development

1022 Main Street
P. O. Box 69
Niagara Falls, New York 14302

Robert Antonucci: *Director of Community Development*
Phone: (716) 286-8801
Fax: (716) 286-8809

Rick Zucco: *Attorney for Community Development & NFC*
Phone: (716) 286-8804
Fax: (716) 286-8809

Other City Departments

General Planning

Phone: 286-4470

Department of Planning & Environmental Services

- Zoning
- Site Plan Review; Planning Board
- SEQRA Review

Property Taxes

Phone: 286-4380

Assessors

- Current Property Assessments
- Property Tax Abatement (485-b)

Legal

Phone: 286-4420

Corporation Counsel

- Sale of City Owned Properties
- City Easements
- City Council Approvals

Economic Development

Phone: 286-4480

- Loan Programs: NFC Corporation, Empire State, NYSEDA
- New York State Empire Zone
- Renewal Community

Community Development

Phone: 286-8800

- Commercial Façade Grants
- Commercial Loan Subsidies
- Leased Housing
- Housing Renovations

Building Construction and Renovations

Phone: 286-4450

Inspections

- Building Permits
- Code Enforcement: Electrical, Plumbing, Housing

Engineering

Phone: 286-4410

- Street Paving and Construction
- City Maps: Water, Sewer, Streets

Waste Water

Phone: 283-9970

- City Sewage; Discharge Requirements
- Permits

Section II: Regional Resource Guide

Niagara County Programs

Niagara Economic Development Fund

Contact: Samuel Ferraro (716) 278-8750

The Niagara Economic Development Fund, which has been funded through the New York Power Authority (PASNY), can provide up to 30% or \$250,000 of the eligible project cost, whichever is less. The Niagara County IDA is administrator of the funds. The maximum amount of public funding in the project cannot exceed 50%.

Eligible Costs

Real Estate, Heavy Duty Machinery and Equipment, any necessary project costs - soft costs: legal, accounting, architectural, interim financing, etc.

Eligible Businesses

Manufacturing

Rate/Term

The rate will be fixed at the time of closing at Prime minus two points with a floor of 5% and a ceiling of 10%.

- M/E - 7 Years
- Real Estate - 15 Years

Application Process

A NEDF application must be completed and then submitted to the NCIDA office for approval. The NFC staff can assist in completing the necessary application for financing.

Note: This is permanent financing which requires the borrower to arrange interim financing for the project.

Revolving Loan Program

Contact: Lawrence Witul (716) 278-8761

The Niagara County Industrial Development Agency (NCIDA) can make direct loans up to \$250,000 available together with other public and private financing. Bank financing must be associated with the project.

Eligible Costs

Real Estate, Machinery and Equipment, and Working Capital, any necessary project soft costs: legal, accounting, architectural, interim financing, etc.

Eligible Businesses:

Manufacturing

Rate/Term:

The rate is fixed at 80% of Prime for a term, which is reflected in the useful life of the asset being financed.

Application Process

An IDA loan package must be submitted to the NCIDA for loan approval. The NFC staff can assist in completing the necessary application for financing.

Note: This is permanent financing which requires the borrower to arrange interim financing for the project.

New York State Programs

Link Deposited Program: Interest Rate Reduction

Contact: Buffalo Regional office (716) 846-8200 or visit www.empire.state.ny.us

New York State can help an existing NYS business undertaking a project that will improve its competitiveness and create and/or retain jobs in NYS. Loans obtained from private banking institutions will be subsidized over a period of two (2) years.

Eligible Costs

Real Estate, Heavy Duty Machinery and Equipment, any necessary project costs - soft costs: legal, accounting, architectural, interim financing, etc.

Eligible Businesses

Manufacturing

Rate/Term

The bank loan rate will be reduced two points, three if located in a EDZ and a certified EDZ company, for a period of two years. The maximum loan amount is set at \$1,000,000. A Company cannot have more than one linked deposit open at a time, but may come reapply.

Application Process

A Link Deposited Program application must be completed and then submitted with your participating Bank.

Statewide Zone Capital Corporation (SZCC)

Contact: Clara Dunn, Empire Zone Coordinator (716) 286-4481

SZCC is a privately-owned loan and investment fund, which can provide financing to Zone Certified Businesses in the range of \$30,000 to \$300,000.

Eligible Costs

Real Estate, Heavy Duty Machinery and Equipment, any necessary project costs - soft costs: legal, accounting, architectural, interim financing, etc., not to exceed 10% of total project cost.

Eligible Businesses

Manufacturing and commercial

Rate/Term

The rate is fixed at 5% for the first two years and then 7% for the remaining years

- M/E - 7 Years
- Real Estate - 15 Years

Application Process

A SZCC application must be completed, approved through the Empire Zone Board and then submitted to the New York Business Development Corporation (NYBDC) office for approval. The NFC staff can assist in completing the necessary application for financing.

Note: This is permanent financing which requires the borrower to arrange interim financing for the project.

New York State Programs, con't.

Empire State Development Corporation

Contact: Buffalo Regional office (716) 846-8200 or visit www.empire.state.ny.us

Empire State Development (ESD) is New York State's lead economic development agency. With co-headquarters in Albany, Buffalo, and New York City, ESD is supported by a network of 18 additional locations throughout the state and around the world. The organization is comprised of highly qualified professionals who help businesses:

- ♦ *Start up a company in New York State;*
- ♦ *Relocate or establish a presence in New York State;*
- ♦ *Expand already existing operations in New York State;*
- ♦ *Retain and enlarge their workforce in New York State;*
- ♦ *Compete more effectively and profitably in the domestic and international marketplace.*

USA Niagara Grant Program

Contact: 716-284-2556 or visit www.usaniagara.com

The USA Niagara Grant program is an economic incentive program to create jobs and encourage new investment in downtown Niagara Falls, NY. The Grant Program may generally fund up to \$100,000 or one-half (50%) of eligible project costs, whichever is less. Grant award amounts are measured against the established grant criteria. Project cost must be a minimum of \$25,000.

For more information, contact USA Niagara Development Corporation, @716-284-2556 or visit www.usaniagara.com.

New York State Programs, con't.

Environmental Investment Program

Contact: Empire State Development (518) 292-5340

The Environmental Investment Program provides interest subsidies on loans made by Empire State Development for projects which develop and/or expand markets for secondary materials

Eligible Costs

Eligible project costs include those associated with the acquisition, construction, alteration, repair or improvement of buildings, equipment or machinery used on site and employed for the purpose of recycling secondary materials.

Eligible Businesses

Eligible applicants include qualified small and medium-sized New York State businesses, non-profit organizations and municipalities on behalf of New York State businesses.

Rate/Term

The extent of private investment and the significance of expected economic and environmental benefits are evaluated to determine award amounts

Application Process

Funding requests are reviewed on a competitive basis throughout the year.

Note: This is permanent financing which requires the borrower to arrange interim financing for the project.

New York State Programs, con't.

Utility Company Programs

Empire Zone Incentives

Contact: Utility company, see below

National Fuel (natural gas supplier)

National Fuel provides a special "Empire Zone Rider" for certified zone businesses which meet their necessary qualifications.

Contact

Erik Solomon (716) 857-7003

National Grid (electric supplier)

National Grid provides a special "Empire Zone Rider" for certified zone businesses either new or existing business, which meets their necessary qualifications.

Contact

Bryan Archambault (315) 428-6702

Federal Programs

Small Business Administration SBA (504) Direct Loan Program

Contact: Buffalo District Office 130 S. Elmwood Ave, Suite 540, Buffalo 14202 (716) 551-4301

The SBA can provide direct funds for up to 40% of the eligible project costs not to exceed \$1,300,000. A ratio of one new job for every \$15,000 in SBA funds is preferred but not required. Bank financing is required for 50% of the project and a cash injection of at least 10%.

Eligible Costs

Real Estate, Heavy Duty Machinery and Equipment, any necessary project costs - soft costs: legal, accounting, architectural, interim financing, etc.

Eligible Businesses

Any commercial, retail or manufacturing business, which meets SBA size standards and conditions.

Rate/Term

The rate is fixed at time of closing and is determined by the rate in which US Treasury Bonds were purchased for the project.

- M/E – 7-10 Years
- Real Estate- 15-20 Years

Application Process

A SBA (504) application must be completed with the assistance of the NFC (An Associate Certified Development Corporation) and is then submitted to the Buffalo Office of the SBA for approval.

Note: This is permanent financing which requires the borrower to arrange interim financing for the project.