

2021 Regional Economic Development Council (REDC) Initiative

OVERVIEW

On May 11th, Governor Cuomo announced the availability of funding for the eleventh round of the Regional Economic Development Councils (REDC) Initiative, a program which coordinates public funding for a wide array of economic development programs in each of the ten REDC regions of the state. Regional Councils were first established in 2011 to develop long-term strategic plans for economic growth for their regions, and to consolidate the funding streams of over 30 programs administered by numerous state agencies. There are ten Regional Councils total—one for each of the following regions: Western New York, Finger Lakes, Southern Tier, Central New York, Mohawk Valley, North Country, Capital Region, Mid-Hudson, New York City, and Long Island.

As usual, this funding will help implement each Regional Council's strategic plan and help them continue to identify and invest in significant economic development projects. The State will allocate over \$750 million to this initiative. Funding will be allocated as follows:

- \$525 million in resources from state agencies available to support community revitalization and business growth through the Consolidated Funding Application (CFA) process.
- \$150 million in capital funding for REDC priority projects.
- \$75 million in Excelsior Tax Credits for projects within each region.

Several programs that may be of interest to health care providers and stakeholders are summarized below. More information can be found in the program guidebook [here](#). CFA applications (available [here](#)) will be accepted until July 30th. Several programs will accept applications on an ongoing basis and are not subject to the July 30th deadline, as noted below.

EMPIRE STATE DEVELOPMENT GRANT FUNDS

Up to \$150 million in capital funding is available through the Empire State Development (ESD) Grant Funds for regional and economic development projects. Funding will be awarded to capital projects that focus on the following:

- Creating or retaining jobs;
- Preventing, reducing, or eliminating unemployment and underemployment; and/or
- Increasing business or economic activity in a community or Region.

Special consideration will be given to projects supporting:

- The Downtown Revitalization Initiative and Strategic Community Investment;
- Improving access to childcare; and
- Environmental justice.

Applications will be accepted on an ongoing basis and are not subject to the July 30th deadline.

Eligible Applicants

Many types of organizations are eligible to apply for funding under this program, including (but not limited to):

- For-profit businesses;
- Not-for-profit 501(c)(3) organizations;
- Research and academic institutions;
- Incubators;
- Technology parks; and
- Community facilities.

Eligible Costs

Capital funding awarded through this program may be used for the following:

- Acquisition of land, buildings, machinery and/or equipment;
- Demolition and environmental remediation;
- New construction, renovation, or leasehold improvements;
- Acquisition of furniture and fixtures;
- Soft costs of up to 25 percent of total project costs; and
- Planning and feasibility studies related to a specific capital project or site.

Capital funding awarded through this program may not be used for the following:

- Developer fees;
- Training;
- Residential development, although program funds may only be used for the commercial component of a mixed-use project; and
- Block grant projects or revolving loan funds.

EXCELSIOR JOBS PROGRAM

Up to \$75 million in funding is available for the Excelsior Jobs Program. This program incentivizes firms in certain industries, including biotechnology, pharmaceuticals, and life sciences, to make significant financial investments and/or to create and maintain new jobs. Through this program, firms that maintain the established job and investment thresholds are eligible to apply for up to five fully refundable tax credits. The five eligible tax credits are:

- 1) **The Excelsior Jobs Tax Credit:** A credit of 6.85 percent of wages per new job to cover a portion of the associated payroll cost (7.5 percent of wages for “green projects”).
- 2) **The Excelsior Investment Tax Credit:** A credit of 2 percent of qualified investments (5 percent for “green projects”).
- 3) **The Excelsior Research and Development Tax Credit:** A credit of 50 percent of the Federal Research and Development credit, up to 6 percent of research expenditures made in New York State (8 percent for “green projects”).
- 4) **The Excelsior Real Property Tax Credit:** A credit available to firms located in certain distressed areas and to firms in targeted industries that meet higher employment and investment thresholds (Regionally Significant Project).
- 5) **The Excelsior Childcare Services Tax Credit:** A credit of up to 6 percent of net new childcare services expenditures for the operation, sponsorship, or direct financial support of a childcare services program.

Applications will be accepted on an ongoing basis and are not subject to the July 30th deadline.

Eligible Applicants

Qualifying participants must be for-profit entities. Please note that not-for-profit entities or companies who provide services (including personal or business services) are **not** eligible to apply.

Eligible Activities

Relevant activities that are targeted for eligibility under this program include (but are not limited to):

- Software Development;
- Scientific Research and Development (including research in biology, biotechnology, chemistry, health, medicine, pharmacy, and other allied subjects); and
- Life Sciences (including biogenetics, bioinformatics, biopharmaceuticals, academic medical centers, medical devices, pharmaceuticals, regenerative medicine, stem cell research, medical and neurological clinical trials, health robotics, and other related areas).

Qualifying projects should either make a substantial commitment to growth in jobs or in capital investment in a New York facility. For the above industries, projects must create either at least five jobs or meet a benefit-cost threshold of at least \$10 of investment and new wages for every \$1 of tax credit.

NYSERDA PROGRAMS

Energy Efficiency Programs

Up to \$3 million in funding is available from the New York State Energy Research and Development Authority (NYSERDA) through the following two energy efficiency programs.

Applications will be accepted on an ongoing basis and are not subject to the July 30th deadline.

Flexible Technical Assistance

This program provides eligible New York-based commercial, industrial, multifamily, and institutional end users with objective and customized engineering analysis to help make informed energy decisions. Awards will be granted on a rolling basis until all funds are exhausted. Eligible applicants are certain types of electricity customers of a participating utility company who pay into the System Benefits Charge (SBC), including any such health care facilities and not-for-profit 501(c)(3) entities.

Commercial New Construction Program (CNCP)

This program provides technical and financial support to evaluate energy efficiency options and to promote the installation of energy-efficient electric equipment in new and substantially renovated all-electric commercial and residential buildings. Eligible applicants are certain types of electricity customers of a participating utility company who pay into the SBC, including any such health care facilities and not-for-profit 501(c)(3) entities.

Carbon Neutral Economic Development Program

Up to \$15 million in funding is available through the NYSERDA Carbon Neutral Economic Development Program. All projects funded through this program must demonstrate how they will help achieve carbon neutral or net zero energy performance and how they will help achieve the goals of the REDC's Strategic Plan or State Priority Issue Areas.

Eligible applicants are certain types of electricity customers of a participating utility company who pay into the System Benefits Charge (SBC), including any such health care facilities and not-for-profit 501(c)(3) entities. Projects located in Long Island are not eligible for funding through this program.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Up to \$20 million in funding will be awarded through the Community Development Block Grant (CDBG) Program for projects that create or expand job opportunities, provide safe and affordable housing, and/or address the needs of the local community infrastructure. At least 70 percent of funds awarded under CDBG must directly benefit low- and moderate-income individuals.

Eligible Applicants

Eligible applicants for funding under the program are non-entitlement units of general local government. This includes villages, cities, or towns with populations under 50,000 or counties with populations under 200,000. Non-governmental entities may not apply directly.

Eligible Activities

Applicants must address a specific community or economic development need in at least one of the following areas:

- 1) Public Infrastructure;
- 2) Public Facilities; or
- 3) Community Planning.

Please note that Public Facilities projects may include structures to house or serve special-needs populations, childcare centers, and senior centers. Improvements to such facilities are limited to a maximum funding of \$300,000.

TIMELINE

The application is available [here](#), and additional guidance and resources are available [here](#). Proposals will be accepted until July 30th unless otherwise noted.

For more information or questions regarding the CFA, contact the corresponding Regional Council area:

Capital Region	nys-capitaldist@esd.ny.gov
Central New York	nys-centralny@esd.ny.gov
Finger Lakes	nys-fingerlakes@esd.ny.gov
Long Island	nys-longisland@esd.ny.gov
Mid-Hudson	nys-midhudson@esd.ny.gov
Mohawk Valley	nys-mohawkval@esd.ny.gov

New York City	nys-nyc@esd.ny.gov
North Country	nys-northcountry@esd.ny.gov
Southern Tier	nys-southerntier@esd.ny.gov
Western New York	nys-wny-redc@esd.ny.gov