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Economic Development Incentives

New York State Urban Development Corp. Releases Guidelines for Upstate Blueprint Program and Downstate Revitalization Program

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On May 11, 2009, the New York State Urban Development Corporation released the guidelines and application for the Upstate Regional Blueprint Program ("Upstate Blueprint Program") and the Downstate Revitalization Program ("Downstate Revitalization Program"). The Upstate Blueprint Program has \$120 million in funding and the Downstate Revitalization Program has \$35 million in funding.

The programs will be competitive in nature, with a scoring system applied in the awarding of program benefits. Available funding falls into three categories – Business Investment, Infrastructure Investment, and Downtown Redevelopment. It is expected that available funding will be allocated approximately equally among the three types of projects, i.e., approximately \$40 million would be available under the Upstate Blueprint Program for Business Investment.

Eligible applicants include for-profit businesses, not-for-profit corporations, business improvement districts, local development corporations, public benefit corporations (including IDAs), economic development organizations, research and academic institutions, municipalities, counties and community facilities.

Funding awards will be in the form of subsidized loans, convertible loans and grants. Subsidized loans will consist of subordinate, asset-backed loans bearing 2% interest. Convertible loans are interest-only loans (interest at 3%) with the principal forgiven over a 5 year period if job commitments are satisfied.

Business Investment projects are capital projects that create or retain jobs in New York. Commitments will be required of award recipients with respect to jobs retained, jobs created, and compensation paid to employees.

Infrastructure Investment projects are projects designed to attract new businesses and encourage expansion of existing businesses. These types of projects may include transportation, parking garages, water and sewer, communications, and energy generation and distribution.

Downtown Redevelopment funds are available for rehabilitation and new construction in downtown areas, cities and villages. A variety of commercial uses are eligible, including retail and office space. Funding is available for tourism (including hotels), cultural resources, entertainment facilities and streetscape improvements.

The funding parameters are: minimum assistance is \$100,000; maximum assistance is \$5 million. Funding is capped at 20% of the project budget and a minimum 10% equity contribution. There are a variety of restrictions on the use of funds depending upon the category.

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