

Guide to **Business Incentives**



Our Mission:

To attract new business investment to Buffalo Niagara.

Buffalo Niagara is where life and business work.

Our advantages include a strategic location on the Canadian-American border, a highly productive workforce, affordable and reliable energy, and a spectacular quality of life.

The region is attractive to businesses looking to expand or relocate because of the low cost of doing business here, affordable real estate and competitive salaries. Incentive programs offered by state and local governments and utilities offer a competitive edge, reducing costs for companies looking to locate in Buffalo Niagara.

This guide focuses on business incentives including financial assistance, infrastructure development grants, tax credits and exemptions, customized training, and technical support programs. Contact Invest Buffalo Niagara to learn more about these programs or discuss other programs that may be suited to your business project.

INVEST **BUFFALO
NIAGARA**

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0%

STATE CORPORATE INCOME TAX FOR
MANUFACTURING COMPANIES

0%

INVENTORY/REAL PERSONAL
PROPERTY TAX

0%

SALES TAX ON PRODUCTION
OR R&D EQUIPMENT

Excelsior Jobs Program

The Excelsior Jobs Program provides job creation and investment incentives to firms in targeted industries such as biotechnology, pharmaceutical, high-tech, clean-technology, green technology, financial services, agriculture and manufacturing. Firms in these industries that create and maintain new jobs or make significant financial investment are eligible to apply for up to four, **fully refundable** tax credits. Businesses claim these credits over a 10 year period.

Potential Benefit

- **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.
- **The Excelsior Investment Tax Credit:** Valued at two percent of qualified investments.
- **The Excelsior Research and Development Tax Credit:** A credit of 50 percent of the Federal Research and Development credit up to three percent of research expenditures in NYS.
- **The Excelsior Real Property Tax Credit:** Available to firms locating in certain distressed areas and to firms in targeted industries that meet higher employment and investment thresholds (Regionally Significant Project).

Program participation and the amount of credits authorized is at the discretion of the Commissioner of Economic Development.

Eligibility Criteria

- A substantial commitment to growth – either in employment or through investing significant capital in a New York facility.
- The Job Growth Track comprises 75% of the Program and includes all firms in targeted industries creating new jobs in New York.
- Twenty-five percent is set aside for the Investment Track firms who have at least 50 employees and make significant new capital investments in a New York facility and which meet a benefit-cost threshold of at least \$10 of investment and new wages for every \$1 of tax credit.

As detailed in the charts below, every firm approved for participation in the program is eligible to apply for the Jobs Tax Credit, the Investment Tax Credit, and the R&D Tax Credit. Only certain categories of firms are eligible to also apply for the Real Property Tax Credit.

Job Growth Track | Minimum Eligibility Criteria

STRATEGIC INDUSTRY	MINIMUM JOBS
SCIENTIFIC R&D	5
SOFTWARE DEVELOPMENT	5
AGRICULTURE	5
MANUFACTURING	5
FINANCIAL SERVICES	25
BACK OFFICE	25
DISTRIBUTION	50
MUSIC PRODUCTION	5
ENTERTAINMENT	100
LIFE SCIENCES	5
OTHER	150

Investment Track: Firms in strategic industries who retain at least 25 employees; manufacturing firms who retain at least 10 employees.

Minimum Benefit Cost Ratio = 10:1 • Total investment, wages and benefits / Excelsior Jobs program Tax Credits



Evergreen Health



Aesku Diagnostics



Patient Pattern

START-UP NY

Governor Cuomo's groundbreaking initiative, is transforming communities across the state into tax-free sites for new and expanding businesses through affiliations with public and private universities, colleges and community colleges. Businesses can operate 100% NYS tax-free for 10 years. No income tax, business, corporate, state or local taxes, sales and property taxes, or franchise fees on or near academic campuses. In addition, businesses may qualify for additional incentives.

Potential Benefit

- Approved companies are state-tax free for 10 years (e.g. business/corporate taxes, sales taxes and property taxes)
- Employees in participating companies are state income tax exempt for 5 years (up to 10,000 employees)
- For the second 5 years, employees are state tax exempt on income up to:
 - \$200,000 for individuals
 - \$250,000 for head of households
 - \$300,000 for joint returns

Eligibility Criteria

To be eligible for the START-UP NY program, **a company must either be a start-up, new to NYS, a graduate of a certified incubator, or an NYS-company that can clearly demonstrate that it is expanding with net-new job creation.** The company must apply directly to the particular sponsoring college or university with which it plans to partner. The company must align with the academic mission of the sponsoring college or university. Each participating academic institution has created a campus plan, designating particular buildings and land as tax-free zones. Eligible properties are on campus, near campus, or may also be controlled by a nonprofit entity (e.g. Industrial Development Agency) affiliated with the school.

General Info

An eligible company should begin by thinking about how it would potentially affiliate with a college or university. There are countless ways a company can establish their alignment with the academic mission of their sponsor, such as:

- Jointly submit research and development grant applications.
- Develop a new curriculum to create a steady stream of job candidates with exactly the right skill set(s).
- Develop an internship program or other experiential learning opportunities for students

Each participating school has submitted a plan that outlines the specific industries it is targeting for this program.



Downtown Buffalo

Industrial Development Agency (IDA) Tax Abatement Programs

A common benefit pursued for most expansion or retention projects are tax abatements. In Buffalo Niagara, abatements typically take three forms: property tax abatements (on new building construction and expansions), sales tax abatements (on non-production equipment and construction materials), and/or mortgage recording tax abatements (a 1% tax). These programs can reduce expansion costs for eligible target companies.

Property Tax Abatement

Conventional Payment in Lieu of Taxes (PILOT) schedules are administered by the IDA taking title to real property and requiring landowners to make payments in an agreed percentage for a specified number of years. Property is generally transferred from IDA title to the tax rolls upon the expiration of the PILOT agreement or upon redemption of any and all bonds used to finance the project. The abatement of these taxes (property, school, & county), typically last for a 7 or 10-year period.

Sales Tax Abatement

Abatement of sales tax requires the IDA to function as the purchaser of eligible purchases prior to the transaction. This benefit, which varies depending on the county sales tax, can be used towards the purchase of non-production equipment and construction materials.

Mortgage Recording Tax Abatement

Abatement is typically a 1% exemption on amount of mortgage financed.

While some IDAs have a shared program policy, there may be differences in programs based on geography.

Investment Tax Credit

Businesses that create new jobs and make new investments in production property and equipment may qualify for tax credits of up to 5% of their eligible investment. New businesses may elect to receive a refund for certain credits, and all unused credits can be carried forward for 15 years.

Potential Benefit

- Tax credit for businesses that create new jobs and make new investments in production property and equipment
- A 5% credit against the corporate franchise tax on new capital invested in buildings and/or depreciable tangible personal property used primarily in the production of goods by manufacturing, processing, assembling and certain other types of activities
- A 4% credit to personal income taxpayers and corporations investing more than \$350 million
- A 9% credit against the corporate franchise tax (7% against the personal income tax) for investment in qualified research and development property.

Eligibility Criteria

- For companies expanding or relocating to New York State
- Must be a business engaged in manufacturing

Work Opportunity Tax Credit (WOTC)

Employers that do business in New York State can trim their labor costs through employment based tax credits that may save your business money by cutting federal tax liability.

Potential Benefit

The Work Opportunity Tax Credit (WOTC) offers employers up to \$2,400 in federal tax savings for hiring low-income individuals with barriers to employment. Qualified individuals must complete at least 120 hours of work to qualify for the partial WOTC of \$1,500 and over 400 hours for the full \$2,400 credit.

Eligibility Criteria

To qualify employers for the credit, individuals must be verified as members of a targeted group. The groups include:

- People who receive Temporary Assistance for Needy Families (TANF)
- Veterans who: Receive Supplemental Nutrition Assistance Program (SNAP) benefits - Or - have a service related disability
- Ex-felons
- People (age 18-39) who live in a federal empowerment zone or rural county
- Disabled persons receiving rehabilitation services
- Youth (age 16-17) who live in a federal empowerment zone (summer employment only)
- People (age 18-39) who received Supplemental Nutrition Assistance Program (SNAP) benefits
- People who receive Supplemental Security Income (SSI)
- People who receive Long-Term Family Assistance

NEW YORK STATE FILM PRODUCTION TAX CREDIT

Production companies may be eligible to receive a fully refundable credit of **30 percent** of qualified production costs and incurred in New York State (NYS).

For the period 2015-2024, productions with budgets over \$500,000 can receive an additional **10 percent** credit on qualified labor expenses incurred the eight counties of Western New York.

There is a maximum of \$5 million per year that can be allocated for the additional 10 percent credit on qualified labor expenses.

Eligibility

- The Program is limited to feature films, television series, relocated television series, television pilots, and films for television.
- “Qualified film” shall not include (i) a documentary film, news or current affairs program, interview or talk program, “how-to” (i.e., instructional) film or program, film or program consisting primarily of stock footage, sporting event or sporting program, game show, award ceremony, film or program intended primarily for industrial, corporate or institutional end-users, fundraising film or program, daytime drama (i.e., daytime “soap opera”), commercials, music videos or “reality” program, or (ii) a production for which records are required under section 2257 of title 18, United States code, to be maintained with respect to any performer in such production (reporting of books, films, etc. with respect to sexually explicit conduct).

Production Tax Credit

Program Highlights

The production credit is available for companies that film a substantial portion of their project in NYS.

Qualified production costs are for tangible property or services used or performed within NYS directly and predominantly in the production of a qualified film. Qualified costs generally include most below-the-line items associated with production such as set construction, crew, camera equipment, grip equipment, props, etc. Post-production costs such as film editing, sound design and effects, and visual effects may be qualified costs for purposes of the film production credit.

If the film has a production budget over \$15 million or is being produced by a company in which more than five percent of the beneficial ownership is owned directly or indirectly by a publicly traded entity, at least 10% of the total principal photography shooting days must be at a qualified production facility (QPF) in New York State.

Productions with budgets of \$15 million or less produced by companies that are independently owned must shoot at least one day of principal photography at a QPF.



Post-Production Tax Credit

Program Highlights

Production companies may be eligible to receive a fully refundable credit of **30 percent** of qualified post-production costs incurred in New York State (NYS).

An additional **5 percent** credit may be available in the Post-Production Program for costs incurred in Western New York.

The post-production credit is available when the project was filmed predominantly outside of the State and the film production company contracts their post-production work to companies in NYS specializing in post-production work.

Eligibility

Post-production costs associated with the production of original content for a qualified film that are incurred at a qualified post-production facility in NYS are eligible.

A qualified post-production facility is any company located in NYS and engaged in providing post-production services to film and television.

A film production company can qualify for the post-production credit if it meets either one or both of the following thresholds

- **Visual Effects and Animation** - The qualified VFX/Animation costs incurred at a qualified post-production facility in NYS must EITHER meet or exceed:
 - 20 percent of the total VFX/Animation costs paid or incurred for VFX/Animation for the qualified film at any post-production facility anywhere; OR
 - \$3 million
- **Post-Production** - The qualified post-production costs incurred at qualified facilities in NYS, (excluding cost for VFX/Animation), must meet or exceed 75 percent of the total qualified post-production costs paid or incurred in the post-production of the film at any post-production facilities.

Fully Animated Production/Post Production - A company engaged in the production of a fully animated film is eligible for the Post-Production Credit if the qualified production and post-production costs meet the VFX/Animation threshold of 20 percent; expenses in the Producer, Director and Deliverable Elements categories are also qualified if they meet the Post Production 75 percent threshold.

ENERGY





Sorrento Lactalis Inc.



Steel Winds



New York Power Vista



New York Power Vista

Low-Cost Hydropower (NYPA)

Low-cost hydropower has been reserved by New York State law for companies planning to build or expand in the Buffalo Niagara region. The program offers renewable hydroelectric power at an extremely affordable cost. Allocations depend on project size and scope, in particular, new job creation. This program is administered by the New York Power Authority (NYPA) and is allocated through a competitive application process. An eligible project must be physically located in the State of New York and within a 30-mile radius of the NYPA Niagara Power Project in Lewiston.

Potential Benefit

- Highly reduced rate electricity allocations

Eligibility Criteria

- Hydropower is allocated based on job creation, new electrical demand, proximity to power project, and project time frame
- Generating new electrical demand (minimum of 100kW)
- Planning expansion or relocation within a 30-mile radius of the Niagara Power Project in the U.S.
- Completing proposed project within three years (proposed project should start construction within one year of approval)
- Willing to commit to create and maintain jobs, and use the power for the proposed project

ReCharge NY

ReCharge New York is an economic development power program designed to retain and create jobs through allocations of low-cost power. ReCharge New York is 910 MegaWatts (MW) of electric power: 455 MW of NYPA hydropower and 455 MW of market power procured by NYPA.

The program is open to businesses and non-profit organizations. Certain entities are not eligible, including all retail businesses, sports venues, gaming or entertainment-related establishments, and places of overnight accommodation.

The New York State Economic Development Power Allocation Board (EDPAB) reviews applications and makes allocation recommendations to NYPA's Board of Trustees. NYPA's Trustees review EDPAB's recommendations prior to making final allocation decisions. Contract terms may be up to seven years. ReCharge New York applications are available online through the New York State Consolidated Funding Application (CFA), a single application for accessing multiple funding sources from the state. ReCharge New York is classified as a Low Cost Power program, accessible under "Direct Assistance to Business" or "Energy and Environmental Projects."



Niagara Falls, USA

Reduced Rates for Excelsior Companies (Electric and Natural Gas)

National Grid and NYSEG (electric) and National Fuel (natural gas) provide reduced utility rates for economic development projects accepted into the Excelsior Jobs Program. Existing customers must increase demand, while new customers must add new load. Qualified projects are eligible for discounted rates for up to a ten-year period.

Utility Infrastructure Programs

Electric and natural gas utilities in Buffalo Niagara provide targeted programs for companies that look to expand their business into the region. Programs can alleviate costs associated with energy efficiency upgrades, infrastructure improvements, capital investments, and brownfield redevelopment, and other development costs.

Municipal Power Districts

Certain municipalities in the Buffalo Niagara region own and operate their own public utility power generation infrastructure, offering lower power rates to its commercial & industrial power users. Municipal utilities set their own rates and each have a set amount of power available.

NYSERDA Programs

The New York State Energy Research and Development Authority (NYSERDA) offers a wide range of programs to help residents and businesses across New York State become more energy efficient and use more renewable energy. These programs give New Yorkers access to funding, technical expertise, and information about proven clean-energy technologies and processes that reduce energy waste, save money, and protect the environment.

Eligibility Criteria

NYSERDA works with stakeholders throughout New York including residents, business owners, developers, community leaders, local government officials, university researchers, utility representatives, investors, and entrepreneurs. NYSERDA partners with them to develop, invest, and foster the conditions that:

- Attract the private sector capital investment needed expand New York's clean energy economy
- Overcome barriers to using clean energy at a large-scale in New York
- Enable New York's communities and residents to benefit from energy efficiency and renewable energy

Sample of Programs

Commercial New Construction Program: More than \$19 million are available to support building owners to offset a portion of capital costs to purchase and install energy-efficient equipment that reduces energy consumption in new and substantially renovated commercial buildings in New York State. Because early design intervention yields greater energy efficiency benefits, technical assistance is also available. NYSERDA project managers and regionally based consultants can work with building owners and their design teams to analyze efficiency opportunities for new or substantially renovated commercial buildings. Additional support for green building opportunities is also available.

Flexible Technical Assistance Program (Flex Tech): Provides objective, site-specific targeted technical assistance and analysis to inform the implementation of clean energy technologies. FlexTech will cost-share site-specific technical assistance with demonstrated potential for energy savings or process improvement where information for an implementation decision is unavailable. Eligible study areas include targeted clean energy technical analyses and strategic energy management assistance. On-site combined heat and power (CHP) feasibility studies.

NY-Sun: Part of Governor Andrew M. Cuomo's commitment to improving the efficiency, affordability, and reliability of energy systems in New York State. NY-Sun aims to add more than 3 gigawatts of installed solar capacity in the State by 2023. The ultimate goal of NY-Sun is the development of a sustainable, self-sufficient solar industry in the State. To get there, NY-Sun has incentive programs that support solar projects including commercial and industrial companies, small commercial, not-for-profit and municipal buildings.

NY Green Bank: A state-sponsored, specialized financial entity working in partnership with the private sector to increase investments into New York's clean energy markets, creating a more efficient, reliable and sustainable energy system. NY Green Bank increases the availability of capital for projects deploying proven clean energy technologies across New York State through:

- Leveraging private sector capital to support and expand clean energy financing markets;
- Animating and growing capital markets reducing the need for government support; and
- Motivating faster and more extensive deployment of clean energy assets, contributing to economic development, greater energy choices, reduced environmental impacts and more green energy advantages for every public dollar spent.

NY Green Bank partners with private sector clients to address and alleviate specific gaps and barriers in current clean energy capital markets through a variety of approaches and transaction structures.



GRANTS

Economic Development Fund (ESD)

New York offers financial incentives to assist with site location, new facility construction, existing facility expansion or modernizing existing operations -- all of which can be tailored to the size and scope of your project. Incentives may also assist with your working capital, employee training, expanding export opportunities and productivity enhancement.

Potential Benefit

- Acquisition of land and buildings or machinery and equipment
- Construction or renovation of buildings to house business operations, including lease-hold improvements
- Construction or improvement of infrastructure required for new location or expansion
- Working capital
- Employee training
- Expanding your company's export opportunities
- Productivity enhancement

Eligibility Criteria

Company must be in the manufacturing, service providers, warehousers and distributors or research and development industry.

Power Proceeds Grant Program (NYPA)

Supports the growth of businesses that lead to the creation or maintenance of jobs and tax revenues in NYS. Eligible projects include: workforce development; energy-related projects, programs and services; capital investments in buildings, equipment, and associated infrastructure owned by an Eligible Applicant for Fund Benefits; transportation projects under state or federally approved plans; the acquisition of land needed for infrastructure; research and development where the results of such research and development will directly benefit NYS.

Eligibility Criteria

"Eligible Projects" are those that support the growth of business in the State and thereby lead to the creation or maintenance of jobs and tax revenues for the state and local governments.

Examples of eligible projects include,

- workforce development;
- energy-related projects, programs and services;
- capital investments in buildings, equipment, and associated infrastructure (collectively, "infrastructure") owned by an Eligible Applicant for Fund Benefits;
- transportation projects under state or federally approved plans;
- the acquisition of land needed for infrastructure;
- research and development where the results of such research and development will directly benefit New York state and support for tourism and marketing and advertising efforts for Western New York and Finger Lakes Regional tourism and business.

Center for Advanced Technology (CAT) Grant

Non-dilutive matching grant monies available to companies that engage with a college/university partner on a research & development project that facilitates commercialization of a technology and brings it closer to market. There are 15 CATs across New York State, with two in the Buffalo Niagara region: the University at Buffalo (UB) CAT in Biomedical & Bioengineering and the Center for Advanced Ceramic Technology at Alfred University. Companies located in New York State can access CAT funds from any of the 15 CATs, regardless of geographic proximity.

Potential Benefit

- Funding of up to \$75,000 to support the development of new biomedical and bioengineering technologies and/or devices (this is a maximum; a typical grant is \$50,000)

Eligibility Criteria

- Researchers and entrepreneurs who need assistance with technology and related business development, relating to biomedics and bioengineering, are eligible for funds
- Projects are selected for funding based on scientific and technical merit and potential economic impact
- Projects require a cash contribution from a New York-based company as a prerequisite for funding; corporate sponsor funds are to match grant funds at a 1:1 ratio.

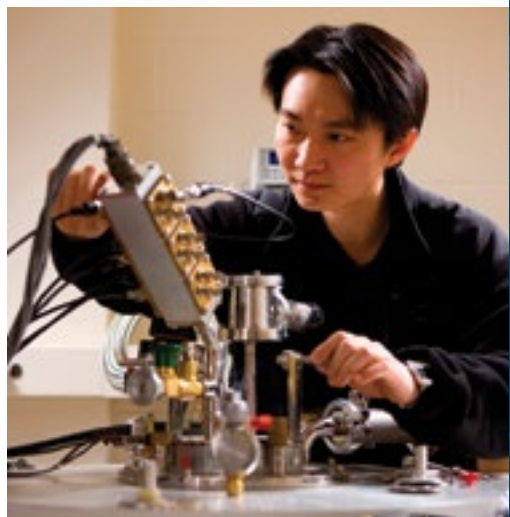
General Info

This program helps to foster the creation of new biotech start-up companies and help existing biomedical businesses expand through new or improved product lines.

Applications are reviewed on an annual basis. Proposals for consideration are due April of each year and funding begins in July.

SBIR/STTR Grants

Funding is available from certain Federal governmental agencies via the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. Through a competitive awards-based program, SBIR enables small businesses to explore their technological potential and provides the incentive to profit from its commercialization. Central to the STTR program is expansion of the public/private sector partnership to include the joint venture opportunities for small businesses. The unique feature of the STTR program is the requirement for the small business to formally collaborate with a research institution in Phase I and Phase II. STTR's most important role is to bridge the gap between performance of basic science and commercialization of resulting innovations.





LOANS & FINANCING



Industrial Development Agency (IDA) Loans

Regional Industrial Development Agencies (IDAs) have programs to provide additional lending capital in conjunction with traditional bank financing. In most circumstances, the IDA (or its affiliated lending entity) will take a junior position with a fixed interest rate, lowering the borrower's effective interest rate.

Most IDAs will have a menu of loan programs for different loan amounts and uses of funds. Companies that are seeking assistance with financing of a specific project may consider utilizing one of these programs.

Job Development Authority (JDA) Loans

Provides direct loans for the growth of businesses within New York State by assisting in financing a portion of the cost of acquiring and renovating existing manufacturing, distribution, warehousing and certain service buildings or constructing new buildings ("Real Estate" projects) or for purchasing machinery and equipment ("M&E" projects). A JDA Real Estate Loan is normally a second mortgage loan, subordinate to a first-mortgage loan provided by a bank; M&E loans are secured by a first lien, co-equal with the bank's lien, on the M&E being financed. Typical financing structure: 50% Bank Loan, 40% JDA loan and 10% Borrower Equity.

Potential Benefit

- Combination of bank and JDA loans allows up to 90% financing of a real estate or materials and equipment project
- Real estate project costs include the cost of the machinery and its delivery, installation cost solely attributed to the machinery being purchased and soft costs related to the M&E acquisition

Eligibility Criteria

- Facilities to be used for manufacturing, distribution, warehousing and certain service businesses are eligible
- Loans for retail facilities, which customers must personally visit in order to obtain goods or services being sold, are not eligible for JDA Loans, nor are loans for hotel or residential facilities
- JDA does not make loans for motor vehicles, nor does JDA make working capital loans.

General Info

The borrower must secure a letter of commitment from the bank providing the 50% financing portion of the project cost.

Small Business Administration Loan Programs

The SBA 504 Program is a fixed asset, economic development program designed to promote growth and job creation for small businesses. The spirit of the 504 Program is to provide access to low down payment financing so that small businesses can preserve cash to operate their business. The SBA 7(a) Loan Program helps expand access to capital to small businesses operating for-profit. In New York State, these loan programs are managed and administered by the New York State Business Development Corporation (NYBDC).

SBA 504 Program

Potential Benefit

Normally 40% of the project can be financed by a 504 loan. Loans range from \$25,000 to \$5,500,000. For any project, 50% of the project must be financed by a bank loan and at least 10% must be injected as equity by the application or its principals. Basic uses include purchase of land and/or building, building construction and renovations, and machinery and equipment (10 year useful life or greater). Other costs essential to the project can typically be financed as well.

Eligibility Criteria

- For all projects, a minimum down payment of 10% is required. The down payment requirement increases by 5% if the applicant is a new business or is purchasing an existing business * or if the property being purchased is considered special use. If the applicant is a new business and the project property is special use then a 20% down payment is required.
- 20 years for real estate; 10 years for equipment. Projects involving both may qualify for 20 year term.
- For the portion of the project financed by the SBA 504 program, a 20 year fixed interest rate is available. For the portion of the project financed by the bank, the interest rate is set by the respective bank.
- For an existing building, a small business must occupy 51% of the rentable property and may lease up to 49%. For new construction, a small business must occupy 60% of the rentable property, may lease long term up to 20% and temporarily lease an additional 20% with the intention of using some of the additional 20% within three years and all of it within 10 years.
- In most cases the property or equipment being financed is sufficient to meet collateral requirements.
- The small business applicant and affiliates must have combined net worth of less than \$15 million and combined net income of less than \$5,000,000 averaged over the last two years. Also must be a U.S. citizen or green card holder.
- For every \$65,000 borrowed through the SBA 504 program, the applicant must create or retain one job. If the applicant is a manufacturer, then one job must be created per \$100,000 borrowed. Waivers to the job creation requirement exist for applicants that meet certain public policy goals including women and minority owned businesses, businesses located in rurally designated areas, etc.
- For projects involving real estate, the mortgage recording tax associated with the SBA 504 portion of the financing is waived.
- Fees total approximately 2.6% of the SBA 504 portion of the transaction. These fees cannot be paid out-of-pocket and are automatically financed.

SBA 7(a) Program

Potential Benefit

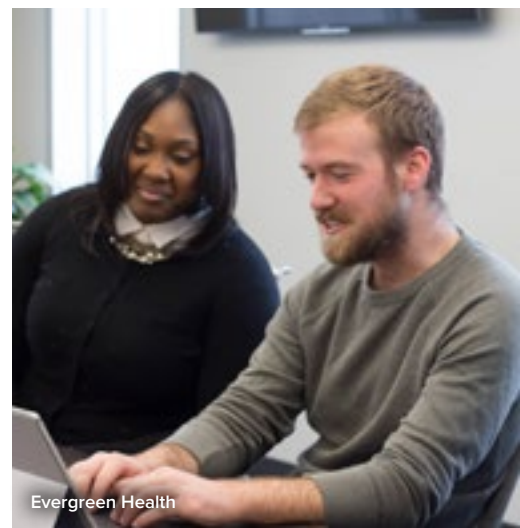
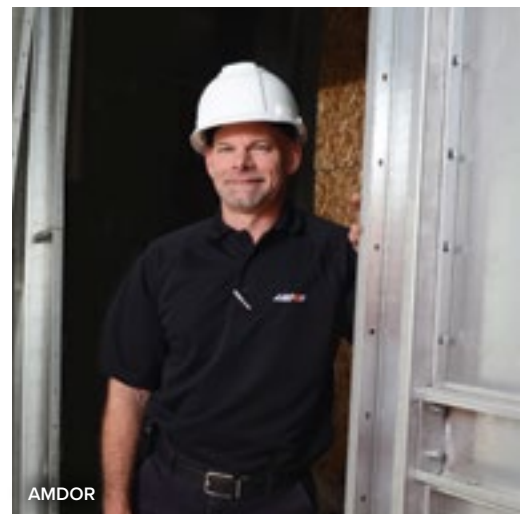
Under the 7(a) Program, eligible small business loans made by approved SBA lenders (e.g. banks, NYBDC) are guaranteed up to 85% by the SBA. This loan guarantee helps entice lenders to make loans to small businesses who would not qualify for conventional financing. Typically, a lender might apply for an SBA 7(a) loan guarantee to mitigate a shortfall in collateral. Loan limits range from \$25,000 to \$5,000,000.

Eligibility Criteria

- Basic uses include working capital, equipment purchases, real estate acquisition and construction, leasehold improvements, business acquisitions, and debt refinance.
- Down payment requirements are determined on a case by case basis.
- The loan term is determined by the use of funds. For example, equipment purchases typically qualify for 5, 7 or 10 year terms depending on the useful life of the equipment. Working capital loans can have a term of up to 10 years depending on cash flow needs. For debt refinance, the loan term is based on the remaining useful life of the asset financed with the original debt.
- Interest rates are variable but determined on a case by case basis.
- SBA requires that all 7A loans be collateralized to the maximum extent possible up to the loan amount. If business assets do not fully secure the loan, available personal assets of the owners are required as collateral. SBA will not decline a loan solely on the basis of inadequate collateral.
- The small business applicant and affiliates must have combined net worth of less than \$15 million and combined net income of less than \$5,000,000 averaged over the last two years. Also must be a U.S. citizen or green card holder.
- SBA guarantee fees Range from 3.00% to 3.75% of the guaranteed portion of the loan and may be financed.

“We are thrilled to be expanding into Western New York because of the availability of strong qualified talent and an unrivaled work ethic. This expansion will play a vital role in helping us bring exceptional customer care to new heights and deliver results our clients have come to expect.”

– Dave Masi , OneTouch Direct





New Market Tax Credit Financing

Interest-only loans at below-market rates, a portion of which may be forgiven upon maturity, used for the purpose of subsidizing long-term capital investment in order to foster job creation and community development in designated low-income communities throughout New York State. Preference will be given to borrowers with: development costs between \$5 million and \$25 million and/or projects that are likely to create new jobs and/or retained jobs at risk of being lost.

Eligibility Criteria

- Projects must be located in a designated “low-income community.” This is a census tract with the following indicia relative to the statewide/metropolitan medians:
 - Poverty rate at least 20% or median family income at/below 80%.
 - Preference given to borrowers in non-metropolitan counties and/or in census tracts with unemployment at/above 1.5 times national average.
- Real estate developments: industrial; commercial; mixed-use including residential component in limited circumstances.
- Capital expenditures for operating companies (real estate loans for acquisition/new construction/substantial rehabilitation; or machinery and equipment loans).

General Info

The funds may not be used for residential development that is for-sale; in which residential rental income may exceed 80% of gross rental income; or in which Low-Income Housing Tax Credits are used.

Opportunity Zone

The 2017 Tax Cuts and Jobs Act created the Opportunity Zone Program – a new economic development initiative designed to spur investment activity and job creation in economically distressed communities. Qualified investments made in designated Opportunity Zones are eligible for preferential tax treatment.

Linked Deposit Program

The Linked Deposit Program (LDP) helps existing New York State firms, or new companies in NYS after one year of operation, obtain reduced-rate financing so they can undertake investments to make borrowing less expensive. Eligible businesses can obtain loans from commercial banks, savings banks, savings and loan associations, farm credit institutions and the New York Business Development Corporation.

Program Limits

- An eligible business can have an unlimited number of LDP loans outstanding, totaling \$2 million.
- The single deposit limit has been increased to \$2 million; there is no minimum deposit.
- Total lifetime assistance (including renewals and prior deposits) cannot exceed the legislated lifetime maximum of \$2 million.

How It Works

New York State places a deposit for the same amount as the loan at the bank and earns less interest on the deposit, allowing the lender to transfer the interest rate savings on to the borrower. At the end of the four-year term of Linked Deposit assistance, the bank returns the deposit to New York State.

Program Highlights/ Eligibility

- 2% interest rate reduction for:
 - Manufacturers with 500 or fewer full-time employees in New York State.
 - Service firms with 100 or fewer full-time employees in New York State that are independently owned and operated and not dominant in their field
- 3% interest rate reduction for:
 - Businesses in highly distressed census tracts with 100 or fewer full-time employees.
 - Certified Minority- or Women-Owned Business Enterprises (MWBES) that need financing to fulfill a New York State or federal procurement contract
 - Defense industry manufacturers with at least 25 percent of gross revenue derived from defense contracts/subcontracts investing to reduce dependence on the defense industry by diversifying production to non-military markets

Not Eligible are personal and professional service businesses, start-up businesses or retail businesses not located in a Highly Distressed Area.

Application Process

- Businesses apply at a participating commercial bank, savings bank, savings and loan association, farm credit institution with which it does business or the New York Business Development Corporation.
- The lender makes the credit decision and, if the applicant is eligible, sends the application to Empire State Development for approval on behalf of the business.

NYS Job Development Authority Agriculture Loan

The JDA Agriculture Loan Fund was created to promote access to capital for NYS agribusinesses.

Eligible uses include acquisition and/or improvement of real property or other business purposes in support of the State agricultural industry, and/or acquisition of machinery and equipment and working capital used in support of the State agricultural industry.

Funds must be used to support New York State's agricultural industry.

Eligible Businesses

Eligible businesses include a for-profit business enterprise engaged in agricultural production and/or related commercial activities, including value-added processors, food distribution companies, food aggregators, wineries, breweries, distillers, cider producers, food hub participants, and any firm, partnership, corporation, or other entity that meets the program guidelines.

Interest Rates

- Variable interest rate: not to exceed the prime rate plus 3%
- Fixed interest rate: not to exceed 9%

Loan Amount

- Minimum loan amount: \$50,000
- Maximum loan amount: \$200,000

Loan Terms

- Minimum loan term: 5 years
- Maximum loan term: 10 years

Fees

- Application fee: \$1,500 (refunded at closing)
- Commitment fee: 1%



The background is a blue-tinted photograph of a city skyline. On the left, a modern glass skyscraper is visible. In the center-right, a tall, ornate building with a domed top stands out. Other various city buildings are in the background. A diagonal design element, consisting of a lighter blue triangle on the left and a darker blue triangle on the right, cuts across the bottom-left corner of the image.

BROWNFIELD REDEVELOPMENT

Brownfield Clean Up Program (BCP)

A brownfield site is real property, the redevelopment or reuse of which may be complicated by the presence or potential presence of a contaminant. Contaminants include hazardous waste and/or petroleum. The BCP provides benefits for the cleanup and redevelopment of brownfield sites including liability relief and tax credits. Tax credits are provided in four areas; cleanup, redevelopment, real property taxes and for the purchase of environmental insurance. In addition, there are enhanced benefits for projects located within a targeted community "Environmental Zone." There are sites located within western New York that fall under the previous statutes of the Brownfield Cleanup Program. This designation could prove more lucrative for certain development projects.

Potential Benefit

Site Preparation and On-Site Remediation Credits

- Covers site preparation and on-site groundwater cleanup
- Includes remediation, demolition, excavation, fencing, security and other capital costs to make the site usable for redevelopment, excluding site acquisition costs
- Tax credits range from 22-50% of the total cost of remediation, based on the level of cleanup

Tangible Property Credit

- Covers costs of buildings and improvements, including structural components of buildings, that are placed into service within 10 years after a certificate of completion is issued for the site cleanup
- Credits range from 10-24% of eligible costs with the base credit being increased based on level of cleanup, location of site in and En-Zone, and, redevelopment of site in conformance with a Brownfield Opportunity Area plan

Real Property Tax Credit

- Tax Credit for portion of real property taxes for a qualified remediated site
- Amount determined by a formula based on the number of employees on the site up to \$10,000 per employee

Remediation Insurance Credit

- For premiums paid for Environmental Remediation Insurance
- Capped at 50 % of the cost of the premium or \$30,000, whichever is less

Tax credits are capped as follows:

- Non-manufacturing projects capped at \$35 million or three times the site preparation and on-site groundwater remediation costs, whichever is less.
- Manufacturing projects capped at \$45 million or six times the site preparation and on-site groundwater remediation costs, whichever is less.

Eligibility Criteria

- Sites must be eligible for and accepted into the Brownfield Cleanup Program
- Applicant must complete approved cleanup plan and obtain a Certificate of Completion
- Sites listed as a Class 1 or Class 2 in the New York State Registry of Inactive Hazardous Waste Disposal sites
- Sites listed on the National Priorities List
- Sites subject to certain state or federal enforcement actions



TRADE/EXPORT ASSISTANCE



Foreign Trade Zone (FTZ)

Foreign Trade Zones were created by the US government to facilitate international trade and increase the global competitiveness of US based companies. FTZs are approved locations that allow certain types of merchandise to be imported, assembled with other components, repackaged and/or exported without going through formal customs procedures. These zones provide the ability to defer, reduce or eliminate duty charges when the goods enter US commerce or are exported outside the US Buffalo Niagara is home to two of the largest FTZs in North America.

Types of Zones

- General-purpose zones: Involve public facilities that can be used by more than one firm. These typically consist of ports or industrial parks used by small to medium sized businesses for warehousing/distribution and some processing/assembly.
- Subzones: Typically involve a single firm's site which is used for more extensive manufacturing/processing or warehousing/distribution that cannot easily be accomplished in a general-purpose zone.

Potential Benefit

- Ability to defer, reduce, or eliminate duty charges depending on the use of the incoming goods and if they are exported or stay in the US Customs duties may be deferred until the product is removed from the zone for entry into US territory.
- In situations where zone manufacturing results in a finished product that has a lower duty rate than the rates on foreign inputs (inverted tariff), the finished products may be entered at the duty rate that applies to its condition as it leaves the zone -- subject to public interest considerations.
- Foreign and domestic goods held for export are exempt from state/local inventory taxes. FTZ status may also make a site eligible for state/local benefits which are unrelated to the FTZ Act.
- Ability to take advantage of special customs procedures such as direct delivery and weekly entry to expedite the movement of cargo.



“Invest Buffalo Niagara, along with state and local agencies, have greatly contributed to our decision to locate and grow our new business in the WNY area. The ongoing support of Invest Buffalo Niagara and the accomplished workforce of WNY will ensure our success here.”

– Hany Tadrus, TexWeb, Inc.

Global NY

Global NY is a new initiative launched in 2015 by Governor Andrew M. Cuomo that offers one stop shopping to both foreign businesses looking to invest in New York and to New York State-based businesses who want to export globally.

Potential Benefit

Technical Assistance:

- Export Marketing Assistance Service (EMAS) is a NYS program designed to help businesses find sales agents or distributors abroad. Qualifying companies will be connected to GLOBAL NY's international offices, which provide local expertise of foreign markets, conduct customized research and identify potential partners for your company abroad.

Financial Assistance: Both grants and loans are available for New York State companies seeking to create or expand direct exports or to serve as suppliers to larger exporters.

- The New York State Trade and Export Promotion (STEP) Global NY Grant Program seeks to increase the number of small businesses that begin to export and increase the value of exports for small businesses that currently export. Grants of up to \$25,000 are available to help companies start exporting or increase their global exports. Grant funding may be used for market customization, participation in trade shows/missions, export workshops, and product adaptation to meet foreign regulatory requirements. Grants of up to \$50,000 are available to non-profit organizations that provide export assistance and trade education to New York State companies.
- Loans of up to \$500,000 are available for companies to purchase equipment and inventory needed to deliver on export-related contracts and provide working capital to support foreign accounts receivable. The program benefits businesses unable to access traditional credit markets, and will leverage tens of millions in export financing for New York State companies. For these loans, companies must apply directly through their lender.
- Interest-free loans of up to \$50,000 for Distilled and Fermented Beverage industry businesses to promote New York State's thriving beverage industry on a global scale.

“Proximity to our existing operations and U.S. customers made expansion to Buffalo Niagara a wise choice. This investment is vital to our strategy of delivering superior performance for our customers, employees and the company. We very much appreciate the support and guidance provided by the Invest Buffalo Niagara team and their partner agencies. We look forward to becoming a part of the local community.”

- Bruce Whitehouse, AMDOR

“The Buffalo Niagara region's fantastic educational system and the state of New York's focus on encouraging the growth of local business were the deciding factors for TROVE's decision to expand locally rather than in another location.”

- Dr. Adam Stotz, TROVE



Peace Bridge to Canada

U.S. Department of Commerce Commercial Services

Assists companies in getting started with exporting or increasing sales to new global markets. Services include trade counseling, market intelligence, business match making, and commercial diplomacy. They can also assist with trade finance and insurance strategies.

Potential Benefit

Trade Counseling:

- Develop effective market entry and sales strategies.
- Understand export documentation requirements and import regulations of foreign markets.
- Navigate U.S. government export controls, compliance, and trade financing options.

Business Matchmaking:

- Connect with pre-screened potential partners
- Promote your product or service to prospective buyers at trade events worldwide.
- Meet with international industry and government decision makers in your target markets.

Market Intelligence:

- Analyze market potential and foreign competitors
- Obtain useful information on best prospects, financing, laws, and cultural issues.
- Conduct background checks on potential buyers and distributors.



WORKFORCE DEVELOPMENT

On-the-Job Training (OJT)

Helps businesses upgrade the skills of newly hired workers by providing training grants that can cover up to 90% of the total costs for Workforce Investment Board (WIB) approved on-the-job training, depending on the size of the business. Eligible workers must be employed full time (35+ hours per week) and earn more than \$10/hour.

Potential Benefit

- Grants for up to 50% of the total costs of approved on the job training expenses
- Qualified companies can receive grant funds for up to 6-months of on-the-job training reimbursement for wages

Eligibility Criteria

- Eligible expenses include workers wages while receiving on-the-job training
- Eligibility limited to newly hired employees
- Training program must be approved by the Workforce Investment Board

General Info

Training grants to qualified companies interested in developing the skills of its employees or in training new hires to meet the needs of your operation. This program is specifically designed to help businesses upgrade the skills of their current workforce.

Customized Training

Designed to meet the special requirements of an employer for up to 50% of the total costs of a Workforce Investment Board (WIB) approved training course. Eligible companies must continue to employ the individual upon training completion. The employee must be newly hired or make less than \$25/hour and must receive a skill assessment indicating that training is necessary to obtain or retain employment.

Potential Benefit

- Customized training designed to meet the special requirements of an employer for up to 50% of the total costs of approved training course.

Eligibility Criteria

- The individual upon training completion
- Employee must be newly hired or make less than \$25/hour and must receive a skill assessment indicating training is necessary to obtain or retain employment
- Training program must be approved by the Workforce Investment Board

General Info

The WIB is responsible for coordinating workforce investment activities with economic development strategies and developing employer linkages. WIB funding can be used to provide employers with assistance for on-the-job training and/or customized training.



Red Inc.

Placing Individuals in Vital Opportunity Training (PIVOT)

A unique wage subsidy program that provides the businesses with partnership opportunities. The Erie County Department of Social Services staff matches employable temporary assistance for under-employed clients with companies looking to fill existing positions. All PIVOT candidates are pre-screened for job capability, and Erie County subsidizes 100% of PIVOT candidate wages for six months during training.

Potential Benefit

- Six month wage subsidy
- Reduced hiring costs
- A permanent employee
- Post employment services expedited for client through PIVOT liaison
- Access to monthly Job Fairs

Eligibility Criteria

- Must be Temporary Assistance of Needy Families (TANF) eligible
- Business must be located in Erie County



VENTURE & EQUITY CAPITAL

43North

The world's largest business idea competition, located in Buffalo, gives out \$5 million in cash prizes each year to some of the best and brightest entrepreneurs and start-ups from around the globe. Winners agree to locate here for a minimum of 12 months and are offered incubator space, which is located in the heart of the Buffalo Niagara Medical Campus. We co-locate with Z80 Labs, an internet startup incubator, and are adjacent to the dig co-working space, creating an entrepreneurial cluster.

LaunchNY

The region's Venture Development Organization (VDO) provides proof of concept funding and support to high-growth potential early-stage companies the following industries: advanced manufacturing, consumer goods & services, mobile technology, clean energy, medical devices, IT and web technology, nanotechnology, and life sciences & pharmaceuticals. Launch NY provides entrepreneurs experienced mentoring using best practice processes and connections to specialized resources both in and beyond the Upstate NY ecosystem.

NYS Innovation Venture Capital Fund

Seed stage and early stage venture capital fund with up to \$50 million to support and attract new high-growth businesses. The NYSIVC Fund will provide critical funding to promote the commercialization of new technologies, incentivize economic growth and encourage job creation across NY State through two separate segments: The Technology Commercialization Segment or the Seed and Early Stage Co-Investment Segment. All investments by the NYSIVC Fund require at least a 1:1 match from private sources at the time of investment.



Invest Buffalo Niagara Services

Our team of professional economic development consultants provides services to companies considering the Buffalo Niagara region, particularly for the first time.

From research to ribbon-cutting, we serve as a single point of entry for economic development inquiries and offer a comprehensive suite of client-driven project management services to companies and consultants evaluating the market area:

- Facilitation of cross border due diligence process for international companies
- Confidential and custom site location assistance
- Labor market analysis and demographics
- Serve as your regional concierge
- Personalized multi-region data comparisons
- Facilitation of state and local incentive programming
- Introductions to professional service providers and partners
- Meetings with community and business leaders
- Assistance with workforce and recruitment training needs

INVEST
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business with us.

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