



APPENDIX B.  
INCENTIVES AND FUNDING  
SOURCES

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# INCENTIVES AND FUNDING SOURCES

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## INTRODUCTION

The following pages identify potential incentives and funding options to support near-term actions identified in the Massena BOA Revitalization Plan (Section 6). An overview of the various incentive types and the role they may play in advancing revitalization and redevelopment options is provided below, followed by a series of tables listing potential funding options for infrastructure improvements and financial incentives that may align with the priority sectors and redevelopment options for the Massena BOA: Business Park (manufacturing, fabrication, transportation), Tech Park (research & development, office, light manufacturing and flex space), and Tourism Center.

## INCENTIVES OVERVIEW

An economic incentive can be defined as any factor (financial or non-financial) that provides a motive for a particular course of action, or counts as a reason for preferring one choice over alternatives. In economic development, incentives may be used to attract investment to areas with weak demand; reduce the cost of doing business; or enhance local resources – for example, training to prepare workers for specific types of jobs, or extending a sewer line to serve an industrial site. Incentives may also be used to facilitate the redevelopment of brownfield properties.

The Council for Community and Economic Research, a non-profit, non-partisan membership organization, has conducted a nationwide survey of state incentive program managers annually since 1999.

According to the organization, there are nearly 2,000 economic development incentive programs currently in use by states to influence the location of business investment and promote job opportunities. Although the services and tools offered vary, the Council reports that “financial assistance is still the primary approach that most states adopt, with about half of the programs providing tax-related benefits to businesses. In addition, nearly 35 percent of the programs provided direct financing and lending to businesses.” While some incentives are awarded to companies in a broad array of sectors, others are tailored to strategic industries (e.g., manufacturing, agriculture).

### INCENTIVES DEFINED

*An incentive is a reward intended to induce, incite, or spur action. Economic developers aim to improve the economic and social well-being of their communities by increasing private-sector investment and employment. Accordingly, economic development incentives are inducements—often in the form of financing, but sometimes in the form of services—to persuade companies to build new structures, purchase equipment, design new products, enter new markets, and above all, create new jobs in places where they would not have otherwise.*

- International Economic Development Council, “Incentives for the 21<sup>st</sup> Century,” 2015.



## INCENTIVE TYPES

The table below provides an outline of the *types* of incentives that would be available for the priority sector and use sector options for redevelopment of the Massena BOA. It is important to note that most incentive programs have eligibility requirements, and/or minimum thresholds related to job creation, wage rates, or private investment, that must be met in order to qualify for assistance.

*Table 1. Incentive Types and Priority Sectors*

	MANUFACTURING	TECH INNOVATION	RECREATION/TOURISM
<b>Financial Incentives</b>			
Cash grants			
Low-interest loans	X	X	X
Loan guarantees			
Equity investments		X	
Industrial revenue bonds	X	X	
Energy efficiency loans/grants			
<b>Tax Incentives</b>			
Property tax exemptions			
Property tax abatements	X		
PILOTS	X		
Income tax credits			
Sales tax exemptions/rebates	X		
Foreign Trade Zones			
<b>Non-Financial Incentives</b>			
Streamlined permitting			
Workforce development			
Workforce recruitment assistance			
Infrastructure improvements	X	X	X
Business counseling and technical assistance			
Entrepreneurship assistance			
<b>Other</b>			
Energy rate discounts	X	X	



## INFRASTRUCTURE FUNDING SOURCES

The following state and federal funding sources align well with the water, sewer and road access improvements necessary to advance revitalization in the Massena BOA.

*Table 2. Infrastructure Funding Sources*

<b>Agency</b>	<b>Program</b>
<b>NYS Environmental Facilities Corp</b>	<i>Clean Water State Revolving Fund Drinking Water State Revolving Fund NYS Water Grants Community Assistance Program Industrial Finance Program</i>
<b>NYS Department of Environmental Conservation</b>	<i>Water Quality Improvement Project Statewide Grant Program</i>
<b>NYS Office of Community Renewal</b>	<i>Community Development Block Grant Program</i>
<b>U.S. Department of Agriculture (USDA), Rural Development</b>	<i>Water and Waste Disposal Loan &amp; Grant Program</i>
<b>U.S. Department of Commerce, Economic Development Administration</b>	<i>Public Works Program Economic Adjustment Assistance Program</i>

### **NYS Environmental Facilities Corporation**

- *Clean Water State Revolving Fund* – Provides interest-free or low-interest rate financing to municipalities to construct water quality protection projects such as sewers and wastewater treatment facilities. A variety of publicly-owned water quality improvement projects are eligible for financing. Administered jointly with the NYS Department of Environmental Conservation.
- *Drinking Water State Revolving Fund* - Provides interest-free or low-interest rate financing for public and private water systems to finance needed drinking water infrastructure improvements (e.g. treatment plants, distribution mains). Administered jointly with the NYS Department of Health.
- *NYS Water Grants* – Provides grants to municipalities for critical drinking water and wastewater infrastructure improvements. Preference is given to projects that result in the greatest water quality improvement or greatest reduction in serious risk to public health. Supplemented with interest-free or low-interest loans available through the state revolving fund.
- *Community Assistance Program* - Provides direct, one-on-one technical assistance to small, rural communities in New York State in organizing water and sewer infrastructure projects, retaining the necessary professional services, and developing applications for funding.



- *Industrial Finance Program* – Provides assistance to businesses for projects that manage waste, control pollution, and build drinking water and wastewater treatment facilities to help them comply with environmental regulations.

#### **NYS Department of Environmental Conservation**

- *Water Quality Improvement Project Statewide Grant Program* – A competitive, statewide reimbursement grant program open to local governments, soil and water conservation districts, and not-for-profit corporations for projects that directly address documented water quality impairments. Can fund up to 85% of the total project cost for wastewater treatment improvement or up to 75% of the total project cost for non-agricultural nonpoint source abatement and control, aquatic habitat restoration, and municipal separate storm sewer system projects.

#### **NYS Office of Community Renewal**

- *Community Development Block Grant Program* – Provides financial assistance to eligible cities, towns, and villages with populations under 50,000 and counties with an area population under 200,000 for community development projects that primarily benefit low- and moderate-income persons. Access to funding is through the state’s Consolidated Funding Application process.

#### **U.S. Department of Agriculture (USDA), Rural Development**

*Water and Waste Disposal Loan & Grant Program* – Provides funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage to households and businesses in rural areas and towns with fewer than 10,000 people. Funding is typically in the form of long-term, low-interest loans; if funds are available, grants may be combined with a loan if necessary to keep user costs reasonable.

#### **U.S. Department of Commerce, Economic Development Administration**

The EDA administers two Economic Development Assistance grant programs: *Public Works* and *Economic Adjustment Assistance*. Projects must be located in a region that meets EDA’s economic distress criteria. The amount of the grant may not exceed 50% of the total project cost.

*Public Works Program* – Designed to help distressed communities revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and generate or retain long-term, private sector jobs and investment. Funding may be used for traditional public works projects, such as water and sewer system improvements, as well as for multitenant facilities, industrial parks, and business incubators.



*Economic Adjustment Assistance Program* – Assists state and local entities in responding to a wide range of economic challenges, such as a steep decline in manufacturing employment following a plant closure, changing trade patterns, or a catastrophic natural disaster. EDA’s most flexible program; funding may be used for planning studies or for implementation projects, including infrastructure improvements.

## FINANCIAL INCENTIVES FOR REDEVELOPMENT OPTIONS

The following local and regional programs offer financial assistance and potential sources for business attraction, entrepreneurship and construction funding, along with sector-specific economic incentives.

*Table 3. Regional Redevelopment Incentives*

<b>Program</b>	<b>Objectives and Mandate</b>
St. Lawrence County IDA-LDC Business Venture Fund	Loans of up to \$400,000 for real estate acquisition, building construction and rehabilitation, or machinery and equipment acquisition and rehabilitation, or working capital and inventory with adequate security for manufacturing, industrial, commercial and warehousing operations.
Greater Massena Economic Development Fund Loan Program	Loans of up to \$200,000 to induce business enterprises to establish, maintain or expand plants, facilities or operations in the Town of Massena and St. Lawrence County. For industrial, manufacturing, research and development, high technology, agricultural, or non-retail service businesses only.
North Country Economic Development Fund	Regional loan fund where applicants are eligible for loans of up to \$300,000. Manufacturing, agri-business, clean/green bio-tech businesses, assemblers, wholesale distributors and warehouses. Retail/market driven projects may be considered under certain conditions. Administered by the Development Authority of the North Country (DANC).
North Country Transformational Tourism Community Loan Fund	Regional loan fund where applicants are eligible for loans of up to \$250,000 for projects that enhance the quality and quantity of lodging in the region and support tourism-related facilities. Administered by DANC.
Community Development Loan Fund	Regional loan fund where applicants are eligible for loans of up to \$250,000 for real estate, improvements, machinery and equipment, furniture and fixtures, inventory, and working capital. Eligible projects include manufacturing, warehousing and distribution, industrial reuse, downtown/commercial revitalization, infrastructure, health care, tourism, telecom facilities, agri-business, and selected agricultural projects. Administered by DANC.
North Country Alliance – Regional Revolving Loan Fund	Regional loan fund where applicants are eligible for loans of up to \$225,000 to finance the establishment of a new business, expansion of existing business, community development project, or result in the creation of new employment. Administered by DANC.
Seaway Private Equity Corp. (SPEC) Fund	Provides early-stage equity capital funding for companies with significant growth potential (i.e., new technology companies headquartered and principally operated in St. Lawrence County and based on renewable energy and environmental technologies). Equity investments of up to \$1 million, with a 1:2 match.
Point Positive, Inc.	Angel investment group based in Saranac Lake. Equity investments for new or growing early-stage companies.



Empire State Development Strategic Planning & Feasibility Studies Program	<p>ESD’s Urban and Community Development Program provides capital grants of up to \$100,000 to support: 1) strategic development plans for a city, county, or municipality or a significant part thereof and 2) feasibility studies for site(s) or facility(ies) assessment and planning. Projects focus on economic development purposes, and preference to highly distressed communities. 50/50 match required.</p> <p>Eligibility: Cities, Counties, Municipalities, Business Improvement Districts, Local Development Corporations, Not-for-profit Economic Development Organizations.</p>
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### OTHER POTENTIAL SOURCES

In addition to the local and regional financial incentives listed above, New York State has funding available from various state agencies to support economic development projects that align with REDC strategic plans in the areas of community development, direct assistance to businesses and other organizations, waterfront revitalization, energy, environmental improvements, sustainability, education and workforce development and low-cost financing. Access is via the state’s annual Consolidated Funding Application (CFA) process.