

Niagara County Economic Development Programming

Wind Farm General Incentives for Niagara County

Industrial Development Agency Lease Agreement

The Niagara County Industrial Development Agency was created by a special Act of the New York State Legislature and is governed by Article 18-A of the General Municipal Laws of the State of New York. The Agency is a non-for profit Development Corporation that is authorized to enter in to “Lease Agreements” for the purposes of providing certain tax benefits. The Agency is not a commercial lender.

Agency benefits are provided through a “Lease Agreement,” which is a three party transaction by and between the company, commercial lender and the industrial development agency. While the building and equipment is carried on the company’s books as an asset, it also serves as collateral for the lender. Nominal title to the project is in the name of the Agency for purposes of providing the tax benefits.

Tax benefits are as follows:

- Sales tax exemptions (8.0%) on all building materials, equipment, rentals, contracted services and related furniture and fixtures installed in the project facility.
- Mortgage recording tax exemption on all filings (1.0%)
- Real property tax abatements on value-added; commercial projects are eligible for 10-year abatements while retail/tourist destination projects qualify for 5-year schedules. A company enters into a Payment In Lieu of Tax Agreement (PILOT) with the Agency that reduces the annual tax obligation but does not eliminate it.

Industrial Revenue Bonds (IRB’s)

Eligible projects include industrial, manufacturing, not-for-profits and research and development projects. Funds are used to finance fixed assets including real estate and building acquisition, construction or renovation, and the acquisition and installation of machinery and equipment. Benefits of IRB’s include the ability to finance 100% of the fixed assets, exemption from sales tax on construction materials, equipment and fixtures, and abatement of a portion of the assessment on the “value-added” portion of the project.

NCDC Revolving Loan Fund

A qualifying company can borrow up to \$200,000 or 1/3 of eligible project costs for the financing of real estate and machinery and equipment. Manufacturing, processing, warehousing and wholesale distribution companies are eligible. For more information call (716) 278 – 8760

- The RLF loan cannot exceed 33% or \$200,000 of eligible project costs
- Project must result in creation or retention of jobs (\$25,000 / job)
- The fixed interest rate is 80% of prime with a term of up to 7 years on machinery.
- At least 10% equity is required and the participation of a commercial lender (bank).

NEDF Revolving Loan Fund

A qualifying company can borrow up to \$250,000 or 30% of eligible project costs for the financing of real estate, machinery & equipment and certain working capital expenses. Manufacturing, processing, warehousing, wholesale distribution and business service companies are eligible. For more information call (716) 278 – 8760.

- The RLF loan cannot exceed 30% or \$250,000 of eligible project costs
- Project must result in creation or retention of jobs (\$25,000/job)
- The fixed interest rate is 80% of prime with a term of up to 10 years on real estate, 7 years on machinery and 3 years on working capital.
- 10% equity is the minimum requirement and participation of a commercial lender (bank).

Low-Cost Hydropower

New York Power Authority

Expanding businesses may require large volumes of electric power to operate the various pieces of equipment necessary for the production or processing of goods and products. To help address this cost the NCCED will work with local manufacturers to identify opportunities for reducing electric power costs particularly through an application for low cost power with the New York Power Authority (NYPA). A minimum requirement of 100 kw of net new load or more of processing electric power is one of the qualifying criteria for low cost electric power. Currently, there is low-cost hydropower available to companies that meet NYPA's eligibility criteria. Selection Criteria for New York Power Authority Hydropower Program include:

- Applicant must be a business located or planning to locate within a 30-mile radius of the New York Power Authority's Niagara Power Project (NPP).
- *RP* Hydropower available to businesses located in the National Grid franchise area within the 30-mile radius of NPP. *EP* Hydropower available to businesses located in the National Grid or NYSEG franchise area within the 30-mile radius of NPP.
- Business is planning to expand its existing facility or build a new facility. (IMPORTANT - A project cannot have been started at the time of application)
- Business expansion will create new electrical demand (At least 100kW)

Low-Cost Hydropower

New York Power Authority Selection Criteria (Continued...)

- Business is planning to create jobs (At least 20 jobs per Megawatt requested at a minimum)(I.e. 1 Megawatt = 20 jobs; 500kW = 10 jobs)
- Business' proposed use of power would result in an economic benefit to the Niagara Frontier and New York State.
- Business must complete its proposed project in three years. Ideally, proposed project construction should start within one year of allocation approval.
- Business must be willing to commit in writing to create and maintain jobs and use the power for the proposed project.

Empower Niagara

Exclusive to Niagara County, the Empower Niagara Program is intended to help provide low cost electric power to expanding businesses. Manufacturing businesses that qualify generally require large volumes of electric power to operate the various pieces of equipment necessary for the production or processing of goods and products. For more information call (716) 278-8750.

Selection criteria for Empower Niagara include:

- Applicant must be a business located or planning to locate within Niagara County.
- Business is planning to expand its existing facility or build a new facility.
- Business expansion will create new electrical demand (At least 75kW)
- Business is planning to create and/or retain jobs
- Business proposed use of power would result in an economic benefit to Niagara County and New York State.
- Business must complete its proposed project in three years. Ideally, proposed project construction should start within one year of allocation approval.
- Business must be willing to commit in writing to create and maintain jobs and use the power for the proposed project.

Workforce & Training Assistance

Niagara County's Worksource One, "One Stop Center" has programs designed to be more responsive to the needs of the employer and skills training requirements. The Worksource One Business Services Program provides grants, funding and / or tax credits for skills training. For additional information call (716) 278-8109

- **On-the-Job Training (OJT)** – New hires can qualify your company for reimbursement of up to 50% on a participant's wages during an agreed upon training period.
- **Work Force Assessment** – Can assist in building a qualified workforce comprised of people here in the Greater Niagara area, Including:
 - ✓ Referring pre-qualified candidates for your available job openings
 - ✓ Screening potential applicants according to your company's specifications
 - ✓ Marketing & publicizing positions available in your company

Niagara Greenway Funds

The Niagara River Greenway Plan is a comprehensive approach to the development of a greenway of interconnected parks, river access points and waterfront trails. The plan was drawn up by The Niagara River Greenway Commission, and upon completion the Greenway will encompass some 35 miles of green space along the Niagara River and Greater Niagara Region.

To achieve the objectives of the Niagara Greenway Plan the Commission has financial resources to fund projects that will have positive impacts on the development of the designated greenway areas. For details on potential projects and funding contact the Greenway Commission at (716) 773 - 5361

New York State Empire Zone

If the facility is designated by New York State as an Empire Zone, the company may be able to take advantage of the benefits associated with the Empire Zone Program. This Program is intended to give expanding companies the opportunity to operate on an almost "tax-free" basis for up to 10 years. Examples of potential incentives include:

- **Sales Tax Exemptions** - a 10-year exemption from State sales tax on purchases of goods and services (including utility services and owned vehicles) used predominantly in such zone. Exemptions could include all sales taxable items such as equipment, pens and paper, maintenance materials, software, etc.
- **Credit for Real Property Taxes** - refundable credit against their business tax equal to a percentage of real property taxes paid based upon increased employment in the zone.
- **Tax Reduction Credit** - a credit against their tax equal to a percentage of taxes attributable to the zone enterprise.
- **Wage Tax Credit (WTC)** - up to 5 consecutive years for companies hiring full-time employees in newly created jobs.
- **Investment Tax and Employment Incentives Credit (ITC-EIC)** - Businesses that create new jobs and make new investments in production, property and equipment may qualify for tax credits of up to 19% of the company's eligible investment.

New York State Empire Zone (Continued...)

- **New Business Refund** - Businesses new to New York State are entitled to a 50% cash refund of unused EZ-WTC and ITC amounts. Other businesses may carry forward unused credits indefinitely.
- **Utility Rate Savings** - Special reduced electric and gas rates may be available through investor-owned utilities in New York State. Businesses that locate or expand their operations in an EZ may receive significantly reduced rates.
- **Zone Capital Credit** - A 25% tax credit against personal or corporate income taxes is available for contributing or purchasing shares in a zone capital corporation; or for a direct equity investment in a certified zone business; or for contributions to approved community development projects within an EZ.

New York State Energy Research and Development Authority (NYSERDA)

NYSERDA is a public benefit corporation created in 1975 under Article 8, Title 9 of the State Public Authorities Law. NYSEDA's earliest efforts focused solely on research and development with the goal of reducing the State's petroleum consumption. Today, NYSEDA's aim is to help New York meet its energy goals by reducing energy consumption, promoting the use of renewable energy sources, and protecting the environment. There are several Program Opportunity Notices (PON's) NYSEDA makes available for the promotion of renewable energy projects, including:

- PON 1176 - *Renewable, Clean Energy, and Energy Efficiency Product Manufacturing Incentive Program*. This program is designed to expand the level of renewable, clean energy, and energy efficient product manufacturing in New York State by offering an incentive for building a manufacturing plant and subsequently producing clean energy products in New York State. \$1.5 million is available per project.
- PON 1260 - *Clean Energy Business Growth and Development*. This program seeks to support the growth and development of clean energy companies in New York State by supporting business activities that enable their expansion. Maximum award is \$200,000 per project, which must be matched by applicant.
- PON 1283 - *Wind and/or Photovoltaic Test and Research Center Development*. This program seeks proposals to establish New York-based wind and photovoltaic (PV) test and research centers to address performance of wind and solar PV systems. Phase I awards are limited to \$50,000.