

General information about the Economic Transformation Program (the “Program”) is provided in this Fact Sheet. If you are interested in more details about the Program or have specific questions, please contact the Empire State Development Regional Director for your region. A complete list of the ESD Regional Offices & Directors is included at the end of this Program Fact Sheet.

Overview

As part of the 2011-12 State Budget, Governor Cuomo and the Legislature established the Economic Transformation Program to support the economies of communities affected by the closure of certain correctional and juvenile justice facilities. The Economic Transformation Program provides tax credits and \$50 million in capital funding for projects that leverage investments to create jobs and support economic development initiatives in these areas.

The Program will be available to eligible entities within the Economic Transformation Areas detailed below. The Program will be administered in consultation with Regional Economic Development Councils and the affected communities.

The Program will be available for projects in targeted industries. Projects involving retail, real estate development and professional service businesses will be eligible only when located at the site of a closed facility. Tourism destination projects may qualify for capital funding.

Tax Credit

The Tax Credit component of the Program provides job creation and investment incentives for new firms that locate in an Economic Transformation Area. Firms in targeted industries that create at least five net new jobs may qualify for up to five new, fully refundable tax benefits:

- A jobs tax credit of 6.85% of the wages of each net new job;
- An investment tax credit of 6% of capital investments with the credit increasing to 10% if it is at the site of closed facility. This credit is capped at \$4 million per firm for investments outside the facility and \$8 million for all investments at the facility;
- A real property tax credit of 25% of eligible property taxes in the first year, phasing down to 5% in year five. The credit is 50% of eligible property taxes for firms located at the facility phasing down to 10% in year 5;
- A job training tax credit of 50% of training expenses, capped at \$4,000 per eligible employee per year. Eligibility for this credit is limited to instances where former facility employees are hired by a new firm; and
- A sales tax refund on tangible personal property used for construction at an eligible site.

Tax Credit Eligibility Criteria	
New Business Location	Within an Economic Transformation Area (ETA)
Minimum Job Creation	5 net new jobs
Targeted Industries	High-tech, bio-tech, clean-tech, manufacturing and other strategic industries identified in the applicable Regional Council's strategic plan. * Retail, real estate development, professional services may be included if located at a closed facility pursuant to a reuse plan*
<i>**Additional eligibility criteria may be established in regulations**</i>	

Capital Funding

\$50 million in funding is available for capital projects that leverage private sector investment and create jobs in an Economic Transformation Area.

Capital Funding Eligibility Criteria	
Location	Within an Economic Transformation Area (ETA)
Uses	Capital project
Targeted Industries	High-tech, bio-tech, clean-tech, manufacturing and other strategic industries identified in the applicable Regional Council's strategic plan. *Retail, real estate development, professional services may be included if located at a closed facility pursuant to a reuse plan*

Economic Transformation Areas

Economic Transformation Areas encompass the closed facility itself or a certain radius around the closed facility, including the closed facility. The designations are as follows:

<u>Facility Name</u>	<u>Location (County)</u>	<u>Area</u>
Arthur Kill Correctional Facility	NYC – Staten Island (Richmond)	Facility
Buffalo Correctional Facility	Alden (Erie)	5 mile radius
Camp Georgetown	Georgetown (Madison)	10 mile radius
Fulton Correctional Facility	NYC (Bronx)	Facility
Mid-Orange Correctional Facility	Warwick (Orange)	5 mile radius
Oneida Correctional Facility	Rome (Oneida)	15 mile radius
Summit Shock Incarceration CF	Summit (Schoharie)	15 mile radius
Allen Residential Center	South Kortright (Delaware)	5 mile radius
Harriet Tubman Residential Center	Auburn (Cayuga)	5 mile radius
Industry Secure Center	Rush (Monroe)	10 mile radius
Tryon Girls Center	Johnstown (Fulton)	15 mile radius

Application Process

Applicants must complete a consolidated funding application (CFA) that will be submitted to the local Regional Economic Development Council and the ESD regional office and accepted on a continuing basis. Applications will be reviewed by Regional Councils and will be processed and reviewed for consistency with the strategic plans and priorities of the region by ESD. The CFA can be accessed at <http://nyworks.ny.gov>.

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