

# Niagara Falls

City Business Loan

and Grant

Programs

# New York

& Regional Resource Guide



City of Niagara Falls

Paul Dyster, Mayor



Department of Economic Development

Department of Community Development

745 Main Street, Niagara Falls, New York 14302

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# Section I: City Business Loan and Grant Programs

# Introduction to Available Loan Programs

*The City of Niagara Falls can provide qualified businesses in the City of Niagara Falls a wide variety of loan programs, which can assist in opening a new business or an existing business in its plans to expand. The object of these programs is to stimulate growth in the business and local economy through job creation or retention, broaden the City's tax base, and generate new business for years to come.*

## Loan Criteria

- Project must demonstrate the creation or retention of one job for every \$35,000 funded
- Applicant must present need as well as the ability to complete the project and repay the proposed loan(s)
- Applicant must be operating in the City of Niagara Falls
- Personal and Corporate guarantees are required by all lending institutions
- Applicant must be current with all real estate taxes
- Loans will be secured by fixed assets or other acceptable collateral

## Benefits to Your Business

- Fixed asset financing
- Flexible, below market, fixed rate financing
- Long term subordinate debt
- Low equity injection

## How to Get Started

The staff of the City's Department of Economic Development will screen potential projects, determine what funding criteria the project meets, and thus structure a financial package using available public programs and private financing. The staff through its established contacts with private and public lending agencies will work with you in preparing and submitting the application(s). Timetables will then be established in order for you to fully understand the time required to obtain all necessary approvals. Once financing is approved and the project is proceeding, the staff will work with you in order to assure a smooth completion of the project.

# Direct Loan Program

Funding Source: NFC Corporation

Contact: NFC Development Corporation (716) 286-4482

*The NFC Development Corporation can make limited direct loans to help complete/fill the gap of financial packages for projects, which create new permanent jobs or will have a significant impact on economic conditions in the City of Niagara Falls. Project must demonstrate the creation or retention of one or more jobs.*

## **N.F.C. Development Corp. Loan Program Policies and Procedures**

**Adopted September 23, 2013**

### **Section 1 General:**

1.1: The following Loan Program Policies and Procedures (“the Program”) have been approved by the N.F.C. Development Corporation Board of Directors (“the Board”). Any changes or amendments to said Program must be approved by the Board.

1.2: The primary objectives of the Program is to provide funding to business enterprises that retain and/or create jobs, aid in business expansion and attraction, and leverage other sources of capital.

1.3: The Program is a subordinate fixed asset loan program to be used in conjunction with borrower equity and other loan funds.

1.4: On a specific project applicants are restricted to applying to this program or the N.F.C. Development Corp. Micro Enterprise Assistance Program, but not both.

### **Section 2 Eligibility Requirements:**

2.1: Only businesses located in the jurisdictional limits of the City of Niagara Falls, NY (“the City”) are eligible to apply for Program Funds.

2.2: Eligible businesses include those in good standing that are engaged in manufacturing, warehousing, retail and services, **excluding** “sin” businesses such as adult entertainment and media, liquor stores, massage parlors, and gambling activities.

2.3: Applicants must have been in business for at least two full years of operation.

2.4: Eligible applicants include United States citizens and non-US Citizens who are lawfully in the United States as demonstrated by a Resident Alien Card or Permanent Resident Card.

2.5: Eligible applicants include sole proprietorships, partnerships, Corporations, Subchapter S Corporations, and Limited Liability Corporations.

2.6: Fixed productive assets purchased with program funds must be physically located in the City.

### **Section 3 Ineligible to Apply:**

3.1: Ineligible applicants include business startups, businesses with less than two years of operations, not for profits, governmental and quasi-governmental entities, lending institutions, the aforementioned sin businesses in **Section 2.1b** in this document.

3.2: If the applicant, its owners and/or principals is in default on any existing loan(s) or grant(s) with the N.F.C. Development Corp. ("the NFC."), or the City and any of its entities, it is ineligible to apply.

3.3: If the applicant, its owners and/or principals are delinquent in the payment of any school taxes, city and county real property taxes, PILOTS, it is ineligible to apply. This ineligibility also applies to any applicant business located at the site of the aforementioned delinquency(s).

3.4: If the applicant, its owners and/or principals have filed for corporate or personal bankruptcy in the last five (5) years it is ineligible to apply.

3.15 Employees of the NFC and the City of Niagara Falls, N.Y. are ineligible to apply during employment and one year thereafter.

### **Section 4 Eligible and Ineligible Use of Program Funds:**

4.1: Eligible use of program funds include the acquisition of real property, new construction, renovation or leasehold improvements, and the purchase of machinery, equipment, furniture, fixtures, and equipment.

4.2: Ineligible use of program funds include rolling stock, working capital, refinancing of existing debt, inventory, and project related soft costs such as legal, accounting, environmental, architectural and engineering. However, such costs are eligible project costs that can be paid using other debt and/or applicant equity.

4.13 NFC loan program funds cannot be used in any project that has a residential component.

### **Section 5 Program Lending Terms and Conditions:**

5.1: Minimum and Maximum Loan Amounts range from \$25,000 to \$250,000.

5.2: Program funds cannot not exceed 40% of the Total Project Cost (TPC). For example, if the TPC is \$105,000, then Program funds could not exceed \$40,000.

5.3: Loan Terms are as follows: No more than twenty (20) years if program funds are used for the acquisition of real property or new construction. No more than ten (10) years if program funds are used for renovation or leasehold improvements of said real property. No more than ten (10) years for machinery and equipment. No more than five (5) years for furniture, fixtures and equipment.

5.4: The loan interest rate is fixed only. There are no variable rates. The rate will be the published Wall Street Journal Prime Rate at the time of closing.

5.5: All program loans will be repaid by equal monthly payments of principal and interest sufficient to fully amortize the loan over its term. There is provision for interest only payments at the beginning of the term. Also, borrowers are allowed to prepay the loan in whole or in part without penalty. However, program loans will not have a balloon payment option.

5.6: Collateral and Security: In exchange for program funds NFC requires a security interest in the assets purchased with its program funds, and any and all additional assets it believes are necessary to secure its loan.

5.7: The NFC may also require a security interest in the personal assets of owners and principals that have at least a 20% ownership of the borrowing entity.

5.8: The NFC requires the personal guarantee of those who own at least 20% of the borrowing entity.

### **Section 6 Related Parties and Subordination:**

6.1: The applicant is required to provide equity of at least 10% of the TPC. For example, if the TPC is \$105,000, the borrower must provide a minimum of \$10,000 in cash equity. The equity cannot be “sweat equity”, nor can it be borrowed funds of any kind such as a home equity loans, or cash advances on credit cards. Also, the equity cannot be a grant from NFC’s Micro Enterprise Assistance Program.

6.2: Besides the aforementioned equity component, other sources of project funding include private sources such as banks, trust companies, credit unions, savings and loans. Public sources of funds include federal, state and regional loan programs.

6.3 NFC loan funds can be secured by a first security interest, or be co-equal, pari passu, or subordinate to other project loan funds. However, in all instances, any notes payable to any owner, officer, or principal of the borrowing entity, or the relative of the owner, officer or principal of the borrowing entity will be subordinate to the NFC loan.

### **Section 7 Program Job Requirements:**

7.1: For every \$50,000 in program funds at least one (1) Full Time Equivalent (FTE) non seasonal job must be retained or created. However, the FTE cannot be the borrower(s).

7.2: A FTE is defined as one (1) full time job of at least 40 hours a week, or two (2) part time jobs of at least 20 hours a week each.

### **Section 8 The Application Process:**

8.1: NFC staff will entertain loan requests, and determine the eligibility of the business, and its owners and operators, and the appropriateness of the proposed use of loan funds based on **Sections 2, 3 and 4** above. Once eligibility and appropriateness are determined the applicant is required to complete an application, and furnish staff with the applicable support documentation, and any and all information that staff believes necessary to complete its analysis.

8.2: Once staff believes it has all the required information it will complete its analysis and prepare written loan report for the NFC Loan Committee. The staff report will contain a narrative describing the project, and identify the business and its principals. Also, based on company and personal financial information furnished by the applicant, together with credit checks, staff will evaluate the financial strength of the project, the business and its owners, and make a recommendation to the loan committee to either approve, modify or decline the loan request. If staff recommends approval it will suggest a rate, term, payment structure, collateral and a security position for the loan.

8.3: The Loan Committee will meet and discuss staff’s loan report and recommendation(s), following which it will make its recommendation to the NFC Board of Directors.

8.4: The Board of Directors will either approve, modify or decline loan requests. In making its decision the board will give serious consideration to the input of NFC staff, the Loan Committee, and NFC's attorney.

8.5: Within ten (10) calendar days of a board approval of a loan agreement specifying the use of loan proceeds, the loan amount, rate, term, payment terms, collateral, security, guarantees and other conditions will be sent to the applicant. Should the loan request be denied a decline letter will be sent to the applicant within ten (10) days specifying the reason(s) for the denial.

### **Section 9 The Closing Process:**

9.1: The NFC attorney in collaboration with NFC staff has the sole responsibility to direct the preparation of all required closing documents based on the loan terms approved by the NFC Board of Directors. Further, the attorney and staff will make certain that the loan closing is in compliance with all applicable federal, state and local laws, regulations and approvals.

9.2: The NFC attorney will be responsible for perfecting all of the NFC's security interests including, where appropriate, the execution of security agreements, the filing of financing statements, the execution and filling of mortgage documents, the execution of guarantees, and any other appropriate actions to adequately protect the NFC's security interests. The borrower will pay all filing and recording fees. The borrower is also responsible for all tax costs in connection with the perfection of NFC's security interest(s).

### **Loan Fund Disbursement Procedures:**

10.1: The disbursement of NFC loan proceeds shall be the sole responsibility of the NFC staff and attorney.

10.2: Funds shall be disbursed only if the borrower is in compliance with the terms and conditions of the NFC loan agreement(s), and is deemed ineligible under any of the conditions set forth in **Sections 3, 4 and 5** in this document.

10.3: Should other debt and/or equity be part of the total project funding, said debt and/or equity must be in evidenced by documentation such as executed commitment letters, bank statements and escrow accounts.

10.4: NFC loan proceeds may be disbursed in one lump sum or over a number of separate draws. However, regardless of the method of drawdown, the borrower is required to submit documentation (voucher, receipts, and cancelled checks) evidencing paid or accrued project expenses.

### **Loan Portfolio Management Procedures:**

11.1: In the case of delinquent loan payments the borrower will be contacted by NFC staff five (5) calendar days after the first day the payment is delinquent to assist in curing the situation. However, if the delinquency continues ninety (90) days past the first day the payment is delinquent the matter will be referred to the NFC attorney.

11.2: Any requests by the borrower to amend or adjust any terms and conditions of the loan will be first reviewed by the NFC staff and attorney to determine if it merits consideration. If so, said request will be processed as follows:

11.3: Staff will prepare a written narrative of the request replete with any support documentation, and its recommended course of action to the NFC Loan Committee for its consideration. Should the loan committee concur with staff's recommendation it will send the request onto the NFC Board for its review and final decision.

11.4: The board's decision will be sent to the borrower in writing within ten (10) calendar days regardless if it is denied, approved with modifications, or approved as requested. In the case of approvals, any costs associated with modifications of the loan agreements and security agreements will be paid by the borrower.

# Micro-Enterprise Assistance

Funding Source: NFC Corporation/Casino Revenue Funds

Contact: NFC Development Corporation (716) 286-4482

*Based on the availability of Casino revenue funding, the City of Niagara Falls can provide financial assistance to establish a new micro enterprise or assist an existing micro enterprise operating in the City of Niagara Falls. "Micro Enterprise" means a business hiring five or fewer employees, one or more of whom owns the business.*

## **N.F.C. Development Corp. Micro-Enterprise Assistance Program Policies and Procedures**

**Adopted September 23, 2013**

N.F.C. Development Corp. will consider cash grants up to \$10,000 to qualified micro businesses located in the jurisdictional limits of the City of Niagara Falls, New York. A Micro Business for the purposes of this program has five (5) or fewer full time equivalent (FTE) non-seasonal employees (including the firm's owner(s)). An FTE is either one (1) full time job of at least 40 hours a week, or two (2) part time jobs of at least 20 hours a week each. Program eligibility, requirements, and procedures are outlined below.

Prohibition: On a specific project applicants are restricted to applying to this program or the N.F.C. Development Corp. Loan Program, but not both.

Eligible Businesses: Existing companies in good standing, or start-ups. Businesses must be engaged in manufacturing, warehousing, retail and/or services, with the exception of "sin" businesses such as adult entertainment and media, massage parlors, gambling, and liquor stores.

Ineligible Entities: Not for profits, governmental and quasi-governmental agencies, and any project that has a residential component.

Eligible Applicants: United States Citizens and non-US Citizens who are lawfully in the United States as demonstrated by a current Resident Alien Card or Permanent Resident Card.

### Ineligible Applicants:

- a) A person who at the time of application is incarcerated, under indictment, on parole, or on probation, or an alien unlawfully in the United States are ineligible to participate in the program. Such a person may not have **10%** or more ownership of an applicant corporation, limited liability company or partnership;
- b) Any person or business at the time of application in default with the N.F.C. Development Corp., and/or the City of Niagara Falls, NY and any of its entities for an existing loan or grant are ineligible to apply;
- c) Any person or business that is engaged in legal action against the N.F.C. Development Corp., and/or the City of Niagara Falls, NY and any of its entities is ineligible to apply;
- d) Employees of the NFC and the City of Niagara Falls, N.Y. are ineligible to apply during employment and one year thereafter.

- e) If the applicant, its owners and/or principals are delinquent in the payment of any school taxes, city or county real property taxes, PILOTS, fees, assessments, or other charges due and owing to the City and/or any of its entities, it is ineligible to apply. This ineligibility also applies to any applicant business located at the site of the aforementioned delinquency(s).

Eligible Use of Microenterprise Grant Funds: N.F.C. funds can be used for the acquisition of real property from which the business will operate, renovation or leasehold improvements to said real property, and the purchase of machinery, equipment, furniture, fixtures and equipment and inventory used in the conduct of the business, and situated at the business location.

Ineligible Use of Microenterprise Grant Funds: N.F.C. funds cannot be used to cover working capital costs, rolling stock, or project soft costs such as legal, accounting, environmental, architectural and engineering. However, such project costs are eligible costs that can be paid by the applicant as part of its match requirement (see below).

Match Requirement: The applicant must match the Microenterprise Grant Funds dollar for dollar. For example, a \$10,000 request would have to be matched by \$10,000 in applicant equity. Said match must be unencumbered cash, and not borrowed funds, i.e. credit card advances, home equity loans, and other credit facilities that have to be paid back. Also, the equity match cannot be “sweat” equity.

Job Requirement: Regardless of the size of the Microenterprise Grant, the applicant must retain or create one (1) FTE within three (3) years of receiving the grant. The applicant/owner can qualify as all or a portion of the FTE job created. **Should the applicant fail to retain or create one FTE within three (3) years, the grant must be repaid.**

Other Program Requirements: Prior to the disbursement of grant funds all school, real property, water and sewer taxes must be current at the business location, together with any other real estate in the City owned by the applicant or any individual with an equity interest in the business.

All project costs and applicant funding match must be documented to the satisfaction of the NFC staff prior to the disbursement of grant funds.

The assisted business must remain in business for **at least three (3) years from** the date of receiving the grant. **Should the business cease or be sold within three (3) years the grant must be repaid.**

Individual owners of the business must guarantee compliance with the grant terms for corporate, LP or LLC applicants.

Application and Approval Process: N.F.C. staff qualifies the request based on the eligibility of the business and applicant, and the completeness of the application. If staff concludes that the request is eligible, complete, and is a good investment of Microenterprise funds, they will submit the application to the N.F.C. Loan Committee and Board of Directors for a final decision.

# Downtown Tourism Loans and Grants Program

Funding Source: NFC Corporation/Casino Revenue Funds

Contact: NFC Development Corporation (716) 286-4482

*Based on the availability of Casino revenue funding, the City of Niagara Falls can provide financial assistance to establish a new micro enterprise or assist an existing micro enterprise operating in the City of Niagara Falls. "Micro Enterprise" means a business hiring five or fewer employees, one or more of whom owns the business.*

## **N.F.C. Development Corp. Downtown Tourism Loans and Grants Program**

**Adopted September 23, 2013**

On a case-by-case basis, NFC may entertain providing a loan and/or grant for projects that the U.S.A. Niagara Development Corporation (USAN) is considering funding. The determination of the eligibility and creditworthiness of the project(s) will be first conducted by the USAN, and USAN shall share its findings with the NFC. Should the NFC agree to move forward with a loan and/or grant request, said request will be reviewed by NFC staff, NFC counsel, and NFC loan committee. However, the final decision will be rendered by the NFC Board of Directors.

# Commercial Grant Assistance Program (CGAP)

Funding Source: NFC Corporation/Casino Revenue Funds

Contact: NFC Development Corporation (716) 286-4482

*Based on the availability of Casino revenue funding, the City of Niagara Falls can provide financial assistance to assist an existing enterprise operating in the City of Niagara Falls for more than two (2) years and has six or more employees, one or more of whom may own the business.*

## **N.F.C. Development Corp. Commercial Grant Assistance Program (CGAP) Policies and Procedures Adopted December 15, 2014**

N.F.C. Development Corp. will consider cash grants up to \$100,000 through CGAP to for profit operating businesses, located within the jurisdictional limits of the City of Niagara Falls, New York. Operating business must have no fewer than six (6) full time equivalent (FTE) non-seasonal employees. An FTE is either one (1) full time job of at least 40 hours a week, or two (2) part time jobs of at least 20 hours a week each.

Prohibition: For a specific project at a specific location, applicants are eligible to apply to this program but cannot apply to any other N.F.C. Development Corp. Grant or Loan Program conterminously.

Eligible Businesses: Existing companies in good standing in operation for at least two years are eligible to apply. Businesses can be engaged in manufacturing, warehousing, retail and/or services, with the exception of “sin” businesses such as adult entertainment and media, massage parlors, gambling, and liquor stores.

Ineligible Entities: Not for profits, and governmental and quasi-governmental agencies.

Eligible Applicants: United States Citizens and non US Citizens who are lawfully in the United States as demonstrated by a current Resident Alien Card or Permanent Resident Card.

### Ineligible Applicants:

- a) A person who at the time of application is incarcerated, under indictment, on parole, or on probation, or an alien unlawfully in the United States are ineligible to participate in the program. Such a person may not have any ownership of an applicant corporation, limited liability company or partnership;
- b) Any person or business at the time of application in default with the N.F.C. Development Corp., and/or the City of Niagara Falls, NY and any of its entities for an existing loan or grant are ineligible to apply;
- c) Any person or business that is engaged in legal action against the N.F.C. Development Corp., and/or the City of Niagara Falls, NY and any of its entities is ineligible to apply;
- d) Employees of the NFC and the City of Niagara Falls, N.Y. are ineligible to apply during employment and one year thereafter.
- e) If the applicant, its owners and/or principals are delinquent in the payment of any school taxes, city or county real property taxes, PILOTS, fees, assessments, or other charges due and owing to the City and/or any of its entities, it is ineligible to apply. This ineligibility also applies to any applicant business located at the site of the aforementioned delinquency(s).

- f) If the applicant, its owners and/or principals have filed for corporate or personal bankruptcy in the last five (5) years it is ineligible to apply.

Eligible Use of CGAP Grant Funds: Funds can be used for the acquisition of real property, renovation or leasehold improvements to said real property, the purchase of machinery, equipment, and the purchase of furniture, fixtures, equipment for projects at a specified location only.

Ineligible Use of CGAP Grant Funds: Funds cannot be used for working capital costs, rolling stock, or project soft costs such as legal, accounting, environmental, architectural and engineering. However, such project costs are eligible costs that can be paid by the applicant as part of its match requirement (see below).

Match Requirement: The applicant must match the CGAP grant funds dollar for dollar. For example, a \$100,000 CGAP request must be matched by \$100,000 in applicant equity. The match must be unencumbered cash and not borrowed funds, i.e. lines of credit, home equity loans, and other credit facilities that have to be paid back. Also, the equity match cannot be “sweat” equity.

Job Requirement: For every \$25,000 in CGAP funds the applicant must create one (1) non-seasonal FTE within three (3) years of the final grant disbursement and maintain said jobs for an additional two (2) years from the date of the creation of the final qualifying job. For example, an applicant business, which receives a \$100,000 CGAP grant must create four (4) FTE jobs within three (3) years from the receipt of the funds, and maintain said jobs for an additional two (2) years. **Should the applicant fail to create the required FTEs within three (3) years, it must repay the grant in whole or in part.**

Other Program Requirements: Prior to the disbursement of grant funds all school, real property, water and sewer taxes must be current at the business location, together with any other real estate in the City owned by the applicant or any individual with an equity interest in the business.

All project costs and the applicant’s funding match must be documented to the satisfaction of the NFC staff prior to the disbursement of grant funds.

The assisted business must remain in business for at least three (3) years from the date of receiving the CGAP grant. **Should the business cease or be sold within three (3) years the receipt of the grant it must be repaid in whole or in part.**

Individual owners of the business must guarantee compliance with the grant terms for corporate, LP or LLC applicants.

Application and Approval Process: N.F.C. staff qualifies the request based on the eligibility of the operating business, and the completeness of the application. If staff concludes that the request is eligible, complete, and is a good investment of CGAP funds, they will submit the application to the N.F.C. Loan Committee for its approval. Should the Loan Committee concur with the staff’s recommendation it will be sent on to the N.F.C. Board of Directors for a final decision.

# City Wide “Green Initiative”

## Funding Source: NFC Corporation/Casino Revenue Funds

Contact: NFC Development Corporation (716) 286-4482

*Based on the availability of Casino revenue funding, the City of Niagara Falls can provide financial assistance to assist in the construction or retrofitting of buildings to create a high performance building. The NFC Corporation will provide low interest loans to qualified business property owners.*

*The assistance will be in the form of a low interest loan up to a maximum of \$25,000 and a grant in the form of twenty percent (20%) reduction in the loan amount available upon demonstrated evidence of energy savings of 10% or greater based on past history.*

### Eligible Costs

Acquisition and installation of energy efficient equipment and products intrinsic to the building. These products can include heating/air condition equipment, lighting, weatherization, solar/wind energy among others.

### Eligible Businesses

Commercial, Manufacturing and Retail properties in the City of Niagara Falls.

### Eligible Applicants

Individual, partnership, limited partnership, limited liability company (LLC) or a corporation that owns the property to be assisted.

### Loan Rate/Term

The interest rate will be fixed at a Rate necessary to make the project feasible at the time of commitment. The term of each loan will generally reflect the useful life of the asset being financed.

### Grant

Approval of the grant is based on a demonstrated 10% reduction of energy costs. It will be determined at the sole discretion of the NFC Development Corp. The NFC evaluations will be based on a review of demonstrated energy costs savings after six months of operation.

### Application Process

All completed applications must first be submitted to the NFC Development Corporation for completeness. A summarized report and recommendation will then be presented to a Loan/Grant Review Board for final recommendation to the NFC Board of Directors. The NFC Board of Directors makes the final decision.

### Contact

NFC Development Corporation 745 Main Street, Room 214, Niagara Falls, NY 14302 (716) 286-4482

# Mixed-Use Rental Rehabilitation Program

Contact: Community Development (716) 286-8801

## **N.F.C. Development Corp. Mixed-Use Rental Rehabilitation Program**

### **Guidelines and Procedures**

N.F.C. Development Corp. will consider cash grants up to \$10,000 per unit for up to four residential units per building or property to qualified, for-profit rental units in mixed-use buildings located in the jurisdictional limits of the City of Niagara Falls, New York and in an eligible area established for the Program.

#### Eligible Areas:

- Pine Avenue: Main Street to Hyde Park Boulevard
- Main Street: Ontario Avenue to Third Street
- Niagara Street: Third Street to Hyde Park Boulevard
- East and West Market Streets
- Highland Avenue: Grove Avenue to College Avenue
- Third Street: Main Street to Niagara Street, including the rear alley on the west side of Third Street
- Buffalo Avenue: 56<sup>th</sup> Street to LaSalle Expressway Ramp
- Cayuga Drive: LaSalle Expressway Ramp to South Military Road
- Hyde Park Boulevard: LaSalle Avenue to Linwood Avenue
- Hyde Park Boulevard: Niagara Street to Falls Street

Ineligible Entities: Not for profits, governmental and quasi-governmental agencies are not eligible.

Eligible Applicants: Individuals who are United States citizens and non US citizens who are lawfully in the United States as demonstrated by a current Resident Alien Card or Permanent Resident Card. Partnerships, limited partnerships, limited liability companies and corporations whose partners, limited partners, LLC members or shareholders are eligible U.S. citizens or eligible non-citizens as set forth above.

Ineligible Applicants: A person who is not an eligible applicant or who, at the time of application is incarcerated, under indictment, on parole, or on probation, or an alien unlawfully in the United States is ineligible to participate in the program. Such a person may not have **any** ownership of an applicant partnership, corporation, limited partnership or limited liability company. At the time of application any person or business in default with the N.F.C. Development Corp., and/or the City of Niagara Falls, NY and any of its entities for an existing loan or grant is ineligible to apply. Any person or business that is engaged in legal action against N.F.C. Development Corp., and/or the City of Niagara Falls, NY and any of its entities is ineligible to apply for funds.

Eligible Use of Grant Funds: N.F.C. funds can be used for improvements to and appliance upgrades in residential units located in mixed-use buildings. Common area improvements are eligible to the extent that they benefit the assisted unit. All building code violations must be corrected in any building in which a unit receiving a rental rehabilitation grant is located. Any work in addition to work necessary to correct code violations will be prioritized first to the elimination of health and safety deficiencies, next to make the unit more energy efficient and then to other improvements.

Ineligible Use of Grant Funds: N.F.C. funds cannot be used to cover soft costs. However, such project soft costs are eligible costs that can be paid by the applicant as part of its match requirement (see below).

Match Requirement: The applicant must match the Rental Rehab Grant Funds at least dollar for dollar. For example, a \$10,000 request will be matched by at least \$10,000 in applicant expenditures. Match must be cash. Equity match cannot be “sweat” equity. Applicant will pay costs necessary to comply with program requirements in excess of the \$10,000.00 grant and \$10,000.00 match.

Façade Improvements: Applicant must participate in the City Community Development Façade Grant program if the building has never received a façade grant. If the building has received a façade grant and the façade is well maintained, this requirement will be waived.

Other Program Requirements: Prior to the disbursement of grant funds all school, real property, water and sewer taxes must be current at the business location, together with any other real estate in the City owned by the applicant or any individual with an equity interest in the applicant.

All project costs and applicant funding match must be documented to the satisfaction of the NFC attorney prior to the disbursement of grant funds.

The assisted units must remain owned by applicant for five (5) years from the date of receiving the grant. Should the property be sold within five (5) years, applicant will repay to NFC a declining balance of the grant for any transfer, with 100% repaid for a sale in year 1, 80% for year 2, 60% for year 3, 40% for year 4 and 20% for year 5. Applicant will provide copy of deed and sign covenant not to transfer, which will be recorded.

Individual owners of the entity owning the property must guarantee compliance with the grant terms for corporate, LP or LLC applicants. Corporate, LP or LLC applicants must be authorized to do business in New York State and in good standing.

Limited Funding: This program has limited funding. Applications will be processed for approval on a first come, first served basis, based upon the date the application is complete.

Application and Approval Process: City Community Development staff will administer the program. The application is received and reviewed for the eligibility of the location and applicant, and the completeness of the application. If staff concludes that the request is eligible and complete, they will submit the application to the N.F.C. Board of Directors for a final decision.

#### Procedural Outline

1. Application is taken by City Staff and eligibility is determined.
2. A building inspection must be performed pursuant to one of the following options:
  - a. City of Niagara Falls Department of Inspections (at no cost to owner)
  - b. A licensed architect or engineer chosen by the building owner (at owner’s expense)
3. Where required by code for extensive rehabilitation, applicant must retain a project architect to prepare a preliminary design of proposed improvements.
4. Applicant, architect, if applicable, and City staff meet to discuss proposed improvements and preliminary design.
5. Architect, if applicable, provides a cost estimate and rendering depicting the proposed improvements.
6. Architect, if applicable, prepares construction drawings after rehabilitation plan is approved by owner and City.

7. Owner obtains bids from 3 contractors based on the approved drawings and specs. At this point, the application is deemed complete.
8. N.F.C. board of director approval
9. Applicant signs a grant agreement with N.F.C. Development Corp. that includes a code violation correction clause. Applicant provides copy of deed and signs covenant not to transfer, which is recorded.
10. Work must be performed by contractors licensed to do business in Niagara Falls.
11. Progress inspections and final inspections are conducted by Architect/City inspectors.
12. Grant paid upon completion of all improvements, including correction of all code violations, proof of payment in full to all contractors.

# Commercial Facade Rebate Program

## Funding Source: Community Development

Contact: Community Development (716) 286-8801

### Eligibility

1. Applicant must own or lease a commercial building in one of the target areas listed below:
  - Pine Avenue - Main St. to Hyde Park Blvd.
  - Main Street - Rainbow Blvd. to Ontario Ave.
  - Niagara Street - Third St. to Hyde Park Blvd.
  - East & West Market Streets
  - Highland Avenue from Grove Ave. to Garden Ave.
  - Third Street – Main Street to Niagara Street & Rear alley on West side of street only
  - Buffalo Avenue – 56<sup>th</sup> Street to LaSalle Expressway Ramp (Casino revenues only)
  - Cayuga Dr. – LaSalle Expressway Ramp to so. Military rd. (Casino Revenues only)
2. All property taxes (City, County and School) and water/sewer charges must be current.
3. All code violations must be corrected prior to receipt of the funds.

### Rehabilitation Priorities

All facades must be rehabilitated in compliance with established City approved design standards. Structural and decorative elements, signs, building color, windows and doors are examples of eligible facade improvements.

Additionally, the following items may be included in the plan:

- exterior code violations
- energy conservation measures

### Rebate

Community Development will reimburse the owner for 50% of the project costs, up to \$10,000 for projects located on Pine Avenue, East and west Market St, Niagara St, Main St and Highland Avenue, Buffalo Ave, Cayuga Dr. and Third St. Funding is available on a first come – first served basis based on the date of execution of a rebate agreement with the City.

Rebates will be processed upon receipt of certification that construction is complete, including the correction of code violations and upon receipt of proof of payment in full to the contractor(s) (invoices & cancelled checks only)

### Design Architect

The City has retained a registered architect to provide a preliminary design rendering of proposed façade improvements at no cost to the owner.

After approval of renderings by owner, construction drawings will be prepared upon receipt of a \$250 refundable deposit from owner.

Note: The deposit is not refundable if owner withdraws from program.

### Application

Please contact the Community Development Department.

### Contact

Department of Community Development, 1022 Main Street, Niagara Falls, NY 14302 (716) 286-8801

# Commercial Loan Subsidy Program

## Funding Source: Community Development

Contact: Community Development (716) 286-8801

*The objective of the Niagara Falls Community Development Commercial Rehabilitation Program is to provide an incentive for private property owners and lease tenants to rehabilitate their commercial buildings in such a way that the character and quality of their buildings can be improved and stabilized. Commercial loan subsidies will be made available to correct code violations in designated commercial areas on a first come, first served basis.*

*The program requires that the applicant qualify for and obtain a loan from a local lending institution. The Community Development's subsidy will be calculated based on the terms of the bank loan. The maximum loan that will be subsidized is \$50,000. The following guidelines constitute the basic operating procedures of the program.*

### Rehabilitation Priorities

- Code violations that create hazardous conditions regarding safety or health, e.g. basic heating, plumbing, roofing, or electrical systems.
- Energy saving measures.
- Incipient code violations

### Eligibility

Applicant must own or lease a commercial building within the designated C.D. target areas and mortgage or lease must be in good standing. Term of the lease must be equal to or greater than the term of the loan.

All property taxes (City, County and School) and water/sewer charges must be current.

### Subsidy of Bank Loan

Community Development provides a subsidy to the applicant in an amount equal to the result of a theoretical reduction in the interest rate of the commercial loan by five (5) percentage points. This amount will be provided as a rebate to the applicant at project completion.

Please note that the terms of the private loan are not modified by this subsidy.

### Subsidy of Private Funds

Where the applicant chooses not to obtain a bank loan, he or she may be eligible for a rebate for the private portion of the rehabilitation cost. In situations where the applicant is privately financing the project, the rebate is calculated as if the owner had borrowed the funds at prime + 1% for five (5) years.

### Limitations

Maximum loan to be subsidized by City may not exceed \$50,000.00 per building.

Loan proceeds must be used for capital improvements that are fixed improvements to the property. The following items cannot be included in the subsidy calculation - replenishing or furnishing of stock, inventory, business vehicles, advertising, promotional services, furniture, fixtures or equipment.

### Contact

Department of Community Development, 1022 Main Street, Niagara falls, NY 14302 (716) 286-8801

# Real Property Tax Abatement (485-b)

Funding Source: City of Niagara Falls

Contact: City of Niagara Falls Assessor's Office (716) 286-4380

*The City of Niagara Falls offers a real property tax abatement for certain commercial and industrial projects. This incentive authorizes a partial exemption from real property that increased in value due to alterations or improvements to the property.*

## Exemption Amount

The amount of exemption is for 10 years in which the first year is 50% of the increase in assessed value attributed to the eligible improvements then it decreased by 5% in each of the remaining 9 years.

## Application Process

The application should be filed with the City Assessor on or before the appropriate taxable status date within one (1) year from date of completion.

## Contact

The City of Niagara Falls Assessor's Office (716) 286-4380

# City of Niagara Falls Contact Information

## Department of Economic Development

### **NFC Development Corporation**

745 Main Street, Room 214  
P.O. Box 69  
Niagara Falls, NY 14302-0069

### **Department of Economic Development**

Thomas DeSantis: Acting Director Planning & Economic  
Development

Phone: (716) 286-4477

Fax: (716) 286-4485

Email: [desantis@nfez.org](mailto:desantis@nfez.org)

Thomas Tedesco: *Renewal Community Coordinator*

Phone: (716) 286-4482

Fax: (716) 286-4484

Email: [thomas.tedesco@niagarafallsny.gov](mailto:thomas.tedesco@niagarafallsny.gov)

### **Planning & Environmental Services**

Thomas DeSantis: *Senior Planner*

Phone: (716) 286-4477 or 4470

Fax: (716) 286-4485

Email: [desantis@nfez.org](mailto:desantis@nfez.org)

## Department of Community Development

1022 Main Street

P. O. Box 69

Niagara Falls, New York 14302-0069

Seth Piccirillo: *Director of Community Development*

Phone: (716) 286-8801

Fax: (716) 286-8809

Richard Zucco: *Attorney for Community Development  
& NFC*

Phone: (716) 286-8804

Fax: (716) 286-8809

## Other City Departments

### General Planning

Phone: 286-4470

Department of Planning & Environmental Services

- Zoning
- Site Plan Review; Planning Board
- SEQR Review

### Property Taxes

Phone: 286-4380

Assessors

- Current Property Assessments
- Property Tax Abatement (485-b)

### Legal

Phone: 286-4420

Corporation Counsel

- Sale of City Owned Properties
- City Easements
- City Council Approvals

### Economic Development

Phone: 286-4482

- Loan Programs: NFC Development Corporation, Empire State, NYSERDA

### Community Development

Phone: 286-8800

- Commercial Façade Grants
- Commercial Loan Subsidies
- Leased Housing
- Housing Renovations

### Building Construction and Renovations

Phone: 286-4450

Inspections

- Building Permits
- Code Enforcement: Electrical, Plumbing, Housing

### Engineering

Phone: 286-4410

- Street Paving and Construction
- City Maps: Water, Sewer, Streets

### Waste Water

Phone: 283-9970

- City Sewage; Discharge Requirements
- Permits

# Section II: Regional Resource Guide

# Niagara County Programs

## Niagara Economic Development Fund

Contact: Samuel Ferraro (716) 278-8750

*The Niagara Economic Development Fund, which has been funded through the New York Power Authority (PASNY), can provide up to 30% or \$250,000 of the eligible project cost, whichever is less. The Niagara County IDA is administrator of the funds. The maximum amount of public funding in the project cannot exceed 50%.*

### Eligible Costs

Real Estate, Heavy Duty Machinery and Equipment, any necessary project costs - soft costs: legal, accounting, architectural, interim financing, etc.

### Eligible Businesses

Manufacturing

### Rate/Term

The rate will be fixed at the time of closing at Prime minus two points with a floor of 5% and a ceiling of 10%.

- M/E - 7 Years
- Real Estate - 15 Years

### Application Process

A NEDF application must be completed and then submitted to the NCIDA office for approval. The NFC staff can assist in completing the necessary application for financing.

Note: This is permanent financing which requires the borrower to arrange interim financing for the project.

## Revolving Loan Program

Contact: Sam Ferraro (716) 278-8750

*The Niagara County Industrial Development Agency (NCIDA) can make direct loans up to \$250,000 available together with other public and private financing. Bank financing must be associated with the project.*

### Eligible Costs

Real Estate, Machinery and Equipment, and Working Capital, any necessary project soft costs: legal, accounting, architectural, interim financing, etc.

### Eligible Businesses:

Manufacturing

### Rate/Term:

The rate is fixed at 80% of Prime for a term, which is reflected in the useful life of the asset being financed.

### Application Process

An IDA loan package must be submitted to the NCIDA for loan approval. The NFC staff can assist in completing the necessary application for financing.

Note: This is permanent financing which requires the borrower to arrange interim financing for the project.

# New York State Programs

## Link Deposited Program: Interest Rate Reduction

Contact: Buffalo Regional office (716) 846-8200 or visit [www.empire.state.ny.us](http://www.empire.state.ny.us)

*New York State can help an existing NYS business undertaking a project that will improve its competitiveness and create and/or retain jobs in NYS. Loans obtained from private banking institutions will be subsidized over a period of two (2) years.*

### Eligible Costs

Real Estate, Heavy Duty Machinery and Equipment, any necessary project costs - soft costs: legal, accounting, architectural, interim financing, etc.

### Eligible Businesses

Manufacturing

### Rate/Term

The bank loan rate will be reduced two points, three if located in a EDZ and a certified EDZ company, for a period of two years. The maximum loan amount is set at \$1,000,000. A Company cannot have more than one linked deposit open at a time, but may come reapply.

### Application Process

A Link Deposited Program application must be completed and then submitted with your participating Bank.

## Empire State Development Corporation

Contact: Buffalo Regional office (716) 846-8200 or visit [www.empire.state.ny.us](http://www.empire.state.ny.us)

*Empire State Development (ESD) is New York State's lead economic development agency. With co-headquarters in Albany, Buffalo, and New York City, ESD is supported by a network of 18 additional locations throughout the state and around the world. The organization is comprised of highly qualified professionals who help businesses:*

- ◆ *Start up a company in New York State;*
- ◆ *Relocate or establish a presence in New York State;*
- ◆ *Expand already existing operations in New York State;*
- ◆ *Retain and enlarge their workforce in New York State;*
- ◆ *Compete more effectively and profitably in the domestic and international marketplace.*

## USA Niagara Grant Program

Contact: 716-284-2556 or visit [www.usaniagara.com](http://www.usaniagara.com)

*The USA Niagara Grant program is an economic incentive program to create jobs and encourage new investment in downtown Niagara Falls, NY. The Grant Program may generally fund up to \$100,000 or one-half (50%) of eligible project costs, whichever is less. Grant award amounts are measured against the established grant criteria. Project cost must be a minimum of \$25,000.*

For more information, contact USA Niagara Development Corporation, @716-284-2556 or visit [www.usaniagara.com](http://www.usaniagara.com).

# New York State Programs (con't.)

## Environmental Investment Program

Contact: Empire State Development (518) 292-5340

*The Environmental Investment Program provides interest subsidies on loans made by Empire State Development for projects which develop and/or expand markets for secondary materials*

### Eligible Costs

Eligible project costs include those associated with the acquisition, construction, alteration, repair or improvement of buildings, equipment or machinery used on site and employed for the purpose of recycling secondary materials.

### Eligible Businesses

Eligible applicants include qualified small and medium-sized New York State businesses, non-profit organizations and municipalities on behalf of New York State businesses.

### Rate/Term

The extent of private investment and the significance of expected economic and environmental benefits are evaluated to determine award amounts

### .Application Process

Funding requests are reviewed on a competitive basis throughout the year.

Note: This is permanent financing which requires the borrower to arrange interim financing for the project.

# New York State Programs (con't.)

## Utility Company Programs

### **National Fuel (natural gas supplier)**

National Fuel provides a special “Empire Zone Rider” for certified zone businesses which meet their necessary qualifications.

#### Contact

Erik Solomon (716) 857-7003

### **National Grid (electric supplier)**

National Grid provides a special “Empire Zone Rider” for certified zone businesses either new or existing business, which meets their necessary qualifications.

#### Contact

Bryan Archambault (315) 428-6702

Mary Grace Welch (716) 831-7752

# Federal Programs

## Small Business Administration SBA (504) Direct Loan Program

Contact: Buffalo District Office 130 S. Elmwood Ave, Suite 540, Buffalo 14202 (716) 551-4301

*The SBA can provide direct funds for up to 40% of the eligible project costs not to exceed \$1,300,000. A ratio of one new job for every \$15,000 in SBA funds is preferred but not required. Bank financing is required for 50% of the project and a cash injection of at least 10%.*

### Eligible Costs

Real Estate, Heavy Duty Machinery and Equipment, any necessary project costs - soft costs: legal, accounting, architectural, interim financing, etc.

### Eligible Businesses

Any commercial, retail or manufacturing business, which meets SBA size standards and conditions.

### Rate/Term

The rate is fixed at time of closing and is determined by the rate in which US Treasury Bonds were purchased for the project.

- M/E – 7-10 Years
- Real Estate- 15-20 Years

### Application Process

A SBA (504) application must be completed with the assistance of the NFC (An Associate Certified Development Corporation) and is then submitted to the Buffalo Office of the SBA for approval.

Note: This is permanent financing which requires the borrower to arrange interim financing for the project.