

Therefore, a project requesting the maximum of \$400,000 will be required to have additional resources committed equivalent to \$400,000 or more. Funding priority is given to projects within an approved BOA.

Local Waterfront Revitalization Program

The NYSDOS administers LWRP funding, which can be utilized for waterfront and near-shore area improvement projects by municipalities with an approved Local Waterfront Revitalization Plan. Funds can be utilized to finalize the design and construction of infrastructure and shoreline improvements and other capital projects such as trails and parks. Cohoes Boulevard BOA capital projects, as depicted on Map 15, that should be competitive for this funding program include: Mohawk River Promenade Improvements (Projects 2, 10 and 11) and the construction of waterfront parks and kayak launches (Projects 2, 11, 12 and 14).

Parks, Recreation and Historic Preservation Program

The Office of Parks, Recreation and Historic Preservation (OPRHP) administers a separate EPF grant program focusing on the acquisition, preservation and construction of park and historic preservation projects. This funding program supports the purchase of property and easements, the construction of public parks, and the preservation of historic resources and structures. Several projects within the BOA should be a good fit for this funding program, including: acquisition and development of a new park on the St. Michael's site (Project 12); the development of a park on the former landfill (Project 14); and the development of St. Josephs Park, Canal Square Park and Silliman Park (Projects 5 and 23).

Funding programs associated with the EPF are extremely flexible. Applicants can utilize other local, state, and in-kind funds towards their dollar for dollar match, and must be capable of funding the entire project prior to requesting reimbursement.

NYS Office of Community Renewal

NEW YORK MAIN STREET PROGRAM

The New York Main Street (Main Street) Program is funded by the NYS Housing Trust Fund and administered by the Office of Community Renewal. The Main Street Program mainly supports investment in private property. The Cohoes Local Development Corporation has successfully administered Main Street funding in the past, and should continue to seek program funding for façade renovations, tenant space improvements, signage, and wayfinding improvements. The revitalization and reinvestment in existing commercial spaces along Remsen Street and Main Street (Project 4) would be an appropriate target area for this funding source. This corridor would also be able to leverage the streetscape component of the funding program, and potentially provide assistance for renovations for historic structures such as the Carter Building or Manufacturers Bank building (Project 23). Main Street funding is also flexible, yet requires proof of committed investment by other state, federal or private sources. Similar to EPF programs, Main Street is also a reimbursement program, with varying levels of match dependent upon project type.

LOW INCOME HOUSING TAX CREDITS AND NYS HOME

The New York State Department of Housing and Community Renewal provides State Low Income Housing Tax Credits similar to federal HUD tax credits for qualified low to moderate income housing projects. In addition, the NYS HOME program further leverages private investments for the rehabilitation and construction of modern, affordable housing.

NYS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The New York State Community Development Block Grant Program (CDBG) is also funded by the NYS Housing Trust Fund and administered by the Office of Community Renewal. The CDBG program provides funding for accessible and affordable housing, drinking water and wastewater projects, and needed public facilities. CDBG funding is available via two funding programs: Annual Competitive and Open Round Economic Development.

Annual Competitive

The Annual Competitive Round of CDBG funding can be utilized for housing rehabilitation (affordable), public facilities and public infrastructure (water/sewer only). The City should seek to access CDBG funding for infrastructure improvements on at the DPW site (Project 2), along Saratoga Street (Project 3) and at 32 Cortland Street (Project 1), as required, to facilitate private investment. The caveat to this funding source is that funds should predominantly benefit individuals of low to moderate income, which may preclude their use in limited instances. Additionally, during any future reconstruction of local roads the City should also seek funding to improve and/or replace public water and sanitary/combined sewer services. Annual Competitive Round funding does not require matching funds from the applicant.

Open Round Economic Development

The Open Economic Development Round of CDBG funding can provide financial assistance directly to businesses which will result in the creation or retention of jobs. Additionally, these funds can be utilized to construct publicly owned infrastructure necessary to support the creation or expansion of a business. Similar to the Annual Competitive Round of funding, Cohoes should seek CDBG funding to help fund a portion of the proposed BRT station along Saratoga Street (Project 3). The required matching funds for Open Round Economic Development Round funding vary by project type from 10 percent to 60 percent.

NYS Environmental Facilities Corporation

GREEN INNOVATIONS GRANT PROGRAM

The Green Innovation Grant Program (GIGP) is funded and administered by the New York State Environmental Facilities Corporation and funded through the NYS Clean Water Revolving Loan Fund which is capitalized largely through federal support. The GIGP supports projects that incorporate unique ideas for stormwater management, innovative green infrastructure design, and cutting-edge green technologies. GIGP-funded projects range from simple rain gardens to large-scale wastewater treatment sites. Uncontrolled stormwater runoff can overwhelm

separate or combined-sewer systems in aging communities such as Cohoes, leading to overflows into streets and homes and pollutants in the Mohawk and Hudson Rivers.

There are several opportunities for green infrastructure in the Cohoes Boulevard BOA, including the proposed St Joseph Park Neighborhood (Project 5) and in streetscape and public realm improvements such as the interpretive re-construction of a segment of the former Champlain Canal (Project 11) or the Heritage and Arts District (Project 23).

The GIGP program funds up to 90 percent of project costs with no defined maximum yet will only fund the green infrastructure portions of the project. Non-sustainable components will require coverage via other project funding.

NYS Department of Environmental Conservation

BROWNFIELD CLEANUP PROGRAM

In 2004, the establishment of the Brownfield Cleanup Program (BCP) provided tax credits for the remediation and redevelopment of brownfield sites in New York State. These tax credits are further enhanced within Brownfield Opportunity Areas and areas the Empire State Development Corporation has designated as Environmental Zones (EN Zone). The BCP establishes four separate levels of remediation based on final permissible uses and the need for continued engineering controls to protect the public health, safety and welfare; projects that pursue more extensive levels of remediation are eligible for greater tax benefits. Credits cannot be issued prior to the issuance of a Certificate of Completion which certifies remediation activities have been completed per agreement with the NYSDEC. As of January 2013, funding for the BCP will expire in December of 2015. The extensive timeline anticipated for projects entering the BCP to achieve a COC will require the City of Rochester and project partners to move quickly to take advantage of this important source of project financing.

There are three separate tax credits available in the BCP Program:

Brownfield Redevelopment Tax Credit

The brownfield redevelopment tax credit consists of the sum of three separate credit components: (1) site cleanup, (2) groundwater cleanup, and (3) development on a brownfield site. The brownfield redevelopment tax credit is available to taxpayers who incur costs for the remediation or redevelopment of a brownfield site in New York State that is, or will become, a qualified site. Upon completion of the required remediation, the DEC will issue a written Certificate of Completion (COC) to the remedial party. The COC will include the applicable percentages used to determine the amount of the credit. The amount of the brownfield redevelopment tax credit is a percentage of the eligible costs paid or incurred to clean up and redevelop a qualified site. A greater percentage is allowed for sites that are cleaned up to a level that requires no restrictions on use, sites located in a designated EN Zone, and sites located in a BOA. Within portions of the Cohoes Boulevard BOA north of Ontario Street this equates to an additional 10 percent credit.

Remediated Brownfield Credit for Real Property Taxes

A developer who has been issued a COC for a brownfield site, or who has purchased or acquired all or part of a qualified site is allowed a remediated brownfield credit for real property taxes paid. The amount of the credit is 25 percent of the product of the taxpayer's employment factor (a percentage based on the number of persons employed on a qualified site) and the taxpayer's "eligible real property taxes." If the Site is located in an EN Zone (north of Ontario Street) the credit is 100 percent of the product of the employment factor and the real property taxes paid.

Environmental Remediation Insurance Credit

This credit is available for premiums paid for Environmental Remediation Insurance up to the lesser of \$30,000 or 50 percent of the cost of the premiums.

ENVIRONMENTAL RESTORATION PROGRAM

Under the Environmental Restoration Program (ERP), the State provides grants to municipalities to reimburse up to 90 percent of on-site eligible costs and 100 percent of off-site eligible costs for site investigation and remediation activities. Once remediated, the property may then be reused for commercial, industrial, residential or public use. Applications for this program have not been accepted since 2008 due to a lack of funding, but the 2013 proposed NYS Budget includes the reappropriation of approximately \$40 million in unencumbered funding from previous years. The ERP is a significant potential source of funding for the City of Cohoes to remediate City-owned property within the BOA, including the Cohoes DPW Site and the former municipal landfill. The State has indicated that funding priority will be given to projects within an approved BOA.

NYS Empire State Development Corporation

New York State has established several programs in support of brownfield and economic development activities that incentivize private investment, including the remediation and redevelopment of contaminated properties. The NY Empire State Development Corporation's Environmental Zone (EN Zone) program enhances BCP tax credits in designated census tracts based on poverty and unemployment levels. The Excelsior Jobs Program (EJP) contains three relevant components which package tax credits for job creation, capital investments, and research and development activities.

ENVIRONMENTAL ZONE PROGRAM

The Empire State Development Corporation established EN Zones as designated areas in which tax credits acquired through the BCP program could be further enhanced as an incentive for developers to remediate property in areas challenged by high poverty and unemployment. All land within Census Tract 129 (north of Ontario Street) is designated as an EN Zone and is available for up to an additional eight percent in credits under the Brownfield Redevelopment Tax Credit.

EXCELSIOR JOBS PROGRAM

Business investment within the Vacuum Oil BOA may qualify for fully refundable tax credits via the Excelsior Jobs Program (EJP). Businesses within the BOA may be eligible for three of the four EJP credits, which can be claimed over a 10 year period. To earn any of the following credits, firms must first meet and maintain the established job and investment thresholds as outlined by the New York Empire State Development Corporation, which include minimum eligibility criteria for jobs, overall investment and benefit-cost ratios.

The Excelsior Jobs Tax Credit

A credit of 6.85 percent of wages per net new job to cover a portion of the associated payroll cost.

The Excelsior Investment Tax Credit

The Investment Tax Credit is valued at two percent of qualified investments in tangible property, such as buildings or structural components of buildings located within New York State that have a useful life in excess of four years. This credit may be taken in tandem with the Investment Tax Credit for investments in research and development property or with brownfield tangible property credit, but not both.

The Excelsior Research and Development Tax Credit

The Research and Development Tax Credit is valued at 50 percent of the Federal Research and Development Credit, up to three percent of total qualified research and development activities conducted in New York State.

To be eligible for inclusion in the EJP, firms must operate in one of seven key industries:

- financial services data center or back office operation;
- manufacturing;
- software development and new media;
- scientific research and development;
- agriculture;
- creation or expansion of back office operations;
- distribution center, or
- an industry with significant potential for private sector growth and development.

OTHER EMPIRE STATE DEVELOPMENT CORPORATION PROGRAMS

Empire State Development Corporation maintains discretionary capital funds in support of statewide economic development initiatives and business investments. This includes development bonds to support significant private sector investments, the Urban and Community Development Program for feasibility and pre-development activities, and the Build Now-NY/Shovel Ready Program, among others.

6.4 Transportation Funding

The most likely means of implementing transportation improvement recommendations identified in the BOA Master Plan will be to seek multiple funding sources, including a combination of public funding from various governmental levels.

Federal Sources

Federal transportation funding for projects associated with road reconstruction or trail development are typically available via the formalized Transportation Improvement Program process coordinated by the Capital District Transportation Council (CDTC). This would include Projects 3, 4, 7, 8, 9, 19, and 23.

The Federal Government provides funds for transportation projects through various funding programs contained within multi-year federal transportation legislation, with the current appropriations bill referred to as MAP-21, or Moving Ahead for Progress in the 21st Century. MAP-21 is a new two-year federal transportation act that was signed in July 2012 after the expiration of SAFETEA-LU in March 2012. The new act created the Transportation Alternatives Program (TAP) which combines several SAFETEA-LU programs under a single heading, continuing funding support for programs and projects defined as transportation alternatives, including:

- on- and off-road pedestrian and bicycle facilities;
- community improvement projects;
- recreational trail program projects; and
- safe routes to school projects.

MAP-21 also continues the Surface Transportation Program (STP) and the Highway Safety Improvement Program (HSIP) which supply potential federal funding sources for roadway and trail improvements.

SURFACE TRANSPORTATION PROGRAM (STP)

The Surface Transportation Program is a primary core Federal-aid program within MAP-21 utilized for local highway and trail improvement projects. The STP provides flexible funding that may be used for a variety of projects through numerous sub-programs, including all project types eligible for funding under the Transportation Alternatives Program. STP funds can also be 'Flexed' or transferred to fund multi-modal and transit projects, as approved by CDTC. STP funds would support the following activities associated with the Cohoes Boulevard BOA Master Plan:

- Capital costs for transit projects;
- Recreational trail projects;
- Reconstruction of roadways and installation of bicycle lanes on roadways;
- Bicycle transportation and pedestrian walkways, and ADA sidewalk modifications;
- Highway and trail intersection improvements; and
- Traffic signal improvements and traffic calming techniques.

HIGHWAY SAFETY IMPROVEMENT PROGRAM (HSIP)

The Highway Safety Improvement Program (HSIP) is a core Federal-aid program with an overall purpose to achieve a significant reduction in traffic fatalities and serious injuries on all public roads through the implementation of infrastructure-related highway safety improvements. HSIP funds must be consistent with the State Strategic Highway Safety Plan. The following projects may be eligible for HSIP funds:

- 4 - New Residential Infill / Main Street Rehabilitation Area;
- 9 - Gateway and Improved Signage; and
- 19 - Cohoes Boulevard Improvements.

TRANSPORTATION ALTERNATIVES PROGRAM (TAP)

The Transportation Alternatives Program functions as an umbrella for three separate programs formerly functioning separately under SAFETEA-LU. With some minor exceptions within the Recreational Trails program, all TAP funding requires a 20 percent local match that may be cash or in-kind services.

Transportation Enhancements (TE)

Transportation Enhancements (TE) funds are now included under the Transportation Alternatives Program, and administered by the New York State Department of Transportation (NYSDOT) with assistance in project solicitation and selection being provided by the Capital District Transportation Council (CDTC). In order to maximize the use of the available TE funding, this program provides innovative financing alternatives for local matching requirements of 20 percent.

TE funds would support the following Projects associated with the Cohoes Boulevard BOA:

- 4 - New Residential Infill / Main Street Rehabilitation Area;
- 5 - St. Joseph's Park Neighborhood;
- 7 - Ontario Street Improvements;
- 8 - Cohoes Heritage Trail Improvements;
- 16 - Erie Canal and Champlain Canal Juncta Interpretive Center; and
- 19 - Cohoes Boulevard Improvements.

Safe Routes to School (SRTS)

Similar to TE funds, SRTS funds are now included under the TAP umbrella. The SRTS Program provides funding to enable and encourage children, including those with disabilities, to walk and bicycle to school; to make walking and bicycling to school safe and more appealing; and to facilitate the planning, development and implementation of projects that will improve safety, and reduce traffic, fuel consumption, and air pollution in the vicinity of schools. SRTS funding within the Cohoes Boulevard BOA would likely be limited to the Columbia Street and the Cohoes Heritage Trail (Project 8) corridor to a connection with the nearby Abram Lansing School.

Recreational Trails (RT)

The Recreational Trails Program provides funding to construct and maintain recreational trails. Each state must establish a State Recreational Trails Advisory Committee that represents both motorized and non-motorized recreational trail users to distribute funds. Of funds distributed to a state, 30 percent must be used for motorized trails, 30 percent must be used for non-motorized trails, and the remaining 40 percent can be used for either type of trail. A typical RT award is \$50,000 to \$100,000. RT funds would support the development of the continued development of the Cohoes Heritage Trail (Project 8).

State Sources

STATE MULTI-MODAL PROGRAM

The State Multi-Modal Program provides funding for authorized port, airport and local highway and bridge projects. State Multi-Modal funds can be used to finance project costs for the construction, reconstruction, improvement, reconditioning and preservation of county, town, city and village roads, highways, parkways and bridges. All Multi-Modal projects must have a ten year "bondable" service life and must be for public transportation or freight transportation purposes. The State Multi-Modal Program may be a significant source of funding for the BRT station on Saratoga Street (Project 3).

6.5 Other Funding Sources

Several other local and federal grant, funding and financing programs will likely be required to facilitate additional implementation projects. The following is a brief overview of other relevant funding sources to be considered for the revitalization of the BOA Study Area.

Industrial Development Agencies

The Cohoes Industrial Development Agency (CIDA) has a suite of tools to assist private development, including tax exempt bond financing, sales/mortgage tax exemptions, and payment-in-lieu-of-tax (PILOT) exemptions for property taxes. In addition, CIDA can assist projects through the purchase and sale/leaseback of land, existing facilities and new equipment. Private development projects within the BOA may potentially be eligible for assistance from CIDA.

Federal Programs

The US EPA's Brownfields Program provides direct funding for brownfields assessment, cleanup, revolving loans, and environmental job training. In addition to direct brownfields funding, EPA also provides technical information on brownfields financing matters. The remediation of the St. Michael's site and former landfill site may be eligible for EPA assistance.

The New Markets Tax Credit Program (NMTC) was established by Congress in 2000 to spur new or increased investments into operating businesses and real estate projects located in low-

income communities. The NMTC Program attracts investment capital to low-income communities by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). The credit totals 39 percent of the original investment amount and is claimed over a period of seven years. The Community Fund of the Capital Region is the only CDE within Albany County that has received CDFI program assistance in the past.

The following Projects may be capable of obtaining credits through this program.

- 1 - Mixed Use Waterfront Development;
- 2 - New Waterfront Mixed Use;
- 3 - Saratoga Street Mixed Use / Bus Rapid Transit Station;
- 6 - New Mixed Use building at Remsen Street and White Street; and
- 13 - New Grocery Store.

Owners of commercial properties on the National Register of Historic Places are eligible for a tax credit of up to 20 percent of rehabilitation work from the federal government. Additionally, the New York State Historic Preservation Office offers a 20 percent tax credit on income-producing and residential properties, up to \$5 million and \$50,000, respectively, as part of the NYS Rehabilitation Tax Credit program.

6.6 Tax and Pilot Increment Financing

Tax Increment Financing

As part of Municipal Redevelopment Law (MRL) GMU-Article 18-C, the State of New York has approved the use of Tax Increment Financing (TIF), which enables municipalities and private entities to borrow capital for significant investments and allocate the proceeds from resultant increases in property tax revenues to cover debt service. Tax increment financing has two primary variations: Project TIFs and Area TIFs. Project TIFs are organized around financing for a single project, utilizing a small TIF district that may coincide with a few properties or even just a few buildings. Area TIFs designate a larger district within the City, and divert the resultant increased tax revenues into district-wide improvements such as infrastructure, parks, museums, and other public or quasi-public amenities.

New York State, through the MRL, permits the establishment of TIF districts which contain an area suffering from blight or a preponderance of abandoned structures; the St. Josephs Park Neighborhood and Saratoga Street could be classified as having a blighting influence on the community. To take advantage of potential TIF financing, these areas would need to be established as a Redevelopment Project Area pursuant to GML Article 18-C §970-f.

TIF utilization within New York State remains low due to legal concerns regarding the constitutionality of revenue diversion to repay TIF debt. These concerns have led municipalities and their bond counsels to shy away from the use of TIF as a redevelopment financing mechanism.

PILOT Increment Financing

The uncertainty associated with TIFs has led municipalities to utilize PILOT (Payment in Lieu of Taxes) Increment Financing, or PIFs, to finance property acquisition, demolition, infrastructure and construction. The most significant difference between TIF and PIF financing is that PIFs establish a fixed dollar payment to taxing jurisdictions, which eliminates uncertainty for bond underwriting. In addition, a fixed tax payment schedule also provides a greater level of comfort for taxing jurisdictions and developers to project future revenues and expenditures. PIFs also allow for taxing jurisdictions to receive full base year taxes plus an annual increment to partially offset inflationary costs. After the diversion of the fixed ‘increment’ portion of the taxes to cover debt service, the remaining tax revenue, if any, continues to flow to the taxing jurisdiction. Similar to TIF, PIF can utilize the BOA study area to formulate the PIF District, therefore accelerating the process.

Finally, a significant benefit of PIF over TIF financing within BOA redevelopment projects is the inclusion of a private party to the transaction. Private entities may be eligible for tax credits, which can be utilized as a partial or full reimbursement for PILOT payments. The ability of private interests to leverage potential BCP tax credits towards a PIF financing agreement would be very appealing for public/private projects requiring significant upfront infrastructure or development costs.