

using DRI funds, whether included in the community's DRI application or identified by the LPC during the planning process, should align with the goals and strategies.

Downtown Management and Implementation Strategy

The DRI Strategic Investment Plan will address local capacity, describing how the implementation of the proposed projects will be managed and sustained. The Plan will identify an existing or propose a new management structure to guide downtown revitalization in a fiscally sustainable manner and will identify where there is a need to create or enhance local capacity to support ongoing implementation of the DRI Strategic Investment Plan. For example, downtown development could be spearheaded by an existing or proposed downtown business improvement district, a local development corporation, or a special unit in the mayor or town supervisor's office.

The Plan will also present a realistic timeframe for implementation of the recommended projects that recognizes the need to initiate all projects receiving DRI funding within two years of award.

Projects

During the DRI application process, communities are asked to describe a range of transformative projects that could become part of the community's DRI Strategic Investment Plan to demonstrate that the community is ready to move forward with thoughtful and catalytic projects that will benefit a growing downtown. However, the application form notes that all projects submitted in the DRI applications will be further vetted by the Local Planning Committee and the State during the plan development process. The open, community-based planning process is designed to encourage creative and innovative approaches to downtown revitalization, and will result in a list of potential projects, including some that were contemplated in the initial application and others that arose during the process.



Vision for the Village of Watkins Glen

The vision of the Watkins Glen Downtown Revitalization Initiative is to leverage the accessible Seneca Lake waterfront, famous wine trails, vibrant arts scene, internationally recognized racetrack with a storied auto-racing heritage, and world class State Park for progressive community development that retains and enhances our unique character to sustain a year-round innovative and prosperous economy that is supported by our community.

The LPCs will evaluate the full list of potential projects to select a slate of projects for inclusion in their DRI Strategic Investment Plan that will most effectively advance the community's DRI strategies; that will have the greatest public benefit; that are primed for implementation; and that enjoy broad stakeholder support. In total, the projects selected for inclusion in the Strategic Investment Plans will exceed the DRI funding available for implementation to allow flexibility in funding awards, to account for the potential for other funding to come forward, and for complications that might arise that impact viability of a recommended project after the plan is complete.

The LPCs are encouraged to choose projects that will be catalytic and that present the strongest likelihood of jump-starting or continuing downtown revitalization and investment in the community. Each LPC will develop tailored criteria for project selection that are appropriate for their DRI's vision, goal and strategies, as well as the goals of the DRI program.

Recommended projects may range in cost and scale from small improvements to large-scale construction projects, from zoning updates to major infrastructure projects. For private for-profit projects, DRI funds may not exceed 40% of the total project cost except as noted on page 19. While DRI funding may be used to cover the entire cost of a public or not-for-profit project, leveraging of investment dollars from other sources (i.e., private, local, federal, or other state sources) is strongly encouraged. LPCs may establish more restrictive match requirements.

The recommended projects must clearly implement the vision, goals, and strategies for revitalization of the downtown, and taken together, should represent a holistic approach to downtown revitalization. What is being sought is SYNERGY, which essentially means that the whole is greater than the sum of the parts. To convey context and the interconnectivity of projects, the consultants will prepare a graphic representation that presents recommended projects on a map in relationship to each other and to the downtown area.

If desired, the LPC may also include brief descriptions of additional complementary projects in the Strategic Investment Plan that that could advance the vision and goals for the downtown with other funding sources.

Project Types

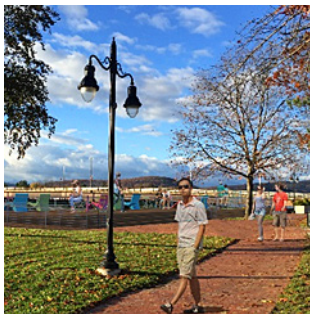
It is expected that the majority of DRI funds will be used for capital projects that will transform the physical environment of the downtown in ways that will benefit current residents and future generations. However, certain non-capital projects will also be considered to the extent that they will contribute to the revitalization of the downtown and are consistent with the community's vision and goals. Projects will generally fall into the following categories:



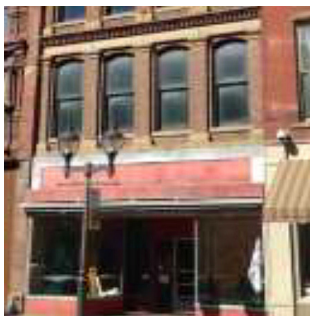
New Development and/or Rehabilitation of Existing Downtown Buildings

– Projects in this category may include development or redevelopment of real property for mixed-use, commercial, or public uses. They should have a visible and functional impact on the downtown, serving as anchor, catalytic or transformative projects that will provide employment opportunities, housing choices, and/or services for the community. Projects should employ decarbonization strategies consistent with the State’s goals under the Climate

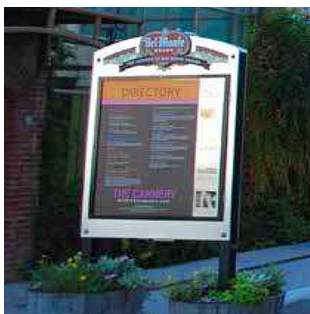
Leadership and Community Protection Act. Construction or rehab of stand-alone parking garages not connected with other uses will not be considered for funding.



Public Improvement Projects – These may include infrastructure projects such as broadband and other communications connectivity, green infrastructure, streetscape improvements, transportation, recreational trails, signage, new and upgraded parks and plazas, public art, and other public realm projects that will contribute to revitalization of the downtown.



Grant Fund or Revolving Loan Fund – A locally managed fund may be proposed to undertake a range of smaller downtown projects such as façade improvements, public art and public realm improvements, and physical improvements to existing and/or vacant commercial or mixed-use space. Projects that are significant, such as new construction, should not be proposed for a fund and instead should be proposed as their own individual project. Funds are typically capped at \$600,000.



Branding and Marketing – Examples include downtown branding and marketing projects that may target residents, investors, developers, tourists, and/or visitors. The costs eligible under this category must be one-time expenses, such as those to develop materials and signage. Ongoing operational costs, such as to fund a downtown manager or maintain a website, are not eligible for DRI funding.

Project Sponsors

DRI funding may be awarded to public, not-for-profit, and private entities to implement projects included in the final DRI plan. Each project profile will identify a project sponsor that has both the capacity and the legal authority to undertake the project and to whom the DRI funds may

be awarded. A final determination will be made by the State following award announcement as to the entity that will hold the DRI contract.

Project Requirements

DRI implementation projects will be required to comply with the following requirements:

Timing

- Projects must be able to break ground within two years or sooner. Grants to projects that do not meet this goal may be rescinded.

Project size and scale

- No DRI awards of less than \$100k will be considered to ensure projects are of a significant size and scale to be truly transformative in nature.
- To be considered for DRI funding, a fully-residential project must include at least 8 units and must include an affordable component.

Private or local match

- DRI will not cover more than 40% of privately-sponsored projects, except as described below.
- Leveraging for public and non-for-profit projects is strongly encouraged (local planning committees may set match requirements or goals). If a grant or loan fund is proposed, the state will work with the community to establish appropriate match requirements.

Decarbonization

- New and substantial rehabilitation construction projects will be required to meet the Stretch Energy Code, whether or not the locality has adopted that code.
- Privately-sponsored projects that commit to meeting higher standards, including efficiency combined with full electrification or the integration of climate resiliency measures, onsite renewables, energy storage or electric vehicle charging equipment, may be eligible for a larger DRI subsidy of up to 50%. Projects achieving these higher levels of performance should also seek incentives from NYSERDA to co-fund their development.

Ineligible Activities

There are very few restrictions on the use of DRI funds other than the requirement that the projects can be implemented quickly and, as a whole, will have a transformational impact on the downtown. However, a few specific activities have been identified as ineligible for DRI funds and should not be included in projects proposed for DRI funding. These include:



Litatro building, Oswego (before and after)

- Planning activities. Following the preparation of the DRI Strategic Investment Plan, all DRI funds must be used for projects that directly implement the plan. Utilizing DRI funds for additional planning is not the goal of the program.
- Operation and maintenance. DRI funds cannot be used for on-going or routine expenses, such as staff salaries and wages, rent, utilities, and property upkeep.
- Pre-award costs. Reimbursement for costs incurred before the DRI plan is complete and before funding awards are announced is not permitted.
- Property acquisition. A DRI project profile may include the cost of acquisition in the budget of a larger redevelopment, but it must also show that the acquisition itself will be, or has already been, covered by another funding source.
- Training and other program expenses. DRI is a one-time infusion of funds, and cannot be used to cover continuous costs, such as training programs, that would cease to exist once the DRI funds have been expended.
- Expenses related to existing programs. DRI is not intended to supplement existing programs or replace existing resources.

Project Profiles

Each project that will be included in the Strategic Investment Plan and recommended for DRI funding must have a project profile. Each profile should be able to stand on its own, i.e. contain the information needed to evaluate it in the context of downtown revitalization effort. The content of the project profiles is expected to evolve throughout the planning process, with the final project profiles providing a level of detail needed to move quickly to implementation.

Each project profile will include a full project description, its location, ownership and partners. Among the other details to be provided will be a description of the capacity of the project sponsor to implement and sustain the project; the budget and source(s) of project funding; a construction

and project cost estimation; regulatory requirements; conceptual design; and project readiness and a timeframe for implementation.

Additional information beyond the minimum requirements in the profile may also be provided as appropriate to better position the project for implementation. Supplemental information can assist project evaluations and increase project competitiveness if it supports project readiness, transformative properties, and impact on the DRI area. For example, project sponsors or consultants may develop economic assessments, market studies, feasibility studies, pro-forma, or other analyses as appropriate to demonstrate the feasibility and potential impact of a project on the overall economic health of the downtown area and surrounding region.



Project rendering from the Albany DRI Strategic Investment Plan

Implementation

After Local Planning Committees complete the DRI Strategic Investment Plans, the State will select projects to be funded through the DRI from those proposed in plans.

Project Selection

Projects will be selected following a careful review by the State. Every project recommended for funding in a community's DRI Strategic Investment Plan will be evaluated based on how well it meets the following criteria:

- State and Local Goals – The project is aligned with State and local goals and demonstrates strong community support.

- **Project Readiness** – The project is well developed and poised to proceed in the near term in a way that will jumpstart the redevelopment of the neighborhood.
- **Catalytic Effect** – The project is likely to have a significant positive impact on the revitalization of the downtown by attracting other public and private investment.
- **Co-Benefits** – The project will result in secondary benefits to both the community and project developer, beyond the primary goal of the project itself, which will generate additional economic activity, grow the local property tax base, improve quality of life in the neighborhood, and/or result in improved buildings likely to create healthier, more comfortable and productive environments in which to live and work.
- **Cost Effectiveness** – Investment of public DRI funds in the project would represent an effective and efficient use of public resources.

Contracting

Projects selected for a DRI award will be assigned to an appropriate state agency to manage the contract for implementation of the project. The state agency selected and method of contracting and funding disbursement will be dependent on the specific project. While there may be some variation between agency administration and the project type, in general awarded project funding will be provided on a reimbursement basis.

It should be noted that DRI funds may be used as match for other grant funding if permitted by the granting agency. However, the priority is to fund projects that are ready for implementation. Therefore, DRI funds will not be held as matching funds for other grants whose award or implementation cycles are in the out-years.

DRI awards will be subject to all requirements typically attached to state funding, including but not limited to minority- and woman-owned business enterprise (MWBE) goals, competitive procurement, and prevailing wages, as appropriate. For example, prevailing wages will be required where required by State law. Prevailing wage provisions would need to be met for public works projects (such as those projects subject to the Wicks Law, etc.) or if it is a requirement of another funding source (as it is for HUD CPD programs-Davis-Bacon).

Local Downtown Management

Local oversight and coordination of downtown projects is vital to the overall success of the DRI investments. While state agencies will work with individual project sponsors to implement each project, it is expected that each community will designate a DRI project manager to provide consistent oversight, serve as a single point of contact, and ensure that DRI projects move forward in an efficient and coordinated fashion.