



HUDSON RIVER GREENWAY MEETING

ESD Program Overview

Presented by Peter Wohl

ESD Regional Director, Capital Region

3/21/12

Andrew M. Cuomo

New York State Governor

Kenneth Adams

Empire State Development President & CEO



TODAY'S DISCUSSION

An overview of ESD, as well as our existing and recently created programs developed under the leadership of Governor Cuomo to support New York's small businesses, create jobs and assist in revitalizing and rebuilding local communities.



EMPIRE STATE DEVELOPMENT

Empire State Development (ESD) is New York State's lead economic development agency. Our organization, with co-headquarters in Albany, Buffalo and New York City, is supported by a network of 18 additional ESD offices throughout the state and around the world.

Mission

To promote business investment and growth that leads to job creation and prosperous communities across New York State.

We work closely with businesses to: identify creative solutions to challenging problems, generate enhanced opportunities for growth, and help them achieve their uniquely important, short- and long-term goals.

ESD PROGRAMS

Today we will discuss:

- Small Business Revolving Loan Fund
- State Small Business Credit Initiative
- Linked Deposit Program
- Economic Development Fund
- Excelsior Jobs Program
- Environmental Investment Program



SMALL BUSINESS REVOLVING LOAN FUND

\$50 MILLION FOR SMALL BUSINESS LENDING

- Fund supports a wide range of small businesses, retail, service and manufacturing businesses.
- Specific loan terms will be based on an individual business' needs.
- Interest rates will be competitive and loan amounts range from micro-loans of under \$25,000 to larger loans of \$125,000. These larger loans combined with matching funds could be as much as \$250,000.

We are on track to disburse the entire \$50 million to small businesses over a two year period.

STATE SMALL BUSINESS CREDIT INITIATIVE

New York State was awarded \$55.4 million from the U.S. Treasury's State Small Business Credit Initiative (SSBCI) to support three new, major initiatives:

- ✓ The Capital Access Program
- ✓ The Innovate NY Fund
- ✓ The New York Bonding Guarantee Assistance Program



STATE SMALL BUSINESS CREDIT INITIATIVE

The Capital Access Program - provides \$19 million in loan portfolio insurance to financial institutions to stimulate new lending to small businesses.

The Innovate NY Fund - a new \$25 million statewide fund that will invest in seed-stage, high-growth businesses through regionally focused investment managers.

The New York Bonding Guarantee Assistance Program - will use \$10 million of SSBCI funding to provide collateral support to help small and minority and women-owned businesses secure bonding for government contracting opportunities.

LINKED DEPOSIT PROGRAM

SUBSIDIZED INTEREST RATE LOANS TO SMALL BUSINESSES IN NYS

- Assists existing New York State small businesses obtain reduced-rate financing for investments in projects that improve their performance, competitiveness, market access and product development
- Enables businesses to obtain “linked loans” from commercial banks, savings banks, saving and loan associations, farm credit institutions or the New York Business Development Corporation at a reduced interest rate
- Compensates lenders with a deposit of state funds at comparably reduced rates

ECONOMIC DEVELOPMENT FUND (EDF)

GENERAL DEVELOPMENT FINANCING

- Increases business activity in the state
- Facilitates the creation and retention of jobs
- Supports competitiveness

Financing available for:

- ✓ Construction, expansion and rehabilitation of facilities
- ✓ Acquisition of machinery and equipment
- ✓ Working capital
- ✓ Training of full-time permanent employees



EXCELSIOR JOBS PROGRAM

GROWING HIGH-TECH AND CLEAN ENERGY JOBS

The Excelsior Jobs Program was created in 2010 to provide job creation and investment tax credit incentives to businesses in targeted industries.

2011-2012 Budget revised the program to produce better results for New York's strategic industries.

Targeted "Activities"/Industries

Firms in these industries that create and maintain new jobs or make significant financial investments are eligible to apply for up to four new tax credits.

- Scientific Research and Development (**10 new jobs*)
- Software Development (**10 new jobs*)
- Agriculture (**25 new jobs*)
- Manufacturing (**25 new jobs*)
- Back office (**150 new jobs*)
- Financial services customer service back office operations (**100 new jobs*)
- Distribution (**150 new jobs*)
- Other (**300 new jobs, invest \$6M*)

**Minimum number of net new jobs that must be created*

EXCELSIOR JOBS PROGRAM

PROGRAM TAX CREDITS

Jobs Credit

- 6.85% of gross wages per net new job created

Investment Credit

- 2% of qualifying investment
- R&D company can qualify for the Excelsior investment credit, the standard investment credit for R&D equipment and the QETC for R&D property

R&D Credit

- 50% of federal R&D credit, up to max of 3% of R&D expenses in NYS
- R&D business can qualify the Excelsior research credit and the QETC for the same research expenses

Real Property Tax Credit

- 50% of real property taxes paid on the property post-improvements made to the property after admittance into the Program

ENVIRONMENTAL INVESTMENT PROGRAM (EIP)

This program helps businesses capture the economic benefits associated with pollution prevention, waste reduction, re-use, recycling and sustainable products and process technologies.

Eligible applicants include not-for-profits, IDAs or municipalities on behalf of New York State manufacturers, recyclers, other businesses or non-profits that will achieve substantial waste prevention, recycling or toxic reductions.

Funding available for the following grant categories:

- ✓ technical assistance
- ✓ research and development
- ✓ capital projects



CONSOLIDATED FUNDING APPLICATION (CFA)

A SINGLE APPLICATION FOR MULTIPLE SOURCES OF STATE FUNDING

- Modern and easy-to-use online application to access economic development resources currently available from multiple New York State agencies and authorities.

- Funding is available for the following projects:
 - ✓ Affordable Housing
 - ✓ Community and Waterfront Revitalization
 - ✓ Direct Assistance to Businesses
 - ✓ Energy and Environmental Improvements
 - ✓ Low-Cost Financing
 - ✓ Municipal/Public Infrastructure
 - ✓ Parks, Historic Preservation & Heritage Areas
 - ✓ Sustainability Planning Assistance
 - ✓ Transportation Infrastructure
 - ✓ Workforce Development

CONSOLIDATED FUNDING APPLICATION (CFA)

ESD RESOURCES MADE AVAILABLE FOR CFA- FIRST ROUND

- ✓ \$130 million in capital funding through Regional Council Capital Fund
- ✓ \$70 million in Excelsior Jobs Program
- ✓ Up to \$19.2 million in Economic Development Purposes Grants
- ✓ Up to \$1 million from the Environmental Investment Program
- ✓ Economic Transformation program capital funds and tax credits to support communities affected by closure of correctional and juvenile justice facilities. (\$50 million in capital funding and five fully-refundable tax credits over five years)

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