

## D. Erie County IDA GEMS (W758)

July 23, 2009

**Grantee:** Erie County Industrial Development Agency (“ECIDA” or the “Agency”)

**ESD Investment:** A grant of up to 50% of eligible project expenditures or \$40,000, whichever is less, to be used for a portion of expenses related to reimbursement for booth space rental cost associated with the MEDICA 2009 Trade Show Düsseldorf, Germany.

**Project Locations:** Düsseldorf, Germany (Trade Show); New York State

**NYS Empire Zone (or equivalent):** n/a

**ESD Incentive Offer Accepted:** n/a

**Project Completion:** January 2010

**Grantee Contact:** Mary Anne Stein, Director – International Programs  
275 Oak Street  
Buffalo, NY 14203  
Phone: (716) 856-6525 Fax: (716) 856-6754

**Project Team:** Origination Ed Kowalewski  
Project Management Janet Murray

### Project Description:

#### Background

The ECIDA is a public benefit corporation of the state of New York. Its purpose is to promote and assist private-sector industrial and economic development in Erie County. Since its incorporation in 1970, ECIDA has managed a diverse array of federal, state and locally funded economic development programs and gained significant experience in administering grants on behalf of local and regional planning and economic development initiatives.

In the spring of 2009, ECIDA advised ESD that it was developing an initiative to assist regional companies, primarily in the medical manufacturing industries, to market their products at international tradeshows and trade mission activities. However, the ECIDA and the regional companies lacked sufficient funds to complete this project. ESD’s July 2009 incentive offer of a \$40,000 Global Export Market Assistance (“GEMS”) grant was designed to help continue the ECIDA’s ongoing marketing initiatives that have assisted the participating companies’ ability to compete internationally and achieve regional economic objectives. A portion of the grant will be advanced to ECIDA to facilitate the reservation of space at the MEDICA 2009 Trade Show. Without ESD’s assistance to fill this funding gap, the project would not take place.

## D. Erie County IDA GEMS (W758)

July 23, 2009

Since 1997, the ESD Directors have approved \$230,000 in GEMS assistance for the ECIDA.

### The Project

The ECIDA will assist up to six New York State companies in marketing their products at the MEDICA 2009 Trade Show in Dusseldorf, Germany scheduled for November 18-21, 2009. This grant will be used by the ECIDA to encourage business participation, subsidize booth space and to employ strategies that will increase the effectiveness of New York State businesses attending. Project activities complemented existing ESD's International Division programs. The beneficiary companies are assisted throughout this project and they are expected to establish or enhance their presence in overseas markets and increase competitiveness, resulting in increased sales and each company's product acknowledgement. The beneficiary companies are being selected because of their agenda to plan and establish agent or distributor relationships in overseas and branch offices.

This project will begin in July 2009 and will be completed by January 2010. The ECIDA has managed the project, including serving as a liaison between the MEDICA 2009 Trade Show and companies listed within this project. Participating companies have contributed to the funding of the overall project.

Upon final completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.

Financing Uses	Amount	Financing Sources	Amount	Percent
Trade Show pre/post marketing	\$40,000	ESD Grant	\$40,000	50%
Rental Booth Space	40,000	Participating Companies' Contributions	40,000	50%
<b>Total Project Costs</b>	<b>\$80,000</b>	<b>Total Project Financing</b>	<b>\$80,000</b>	<b>100%</b>

### **Financial Terms & Conditions**

1. The Agency will be obligated to advise ESD of a material adverse change in its financial condition prior to disbursement.
2. The Agency or the Agency's shareholders will contribute at least 10% in equity to the Project. Equity is defined as any non-debt source of capital, and should be auditable through Agency financial statements or Agency accounts, if so requested by ESD.
3. Up to \$40,000 will be disbursed to Grantee as reimbursement for eligible international market development expenditures as described in these materials, assuming that all project approvals have been completed and funds are available. An initial advance of up to fifty percent (50%) of the grant (\$20,000) may be made to the Grantee.

## D. Erie County IDA GEMS (W758)

July 23, 2009

All disbursements after the initial advance shall be for eligible expenses incurred by the Grantee. ESDC shall reimburse the Grantee, not more frequently than monthly, for eligible expenses actually incurred by the Grantee. The amount reimbursed by ESDC in this manner shall not exceed forty percent (40%) of the Grant. The final ten percent (10%) of the Grant shall not be disbursed by ESDC until all of the tasks and reports required have been completed to ESDC's satisfaction.

Payment will be made upon presentation to ESDC of an invoice and such other documentation as ESDC may reasonably require. Expenditures must be incurred on or after July 14, 2009 to be considered eligible project costs.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$40,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Agency and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

### **Statutory Basis – Empire State Economic Development Fund:**

1. The project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.  
The project will provide increased market exposure and international sales opportunities for small and medium-sized regional companies, which lack the resources and expertise to identify and market to international interests.
2. The projects would be unlikely to take place in New York State without the requested assistance.  
Without ESD assistance, the ECIDA would not be able to continue the project since the overall initiative lacks sufficient funds.
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.  
The project is likely to accomplish its stated goals of providing international market assistance. The likely benefits of the project are expected to exceed the \$40,000 grant.
4. The project is undertaken in accordance with the memorandum of understanding executed in accordance with the enabling legislation.  
See cover memo.
5. The requirements of Section 10(g) of the Act are satisfied.  
See cover memo.