

**C. Essex County – Lake Champlain Bridge – Marketing (X010)**

June 24, 2010

**Grantee:** Essex County Industrial Development Agency (“ECIDA”)

**ESD Investment:** A working capital grant of up to \$50,000, pending passage of the New York State budget, to be used for a portion of the costs of the 2010 Marketing & Public Relations Plan, which will assist businesses in the Towns of Moriah, Crown Point and Ticonderoga, and the Village of Port Henry affected by the Lake Champlain Bridge closure.

**Project Location:** Towns of Moriah, Crown Point, Ticonderoga, and the Village of Port Henry, Essex County

**NYS Empire Zone (or equivalent):** N/A

**ESD Incentive Offer Accepted:** February 1, 2010

**Project Completion:** May 2010

**Grantee Contact:** Carol Calabrese, Co Executive Director  
7566 Court Street  
Elizabethtown, NY 12932  
Phone: (518) 873-9114 Fax: (518) 873-2011

**Project Team:**

Origination	Roseanne Murphy
Project Management	Brendan Healey
Affirmative Action	Laverne Poole
Environmental	Soo Kang

**Project Description:**

Background

The Essex County IDA is a not-for-profit corporation that was formed in 1973. Its mission is to create a viable business atmosphere that will attract compatible and diverse sustainable economic development opportunities while focusing on major assets, retention and expansion projects, quality of life and job creation. One of ECIDA’s primary goals is to provide a variety of services to small businesses, including marketing assistance. Other services that ECIDA provides to businesses include financial programs, regulatory assistance, construction management, grant writing, administration and program delivery.

The Lake Champlain Bridge (the “Bridge”), also know as the Crown Point Bridge, was closed indefinitely on Friday, October 16, 2009, after an inspection revealed problems with the Bridge’s foundation. The emergency closure was necessary for the safety of those who use the Bridge. The Bridge was built in 1929 and, until its recent closure, carried an estimated 4,300 vehicles per day. While ferry service was established in January 2010, to satisfy a short-term transportation need until a new bridge is built, a number of businesses

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that were severely impacted by the closure of the Bridge have still not fully recovered.

To address this problem, ECIDA approached ESD for assistance with the creation and implementation of the 2010 Marketing & Public Relations plan (“Marketing Plan”) for the Towns of Crown Point, Ticonderoga, Moriah and the Village of Port Henry. The Marketing Plan will assist businesses located in the affected communities by creating a “buy local” campaign to reestablish shopping patterns that had been in the community prior to the closure of the Bridge and to attract new customers. ECIDA plans to work closely with the Essex County Convention and Visitor’s Bureau and the Regional Office of Sustainable Tourism to maximize the project’s success. ESD offered a \$50,000 EDF working capital grant in order to assist with project. ECIDA accepted the offer in February 2010.

The Project

ECIDA plans to utilize the \$50,000 grant to fund the following: (1) Creation and distribution of 50,000 tri-fold, four color brochures; (2) advertising; and (3) coupon reimbursement for local merchants that accept printed coupons.

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

<b>Financing Uses</b>	<b>Amount</b>	<b>Financing Sources</b>	<b>Amount</b>	<b>Percent</b>
Brochures	\$8,000	ESD Grant	\$50,000	91%
Advertising	41,953	IDA Equity	5,000	9%
Coupon Reimbursement	47			0%
Project Management and Administration	5,000			
<b>Total Project Costs</b>	<b>\$55,000</b>	<b>Total Project Financing</b>	<b>\$55,000</b>	<b>100%</b>

**Financial Terms and Conditions:**

1. At the time of disbursement, the Company will reimburse ESD for all out-of-pocket expenses incurred in connection with the project, if any.
2. The Company or the Company’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 Company financial statements or Company accounts, if so requested by ESD. *(Note that in this case, Equity must be 10% of the grant amount, not 10% of the total project cost.)*
3. Up to \$50,000 will be disbursed to Grantee upon documentation of marketing project costs totaling \$55,000, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after January 27, 2010 to be considered eligible project costs. All disbursements

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must be requested by no later than April 1, 2011.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$50,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company 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.  
As a result of this project, severely impacted small businesses and not-for-profits in Essex County will receive increased business, which will increase their economic viability.
2. The project would be unlikely to take place in New York State without the requested assistance.  
The loss incurred by small businesses in the affected communities is extensive. This assistance is intended to increase the revenue that small businesses in the affected community receive, which will partially fill a financing gap and prevent them from closing.
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.  
For a relatively modest investment by the State, this assistance is expected to generate revenue for local small businesses, which will prevent them from shutting down entirely, relocate or downsize in the face of losses.
4. The requirements of Section 10(g) of the Act are satisfied.  
See cover memo.