

**K. Cortland County BDC – Essential New York Initiative (V390)**

October 21, 2010

**Grantee:** Cortland County Business Development Corporation  
(the “BDC”)

**ESD Investment:** A grant of up to \$33,200 to be used for a portion of marketing costs and capitalization of a new Young Entrepreneurs Business Development Revolving Loan Fund (“YEBD RLF”) for Cortland County.

**Project Location:** Regional – Cortland County

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

**Project Completion:** Marketing – January 2010  
YEBD RLF – December 2015

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**Project Team:** Project Management Meg Paskins  
Affirmative Action Helen Daniels  
Environmental Soo Kang

**Project Description:**

Background

The Cortland County BDC, a not-for-profit corporation formed in 1962, is Cortland County’s (the “County”) principal economic development agency, working to retain and grow local business and to attract new employers. The BDC is a “one stop” resource for entrepreneurs, company owners/managers and site selectors. The BDC operates a revolving loan fund to serve business and industry in the County; administers the Empire Zone programs for New York State; works with a variety of state and federal partners to provide development incentives for growing and locating in the County; and performs all necessary administrative services for the County’s Industrial Development Agency.

Facilitated in 2003 by the Metropolitan Development Association of Syracuse and Central New York (the “MDA”), the Central Upstate Regional Alliance (“CURA”) is an outcome of a comprehensive twelve-county regional economic development strategy called the Essential New York Initiative. CURA was created to establish a recognizable identity for the region, address opportunities of mutual concern and cooperatively identify and pursue economic development and marketing projects.

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Early programmatic successes led to the creation of *New York's Creative Core*, a regional branding initiative aiming to more effectively market the twelve-county region, its businesses, assets, and quality of life. The Creative Core initiative focuses on themes of creativity, innovation and lifestyle, and has set as its target the “40 Below” age demographic and young entrepreneurs, as well as emerging technology sectors such as renewable energy and environmental systems.

The \$33,200 grant will assist the County with the marketing of its assets as a participant in CURA's Creative Core Initiative and, therefore, as an attractive option for young people and businesses potentially seeking funding through the formation of a new Young Entrepreneurs Business Development Revolving Loan Fund. The new fund will incentivize investment by young people in the County's downtown areas, bring new vitality and economic growth to these areas and encourage new entrepreneurs to play a larger role in the growth of Cortland County.

To date, ESD has approved \$5.546 million in funding (all legislative-sponsored grants) for Essential New York Initiative related projects and programs, primarily through the MDA.

### The Project

The YEBD RLF, to be administered by the BDC, will be initially capitalized with \$40,000 in funding: \$20,000 from the ESD grant and \$20,000 in BDC cash. The new fund will support business start-ups by young entrepreneurs with priority given to those interested in renovation of second and third floor space in County downtown districts. The YEBD RLF will complement the BDC's existing revolving loan fund now available to new and existing businesses in the County. The maximum loan allowable will be \$5,000 or 50% of eligible project costs, whichever is less. The interest rate will be fixed at 6% and terms will be determined by the use of funds. Applications for funding will be reviewed by the BDC loan committee. A member of the ESD Regional Office has been added to the BDC loan committee and will attend the meetings as a non-voting member. Upon closing, all loans will be monitored by BDC.

Marketing costs will involve the development of a multimedia campaign branding the County as a participant in CURA's Creative Core initiative. Media buys will be directed toward local, regional and state print and electronic outlets, as well as to select trade, print and electronic publications. The marketing campaign kicked off in late 2009 with the development of print ads showcasing the Finger Lakes East Business Park (the “Park”), a 127-acre, 13-parcel park in the Town of Cortlandville. The marketing focused on the Park's attributes, including its proximity to Cornell University and other major Central New York colleges and universities, and its location near convenient highway and rail infrastructure. It is anticipated that the results of the advertising will generate awareness of the Park with potential targeted industries.

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BDC will furnish semi-annual reports for the YEBD RLF through December 2015. Reports will include all pertinent information, including but not limited to, outcomes and accomplishments for the reporting period, samples of marketing materials and types of linkages with other service providers.

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

<b>Financing Uses</b>	<b>Amount</b>	<b>Financing Sources</b>	<b>Amount</b>	<b>Percent</b>
<b>YEBD RLF</b>	<b>\$40,000</b>	<b>ESD Grant</b>	<b>\$33,200</b>	<b>49%</b>
<b>Marketing</b>	<b>27,351</b>	<b>Cortland County BDC</b>	<b>34,151</b>	<b>51%</b>
<b>Total Project Costs</b>	<b>\$67,351</b>	<b>Total Project Financing</b>	<b>\$67,351</b>	<b>100%</b>

**Environmental Review:**

ESD staff has determined that the project constitutes a Type II ministerial action as defined by the New York State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. The recipient of the YEBD RLF disbursements will be responsible for complying with SEQRA as applicable. No further environmental review is required in connection with this authorization.

**Statutory Basis – Local Assistance:**

The project was authorized in the 2006-2007 New York State budget and reappropriated in the 2010-2011 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

**Disclosure and Accountability Certifications:**

The Grantee has provided ESDC with the required Disclosure and Accountability Certifications. Grantee’s certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.