

# CAPITAL ACCESS PROGRAM

## MWBE NEWS

### NEW YORK STATE ANNOUNCES CAPITAL ACCESS PROGRAM FOR MWBEs

(Albany, N.Y. – October 20, 2007) Lt. Governor David A. Paterson gave the attendees of the 22<sup>nd</sup> annual DASNY conference more than just a brilliant and inspiring speech. He came to announce a new capital access program for Minority and Women Owned Businesses.

Standing before a capacity crowd of over 200 MWBE's from across New York State, Lt. Governor David Paterson announced the creation of a New York State capital access program for Minority and Women businesses. The program will provide working capital and cash for machinery and equipment to MWBEs to help them compete for New York State contracts.

"Firms have been leaving New York for states that offer better opportunities and a stronger commitment to business development," said Paterson. "This Administration recognizes that and this is why we are focusing on reversing that trend. Earlier in the year the Governor negotiated an historic agreement with the legislature that will help make all New York businesses more competitive by reducing workers compensation costs. The program we are announcing today will help MWBEs to compete. Minority and women businesses are an important segment of our business community and they are the fastest growing group. We feel that programs such as this will help us to grow these firms right here in New York."

Patrick MacKrell, President of the New York Business Development Corporation explained his organization's participation, "We partnered with New York State's MWBE program to create this initiative because we share the commitment of Governor Spitzer and Lt. Governor Paterson towards growing New York State businesses - including New York Minority and Women owned firms. This is a significant program because it provides capital to companies that would not ordinarily qualify for bank financing based on traditional commercial lending criteria. To qualify, firms will be evaluated on the basis of credit, capacity, and character just as they would with conventional loans; however, because these loans are contract based and we have put funds controls in place the guidelines are more flexible. Participants in the program also have access to technical assistance providers, where appropriate, to ensure the applicants are fully prepared to fulfill their contractual obligations."

Michael Jones-Bey, Executive Director of the State MWBE program, told the entrepreneurs gathered at the event, "During his speech the Lt. Governor said that he did not know much about business development. While that is debatable, it is indisputable that he knows a lot about leadership. And he is doing everything he can to make sure that the Governor's MWBE initiative is successful. As we move to change the culture of New York State Agencies and change the procurement process, we have to build the capacity of MWBEs so that they can take advantage of new opportunities. Tonight we have taken an important step towards helping our MWBEs compete for their fair share of state contracts."

Jones-Bey continued, "The creation of this capital access program is an important achievement for us as we build our MWBE program. MWBEs have historically experienced difficulty in obtaining access to capital. This new program is especially critical now because we are in the midst of a global credit crisis. Capital is beginning to tighten and businesses are finding it tougher finance their growth. We are thankful to NYBDC President Patrick MacKrell for stepping forward and making the commitment for the initial capitalization for this program."