



**For Immediate Release:** Monday, November 3, 2014

**Contact:** Jola Szubielski (ESD) | [jola.szubielski@esd.ny.gov](mailto:jola.szubielski@esd.ny.gov) | (800) 260-7313

## **Empire State Development Highlights Capital Access Program in Helping Businesses Rebuild after Superstorm Sandy**

*More than \$5 million in Capital Access Program loans have been provided to 180 small businesses impacted by the storm*

Empire State Development today announced that through its Capital Access Program (CAP) the agency has facilitated more than \$5 million in much-needed assistance to small businesses impacted by Superstorm Sandy. Since February 2012, CAP has enabled more than 180 loans to businesses that suffered damage and losses associated with the devastating floods from Sandy in an effort to help rebuild communities across New York City and Long Island. As a result of this assistance, businesses were able to retain 821 jobs and create an additional 122 jobs.

“Following Superstorm Sandy, New York State deployed many resources to assist businesses struggling in the aftermath,” said ESD President, CEO & Commissioner Kenneth Adams. “By utilizing the existing Capital Access Program, we have been able to reach hundreds of small businesses and help in their recovery.”

CAP was revitalized under Governor Cuomo’s leadership in 2012 with funding made available through the U.S. Department of the Treasury’s State Small Business Credit Initiative. The program provides more than \$8 million in matching funds to partner financial institutions for loan loss reserves in order to incentivize small business lending. To date, CAP has incentivized a total of 476 loans overall to businesses needing financing for capital needs, technology or facility upgrades, and start-up or expansion assistance. This corresponds to nearly \$22 million in lending to small businesses in just two years. More than 37 percent of those loans have been made to businesses such as Baseline Design, Inc., a graphic design firm based in Manhattan, which was impacted by Superstorm Sandy.

Baseline Design, which was founded in 1999 and is Woman Business Enterprise (WBE) state certified, was forced to close its doors for three weeks as a result of Superstorm Sandy, leaving owner Darcy Flanders struggling. Through a Capital Access lending partner, Renaissance Economic Development Corporation, Flanders was provided with loan funding needed to get her business back on track.

Darcy Flanders, Owner of Baseline Design, Inc. said, "When I heard about the emergency funding that Renaissance Economic Development Corporation was able to provide locally through the help of larger entities such as Empire State Development, even one year later, I was very relieved. The assistance that was provided to me with a simple and quick qualification process let me apply with no disruption to my work load. I am eternally grateful for the relief funding that I was able to obtain through Renaissance Economic Development Corporation and Empire State Development at a time when I thought nobody still cared about people who were affected by the storm. I can now rest assured that my business will continue to live on."

Chairman of the Renaissance Economic Development Corporation Christopher Kui said, "Renaissance Economic Development Corporation was very proud to partner with Empire State Development in getting emergency funding to those affected by SuperStorm Sandy in the immediate aftermath of the storm and in the weeks and months that followed. It is very clear that there remain many who still require assistance, and thanks to the committed support of Governor Cuomo and New York State, we are able to continue helping our communities recover from the economic burden of Superstorm Sandy".

In addition, Kennedy's Restaurant of Breezy Point, a legendary eatery that has been in operation for more than a century, was also able to take advantage of the Capital Access Program after suffering damage following Superstorm Sandy. Through a Capital Access lending partner, New York Business Development Corporation (NYBDC), funds from the loan program were used to help pay for the renovation costs of the space, including furniture, machinery and equipment purchases. Kennedy's held its grand re-opening on Wednesday, October 29, 2014, exactly two years after Superstorm Sandy destroyed the building's interior.

Pat MacKrell, President and CEO of NYBDC said, "The Capital Access Program has been instrumental in helping businesses, including those damaged by Superstorm Sandy, access capital to rebuild and restore jobs. The funds supported by this program allowed Kennedy's to access capital at reasonable rates and terms. As a result, this landmark community restaurant is able to reopen its doors."

Small businesses that are independently owned and operated and employ less than 100 employees can apply for loans of up to \$500,000 through CAP. There are 13 financial institutions enrolled in the program now and ESD is currently working to enroll more financial institutions into the program. For more information on how to apply for a loan or to become a participating lender, please contact Rachael Dubin at 212-803-3281.

On September 27, 2010, President Obama signed into law the Small Business Jobs Act of 2010. The Act created the State Small Business Credit Initiative, which was funded with \$1.5 billion to strengthen state programs that support lending to small businesses and small manufacturers. The program is designed to help spur new private sector lending or investment in small companies by leveraging private capital along with the federal support offered by the program. With its \$54.4 million allocation, New York State also funded the New York State Surety Bond Assistance Program, which provides credit support, training and technical

assistance to help small and minority – and women-owned business secure surety bonds and InnovateNY, a new seed-stage equity fund to support innovation, job creation, and high growth entrepreneurship throughout the state. Collectively, these programs have enabled 540 firms statewide to access nearly \$144 million in credit, investment and surety bonds, which retained 2,078 jobs and created an additional 1,135 jobs.

###