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**EMPIRE STATE DEVELOPMENT ANNOUNCES OVER \$25 MILLION FROM THE INNOVATE NY FUND AWARDED TO SPUR SMALL BUSINESS JOB CREATION**

*Funding will leverage at least \$50 million in private investment to create over 2,200 jobs*

Empire State Development today announced that its Board of Directors approved over \$25 million from the federally-funded Innovate NY program to be awarded to six investment fund entities from across New York to leverage at least \$50 million in private investment and create over 2,200 jobs for small businesses.

The \$25 million grant from the U.S. Department of Treasury's State Small Business Credit Initiative ("SSBCI") used to support the Innovate NY Fund will be combined with \$1.5 million from the New York State Small Business Technology Investment Fund (SBTIF), to facilitate investment in almost 100 seed stage companies through a geographically diverse group of industry focused investment entities.

Empire State Development's President, CEO & Commissioner Kenneth Adams said, "As small businesses grow, so grows New York's economy. This fund will help attract tens of millions of dollars in new investment for innovative entrepreneurs to grow their businesses and create over 2,200 new jobs. With investment opportunities across every region and in our core industries, we are demonstrating once again that New York is open for business and investing in small businesses to spur job creation."

As part of the Small Business Jobs Act signed into law by President Obama in September 2010, the State Small Business Credit Initiative (SSBCI) was created to provide direct support to states for use in programs designed to increase small businesses' access to credit. On September 15, 2011, it was announced that the U.S. Department of the Treasury approved New York's SSBCI application, allowing the state to access \$55.4 million in federal money to fund three new small business lending programs which enable small businesses to leverage new capital and credit to help them create private sector jobs. Among the three new small business programs is the Innovate NY Fund, a \$25 million seed-stage equity fund used to support innovation, job creation, and high growth entrepreneurship throughout the state. In late December 2011, a Request for Proposal (RFP) was issued by Empire State Development (ESD) and 6 investment

fund entities have now been selected to invest the state funds in seed stage small businesses around the state.

Empire State Development Regional President Sam Hoyt said, "Access to seed money is essential to building the vibrant small businesses that are the foundation of a strong Upstate economy. This program addresses that by providing funding from the Innovate NY Fund to new high growth firms that are the backbone of an innovation economy. With this program, we can make critically needed 'seed-stage' capital available to spur job creation and stimulate our economy from the ground up."

Investment entities will use funding awarded from Innovate NY to leverage matching investment funds from private sources of capital at a ratio of at least 2 to 1. Each contracted investment entity will be required to provide quarterly and annual reports outlining the impact and effectiveness of the investments made, leveraged funds, business revenue, and numbers of jobs created, among other performance metrics.

The investment entities awarded the \$25 million in Innovate NY funds include:

**Canrock Ventures, LLC**

Canrock Ventures, LLC will receive \$4.5 million to invest in technology-focused seed stage businesses located in the Long Island region. Based in Jericho, New York, this early stage technology venture fund was formed in 2010 by three successful technology entrepreneurs with extensive angel investing experience. Canrock Ventures works closely with local universities and regional partners to provide significant support and other value-added services to Long Island's promising seed stage companies.

**Cayuga Venture CVF IV, LP**

Cayuga Venture CVF IV will receive \$5 million to invest in clean-tech, telecom, nanotech, IT, and biotech seed stage businesses located in the Southern Tier, Western New York, Finger Lakes, and Central New York regions. Formed in May 2011, Cayuga Venture CVF IV, LP is a venture capital fund based in Ithaca, New York and is the fifth venture fund in the Cayuga Venture Fund family of funds. Cayuga Venture Funds have been investing in upstate New York companies since 1996 and have achieved strong results in the development of high growth businesses. Cayuga Venture Funds have strongly aligned its investment with Cornell University, University of Rochester, and SUNY Buffalo.

**Excell Partners, LLC**

Excell Partners, LLC will receive \$2.5 million to invest in seed stage businesses focused on life sciences, energy, and software and consumer products and located in the Southern Tier, Western New York, Finger Lakes, Capital and Central New York regions. Excell Partners, a not-for-profit and affiliate of University of Rochester, was originally founded in 2005 by ESD along with matching funds from the University of Rochester and Excell's Board of Directors.

### **Golden Seeds**

Golden Seeds will receive \$4 million to invest in general technology, life science, or consumer product focused seed stage businesses located in all regions of the State. Started in 2004 and headquartered in New York City, with offices in Boston and San Francisco, Golden Seeds now has two seed/early stage venture funds and the fourth largest angel network in the U.S. Golden Seeds invests in young companies with women in senior management positions who also have significant equity positions in the companies.

### **SCP Buffalo Incubator LP**

SCP Buffalo Incubator LP will receive \$4 million to invest in internet broadband and life science focused seed stage businesses located in Western New York. Headquartered in Buffalo, and managed by successful entrepreneurs and the founding partners of Softbank Capital's successful venture capital arm, it will invest in seed stage companies with roots in Buffalo that have strong growth potential. The fund and its managing partners will be under the umbrella of Seed Capital Partners, a successful northeast early stage technology focused venture capital firm.

### **Stonehenge Capital Company**

Stonehenge Capital Company will receive \$5 million to invest in seed stage businesses located statewide, with a substantial focus in upstate New York and on healthcare information technology and life sciences. Formed in 1999, Stonehenge Capital Company is a spin off from Bank One Capital Markets

Empire State Development (ESD) is New York's chief economic development agency ([www.esd.ny.gov](http://www.esd.ny.gov)). The mission of ESD is to promote a vigorous and growing economy, encourage the creation of new job and economic opportunities, increase revenues to the State and its municipalities, and achieve stable and diversified local economies. Through the use of loans, grants, tax credits and other forms of financial assistance, ESD strives to enhance private business investment and growth to spur job creation and support prosperous communities across New York State. ESD is also the primary administrative agency overseeing Governor Cuomo's Regional Economic Development Councils and the marketing of "I Love NY," the State's iconic tourism brand. For more information on Regional Councils and Empire State Development, visit [www.nyworks.ny.gov](http://www.nyworks.ny.gov) and [www.esd.ny.gov](http://www.esd.ny.gov).



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