

Central New York Enterprise Development Fund

A Regional Small Business Loan Program

The Central New York Regional Planning and Development Board

October 2011

CNY EDF Loan Fund at a Glance

Revolving Loan Fund Structure:

- Administered by the CNY RPDB in cooperation with the CNY Enterprise Development Corporation
- Capitalized with loans/grants from NYS, EDA, and the USDA

Economic Development Objectives:

- Job creation and retention
- Capital formation—leverage private funds
- Net wealth generation—bringing new money into the region through business activities

Criteria for Business Applicants:

- New or expanding businesses located in Cayuga, Cortland, Madison, Onondaga or Oswego counties
- Fewer than 100 employees
- Manufacturer or service company that generates new wealth in the region and creates or retains jobs

Eligible Uses of Funds:

- Purchase or improve real estate
- Acquire machinery or equipment
- Fund working capital needs

Amounts, Rate, and Term:

- Up to 50% of total project cost to a maximum of \$100,000
- Ten percent equity investment required

- Current rate is 4.5%
- 12–60 month terms

Collateral and Security:

- Collateral taken as appropriate for loan; can include mortgages, UCC liens on equipment, accounts receivable and/or inventory; personal guarantees
- Can be subordinate or co-equal lender

Process:

- Initial contact, determination of eligibility and site visit
- Staff review of completed application
- For prompt consideration, completed application must be returned at least 30 days prior to scheduled Loan Advisory Committee (LAC) meeting
- Loan request presented to LAC for recommendation; the Committee meets once per month
- If recommended, request is considered by CNY EDC; board meetings are held bimonthly

Cost:

- \$250 non-refundable application fee at the time of application; all loan closing costs

The Central New York Enterprise Development Fund

Introduction

The Central New York Regional Planning and Development Board (CNY RPDB) is a public agency that was established in 1966 by Cayuga, Cortland, Madison, Onondaga, and Oswego Counties under the provisions of Article 12B of the New York State General Municipal Law. The CNY RPDB provides a comprehensive range of services associated with the growth and development of communities in Central New York through its four program areas of economic development, environmental management, land use and transportation planning, and regional information and research services.

As part of its economic development mission, the CNY RPDB administers the Central New York Enterprise Development Fund (CNY EDF) on behalf of the CNY Enterprise Development Corporation (CNY EDC). CNY EDC is a non-profit corporation that was established as a vehicle for delivering a variety of economic development programming to the Central New York region.

The Loan Program

The CNY EDF was established in 1989 by local economic development organizations in Central New York to assist businesses in starting or expanding operations in the five-county region. The fund is capitalized with loans and grants from the NYS Empire State Development Corporation, the US Department of Commerce, the US Department of Agriculture and participating local development organizations. Since its inception, the fund has issued over 120 loans valued at more than \$8 million to businesses throughout Central New York.

The goals of the CNY EDF are job creation, capital formation, and the creation of new wealth in the region. Eligible borrowers may be new or existing small businesses (less than 100 employees) that have or will be locating facilities in the CNY RPDB's five-county region. Companies must be manufacturing or service-related businesses which are net wealth generators, (i.e., which derive a significant portion of their revenues from outside the region). Retail businesses are not eligible.

Eligible uses of funds include the acquisition or improvement of real estate, the purchase of machinery or equipment and working capital costs. Loans currently carry a 4.5% interest rate and typical terms range from 12 to 60 months. Loans are secured by appropriate collateral and the personal guarantees of the owners and/or principals. CNY EDF loan amounts can range up to \$100,000, but can be no more than 50% of the total project cost. A 10% equity investment is required.

Administration

Applications may be obtained from the CNY RPDB or downloaded from the agency's website at www.cnyrpdb.org. A non-refundable application fee of \$250 must accompany all completed applications. Financing requests are reviewed by staff and submitted to the CNY EDF Loan Advisory Committee for review and recommendations. Final decisions are made by the CNY EDC Board of Directors. Applications are processed on a monthly basis.

For more information about this program, contact Michael Rosanio, Regional Loan Manager, Central New York Regional Planning and Development Board, 126 North Salina Street, Suite 200, Syracuse, NY 13202, (315) 422-8276 or e-mail at mrosanio@cnyrpdb.org.

This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law.

Complaints of discrimination may be filed with USDA, Director, Office of Civil Rights, Washington, DC 20250.

TDD: 1-800-662-1220 NYS TDD: 711