ECIDA:
The Economic Development Corporation of Erie County
ECIDA Services: what we do

- Offer tax incentives (waive future taxes)
- Loans to local business ($5,000-$2 million)
- Bonding agency for non-profits
- Venture capital investment (early stage)
- Brownfield development
- Manage Foreign Trade Zone (FTZ 23)
- Manage two short line railroads
Business Loans

We don’t compete with the banks… we provide funds when banks cannot

• Insufficient Collateral

• Credit Issues

• Bank Policy (i.e. length of time in business, total exposure concerns, type of business)
Our Loans

- Regional Development Corp (RDC)
- Uses of RDC funds: working capital, equipment, inventory & supplies
- Terms: up to 10 years, 4% fixed
- Subordinate position to bank
- Generally lend no more than $50k/job
General Loan Requirements

- Decline Letter from Bank
- Acceptable credit history
- Any individual owning more than 20% of the company must personally guarantee the loan
- Minimum of 10% equity in the project
- Collateral to secure loan is required
Restrictions on Loan Funds

- Cannot refinance existing debt
- Substitution of debt
- Acquire equity position, stock, or assets of an existing company
- Subsidize interest payments
- Investment purposes
- Provide equity for another Federal Loan Program
Q & A