

# 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