

NEW YORK STATE SEED FUNDING GRANT PROGRAM REPORT



Empire State
Development



December 2022

INTRODUCTION

Under Governor Hochul's leadership, and with partnership from the Legislature, Empire State Development (ESD), New York State's chief economic development agency, launched the \$200 million New York State Seed Funding Grant Program in September 2022.

The Program's mission is to provide early-stage small businesses with funding to help them succeed in a recovering New York State economy in the wake of the global pandemic. The Program has been specifically tailored to the needs of businesses that opened their doors after September 1, 2018.

The Program is structured to ensure that state grants are flexible and provide funding to eligible businesses that are unable to qualify for or obtain sufficient funding from Federal COVID-19 recovery programs.

As of December 31, 2022, ESD has awarded 3,943 small businesses a total of \$52.6 million. The Program provides grants of \$5,000 to \$25,000, with an average award of \$13,361. As per the Program's mission, 33% of awards have gone to socially and economically disadvantaged small businesses, and 89% have gone to minority- and/or women-owned small businesses.

Program grants generally represent a significant proportion of operating expenses of an awarded small business, and these grants have assisted small businesses as they recover from the pandemic's devastating impacts. Grant awards are allowing small businesses across the state to cover costs such as payroll, rent or mortgage payments, personal protective equipment (PPE) expenses, utility bills, and any costs associated with compliance with pandemic health and safety protocols (a list of eligible expenses is available in the Appendix).

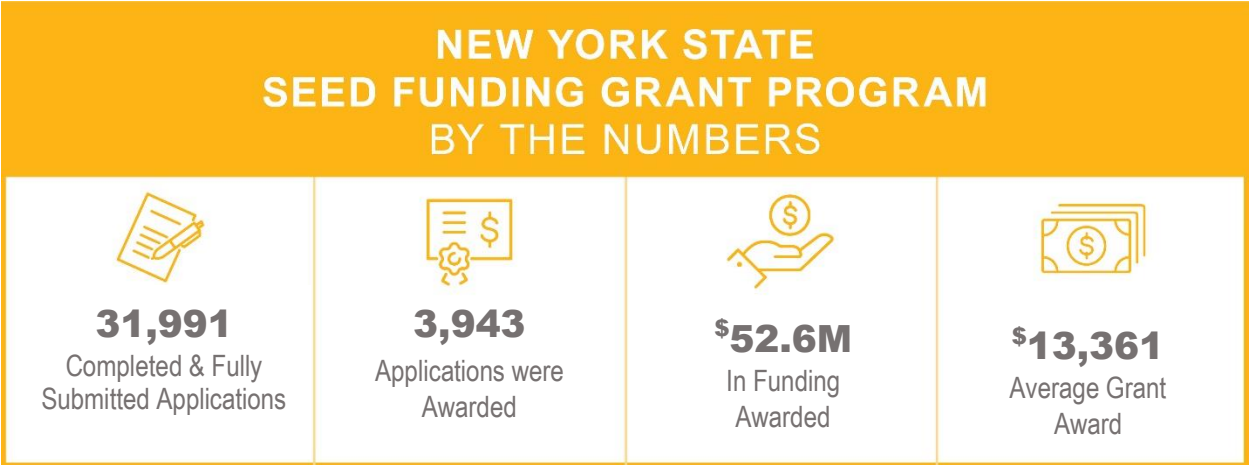
Small businesses targeted by the Program, by definition, do not have access to the same resources as larger businesses. Therefore, to ensure the Program's success, ESD deployed services to inform small businesses about the funding available and to help them complete applications. A call center was established, which has logged more than 61,780 calls with potential applicants to-date.

As part of the ongoing partnership with the Legislature, ESD is required to publish a report detailing the Program's progress, beginning December 31, 2022, and on a quarterly basis until all funds are expended. This report serves as the December 2022 quarterly update and includes: details on Program progress, including summary statistics; information on efforts to support

Program participation; testimonials from award recipients that demonstrate the Program's effectiveness; and an Appendix of additional Program details.

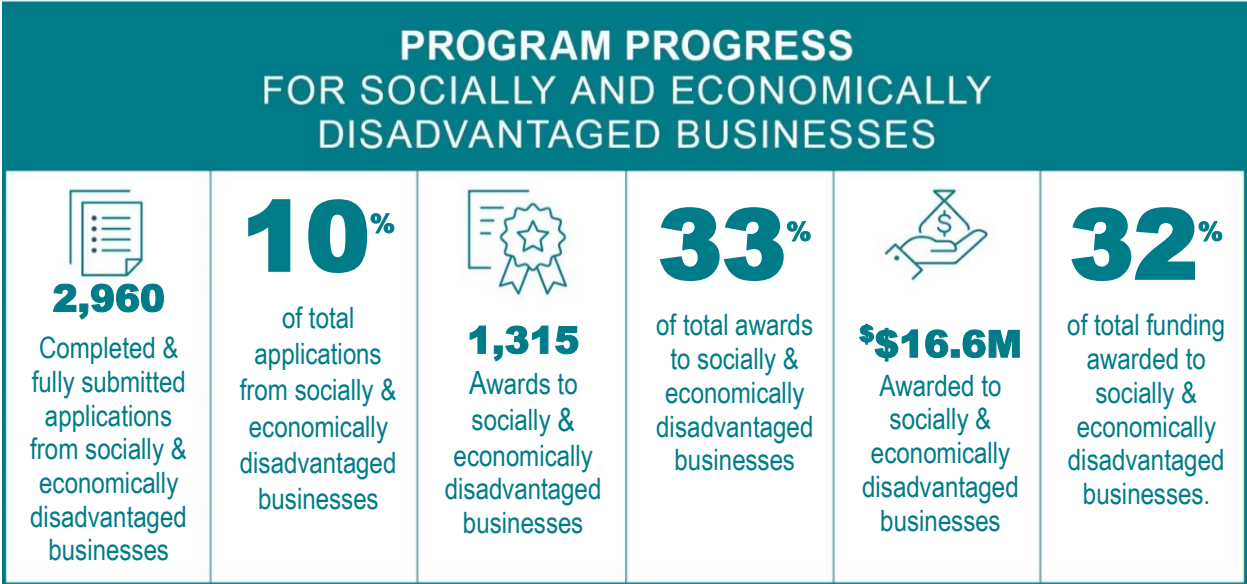
PROGRAM PROGRESS

As a result of the strategic design and approach of the Program, awards are reaching the target audiences. Since launching the application portal in September 2022, ESD has received 61,052 applications. Of these, 31,991 were completed and have fully submitted applications; 29,061 applications remained incomplete, despite repeated attempts to contact and assist applicants with completion and, therefore, cannot be fully evaluated for eligibility.



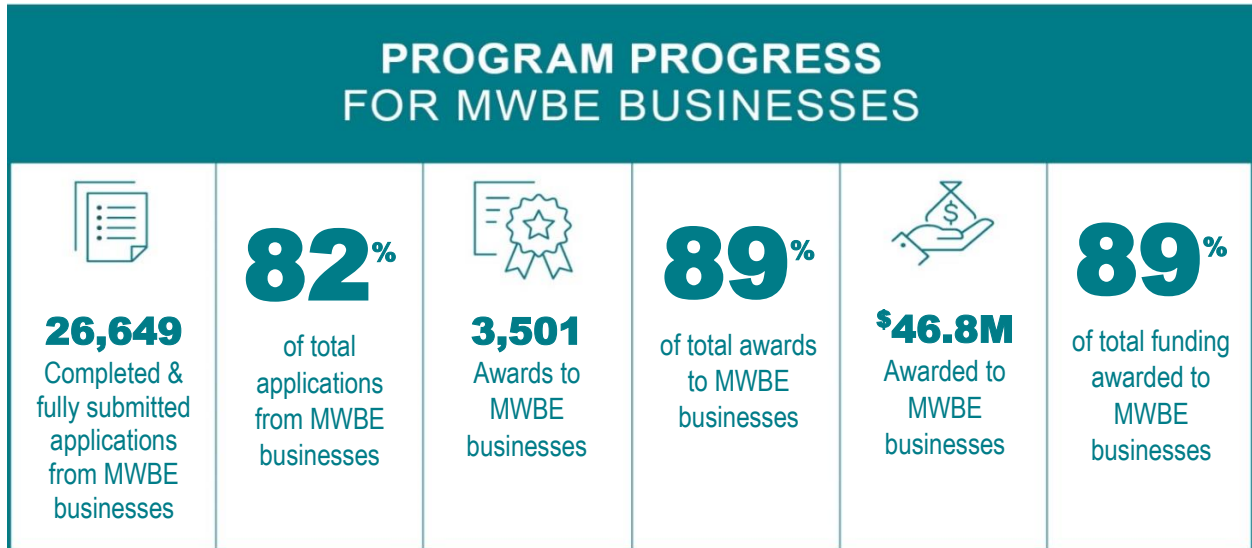
AWARDS TO SOCIALLY & ECONOMICALLY DISADVANTAGED BUSINESS OWNERS

New York State awarded \$16.6 million to 1,315 socially and economically disadvantaged businesses, representing 33% of total awards. Socially and economically disadvantaged business are those owned by service-disabled veterans, and/or small businesses located in economically distressed geographic areas.



AWARDS TO MINORITY AND WOMEN OWNED BUSINESSES

New York State awarded \$46.8 million to 3,501 minority- and/or women-owned small businesses, representing 89% of total awards. As part of the application process, applicants were invited to provide such demographic information, on a voluntary basis, to inform the public of the degree to which Program funds were being distributed to minority and women owned businesses.



AWARDS BY GEOGRAPHY

The Program awards represented a commitment to an equitable distribution of resources across the State. Awards largely align with small business density.

County	Completed & Fully Submitted Applications	Applications Awarded	Awarded Funding	County	Completed & Fully Submitted Applications	Applications Awarded	Awarded Funding
Albany	197	22	\$340,609.00	Oneida	84	8	\$146,433.00
Allegany	16	5	\$65,000.00	Onondaga	244	38	\$572,212.00
Bronx	4,425	257	\$2,858,670.00	Ontario	50	8	\$124,153.00
Broome	86	11	\$130,000.00	Orange	416	36	\$564,276.00
Cattaraugus	21	2	\$35,000.00	Orleans	6	1	\$5,000.00
Cayuga	25	3	\$55,000.00	Oswego	27	1	\$5,000.00
Chautauqua	39	-	-	Otsego	21	3	\$38,538.00
Chemung	40	4	\$79,159.00	Putnam	63	4	\$43,328.00
Chenango	9	1	\$12,267.00	Queens	8,160	1,481	\$18,396,963.00
Clinton	17	4	\$66,496.00	Rensselaer	52	7	\$84,007.00
Columbia	42	3	\$35,000.00	Richmond	675	98	\$1,366,293.00
Cortland	12	4	\$79,356.00	Rockland	408	31	\$511,142.00
Delaware	31	2	\$45,717.00	St Lawrence	31	7	\$63,625.00
Dutchess	123	11	\$202,190.00	Saratoga	84	12	\$200,599.00
Erie	458	42	\$582,462.00	Schenectady	71	13	\$191,709.00
Essex	47	10	\$156,964.00	Schoharie	10	2	\$42,319.00
Franklin	17	4	\$66,760.00	Schuyler	13	-	-
Fulton	20	3	\$40,000.00	Seneca	9	1	\$10,000.00
Genesee	10	2	\$10,000.00	Steuben	33	5	\$68,035.00
Greene	18	1	\$16,440.00	Suffolk	1,420	197	\$2,905,972.00
Hamilton	6	-	-	Sullivan	42	3	\$45,000.00
Herkimer	14	-	-	Tioga	11	2	\$20,000.00
Jefferson	31	5	\$42,702.00	Tompkins	30	3	\$40,000.00
Kings	7,743	735	\$9,840,836.00	Ulster	145	16	\$229,720.00
Lewis	3	-	-	Warren	12	1	\$5,000.00
Livingston	12	2	\$30,000.00	Washington	8	-	-
Madison	20	-	-	Wayne	17	2	\$49,218.00
Monroe	335	29	\$410,488.00	Westchester	785	89	\$1,346,715.00
Montgomery	19	1	\$15,955.00	Wyoming	8	1	\$25,000.00
Nassau	2,200	362	\$5,043,026.00	Yates	4	-	-
New York	2,937	348	\$5,208,696.00	Unknown ⁸	-	-	-
Niagara	99	10	\$97,877.00	TOTAL	31,991	3,943	\$52,666,927.00

AWARDS BY REGION			
Region	Completed & Fully Submitted Applications	Applications Awarded	Awarded Funding
Capital Region	484	59	\$873,364.00
Central NY	308	46	\$711,568.00
Finger Lakes	451	46	\$663,859.00
Long Island	3,620	559	\$7,948,998.00
Mid-Hudson	1,982	190	\$2,942,371.00
Mohawk Valley	168	17	\$283,245.00
New York City	23,940	2,909	\$37,671,458.00
North Country	152	30	\$396,547.00
Southern Tier	258	28	\$395,178.00
Western NY	633	59	\$780,339
Unknown ⁸	-	-	-
Total	31,991	3,943	\$52,666,927.00

AWARDEE STORIES

The New York State Seed Funding Grant Program is positively impacting small businesses across the state. To highlight the ways in which recipients are benefiting from the Program, below are testimonials from award recipients.

Bear and Bird Boutique + Gallery

Owner: *Amanda Magnetta-Ottati*

Grant Award: *\$10,000*

Location: *Schenectady*

“The NY State Seed Grant we received enabled us to work with artists in our community and bring color and life to a public space. We were happy to be able to pay it forward and share it with and uplift the community!”

Harkness Consulting Solutions

Owner: *Melody Harkness*

Grant Award: *\$10,000*

Location: *Rochester*

“The grant funding assisted us with subscription fees to access local and state government bids, technical software fees for learning solutions, and much more needed office equipment. With the additional funding, we now have more access to bidding opportunities that can develop accessible internal and external training programs and sustain the operations of the business.”

Wildcart Enterprise, LLC

Owner: Miquelle Christian

Grant Award: \$5,000

Location: Elmira

“The grant program allowed us to cover expenses such as insurance, taxes and administrative fees, which allowed us the opportunity to talk about growth and not closing. Business was practically non-existent during the pandemic, but the grant money gave us the little boost we needed to get back on track. Thank you!”

Resse NP in Family Health, PLLC

Owner: Priscilla Resse Yancey Ed.D, FNP-BC

Grant Award: \$5,000

Location: Syracuse

“I have struggled since inception of the business due to unforeseen circumstances. The seed grant really helped to keep the doors open. Helping the community that I serve has been difficult at times due to all of the obstacles, but the Seed Grant helped a lot. Thank you!!”

Modern Hair Albany

Owner: Rebecca Taft

Grant Award: \$5,000

Location: Albany

“This grant was such a great help for me. My business was starting to break-even, but I had very little working capital since I wasn’t able to save much. The grant helped pay for my rent the next few months without worrying if business was slow.”

Jedi Ark Corp.

Owner: Sunil Bhatia

Grant Award: \$10,000

Location: Albany

“The funds helped Jedi Ark to pay for the significant cost increase on our business insurance such as liability, auto, third-party crime, cyber-crime insurance, and umbrella coverage. Thank you!”

APPENDIX

ELIGIBLE BUSINESSES

To qualify for grants, small businesses, micro-businesses and for-profit independent arts and cultural organizations must be currently in operation, and have begun operation on or after September 1, 2018, and be in operation for a minimum of six months as of the date of application with gross receipts that do not exceed \$1,000,000 per annum. A small business shall be located in New York State, independently owned and operated, not dominant in its field and employ one hundred or less persons. A micro-business shall be a small business resident in New York State, independently owned and operated, not dominant in its field and employ ten or less persons. A for-profit independent arts and cultural organization shall be a small or medium sized private for-profit, independently operated live-performance venue, promoter, production company, or other performance related small business, including independent arts contractors, located in New York State that was negatively impacted by COVID-19 health and safety protocols, and having one hundred or less full-time employees, excluding seasonal employees.

Eligible applicants must have between five thousand dollars (\$5,000) and one million dollars (\$1,000,000) in gross receipts per annum as reflected on their most recent Federal business tax return or be able to demonstrate five thousand dollars (\$5,000) in business expenses for businesses that have not yet filed a federal business tax return.

ESD has established a competitive process for the evaluation of applicants. Grants are for a minimum award of \$5,000 and a maximum award of \$25,000. Grant awards for businesses that have previously filed a federal tax return are calculated based on a business' annual gross receipts from their most recent return:

- Annual gross receipts: \$5,000-\$49,999.99: Award is \$5,000/business;
- Annual gross receipts: \$50,000-\$99,999.99: Award is \$10,000/business; and
- Annual gross receipts: \$100,000-\$500,000: Award is 10% of gross receipts (maximum grant is \$25,000).

For firms that have not filed a federal tax return for operations thus far:

- Award is \$5,000/business.

This grant size allows the Program to providing a meaningful grant to awarded entities.

ELIGIBLE USE OF GRANT FUNDS

The Program provides a wide array of eligible uses in responses to the extensive and varied impacts of COVID-19 on the small business ecosystem. This way, the Program aims to assist a significant number of affected small businesses.

Eligible costs incurred between September 1, 2018, and January 1, 2022, include:

- Payroll costs; and/or
- Commercial rent or mortgage payments for New York State-based property; and/or
- Payment of local property or school taxes associated with a small business location in New York State; and/or
- Insurance costs; and/or
- Utility costs; and/or
- Costs of personal protection equipment (PPE) necessary to protect worker and consumer health and safety; and/or
- Heating, ventilation, and air conditioning (HVAC) costs; and/or
- Other machinery or equipment costs; and/or
- Supplies and materials necessary for compliance with COVID-19 health and safety protocols; or
- Other documented COVID-19 costs as approved by ESD.

INELIGIBLE USE OF GRANT FUNDS

Grant awards under the Program shall not be used to re-pay or pay down any portion of a loan obtained through a federal coronavirus relief package for business assistance or any New York State business assistance programs.

DEFINITIONS

“Small business” shall mean a business which is resident in New York State, independently owned and operated, not dominant in its field, and employs one hundred or less persons, was started on September 1, 2018, or later and has been operational for a minimum of six months prior to application with gross receipts that do not exceed \$1,000,000 per annum.

“Micro-business” shall mean a small business which is resident in New York State, independently owned and operated, not dominant in its field, and employs ten or less persons.

“For-profit independent arts and cultural organization” shall mean a small or medium sized private for-profit, independently operated live-performance venue, promoter, production company, or other performance related small businesses, including independent arts contractors, located in New York State negatively impacted by COVID-19 health and safety protocols, and having one hundred or less full-time employees, excluding seasonal employees.”

“COVID-10 health and safety protocols” means any restrictions imposed on the operation of businesses by Executive Order 202 of 2020 issued by the governor, or any extension or subsequent executive order issued in response to the COVID-19 pandemic, or any other statute, rule, or regulation imposing restrictions on the operation of businesses in response to COVID-19.