



**Empire State
Development**



NEW YORK STATE SEED FUNDING GRANT PROGRAM REPORT

March 2023

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 March 31, 2023, ESD has awarded 12,895 small businesses a total of \$154.8 million. The Program provides grants of \$5,000 to \$25,000, with an average award of \$12,005. As per the Program's mission, 37% of awards have gone to socially and economically disadvantaged small businesses, and 90% 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).

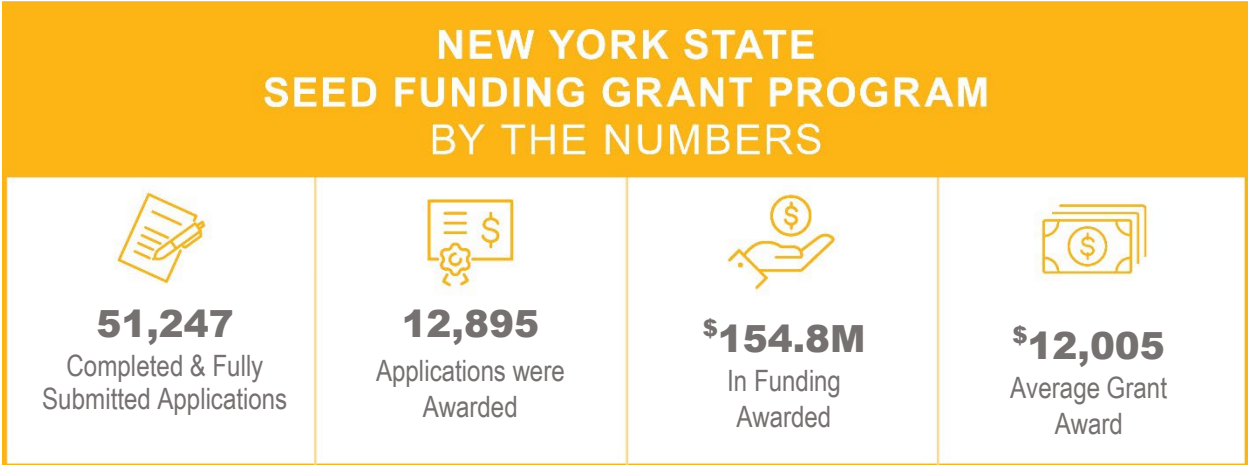
Small businesses targeted by the Program, by definition, do not have access to the same resources as larger businesses. Therefore, to ensure the Program's success, ESD deployed services to inform small businesses about the funding available and to help them complete applications. A call center was established, which has logged more than 103,117 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 March 2023 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.

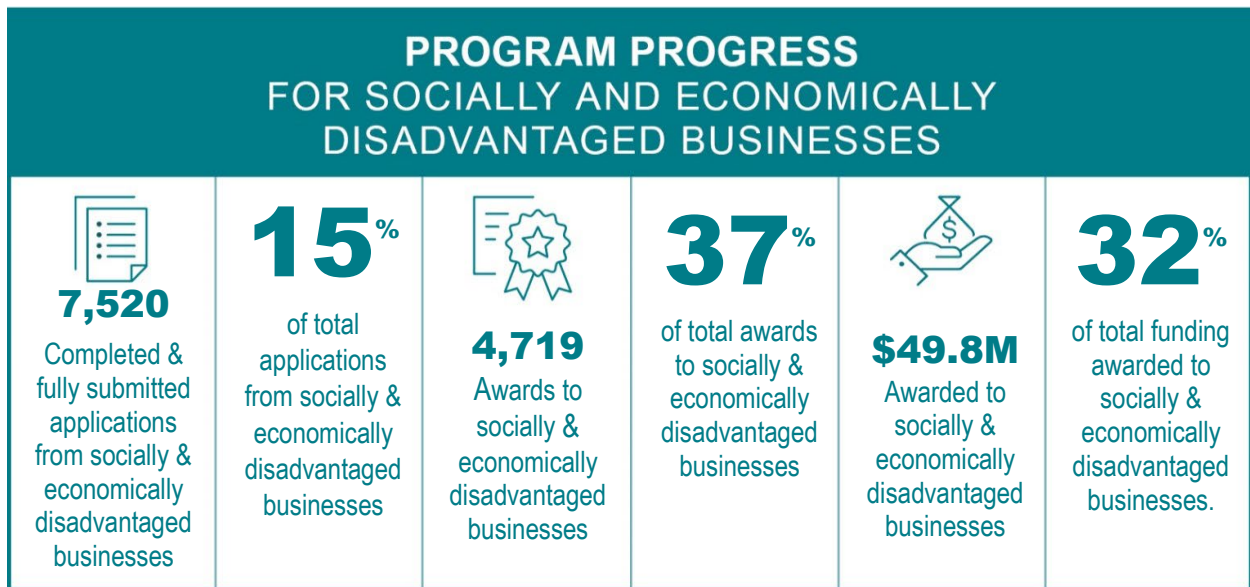
PROGRAM PROGRESS

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 73,443 applications. Of these, 51,247 were completed and have fully submitted applications; 22,196 applications remained incomplete, despite repeated attempts to contact and assist applicants with completion and, therefore, cannot be fully evaluated for eligibility.



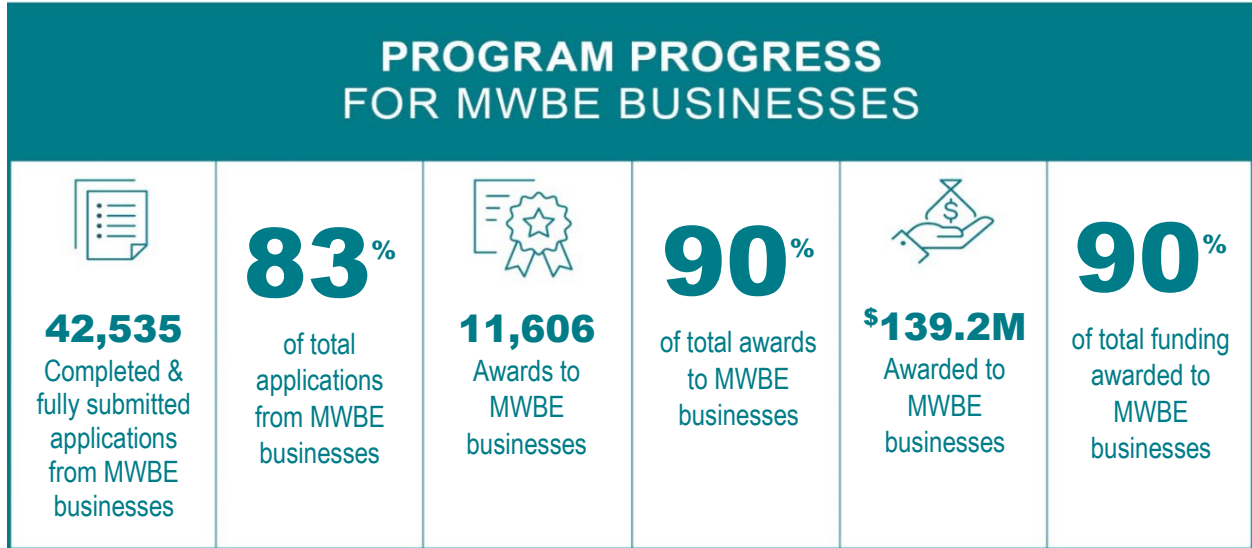
AWARDS TO SOCIALLY & ECONOMICALLY DISADVANTAGED BUSINESS OWNERS

New York State awarded \$49.8 million to 4,719 socially and economically disadvantaged businesses, representing 37% 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 \$139.2 million to 11,606 minority- and/or women-owned small businesses, representing 90% 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/or women-owned small 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	310	73	\$879,105	Oneida	110	21	\$337,214
Allegany	21	6	\$90,000	Onondaga	320	78	\$1,096,682
Bronx	7,778	1,283	\$12,997,373	Ontario	66	18	\$288,093
Broome	138	29	\$382,264	Orange	564	101	\$1,520,007
Cattaraugus	26	6	\$107,269	Orleans	10	3	\$40,000
Cayuga	40	6	\$119,210	Oswego	36	3	\$33,919
Chautauqua	53	2	\$30,000	Otsego	37	6	\$73,538
Chemung	50	6	\$98,377	Putnam	92	15	\$201,143
Chenango	13	3	\$41,891	Queens	13,523	4,637	\$52,794,751
Clinton	21	7	\$121,496	Rensselaer	70	14	\$194,193
Columbia	56	13	\$166,376	Richmond	1,001	255	\$3,271,236
Cortland	19	7	\$137,632	Rockland	576	102	\$1,579,370
Delaware	48	6	\$102,842	St Lawrence	42	13	\$103,625
Dutchess	198	39	\$648,300	Saratoga	119	28	\$448,558
Erie	710	133	\$1,604,905	Schenectady	96	20	\$311,709
Essex	55	19	\$263,140	Schoharie	15	4	\$92,319
Franklin	25	5	\$76,760	Schuyler	16	1	\$25,000
Fulton	33	11	\$155,215	Seneca	17	2	\$15,000
Genesee	10	3	\$15,000	Steuben	43	9	\$134,922
Greene	25	2	\$21,440	Suffolk	2,079	558	\$8,143,311
Hamilton	7	-	-	Sullivan	66	7	\$105,000
Herkimer	23	2	\$15,000	Tioga	16	3	\$25,000
Jefferson	46	9	\$105,035	Tompkins	45	9	\$157,128
Kings	12,426	2,861	\$32,568,549	Ulster	184	35	\$466,823
Lewis	6	-	-	Warren	23	5	\$55,000
Livingston	20	5	\$70,513	Washington	13	-	-
Madison	24	5	\$49,823	Wayne	26	6	\$89,218
Monroe	430	73	\$985,422	Westchester	1,278	266	\$3,585,136
Montgomery	29	7	\$108,681	Wyoming	11	1	\$25,000
Nassau	3,346	1,032	\$14,023,974	Yates	10	2	\$50,000
New York	4,617	994	\$13,253,428				
Niagara	140	26	\$304,849				
TOTAL	51,247	12,895	\$154,806,764				

AWARDS BY REGION			
Region	Completed & Fully Submitted Applications	Applications Awarded	Awarded Funding
Capital Region	712	155	\$2,076,381
Central NY	439	99	\$1,437,266
Finger Lakes	600	113	\$1,578,246
Long Island	5,426	1,591	\$22,172,285
Mid-Hudson	2,958	565	\$8,105,779
Mohawk Valley	247	51	\$781,967
New York City	39,344	10,029	\$114,880,337
North Country	202	53	\$566,431
Southern Tier	369	66	\$967,424
Western NY	950	173	\$2,137,023
Total	51,247	12,895	\$154,806,764

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.

Warfield Art

Owner: Anna Warfield

Grant Award: \$5,000

Location: Broome

“As an arts contractor, this grant was incredibly timely. I needed support to help maintain my studio workspace. Locational stability has meant the ability to keep my small business operating and succeeding in a way I could previously only dream of. I’m pleased to be completing site specific work for a museum from this studio. Thank you kindly!”

JJB Mechanical, LLC

Owner: Juan Barajas

Grant Award: \$25,000

Location: Rochester

“The pandemic made our revenue drop, and being a newer small business, every penny counts. We’re happy to see there is aid for us during the tough times. Keeping everyone on payroll and also bringing in new teammates is very rewarding. Thank you, again.”

RedHat Preservation

Owner: Nasrin Chowdhury

Grant Award: \$25,000

Location: Schenectady

“This grant was great help to recovery from the pandemic. I used the grant funds to pay bills to move my business along. Thank you, and I appreciate the help and support.”

Jumped Up Jellybeans

Owner: Danielle Kinsman

Grant Award: \$25,000

Location: Buffalo

“Thank you so much for this grant. I completed our annual budget, and without that money, I would not have had enough to pay payroll. I am so appreciative.”

The Patient Palette

Owner: Catherin Hover

Grant Award: \$5,000

Location: Brooklyn

“This grant was able to help me cover ongoing expenses and help to make payroll. I was able to use the funds to cover recurring monthly expenses and invest in marketing efforts to increase revenue. It was a great boost. 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.