

## Financial Resources for New and Expanding Businesses

If you have a business idea and a detailed business plan, then your next step is to acquire business funding to actually get the business started. The financing you need to launch, maintain or grow your business can come from a variety of sources, including banks, alternative loan programs, crowdfunding, equity investment and/or grants.

### **BANKS**

For established businesses with collateral and strong credit traditional banks are a great starting point and can help you figure out where you stand in terms of qualifying for funding. Even if your business does not qualify for a traditional bank loan, talking to someone at a bank can help you figure out what documents you need and what your best options may be for other sources of funding.

### **ALTERNATIVE LOAN PROGRAMS**

If your business doesn't have enough assets as collateral to qualify for a bank loan, there are some alternative loan programs available.



The Village of Saranac Lake offers a microenterprise loan program to qualified applicants that are looking to start or expand a small business. The loan program is administered by [AEDC](#). Contact the [Community Development Department](#) for more information or contact AEDC to apply directly.



Adirondack Economic Development Corp. (AEDC) also provides lending assistance programs. Set up a free consultation by calling (518) 891-5523.



The Franklin County LDC provides "gap" financing of up to 40% of total project cost with a cap of \$250,000. Learn more: [LDC Loan Overview](#)



ESSEX COUNTY  
IN THE PARK  
industrial  
development  
agency

The Essex County IDA administers a loan program for a variety of eligible activities. The minimum loan amount is \$10,000 and there is no maximum amount. Learn more: [Revolving Business Loan Program](#)



U.S. Small Business  
Administration

For businesses who don't meet traditional banks' strict lending criteria, the U.S. Small Business Administration offers lenders, mostly traditional banks, a federal guarantee on your loan. In guaranteeing the loans, the SBA also connects you with favorable rates offered by traditional lenders. And unlike most bank loans, you can use an [SBA loan](#) to start a business.

## **GRANT OPPORTUNITIES/ECONOMIC DEVELOPMENT INCENTIVES**

There are grant opportunities available to assist business owners with starting or expanding a business, rehabilitating building facades, renovating interior commercial spaces, or purchasing equipment. The availability of local and state grant opportunities varies over time. Each grant opportunity has a unique timeline, from initial announcement to applicant submission deadline to award announcements. If you are expecting to use grants to finance your project you will need to plan well in advance so that you can be well prepared when funding opportunities become available. Below is a list of current grant opportunities.



**Empire State  
Development**

Empire State Development (ESD) offers grants (financial incentives) for capital projects and other costs through the [Consolidated Funding Application](#). Applications usually become available in May and deadlines are in July. Award announcements are typically expected in December. Applications that are submitted for these funds are submitted in the online portal directly by project sponsors, not through the village. Contact the [North Country Regional ESD Office](#) for more information. More information about ESD programs is available [here](#).



The Village of Saranac Lake is eligible to apply for **CDBG Economic Development grant funds** on behalf of businesses for projects that involve the creation of permanent jobs. For small businesses, the program provides awards of \$25,000-\$100,000. Projects must result in the creation of at least one full-time job per \$25,000 of grant funds provided. A minimum of 20% owner equity contribution to the project is required. In order to determine if your project is eligible you will need to first submit a business plan or presentation. The Village Small Business Committee will review the business plan to evaluate if the project may be eligible and then schedule a meeting with you to make a final determination on eligibility. If you are eligible, the application process takes about 6 months and there are some costs that need to be paid for by the business/applicant depending on the scope of the project. Contact Jamie Konkoski, [comdev@saranaclakeny.gov](mailto:comdev@saranaclakeny.gov) to learn more.

### ***Here are a few key points to be aware of regarding grants for businesses:***

- Most of the grants available through local or state governments are reimbursement programs, meaning the business must pay for all of the costs upfront and then submit proof of payment and/or proof of project completion before receiving reimbursement. These types of grants are actually incentives in terms of how they operate.
- Using grant money for any business venture or project will likely increase the overall cost and timeframe for completion of the project compared to doing the project without grant money.
- The downside to free financing is that everybody wants it. It will take a lot of work to find and apply for grants, but time spent searching for free money opportunities could pay off in the long run.

## **CROWDFUNDING**

For businesses with products that can capture the public's interest, crowdfunding may be a viable option for raising funds. Crowdfunding sites such as Kickstarter rely on investors to help get an idea or business off the ground, often rewarding them with perks or equity in exchange for cash.

Although the popularity of these services has increased in recent years (the SBA even offers an [online course](#) in crowdfunding), there are caveats. For one, your product or company has to be intriguing enough to catch the eye of multiple investors. There are a couple of businesses in Saranac Lake that have successfully used crowdfunding to expand their business. This [article](#) contains more information about crowdfunding for business.

## **EQUITY INVESTMENT**



Businesses that are both promising and have the availability to go to scale in markets beyond the Adirondack Region may be a candidate for equity investment. Point Positive, which is headquartered in Saranac Lake, is the Region's Angel Investor Group and a possible source of investment in the range of \$50,000 to \$250,000. For more information, visit their website at: [pointpositiveadk.com](http://pointpositiveadk.com)