



**Authority Budget Office – Performance Measurement Analysis  
REDCO Fiscal Year Ended September 30, 2014**

**Performance Goals**

- (1) Continue to manage NYS Empire Zones Program so that certified businesses continue to receive economic development benefits under the program: REDCO employed a part-time staff person whose main function is to continue to administer and oversee the EZ program. This person collected all information required by NYS from all EZ certified businesses and forwarded this to NYS to ensure that these companies will remain eligible to receive benefits. These benefits are an essential component in encouraging substantial existing and on-going capital investment by businesses in the City of Rochester. REDCO services approximately 250 certified companies in the City of Rochester.
- (2) Continue to provide US Small business Administration loans to assist small businesses in the community who cannot gain access to conventional financing: For the FYE 9/30/14, REDCO approved two SBA 504 loan applications and closed two SBA 504 loans for City businesses. These projects are expected to result in \$2,249,600 in new investment, with 26 new full-time and 3 part-time jobs expected to be created, and 24 full-time jobs to be retained. A total of \$630,700 in SBA 504 loans leveraged \$1,603,900 in private investment. Of the approved loans, one loan will be used to enable the buyout of an existing longtime manufacturing business, while the second loan will enable a minority-owned food production business to expand through the purchase of new production equipment. Of the closed loans, one loan was used by a design firm to purchase, rehabilitate and renovate a vacant historic building located in the City of Rochester's northeast quadrant. The second closed loan was provided to an industrial testing firm which purchased a building to accommodate future growth.
- (3) Market and fund loans or grants from the Philip J. Banks Small Business Investment Program to assist businesses in under-served markets in the City of Rochester: For the FYE 9/30/14, REDCO did not fund any projects under this program. This was partly due to the fact that the grant portion of the program has been fully expended.
- (4) Continue to market loans and grants from the Revolving Loan Fund Program in order to stimulate new business investment, job creation, and job retention within the City of Rochester: For the FYE 9/30/14, REDCO closed one loan for \$500,000 for an expansion to a successful mixed-use commercial property. The project resulted in \$9,700,000 in new investment, with 67 existing jobs being relocated into the City of Rochester, and 12 new full-time jobs expected to be created.



- (5) Continue efforts to assist the City of Rochester in its economic development activities through the use of REDCO's available capital resources. REDCO continues to own a 24,000 sq ft facility at 448 Smith St which is leased to the city of Rochester and used by the Rochester Rhinos professional soccer team. REDCO employs one part-time individual who administers the NYS Empire Zones Program for the City of Rochester as well as assisting the City's Neighborhood/Business Development Department with project management.

REDCO also owns a 30,000 square foot light manufacturing facility which is leased to CVI Laser, LLC, a high-technology optical manufacturing company which employs 79 people. REDCO built the facility in 1989 and leased it to Melles Griot, Inc, the predecessor company to CVI, Laser, LLC. During FYE 9/30/14, REDCO invested over \$280,000 in repairs and improvements to the facility. In FYE 9/30/14, REDCO submitted a third application to the US Treasury for an allocation on New Market Tax Credits (NMTC). The NMTC program is a powerful economic development tool which leverages private investment in projects located in distressed communities through the use of significant income tax credits. These credits enhance private investment in projects, making these projects significantly more feasible. While REDCO was unsuccessful in its previous applications due to high levels of competition, REDCO believes that its chances for an approval of the 2014 application are significantly improved.