

Washington, DC - Congressman Maurice Hinchey (D-NY) today announced that the Tioga County Local Development Corporation has been awarded a \$300,000 low-interest loan to provide loans to local small businesses and community development initiatives. The funds come from the U.S. Department of Agriculture (USDA) Rural Development's Intermediary Relending Program and are expected to create 50 jobs and save 40 others in Tioga County. The funds were made possible in part because of Tioga County's designation as a Rural Economic Area Partnership (REAP) Zone. Hinchey established the Tioga REAP Zone through legislation in 1999.

"Investing in small businesses will promote economic growth and make Tioga County more attractive to even greater business opportunities down the line," Hinchey said. "Tioga County continues to position itself in ways that will help create jobs and enable residents to have a strong quality of life. I am very pleased that the county's REAP designation once again paid off in the form of federal assistance that it otherwise may not have received. The investments we make today will pay off handsomely in the years ahead."

The \$300,000 low-interest loan will capitalize a loan fund that will provide low-interest loans that will be made available for small businesses and start-ups. The funds can be used to purchase equipment, property, facilities, or to support working capital. This the fourth successful application Tioga has had for such funding. The REAP designation puts them in a more favorable position to win such awards from USDA Rural Development.

Hinchey developed the REAP Zone initiative as part of an effort to help spur economic development in struggling rural areas. REAP Zones are first cousins to the internationally recognized Empowerment Zones & Enterprise Communities and are pilot projects of the USDA. In January 1999, Hinchey persuaded the USDA to establish this new program in his congressional district on a 10-year trial basis, which was approved by the Clinton administration. As a result, the REAP Zone in Sullivan County and Wawarsing and a second REAP Zone in Tioga County were established. The two REAP Zones in the State of New York, which earlier this year were reauthorized for an additional four years, are two of only five such areas in the entire nation.

The REAP Zone pilot project sets up a collaborative, citizen-led effort to enhance economic development. The two REAP Zones in New York are in critical parts of the state that have experienced economic dislocation and job loss as the state's rural economy has changed. The REAP Zone initiatives serve as an important model for coordinated efforts to revitalize and

diversify distressed rural economies in other regions of the New York State and the country.