

B. Community Transit Systems – Bus Acquisition Capital (W272)

August 16, 2010

Authorization to Amend the General Project Plan

Grantee: Community Transit Systems LLC (“CTS” or the “Organization”)

ESD Investment: \$5,000,000 approved on June 23, 2009 (New York State Economic Development Assistance Program)

Project Location: New York County; Long Island and Mid-Hudson Regions

NYS Empire Zone: N/A

Project Completion: December 31, 2011

Background/Project Status:

These materials refer to and include, in their entirety, the attached materials presented to and approved by the ESD Directors on June 23, 2009 (the “Materials”). Any substantive changes to the project or terms and conditions are noted in these materials.

On June 23, 2009, the ESD Directors approved a \$5,000,000 grant to CTS for the purchase of buses for use by schools whose school day extends past 4:30 p.m. To date, none of the \$5,000,000 grant has been disbursed. CTS recently determined that there are a significant number of schools in the project regions that have more than 400 students in grades 3-12. Because of this large number of students, CTS would not only be unable to hold a bus lottery, but it would be placed in the position of having to decide which of the large schools would receive buses and which would not. In the absence of a lottery, CTS had no specific direction from the state senate as to how to make such decisions equitably.

As a solution to this problem, CTS requested permission from ESD to revise the scope of the project to limit the distribution of buses to elementary schools, and those schools with more than 400 students in grades 3-8 would receive a bus regardless of a lottery. The logic to this proposal is that elementary students are in greater need of school busing in the hours after 4:30 pm, as they cannot, for safety reasons, use mass transit on their own, as students in grades 9-12 can. This would enable the larger elementary schools to receive buses while enabling all smaller schools a fair chance to qualify for a bus through the lottery system. This proposed revision is supported by Senator Skelos, one of the project’s sponsors.

Revised Project Scope:

This request is to amend the project scope, as noted above, to count students in grades 3 through 8 rather than in grades 3 through 12, for the purposes of determining which schools should receive a bus without participating in the lottery. CTS is also requesting an extension of the Grant Disbursement Agreement through December 31, 2011.

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Environmental Review:

ESD staff has determined that the project continues to constitute a Type II action as defined by the New York State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

Attachments: ESD Directors’ Materials dated June 23, 2009