

B. SIEDC Brownfield Redevelopment Program – Working Capital (X385)

August 18, 2011

Grantee: Staten Island Economic Development Corporation (“SIEDC” or the “Organization”)

ESD Investment: A grant of up to \$30,000 to assist with the operating costs of SIEDC’s Brownfield Redevelopment Program.

Project Location: Staten Island, Richmond County

ESD Incentive Offer Accepted: May 7, 2011

Project Completion: May 2012

Grantee Contact: Cesar Claro, Executive Director
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Project Team:	Origination	Andrew Fletcher
	Project Management	Wai Shiu
	Affirmative Action	Gowshihan Sriharan
	Environmental	Soo Kang

Regional Council: The New York City Regional Council has been made aware of this item.

Project Description:

Background

The Staten Island Economic Development Corporation was established by local business leaders and the Staten Island Borough President’s Office in March 1993. SIEDC’s mission is to promote and facilitate economic development in the borough of Staten Island. It now administers 35 programs and provides service to 3,000 businesses and entrepreneurs annually. Since it was established, SIEDC’s economic development programs have generated \$550 million in capital investment and created 3,500 jobs.

In keeping with its mission, SIEDC is conducting a technical assistance project for a Brownfield Redevelopment Program (the “Program”) for 26 privately-owned sites and 62 acres of municipal property. The Organization completed Phase I of the Program in 2008, when six sites were chosen for an in-depth assessment for redevelopment use. In mid-2011, SIEDC completed Phase II, in which the Organization applied for Brownfield Opportunities Area (“BOA”) assistance for a 178-acre area with the New York State Department of State; worked with the New York City Office of Environmental Remediation’s SPEED system for property research and brownfield planning; continued

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development work on sites at 25 and 40 Willow Avenue and at 1945 Richmond Terrace; and conducted marketing and outreach on brownfield opportunities.

The Program has entered Phase III of the program, however the weak economy has caused financial strain at SIEDC, and the Organization does not have sufficient funding to support the Program independently. ESD offered a grant to bridge this financing gap, which SIEDC accepted in May 2011. Without ESD's grant, SIEDC would not be able to run Phase III of the Program.

Since 2006, the ESD Board of Directors has approved two grants totaling \$62,000 to support the Organization's brownfield programs. SIEDC complied with all requirements, and one grant in the amount of \$32,000 was successfully closed in 2008. The other grant of \$30,000 is expected to close by the end of 2011.

The Project

ESD's grant will be used to partially fund operating costs and a 12-month contract for a Program Associate to manage activities for Phase III of the Program, which includes:

- Managing the 178-acre BOA submission to the New York State Department of State.
- Working with the Northfield Local Development Corporation to enhance viability of the BOA in the Port Richmond section of Staten Island.
- Hosting quarterly and special events, such as the 2012 Green & Clean Expo, to promote brownfield development, effective property management, and local environmental sustainability.
- Continuing the development of remediation projects at 40 Willow Avenue (National Grid) and at 1945 Richard Terrace (ScaraMix).
- Planning for the developments at 501 Industry Road and at 1900 South Avenue with the developer, elected officials, and city and state agencies.

Upon completion of the project, SIEDC will furnish a final report describing the impact and effectiveness of the project.

Financing Uses	Amount	Financing Sources	Amount	Percent
Program Manager's Salary and Benefits	\$50,000	ESD Grant	\$30,000	35%
Operating and Administrative Costs	10,000	Organization Equity	55,000	65%
Staff & Management Oversight	25,000			
Total Project Costs	\$85,000	Total Project Financing	\$85,000	100%

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Financial Terms and Conditions:

1. The Organization will demonstrate no material or adverse changes in its financial condition prior to closing.
2. The Organization will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Organization's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Organization or by investors, and should be auditable through Organization financial statements or Organization accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
3. Up to \$30,000 will be disbursed to Grantee during the course of the project no more frequently than quarterly, upon documentation of eligible project costs. The final 25% of the grant (\$7,500) will be disbursed upon submission and approval of a final report, assuming that all project approvals have been completed and funds are available.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after May 7, 2011 to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2014.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$30,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Statutory Basis – Urban and Community Development Program:

This project is authorized under Sections 5(4) and 16-d of the New York State Urban Development Corporation Act (the "Act") and satisfies the eligibility criteria for an Urban and Community Development Assistance grant as set forth in the Act and the rules and regulations for the Urban and Community Development Program. No residential relocation is required as there are no families or individuals residing on the site.