

F. LFTCEDC - Campus Trails Capital (W429)

February 19, 2010

General Project Plan

Grantee: Luther Forest Technology Campus Economic Development Corporation (“LFTCEDC”)

ESD Investment: A grant of up to \$100,000 to be used for a portion of the cost of construction and/or maintenance of recreational trails within the Luther Forest Technology Campus (the “LFTC” or the “Campus”) and/or providing for a connection between the LFTC and other trail systems.

Project Location: Malta and Stillwater, Saratoga County

NYS Empire Zone (or equivalent): N/A

Project Completion: December 31, 2010

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Project Team:

Project Management	Glendon McLeary
Affirmative Action	Laverne Poole
Environmental	Soo Kang

Project Description:

Background

The Luther Forest Technology Campus Economic Development Corporation was formed to create jobs in Saratoga County through the development and promotion of the Luther Forest Technology Campus, a high-technology industrial park located on 1,414 acres in the towns of Malta and Stillwater. Since its inception, the LFTCEDC has devoted its resources to developing the campus and attracting nanotechnology and chip fabrication businesses to the region.

The Luther Forest Technology Campus is comprised primarily of undeveloped land, which once developed will include over 600 acres of wooded areas to remain as managed forest property, over 250 acres of landscaped area, over eighteen acres of active recreation, and approximately 150 acres of buildings and associated roadways, parking and infrastructure. The LFTC is envisioned to become a world-class technology campus and is expected to house three semiconductor fabrication plants.

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In support of LFTC's mission to attract chip fabrication companies to New York State, ESD's Directors authorized the making of a \$700,000 Community Projects grant and a \$700,000 Strategic Investment Program grant for costs associated with the pre-development of the project site, including consultant costs for environmental and engineering studies and other activities related to the completion of the Environmental Impact Statement. In November 2003, the ESD Directors approved a \$75,000 Economic Development Fund ("EDF") grant from Chip Fab 98 for pre-permitting costs. All three projects have been completed and the funds have been fully disbursed. The Directors then approved a \$5,625,000 EDF loan to LFTCEDC in May 2004. The first tranche of that loan was closed on June 28, 2004, and the funds enabled the LFTCEDC to purchase a 164-acre-parcel of land that is critical to the entire planned development site. Project work was completed and the remaining \$518,564 of the loan was closed in June 2005. Another EDF loan of \$4,000,000 was approved by ESD's Directors in January 2005, to perform studies related to transportation and utility infrastructure at the site, wetlands preservation, archaeological investigations, mapping, site planning, and environmental surveys and analyses. LFTCEDC has made four draw-downs during 2005 – 2007 to close the loan.

In October 2006, the ESD Directors approved a \$650 million grant to Advanced Micro Devices, Inc. ("AMD") for a new chip fabrication facility at the LFTC with construction anticipated to commence in 2009. In October 2008, AMD presented to ESD its new strategy for global semiconductor manufacturing. This strategy involves the creation of a global company, temporarily called "The Foundry Company," to take over the construction and operation of AMD's chip fabrication facilities including the chip fabrication facility at the LFTC, which will now also manufacture chips for companies other than AMD. On November 20, 2008, the ESD Directors approved a modification to the General Project Plan to assign AMD's interest in the original Grant Disbursement Agreement to AMD Fab Technologies US Inc. (a subsidiary of the Foundry Company for US operations). In March 2009, AMD announced the new global company called GlobalFoundries, Inc. which was temporarily called The Foundry Company. GlobalFoundries, Inc. will operate AMD's two existing chip fabrication facilities in Dresden, Germany, and the new Malta facility.

In November 2006, ESD approved a \$1,000,000 Community Projects grant to LFTC through the Saratoga Economic Development Corporation ("SEDC") for general operating costs to develop and market the Campus. In December 2007, ESD approved an additional \$1,000,000 Local Assistance grant to the LFTCEDC for continued general operating costs. ESD fully disbursed both grants, which went toward legal fees, marketing, strategic planning, and project management associated with the LFTC. In November 2008, ESD approved a \$30,319,485 infrastructure capital grant for the construction of electric transmission lines and the Cold Spring Road corridor. These infrastructure elements are a prerequisite for AMD's development of the new chip fabrication facility at the LFTC. ESD also approved a \$940,000 Local Assistance grant (subsequently reduced to \$752,000 as a part of the Deficit Reduction Plan) for continued legal work, project management of the LFTC, business development, and marketing activities associated with the LFTCEDC's continued efforts to achieve shovel readiness and attract chip fabrication tenants to the LFTC. LFTCEDC completed the project and a payment request for the full amount is currently being processed. In addition to the ESD loans and grants, the Organization received \$39.178 million in

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grants from DASNY from 2005-2009. These grants were used for property acquisition, electric transmission line property purchases, transmission line review, and engineering services.

The Project

The project involves the construction and maintenance of recreational trails throughout the Luther Forest Technology Campus and adjacent areas where trail connections may be required. The 12-foot-wide trails will be restricted to non-motorized use in keeping with LFTC’s deed-restricted Army Corps permit. To date, LFTC has removed branches and shrubbery, graded over 2.5 miles of trails where needed, installed fabric, and placed a layer of mulch. LFTCEDC has also installed a wooden bridge, and two trail heads with adjacent parking lots were created. During the summer of 2010 and 2011, the trail work will continue. A second bridge will be built, and signage and parking blocks will be installed in the trail head areas. Currently, the Town of Malta (the “Town”) is reviewing 2011 connections where LFTC and Town trails will provide continuous access to Town recreational areas. The parking lots will be paved and striped, and benches will be installed in the seating areas. LFTCEDC will also purchase equipment, including a lawn mower, chain saw and a trail maintenance vehicle to maintain the trails. Lighting for appropriate trail travel may also be addressed. LFTCEDC will administer the project and will select consultants and contractors through the bid process to complete the remaining components. The project is expected to be complete by December 2010.

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction/ maintenance/ connection of recreational trails	\$225,000	ESD Grant	\$100,000	44%
		DASNY	\$125,000	56%
Total Project Costs	\$225,000	Total Project Financing	\$225,000	100%

Environmental Review:

Pursuant to the State Environmental Quality Review Act (“SEQRA”), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), the ESD Directors adopted SEQRA Findings on May 19, 2004 based on the Final Generic Environmental Impact Statement for the development of the Luther Forest Technology Campus, and Supplemental Findings on December 1, 2008 based on the Final Supplemental Environmental Impact Statement for the AMD Development project at the Luther Forest Technology Campus. By adoption of SEQRA Findings and Supplemental Findings, the Directors certified that the requirements of 6 NYCRR Part 617 have been met. No further environmental review is required in connection with this authorization.

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Affirmative Action:

ESD's Non-Discrimination and Affirmative Action policy will apply. The Grantee is encouraged to use its best efforts to achieve Minority and/or Women-owned Business Enterprise participation of not less than 10% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the project, and to include minorities and women in any job opportunities created by the project.

Statutory Basis – Community Projects Fund:

The project was reappropriated in the 2009-2010 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:

The Grantee has provided ESDC with the required Disclosure and Accountability Certifications. Grantee's certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.