

B. The Arsenal Business and Technology Partnership (W689)

January 21, 2010

- Grantee:** The Arsenal Business and Technology Partnership, Ltd. (the “Partnership”)
- ESD Investment:** A grant of up to \$158,000 to be used for the cost of continuing operations at the Arsenal to attract private investment to the facility.
- Project Location:** Watervliet Arsenal (the “Arsenal”), Watervliet, Albany County
- NYS Empire Zone (or equivalent):** Albany County
- Project Completion:** January 31, 2011
- Grantee Contact:** Tony Gaetano, President
44 Dalliba Avenue
Watervliet, NY 12189
Phone: (518) 266-6006 Fax: (518) 266-6020
- Project Team:**
- | | |
|--------------------|----------------|
| Project Management | Brendan Healey |
| Affirmative Action | Denise Ross |
| Environmental | Soo Kang |

Project Description:

Background

The Partnership is a not-for-profit local development corporation founded in 1998, with a mission devoted to the redevelopment of the Arsenal site as a business and technology park, and preservation of the site’s military missions. The Arsenal is the U.S. Army’s only manufacturer of large caliber cannons. Benet Laboratories is a U.S. Army facility at the Arsenal devoted to research and development efforts related to cannon production.

Since 1998, the ESD Directors have approved \$2.482 million in funding for the Partnership for its ongoing development and marketing of the site. As a result of this funding, the Partnership has attracted twenty-three private tenants to the site and leased approximately 110,000 square feet, which created 290 jobs by the end of 2009. The Partnership also helped to retain approximately 800 existing jobs at the Arsenal and Benet Laboratories. The Partnership received \$35 million in federal funding to prepare a new site master plan, improve buildings on the site and upgrade the site’s infrastructure. The Partnership also received \$25 million in New York State, private and other funding for infrastructure, planning and renovation projects, including \$1.2 million from the New York State Dormitory Authority’s Rebuilding the Empire State Through Opportunities in Regional Economies (“RESTORE”) program for the establishment of the Center for Construction

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Trades Training Program, in collaboration with SUNY at Albany's College of Nanoscale Science and Engineering and M+W Zander, and \$18 million for the relocation of Vistec Lithography, Inc., a semiconductor company, from Cambridge, England to New York.

The Project

The project involves support of the continuing operations of the Partnership, which includes management, strategic planning and marketing to attract private investment to the Arsenal site, ongoing implementation of the site master plan and tenant support services. The total project budget will equal \$1,282,542 and non-ESD funding sources include contributions from the Partnership and the Arsenal Support Program Initiative, which is funded by the U.S. Department of Defense ("DOD"). ESD funds will be used for the following: (1) site planning, (2) legal and accounting services, (3) salaries and fringes, and (4) other than personal services such as, but not limited to, payroll, office expenses, telephone, insurance, and contract services such as environmental and marketing. The project will be conducted by the Partnership.

As a result of the Partnership's efforts, the project is expected to lead to the adaptive reuse of an important military and manufacturing site and an anticipated investment by the DOD of more than \$80 million in site improvements, including a new laboratory and office building for Benet Laboratories. In addition, the Partnership has been selected by the US Army Corps of Engineers to act as developer of sixty-two acres of the Arsenal site, under the Army Corps of Engineers' Enhanced Use Lease ("EUL") program. The development plan for the EUL is being finalized.

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

Financing Uses	Amount	Financing Sources	Amount	Percent
Site Planning	\$75,000	ESD Grant	\$158,000	100%
Legal and Accounting	15,000			
Salaries & Fringes	63,000			
Other Than Personal Services	5,000			
Total Project Costs	\$158,000	Total Project Financing	\$158,000	100%

Environmental Review:

The requested authorization for a grant to support continuing operations of the Arsenal constitutes 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 action. The Partnership will be responsible for complying with any environmental review requirements under SEQRA for the redevelopment activities. In addition, the Partnership will continue to conduct the necessary consultation with the New York State Office of Parks, Recreation and Historic Preservation regarding redevelopment of the Arsenal site and buildings.

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Statutory Basis – Community Projects Fund:

The project was authorized 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.