

## I. Staten Island Brownfield Redevelopment Program – Working Capital (W457)

June 24, 2010

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

**ESD Investment:** A grant of up to \$30,000, pending passage of the New York State budget, to assist with the operating costs of the Brownfield Redevelopment Program.

**Project Location:** Staten Island, Richmond County

**NYS Empire Zone (or equivalent):** N/A

**ESD Incentive Offer Accepted:** April 21, 2010

**Project Completion:** June 2011

**Grantee Contact:** Jay Anderson, Director of Projects  
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Phone: (718) 477-1400 Fax: (718) 477-0681

<b>Project Team:</b>	Origination	Andrew Fletcher
	Project Management	Wai Shiu
	Affirmative Action	Soo Kang
	Environmental	Helen Daniels

### **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. The Program is now in its second phase, in which research is being done to determine what state and city programs can best assist in the redevelopment of each of the 26 brownfield sites.

The current weak economy has caused financial strain at SIEDC, and the Organization does not have sufficient funding to fully implement Phase II of the Program. ESD offered a grant to bridge this financing gap, which SIEDC accepted in April 2010. Without ESD’s

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grant, SIEDC would not have run Phase II of the Program.

Since 2000, ESD has funded six technical assistance projects at SIEDC for its industrial park, small business, welfare-to-work, minority and women’s business, private-public partnerships, and brownfield redevelopment programs, with a total investment of \$284,000. ESD resources were used to underwrite SIEDC professional staff time devoted to the respective projects. SIEDC complied with all requirements and the previous grants were successfully closed.

The Project

ESD’s grant will be used to partially fund a 12-month contract for a Program Associate to manage Phase II of the Program. A qualified candidate for the position was hired for a year’s contract in May 2010. As a result of the project, SIEDC expects at least three site owners to apply for city or state programs for benefits and at least three brownfield properties to be listed for sale or redevelopment.

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
Salary for Program Associate (incl. fringe)	\$50,000	ESD Grant	\$30,000	35%
Staff & Management	25,000	SIEDC Equity	55,000	65%
Other than Personnel Services	10,000			
Total Project Costs	\$85,000	Total Project Financing	\$85,000	100%

**Financial Terms and Conditions:**

1. The Organization will demonstrate no material adverse change in its financial condition prior to closing.
2. The Organization or the Organization’s shareholders will contribute at least 10% in equity to the Project. Equity is defined as any non-debt source of capital, and should be auditable through the Organization’s financial statements or accounts, if so requested by ESD.
3. Up to \$30,000 will be disbursed to the Grantee no more frequently than monthly, on a proportional basis, upon documentation of eligible project costs, assuming that all project approvals have been completed and funds are available, provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESDC of an invoice and such other

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documentation as ESDC may reasonably require. Expenses must be incurred on or after April 21, 2010 to be considered eligible project costs. All disbursements must be requested by 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.