

B. Beekmantown Welcome Center (X191)

October 21, 2010

- Grantee:** Adirondack Regional Tourism Council, Inc. (the “ARTC”)
- ESD Investment:** A grant of up to \$75,000 to be used for a portion of the cost of operating the Beekmantown Welcome Center (the “Center”).
- Project Location:** I-87, Beekmantown, Clinton County
- NYS Empire Zone (or equivalent):** N/A
- ESD Incentive Offer Accepted:** August 25, 2010
- Project Completion:** March 31, 2011
- Grantee Contact:** Ronald Ofner, Executive Director
c/o Meister Accounting Services LLC, 1992 Saranac Ave., Suite 3
Lake Placid, NY 12946
Phone: (518) 962-4364 Fax: (518) 846-8018
- Project Team:**
- | | |
|--------------------|-----------------|
| Origination | Roseanne Murphy |
| Project Management | Linda Dillon |
| Affirmative Action | Laverne Poole |
| Environmental | Soo Kang |

Project Description:

Background

The Adirondack Regional Tourism Council is a private, not-for-profit consortium of eight counties that cooperatively promotes economic development through tourism. For the past 30 years, ARTC has been working to spur job growth, build business opportunities and improve the quality of life for people in the Adirondack Region. Member counties include Clinton, Essex, Franklin, Hamilton, Lewis, St. Lawrence and Warren Counties, as well as the Town of Webb in Herkimer County.

The ARTC operates the Beekmantown Welcome Center, one of two official I Love New York welcome information centers in New York State. The Center is located five miles north of Plattsburgh at the first rest area along Interstate 87, serving travelers driving southbound from Canada. The ARTC employs three individuals who provide visitors with shopping, lodging and dining information, along with information about cultural/historical attractions in communities throughout the Adirondack Region. Over 100,000 travelers from Canada and the northeastern United States utilize the Center’s services each year, and many are first time visitors to New York State. Along with literature, maps and Internet access, ARTC staff also offer flight information to travelers on route to the Plattsburgh International Airport and to visitors heading to New York City and other metropolitan airports around the

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state.

Since the ARTC opened the Center in 1991, operations have been funded by New York State at the rate of approximately \$200,000 per year. For the fiscal year beginning April 1, 2010, no funds were allocated in the New York State budget for Center operations. ESD, recognizing the Center's important role for the Adirondack tourism market, offered ARTC a \$75,000 Working Capital Grant so that the Center could remain operational through the current fiscal year.

The Project

The project involves the use of funds by the ARTC to continue operating the Beekmantown Welcome Center through March 31, 2011. The total project cost is \$87,000 and the ARTC will contribute \$12,000. Project funds will be used to support such operating costs as utilities, maintenance and supplies, accounting services and staff salaries for three full-time employees. Without ESD support, the ARTC would be unable to continue operating the Center.

Tourism is a vital component to Adirondack Park communities and facilitating travel to the Adirondack Region is a primary focus of the Beekmantown Welcome Center. By keeping the Center open, tourism's positive economic impact, including increased state and local sales and occupancy tax collections, will continue to benefit communities of the Adirondack Region and New York State.

Financing Uses	Amount	Financing Sources	Amount	Percent
Operating costs (utilities, maintenance, supplies, salaries, accounting services, etc.)	\$87,000	ESD Grant	\$75,000	86%
		Grantee Equity	12,000	14%
Total Project Costs	\$87,000	Total Project Financing	\$87,000	100%

Financial Terms and Conditions:

1. The Grantee will be obligated to advise ESD of a material adverse change in its financial condition prior to disbursement.
2. The Grantee or the Grantee's shareholders will ensure contribution of at least 10% of the total project cost in the form of equity contributed after the Grantee's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or

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Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

3. Up to \$75,000 will be disbursed to the Grantee as follows:
 - a. an Initial Disbursement of 20% of the grant (\$15,000) will be made as an advance upon execution of a Grant Disbursement Agreement;
 - b. the remaining 80% of the grant (\$60,000) will be disbursed no more frequently than monthly and in proportion to ESD's funding share. Each disbursement after the initial advance will require documentation of costs and payments for the month(s).

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, assuming all project approvals have been completed and funds are available. Expenses must be incurred on or after August 25, 2010 to be considered eligible project costs. All disbursements must be requested by June 1, 2011.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$75,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee 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 – Empire State Economic Development Fund:

1. The project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.
As a result of this project, the ARTC will continue operation of the Beekmantown Welcome Center through March 31, 2011. The project is expected to provide tourism information to 100,000 visitors resulting in increased economic activity in the Adirondack Region.
2. The project would be unlikely to take place in New York State without the requested assistance.
Without ESD assistance, the ARTC would not be able to continue the project since it lacks sufficient funds.
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
The project is likely to accomplish its state goals of providing tourism information to visitors of the Adirondack Region. The likely benefits exceed the \$75,000 grant.
4. The requirements of Section 10(g) of the Act are satisfied.
See cover memo.