NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d/b/a Empire State Development

Meeting of the Directors

Tuesday

April 17, 2012 – 10:30 a.m.

NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d/b/a Empire State Development

AGENDA

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FOR CONSIDERATION

I. CORPORATE ACTION

A. Approval of Minutes of the March 27, 2012 Directors' Meeting (Corporate Action)

II. DISCRETIONARY PROJECTS

STATEWIDE - INNOVATE NEW YORK FUND PROGRAM

A. Statewide - Innovate New York Fund Program – Authorization to Enter into Contracts with Awardees; Authorization to Disburse Funds; and Authorization to Take Related Actions

SOUTHERN TIER REGIONAL ECONOMIC DEVELOPMENT CORPORATION

B. Regional Council Aware - Southern Tier Region – Southern Tier Regional Economic Development Corporation – Rural Initiative Fund Program – Economic Development Purposes Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

II. DISCRETIONARY PROJECTS - Continued

SOUTHERN TIER REGIONAL ECONOMIC DEVELOPMENT CORPORATION - Continued

C. Regional Council Aware - Southern Tier Region – Southern Tier Regional Economic Development Corporation – Community Revitalization Program – Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

D. Regional Council Aware - Southern Tier Region – Southern Tier Regional Economic Development Corporation – Shovel Ready Program – Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

WESTERN NEW YORK

E. Falconer (Western New York Region – Chautauqua County) – SKF Heat Transfer MAP Capital – Empire State Economic Development Fund - General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

NORTH COUNTRY REGION

F. Chazy (North Country Region – Clinton County) – Clinton Industrial Development Acquisition Working Capital – Economic Development Purposes Fund – Working Capital (Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make a Grant and to Take Related Actions

CENTRAL NEW YORK

G. Fulton (Central New York Region – Oswego County) – Huhtamaki MAP Capital – Empire State Economic Development Fund - General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

II. DISCRETIONARY PROJECTS - Continued

FINGER LAKES REGION

H. Huron (Finger Lakes Region – Wayne County) - Empire Fruit Growers Capital – Empire State Economic Development Fund - General Development Financing (Capital Grant) - Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

DISCRETIONARY PROJECTS CONSENT CALENDAR

I. Discretionary Projects Consent Calendar – Findings and Determinations Pursuant to Sections 10(g) and 16-m of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions; Determination of No Significant Effect on the Environment

General Development Financing Projects

A. Precisionmatics Co., Inc. (Herkimer County) - $100,000
B. D4, LLC (Monroe County) - $75,000

III. NON-DISCRETIONARY PROJECTS

A. Non-Discretionary Projects – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Amend the Project Scope; Authorization to Make Grants and to Take Related Actions; Adoption of Findings Pursuant to the State Environmental Quality Review Act

Local Assistance (Senate)

A. GGLDC – Western New York Science, Technology and Advanced Manufacturing Park Capital – (Genesee County) - $2,000,000

Strategic Investment Program (Senate)

B. Town of Islip – Drainage Improvements Capital (Suffolk County) - $0

IV. INFORMATION

A. Procurement Contract – Third Quarter Fiscal Year 2011-2012

B. President's Report (Oral)

DRAFT – SUBJECT TO REVIEW AND REVISION

NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d/b/a Empire State Development Corporation
Meeting of the Directors
New York City Regional Office
633 Third Avenue
37th Floor Conference Room
New York, New York 10017

and

Syracuse Regional Office
620 Erie Boulevard West
Syracuse, New York 13204

and

Buffalo Regional Office
95 Perry Street
Buffalo, New York 14203

March 27, 2012

MINUTES

In Attendance

Directors: Julie Shimer – Chair
Paul Ciminelli
Robert Dyson
Anthony Albanese – Designee for Superintendent – Department of Financial Services

Present for ESD: Maria Cassidy, Deputy General Counsel
Joseph Chan, Executive Vice President – Business Development
Richard Dorado, Senior Counsel
Justin Ginsburgh, Chief of Staff
Robert Godley, Treasurer
Edwin Lee, Senior Project Manager – Loans and Grants
Sheri Lippowitsch, Vice President – Loans and Grants
Eileen McEvoy, Corporate Secretary
Kathleen Mize, Deputy CFO and Controller
Natasha Pallan, Director – Subsidiary Finance
Sheila Robinson, Deputy to CFO
Susan Shaffer, Vice President – Loans and Grants
Frances A. Walton, Chief Financial and Administrative Officer

Also Present Linda Dillon, Economic Development Project Specialist 2 – Capital Regional Office
Steve Gawlik, Vice President – Capital Projects and Senior Counsel – Western New York Regional Office
Aimee Vargas, Director – Mid-Hudson Regional Office

For Good Jobs New York: Elizabeth Bird

Also Present: The Press
The Media

The meeting of the Directors of the New York State Urban Development Corporation ("UDC") d/b/a Empire State Development ("ESD" or the "Corporation") was called to order at 10:36 a.m. by Chair Shimer. It was noted for the record that the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

Next, Chair Shimer set forth the guidelines regarding comments by the public on

matters on the Agenda.

Chair Shimer then asked the Directors to approve the Minutes of the February 16, 2012 Directors' meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE FEBRUARY 16, 2012 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on February 16, 2012, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

The Chair then asked Mr. Lee to present a summary of the Discretionary Project items on the Agenda. Chair Shimer explained that following Mr. Lee's brief presentation, she would call upon the individual Regional Directors or their representatives to present the projects from their region.

Mr. Lee noted that the Directors are being asked to approve two grants totaling $700,000 from the Economic Development Fund and one Urban and Community Development grant for $250,000. Mr. Lee added that these projects will leverage over $61 million of individual investments and will assist in retaining 213 jobs and in creating approximately 160 jobs in New York State.

Following Mr. Lee's summary, the Chair asked Ms. Vargas, the Director of ESD's Mid-Hudson Regional Office, to present the Satin Fine Foods item on the Agenda.

Ms. Vargas asked the Directors to approve a $500,000 grant to Satin Find foods, Inc., the leading commercial producer of rolled fondant in North America. Having a choice of relocating the facility to Georgia or Florida, ESD offered the Company a grant to continue to grow in New York, which they accepted in November 2012. Ms. Vargas explained that the project was completed by December 2011 and that the Company purchased and renovated a 95,000 square-foot building which will allow the Company to continue to flourish in New York State.

As a result of the project, Ms. Vargas continued, the Company will retain 23 jobs and create 110 new jobs in the State.

Following the full presentation, Chair Shimer called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

> Chester (Mid-Hudson Region – Orange County) – Satin Fine Foods Capital – Empire State Economic Development Fund General Development Financing – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Satin Fine Foods

Capital -- Empire State Economic Development Fund General Development Financing Project (the "Project"), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that

1. The proposed 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;

2. The project would be unlikely to take place in New York State without the requested assistance;

3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;

4. There are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Satin Fine Foods, Inc. a grant for a total amount not to exceed Five Hundred Thousand Dollars ($500,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Chair Shimer then asked Ms. Dillon, representing the Capital Region, to present the Regeneron Pharmaceuticals, Inc. EDF Project for the Directors' consideration.

Ms. Dillon explained that the Company is a pharmaceutical company that discovers, develops and commercializes new therapeutic agents to treat unmet medical needs. Ms. Dillon explained that the Directors are being asked to approve a $200,000 capital grant to be used for the purchase and installation of new machinery and equipment. Such investment, without ESD's assistance, would likely have been made in New Jersey.

Ms. Dillon further explained that although the project was originally committed to retaining 190 jobs and creating 50 new jobs, the Company has, in fact, exceeded their commitment by creating over 225 new jobs for a current total of 445 full-time employees at this site.

Following the full presentation, the Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Rensselaer (Capital Region – Rensselaer County) – Regeneron Pharmaceuticals Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Regeneron Pharmaceuticals Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that

1. The proposed 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;

2. The project would be unlikely to take place in New York State without the requested assistance;

3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;

4. There are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Regeneron Pharmaceuticals, Inc. a grant for a total amount not to exceed Two Hundred Thousand Dollars ($200,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds

and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Chair Shimer then asked Edwin Lee to present the New York eHealth Collaborative (NYEC) Urban and Community Development Project for the Directors' consideration.

Mr. Lee explained that the Directors were being asked to authorize ESD to make a working capital grant of $250,000 to New York eHealth to be used for a portion of the costs associated with the launch of its Health Information and Technology Innovation Program.

Mr. Lee added that NYEC is initiating a 12-month accelerated program that will be jointly administered by a New York City Investment Fund to provide 12 health information technology companies with, among other things, funding and mentoring.

The project, he added, is expected to begin in the Summer of 2012 and be completed in July of 2013.

Following this presentation, Chair Shimer called for questions or comment. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Statewide – New York eHealth Collaborative Working Capital – Urban and Community Development Program – Urban and Community Technical Assistance (Working Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the New York eHealth Collaborative Working Capital – Urban and Community Development Program - Urban and Community Technical Assistance (Working Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to New York eHealth Collaborative, Inc. a grant for a total amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000) from the Urban and Community Development Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion

consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Mr. Salaberrios then presented the Metropolitan Economic Development Fund ("MERF") item for the Directors' approval.

Mr. Salaberrios explained that the Directors were being asked to approve up to $610,000 for MERF alternative financial assistance in the form of portfolio insurance deposits that will fund a loan loss reserves account for selected local development corporations.

Mr. Salaberrios added that these deposits will encourage increased lending to small businesses in distressed areas of New York City, Nassau and Westchester Counties.

Mr. Salaberrios explained that MERF is intended, in part, to fund public/private partnerships in economic development projects that create and/or retain jobs specifically within economically distressed areas in the New York portion of the Port Authority of New York and New Jersey service district, generally, New York City and parts of Nassau, Westchester and Rockland counties.

Mr. Salaberrios further explained that it is anticipated that the creation of these loan loss reserves will allow these small businesses to grow, promote, create and/or retain jobs and to contribute to the greater economic development of the PANY/NJ service district.

Following the full presentation, the Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Statewide – Metropolitan Economic Revitalization Fund Loan Loss Reserve Collective – Metropolitan Economic Revitalization Fund – Alternative Financial Assistance (Working Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make Grants and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Metropolitan Economic Revitalization Fund Loan Loss Reserve Collective – Metropolitan Economic Revitalization Fund – Alternative Financial Assistance (Working Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make grants for a total amount not to exceed Six Hundred Ten Thousand Dollars ($610,000) from the Metropolitan Economic Revitalization Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, subsequent to the making of the grants, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Next, Ms. Lippowitsch presented the March Non-Discretionary Consent Calendar for approval.

Ms. Lippowitsch noted that the Directors were being asked to approve three projects totaling $302 million in assistance.

Ms. Lippowitsch went on to explain that due diligence has been exercised by ESD staff and that the recipients have provided ESD with the required disclosure and accountability certifications.

Ms. Lippowitsch then stated that the first project involved a $300 million grant to the Research Foundation of SUNY for the Semiconductor Transition Program which is anticipated to be appropriated in the 2012-2013 New York State budget.

Ms. Lippowitsch explained, among other things, that under the leadership of Governor Cuomo, New York State proposes to enter into agreements pursuant to which $400 million of public investment at SUNY Albany's College of Nanoscale Science and Engineering will leverage approximately $4.4 billion in private investments in the State in the critical semiconductor industry over the next five years.

Ms. Lippowitsch stated that the second project involves a modification to the Beacon

Institute in Dutchess and St. Lawrence Counties.

Ms. Lippowitsch explained that the $5,000,000 grant related to this project was approved in March of 2007. Following said approval, Ms. Lippowitsch explained, Beacon changed its corporate structure to a membership not-for-profit corporation with Clarkson University as the sole member. The action of adding Clarkson University as the beneficiary Ms. Lippowitsch noted, does not involve the authorization of new funding.

Ms. Lippowitsch then noted that the final project involves a grant of $2,000,000 to Ohel Children's Home and Family Services for capital improvements to its Camp Kaylie in Sullivan County.

Following the full presentation, the Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was adopted:

Anticipated 2012-2013 New York State Budget Appropriation - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Enter into Participation Agreements with Founding Members; Authorization to Enter into Investment Agreement with IBM; Authorization to Make Grant(s) and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Anticipated 2012-13 New York State Budget Appropriation project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project areas; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of

Section 16(2) of the Act, the proposed General Project Plan (the "Plan") and the essential terms of the proposed Participation Agreements and of the proposed Investment Agreement (the "Contract Documents") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that the President and Chief Executive Officer, or authorized designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to take all such actions as are necessary or appropriate to schedule and hold such public hearings as required by the UDC Act or other applicable law (which hearings may be held simultaneously), including without limitation the providing, filing, or making available of copies of the Materials, the fixing of a date for such hearing, the publication of a notice of such public hearing as required by law and in accordance with procedures heretofore approved by the Corporation with respect to similar hearings, and the making of a report or reports to the Corporation on such hearing, oral or written comments received, or local municipality recommendation received, if any; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer, or authorized designee(s), that no substantive negative testimony or comment on the Plan or the Contract Documents was received at the public hearing and that the requirements of the Public Authorities Accountability Act have been complied with: (1) the Plan shall be deemed affirmed and effective as of the conclusion of such hearing; and (2) the essential terms of the Contract Documents as set forth in the Materials shall be deemed approved; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer, or authorized designee(s), that no substantive negative testimony or comment on the Plan or Contract Documents was received at the public hearing and that the requirements of the Public Authorities Accountability Act have been complied with: (1) the Corporation finds, pursuant to the UDC Act, that the Contract Documents are in conformity with the Plan; and (2) the President and Chief Executive Officer, or authorized designee(s), be, and each of them hereby is, authorized and directed to execute on behalf of the Corporation, substantially on the terms and conditions set forth in the Materials, the Contract Documents, including all exhibits and necessary documents related thereto; and be it further

RESOLVED, that based on the Materials, and subject to appropriation and the Corporation's receipt of Grant funds, the President and Chief Executive Officer of the Corporation, or authorized designee(s) be, and each of them hereby is, authorized and directed to grant in the name of and on behalf of the Corporation the Grant(s) to the Research Foundation of State University of New York described in the Materials; and be it further

RESOLVED, that subsequent to the making of the Grant(s), the President and Chief Executive Officer of the Corporation, or authorized designee(s) be, and each of them hereby is,

authorized to take such actions and make such modifications to the terms of the Grant(s) as deemed necessary or appropriate in the administration of the Grant(s); and be it further

RESOLVED, that provision of Corporation financial assistance is expressly contingent upon: (1) approval of the Public Authorities Control Board to the extent required by law; and (2) receipt of all other necessary approvals; and be it further

Anticipated 2012-2013 New York State Budget Appropriation – Project Summary Table

	Project Name	**Proj #**	**Grantee**	**Assistance up to**
A	The Research Foundation of SUNY – Semiconductor Transition Program	X772	The Research Foundation of State University of New York	300,000,000
			TOTAL	**$300,000,000**

RESOLVED, that the President and Chief Executive Officer, or authorized designee(s) be, and each of them hereby is, authorized and directed on behalf of the Corporation to execute and deliver such documents and to take such related actions as may be necessary or appropriate to effectuate the foregoing resolutions.

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Community Projects Fund - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Add a Beneficiary Organization; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Community Projects Fund Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area(s); and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to add a beneficiary organization to the Project; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from the Community Projects Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem

appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

Community Projects Fund – Executive – Project Summary Table

	Project Name	**Proj #**	**Grantee**	**Assistance up to**
B	The Beacon Institute – Rivers and Estuaries Observatory Network	V075	The Beacon Institute, Inc.	0[1]
	1 - this $5 million grant was approved by the ESD Directors on March 15, 2007 and modified on October 15, 2008. The subject request is to add a beneficiary organization, and does not involve new funding.			
	1 project		**TOTAL**	**$0**

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

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Community Enhancement Facilities Assistance Program – Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is

hereby ordered filed with the records of the Corporation, relating to the Community Enhancement Facilities Assistance Program Project (the "Project"), as directed by the Governor and/or the Temporary President and Majority Leader of the Senate, in accordance with Chapter 432 of the Laws of 1997, and Chapter 55 of the Laws of 2002, the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written findings of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from the Community Enhancement Facilities Assistance Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

<u>Community Enhancement Facilities Assistance Program – Assembly - Project Summary Table</u>

	Project Name	**Proj #**	**Grantee**	**Assistance up to**
C	Ohel – Camp Kaylie Capital	X588	Ohel Children's Home and Family Services, Inc.	2,000,000
			TOTAL	**$2,000,000**

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Chair Shimer then asked Ms. Mize to present the Annual Budget item for consideration by the Directors.

Ms. Mize noted that in accordance with State Finance Law, the Directors are being requested to adopt the ESD fiscal year 2012-2013 annual operating budget, including support provided to certain subsidiaries and for operations of the Regional Economic Development Councils.

Ms. Mize noted that there are provisions for two non-discretionary costs that increased in the prior fiscal year and are forcasted to remain at those levels into the fiscal year 2012-2013.

Ms. Mize further noted that the first item is the Corporation's annual contribution to the New York State Retirement System which increased as a result of lower than anticipated annual rates of return on investments of the fund.

The second item, she added, is a government assessment fee which is paid in accordance with a section of the Public Authorities law that directs the Division of Budget to

assess an amount to each public authority for the recovery of central governance services. This fee, Ms. Mize continued, is expected to remain at $3.45 million.

Ms. Mize went on to explain, that if following the adoption of the State's fiscal year 2012-2013 budget, changes are required, a modified operating budget will be presented to the Directors at a later date.

Ms. Mize then stated that authorization is also being sought to approve the fiscal year 2012-2013 non-programatic capital expense budget in the amount of $624,000 which will support the purchase of network equipment and related software, modifications to ESD's website, software licenses and upgrades to dated communications equipment.

Following the full presentation, the Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted.

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – (the "Corporation") Authorization to Adopt Annual Operating Budget

---

RESOLVED, that the Corporation hereby adopts the Annual Operating Budget for FY 2012-2013 including subsidiary operating support and approves the Non-Programmatic Capital Expense Budget for FY 2012-2013, based upon the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that the proper corporate officers be, and they hereby are, authorized to take related actions as he or she may, in his or her sole discretion, deem necessary or proper to effectuate the foregoing.

* * *

Next, Ms. Shaffer presented the Guidelines for the Economic Development Program for adoption by the Directors. Among other things, Ms. Shaffer explained that the guidelines being presented today for approval apply only to ESD's Economic Development Purposes Fund, which was established in the fiscal year 2011-2012 budget. She further explained that that fund allows for loans, grants and contracts, including contracts for economic development funding for advertising such as the Open for Business Program.

Ms. Shaffer further noted that as ESD is appropriated funding for new economic development initiatives, the goal is to add those programs to these guidelines specifying any Unique Program features in Section 9 of the guidelines.

The benefit of this, she added, is that when ESD receives new appropriations, the Corporation, will be able to move quickly to implement funding and reviewing applications and in getting programs out the door instead of taking time creating and reviewing guidelines.

Following the presentation, the Chair called for questions or comments. Director Dyson asked if these guidelines will be disseminated to possible applicants. Ms. Shaffer stated that the guidelines will be posted on ESD's website. Ms. Shaffer further noted that ESD will look to its regional offices to work with potential applicants.

In answer to a query raised by Chair Shimer regarding the title of the guidelines,

Ms. Shaffer explained that today's guidelines only cover the Economic Development Purposes Fund, but that the guidelines have been written more generally so that they have flexibility to work for different programs.

Chair Shimer then asked if there would be a benefit in taking the myriad of already existing guidelines and integrating them all under the same umbrella.

Ms. Shaffer stated that that would be wonderful it if could actually be done.

Further discussion was had with regard to the reworking of ESD's guidelines and the pre-conditions that exist, prohibiting integration of the guidelines were addressed.

The matter of two forms of application – ESD and CFA – was also discussed in answer to a further question posed by Chair Shimer.

Chair Shimer stressed the importance of streamlining the State's operations and encouraged staff to continue in that direction.

There being no further questions or comments, and upon motion duly made and seconded, the following resolutions were unanimously adopted:

Economic Development Programs – Adoption of Guidelines for Economic Development Programs; and Authorization to Take Related Actions

RESOLVED**,** that on the basis of the materials (the Materials") presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby adopts the economic development program guidelines (the "Guidelines") for the purposes and substantially in the form set forth in the Materials, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized to take such actions and make such modifications to the Guidelines, including, without limiting the foregoing, modifying the guidelines apply to the administration and operation of economic development programs, including the Economic Development Purposes Fund program, as he or she may deem necessary or appropriate; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Next, Ms. Pallan explained that the Directors are being asked to approve the purchase of Directors and Officers Liability Insurance for a one-year term at a premium cost of $110,000.

The policy, Ms. Pallan further explained, will provide $3,000,000 of coverage for all Corporation and Subsidiary Corporation Board Directors, officers and staff.

Ms. Pallan outlined the various reasons that purchasing this insurance at this time is deemed to be a prudent measure. Among those reasons is the rise of lawsuits against board directors and officers as corroborated by an increase in claims handled by ESD's broker with its other clients.

Following the full presentation, the Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

AUTHORIZATION TO PLACE DIRECTORS & OFFICERS LIABILITY AND EMPLOYMENT PRACTICES LIABILITY INSURANCE; AND TO TAKE RELATED ACTIONS

RESOLVED, that based upon the materials presented to the Directors at this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, that the Chairman and Chief Executive Officer of the Corporation or Chief Financial Officer or his/her designee(s) are hereby authorized, in the name and on behalf of the Corporation, to enter into all contracts, agreements and instruments, as the Chairman and Chief Executive Officer of the Corporation or Chief Financial Officer or his/her designee(s) shall deem necessary or appropriate in connection with the purchase of the Corporation's Directors & Officers Liability insurance with Chartis Insurance for the 2012-2013 fiscal year at an annual premium of $110,000

RESOLVED, that all actions heretofore taken on behalf of the Corporation in regard to the replacement of the foregoing insurance policies are hereby approved, ratified and confirmed.

* * *

Mr. Beyer then asked the Directors to approve the Property Disposition Guidelines.

Mr. Beyer noted that the Public Authorities Accountability Act requires the adoption of guidelines with respect to property disposition.

Mr. Beyer further noted that the Act requires that the guidelines must be annually reviewed and approved by the Corporation.

Mr. Beyer then explained that these guidelines, without change from 2011, are now

proposed for re-adoption by the Corporation along with a request for authorization to appoint the contracting officers.

Following Mr. Beyer's full presentation of the specifics of this transaction, the Chair called for questions or comments. Hearing none and upon motion duly made and seconded, the following resolution was unanimously adopted:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT CORPORATION – (the "Corporation") Approval of Property Disposition Guidelines, Appointment of Contracting Officer and Authorization to Take Related Actions

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WHEREAS, the Corporation wishes to comply with Title 5-A of the Public Authorities Accountability Act ("Law") as amended by the Public Authorities Reform Act of 2009 which mandates that public benefit corporations annually prepare the Corporation's Guidelines Regarding Disposition of Property (the "Guidelines") attached hereto.

WHEREAS, the Corporation has prepared the Guidelines in accordance with the Act as amended; and

WHEREAS, the Corporation has reviewed said Guidelines and found them to be satisfactory;

WHEREAS, the Guidelines require the appointment of a Contracting Officer;

NOW, THEREFORE, IT IS HEREBY RESOLVED that in accordance in the materials presented to this meeting and ordered filed in the records of the Corporation, the Guidelines as amended are hereby approved; and it is further

RESOLVED, that the Vice President, Management Information Systems and Administrative Services for the Corporation (or any successor head of Administrative Services), is hereby appointed as both the Procurement Officer and the Contracting Officer as required and set forth in the Guidelines; and it is further

RESOLVED, that the President and Chief Executive Officer, the Chief Financial Officer, the Treasurer or their designees be, and each of them hereby is, authorized and empowered to submit and file the Guidelines, as required by law, and to take such action and execute such agreements and instruments as he or she may consider necessary or desirable or appropriate in

connection with the implementation of the Guidelines and to take related actions.

* * *

The Directors were then asked by Mr. Beyer to authorize ESD to amend a contract for legal services.

Mr. Beyer explained that the Directors were being requested to authorize ESD to amend its retainer agreement with the law offices of Donald Tobias to continue to provide services in connection with creditor's rights, collections, workouts, bankruptcy and foreclosure matters.

Mr. Beyer went on to note that Donald Tobias handles a large number of matters in an efficient manner and at a rate substantially less than ESD's current maximum rate of $400 per hour.

Mr. Beyer continued and explained that the maximum amount of the firm's current retainer has been reached and ESD is seeking this amendment so Mr. Tobias can continue to service the Corporation's workout matters.

Following Mr. Beyer's full presentation, the Chair called for questions or comments. Hearing none and upon motion duly made and seconded, the following resolution was unanimously adopted:

Empire State Development – Authorization to Amend a Contract to Provide Legal Services and to Take Related Actions

---

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the "Materials"), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds the Law Offices of Donald J. Tobias (the "Firm") to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to amend its existing contract with the Firm to add the additional amount of Two Hundred Thousand Dollars ($200,000) for a new total contract amount not to exceed Seven Hundred Fifty Thousand Dollars ($750,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the President of the Corporation or his designee be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

* * *

Mr. Gawlik then presented a land sale item in the Audubon New Community. Mr. Gawlik noted that the Directors were being asked to authorize the sale of 4.49 acres of property owned by the Corporation, to transfer the property to the Corporation for Urban Development and Research of New York ("UDR") for transfer to the ultimate purchaser, Temple Beth Tzedek.

Mr. Gawlik explained that UDR is a not-for-profit Corporation that was formed at the same time as UDC. He added that the Directors of UDC are also the Directors of UDR.

Mr. Gawlik then provided general background information with regard to the Audubon New Community noting, in part, that at the present time, ESD only owns approximately ten developable acres which it is attempting to sell.

The present action, Mr. Gawlik continued, involves the sale of property to the Temple to allow construction of an approximately 2,500 square foot synagogue and the offering price is $115,000 an acre which is fair market value based on an independent appraisal.

Following the presentation, the Chair called for questions or comments. Hearing none, and upon motion made and seconded, the following resolution was unanimously adopted:

AUDUBON NEW COMMUNITY – (Erie County) - Authorization to Sell Land to the Corporation for Urban Development and Research of New York for Resale to Temple Beth Tzedek

---

RESOLVED, that based on the materials presented at this meeting with respect to the proposed land sale to Temple Beth Tzedek or its assignee (the "Purchaser"), a copy of which is hereby ordered filed with the records of the Corporation, and pursuant to a Memorandum of Understanding between the Corporation and Corporation for Urban Development and Research of New York ("UDR"), the Corporation is authorized to sell and convey to UDR approximately 4.49 +/- acres described in the materials and substantially on the terms and conditions described in the materials; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s), be and the same hereby is, authorized in the name of and on behalf of the Corporation to take to execute and deliver and affix the seal of the Corporation to all such agreements, contracts, deeds certificates and instruments and to take any such action as he may, in his sole discretion, consider necessary or proper to effectuate the sale of such property.

* * *

Harvey Cohen provided an informational report with regard to the New York is Open for Business Campaign.

Mr. Cohen noted that the actual campaign is going to be multi-media beginning with 60

second TV spots which will highlight businesses that the State has helped.

Mr. Cohen further noted that this will be followed up by print and digital advertising. The campaign, he continued, will also be redoing the websites for businesses. Mr. Cohen explained that an interim website will be created and then ESD's website will be totally redone.

Among other things, Mr. Cohen noted that, the possibility of actually doing advertising in support of products that are made in New York will be explored.

Director Dyson stressed the importance of promoting the dairy industry and farmers markets.

Mr. Hoyt then noted that consideration should be given to the fact that there is a growing wine region in the Niagara County area that should be made part of the equation.

Mr. Cohen stated that all of these matters will be considered as the campaign moves forward.

There being no further business, the meeting was adjourned at 11:24 a.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary

FOR CONSIDERATION
April 17, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Statewide – Innovate NY Fund Program

REQUEST FOR: Authorization to Enter into Contracts with Awardees; Authorization to Disburse Funds; and Authorization to Take Related Actions

---

I. Project Summary

Awardees: Investment entities as set forth on attached Schedule A.

Amounts: See attached Schedule A.

State Investment: Up to $25,000,000 by a grant from the Innovate NY Fund program (the "Fund") and up to $1,500,000 from the Small Business Technology Investment Fund ("SBTIF").

Project Location: Statewide

Proposed Project: The Fund is a newly created equity investment fund that supports innovation, job creation, and high growth entrepreneurship throughout the State of New York (the "State). The Fund's objective is to invest in seed stage businesses through investment entities that have been selected by, and are under contract, to the Corporation. SBTIF is the State's existing investment fund and makes early stage equity and debt investments in companies that have developed new innovative technology products or services, provide significant competitive advantage, and possess a strong intellectual property position. Funds from SBTIF will be invested alongside Innovate NY funds in order to better align State equity support resources, expand the amount of support possible, and cover certain management expenses of the investment entities not possible with the US Treasury program funds used to capitalize Innovate NY.

Anticipated
Funding Source: A $25,000,000 allocation from the Innovate NY Fund program (using proceeds from the U.S. Department of Treasury's State Small Business Credit Initiative award to New York State) and up to $1,500,000 from the New York State Small Business Technology Investment Fund ("SBTIF").

ESD Project No.: X819; X820; X821; X822: X823; X824(6 Projects)

Project Team:		
	Origination	Steve Cohen
	Project Management	Sharon Rutter
	Legal	Richard Dorado
	Affirmative Action	Helen Daniels
	Environmental	Soo Kang

II. Project Cost and Financing Sources

Financing Sources and Uses	Amount	Percent
Innovate NY program funds-		
To be invested in the selected Investment Entities (maximum)	$25,000,000	32.6%
New York State (SBTIF)-		
To be invested in the selected Investment Entities (maximum)	$1,500,000	2.1%
Private matching funds (minimum)	$50,000,000	65.3%
Total Project Funding	**$76,500,000**	**100.0%**

III. Project Description

A. Background

The Fund is a new seed stage equity fund to support innovation, job creation, and high growth entrepreneurship throughout the State of New York. The Fund was one of the three new state programs funded through a grant from the U.S. Department of Treasury's State Small Business Credit Initiative ("SSBCI"). The Fund was created by a Governor-sponsored bill (Bill No. S05782/A8452) that passed both houses on June 20, 2011). The legislation is Section 16-u of the Urban Development Corporation Act. Program Rules and Regulations for the Fund were presented and approved by the Corporation's Board of Directors on November 4, 2011.

The Innovate NY Fund will utilize $25,000,000 from the U.S. Department of Treasury grant to invest in regional seed investment funds, competitively selected and managed by private for-profit or not-for-profit investment firms and $1,500,000 from the SBTIF to better align State equity support resources, expand the amount of support possible, and cover certain management expenses of the investment entities not possible with the US Treasury program

funds used to capitalize Innovate NY. The Fund's objective is to invest in seed stage businesses through regional and/or industry focused Investment entities to be selected by and contracted with the Corporation. Investment priority by these entities shall be given to New York State-based seed stage businesses involved in commercialization of research and development or high technology manufacturing.

B. The Project

The Corporation issued a Request for Proposals ("RFP") on December 23, 2011 via an advertisement in the New York State Contract Reporter and direct mail/email distribution to private for-profit or non-profit investment managers, investment funds, regional and local economic development organizations, technology development organizations, and research universities that make seed stage equity or quasi-equity investments in New York State companies.

In response to this RFP, the Corporation received 21 submissions requesting a total of $116 million in funding. One submission was disqualified due to it not being a valid applicant. Pursuant to the competitive review and selection process, six (6) investment entities have been selected by a selected review team consisting of ESD staff and one NYSERDA representative with investment expertise to receive a total of $25 million in program funds and up to $1.5 million from SBTIF. Each selected investment entity must secure private matching funds through additional direct investment or co-investment with other investors at a rate of 2:1 on a portfolio basis.

Submissions were evaluated on criteria including, but not limited to, the applicant's: (a) track record of success in raising investment funds and successfully investing them; (b) financial and management capacity to source deals, perform due diligence, evaluate the commercial potential of emerging technologies, and to provide management expertise and other value-added services to beneficiary companies; (c) demonstration of need in target market for seed stage investments in target sectors; (d) ability to secure the required non-State matching investment; (e) competitiveness of the proposed compensation structure; (f) ability to secure partnerships with local or regional stakeholders; (h) ability to direct funds to underserved populations and communities; and (i) investment record and capacity to invest in the State; and, (j) other criteria determined to be relevant to making investment decisions consistent with the purposes of the Fund. All applicants had to specify particular industry sectors and/or regional or other investment strategies.

The Corporation and each investment entity receiving program funds shall enter into one or more written agreements (including limited partnership agreements) governing the Corporation's investment. After an investment entity is under contract to the Corporation, the Corporation may award additional program funds to an investment entity without an additional solicitation. The Corporation reserves the right to make reallocations of funds after the initial awards if selected Investment entities do not meet the program performance requirement as set forth in the program investor agreements.

Returns on investments or interest accrued with respect to program funds received by an investment entity through the Fund shall be returned to the Corporation in accordance with the agreements entered into between the investment entity and the Corporation.

Investment entities shall not invest Program funds in a beneficiary company in an amount greater than five hundred thousand dollars, or seven hundred fifty thousand dollars in the case of a biotechnology-related beneficiary company, at any one time, unless the beneficiary company and the Investment entity can demonstrate to the satisfaction of the Corporation that exceeding the applicable investment limit significantly increases the potential of the investment to result in substantially greater growth, job development, and additional economic activity in New York State and the Corporation consents to such greater investment in writing.

At such time as an Investment entity has invested fifty percent of the program funds committed to such investment entity and annually thereafter, the aggregate investments of Program funds by the investment entity in beneficiary companies shall be leveraged with matching investment funds from private sources of capital, excluding investments after the initial funding round, at a ratio equal to or greater than two to one (2:1). Investments made in funding rounds prior to the date of the initial investment of program funds shall not be counted toward satisfying this matching investment funds requirement.

The amount of any fees and the amount of the carried interest on capital gains will be detailed in the agreements to be entered into between each investment entity and the Corporation. Returns to the Corporation, such as capital gains and the return of the investment, will be detailed in the agreements to be entered into between each investment entity and the Corporation.

Each contracted investment entity will be required to provide quarterly and annual reports outlining the impact and effectiveness of the investments made, current status, leveraged funds, business revenue, numbers of jobs created, and other items as determined by Corporation and the U.S. Department of Treasury.

IV. Statutory Basis

The Program is authorized pursuant to Section 16-U of the New York State Urban Development Corporation Act, Chapter 174 of the Laws of 1968, as amended.

V. Environmental Review

ESD staff has determined that the project constitutes a Type II ministerial 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. The recipient of fund disbursements will be responsible for complying with SEQRA as applicable. No further environmental review is required in connection with this authorization.

VI. Affirmative Action

ESD's Non-Discrimination and Affirmative Action policy shall apply pursuant to Article 15-A of the Executive Law and relevant rules and regulations. Each investor agreement shall determine an appropriate goal for minority and women-owned business enterprise participation, which should be based in the findings of the 2010 Disparity Study and other relevant facts concerning availability in the marketplace.

VII. Additional Submissions to Directors

- Schedule A –Summaries of selected investment entities (6)

April 17, 2012

Statewide - Innovate NY Fund program - Authorization to Enter into Contracts with Awardees; Authorization to Disburse Funds; and Authorization to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials), relating to the Innovate NY Fund Program (the "Fund"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced by the project; and be it further

RESOLVED, on the basis of the Materials, the Corporation is authorized to enter into investor agreements and related documentation with the investment entities named in the Materials and provide them funding, not to exceed in aggregate $25,000,000 funded by Innovate NY program funds and $1,500,000 from the SBTIF eligible to fund the Project; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the investment, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the investment as he or she may deem necessary or appropriate in the administration of the funding and investments; and be it further

RESOLVED, that the provision by the Corporation financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable; (2) receipt of all other necessary approvals; and (3) the availability of funds and the approval of the State Division of the Budget, if applicable; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

Schedule A
Innovate NY Fund- Summary of Awardees
Board of Directors Meeting
April 17, 2012

Canrock Ventures, LLC
Based in Jericho New York, this early stage technology venture fund was formed in 2010 by three successful technology entrepreneurs with extensive angel investing experience. Canrock Ventures works closely with local universities and regional partners to provide significant support and other value-added services to Long Island's promising seed stage companies. The firm is owned by the three managing partners and 30 limited partners. To date, Canrock Ventures has invested $10.3 million in 14 NYS companies.

ESD proposes to contract with and award Canrock Ventures $4.5 million in Innovate NY funds to invest in technology-focused seed stage businesses locate in the Long Island region.

Cayuga Venture CVF IV, LP
Formed in May 2011, Cayuga Venture CVF IV, LP is a venture capital fund based in Ithaca, New York and is the fifth venture fund in the Cayuga Venture Fund family of funds. Cayuga Venture Funds have been investing in upstate New York companies since 1996 and have achieved strong results in the development of high growth businesses. Cayuga Venture Funds have strongly aligned its investment with Cornell University, University of Rochester, and SUNY Buffalo.

ESD proposes to contract with and award Cayuga Venture CVF IV $5 million in Innovate NY funds to invest in cleantech, telecom, nanotech, IT, and biotech seed stage businesses located in the Southern Tier, Western NY, Finger Lakes, and Central NY regions.

Excell Partners, LLC
Excell Partners , a not for profit and affiliate of University of Rochester, was originally funded in 2005 by ESD along with matching funds from the University of Rochester and Excell's Board of Directors. With a strong Board and extensive network of collaborators, Excell has successfully invested in 22 seed stage companies since its launch.

ESD proposes to contract with and award Excell Partners $2.5 million in Innovate NY funds to invest in seed stage businesses focused on life sciences, energy, and software and consumer products and located in the Southern Tier, Western NY, Finger Lakes, Capital and Central NY regions.

Golden Seeds
Started in 2004 and headquartered in New York City, with offices in Boston and San Francisco, Golden Seeds now has two seed/early stage venture funds and the fourth largest angel network in the U.S. Golden Seeds invests in young companies with women in a senior management positions who also have significant equity positions in the ventures. The Golden Seed Funds and Golden Seed Angel Investors have invested over $34 million in seed/early stage companies since 2005.

ESD proposes to contract with and award Golden Seeds $4 million in Innovate NY funds to invest in general technology, life science, or consumer product focused seed stage businesses located in all regions of the State.

SCP Buffalo Incubator LP
This new Fund, to be headquartered in Buffalo and managed by successful entrepreneurs and the founding partners of Softbank Capital's successful venture capital arm, will invest in seed stage companies with roots in Buffalo that have strong growth potential in the internet broadband and life sciences spaces. The fund will be a for-profit entity and its managing partners will be under the umbrella of Seed Capital Partners, a successful northeast early stage technology focused venture capital firm.

ESD proposes to contract with and award SCP Buffalo Incubator LP $4 million in Innovate NY funds to invest in Internet broadband and life science focused seed stage businesses located in the Western New York region of the State.

Stonehenge Capital Company
Formed in 1999, Stonehenge Capital Company is a spin off from Bank One Capital Markets. Stonehenge currently manages approximately $615 million in 9 state targeted investment funds and focuses on two primary investment strategies: early stage equity and later stage debt. Since its launch, the growth equity team has invested $43.8 million in 29 companies; 12 of those in New York State.

Stonehenge is currently raising a new fund to focus on equity investments. This fund along, with its two existing funds (BOCNY, LLC and Stonehenge Capital Fund New York), will focus on New York State business in the seed and early stages of development.

ESD proposes to contract with and award Stonehenge Capital Company $5 million in Innovate NY funds to invest in seed stage businesses located statewide (substantially upstate) with a focus on healthcare Information technology and life sciences.

FOR CONSIDERATION
April 17, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award - Southern Tier Region - Southern Tier Regional Economic Development Corporation – Rural Initiative Fund Program – Economic Development Purposes Fund (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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General Project Plan

I. Project Summary

Grantee: Southern Tier Regional Economic Development Corporation ("STREDC")

Beneficiary Organizations: Businesses and organizations throughout the Southern Tier Region

ESD* Investment: A grant of up to $3,000,000 to be used to establish a regional low-interest loan and grant fund to reduce financial risk and increase sustainability of agriculture and forestry ventures.

* The New York State Urban Development Corporation doing business as the Empire State Development Corporation ("ESD" or the "Corporation")

Project Locations: Various, within the Southern Tier Region

Proposed Project: Establish a regional low-interest loan, combination loan and grant, convertible loan program to provide gap financing for agriculture and forestry ventures.

Project Type: Regional low-interest loan, loan/grant program

Regional Council: The Incentive Offer was accepted on March 8, 2012. The is a priority project for the region. The project is consistent with the Regional Plan and defined strategies based on the best use of the region's assets, ability to capitalize on opportunities and address critical issues impeding growth. The Rural Initiative Fund Program will fulfill the strategy to revitalize the rural farm and forest-based economy in the region.

Number of Employees at Project Location: N/A

II. Project Cost and Financing Sources

Financing Uses	Amount
Capital Project Loans/Grants	$3,000,000
Total Project Costs	$3,000,000

Financing Sources	Amount	Percent
ESD-Grant	$3,000,000	100%
Total Project Financing	$3,000,000	100%

III. Project Description

A. Grantee

Industry: STREDC is a not-for-profit local development organization that manages a revolving loan fund and provides financial and technical assistance for start-up and expanding businesses in the Southern Tier.

Grantee History: STREDC was incorporated in 1991. The Regional Economic Development and Energy Corporation of the Southern Tier Central Region, NY ("REDEC") was incorporated in October 1980 as a not-for profit corporation, a 501C(4), and serves as secretariat to STREDC, handling administrative duties. REDEC assumed those duties in 2009 and currently administers and services the loans provided under STREDC.

Ownership: STREDC is a not-for-profit 404(a).

Size: STREDC has a board consisting of 13 members representing each county in the Southern Tier. In 2011, STREDC closed four local business loans totaling $180,000 to assist regional businesses with working capital. In 2012 to date, the organization has two small business loans that are expected to close shortly, totaling $143,000.

Market: Business assistance is provided throughout the Southern Tier Region.

ESD Involvement: As a result of the Governor's Regional Economic Development Council Initiative, STREDC was awarded $3,000,000 through the Consolidated Funding Application ("CFA") process to fund a regionally significant initiative, the Rural Initiative Fund Program (the "Program"). This low-interest revolving loan, combination loan/grant and/or convertible loan fund for capital projects would not have been established without ESD assistance.

Competition: N/A

Past ESD Support: This is the first ESD grant to the organization, along with two other loan programs being proposed at today's ESD Directors' Meeting.

B. The Project

Completion: Ongoing

Activity: STREDC will establish and administer the Program, a regional low-interest revolving loan, combination loan/grant and/or convertible loan fund to reduce financial risk and increase sustainability of agriculture and forestry ventures, and to encourage investment and job creation. The Program will provide gap financing to support product development, promotion, business infrastructure development, and the utilization of new technology. Eligible applicants include new and existing businesses within the eight-county Southern Tier Region. Funds will provide gap financing for capital use and will leverage additional financing from federal, state, municipal, local development agencies, and corporations and private sector entities.

Results: The Program will assist agriculture and forestry ventures in the Southern Tier to create new opportunities and encourage entrepreneurs. Priority activities include development and promotion of value-added agricultural products, development of new markets, renewable energy initiatives, increased land productivity, applications of new technologies, and growth in net agricultural revenue.

Grantee Contact: Diane Lantz, Executive Director
8 Dennison Parkway E, 3rd Floor, Suite 403
Corning, NY 14830
Phone: (607) 962-3021
Fax: (607) 936-8081

ESD Project No.: X748

Project Team:		
	Origination	Kevin McLaughlin
	Project Management	Robin Alpaugh
	Legal	Richard Dorado
	Affirmative Action	Denise Ross
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project. Due to the Grantee's exceptionally low fees and administrative charges for the Program borrowers (*i.e.*, not more than 0.5% of the loan amount), ESD will waive the provision regarding payment to the Corporation by the Grantee at signing of an amount equal the 1% of the grant amount.

2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's 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 Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project. Matching funds provided by Program funding recipients will be counted as the equity contribution. Equity should be able to be verified in Quarterly and Annual Reports. ESD generally seeks to provide no more than 20% of the financing for any particular project; however, due to the revolving loan fund structure of Grantee's Program, ESD will not require this for the Project.

4. Up to $3,000,000 will be disbursed to the Grantee in four installments as follows:
   a) an Initial Disbursement of an amount equal to 30% of the grant ($900,000) upon execution of a Grant Disbursement Agreement, assuming that all project approvals have been completed and funds are available;
   b) a Second Disbursement of an amount equal to 30% of the grant ($900,000) will be disbursed upon documentation verifying disbursement of at least 75% of the first advance ($675,000) and Grantee's compliance with program reports and requirements, including meeting expected goals;

c) a Third Disbursement of an amount equal to 30% of the grant ($900,000) will be disbursed upon documentation verifying disbursement of 100% of the first advance and 75% of the second advance ($1,575,000 cumulative) and Grantee's compliance with program reports and requirements, including meeting expected goals; and

d) a Fourth Disbursement of an amount equal to 10% of the grant ($300,000) will be disbursed upon documentation verifying disbursement of 100% of the first and second advances and 75% of the third advance ($2,475,000 cumulative) and Grantee's compliance with program reports and requirements, including meeting expected goals.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after March 8, 2012 to be considered eligible project costs. All disbursements must be requested by April 1, 2017. ESD will be entitled to recoup any advanced funds that are not disbursed by Grantee in a timely fashion.

5. ESD must approve the Program's grant/loan application, marketing material and deal sourcing strategies, due diligence process, grant/loan approval guidelines, underwriting policy and guidelines, portfolio management and monitoring processes, and goals.

6. ESD, via the Southern Tier Regional Office, will approve all funding recommendations. ESD funds should be allocated as loans in a proportional share to the Program's other funding sources. No single investment of ESD funds may exceed $250,000 without written consent of ESD, via the Southern Tier Regional Office. ESD funds may not be subject to a higher risk compared with other Program funds.

7. ESD funds will be deposited in an account (the "Imprest Account") at a bank mutually acceptable to ESD (as set forth in writing by ESDC) and the Grantee. Funds in the Imprest Account, from the time of deposit and until disbursed from such account in accordance with terms to be approved by the ESD Directors, will be invested in accordance with ESD's Investment Guidelines. ESD shall be provided with copies of all account statements, and reports in accordance with reporting requirements. All returns on ESD investments shall be kept in the same imprest account and shall be used exclusively for subsequent Program loans and grants.

8. Grantee will report quarterly on investments and related Program activity. Such reports will contain information on investments, current status, leveraged funds, business revenue, job creation outcomes, and other items as determined by ESD. Once the Grantee has provided documentation verifying disbursement of the entire $3,000,000 in grant funds, the Grantee will report annually on investments and related Program activity during the term of the bonds that will be issued to provide the grant (term to be noted in final Grant Disbursement Agreement).

9. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $3,000,000, 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.

IV. Statutory Basis - Economic Development Purposes Fund

The project was authorized in the 2011-2012 New York State budget and reappropriated in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project constitutes a Type II ministerial 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. The recipient of fund disbursements will be responsible for complying with SEQRA as applicable. No further environmental review is required in connection with this authorization.

VI. Affirmative Action

ESD's Non-discrimination and Affirmative Action policy will apply. The Grantee is encouraged to use good faith to achieve a Minority Business Enterprise participation goal of 10% and a Women Business Enterprise participation goal of 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.

VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs.

VIII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

IX. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum

April 17, 2012

Regional Council Award - Southern Tier Region - Southern Tier Regional Economic Development Corporation – Rural Initiative Fund Program – Economic Development Purposes Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

---

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Regional Council Award - Southern Tier Region - Southern Tier Regional Economic Development Corporation – Rural Initiative Fund Program – Economic Development Purposes Fund (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area.

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the Southern Tier Regional Economic Development Corporation a grant for a total amount not to exceed Three Million Dollars ($3,000,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

FINANCE MEMORANDUM

TO: Frances Walton

CC: Sheila Robinson

FROM: Jonevan Hornsby

DATE: March 20, 2012

RE: Southern Tier Regional Economic Development Corporation

Grantee

- Name: Southern Tier Regional Economic Development Corporation ("STREDC")
- Corporate Location: Corning, New York
- Corporate Form: Not-for-profit Corporation
- Ownership: Privately-held (administered by Regional Economic Development and Energy Corporation)
  - Nature of Business: Promotes industrial development and general economic prosperity in the Southern Tier region of New York State.

Financial Information

- Industry: All Other Nondepository Credit Intermediation
- NAICS Code: 522298
- ESD Credit Rating (Score)*: Satisfactory (3)
  - Profitability:
    - Sales: Increasing over 3 year historical period
    - Profit Margin: Above the industry median in most recent year
    - EBITDA: Positive and increasing over 3 year historical period
    - Net Income: Increasing over 3 year historical period
  - Liquidity:
    - Current ratio: Below the industry median and below 1.0 in most recent full year of operations
  - Solvency:
    - Total debt/total assets: Below the industry median and less than 65%; STREDC has no debt.
    - EBITDA/Debt Service: Strong; STREDC has no debt.
  - Other:
    - Audit status: All financial are audited.

Southern Tier Regional Economic Development Corporation

	Industry Median	Years Ending December 31, 2009	2010	2011
Net Sales		$ 11,197	$ 8,692	$ 86,164
EBITDA		$ 1,678	$ (71,952)	$ 28,098
Pre-tax Profit		$ 1,678	$ (71,952)	$ 28,098
Pre-tax profit/net sales	12.80%	14.99%	-827.80%	32.61%
Net Income[1]		$ 1,678	$ (71,952)	$ 28,098
Current Assets		$ 58,037	$ 27,238	$ 29,761
Current Liabilities		$ 157,512	$ 200,768	$ 153,600
Current Ratio	2.00x	0.37x	0.14x	0.19x
Total Assets		$ 163,908	$ 135,212	$ 116,142
Long-term Debt		$ -	$ -	$ -
Total Debt		$ -	$ -	$ -
Total Liabilities		$ 157,512	$ 200,768	$ 153,600
Net Worth		$ 6,396	$ (65,556)	$ (37,458)
Total debt/total assets	42.90%	0.00%	0.00%	0.00%
EBITDA/Debt Service		NM	NM	NM

(1) STREDC is exempt from income tax under Code Section 501 (c)(6) of the Internal Revenue Code.

*Financials are audited.

*ESD Credit Rating Definitions:

Rating (Score)	Definition
Very Good (5)	The Company is strong in all 3 areas of profitability, liquidity, and long-term solvency.
Good (4)	The Company is strong in the area of liquidity and either strong in solvency and adequate in profitability, or very strong in solvency (debt coverage > 2.0) and weak in profitability.
Satisfactory (3)	The Company is strong in two of the areas of profitability, liquidity and solvency but weak in the third area.
Fair (2)	The Company is strong in only one of the areas of profitability, liquidity, and long-term solvency.
Marginal (1)	The Company is weak in at least two of the areas of profitability, liquidity, and long-term solvency.
Poor (0)	The Company is very weak in all areas of profitability, liquidity, and long-term solvency.

Empire State Development

FINANCE MEMORANDUM

TO: Frances Walton

CC: Sheila Robinson

FROM: Jonevan Hornsby

DATE: March 20, 2012

RE: Southern Tier Regional Economic Development Corporation

Grantee

- Name: Southern Tier Regional Economic Development Corporation ("STREDC")
- Corporate Location: Corning, New York
- Corporate Form: Not-for-profit Corporation
- Ownership: Privately-held (administered by Regional Economic Development and Energy Corporation)
  - Nature of Business: Promotes industrial development and general economic prosperity in the Southern Tier region of New York State.

Financial Information

- Industry: All Other Nondepository Credit Intermediation
- NAICS Code: 522298
- ESD Credit Rating (Score)*: Satisfactory (3)
  - Profitability:
    - Sales: Increasing over 3 year historical period
    - Profit Margin: Above the industry median in most recent year
    - EBITDA: Positive and increasing over 3 year historical period
    - Net Income: Increasing over 3 year historical period
  - Liquidity:
    - Current ratio: Below the industry median and below 1.0 in most recent full year of operations
  - Solvency:
    - Total debt/total assets: Below the industry median and less than 65%; STREDC has no debt.
    - EBITDA/Debt Service: Strong; STREDC has no debt.
  - Other:
    - Audit status: All financial are audited.

Southern Tier Regional Economic Development Corporation

	Industry Median	Years Ending December 31, 2009	2010	2011
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EBITDA		$ 1,678	$ (71,952)	$ 28,098
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Pre-tax profit/net sales	12.80%	14.99%	-827.80%	32.61%
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Current Ratio	2.00x	0.37x	0.14x	0.19x
Total Assets		$ 163,908	$ 135,212	$ 116,142
Long-term Debt		$ -	$ -	$ -
Total Debt		$ -	$ -	$ -
Total Liabilities		$ 157,512	$ 200,768	$ 153,600
Net Worth		$ 6,396	$ (65,556)	$ (37,458)
Total debt/total assets	42.90%	0.00%	0.00%	0.00%
EBITDA/Debt Service		NM	NM	NM

(1) STREDC is exempt from income tax under Code Section 501 (c)(6) of the Internal Revenue Code.

*Financials are audited.

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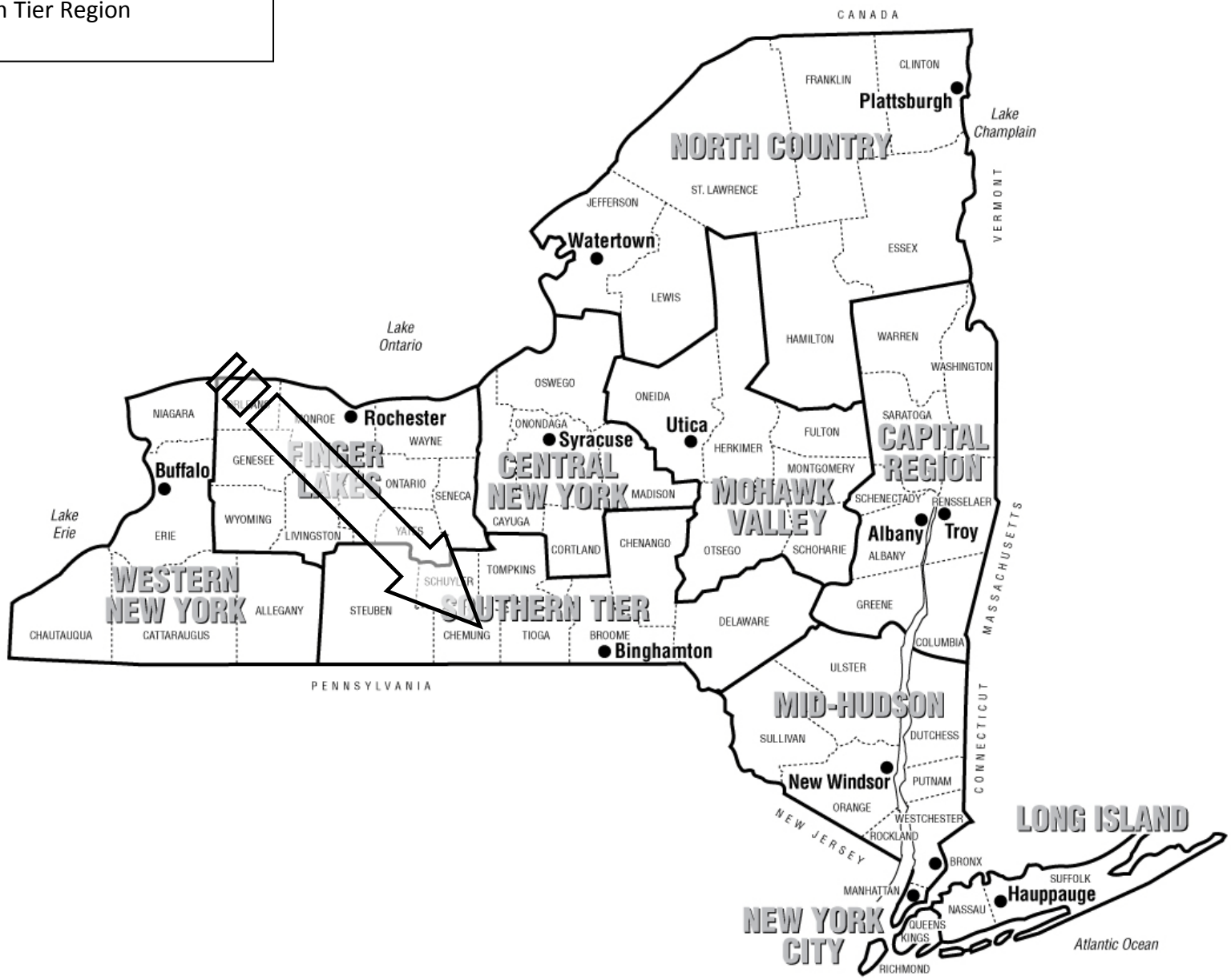
Satisfactory (3)	The Company is strong in two of the areas of profitability, liquidity and solvency but weak in the third area.
Fair (2)	The Company is strong in only one of the areas of profitability, liquidity, and long-term solvency.
Marginal (1)	The Company is weak in at least two of the areas of profitability, liquidity, and long-term solvency.
Poor (0)	The Company is very weak in all areas of profitability, liquidity, and long-term solvency.

Rural Initiative Venture Fund
Southern Tier Region



FOR CONSIDERATION
April 17, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award - Southern Tier Region - Southern Tier Regional Economic Development Corporation – Community Revitalization Program – Regional Council Capital Fund (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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General Project Plan

I. Project Summary

Grantee: Southern Tier Regional Economic Development Corporation ("STREDC")

Beneficiary Organizations: Municipalities within the Southern Tier Region

ESD* Investment: A grant of up to $2,500,000 to be used to establish a regional low-interest loan and grant fund program to revitalize downtown, rural and neighborhood centers.

* The New York State Urban Development Corporation doing business as the Empire State Development Corporation ("ESD" or the "Corporation")

Project Locations: Various, within the Southern Tier Region

Proposed Project: Establish a regional low-interest loan, combination loan and grant, convertible loan program to provide gap financing to redevelop commercial structures, develop new buildings and improve downtown, rural and neighborhood centers.

Project Type: Regional low-interest loan, loan/grant program

Regional Council: The Incentive Offer was accepted on March 8, 2012. This is a priority project for the region. The project is consistent with the Regional Plan and defined strategies based on the best use of the region's assets, ability to capitalize on opportunities and address critical issues impeding growth. The Community Revitalization Program will fulfill the strategy to strengthen the Southern Tier's economic development backbone.

Number of Employees at Project Location: N/A

II. Project Cost and Financing Sources

Financing Uses	Amount
Capital Project Loans/Grants	$2,500,000
Total Project Costs	$2,500,000

Financing Sources	Amount	Percent
ESD-Grant	$2,500,000	100%
Total Project Financing	$2,500,000	100%

III. Project Description

A. Grantee

Industry: STREDC is a not-for-profit local development organization that manages a revolving loan fund and provides financial and technical assistance for start-up and expanding businesses in the Southern Tier.

Grantee History: STREDC was incorporated in 1991. The Regional Economic Development and Energy Corporation of the Southern Tier Central Region, NY ("REDEC") was incorporated in October 1980 as a not-for profit corporation, a 501C(4), and serves as secretariat to STREDC, handling administrative duties. REDEC assumed those duties in 2009 and currently administers and services the loans provided under STREDC.

Ownership: STREDC is a not-for-profit 404(a).

Size: STREDC has a board consisting of 13 members representing each county in the Southern Tier. In 2011, STREDC closed four local business loans totaling $180,000 to assist regional businesses with working capital. In 2012 to date, the organization has two small business loans that are expected to close shortly, totaling $143,000.

Market: Business assistance is provided throughout the Southern Tier Region.

ESD Involvement: As a result of the Governor's Regional Economic Development Council Initiative, STREDC was awarded $2,500,000 through the Consolidated Funding Application ("CFA") process to fund a regionally significant initiative, the Community Revitalization Program (the "Program"). This low-interest revolving loan, combination loan/grant and/or convertible loan fund for capital projects would not have been established without ESD assistance.

Competition: N/A

Past ESD Support: This is the first ESD grant to the organization, along with two other loan programs being proposed at today's ESD Directors' Meeting.

B. The Project

Completion: Ongoing

Activity: STREDC will establish and administer the Program, a regional low-interest revolving loan, combination loan/grant and/or convertible loan fund to facilitate the redevelopment of downtown and community center locations to encourage investment and job creation. The program will provide gap financing to redevelop commercial structures, develop new buildings and improve downtown, rural and neighborhood centers. Eligible applicants include cities, towns and villages within the eight-county Southern Tier Region. Funds will provide gap financing for capital use and will leverage additional financing from federal, state, municipal, and local development agencies, and corporations and private sector entities.

Results: The Program will assist community neighborhood commercial center revitalization projects in the Southern Tier to improve downtowns with mixed-use residential/commercial and retail opportunities. Communities utilizing these funds will have the ability to identify their own priorities and structure projects to support unique local needs in targeted areas.

Grantee Contact: Diane Lantz, Executive Director
8 Dennison Parkway E, 3rd Floor, Suite 403
Corning, NY 14830
Phone: (607) 962-3021
Fax: (607) 936-8081

ESD Project No.: X716

Project Team:		
	Origination	Kevin McLaughlin
	Project Management	Robin Alpaugh
	Legal	Richard Dorado
	Affirmative Action	Denise Ross
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project. Due to the Grantee's exceptionally low fees and administrative charges for the Program borrowers (*i.e.*, not more than 0.5% of the loan amount), ESD will waive the provision regarding payment to the Corporation by the Grantee at signing of an amount equal the 1% of the grant amount.

2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's 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 Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project. Matching funds provided by Program funding recipients will be counted as the equity contribution. Equity should be able to be verified in Quarterly and Annual Reports. ESD generally seeks to provide no more than 20% of the financing for any particular project; however, due to the revolving loan fund structure of Grantee's Program, ESD will not require this for the project.

4. Up to $2,500,000 will be disbursed to the Grantee in four installments as follows:
   a) an Initial Disbursement of an amount equal to 30% of the grant ($750,000) upon execution of a Grant Disbursement Agreement, assuming that all project approvals have been completed and funds are available;
   b) a Second Disbursement of an amount equal to 30% of the grant ($750,000) will be disbursed upon documentation verifying disbursement of at least 75% of the first advance ($562,500) and Grantee's compliance with program reports and requirements, including meeting expected goals;

c) a Third Disbursement of an amount equal to 30% of the grant ($750,000) will be disbursed upon documentation verifying disbursement of 100% of the first advance and 75% of the second advance ($1,312,500 cumulative) and Grantee's compliance with program reports and requirements, including meeting expected goals; and

d) a Fourth Disbursement of an amount equal to 10% of the grant ($250,000) will be disbursed upon documentation verifying disbursement of 100% of the first and second advances and 75% of the third advance ($2,062,500 cumulative) and Grantee's compliance with program reports and requirements, including meeting expected goals.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after March 8, 2012 to be considered eligible project costs. All disbursements must be requested by April 1, 2017. ESD will be entitled to recoup any advanced funds that are not disbursed by Grantee in a timely fashion.

5. ESD must approve the Program's grant/loan application, marketing material and deal sourcing strategies, due diligence process, grant/loan approval guidelines, underwriting policy and guidelines, portfolio management and monitoring processes, and goals.

6. ESD, via the Southern Tier Regional Office, will approve all funding recommendations. ESD funds should be allocated as grants and loans in a proportional share to the Program's other funding sources. No single investment of ESD funds may exceed $250,000 without written consent of ESD, via the Southern Tier Regional Office. ESD funds may not be subject to a higher risk compared with other Program funds.

7. ESD funds will be deposited in an account (the "Imprest Account") at a bank mutually acceptable to ESD (as set forth in writing by ESD) and the Grantee. Funds in the Imprest Account, from the time of deposit and until disbursed from such account in accordance with terms to be approved by the ESD Directors, will be invested in accordance with ESD's Investment Guidelines. ESD shall be provided with copies of all account statements, and reports in accordance with reporting requirements. All returns on ESD investments shall be kept in the same imprest account and shall be used exclusively for subsequent Program loans and grants.

8. Grantee will report quarterly on investments and related Program activity. Such reports will contain information on investments, current status, leveraged funds, business revenue, job creation outcomes, and other items as determined by ESD. Once the Grantee has provided documentation verifying disbursement of the entire $2,500,000 in grant funds, the Grantee will report annually on investments and related Program activity during the term of the bonds that will be issued to provide the grant (term to be noted in final Grant Disbursement Agreement).

9. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $2,500,000, 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.

IV. Statutory Basis- Regional Council Capital Fund

The project was authorized in the 2011-2012 New York State budget and reappropriated in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project constitutes a Type II ministerial 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. The recipient of fund disbursements will be responsible for complying with SEQRA as applicable. No further environmental review is required in connection with this authorization.

VI. Affirmative Action

ESD's Non-discrimination and Affirmative Action policy will apply. The Grantee is encouraged to use good faith to achieve a Minority Business Enterprise participation goal of 10% and a Women Business Enterprise participation goal of 10% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the construction work related to the project, and to include minorities and women in any job opportunities created by the project.

VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs.

VIII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

IX. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum

April 17, 2012

Regional Council Award - Southern Tier Region – Southern Tier Regional Economic Development Corporation - Community Revitalization Program – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

---

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Regional Council Award - Southern Tier Region – Southern Tier Regional Economic Development Corporation - Community Revitalization Program – Regional Council Capital Fund (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area.

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the Southern Tier Regional Economic Development Corporation a grant for a total amount not to exceed Two Million Five Hundred Thousand Dollars ($2,500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

FINANCE MEMORANDUM

TO: Frances Walton

CC: Sheila Robinson

FROM: Jonevan Hornsby

DATE: March 20, 2012

RE: Southern Tier Regional Economic Development Corporation

Grantee

- Name: Southern Tier Regional Economic Development Corporation ("STREDC")
- Corporate Location: Corning, New York
- Corporate Form: Not-for-profit Corporation
- Ownership: Privately-held (administered by Regional Economic Development and Energy Corporation)
  - Nature of Business: Promotes industrial development and general economic prosperity in the Southern Tier region of New York State.

Financial Information

- Industry: All Other Nondepository Credit Intermediation
- NAICS Code: 522298
- ESD Credit Rating (Score)*: Satisfactory (3)
  - Profitability:
    - Sales: Increasing over 3 year historical period
    - Profit Margin: Above the industry median in most recent year
    - EBITDA: Positive and increasing over 3 year historical period
    - Net Income: Increasing over 3 year historical period
  - Liquidity:
    - Current ratio: Below the industry median and below 1.0 in most recent full year of operations
  - Solvency:
    - Total debt/total assets: Below the industry median and less than 65%; STREDC has no debt.
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  - Other:
    - Audit status: All financial are audited.

Southern Tier Regional Economic Development Corporation

	Industry Median	Years Ending December 31, 2009	2010	2011
Net Sales		$ 11,197	$ 8,692	$ 86,164
EBITDA		$ 1,678	$ (71,952)	$ 28,098
Pre-tax Profit		$ 1,678	$ (71,952)	$ 28,098
Pre-tax profit/net sales	12.80%	14.99%	-827.80%	32.61%
Net Income[1]		$ 1,678	$ (71,952)	$ 28,098
Current Assets		$ 58,037	$ 27,238	$ 29,761
Current Liabilities		$ 157,512	$ 200,768	$ 153,600
Current Ratio	2.00x	0.37x	0.14x	0.19x
Total Assets		$ 163,908	$ 135,212	$ 116,142
Long-term Debt		$ -	$ -	$ -
Total Debt		$ -	$ -	$ -
Total Liabilities		$ 157,512	$ 200,768	$ 153,600
Net Worth		$ 6,396	$ (65,556)	$ (37,458)
Total debt/total assets	42.90%	0.00%	0.00%	0.00%
EBITDA/Debt Service		NM	NM	NM

(1) STREDC is exempt from income tax under Code Section 501 (c)(6) of the Internal Revenue Code.

*Financials are audited.

*ESD Credit Rating Definitions:

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Empire State Development

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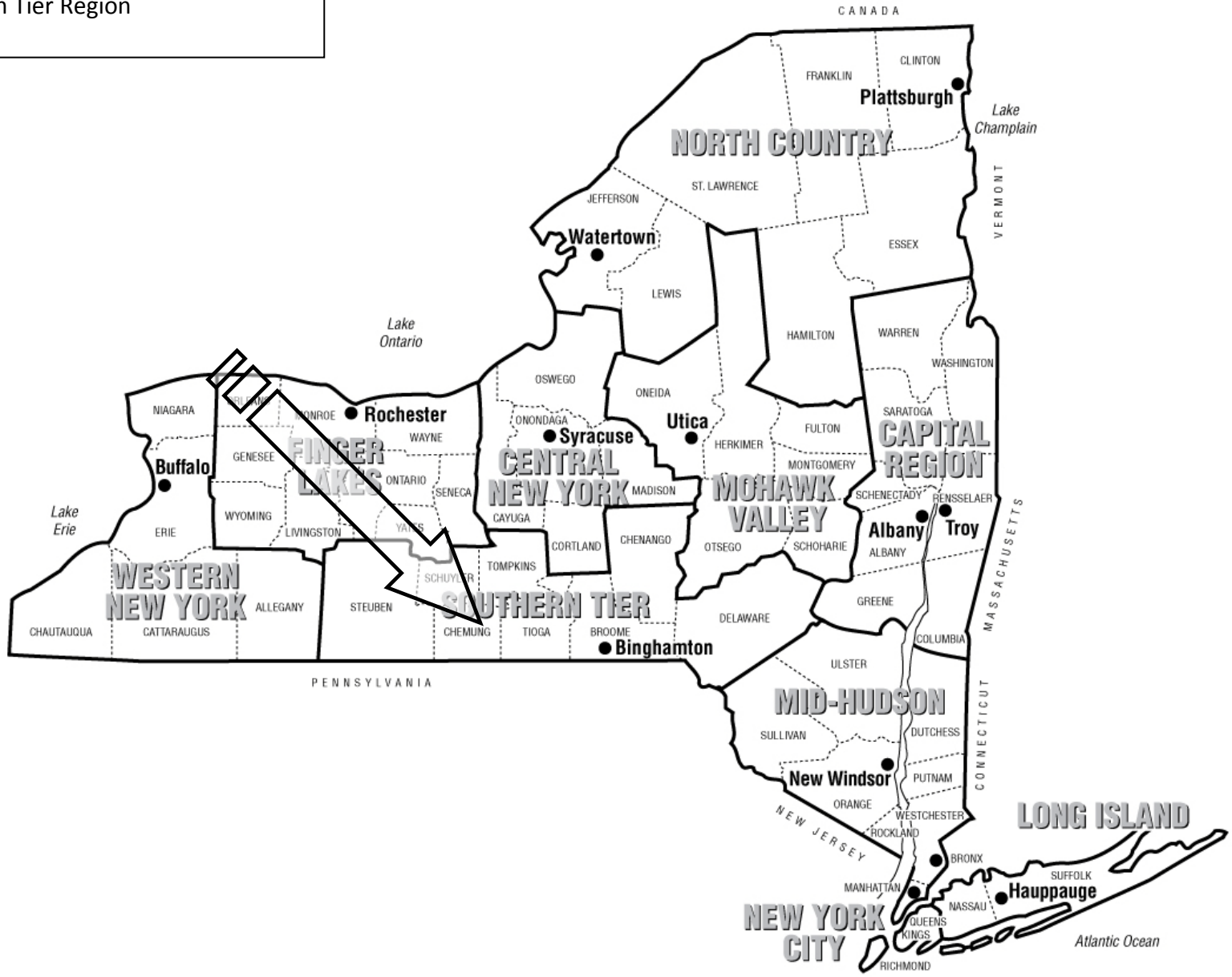
Community Revitalization Program
Southern Tier Region



FOR CONSIDERATION
April 17, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award - Southern Tier Region - Southern Tier Regional Economic Development Corporation – Shovel Ready Program – Regional Council Capital Fund (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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General Project Plan

I. Project Summary

Grantee: Southern Tier Regional Economic Development Corporation ("STREDC")

Beneficiary Organizations: Municipalities within the Southern Tier Region

ESD* Investment: A grant of up to $2,500,000 to be used to establish a regional low-interest loan fund to facilitate shovel ready sites for development.

* The New York State Urban Development Corporation doing business as the Empire State Development Corporation ("ESD" or the "Corporation")

Project Locations: Various, within the Southern Tier Region

Proposed Project: Establish a regional low-interest loan program to provide gap financing to facilitate site development including environmental remediation, demolition, site preparation activities, and installation of infrastructure.

Project Type: Regional low-interest loan program

Regional Council: The Incentive Offer was accepted on March 8, 2012. This is a priority project for the region. The project is consistent with the Regional Plan and defined strategies based on the best use of the region's assets, ability to capitalize on opportunities and address critical issues impeding growth. The Shovel Ready Program will fulfill the strategy to strengthen the Southern Tier's economic development backbone.

Number of Employees at Project Location: N/A

II. Project Cost and Financing Sources

Financing Uses	Amount
Capital Project Loans	$2,500,000
Total Project Costs	$2,500,000

Financing Sources	Amount	Percent
ESD-Grant	$2,500,000	100%
Total Project Financing	$2,500,000	100%

III. Project Description

A. Grantee

Industry: STREDC is a not-for-profit local development organization that manages a revolving loan fund and provides financial and technical assistance for start-up and expanding businesses in the Southern Tier.

Grantee History: STREDC was incorporated in 1991. The Regional Economic Development and Energy Corporation of the Southern Tier Central Region, NY ("REDEC") was incorporated in October 1980 as a not-for profit corporation, a 501C(4), and serves as secretariat to STREDC, handling administrative duties. REDEC assumed those duties in 2009 and currently administers and services the loans provided under STREDC.

Ownership: STREDC is a not-for-profit 404(a).

Size: STREDC has a board consisting of 13 members representing each county in the Southern Tier. In 2011, STREDC closed four local business loans totaling $180,000 to assist regional businesses with working capital. In 2012 to date, the organization has two small business loans that are expected to close shortly, totaling $143,000.

Market: Business assistance is provided throughout the Southern Tier Region.

ESD Involvement: As a result of the Governor's Regional Economic Development Council Initiative, STREDC was awarded $2,500,000 through the Consolidated Funding Application ("CFA") process to fund a regionally significant initiative, the Shovel Ready Program (the "Program"). This low-interest revolving loan fund for capital projects would not have been established without ESD assistance.

Competition: N/A

Past ESD Support: This is the first ESD grant to the organization, along with two other loan programs being proposed at today's ESD Directors' Meeting.

B. The Project

Completion: Ongoing

Activity: STREDC will establish and administer the Program, a regional low-interest loan fund, to facilitate site development with environmental remediation, demolition, site preparation activities, and installation of infrastructure, including sewer, water, utilities, road/rail access and telecommunications. Eligible applicants include municipalities, municipal authorities, economic development organizations, industrial development agencies, chambers of commerce and local development corporations. Funds will provide gap financing for capital use and will leverage additional financing from federal, state, municipal, and local development agencies, and corporations and private sector entities.

Results: The Program will increase the Southern Tier Region's capacity to attract and support business development by lowering the cost of site preparation and helping to position sites for NYS Shovel Ready Certification. Shovel Ready Certification is an ongoing component of ESD's Build Now-NY program which has been helping local communities attract substantial private-sector investment and create jobs. The certification is available to any site in New York that is suitable for the type of development proposed, has proper zoning and infrastructure, has completed the appropriate surveys and studies, and has received the necessary permits and approvals. The Shovel Ready Program will

enhance the effectiveness of ESD's existing certification of developable properties. Communities utilizing these funds will be more competitive in future site selection activity, resulting in investment and new job creation.

Grantee Contact: Diane Lantz, Executive Director
8 Dennison Parkway E, 3rd Floor, Suite 403
Corning, NY 14830
Phone: (607) 962-3021
Fax: (607) 936-8081

ESD Project No.: X749

Project Team:		
	Origination	Kevin McLaughlin
	Project Management	Robin Alpaugh
	Legal	Richard Dorado
	Affirmative Action	Denise Ross
	Finance	Amit Nihalani
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project. Due to the Grantee's exceptionally low fees and administrative charges for the Program borrowers (*i.e.*, not more than 0.5% of the loan amount), ESD will waive the provision regarding payment to the Corporation by the Grantee at signing of an amount equal the 1% of the grant amount.

2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's 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 Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project. Matching funds provided by Program funding recipients will be counted as the equity contribution. Equity should be able to be verified in Quarterly and Annual Reports. ESD generally seeks to provide no more than 20% of the financing for any particular project; however, due to the revolving loan fund structure of Grantee's Program, ESD will not require this for the project.

4. Up to $2,500,000 will be disbursed to the Grantee in four installments as follows:

a) an Initial Disbursement of an amount equal to 30% of the grant ($750,000) upon execution of a Grant Disbursement Agreement, assuming that all project approvals have been completed and funds are available;

b) a Second Disbursement of an amount equal to 30% of the grant ($750,000) will be disbursed upon documentation verifying disbursement of at least 75% of the first advance ($562,500) and Grantee's compliance with program reports and requirements, including meeting expected goals;

c) a Third Disbursement of an amount equal to 30% of the grant ($750,000) will be disbursed upon documentation verifying disbursement of 100% of the first advance and 75% of the second advance ($1,312,500 cumulative) and Grantee's compliance with program reports and requirements, including meeting expected goals; and

d) a Fourth Disbursement of an amount equal to 10% of the grant ($250,000) will be disbursed upon documentation verifying disbursement of 100% of the first and second advances and 75% of the third advance ($2,062,500 cumulative) and Grantee's compliance with program reports and requirements, including meeting expected goals.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after March 8, 2012 to be considered eligible project costs. All disbursements must be requested by April 1, 2017. ESD will be entitled to recoup any advanced funds that are not disbursed by Grantee in a timely fashion.

5. ESD must approve the Program's loan application, marketing material and deal sourcing strategies, due diligence process, loan approval guidelines, underwriting policy and guidelines, portfolio management and monitoring processes, and goals.

6. ESD, via the Southern Tier Regional Office, will approve all funding recommendations. ESD funds should be allocated as loans in a proportional share to the Program's other funding sources. No single investment of ESD funds may exceed $250,000 without written consent of ESD, via the Southern Tier Regional Office. ESD funds may not be subject to a higher risk compared with other Program funds.

7. ESD funds will be deposited in an account (the "Imprest Account") at a bank mutually acceptable to ESDC (as set forth in writing by ESD) and the Grantee. Funds in the Imprest Account, from the time of deposit and until disbursed from such account in accordance with terms to be approved by the ESD Directors, will be invested in accordance with ESD's Investment Guidelines. ESD shall be provided with copies of all account statements, and reports in accordance with reporting requirements. All returns on ESD investments shall be kept in the same imprest account and shall be used exclusively for subsequent Program loans.

8. Grantee will report quarterly on investments and related Program activity. Such reports will contain information on investments, current status, leveraged funds, business revenue, job creation outcomes, and other items as determined by ESD. Once the Grantee has provided documentation verifying disbursement of the entire $2,500,000 in grant funds, the Grantee will report annually on investments and related Program activity during the term of the bonds that will be issued to provide the grant (term to be noted in final Grant Disbursement Agreement).

9. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $2,500,000, 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.

IV. Statutory Basis - Regional Council Capital Fund

The project was authorized in the 2011-2012 New York State budget and reappropriated in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project constitutes a Type II ministerial 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. The recipient of fund disbursements will be responsible for complying with SEQRA as applicable. No further environmental review is required in connection with this authorization.

VI. Affirmative Action

ESD's Non-discrimination and Affirmative Action policy will apply. The Grantee is encouraged to use good faith to achieve a Minority Business Enterprise participation goal of 10% and a Women Business Enterprise participation goal of 10% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the construction work related to the project, and to include minorities and women in any job opportunities created by the project.

VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs.

VIII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

IX. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum

April 17, 2012

Regional Council Award - Southern Tier Region - Southern Tier Regional Economic Development Corporation – Shovel Ready Program – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Regional Council Award - Southern Tier Southern Tier Region - Southern Tier Regional Economic Development Corporation – Shovel Ready Program – Regional Council Capital Fund (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area.

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the Southern Tier Regional Economic Development Corporation a grant for a total amount not to exceed Two Million Five Hundred Thousand Dollars ($2,500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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April 17, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Chazy (North Country Region – Clinton County) – Clinton Industrial Development Acquisition Working Capital – Economic Development Purposes Fund – Working Capital (Grant)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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I. Project Summary

Grantee: Clinton Industrial Development Acquisition, LLC ("CIDA" or the "Company")

ESD* Investment: A grant of up to $1,200,000 to be used for the cost of maintenance and marketing of the former Pfizer Research and Development facility (the "Facility").

* The New York State Urban Development Corporation doing business as the Empire State Development ("ESD" or the "Corporation")

Project Location: 641 Ridge Road, Chazy, Clinton County

Proposed Project: Acquisition, maintenance and marketing of the Facility to create investment and job growth.

Project Type: Maintenance and marketing

Regional Council: The North Country Regional Council has been made aware of this item. The Incentive Offer was accepted in April 2012. The project is consistent with the Regional Plan to promote and encourage new biotech and pharma related investments in the region.

II. Project Cost and Financing Sources

Financing Uses	Amount
Landscape, pest control, utilities, telephone, water treatment, fire protection inspection, elevator and systems maintenance	$681,564
Insurance, legal, staffing, security, administration and promotion	428,200
Property Tax Abatement	258,000
Contingency	90,236
Total Project Costs	$1,458,000

Financing Sources	Amount	Percent
ESD-Grant	$1,200,000	82%
Town of Chazy*	258,000	18%
Total Project Financing	$1,458,000	100%

*Equity Contribution from the Town of Chazy, Clinton County and Chazy Central Rural School District in the form of waived property taxes.

III. Project Description

A. Company

Industry: Real Estate

Company History: CIDA was created by the County of Clinton Industrial Development Agency ("CCIDA") in April 2012 to acquire and maintain the Facility in Chazy. CCIDA was formed in 1971 and undertakes a wide variety of industrial development projects.

Ownership: The Company is 100% wholly owned by the CCIDA.

Size: The Facility is approximately 55 acres in size and has multiple buildings totaling approximately 300,000 square feet. All facilities are located in Chazy, NY.

Market: Real Estate and Industrial/Economic Development

ESD Involvement: After the acquisition of Wyeth by Pfizer in 2009, the decision was made to exit the Facility due to redundancy with other existing Pfizer research facilities and the retraction of Pfizer's in-house research activities. From 2009 to 2010, the employee base was reduced until only a basic maintenance staff was left in place. During the two years since the closing, Pfizer has maintained the Facility and has also employed two different internationally known marketing firms to market the Facility. The current marketing firm is Cushman and Wakefield.

Over the last two years, there has been cursory interest in the Facility and site by potential purchasers. Barriers to purchase include significant operational costs and the large size of the Facility.

The Facility was originally scheduled for auction on February 4, 2012 (rescheduled for April 2, 2012), but at the request of ESD, Pfizer has delayed the auction. CCIDA, through CIDA, will acquire the Facility from Pfizer at a nominal cost so that the pending auction can be forestalled. This will provide more time and opportunity to present the Facility for acquisition by a responsible party, which would create investment and employment opportunities. ESD proposes to make a working capital grant of $1,200,000 to CIDA for operational costs while the Facility is being marketed to a new end user.

Competition: N/A

Past ESD Support: N/A

B. The Project

Completion: June 2014

Activity: CIDA will acquire, maintain and promote the Facility to potential new end users. The site has been used, continually upgraded and improved as a premier pharmaceutical research facility, has sophisticated private water and sewage treatment facilities, and is served by natural gas. CIDA intends to enter into a management agreement with a third party for the day-to-day operations of the Facility.

Results: The project is expected to engage an end user that will create investment and employment opportunities in Chazy.

Grantee Contact:	Adore F. Kurtz, CEO 190 Banker Road, Suite 500 Plattsburgh, New York 12901 Phone: (518) 563-3100 Fax: (518) 562-2232	
ESD Project No.:	X811	
Project Team:	Origination	Jeff Janiszewski
	Project Management	Glendon McLeary
	Affirmative Action	Diane Kinnicutt
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 0.1% of the $1,200,000 working capital grant ($1,200).

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. County of Clinton Industrial Development Agency will guarantee the grant repayment obligation of its subsidiary, Clinton Industrial Development Acquisition, LLC, in the event the Grantee fails to do any of the following: (i) gain ESD approval of the Grantee's marketing plan for the redevelopment of the former Pfizer facility in Chazy; (ii) gain ESD approval of the Grantee's disposition of the former Pfizer facility in Chazy; (iii) or accept a reasonable purchase offer for the former Pfizer facility in Chazy.

4. The Grantee shall use any funds derived from the sale of the former Pfizer facility in Chazy to pay back any and all of the ESD working capital grant, up to $1,200,000.

5. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

6. Up to $1,200,000 will be disbursed to the Grantee, for landscape, pest control, utilities, telephone, water treatment, fire protection inspection, elevator and systems maintenance, insurance, legal, staffing, security, administration, promotion and contingency working capital costs, no more frequently than monthly, upon documentation of eligible project costs, assuming that all project approvals have been completed and funds are available. Up to $5,000 in legal fees may be reimbursed to

the Grantee for expenditures incurred from April 3, 2012 through April 6, 2012. Additional legal expenditures shall require prior ESD approval. 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 April 3, 2012 to be considered eligible project costs. All disbursements must be requested by April 1, 2015. Disbursements of the grant will expire immediately, if Clinton Industrial Development Acquisition, LLC, is sold or the Facility is sold.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $1,200,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company 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.

IV. Statutory Basis - Economic Development Purposes Fund

The project is authorized in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project 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 project.

VI. Affirmative Action

ESD's Non-discrimination and Affirmative Action policy will apply. The Grantee shall use good faith efforts to achieve an overall Minority and Women-Owned Business Enterprise ("MWBE") goal of 15%, a Minority-Owned Business Enterprise goal of 7% and a Women-Owned Business Enterprise goal of 8% to provide meaningful participation by MWBEs as primary contractors, subcontractors or suppliers in the performance of the contract.

VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs.

VIII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

IX. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum

Chazy (North Country – Clinton County) – Clinton Industrial Development Acquisition Working Capital – Economic Development Purposes Fund (Working Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Clinton Industrial Development Acquisition Working Capital – Economic Development Purposes Fund (Working Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Clinton Industrial Development Acquisition, LLC a grant for a total amount not to exceed One Million Two Hundred Thousand Dollars ($1,200,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Empire State Development

FOR CONSIDERATION
April 17, 2012

TO:	The Directors
FROM:	Kenneth Adams
SUBJECT:	Falconer (Western New York Region – Chautauqua County) – SKF Heat Transfer MAP Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)
REQUEST FOR:	Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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General Project Plan

I. Project Summary

Grantee:	SKF USA Inc. d/b/a SKF Aeroengine North America ("SKF" or the "Company"
ESD* Investment:	A grant of up to $1,375,000 to be used for a portion of the cost of the acquisition and installation of new machinery and equipment.
	* The New York State Urban Development Corporation doing business as the Empire State Development Corporation ("ESD" or the "Corporation")
Project Location:	One Maroco Road, Falconer, Chautauqua County
Proposed Project:	Facility construction, acquisition and installation of new machinery and equipment and relocation expenses to accommodate a new heat treat operation and additional research and development.
Project Type:	Business expansion involving job retention.

Regional Council:	The Western New York Regional Council has been made aware of this item. The project predates the Regional Council Initiative. The Incentive Offer was accepted in December 2008 and revised in August 2009 and March 2011. The project is consistent with the Regional Plan.

Employment:	Initial employment at time of ESD Incentive Offer:	600
	Current employment level:	610
	Minimum employment through January 1, 2016:	600

II. Project Cost and Financing Sources

Financing Uses	Amount
Facility Construction	$10,633,000
Machinery & Equipment	5,220,000
Relocation & Soft Costs	2,075,000
Total Project Costs	$17,928,000

Financing Sources	Amount	Percent
ESD MAP Grant (W768)	$ 1,375,000	8%
ESD URBF Grant (W769)**	1,375,000	8%
ESD EDF Grant (X188)***	250,000	1%
ESD EDP Grant (X064)***	250,000	1%
McGuire Development Company	10,633,000	59%
Company Equity	4,045,000	23%
Total Project Financing	$17,928,000	100%

**Being presented to the Upstate ESD Directors on April 17, 2012.

***Approved by the ESD Directors on March 23, 2011.

III. Project Description

A. Company

Industry:	Manufacturer of high-precision, custom-engineered ball and roller bearings for critical aeroengine and specialty applications.
Company History:	Founded in 1903, SKF facilities include aerospace, specialty and remanufacturing businesses in Falconer, NY (formerly known as MRC Bearings Division) and Jamestown, NY (formerly known as Marlin Rockwell Corporation).
Ownership:	Publicly traded

Size:	The Company is a unit of SKF Industrial Division, which is a subsidiary of Aktiebolaget SKF (the "Parent"), headquartered in Gothenburg, Sweden. The Parent employs nearly 39,000 people in over 130 countries.
Market:	Global supplier of products, solutions and services in the roller bearings and seals industry. Specialty products are custom-designed bearings for technically and environmentally demanding applications, such as pumps, motors and power transmission assemblies.
ESD Involvement:	In mid-2008, SKF advised ESD that the existing lease on its Jamestown facility would expire in 2012 and the heat treat operations housed at that facility would need to be relocated. In November 2008, ESD provided an $1.4 million capital grant incentive to the Company to construct a new $37 million heat treat facility in Falconer, retaining 687 employees and creating 60 new jobs. SKF accepted the incentive proposal in December 2008. However in mid-2009, the Company advised ESD that it needed to scale back the project to $17 million and moreover, as a result of the downturn in the economy, it lacked sufficient financing to complete the project. As SKF is a vital employer in Chautauqua County, ESD responded with a revised incentive proposal in August 2009 which included $3.25 million in capital assistance (a $1.375 million MAP grant and a $1.375 million Upstate Regional Blueprint Fund grant) and a reduction in employment to 691 retained jobs. On August 14, 2009, ESD issued an additional revised Incentive Proposal reducing the job commitment from 691 to 600, if the Grantee forwent the final $275,000 disbursement on a previous $550,000 MAP grant. Additionally, the heat treat project received two $250,000 grants via the Chautauqua County Industrial Development Agency ("CCIDA") acting as the Grantee and SKF as the beneficiary. Without ESD assistance, the project would likely not have taken place in New York State.
Competition:	The Company was considering relocating the heat treat operation to either a new facility in close proximity to its existing Falconer operation, to an existing facility in Charleston, South Carolina or split operations between the two locations.
Past ESD Support:	ESD Directors approved a $250,000 New York State Economic Development Program grant and $250,000 Economic Development Fund grant in March 2011. The CCIDA is the Grantee and SKF is the beneficiary. Additionally, the ESD Directors approved a $550,000 MAP capital grant to SKF on March 20, 2008 to assist with the acquisition and installation of new machinery and equipment at the Falconer facility. ESD disbursed $275,000 of the grant in April 2009, and in March 2011, ESD reduced the grant to $275,000 due to the Grantee's request for a job commitment

reduction for the $1.375 million MAP and URBF grants. The Company is in compliance with the terms of grant.

B. The Project

Completion: April 2012

Activity: McGuire Development Company has constructed an 82,000-square-foot facility that SKF will lease for at least 20 years. The Company has acquired and installed machinery and equipment including heat, washer, cooler and chiller systems, and equipment relocation and installation. The Company has also incurred design/professional costs to relocate the heat treat facility from Jamestown and to establish additional research and development and office space. The project began in September 2009 and is now complete.

The Company has requested, through a confidentiality agreement, that its financial information be shared with the Directors but not be available for public viewership. ESD's Project Finance team has reviewed the Company's financials and has determined that the Company is in reasonable financial condition.

Results: The project will retain 600 existing jobs.

Grantee Contact: Mr. Terry Papincak, Controller
One Maroco Road, P.O. Box 263
Falconer, NY 14733-0263
Phone: (716) 661-2676 Fax: (716) 661-2729

ESD Project No.: W768

Project Team:

Origination	Robert Iszard
Project Management	Jean Bly
Affirmative Action	Helen Daniels
Finance	Amit Nihalani
Environmental	Soo Kang

C. MAP Project Findings and Outcomes

This project qualifies as a Manufacturing Assistance Program project because the Company (i) is a resident New York State manufacturer with between 50 and 1,000 employees; (ii) exports at least 30% of its production beyond its region or provides at least 30% of its production to a manufacturer that exports beyond the Company's region; and (iii) is making a substantial investment of at least $1,000,000 in order to improve its competitiveness and productivity and thereby enhance its long-term viability in the State of New York.

The project is expected to produce the following measurable outcome for the Company:

Primary Outcome: Increase in production from 352,762 pieces to 405,674 over a 3-month period.

Secondary Outcome: Reduction in scrap, tooling, repairs and labor costs due to efficiencies.

Total estimated value of competitiveness and project outcomes: $441,373 annually.

D. Financial Terms and Conditions

1. The Grantee shall pay a commitment fee of 1% of the $1,375,000 capital grant ($13,750) upon execution of the grant disbursement agreement. In addition, at the time of disbursement, the Company will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Grantee will demonstrate no materially adverse change in its financial condition prior to disbursement.

3. In lieu of a parent guarantee, the Grantee will supply an Irrevocable Letter of Credit in the amount subject to ESD recapture.

4. The Company or the Company'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 Company financial statements or Company accounts, if so requested by ESD.

5. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location

for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

6. Up to $1,375,000 will be disbursed to the Grantee in two installments as follows:
   a) an Initial Disbursement of an amount equal to 50% of the grant ($687,500) upon completion of the project as described in these materials, including construction of a new building, purchase and installation of machinery & equipment; documentation of eligible project expenditures of approximately $17,928,000 incurred by SKF USA, Inc. and/or McGuire Development Company; employment of at least 600 Full-time Permanent Employees; and
   b) a Second Disbursement of an amount equal to 50% of the grant ($687,500) will be disbursed upon verification of production at the new heat treat facility in Falconer of at least 405,674 production pieces over a three-month period verified by a Certified Public Accountant and documentation of at least 600 Full-time Permanent Employees.

   Payment will be made upon presentation to ESDC of an invoice and such other documentation as ESDC may reasonably require. Expenditures must be incurred on or September 3, 2009, to be considered eligible project costs. Disbursements may be requested simultaneously. All disbursements must be requested no later than December 31, 2013.

7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $1,375,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company 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.

8. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than ninety-seven point eight percent (97.8%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

   The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

   (i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
   (ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second

full calendar year after the disbursement was made;

(iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;

(iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;

(v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	600
A	B
Reporting Date	Employment Goals
February 1, 2013	600
February 1, 2014	600
February 1, 2015	600
February 1, 2016	600

IV. Statutory Basis

1. The proposed 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 Company will maintain its employment level of 600 Full-time Permanent Employees through January 1, 2016.

2. The proposed project would be unlikely to take place in New York State without the requested assistance.

Without ESD assistance to fill a financing gap, the project would have taken place in South Carolina.

3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.

Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at $23,780,846;
- Fiscal cost to NYS government is estimated at $3,348,738;
- Project cost to NYS government per direct job is $10,852;

- Project cost to NYS government per job (direct plus indirect) is estimated at $4,986;
- Ratio of project fiscal benefits to costs to NYS government is 7.10:1;
- Fiscal benefits to all governments (state and local) are estimated at $40,854,055;
- Fiscal cost to all governments is $3,348,738;
- All government cost per direct job is $10,852;
- All government cost per total job is $4,986;
- The fiscal benefit to cost ratio for all governments is 12.20:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $244,394,653, or $363,884 per job (direct and indirect);
- The economic benefit to cost ratio is 72.98:1;
- Project construction cost is $12,708,000, which is expected to generate 128 direct job years and 87 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.18 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is three years.
  (See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

4. The requirements of Section 10(g) of the Act are satisfied.
   No residential relocation is required because there are no families or individuals residing on the site.

V. 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), and in connection with the approval of funding for the proposed project, the Directors made a Determination of No Significant Effect on the Environment at their meeting of March 17, 2011. This determination addressed all aspects of the proposed project. Therefore, no further environmental review is required in connection with this action.

VI. Affirmative Action

ESD's Non-Discrimination and Affirmative Action policy will apply. SKF is encouraged to include minorities and women in any job opportunities created by the Project and to solicit and utilize Minority and Women-owned Business Enterprises for any contractual opportunities generated in connection with the Project.

VII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

VIII. Additional Submissions to Directors

Resolutions
New York State Map
Cost-Benefit Analysis

April 17, 2012

Falconer (Western New York Region – Chautauqua County) – SKF Heat Transfer MAP Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the SKF Heat Transfer MAP Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that

1. The proposed 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;

2. The project would be unlikely to take place in New York State without the requested assistance;

3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;

4. There are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Operating Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Operating Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Operating Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to SKF USA Inc. d/b/a SKF Aeroengine North America a grant for a total amount not to exceed One Million Three Hundred Seventy-

Five Thousand Dollars ($1,375,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Operating Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

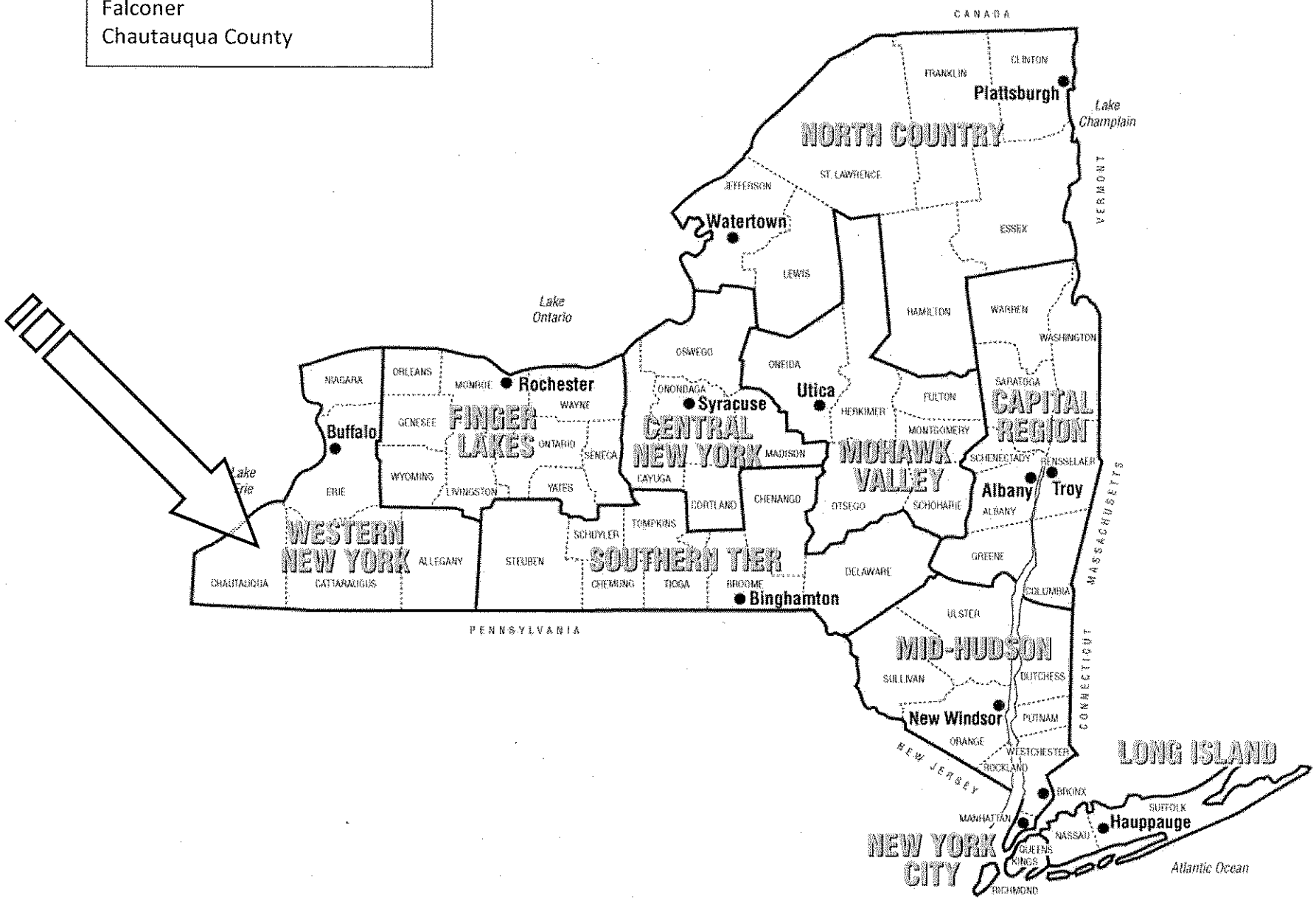
RESOLVED, that the President and Chief Operating Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Operating Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

SKF Heat Transfer MAP Capital
Falconer
Chautauqua County



Empire State Development

FINANCE MEMORANDUM

TO: Frances Walton

CC: Sheila Robinson

FROM: Jonevan Hornsby

DATE: March 27, 2012

RE: Clinton Industrial Development Acquisition, LLC

Grantee

- Name: Clinton Industrial Development Acquisition, LLC
- Corporate Location: Plattsburgh, NY
- Corporate Form: Limited Liability Company
- Ownership: Privately-held Start-up (Wholly-owned by County of Clinton Industrial Development Agency)

Guarantor

- Name: County of Clinton Industrial Development Agency (the "Agency")
- Corporate Location: Plattsburgh, NY
- Corporate Form: Public Benefit Corporation
- Nature of Business: Public Benefit Corporation that provides industrial revenue bond financing, sale-leaseback transactions to provide a variety of tax reduction and abatement opportunities for industry.

Financial Information

- Information Provided For: County of Clinton Industrial Development Agency
- Industry: Administration of General Economic Programs
- NAICS Code: 926110
- ESD Finance Rating (Score)*: Good (4)
  - Profitability:
    - Sales: Increasing over 3 year historical period
    - Profit Margin: Below the industry median in most recent year
    - EBITDA: Not increasing over 3 year historical period
    - Net Income: Not Increasing over 3 year historical period
  - Liquidity:
    - Current ratio: Above the industry median and above 1.0 in most recent full year of operations. The Agency has no liabilities.
  - Solvency:

- Total debt/total assets: Below the industry median and less than 65%. The Agency has no debt.
- EBITDA/Debt Service: Strong. The Agency has no debt.

o Other:
- Audit status: 2009 and 2010 financials are audited; 2011 financials are preliminarily audited.

County of Clinton Industrial Development Agency

		Years Ending August 31,		
	Industry Median	**2009**	**2010**	**2011**
Net Sales		$ 44,580	$ 5,000	$ 955,146
EBITDA		$ -	$ -	$ -
Pre-tax Profit		$ -	$ -	$ -
Pre-tax profit/net sales	11.80%	0.00%	0.00%	0.00%
Net Income[1]		$ -	$ -	$ -
Current Assets		$ 190	$ 190	$ 190
Current Liabilities		$ -	$ -	$ -
Current Ratio	5.00x	NA	NA	NA
Total Assets		$ 190	$ 190	$ 190
Long-term Debt		$ -	$ -	$ -
Total Debt		$ -	$ -	$ -
Total Liabilities		$ -	$ -	$ -
Net Worth		$ 190	$ 190	$ 190
Total debt/total assets	37.00%	0.00%	0.00%	0.00%
EBITDA/Debt Service		NA	NA	NA

(1) As a municipal entity, the Agency is an exempt organization for income tax purposes.

*2009 and 2010 financials are audited; 2011 financials are preliminarily audited.

Additional Information

- The Agency's only asset is a bank account. It operates under a contract with The Development Corporation. In return for services such as personnel, office space, supplies and equipment necessary to administer the needs and requirement of the Agency in discharge of its duties pursuant to Article 18-A of the General Municipal Law, the County of Clinton Industrial Development Agency pays over to The Development Corporation of Clinton County, an unrelated entity, all fees it receives for the issuance of industrial development revenue bonds.

* ESD Finance Rating Definitions:

Rating (Score)	**Definition**
Very Good (5)	The Company is strong in all 3 areas of profitability, liquidity, and long-term solvency.
Good (4)	The Company is strong in the area of liquidity and either strong in solvency and adequate in profitability, or very strong in solvency (debt coverage > 2.0) and weak in profitability.
Satisfactory (3)	The Company is strong in two of the areas of profitability, liquidity and solvency but weak in the third area.
Fair (2)	The Company is strong in only one of the areas of profitability, liquidity, and long-term solvency.
Marginal (1)	The Company is weak in at least two of the areas of profitability, liquidity, and long-term solvency.
Poor (0)	The Company is very weak in all areas of profitability, liquidity, and long-term solvency.

Empire State Development

FINANCE MEMORANDUM

TO: Frances Walton

FROM: Amit Nihalani
Sheila Robinson

DATE: March 2, 2012

RE: SKF USA

Grantee

- Name: SKF USA, Inc d/b/a SKF Aeroengine North America (The Company)
- Corporate Location: Lansdale, PA
- Corporate Form: Privately held C corporation
- Ownership: A subsidiary of Swedish ball bearing giant AB SKF (publicly traded)
- Nature of Business: Manufacturer of high-precision, custom-engineered ball and roller bearings for critical aeroengine and specialty applications.

Financial Information

- Industry: Ball and Roller Bearing Manufacturing
- NAICS Code: 332991
- ESDC credit score: Historical 5 (Very Good)
    - Profitability:
        - Sales: Decreasing over 3-year historical period.
        - Profit Margin: Above industry median in most recent year.
        - EBITDA: Increasing over 3-year historical period.
        - Net Income: Increasing over 3-year historical period.
    - Liquidity:
        - Current ratio: Above industry median in most recent year but above 1.
    - Solvency:
        - Total debt/total assets: Above industry median in most recent year but less than 65%.
        - EBITDA/Debt Service: Strong

SKF USA, Inc.
Years Ending December 31

	Industry Median	2008	2009	2010	YTD 2011 *
Net Sales		1,604,738	1,303,612	1,527,839	2,236,564
EBITDA		153,891	82,018	153,966	320,525
Pre-tax Profit		111,970	31,291	125,411	221,139
Pre-tax profit/net sales	6.40%	6.98%	2.40%	8.21%	9.89%
Net Income		71,025	10,689	75,964	144,291
Current Assets		576,045	463,542	676,272	
Current Liabilities		356,182	244,740	369,031	
Current Ratio	1.80	1.62	1.89	1.83	
Total Assets		1,053,396	914,356	2,078,564	
Long-term Debt		337,212	305,170	1,014,104	
Total Debt		337,212	305,170	1,014,104	
Total Liabilities		946,108	819,682	1,753,065	
Net Worth		107,288	94,674	325,499	
Total debt/total assets	0.12	0.32	0.33	0.49	
EBITDA/Debt Service		8.21	2.55	2.89	

*Through December 31

Additional Information

- Although the Company's sales have declined over the three year historical period, its profitability has improved during this time period.

ESD Credit Rating Definitions:

Rating (Score)	Definition
Very Good (5)	The Company is strong in all 3 areas of profitability, liquidity, and long-term solvency.
Good (4)	The Company is extremely solvent and liquid.
Satisfactory (3)	The Company is strong in the areas of profitability and liquidity, but not long-term solvency.
Fair (2)	The Company is strong in only one of the areas of profitability, liquidity, and long-term solvency.
Marginal (1)	The Company is not strong in any of the areas of profitability, liquidity, and long-term solvency.
Poor (0)	The Company is very weak in all areas of profitability, liquidity, and long-term solvency.

FOR CONSIDERATION
April 17, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Fulton (Central New York Region - Oswego County) - Huhtamaki MAP Capital - Empire State Economic Development Fund - General Development Financing (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions;

General Project Plan

I. Project Summary

Grantee: Huhtamaki, Inc. ("Huhtamaki" or the "Company")

ESD* Investment: A grant of up to $500,000 to be used for a portion of the cost of the purchase of machinery and equipment.

* The New York State Urban Development Corporation doing business as the Empire State Development Corporation ("ESD" or the "Corporation")

Project Location: 100 State Street, Fulton, Oswego County

Proposed Project: Purchase and installation of flexographic printing machinery and equipment to increase production capacity and efficiency.

Project Type: Job retention and business growth

Regional Council: The Central New York Regional Council has been made aware of this item. This project predates the Regional Council Initiative. The Incentive Offer was accepted January 2010. The project is consistent with the Regional Plan.

Employment:		
	Initial employment at time of ESD offer:	631
	Current employment level	631
	Minimum employment through January 1, 2016:	631

II. Project Cost and Financing Sources

Financing Uses	Amount
Machinery & Equipment	$5,200,000
Construction	600,000
Engineering	50,000
Training	50,000
Soft Costs	300,000
Total Project Costs	$6,200,000

Financing Sources	Amount	Percent
ESD-Grant	500,000	8%
Company Equity	5,700,000	92%
Total Project Financing	$6,200,000	100%

III. Project Description

A. Company

Industry: Consumer packaging products used in food, beverage, retail, and other non-food industries. The Fulton facility produces a variety of paper cups, containers, and container lids for the frozen desert and food industries.

Company History: The Fulton facility has been in operation since 1886, originally operating as the Oswego Falls Pulp and Paper Company and in 1917 as the Sealright Company. In 1998, Huhtamaki purchased Sealright.

Ownership: Public company traded on the Helsinki stock exchange

Size: Huhtamaki has operations in Europe, North and South America, Asia, Oceania, and Africa. Huhtamaki has 64 production facilities in 36

countries (ten U.S. facilities). The Fulton facility consists of 24 acres and 700,000 square feet of buildings.

Market: The Company serves customers in the food and beverage, retail, and other non-food industries. Some of the major customer brands are Nestle, Kroger, Hershey, Friendly's, Boston Market, Starbucks, McDonalds, and Wegmans. The Company competes with International Paper, Stanpack, and Solo.

ESD involvement: Due to the Company's current flexograhic print limitations, the Fulton facility has lost opportunities for new business to competitors and other Huhtamaki facilities in DeSoto, Kansas, and Los Angeles, California. Huhtamaki's current flexographic printing presses are out dated and limit its ability to provide customers with the current industry standard graphics quality and competitive product cost. Huhtamaki was evaluating the most cost effective location for the BHS Flexographic press. This project is critical to Huhtamaki's future business in Fulton, New York; without this project, the Fulton business will not grow and will lose business to competitors, all of whom are outside of New York State. The project is expected to cost $6,200,000. The company is requesting $500,000 in MAP assistance to make the project feasible in Fulton NY.

Competition: International Paper, Stanpack, Solo, and sister facilities outside of New York State.

Past ESD Support: In June 2002, ESD approved a capital grant of $200,000 to Huhtamaki for expenses related to moving machinery and equipment for a production line for packaging products to Fulton. The project was successfully completed.

B. The Project

Completion: December 2011

Activity: Purchase and installation of flexographic printing machinery and equipment to increase production capacity, add efficiency, and reduce waste.

Results: The Company will retain 631 jobs as a result of the project.

Grantee Contact: Joseph McConnell, Manager of Finance
100 State Street
Fulton, NY 13069
Phone: (315) 593-5346 Fax: (315) 593-5190

ESD Project No.: W908

Project Team:	Origination	Ray Lawrence
	Project Management	John Vandeloo
	Affirmative Action	Helen Daniels
	Finance	Amit Nihalani
	Environmental	Soo Kang

C. MAP Project Findings and Outcomes

This project qualifies as a Manufacturing Assistance Program project because the Company i) is a resident New York State manufacturer with between 50 and 1,000 employees; ii) exports at least 30% of its production beyond its region or provides at least 30% of its production to a manufacturer that exports beyond the Company's region; and iii) is making a substantial investment of at least $1,000,000 in order to improve its competitiveness and productivity and thereby enhance its long-term viability in the State of New York.

The project is expected to produce the following measurable outcomes for the Company:

Primary Outcome(s):
Increase Measureable production by 56% to total of 1,437,500 packaging units over a measureable three month time period

Secondary Outcome(s):
Increase press speed by 150% to 750 feet per minute
Increase waste reduction-recycling by 17%
Total estimated value of competitiveness and project outcomes: $500,000 annually

Manufacturing is the most significant wealth-creating and value-adding sector of the NYS economy outside of the New York City metropolitan area. The purpose of the ESD's Manufacturing Assistance Program ("MAP") is to encourage New York State manufacturers to invest in projects that substantially improve the competitiveness and productivity of their operations, thus increasing their long-term viability and ensuring the health of the state's manufacturing economy.

D. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the $500,000 capital grant ($5,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer.

Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

5. Up to $500,000 will be disbursed to the Grantee in two installments as follows:
a) an Initial Disbursement of an amount equal to 50% of the grant ($250,000) will be disbursed upon documentation of machinery and equipment project costs of $3,100,000, and documentation of the employment of at least 631 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
b) a Second Disbursement of an amount equal to 50% of the grant ($250,000) will be disbursed upon documentation of additional machinery and equipment and related project costs of $2,900,000 (approximate $6,000,000 total), achievement of 100% of the anticipated Primary Outcome(s) of measured production of 1,437,500 packaging units over a measured 3 month period and documentation of the employment of at least 631 Full-time Permanent Employees at the Project Location.

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 January 4, 2010, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company 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.

7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below

is less than eighty-five percent 85% of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

(i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
(ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
(iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
(iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
(v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	631

A	B
Date	Employment Goals
February 1, 2013	631
February 1, 2014	631
February 1, 2015	631
February 1, 2016	631

IV. Statutory Basis

1. The proposed 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 Company will make significant investments in its manufacturing facility, thereby ensuring its continued viability and the retention of 631 employees. In addition, this project will help make the Company more competitive, and thus increase the economic viability of the state's manufacturing industry.

2. <u>The proposed project would be unlikely to take place in New York State without the requested assistance.</u>
Without ESD assistance, this project would likely have been relocated to an existing facility in DeSoto, Kansas or Los Angeles, California.

3. <u>The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.</u>

Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at $20,470,385;
- Fiscal cost to NYS government is estimated at $500,000;
- Project cost to NYS government per direct job is $1,312;
- Project cost to NYS government per job (direct plus indirect) is estimated at $536;
- Ratio of project fiscal benefits to costs to NYS government is 40.94:1;
- Fiscal benefits to all governments (state and local) are estimated at $34,512,318;
- Fiscal cost to all governments is $500,000;
- All government cost per direct job is $1,312;
- All government cost per total job is $536;
- The fiscal benefit to cost ratio for all governments is 69.02:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $167,794,577, or $179,901 per job (direct and indirect);
- The economic benefit to cost ratio is 335.59:1;
- Project construction cost is $650,000, which is expected to generate six direct job years and four indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.47 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

4. <u>The requirements of Section 10(g) of the Act are satisfied.</u>
No residential relocation is required because there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project 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 project.

VI. Affirmative Action

ESD's Non-Discrimination and Affirmative Action policy will apply. The client is encouraged to include minorities and women in any job opportunities created by the Project and to solicit and utilize Minority and Women-owned Business Enterprises for any contractual opportunities generated in connection with the Project.

VII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

VIII. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum
Benefit-Cost Analysis

April 17, 2012

Fulton (Central New York Region - Oswego County) - Huhtamaki MAP Capital - Empire State Economic Development Fund - General Development Financing (Capital Grant); Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Huhtamaki MAP Capital - Empire State Economic Development Fund - General Development Financing (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that

1. The proposed 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;

2. The project would be unlikely to take place in New York State without the requested assistance;

3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;

4. There are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Huhtamaki, Inc. a grant for a total amount not to exceed Five Hundred Thousand Dollars ($500,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the

State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Project Summary
Benefit-Cost Evaluation1

Huhtamaki, Inc.

Initial Jobs: **631** **Construction Job Years (Direct):** **6**
Retained Jobs: 631 over three years **Construction Job Years (Indirect)**: **4**

Evaluation Statistics	Project Result NYS Govt.	NYS Govt. Benchmarks for ESD Projects2	Project Results State & Local Governments	State & Local Government Benchmarks for ESD Projects
Fiscal Costs3	$500,000	$794,250	$500,000	$1,020,500
Fiscal Benefits4	$20,470,385	$2,085,600	$34,512,318	$4,271,980
Fiscal Cost /Direct Job	$1,312	$3,000	$1,312	$4,110
Fiscal Cost/Total Jobs	$536	$1,424	$536	$1,964
Fiscal B/C Ratio	40.94	7.00	69.02	10.60

	Project Results	Benchmarks for ESD Projects
Economic Benefits5	$167,794,577	$119,468,000
Econ. Benefits/Total Jobs	$179,901	$147,600
Economic B/C Ratio	335.59	50.00

1 Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

2 The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects.

3 Fiscal cost includes the value of grants, loans and associated default risks, and discretionary subsidies (such as tax exemptions or abatements on sales, property, and interest income).

4 Fiscal benefits are the loan repayments and tax revenues to New York State and Local governments generated by project activity. This includes estimated taxes on personal incomes from project direct and indirect employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

5 Economic benefits are estimated project benefits measuring fiscal flows to government plus net resident disposable income from project direct and indirect employment net of transfers, without adjusting for individual income earners' opportunity cost of employment.

Empire State Development

FINANCE MEMORANDUM

TO: Frances Walton

FROM: Amit Nihalani
Sheila Robinson

DATE: April 5, 2012

RE: Huhtamaki Oyi

Grantee

- Name: Huhtamaki Oyi
- Corporate Location: Espoo, Finland (corporate headquarters); DeSoto, KS (North American headquarters)
- Corporate Form: Public company ("HUH1V" on Helsinki Stock Exchange)
- Nature of Business: Packaging manufacturer
  - Major customers: Nestle USA, Unilever, Kroger, Starbucks, McDonalds, Hershey, and Wegmans
  - Major Competitors: Rock Tenn, Byrd & Fletcher, Stanpack, and Solo

Financial Information

- Industry: Coated and Laminated Packaging Paper and Plastics Film Manufacturing
- NAICS Code: 322221
- Debt Rating: Not rated
- Stock price[1]:
  - April 5, 2012: $14.01 (€ 10.72)
  - 52-week range: $9.27 - $14.32(€7.09 - €10.96)
- Market Capitalization[2]:$1.5B (€1.14B) as of April 5, 2012
- Analyst Recommendation: No recommendation available
- ESDC credit score: Historical 3 (Satisfactory)
  - Profitability:
    - Sales: Increasing over 3-year historical period.
    - Profit Margin: Above industry median in most recent year.
    - EBITDA: Decreasing over 3-year historical period.
    - Net Income: Increasing over 3-year historical period.
  - Liquidity:

[1] €1.00 = $1.3068 on April 5, 2012
[2] €1.00 = $1.3068 on April 5, 2012

        - Current ratio: Below industry median in most recent year but above 1.
    - Solvency:
        - Total debt/total assets: Below industry median in most recent year and less than 65%.
        - EBITDA/Debt Service: Strong

Huhtamaki Oyi
Years Ending December 31

	Industry Median	**2009**	**2010**	**2011**
Net Sales		2,399,658,000	2,556,858,000	2,677,116,000
EBITDA		322,391,000	282,305,000	257,939,000
Pre-tax Profit		113,577,000	158,117,000	137,812,000
Pre-tax profit/net sales	4.00%	4.73%	6.18%	5.00%
Net Income		98,119,000	195,059,000	115,935,000
Current Assets		830,671,000	953,418,000	931,934,000
Current Liabilities		682,641,000	691,680,000	831,195,000
Current Ratio	1.70	1.22	1.38	1.12
Total Assets		2,303,766,000	2,443,281,000	2,501,576,000
Long-term Debt		385,533,000	370,730,000	341,648,000
Total Debt		517,974,000	490,595,000	528,192,000
Total Liabilities		1,338,820,000	1,331,484,000	1,447,026,000
Net Worth		964,946,000	1,111,797,000	1,054,550,000
Total debt/total assets	0.24	0.22	0.20	0.21
EBITDA/Debt Service		2.79	2.90	1.96

1 EURO = 1.31 USD on 1/31/2011

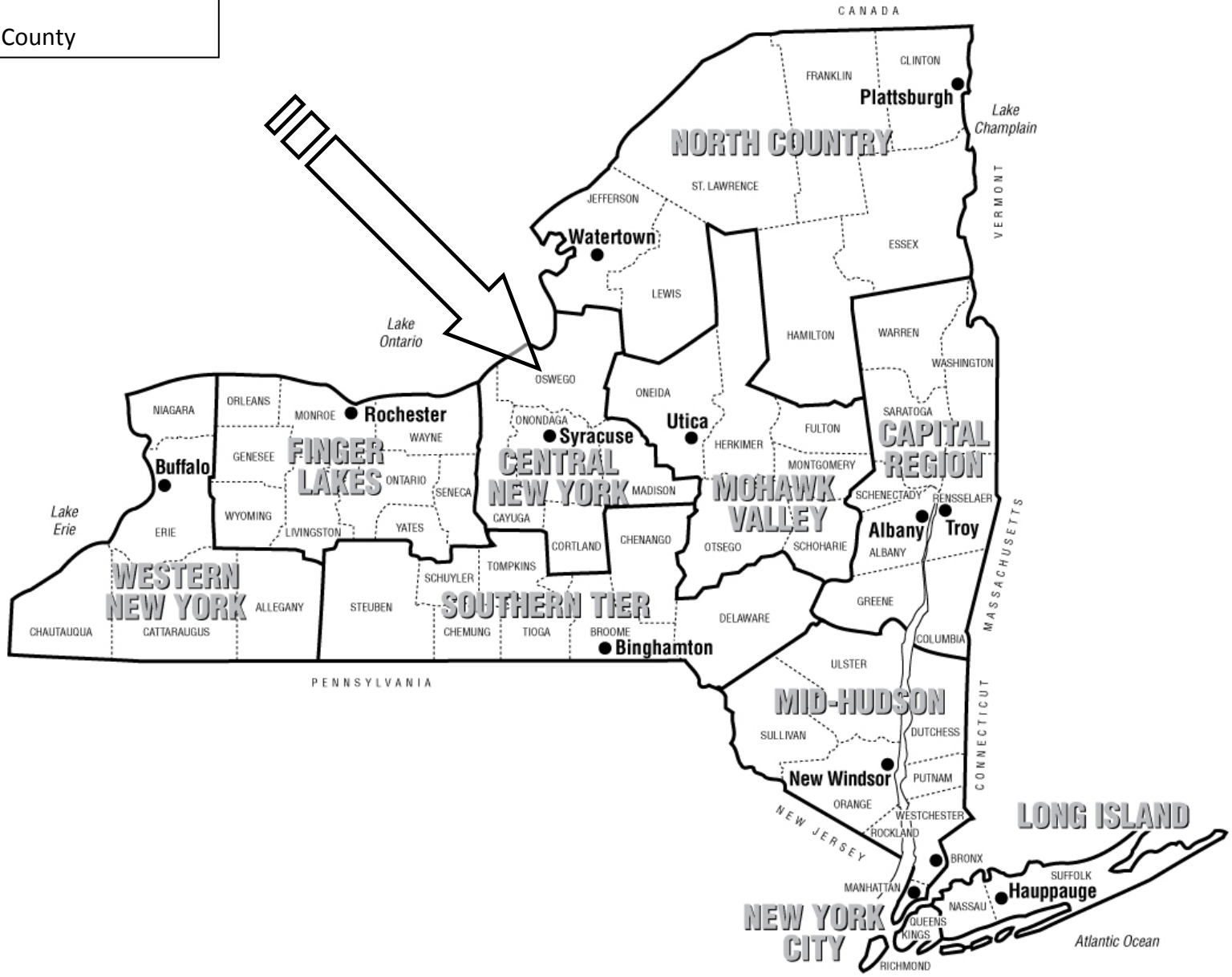
Additional Information

- The Company's current ratio is below the industry media due to increased reliance on a credit line.

ESD Credit Rating Definitions:

Rating (Score)	**Definition**
Very Good (5)	The Company is strong in all 3 areas of profitability, liquidity, and long-term solvency.
Good (4)	The Company is extremely solvent and liquid.
Satisfactory (3)	The Company is strong in the areas of profitability and liquidity, but not long-term solvency.
Fair (2)	The Company is strong in only one of the areas of profitability, liquidity, and long-term solvency.
Marginal (1)	The Company is not strong in any of the areas of profitability, liquidity, and long-term solvency.
Poor (0)	The Company is very weak in all areas of profitability, liquidity, and long-term solvency.

Huhtamaki MAP Capital
Fulton
Oswego County



FOR CONSIDERATION
April 17, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Huron (Finger Lakes Region – Wayne County) – Empire Fruit Growers Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

---

General Project Plan

I. Project Summary

Grantee: Empire Fruit Growers Co-Op, Inc. ("EFG" or the "Company"

ESD* Investment: A grant of up to $175,000 to be used for a portion of the cost of the purchase of machinery and equipment.

* The New York State Urban Development Corporation doing business as the Empire State Development Corporation ("ESD" or the "Corporation")

Project Location: 10561 Ridge Road, Huron, Wayne County

Proposed Project: The Company will acquire land, build a new 71,520 square foot facility and install new machinery and equipment to meet the new, more stringent food safety requirements for exports and domestic sales.

Project Type: Business expansion involving job retention and creation.

Regional Council: The Finger Lakes Regional Council has been made aware of this item. The project predates the Regional Council Initiative. The Incentive Offer was accepted in March 2011. The project is consistent with the Regional Plan.

Employment:	Initial employment at time of ESD Incentive Offer:	26
	Current employment level:	46
	Minimum employment through January 1, 2016:	44

II. Project Cost and Financing Sources

Financing Uses	Amount
Construction/Renovation	$3,234,398
Machinery and Equipment Acquisition	3,166,570
Real Estate Acquisition	13,220
Infrastructure/Site Work	137,498
Additional project costs	148,303
Total Project Costs	$6,699,984

Financing Sources	Amount	Percent	Rate/Term/Lien
ESD-Grant	$175,000	3%	
Lyons National Bank - Loan	2,140,000	32%	5.6%/20 yrs/first lien on RE
Lyons National Bank - Loan	1,993,207	30%	5.15%/7 yrs/ 2nd lien on ME
Lyons National Bank - Loan	75,000	1%	3.5%/7yr/1st lien on assets
Wayne Co. IDA - Loan	300,000	4%	3.25%/20yrs/2nd lien on assets
New York Apple Sales	400,000	6%	promissory note - 5%/1yr
Rochester Gas & Electric-Grant	135,000	2%	
NYSERDA - Grant	63,000	1%	
Company Equity	1,418,776	21%	
Total Project Financing	$6,699,984	100%	

III. Project Description

A. Company

Industry: Empire Fruit Growers Co-Op, Inc., specializes in apple growing, packing and shipping.

Company History: Incorporated in 1988, Empire Fruit Growers Co-op is a state-of-the-art apple packing and marketing facility located in Finger Lakes Region. EFG consists of five farm owners: Doyle Farms, Teeple Farms, Tree Crisp Orchards, Wafler Farms, and VanFleet Orchards. Forming a Co-Op provided each owner a secure portion of the market for their apple crops and allows EFG to remain competitive. The five founding members of Empire Fruit Growers combined their resources and purchased a 15,000 square foot packing facility along with six acres of land. The facility was

later transformed into a state-of-the-art computer packing line to supply high quality products.

Ownership: Empire Fruit Growers Co-Op, Inc. is a privately owned for-profit company. The Company consists of five farm owners: Doyle Farm, Inc., Teeple Farms, Inc., Tree Crisp Orchards LLC, Wafler Farms, Inc., and VanFleet Orchards LLC.

Size: The Company has one manufacturing operation in the Finger Lakes Region.

Market: The Company's customers include Wal-Mart, Costco, Food Lion, Sam's Club and C&S Wholesale Grocers. Their major competitors are located in Washington which is the largest apple producer in the United States

ESD Involvement: As a result of increased apple production, the EFG facility was not equipped to handle the increased volume. The facility was near the end of its useful life and moreover due to the age of the building, EFG was no longer able to meet food safety requirements. To continue packing at the old facility would have required an extremely large capital investment. The Company was faced with either moving to a larger more efficient facility or close the business in its current location. The loss of the facility would cause an extreme economic loss to the member farms and to the 26 employees. To encourage the Company to proceed with the project, ESD provided an incentive offer for a $175,000 capital grant, which was accepted in March 2011.

Competition: Without the ESD's assistance the Company would have been forced to close down the facility.

Past ESD Support: This is the Company's first project with ESD.

B. The Project

Completion: September 2011

Activity: The project began September 2010 with the purchase of 4.9 acres of land located in Wolcott, NY to construct a new 71,520-square foot facility. The work completed to date includes: installation of roads, electric service water services, purchase and installation of new packing equipment, and construction of a new packing facility. The project was completed in September 2011 and the facility is fully operational.

Results: As a result of the Project, EFG will install a 6 lane packing line and will be able to more than double its manufacturing and distribution from

300,000 packed boxes to 700,000 packed boxes of apples per year. The Company will employ 44 people, including 18 new full time jobs in an area that desperately needs them.

Grantee Contact: Bryan D. Doyle, President
10561 Ridge Road
Huron, NY 14590
Phone: (315) 660-0051 Fax: (315) 660-0055

ESD Project No.: X364

Project Team:		
	Origination	Helen Blum
	Project Management	Beverly Bobb
	Affirmative Action	Helen Daniels
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the $175,000 capital grant ($1,750) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

5. Up to $175,000 will be disbursed to the Grantee in three installments as follows:
   a) an Initial Disbursement of an amount equal to 50% of the grant ($87,500) upon

completion of the project substantially as described in these materials, purchase and installation of approximately $2.765 million in machinery and equipment; submission of documentation verifying project expenditures approximately $5,763,200 and documentation of the employment of at least 28 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;

b) a Second Disbursement of an amount equal to 25% of the grant ($43,750) will be disbursed upon documentation of the employment of at least 36 Full-time Permanent Employees at the Project Location (Employment Increment of 8), provided Grantee is otherwise in compliance with program requirements;

c) a Third Disbursement of an amount equal to 25% of the grant ($43,750) will be disbursed upon documentation of the employment of at least 44 Full-time Permanent Employees at the Project Location (Employment Increment of 8), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after March 23, 2011, to be considered eligible project costs. All disbursements must be requested by April 1, 2014.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $175,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company 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.

7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

(i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;

(ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;

(iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;

(iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
(v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	26

A	B
Reporting Date	Employment Goals
February 1, 2013	26+X+Y+Z
February 1, 2014	26+X+Y+Z
February 1, 2015	26+X+Y+Z
February 1, 2016	26+X+Y+Z
February 1, 2017	26+X+Y+Z

X = Grantee's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section C.5 above (i.e. X=2, and Employment Goals shall equal [26 + X =28] if the First Disbursement is made, in the year such disbursement is made and for each year thereafter). If the First Disbursement has not yet been made then X=0.
Y = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. Y=8, and Employment Goals shall equal [26 + X + Y = 36] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.
Z = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Z=8, and Employment Goals shall equal [26 + X + Y + Z = 44] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

IV. Statutory Basis

1. The proposed 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 Company will maintain its employment level of 26 and create 18 new jobs.

2. The proposed project would be unlikely to take place in New York State without the requested assistance.
Without ESD assistance to lower costs and make the Company's facility competitive with one in Washington State, the cost would have been too high to make the project

feasible in New York.

3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at $1,541,363;
- Fiscal cost to NYS government is estimated at $175,000;
- Project cost to NYS government per direct job is $5,303;
- Project cost to NYS government per job (direct plus indirect) is estimated at $2,450;
- Ratio of project fiscal benefits to costs to NYS government is 8.81:1;
- Fiscal benefits to all governments (state and local) are estimated at $2,586,474;
- Fiscal cost to all governments is $175,000;
- All government cost per direct job is $5,303;
- All government cost per total job is $2,450;
- The fiscal benefit to cost ratio for all governments is 14.78:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $10,805,236, or $151,251 per job (direct and indirect);
- The economic benefit to cost ratio is 61.74:1;
- Project construction cost is $3,371,896, which is expected to generate 31 direct job years and 22 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.17 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

4. The requirements of Section 10(g) of the Act are satisfied.
No residential relocation is required because there are no families or individuals residing on the site.

V. Environmental Review

The Wayne County Industrial Development Agency, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on October 22, 2010. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Affirmative Action

ESD's Non-Discrimination and Affirmative Action policy will apply. The client is encouraged to include minorities and women in any job opportunities created by the Project and to solicit and utilize Minority and Women-owned Business Enterprises for any contractual opportunities generated in connection with the Project.

VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs.

VIII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

X. Additional Submissions to Directors

Resolutions
New York State Map
Benefit-Cost Analysis

April 17, 2012

Huron (Finger Lakes –Wayne County) – Empire Fruit Growers Capital – Empire State Economic Development Fund - General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Empire Fruit Growers Capital - Empire State Economic Development Fund – General Development Financing (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that

1. The proposed 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;

2. The project would be unlikely to take place in New York State without the requested assistance;

3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;

4. There are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Empire Fruit Growers Co-Op, Inc. a grant for a total amount not to exceed One Hundred Seventy Five Thousand Dollars ($175,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

April 17, 2012

Huron (Finger Lakes – Wayne County) – Empire Fruit Growers Capital Empire State Economic Development Fund – General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Empire Fruit Growers Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Project Summary
Benefit-Cost Evaluation[1]

Empire Fruit Growers Co-Op, Inc.

Initial Jobs:	**26**	**Construction Job Years (Direct):**	**31**
New Jobs:	**18 in one year**	**Construction Job Years (Indirect)**:	**22**

Evaluation Statistics	Project Result NYS Govt.	NYS Govt. Benchmarks for ESD Projects[2]	Project Results State & Local Governments	State & Local Government Benchmarks for ESD Projects
Fiscal Costs[3]	$175,000	$794,250	$175,000	$1,020,500
Fiscal Benefits[4]	$1,541,363	$2,085,600	$2,586,474	$4,271,980
Fiscal Cost /Direct Job	$5,303	$3,000	$5,303	$4,110
Fiscal Cost/Total Jobs	$2,450	$1,424	$2,450	$1,964
Fiscal B/C Ratio	8.81	7.00	14.78	10.60

	Project Results	Benchmarks for ESD Projects
Economic Benefits[5]	$10,805,236	$119,468,000
Econ. Benefits/Total Jobs	$151,251	$147,600
Economic B/C Ratio	61.74	50.00

[1] Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

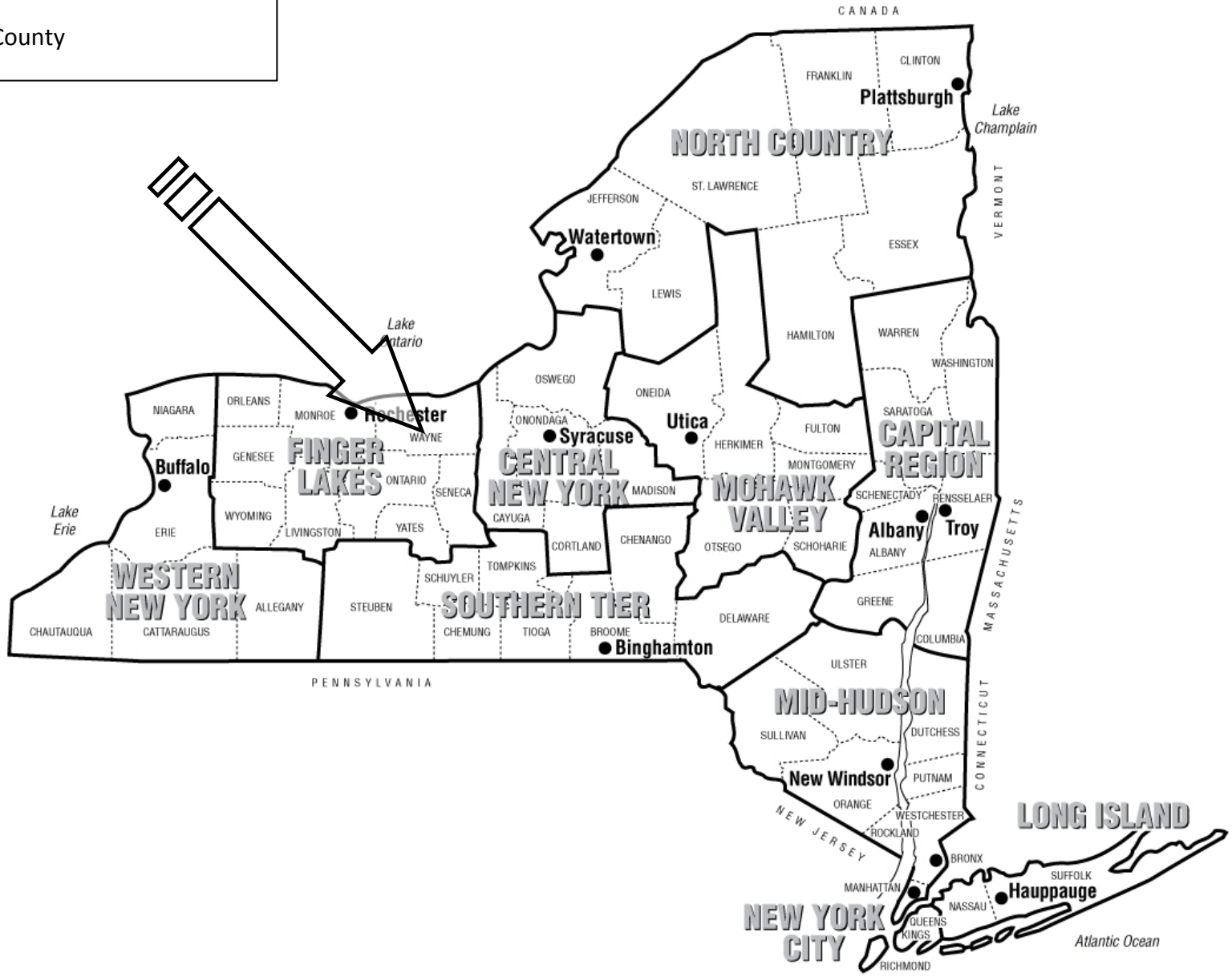
[2] The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects.

[3] Fiscal cost includes the value of grants, loans and associated default risks, and discretionary subsidies (such as tax exemptions or abatements on sales, property, and interest income).

[4] Fiscal benefits are the loan repayments and tax revenues to New York State and Local governments generated by project activity. This includes estimated taxes on personal incomes from project direct and indirect employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

[5] Economic benefits are estimated project benefits measuring fiscal flows to government plus net resident disposable income from project direct and indirect employment net of transfers, without adjusting for individual income earners' opportunity cost of employment.

Empire Fruit Growers Capital
Huron
Wayne County



FOR CONSIDERATION
April 17, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Discretionary Projects Consent Calendar

REQUEST FOR: Findings and Determinations Pursuant to Sections 10(g) and 16-m of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions; Determination of No Significant Effect on the Environment

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Attached are summaries of discretionary projects requesting ESDC assistance of $100,000 and under in the following categories:

Empire State Economic Development Fund

	Project Name	Proj #	Grantee	Assistance up to
	General Development Financing Projects			
A.	Precisionmatics Capital	X328	Precisionmatics Co., Inc.	$100,000
B.	D4 Capital	X249	D4, LLC	75,000
			TOTAL	**$175,000**

The provision of ESD* financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

*The New York State Urban Development Corporation doing business as the Empire State Development Corporation ("ESD" or the "Corporation")

Environmental Review

Unless otherwise noted on a project summary, ESD staff has determined that the projects constitute Type II actions as defined by the New York State Environmental Quality Review Act and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the projects.

Affirmative Action

ESD's Non-Discrimination and Affirmative Action policy will apply to the projects. In the case of training, global export market service and productivity improvement projects, the grantees and/or the beneficiary companies, as applicable, are encouraged to provide for the meaningful participation of minorities and women in any job or training opportunities created by the projects and to solicit and utilize Minority and Women-owned Businesses for any contractual opportunities generated in connection with the projects.

For all other projects, unless otherwise noted on a project summary, grantees agree to use their best efforts to include minorities and women in any job opportunities created by the projects and to solicit and utilize Minority and Women-owned Business Enterprises for any contractual opportunities generated in connection with the projects.

Reallocation of Funds

ESD may reallocate each project's funds to another form of assistance, at an amount no greater than the amount approved, for the same project if ESD determines that the reallocation of the assistance would better serve the needs of the recipient 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.

ESD Employment Enforcement Policy

Unless otherwise noted on a project summary, the ESD Employment Enforcement Policy will not apply because these projects do not directly create jobs.

Statutory Basis

A. Empire State Economic Development Fund
Please see individual project summaries for factual bases for items 1, 2, and 3.

1. Each proposed 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.

2. Each proposed project would be unlikely to take place in New York State without the requested assistance.

3. Each proposed project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.

4. The requirements of Section 10(g) of the Act are satisfied.
   No residential relocation is required in connection with any project involving the acquisition, construction, reconstruction, rehabilitation, or improvement of property because no families or individuals reside on the sites.

Attachments
New York State Map
Resolutions
Project Summaries

April 17, 2012

Empire State Economic Development Fund – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

---

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Empire State Economic Development Fund Projects identified below (the "Projects"), the Corporation hereby determines pursuant to Section 16-m of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that

1. The Projects 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.

2. The Projects would be unlikely to take place in New York State without the requested assistance.

3. The Projects are reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.

4. There are no families or individuals to be displaced from the project area(s); and be it further

RESOLVED, that with respect to the General Development Financing Capital Projects, the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") for the Projects submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s), that no substantive negative testimony or comment has been received at the public hearings held on the Plan, such Plan shall be effective at the conclusion of such hearings, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grants, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grants as he or she may deem necessary or appropriate in the administration of the grants; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals;

Empire State Economic Development Fund

	Project Name	**Proj #**	**Grantee**	**Assistance up to**
	General Development Financing Projects			
A.	Precisionmatics Capital	X328	Precisionmatics Co., Inc.	$100,000
B.	D4 Capital	X249	D4, LLC	75,000
			TOTAL	**$175,000**

and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

A. Precisionmatics Capital (X328)

April 17, 2012

General Project Plan

Grantee: Precisionmatics Co., Inc. ("Precisionmatics" or the "Company")

ESD Investment: A grant of up to $100,000 to be used for a portion of the cost to purchase and install machinery and equipment.

Project Location: 100 Helmer Avenue, West Winfield, Herkimer County

Proposed Project: Purchase and install new machinery and equipment and make upgrades to the Company's existing plant.

Project Type: Business improvement including the retention and creation of jobs.

Regional Council: The Mohawk Valley Regional Council has been made aware of this item. The project predates the Regional Council Initiative. The Incentive Proposal was accepted in December 2010. The project is consistent with the Regional Plan.

Employment:

Initial employment at time of ESD Incentive Offer	47
Current employment level:	60
Minimum employment through January 1, 2016:	52

Background:

Industry – Precisionmatics is a manufacturer of precision machine parts used in the aerospace, firearms, medical and specialized industrial markets and designed according to customer specifications.

Company History - Precisionmatics was established in 1970 and is a privately owned company. Located in a 28,000-square-foot building in the town of West Winfield, the Company started out making machinery parts that other companies did not manufacture. Precisionmatics pioneered the use of Computer Numerical Control ("CNC") equipment in the 1980's when other companies were using manual machines. CNC equipment refers to automated machine tools that operate on computer programmed commands. The Company remained competitive by specializing in CNC tuning and other high technology models. One of the Company's early customers was Simmonds Precision of Norwich, New York; today, it is known as GE/Unison, a world leader in aviation technology. Precisionmatics' top three customers are Goodrich Aerospace, Union Industries and Remington Arms.

The Company operates a state of the art facility with over fifty CNC lathes, mill/turn lathes,

and robotic loading type machines. The Company continues to stay on top of emerging technology in the machining field, researching and purchasing new equipment and designs that produce highly accurate and consistent machined parts for customers. The Company utilizes CNC methods and to concentrate on hard to work metals such as stainless steel and high temperature alloys.

Ownership – The Company is privately owned.

Size – The Company operates out of one 28,000-square-foot facility in New York State.

Market – Precisionmatics targets customers in the aerospace, military, firearms, medical, and specialized industries.

ESD Involvement – To encourage the Company to proceed with its business improvement plan, ESD provided an incentive proposal of a $100,000 capital grant, which was accepted in December 2010.

Competition – The machining services field has become very competitive as many smaller machine manufacturers have begun using CNC equipment. Although using CNC equipment does not guarantee a successful manufacturing facility, the businesses that flourish have access to the correct equipment and systems to support a sufficient inventory and respond to customers fluctuating needs and schedules.

Past ESD Support – This is the first ESD grant to the Company.

The Project:

Completion – November 2011

Activity – Through its work, the Company has been cited by its top customers as one of their strongest suppliers. However, in 2009, Precisionmatics identified a need to improve its competitive edge in the highly demanding and ever changing market for aerospace, firearms, medical and specialized industrial markets. An evaluation of its machinery and facility capabilities revealed shortfalls in specific areas that could affect supplier status. To meet the challenges of competing with other vendors and maintaining its top supplier status, Precisionmatics developed a plan to improve these critical areas. As part of its improvement plan, the Company's facility was re-organized into cells to manufacture machine parts based on size and customer specifications. In addition, the company has upgraded its facility with new machinery and equipment.

Results – Retain 47 existing jobs and create 5 new jobs by January 1, 2016. The Company has already exceeded their goal and has 60 Full Time employees at the project site.

A. Precisionmatics Capital (X328)
April 17, 2012

The project was complete in November 2011.

Financing Uses	Amount	Financing Sources	Amount	Percent
Renovation	$71,000	ESD Grant	$100,000	12%
Machinery & Equipment	749,375	Company Equity	100,000	12%
Furniture fixtures	6,000	Herkimer IDA - Loan*	75,000	9%
Soft costs	34,000	Bank of Utica - Loan**	435,375	51%
		Mohawk Valley Rehbilitation Corporation - Loan***	75,000	8%
		Herkimer IDA Grant	75,000	8%
Total Project Costs	$860,375	Total Project Financing	$860,375	100%

* 3%/7year/N/A
** 3.35%/5year/N/A
***4%/ 7year/N/A

Grantee Contact - John Pustay, Secretary/Treasurer
100 Helmer Avenue
West Winfield, NY 13491
Phone: (315) 822-6324 Fax: (315) 822-6944

Project Team -

Origination	Joseph Falcone
Project Management	Simone Bethune
Affirmative Action	Denise Ross
Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the $100,000 capital grant ($1,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.

3. The Company will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so

requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

5. Up to $100,000 will be disbursed to the Grantee in three installments as follows:
   a) an Initial Disbursement of an amount equal to 50% of the grant ($50,000) upon completion of the project substantially described in these materials, documentation of purchase and installation of approximately $749,375 in machinery and equipment, documentation verifying total project expenditures of approximately $860,375, and documentation of the employment of at least 47 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
   b) a Second Disbursement of an amount equal to 25% of the grant ($25,000) will be disbursed upon documentation of the employment of at least 50 Full-time Permanent Employees at the Project Location (Employment Increment of 3), provided Grantee is otherwise in compliance with program requirements;
   c) a Third Disbursement of an amount equal to 25% of the grant ($25,000) will be disbursed upon documentation of the employment of at least 52 Full-time Permanent Employees at the Project Location (Employment Increment of 2), provided Grantee is otherwise in compliance with program requirements.

   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 December 27, 2010, to be considered eligible project costs. All disbursements must be requested by April 1, 2014.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $100,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company 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.

7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

(i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
(ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
(iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
(iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
(v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

A. Precisionmatics Capital (X328)
April 17, 2012

Baseline Employment	47
A	**B**
Reporting Date	Employment Goals
February 1, 2013	47+X+Y
February 1, 2014	47+X+Y
February 1, 2015	47+X+Y
February 1, 2016	47+X+Y
February 1, 2017	47+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section 5 above (i.e. X=3, and Employment Goals shall equal [47 + X = 50] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.
Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section 5 above (i.e. Y=2, and Employment Goals shall equal [47 + X + Y = 52] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

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.
   As a result of this project, the Company will maintain its employment level of 47 and create 5 new jobs.

2. The project would be unlikely to take place in New York State without the requested assistance.
   ESD's assistance provided the necessary financing to close a funding gap that would have made the project unfeasible in New York.

3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
   Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be $617,829, which exceed the cost to the State.

4. The requirements of Section 10(g) of the Act are satisfied.
   See cover memo.

B. D4 Capital (X249)
April 17, 2012

General Project Plan

Grantee: D4, LLC ("D4" or the "Company")

ESD Investment: A grant of up to $75,000 to be used for a portion of the cost of the purchase of machinery and equipment.

Project Locations: 222 Andrews Street, Rochester, Monroe County*
1999 Mt. Read Blvd, Rochester, Monroe County
Main Court Building, 438 Main Street, Buffalo, Erie County
211 E. 43rd Street, Suite 1804, Manhattan, New York County

* Project activity site; others are job-retention sites

Proposed Project: Purchase of new machinery and equipment for data center.

Project Type: Business expansion involving job retention and creation.

Regional Council: The Finger Lakes Regional Council has been made aware of this item. The project predates the Regional Council Initiative. The Incentive Offer was accepted in November 2010. The project is consistent with the Regional Plan.

Employment:

Initial employment at time of ESD Incentive Offer:	55
Current employment level:	67
Minimum employment on January 1, 2014:	85

Background:

Industry - D4 is a discovery management and litigation support company, providing a full scope of eDiscovery and data collection services, including data preservation and forensic evidence collection.

Company History - D4 began in 1997 as Doculegal, a document copying and scanning company serving upstate NY. In 2005, the Company created a forensic laboratory and data collection team based on the industry's best practices for handling electronic evidence. Following the explosion of electronically stored information, the Company officially became D4 in 2006 and broadened its services to include electronic information retrieval, data management/protection and forensic tools to capture Internet-based evidence. In 2010, D4 merged with layerONE Media of Rochester, NY. The merged entity provides a full array of electronic media services.

B. D4 Capital (X249)
April 17, 2012

Ownership - The Company is privately owned.

Size - D4 has grown to over 110 employees with operations in Rochester (corporate headquarters), Buffalo, New York City, Tampa, Orlando, Grand Rapids, Omaha, Lincoln and San Francisco. It also has additional sales offices in Denver and San Diego. The Company has 55 employees in New York State.

Market - The Company serves the legal and business sectors. Customers include BP, Nvidia, Bissell, Whirlpool, Xerox, Bausch & Lomb, Kodak, Nixon Peabody, and other corporations and law firms. Competitors include SFL Data-San Francisco, Renew Data, DTI-Atlanta, and CDS-NY.

ESD Involvement - The Company operates nationally with locations in six states including New York. In 2010, after purchasing and renovating a building for its corporate headquarters, D4 searched for a location for a new data center to support its entire operations. D4 approached ESD for assistance. ESD offered a $75,000 capital grant, which the Company accepted in November 2010. Without assistance from ESD and from the City of Rochester, the project was unlikely to occur in New York.

Competition - San Jose, CA.

Past ESD Support - This is the Company's first project with ESD.

The Project:

Completion - October 2011

Activity - The Company has equipped a portion of its 11,200-square-foot building in Rochester with a data center to allow D4 to house sensitive client data. The result will be increased capacity and productivity, by eliminating the need to transport data to offsite locations. Equipment includes a 10-gigabyte storage array, commercial intrusion system, closed circuit TV, alarm system, air conditioning units and a natural gas generator.

Results - Retain 55 existing jobs, 20 of which were at risk of relocation to another state, and create 30 new jobs.

B. D4 Capital (X249)
April 17, 2012

Financing Uses	Amount	Financing Sources	Amount	Percent
Data Center & Related Equipment	$ 549,420	ESD Grant	$ 75,000	14%
		City of Rochester - Loan*	200,000	36%
		Company Equity	274,420	50%
Total Project Costs	$ 549,420	Total Project Financing	$ 549,420	100%

* 1%/10 years/Letter of Credit

Grantee Contact - John K. Holland, CEO
222 Andrews Street
Rochester, Rochester, NY 14604
Phone: (585) 385-4040 Fax: (585) 672-9026

Project Team -

Origination	Kevin Hurley
Project Management	Edward Muszynski
Affirmative Action	Helen Daniels
Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the $75,000 capital grant ($750) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.

3. The Company will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and

who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

5. Up to $75,000 will be disbursed to the Grantee in three installments as follows:
   a) an Initial Disbursement of an amount equal to 50% of the grant ($37,500) upon documentation of machinery and equipment project costs totaling $549,420, and documentation of the employment of at least 55 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
   b) a Second Disbursement of an amount equal to 25% of the grant ($18,750) will be disbursed upon documentation of the employment of at least 70 Full-time Permanent Employees at the Project Location (Employment Increment of 15), provided Grantee is otherwise in compliance with program requirements;
   c) a Third Disbursement of an amount equal to 25% of the grant ($18,750) will be disbursed upon documentation of the employment of at least 70 Full-time Permanent Employees at the Project Location (Employment Increment of 15), provided Grantee is otherwise in compliance with program requirements.

   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 November 10, 2010, to be considered eligible project costs. All disbursements must be requested by April 1, 2014.

6. 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 Company 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.

7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

   The Recapture Amount is based on the time that has lapsed between when the Grant

funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

(i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
(ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
(iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
(iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
(v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	55

A	B
Reporting Date	Employment Goals
February 1, 2013	55+X+Y
February 1, 2014	55+X+Y
February 1, 2015	55+X+Y
February 1, 2016	55+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section 5 above (i.e. X=15, and Employment Goals shall equal [55 + X = 70] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.
Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section 5 above (i.e. Y=15, and Employment Goals shall equal [55 + X + Y = 85] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

B. D4 Capital (X249)
April 17, 2012

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 Company will maintain its employment level of 55 employees, including retention of 20 jobs which were at risk of relocation to another state. In addition, the Company will create 30 new jobs.

2. The project would be unlikely to take place in New York State without the requested assistance.
   The Company considered relocating its data center to California. ESD's assistance helped to reduce costs and make the project feasible in New York.

3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
   Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be $1,517,303, which exceed the cost to the State.

4. The requirements of Section 10(g) of the Act are satisfied.
   See cover memo.

FOR CONSIDERATION
April 17, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Non-Discretionary Projects

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the General Project Plan; Authorization to Amend the Project Scope; Authorization to Make Grants and to Take Related Actions; Adoption of Findings Pursuant to the State Environmental Quality Review Act

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Attached are the summaries of projects sponsored by the New York State Executive and Legislative branches:

	Project Name	**Proj #**	**Grantee**	**Assistance up to**
	Local Assistance (Senate)			
A	GGLDC – Western New York Science, Technology and Advanced Manufacturing Park Capital	X544	Genesee Gateway Local Development Corporation	2,000,000
	1 project		**Sub-total**	**$2,000,000**

	Strategic Investment Program (Senate)			
B	Town of Islip – Drainage Improvements Capital	P720	Town of Islip	0[1]
	1 - this $440,000 grant was approved by the ESD Directors on June 26, 2002. The subject request is to amend the project scope, and does not involve new funding.			
	1 project		**Sub-total**	**$0**
	TOTAL NON-DISCRETIONARY – 2 PROJECTS		**TOTAL**	**$2,000,000**

I. Statutory Basis

The projects are sponsored by the Executive, Assembly or Senate, and were authorized or reappropriated in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site(s).

II. Environmental Review

Unless otherwise noted on a project summary, ESD* staff has determined that the projects constitute Type II actions as defined by the New York State Environmental Quality Review Act and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the projects.

* The New York State Urban Development Corporation doing business as the Empire State Development Corporation ("ESD" or the "Corporation")

III. Affirmative Action

ESD's Non-Discrimination and Affirmative Action policy will apply to the projects. Unless otherwise noted on a project summary, grantees and/or the beneficiary organizations, as applicable, are encouraged to provide for the meaningful participation of minorities and women in any job or training opportunities created by the projects and to solicit and utilize Minority and Women-owned Businesses for any contractual opportunities generated in connection with the projects.

IV. ESD Employment Enforcement Policy

Unless otherwise noted on a project summary, the ESD Employment Enforcement Policy will not apply since the projects will not directly create or retain jobs.

V. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

VI. Additional Requirements

Pursuant to direction received from the New York State Office of the Attorney General ("OAG"), individual project summaries may be subject to comment and approval by the OAG.

Due diligence has been exercised by ESD staff in reviewing information and documentation received from grantees/borrowers and other sources, in preparation for bringing projects to the ESD Directors for approval. The due diligence process also involves coordination with a number of external constituents, including the OAG, and grantees/borrowers have provided ESD with the required Disclosure and Accountability Certifications.

Also, pursuant to s.2879-a of the Public Authorities Law, the Office of the State Comptroller ("OSC") has notified the Corporation that it will review all grant disbursement agreements ("GDAs") of more than one million dollars ($1 million) that are supported with funds from the Community Projects Fund ("007"). Such GDAs, therefore, will not become valid and enforceable unless approved by the OSC. A clause providing for OSC review will be included in all GDAs that are subject to such approval.

VII. Additional Submissions to Directors

New York State Maps
Resolutions
Project Summaries

April 17, 2012

Local Assistance - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Adoption of Findings Pursuant to the State Environmental Quality Review Act

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Local Assistance Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area(s); and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written findings of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from Local Assistance, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

Local Assistance – Senate – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
A	GGLDC – Western New York Science, Technology and Advanced Manufacturing Park Capital	X544	Genesee Gateway Local Development Corporation	2,000,000
			TOTAL	**$2,000,000**

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

April 17, 2012

Strategic Investment Program – Authorization to Amend the Project Scope; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Strategic Investment Program Project (the "Project"), in accordance with Chapter 55 of the Laws of 2000, the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area(s); and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from the Strategic Investment Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

Strategic Investment Program – Senate – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
B	Town of Islip – Drainage Improvements Capital	P720	Town of Islip	0[1]
	1 - this $440,000 grant was approved by the ESD Directors on June 26, 2002. The subject request is to amend the project scope, and does not involve new funding.			
			TOTAL	**$0**

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

A. GGLDC - Western New York Science, Technology and Advanced Manufacturing Park Capital (X544)

April 17, 2012

General Project Plan

Grantee: Genesee Gateway Local Development Corporation ("GGLDC")

ESD Investment: A grant of up to $2,000,000 to be used for a portion of the cost of land acquisition, design, engineering, infrastructure construction, and other soft costs to prepare and market an industrial park site.

Project Location: Town of Alabama, Genesee County

Proposed Project: Acquire land, and design and construct roadways, electrical and water services to accommodate the first one million square feet of an advanced manufacturing mega site, called the Western New York Science, Technology and Advanced Manufacturing Park ("STAMP").

Project Type: Development of a shovel-ready industrial site to attract major companies.

Regional Council: The Finger Lakes Regional Council has been made aware of this item. The project is consistent with the Regional Plan (the "Plan") due to its focus on advanced manufacturing. Additionally, STAMP is listed in the Plan as a priority project for regional industrial development and infrastructure.

Background:

Industry – Based on studies by the Grantee, it is expected that there will be significant opportunities for semiconductor, flat panel display, photovoltaic, and bio-manufacturing projects at the STAMP site.

Grantee History – GGLDC is an affiliate of the Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center ("GCEDC"). GGLDC was established in 2004 to handle industrial park development, including receipt of grants and loans, and serves as a conduit for such assistance to private companies. In addition to the STAMP project, GGLDC has completed five park developments: Gateway II Corporate Park, Upstate Med & Tech Park, Buffalo East Technology Park, Genesee Valley Agri-Business Park, and Apple Tree Acres Corporate Park. All of these parks have their infrastructure completed and are able to accommodate new business developments.

GGLDC has identified a market need to develop a much larger park than those mentioned above. Such a mega site, of at least 1,000 acres, would seek to attract a large-scale advanced manufacturing project. The Grantee has identified such a site in the Town of Alabama, and has undertaken preliminary multi-faceted studies to determine the feasibility of such a development. GGLDC realizes that, given the massive infrastructure and other demands and issues associated with such a site, there are very few such feasible projects in New York State ("NYS") or even in the U.S. An example of such a mega site is the Luther Forest project in the Capital Region, a multi-year effort that required a very significant infrastructure build-out and attracted chip-maker AMD, which is locating its new affiliate Global Foundries at the site. STAMP is the second such mega site in NYS.

Ownership – GGLDC was formed in 2004 to undertake GCEDC's real estate development and has similar officers and board as GCEDC. GGLDC currently owns 50 acres and has options on an additional 1,100 acres for the STAMP project.

Size – 1,000 acres or greater

Market – See Industry section above.

ESD Involvement – A $2 million appropriation was included in the Fiscal Year 2011-2012 New York State budget.

Competition – Companies often conduct national site competitions for sites like the STAMP project. To be competitive, the site must be shovel ready.

Past ESD Support - In September 2009, ESD approved a $1 million Senate-sponsored grant for an earlier phase of STAMP, for feasibility studies, and for environmental and community outreach, of which $900,000 has been disbursed to date. From 2002 to 2007, ESD approved five Build Now NY loans and grants totaling $497,200 for soft costs related to pre-permitting associated with other high-tech parks being developed. All of these projects were successfully completed and the funds were disbursed.

The Project:

Completion – December 2012 (Phase III)

Activity – This is Phase III, implementation. It is expected that there will be one major company locating at the park. In preparation, the building layout and infrastructure, such as water, electric and roadways, need to be designed and constructed. Grantee plans to purchase approximately 100 acres at the STAMP site that it has under option.

This will bring the total acreage that Grantee owns to nearly 150 acres. Upon acquisition, GGLDC and consultants CH2MHill and Clark Patterson Lee will begin design and engineering to accommodate the first one million square feet of manufacturing space. The consultants also need to complete a number of environmental, archeological and regulatory-issue studies. The Grantee will aggressively market the site and marketing consultants will be selected, with the goal of attracting the first company to the park.

CH2M HILL, located in Moon Township, PA, is a multi-disciplinary consultant that has been involved in economic analysis, financial benchmarking, project strategy, and oversight in previous phases of STAMP. The firm was selected based on its worldwide experience with similar large- scale development projects, including the Luther Forest development in Saratoga County.

Clark Patterson Lee Associates ("CPL") located in Rochester, is the Grantee's main engineering firm. CPL has proven to be a valuable resource and partner in the last several of GGLDC's park developments, and has focused on land use actions, comparable sites benchmarking, engineering, and environmental aspects in previous phases of STAMP.

Conservation Connects, headquartered in Alexander, NY, will focus on Federal wetlands permits and other environmental issues. The Grantee has previously worked with this firm.

Phillips Lytle is a full-service law firm with offices throughout New York State. It will be the legal consultant on the project.

National Grid ("NG"), headquartered in Syracuse, is the primary electric utility in Genesee County, and serves over 3.4 million customers in New York and New England. NG is providing a grant for the project and has been an active partner with GGLDC in its park developments.

Results – The goal is to develop an advanced manufacturing industrial park to market to prospective companies. Currently no other site venue is available in the immediate area.

The project (Phase III) is scheduled to be completed by the end of 2012. Full build-out of the park over 20 years is expected to create an estimated 9,330 new jobs by 2032. These projections are based on an economic impact analysis prepared by BBP & Associates, economic consultants, based in Annapolis, MD.

GGLDC - Western New York Science, Technology and Advanced Manufacturing Park Capital (X544)

April 17, 2012

Financing Uses	Amount	Financing Sources	Amount	Percent
Land Acquisition	$433,000	ESD Grant	$2,000,000	85%
Roadways and Other Infrastructure	600,000	National Grid	350,000	15%
Consultant Fees for engineering, design and environmental studies	667,000			
Consultant Fees for legal work related to environment & zoning	200,000			
Project Manager's Fee	100,000			
Marketing Expenses	350,000			
Total Project Costs	$2,350,000	Total Project Financing	$2,350,000	100%

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.

3. Up to $2,000,000 will be disbursed to Grantee no more frequently than monthly, for project expenses actually incurred by the Grantee. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must have been incurred after April 1, 2011, the date that the New York State budget, in which the project is authorized, was passed. The final ten percent (10%) of the Grant shall not be disbursed by ESDC until all of the tasks and reports required have been completed to ESD's satisfaction.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $2,000,000, 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.

<u>Grantee Contact</u> - Mark A. Masse, Senior Vice President of Operations
99 MedTech Drive
Batavia, New York 14020
Phone: (585) 343-4866 x17 Fax: (585) 343-0848

GGLDC - Western New York Science, Technology and Advanced Manufacturing Park Capital (X544)

April 17, 2012

Project Team -	Project Management	Edward Muszynski
	Affirmative Action	Helen Daniels
	Design & Construction	Marty Piecuch
	Environmental	Soo Kang

Design & Construction:

GGLDC proposes to acquire land, design and construct roadways and other necessary infrastructure to accommodate construction of a manufacturing mega site in Alabama, NY. The project will be designed by Clark Patterson Lee Associates, a firm known to D&C, and D&C staff will review applicable final drawings and specifications for the infrastructure improvements. Once construction is underway, D&C will, at its option, attend construction meetings and monitor construction progress. D&C will review and approve all change orders and contractor requisitions, and verify that all requirements have been satisfied prior to the approval and release of ESD funds. D&C will review the completed construction documents, project bidding and, at its discretion, visit the site before funds are distributed. The project will be reviewed in conjunction with D&C's requirements and forms.

Environmental Review:

ESD (the "Corporation"), pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), ratifies and makes the following findings based on the Final Generic Environmental Impact Statement ("FGEIS") certified as complete on January 19, 2012 by the Genesee County Economic Development Center, as lead agency, in connection with the development of the proposed Western New York Science, Technology and Advanced Manufacturing Park (the "proposed action").

SEQRA requires the adoption of written findings, supported by a statement of relevant facts and conclusions considered, prior to agency decisions on actions that have been the subject of an FGEIS. The Findings Statement, attached as Exhibit A, contains the facts and conclusions in the Draft Generic Environmental Impact Statement ("DGEIS") and FGEIS relied upon to support the Corporation's decision on the action that is the subject of the requested authorization.

The findings that the Corporation hereby ratify and make are that:

- The Corporation has given consideration to the DGEIS and FGEIS;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the proposed action is one that avoids or minimizes significant adverse environmental effects to the maximum extent

practicable, including the effects disclosed in the relevant environmental impact statement;

- Consistent with social, economic and other essential considerations to the maximum extent practicable, any significant adverse environmental effects revealed in the environmental impact statement process as a result of the proposed action will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigative measures which were identified as practicable;
- The proposed action is in compliance with Section 14.09 of the State Historic Preservation Act; and
- The proposed action is in compliance with Section 305(4) of the Agriculture and Markets Law. The Grantee will complete the Notice of Intent process in accordance with the Agriculture and Markets Law, including filing a Final Notice of Intent with the New York State Department of Agriculture and Markets ("NYS Ag and Markets") and the Genesee County Agricultural and Farmland Protection Board at least 65 days prior to the disbursement of ESD funds for construction work and commencement of action by the Grantee. In addition, at least 10 days prior to the disbursement of ESD funds and commencement of action by the Grantee, the Grantee will file a Certification with NYS Ag and Markets pursuant to Section 305(4)(g) of the Agriculture and Markets Law.

Therefore it is recommended that the Corporation ratify and adopt the SEQRA Findings Statement attached as Exhibit A.

Smart Growth Public Infrastructure Review:
Pursuant to the requirements of the State Smart Growth Public Infrastructure Policy Act (the "SG Act"), ESD's Smart Growth Advisory Committee has prepared a Smart Growth Impact Statement ("SGIS") for the project and found that it is impracticable for the project to be developed in a manner consistent with the relevant State Smart Growth Public Infrastructure Criteria ("Smart Growth Criteria") due to the site needs of the project and that the project is justified by the public benefits that would result from the project including increase in high quality jobs and tax revenues. The Chief Executive Officer of the Corporation or his designee has attested that it is impracticable for the project to meet the relevant Smart Growth Criteria set forth in the SG Act and that the project is justified for the reasons stated in the SGIS.

Affirmative Action:
ESD's Non-discrimination and Affirmative Action policy will apply. GGLDC is encouraged to use good faith efforts to achieve a Minority Business Enterprise participation goal of 10% and a Women Business Enterprise participation goal of 5% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the construction work related to the project and to include minorities and women in any job opportunities created by

the project.

Statutory Basis – Local Assistance:
The project was authorized in the 2011-2012 New York State budget and reappropriated in the 12-13 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 ESD 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.

Attachments:
Resolution
Exhibit A, SEQRA Findings Statement

April 17, 2012

Town of Alabama (Finger Lakes Region – Genesee County) – GGLDC – Western New York Science, Technology and Advanced Manufacturing Park Capital (Local Assistance Grant) – Adoption of Findings Pursuant to the State Environmental Quality Review Act

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RESOLVED, that with respect to the Western New York Science, Technology and Advanced Manufacturing Park ("STAMP") Project (the "Project"), the Corporation hereby makes and adopts pursuant to the State Environmental Quality Review Act ("SEQRA") the following findings and determinations, which findings and determinations are made after full consideration of the Findings Statement attached as Exhibit A hereto, which Exhibit A is hereby adopted by the Corporation and copies of which document are hereby filed with the records of the Corporation:

- The Corporation has given consideration to the Draft and Final Generic Environmental Impact Statement ("DGEIS" and "FGEIS", respectively) prepared for the proposed STAMP Project;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the Project is one that avoids or minimizes adverse environmental effects to the maximum extent practicable, including the effects disclosed in the FGEIS and the Findings Statement;
- Consistent with social, economic and other essential considerations, to the maximum extent practicable, adverse environmental effects revealed in the environmental impact statement process will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigation measures described in the FGEIS and the Findings Statement;
- The Project is in compliance with Section 14.09 of the State Historic Preservation Act; and
- The Project is in compliance with Section 305(4) of the Agriculture and Markets Law.

and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to comply with the requirements of SEQRA in connection with the Project.

* * *

EXHIBIT A

STATE ENVIRONMENTAL QUALITY REVIEW
FINDINGS STATEMENT

Western New York Science & Technology
Advanced Manufacturing Park

New York State Urban Development Corporation
d/b/a Empire State Development

April 17, 2012

The New York State Urban Development Corporation, doing business as Empire State Development ("ESD"), as an involved agency in the environmental review conducted pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), makes the following Findings based on the Final Generic Environmental Impact Statement ("FGEIS") dated January 19, 2012 prepared by the lead agency, the Genesee County Economic Development Center ("GCEDC"), in connection with the proposed Western New York Science and Technology Advanced Manufacturing Park ("STAMP" or the "Project") in the Town of Alabama, Genesee County, New York.

Name of Action: Western New York Science &Technology Advanced Manufacturing Park

Description of Action and Location:

STAMP is proposed to be located on 1,243.40 acres of land in the Town of Alabama, County of Genesee, State of New York. The Project site is located along New York State Highway 77/63, approximately five miles north of the I-90/New York State Thruway in the Town of Alabama (the "Project Site"). The Project Site is bounded by Judge Road on the south; Lewiston Road on the north; NYS Highway 77/63 on the east; and Tonawanda Seneca Nation property on the west.

ESD's action involves the approval of funding to be used for a portion of the cost of land acquisition, design, engineering, infrastructure construction, and other soft costs to prepare and market the proposed STAMP Project.

The Project Site is characterized by rural, agricultural land uses, predominant in the Town of Alabama. The Project Site borders the Hamlet of Alabama at its northeast corner. The Project Site is visually flat to gently rolling, and contains a variety of uplands and wetlands; the highest

elevation is at its southeast corner and gently slopes to its northwest corner. A subtle ridgeline runs diagonally across this Project Site adjacent to the Hamlet of Alabama.

STAMP's preferred alternative master plan (the "Preferred Alternative") will be a full build-out of STAMP establishing a high technology campus at the Project Site accommodating over 6 million square feet of advanced technology manufacturing and related uses providing direct employment to over 9,000 people. Phase 1 of the Preferred Alternative plans to attract an anchor tenant technology manufacturing facility potentially comprised of approximately 1 million square feet. Once secured, the anchor facility will attract a variety of technology manufacturing support uses and supporting commercial enterprises. Figure 1-3 and Table 4-1 of the FGEIS sets forth the land use and density at full build-out as well as a conceptual site plan showing configuration of the buildings, roadways and infrastructures at the Project Site as would be built out under the Preferred Alternative.

STAMP will require additional water, sewer, gas and telecommunications infrastructure to support the advanced manufacturing facilities being developed. Extensions to the water system will augment those lines being contemplated by the Town of Alabama's ongoing water study. STAMP will also provide an additional opportunity to expand the reach of broadband to be shared between the Project and residential service. Roads needed to access and connect the development parcels will be built over time as needed.

In terms of maintaining the visual character of the community, the Project is planned to visually integrate itself into the existing rural, agrarian setting as outlined in the *Visual Impact Assessment* in the Draft Generic Environmental Impact Statement ("DGEIS"). Larger technology manufacturing structures are located on the lower western portion of the Project Site, while the small-scale supporting structures are located on the eastern portion of the Project Site to provide a scaled transition to neighboring farmland. The eastern portion of the Project Site will also be scaled to mirror the aesthetics of the Hamlet of Alabama. Both the undeveloped buffer zones to be located around the Project Site's perimeter and the campus-like setting of the Preferred Alternative shall ensure that over 640 acres of open spaces and environmentally sensitive locations are maintained. A 400-foot perimeter will be maintained around the perimeter of the Project Site, expanded to an average of 1,600 feet along the western boundary adjoining the Tonawanda Seneca Nation property. Lastly, a minimum 500-foot buffer will be maintained along the Project Site's boundary adjoining the John White Wildlife Management Area ("WMA").

The Preferred Alternative also represents an evolution of conceptual planning that has resulted in a significant minimization and/or avoidance of potential impacts to existing surface waters and wetlands. This is demonstrated when the original master plan set forth in the initial feasibility study master plan is compared with the Preferred Alternative in the DGEIS, and then ultimately compared to the Preferred Alternative Plan in the FGEIS. For example, revisions to the Preferred Alternative have resulted in a reduction of potential wetland impacts from approximately 69 acres to 9.54 acres. This reduction of wetlands impacts was accomplished by

re-orienting proposed development areas and buildings to be more consistent with the existing terrain, and by preserving and enhancing an existing stream corridor traversing the Project Site.

Other reductions in impacts evident in the Preferred Alternative include a new bypass road to channel Route 77/63 traffic away from the Hamlet of Alabama, moving to a distributed concept of stormwater management facilities, and adding bioswales at the edges of paved areas to reduce stormwater management system volumes.

The most significant revisions made to the Preferred Alternative include the removal of the John White WMA from within the Project Site boundary; the relocation of the proposed Town of Alabama Town Hall closer to the Hamlet of Alabama, as well as Project buildings located near the Hamlet of Alabama being re-scaled in order to be more consistent with the existing character and nature of the Hamlet; and the refinement/clarification of the 400-foot buffer line around the Project Site perimeter, including the addition of tree plantings along the western Project Site boundary designed to augment existing forested areas in order to create a visual screen which will further reduce the potential visual impacts associated with the Project to surrounding properties.

In terms of economics, STAMP represents a significant opportunity to bring investment in high technology research, development and manufacturing to the County of Genesee and the Western Region of the State of New York. To date, GCEDC has already received inquiries from high technology companies that could appropriately be accommodated at the Project Site. Therefore, there is considerable market demand for such a high technology campus in this area.

Economic benefits associated with the Preferred Alternative will be substantial including:

- At full build-out, STAMP will comprise approximately 6.1 million square feet of employment-supporting building space with a total estimated assessable value of $760.5 million.

- STAMP is projected to support approximately 9,330 Full-Time-Equivalent ("FTE") jobs at full build-out and occupancy.

- STAMP employment is projected to generate direct annual wages of almost $532 million at full build-out and occupancy (2011 dollars).

- Total economic output is projected to equal approximately $4.6 billion at full build-out and occupancy, including secondary economic impacts.

- Indirect (supply chain) wages (wages not directly attributed to STAMP employers) are projected to equal $761.3 million at build-out and occupancy, reflected in indirect employment of over 17,000 FTE jobs.

- Construction phases are projected to support 1,400 to 2,900 direct and indirect FTE jobs during the duration of development, with total earnings ranging from $40.8 million to $83.8 million.

- Property tax rates are projected to decrease due to significant increases in the tax base from STAMP.

- The Town of Alabama could realize a decrease in the tax rate per $1,000 in value from $1.11 to $0.11.

- Genesee County could realize a decrease in the tax rate per $1,000 in value from $9.82 to $7.97.

- Oakfield-Alabama School District could realize a decrease in the tax rate per $1,000 in value and $23.73 to $16.94.

- Total recurring annual State income taxes are projected to equal approximately $33.6 million and full build-out and occupancy.

- Retail operations are projected to generate annual sales taxes of $2.3 million each to the County of Genesee and the State of New York.

Public Need and Benefits

The Project's central purpose is to play a significant role in reversing a trend of economic stagnation that has affected the Western New York region in recent years. The need for reversing this trend may be seen locally in the 2010 US Census figures indicating declines in population for both the Town of Alabama and Genesee County over the past ten (10) years. STAMP will result in a number of benefits that have the potential to mitigate this trend in a substantial way. Specific anticipated benefits include:

- Create well-paying, 21st century jobs in the local community.
- Reduce the "brain-drain" of young people leaving the community.
- Provide increased revenues to support local community services.
- Provide enhanced utility infrastructure, such as water, sewer, natural gas, and broadband.
- Reduce local property taxes.
- Demonstrate sustainable development.
- Create a "place" of pride in the community.

The Project will achieve these benefits by developing a world-class high technology manufacturing center, with a potential focus on renewable energy, serving as an economic development engine central to the economic sustainability and well-being of the western region of New York State. STAMP will provide economic development opportunities not currently offered in the region, and will offer a variety of jobs for the residents of the Town of Alabama, Genesee County, and the Greater Buffalo-Niagara and Rochester regions.

In addition, the Project has the potential to provide significant environmental benefits including the enhancement and preservation (in perpetuity) of approximately 97 acres of wetlands and

approximately 24,000 linear feet of streams and upland buffers areas; offsite mitigation of wetlands, streams and buffer habitats located in the Whitney Creek watershed; and the preservation of over 640 acres of common open areas for use as potential recreational areas.

SEQRA Process

To commence the SEQRA process, in December 2009, GCEDC issued notices to all then known involved or interested agencies to solicit Lead Agency status for the Project pursuant to SEQRA. No objections to GCEDC serving as Lead Agency were made by any interested or involved agency, and on January 26, 2010, GCEDC accepted Lead Agency status for the coordinated SEQRA review of the Project.

Based on the information contained in the Full Environmental Assessment Form and in accordance with 6 N.Y.C.R.R. § 617.12, GCEDC issued a Positive Declaration having determined that the Project may have a potential significant adverse impact on the environment requiring the preparation of a generic environmental impact statement.

On April 14, 2011, GCEDC accepted the DGEIS as complete pursuant to the requirements of SEQRA. Copies of the DGEIS were then distributed to all of the involved and interested agencies and made available for public review at the Town of Alabama Town Hall, the Haxton Memorial Library in the Village of Oakfield, and GCEDC's offices. A copy of the DGEIS (with appendices) was also posted on the website, www.gcedc.com. A notice of completion of the DGEIS and a notice of public hearing appeared in The Daily News on April 25, 26 and 27, 2011, and the Environmental Notice Bulletin on April 27, 2011. A notice of the extension of the public comment period to June 23, 2011 appeared in The Daily News on May 17, 18, and 19, 2011.

A public comment period on the DGEIS was commenced on April 21, 2011, and extended through June 23, 2011. A public hearing was also held on the DGEIS on May 12, 2011 at 7:00 p.m. in the Town of Alabama Fire Hall. Additionally, comments received after the end of the public comment period were accepted and responded to within the FGEIS.

The FGEIS was issued by GCEDC on January 19, 2012, and a notice of completion of the FGEIS was forwarded to the Environmental Notice Bulletin for publication on January 20, 2012. GCEDC issued its Statement of Findings on March 1, 2012 approving the Project.

Date Final Generic Environmental Impact Statement Accepted: January 19, 2012

FACTS AND CONCLUSIONS IN THE FGEIS RELIED UPON TO SUPPORT THE DECISION

Project Alternatives Considered

Section 617.9(b)(5)(v) of the SEQRA regulations requires that an environmental impact statement contain a description and evaluation of the range of reasonable alternatives to the action that are feasible, considering the objectives and capabilities of the Project Sponsor. Although it is not necessary to consider all possible alternatives, those that achieve the same or

similar objectives of the Project Sponsor, have relatively the same or reduced environmental impacts, and can be implemented in a timeframe similar to that of the proposed action, should be considered. Section 6197.9(b)(5)(v) of the SEQRA regulations further provides that the description and evaluation of each alternative should be at a level of detail sufficient to permit a comparative assessment of the alternatives discussed, but will vary with the circumstances and natures of each alternative.

The following alternatives to the Project are described and evaluated below: No-Build Alternative; an Existing Zoning Alternative; a Cluster Residential Alternative; and the Preferred Alternative. These alternatives offer potential ranges and scopes of development, and are evaluated at a detailed level to allow for comparative analysis and consideration as dictated by the SEQRA provisions discussed above.

The basic and overall purpose of the Project is to develop a shovel-ready technology manufacturing site in Western New York. The Project targets green-technology and advanced manufacturing companies involved in developing and manufacturing clean technology, renewable energy and/or energy efficiency products. These companies include photovoltaic solar cell manufacturing (PV-Solar), flat panel display manufacturing including medical imaging display, bio-pharmaceutical/nanotechnology-enabled industries, and green technology research and development for energy efficient building products.

An enhanced list of design parameters was established to better assess site viability against local conditions and requirements. The specific requirements of a particular site to achieve the basic and overall purpose of the Project include:

- Must be a site greater than 1,000 acres with 500 acres suitable for low density, campus style development.
- Must be a large and virtually flat site with manageable environmental constraints.
- Must be in reasonable proximity and accessibility from freeway and major airport.
- Must have or be able to obtain high quality, redundant, low cost energy in the range of 50-200 megawatts (MW).
- Must be within a 30-mile radius of the NY Power Authority's Niagara hydropower zone surrounding Niagara Falls to qualify for low cost hydropower in significant quantities to support large-scale technology and advanced manufacturing operations.
- Must be within a 60-minute drive of local and regional labor markets allowing targeted companies to attract qualified employees.
- Must be near available water and sewer infrastructure or have the ability to expand existing systems.
- Must have support of the local community

In addition to the site selection criteria listed above, the site was preferred to be in a designated development area under Genesee County's Smart Growth Plan to encourage and support county-wide, community-based planning efforts that target the conservation of Genesee County's agricultural and natural resources.

Five individual sites including the Proposed Development were evaluated in Genesee County over a period of 15-to-18 months in 2006 and 2007. These sites were located in several towns across Genesee County, including: one (1) in the Town of Batavia; three (3) in the Town of Alabama (including the Proposed Alternative); and one (1) in the Town of Elba.

Site selection criteria represent the first level of evaluation for determining the availability of alternate sites as presented above. The following four sites in Genesee County were evaluated, but for varying reasons did not match the site selection criteria required to achieve the Project's basic and overall purpose.

Offsite Alternative 1 – Alabama Site A-1

Alabama Site A-1 is approximately 2,041 acres in size located on the northeast corner of State Route 77 and Judge Road (State Route 63). A portion of the site overlaps the Project Site between Route 77 and Crosby Road. Almost 250 acres of this site is currently owned by NYSDEC and managed for wildlife at the John White WMA. This site is primarily active agriculture with the exception of roads, residential development, wetlands and forested areas. Alabama Site A1 meets the basic size and topography requirements for STAMP. This alternative is also within the NYPA hydropower zone and in close proximity to a Genesee County Smart Growth Plan designated development area. However, this alternative was determined to be impracticable due to a lack of willingness on the part of key property owners to sell their property to the GCEDC for the project. Other factors that weighed against this alternative were the added development costs associated with internal roadway networks and power line extensions as well as potential impacts to strategic farmland.

Offsite Alternative 2 – Alabama Site A-2

Alabama Site A-2 is approximately 1,154 acres in size located on the southeast corner of State Route 77 and Judge Road (State Route 63). This site is a mix of active agriculture, early successional old field with newly restored conservation areas including wetlands and grasslands, roads, residential development, and small blocks of forested areas. This site is adjacent to Genesee County's Smart Growth development area. Alabama Site A2 meets the basic size and topography requirements for STAMP. This alternative is also within the NYPA hydropower zone and in close proximity to a Genesee County Smart Growth Plan designated development area. However, this alternative was determined to be less viable than the Proposed Site due to challenges associated with land acquisition as well as potential impacts to strategic farmland. Other factors that weighed against this alternative were the added development costs associated with internal roadway networks and power line extensions. From a natural resource impact perspective, comparing potential wetland impacts associated with the Proposed Site, potential natural resource impacts would be more significant including

an impact to private land conservation areas protected with conservation easements through the Natural Resource Conservation Service.

Offsite Alternative 3 – Batavia Site

The Batavia Site is approximately 871 acres in size located at the southwest corner of State Route 98 and Batavia-Elba Townline Road. The site is primarily active agriculture with the exception of roads, residential development and a small amount of wetland and forest habitat. The Batavia Site is closer to key infrastructure (water, sewer and transportation networks) than other alternatives. However, this site was determined to be impracticable because it does not meet the basic size requirements for STAMP, it is not in the NYPA hydropower zone and key landowners were unwilling to sell necessary property to the GCEDC for the project. Other factors that weighed against this alternative were the significant added development costs associated with land values and power line extensions and the presence of strategic farmland.

Offsite Alternative 4 – Elba Site

The Elba Site is approximately 1,739 acres in size located at the northeast corner of State Route 98 and Batavia-Elba Townline Road. The site consists of active agriculture, wetlands, forest blocks and a drainage into Spring Creek which bisects the lower third of the site originating in a large mapped state and federal wetland located just outside of the site boundary. The Elba Site meets the basic size and topography requirements for STAMP. However, this alternative was determined to be impracticable due to its location outside of the NYPA hydropower zone as well as a lack of willingness on the part of key property owners to sell their property to the GCEDC for the project. Other factors that weighed against this alternative were the added development costs associated with power line extensions as well as potential impacts to strategic farmland. From a natural resource impact perspective, comparing potential wetland impacts associated with the Proposed Site, natural resource impacts at this alternative would be comparable to the Proposed Site.

<u>No-Build Alternative</u>

The No-Build alternative considers the future condition and use of the Project Site without construction of the Project. This existing conditions analysis establishes a baseline for comparison of the benefits, impacts, and potential mitigation measures necessary in the development alternatives.

The No-Build alternative would result in no foreseeable changes regarding the current ownership and use of the properties within the Project Site. Scattered residences would remain, and the agricultural lands would be farmed or lay fallow as they are at present, assuming that farm fields that are currently in use may lay fallow and be used again in another season. In terms of infrastructure, there is no indication that upgrades to the public roads within or adjacent to the Project Site would be made, nor upgrades to the water system,

natural gas, electricity, or broadband. In addition, there would be no need to establish a sewer system for the Town of Alabama.

The area within the Project boundary is currently zoned Agricultural-Residential (A-R) according to the Town of Alabama Zoning Law. By law, the current zoning allows for a significant amount of agricultural and residential development on the Project Site. The No-Build Alternative would not remove the Project Site from agricultural use, nor result in an impact to traffic, visual aesthetics, or wetlands. However, the No-Build Alternative will not provide the potential significant socioeconomic and public utility benefits to the Town of Alabama as that associated with the Preferred Alternative. The Project Site would remain undeveloped and consequently provide only a minimal contribution to the community tax base.

Existing parcels located within that portion zoned A-R could be subdivided and roads introduced on a lot-by-lot development basis. Lot sizes would be the minimum allowed as determined by the dates the individual lots were created. Lots created before June 1987 have 40,000 square foot minimum sizes with 100-150 foot minimum frontage required. Lots created after June 1987 have 40,000 square feet minimum sizes with 200-foot minimum frontage required. Thus, the Project Site capacity for residential development is approximately 950 lots.

Development of the 950 residential lots will likely require the introduction of Town-scale water and sewer systems to accommodate the large number of residences developed. In addition, a large number of public roads would need to be constructed to realize the residential development potential of particular existing parcels, based upon their locations, sizes, and configurations.

Throughout the community input process that has been conducted for the Project over the past several years, Town of Alabama elected officials and citizens have voiced considerable opposition to additional residential development in the town. The Town of Alabama wishes to retain its agrarian character while attracting complementary commercial uses, and does not wish to permit the widespread development of residential subdivisions within its boundary.

Development of significant residential subdivisions and structures would also eliminate the natural, open vistas characteristic of agriculturally-based communities. New houses would be easily viewed from existing public roads, and would line streets within the Project Site. The widespread installation of impervious surfaces and lawns would also create inordinate amounts of stormwater loading which would adversely impact local water resources.

Residential development consistent with the existing Town of Alabama zoning requirements would further result in a significant burden being placed on the Town of Alabama community services such as fire, police and ambulatory services. In addition, according to an August 2010 fact sheet published by the American Farmland Trust summarizing over 20 years of “Cost of Community Services (COCS)” studies, the median cost per dollar of revenue to provide public services to residential land use is $1.16. This demonstrates that residential development is a net cost to public resources. This net cost is not sustainable without some offsetting form of land use that can serve as a net income to public resources.

Cluster Residential Alternative

The Cluster Residential Alternative would be planned according to the Cluster Zoning provisions as permitted by the Town of Alabama Zoning Law. Natural areas and open space are the focus of cluster development, and residential lots are requisitely down-sized due to the amount of open space surrounding them (*i.e.*, minimum 25% of Project Site).

Development of the Project Site in a cluster scenario would likely require the introduction of Town-scale water and sewer systems to accommodate the closely-spaced residences. A large number of public roads would have to be constructed as well, since an interconnected network of streets would be required to develop the site in a dense manner as allowed under cluster zoning.

Again, throughout the community input process conducted for the Project over the past several years, Town of Alabama elected officials and citizens voiced significant opposition to additional residential development in the town.

Development of significant residential structures would also eliminate the natural, open vistas characteristic of agriculturally-based communities. New houses would be easily viewed from existing public roads, and would line streets within the cluster residential neighborhood. Furthermore, the cluster residential alternative would not ensure the preservation of open spaces, wetlands and water resources, as well as potential archeological resources.

Residential development consistent with the existing Town of Alabama zoning requirements would result in a significant burden being placed on the Town of Alabama community services such as fire, police and ambulatory services. Market studies show that widespread residential development results in an increased burden being placed on such services without a concomitant increase in a community's tax base to cover the expense of such additional demands, as discussed above.

Preferred Alternative

The Preferred Alternative is the establishment of a high technology campus at the Project Site planned to accommodate over 6 million square feet of advanced technology manufacturing uses at full build-out, providing direct employment for over 9,000 people. Phase 1 is planned to attract an anchor technology manufacturing facility potentially comprised of 1 million square feet. Once secured, the anchor facility will attract a variety of technology manufacturing support uses and supporting commercial enterprises.

In alignment with the Town of Alabama's wishes to create employment opportunities to retain local residents, the Preferred Alternative provides a number of new jobs during both the construction and operation phases of the Project. No private residences will be developed at the Project Site.

The Project will require additional water and sewer infrastructure to support the advanced manufacturing uses being developed. Extensions to the water system will augment those lines being contemplated by the Town of Alabama's on-going water study. The Project will provide an additional opportunity to expand the reach of broadband to be shared between the Project and residential service. Roads needed to access and connect development parcels will be built over time as needed by development.

In terms of maintaining the visual character of the community, the Project is planned to visually integrate itself into the existing rural, agrarian setting. Larger technology manufacturing structures are located on the lower, western portion of the Project Site, while the smaller-scaled supporting structures are located on the eastern portion of the Project Site to provide a scale transition to neighboring farmland. In addition, significant undeveloped buffer zones are located around the Project Site's perimeter, and the campus-like setting of the Preferred Alternative will ensure that open spaces and environmentally sensitive locations are maintained. This type of setting is not only required to preserve the aesthetic of the surrounding community, but to attract and retain the creative-class work force necessary for advanced technology manufacturing. Building materials will be high-quality and will be chosen to reflect the rural agricultural vernacular of the area.

The Preferred Alternative also represents an opportunity to bring significant investment in high technology research, development, and manufacturing to the Western Region of the State of New York. The economic benefits associated with the Project will be substantial, as summarized in the Description of Action in this Findings Statement.

Geology and Topography

Discussion of Potential Impacts

To achieve the required design grades, site topography within the internal roadways will be slightly altered. Nevertheless, the Project Site's natural topography will be largely maintained and utilized in order to minimize potential visual impacts the Project may have on the surrounding properties.

It is further anticipated that grading both on and off the Project Site will be balanced such that the amount of cut is approximately equal to the amount of fill for any given component of the Project. Topography will thus not be significantly altered by this approach. Additionally, there will not be any significant bedrock removal resulting from construction activities. Moreover, there will not be any significant removal of surficial geologic materials resulting from the Project. Implementation of the Project will result in local redistribution of some surficial geologic deposits on the Project Site consistent with future grading plans.

Soils within the targeted development areas of the Project Site do not present any unusual or unanticipated conditions for construction activities. During all phases of construction, topsoil will be segregated and stored for landscaping around the developed areas.

Surficial soils will be affected by excavation and grading work done on the Project and within any potential off-site improvement areas. Native soils will be rearranged on the Project Site, and additional fill as needed will be brought to the Project Site to create a level surface for construction of buildings, roadways, and parking lots within the development areas. Potential impacts of soil resources may include removal of hydric soils in isolated wetlands and on- and off-site erosion and sedimentation that may potentially occur during and after construction.

Minimization and Mitigation Measures

During the future development of a Project-specific use, the following best management practices shall be implemented at the Project Site to avoid and minimize potential impacts to soils in adjacent undisturbed areas to the maximum extent practicable:

- Temporary erosion and sedimentation controls such as silt fences and hay bales will be installed at the perimeter of the construction area and around any wetland and other waters of the United States that are to remain undisturbed.
- Silt fences will be monitored regularly and reinforced with hay bales in areas where white water flow is observed to be concentrated.
- When feasible, excavated native soils will be used elsewhere on the Project Site for filling and berm construction where appropriate.
- Stockpiled soils will be maintained inside the construction area and may be encircled with silt fences as needed.
- In wetland areas, the top 6 to 12 inches of hydric soils will be segregated and stockpiled. Once the construction activities are complete, the soils will be replaced in the original layer.
- Sediment traps will be constructed where necessary to impound stormwater and allow for the settlement of suspended soils. Water will dissipate gradually from sediment traps to minimize the potential for erosion.
- Rip/rap aprons will be established at the outlets of all storm water pipes to dissipate the water's energy and minimize scour.
- Temporary erosion and sediment controls will be monitored regularly and required as needed. Erosion and sediment controls will be maintained until soils are stabilized.
- All disturbed areas on-site will be stabilized, seeded and mulched. Stabilization will include final grading and the placement of erosion controls as needed. The Natural Resource Conservation Service will be contacted before commencement of the Project to obtain recommendations on appropriate seed mixtures, soil amendments and mulch to be used on-site.

Findings

While it is impossible to construct facilities without alterations to soils, these impacts will be minimized and/or avoided to the maximum extent practicable with implementation of the mitigation measures set forth above. Furthermore, the potential impacts are greatly outweighed by the substantial socioeconomic benefits of the Project.

Water Resources

Discussion of Potential Impacts

The Project has been designed to avoid and/or minimize to the maximum extent possible adverse impacts to water resources, and although impacts will result from the Project, large amounts of wetlands and other water resources will be preserved.

Aquatic resources on the Project Site were identified, evaluated, and considered throughout the design process. The first consideration was to determine if wetland and stream impacts could be avoided entirely. The second consideration was to minimize potential impacts in terms of both quantity and quality to the maximum extent practicable. The third consideration was to develop a mitigation strategy that would compensate for all unavoidable impacts.

Design iterations to the Project Site ultimately reduced potential wetland impacts from approximately 69 acres to 9.54 acres. In addition to reducing total acreage of impacts, wetland location and quality were taken into consideration. The wetlands potentially impacted are low-to-medium quality wetlands, some of which are isolated and not currently regulated. Wetlands potentially impacted by the Preferred Alternative are listed by wetland identification number, along with the community type, total size, potential impact acres, preliminary jurisdiction, and condition rating in Table 6-1 of the FGEIS. With the possible exception of development of a recreational trail in adjacent areas, no wetlands or adjacent areas likely to be regulated by the New York State Department of Environmental Conservation ("NYSDEC") under Article 24 of the Freshwater Wetland Act will be impacted.

A minimum buffer of 100 feet shall be established on either side of Whitney Creek to avoid impacts and allow for stream buffer enhancement opportunities. The second drainage corridor to the north of Whitney Creek (also referred to as Unnamed Stream No. 2) has also been preserved along with a proposed conservation buffer. The Project will require that the third drainage way (Unnamed Stream No. 1) be re-routed into the second corridor (Unnamed Stream No. 2) to accommodate flow and provide hydrology to enhance and restore wetlands and streams in the protected corridor.

A total of 24,304.89 linear feet of stream, ditches and drainage ways will be preserved and enhanced as a result of the Project. Approximately 9,595 linear feet of ditches and drainage ways will be impacted as a result of the development at the Project Site.

No groundwater will be withdrawn; excavations for buildings will not extend into the groundwater table; and no groundwater discharge is associated with the Project. In addition, stormwater management for each specific use shall be required to manage surface water flow and allow groundwater infiltration. Lastly, the storage of chemicals and petroleum shall be done in strict accordance with applicable state and federal regulations to ensure the avoidance of potential releases to groundwater and/or surface waters.

The Stormwater Management Preliminary Report attached in the DGEIS evaluated the full build-out of the Project and the impact that the development may have on the Project Site. At full build out, the Project translates to an increase in impervious service areas of approximately 490 acres as compared to existing conditions. Impervious surfaces will be generally introduced in the forms of buildings, roads, and parking lots.

On the other hand, the Project will provide significant benefits to existing water resources including the enhancement and protection of approximately 97 acres of wetlands and 24,000 linear feet of streams and upland buffers, as well as offsite wetland stream and buffer mitigation in the southeastern portion of the Whitney Creek watershed, including wetland restoration, invasive species eradication/control, planting of native vegetation, establishment of forested stream buffers, and the creation of legal mechanisms for permanent control.

From a watershed perspective, preservation of existing, high-quality resources that secure connectivity between existing habitat and preservation areas is most important on the Project Site. Restoration of wetlands and stream buffers is a priority in the upper reaches of the watershed that is southeast of the Project Site where greater impacts to aquatic resources have already occurred. The mitigation strategies outlined below will yield the greatest benefit to the function of the watershed as a whole through protected enhancement of headwater streams, wetlands and stream buffers on-site and in the lower reaches, as well as restoration of wetlands and stream buffers in the highly fragmented upper reaches of the Whitney Creek watershed.

Minimization and Mitigation Measures

Surface water resources potentially impacted by the Project are avoided, minimized and/or mitigated to the maximum extent practicable. Design revisions made to the Project have significantly reduced potential wetland impacts from approximately 69 acres to 9.54 acres. In order to minimize and avoid impacts to surface water resources and allow for stream buffer enhancement opportunities, a minimum buffer of 100 feet shall be established on either side of Whitney Creek. In addition, the third drainage way (Unnamed Stream No. 1) shall be re-routed into the second corridor (Unnamed Stream No. 2) to accommodate flow and to provide hydrology for the enhancement and the restoration of wetlands and streams in the protected corridor.

Best management practices shall be employed in order to minimize impacts to streams in other waters within the Project Site during proposed construction, utility installation and transportation facilities. The following best management practices will be implemented:

- Work within streams and other waters of the U.S. shall be scheduled during periods of low flow conditions. No work shall be conducted during or immediately after storm events.

- Work within streams shall be conducted in one continuous operation. Stream beds and banks will be stabilized immediately following construction activities using rip-rap or mulching and revegetation techniques.

- Silt fence and/or straw bales shall be installed along the edges of the stream to prevent the flow of sediment into the stream and to minimize erosion of stream banks.

- Flume pipes or the dam and pump method will be used, as necessary, to divert water flow during construction activities.

- Spoil piles and construction debris shall be temporarily stored outside of the stream corridor.

- Equipment shall cross streams using temporary bridges. No streams shall be forded by construction equipment.

- Construction staging areas will be located at least 50 feet away from all streams, and storage of chemicals, washing or refueling equipment, and mixing of concrete shall be conducted more than 100 feet away from streams.

In addition to the implementation of the above-mentioned best management practices, all potential stream disturbance activities shall be completed in accordance with applicable NYSDEC requirements.

To offset the potential impacts to 9.54 acres of wetlands, approximately 97 acres of wetlands and 24,300 linear feet of stream and upland buffer surrounding wetlands and streams shall be enhanced, restored and protected in perpetuity on the Project Site. An additional appropriate amount of wetland, stream, and buffer habitat will be mitigated off site targeting the southeastern portion of the Whitney Creek watershed. Mitigation measures shall include restoration of wetlands that have been drained; enhancement of existing wetlands through invasive species eradication and control, including planting of native vegetation; establishment of forested stream buffers; and a legal mechanism for permanent protection of all mitigation areas.

All potential future impacts to wetlands shall be contingent upon the completion of a separate Joint Permit Application process, as needed, involving the U.S. Army Corps of Engineers, NYSDEC, and all other applicable regulatory agencies. Prior to the future development of any Project-specific site, this permit process will develop a final mitigation strategy to protect, restore and enhance aquatic resource functions and services.

New development within the proposed drainage catchment areas to be located at the Project Site shall require stormwater runoff mitigation, including the best management practices

outlined above. All stormwater pond designs shall have a fore bay and permanent pool to treat water quality, and additional storage volume to handle water quantity. As the Project development proceeds, in addition to a main stormwater pond facility to be located in each catchment area, point source treatment practices shall be implemented as required in the pending NYSDEC New York State Stormwater Management Design Manual. Point source treatment practices shall include rain gardens for roof drainage, bioretention swales, and/or infiltration trenches for parking areas. Land buffers for these treatment practices have been incorporated into the Preferred Alternative.

Findings

The Project will result in an impact to 9.54 acres of low-to-medium quality wetlands. The impact to wetlands is mitigated by the protection of approximately 97 acres of wetlands and 24,300 linear feet of stream and upland buffer areas, as well as the creation of a 100-foot buffer zone surrounding Whitney Creek. Additional mitigation measures will be applied off-site targeting the Whitney Creek Watershed. These compensatory actions combined with implementation of the stormwater management best management practices and NYSDEC and U.S. Army Corps of Engineers' permitting requirements will ensure that potential impacts are avoided and/or mitigated to the maximum extent practicable.

Air Resources

Discussion of Potential Impacts

Based on the air screening analysis provided in the Traffic Impact Study, an air quality analysis for mobile sources is not necessary for the Project, since it will not increase traffic volume, reduce source-receptor distances, or change other existing conditions to such a degree as to jeopardize attainment of the National and New York State Ambient Air Quality Standards. The development of the Project will result in some increases in heavy vehicle traffic; however, the majority of the Project Site-generated traffic will be from employees who will travel to-and-from the Project Site using non-diesel vehicles. Therefore, based on the expected vehicle mix and the good level of service that will exist at signalized intersections after the development of the Project during the build conditions, particulate matter exceedances will not likely occur as a result of the Project.

Certain manufacturing to be conducted at the Project Site may require compliance with regulatory requirements as set forth by NYSDEC and the United States Environmental Protection Agency ("USEPA") pursuant to the Title V Facility Permit, State Facility Permit, and Air Facility Registration air programs. All manufacturing activities to be conducted at the Project will be subject (as applicable) to these permitting requirements. Nevertheless, each potential manufacturing facility located at the Project is anticipated to have actual emissions less than Major Source thresholds, and thus regulated under a State Facility Permit. Moreover, the construction of up to three (3) contiguous manufacturing facilities under common ownership is also expected to be covered under State Facility Permit programs. Taking into

consideration the data provided within the Industry Requirements and Environmental, Health and Safety Impacts Report, construction of four (4) or more contiguous facilities under common ownership may result in a Major Source classification for certain air emissions subject to a Title V Permit.

Based upon the emissions data presented within the Industry Requirements and Environmental, Health and Safety Impacts Report, the estimated annual emissions (potential to emit) of regulated air pollutants from any single stationary source to be constructed within the Project Site is expected to be below the Major Source Threshold, (*i.e.*, less than 100 tons per year (TPY) of any single criteria pollutant) less than 10 TPY of a hazardous air pollutant and/or less than 25 TPY of combined hazardous air pollutants. Nevertheless, facilities seeking to locate at the Project Site will need to satisfy the requirements of NYSDEC's Air Guide-1 (as applicable) in addition to all other permitting requirements.

Temporary air quality impacts are likely to occur during the construction phases of the Project. These impacts will consist mainly of dust being generated, and would occur as existing vegetation is removed and soils are moved around for grading and construction purposes. These impacts will be temporary and minor since most of the dust generated will settle out within a short distance of the construction activities. Dust generation will also be consistent with the existing conditions associated with nearby agricultural uses. Preserved open spaces surrounding development areas will help contain any dust generated during construction activities, and will serve to mitigate all potential impacts from occurring off site.

Minimization and Mitigation Measures

As discussed above, facilities seeking to locate at the Project Site shall comply with, as necessary, all of the requirements of the NYSDEC, USEPA and/or the New York State Department of Health pursuant to the Title V Facility Permit, State Facility Permit or Air Facility Registration programs, as well as NYSDEC's Air Guide-1 requirements.

Findings

Potential impacts to air resources will be avoided, minimized and/or mitigated to the maximum extent practicable with implementation, as necessary, of the permitting requirements set forth above.

Terrestrial and Aquatic Ecology

Discussion of Potential Impacts

There are twelve (12) ecological community types present at the Project Site which are common and well established throughout their range, as are the majority of plant and wildlife species identified at the Project Site. Two (2) species observed at the Project Site that are currently listed as threatened in New York State (heartleaf plantain and least bittern) are

located in areas that will be protected from impacts associated with the Project Site development.

The northern harrier (listed as threatened in New York State) was documented at the Project Site on March 16, 2010. A pair of northern harriers were observed flying low over hedgerow and open field habitats and then traveling west toward the Tonawanda Seneca Nation property. No active sites were found at the Project Site. Based on multiple negative reproduction call playback sessions and the absence of species during the remaining six-month investigation, it was determined that the Project Site is not used as a nesting location and thus the Project will not have an adverse impact on the species.

The horned lark is a species of special concern in New York State. No active sites were found, however, during the Project Site surveys. Nevertheless, it appears that the agricultural fields located at the Project Site are utilized by the horned lark. Agricultural fields are abundant in the vicinity of the Project Site, providing abundant habitat for any species displaced as a result of conversion of land use at the Project Site. Farmland protection is proposed as a key component of this Project, so no additional mitigation is required with respect to the horned lark species.

Minimization and Mitigation Measures

In order to avoid and/or minimize to the maximum extent practicable potential impacts to the terrestrial and aquatic ecologies, a long-term Land Management Plan shall be implemented at the Project Site throughout construction and following Project Site development. In addition to implementation of the Best Management Practices and the Stormwater Mitigation Measures identified in this Findings Statement, the Land Management Plan will mitigate potential impacts to wildlife habitat by maximizing ecological functions at the Project Site, to the watershed, and to the surrounding landscape. The long-term Land Management Plan shall include the following criteria:

- Future development areas will be maintained in their current land use until development construction commences. Most of the Project Site acreage falling into this category are currently being farmed, and shall continue to be farmed using Best Management Practices until the lands are developed for specific Project uses.

- Approximately 640 acres of Project Site shall be maintained as open space/landscaped areas to provide greenspace and recreational areas within STAMP. These areas will generally be mowed on a regular basis or in the case of natural grasses, street trees and visual barriers and berms, trimmed to facilitate maintenance, public safety, and aesthetic environment. Wildlife plantings shall occur as needed and include such things as pollinator gardens, fruit producing shrubs, mast producing trees, and similar microhabitats.

- A diverse array of habitat types will be preserved and restored at the Project Site providing habitat for many different species of life. Approximately 174.2 acres of the

Project Site will be set aside as conservation lands. These lands will include forested wetlands, emergent wetlands, streams in riparian areas, shrub wetlands, upland forests, shrub lands and small grass lands. Where feasible, individual patches of conservation land shall be connected to one another by conservation or open-space corridors; riparian areas will be reinforced; and compatible recreational opportunities will be encouraged and maintained.

Specific habitat management objectives will be determined as the preservation and restoration activities described above are completed. Generally, forested areas will be preserved and no active management will take place. Some limited tree cutting may occur to protect public safety, such as when a potential falling tree may endanger users of the recreational trails. Tree plantings will occur in forested riparian restoration and enhancement areas.

All restoration activities shall be conducted using standard techniques and assessment methods. All plantings associated with restoration activities will be designed to provide habitat for a broad array of species with additional consideration given to species of conservation concern. Shrubland and grasslands will be maintained in an early successional state through the use of mechanical or chemical means. Mowing shall be generally preferred as a management tool.

Findings

Any potential impacts to terrestrial and aquatic ecologies shall be avoided and/or minimized to the maximum extent practicable by implementation of the Land Management Plan set forth above, as well as the Best Management Practices and the Stormwater Mitigation Measures discussed above. Potential impacts are outweighed by the socioeconomic and environmental benefits to be provided by the Project.

Technology Industry Health and Safety

Discussion of Potential Impacts

GCEDC intends to develop the Project Site to enable advanced technology and manufacturing operations in the following areas:

- Photovoltaic (PV) manufacturing
- Flat Panel Display (FPD) manufacturing (including medical imaging display (MID))
- Biopharmaceutical/Nanotechnology – enabled industries (Bio-Pharm/Nano)

These technologies are described in greater detail in the Industry Requirements and Environmental Health and Safety Impacts Report in the DGEIS. These manufacturing technologies are emergent, and may include a wide range of manufacturing activities, each with its own unique requirements for process chemistry. However, even though the specific chemical used within the facilities will vary, each facility will tend to utilize similar categories of chemicals and maintain similar health and safety best management practices.

The leaders of the technology manufacturing industry are pioneering new process chemistries and technologies in efforts to reduce the quantity of chemicals used per unit of production, as well as the toxicity of the chemicals utilized. There are many reasons why the industry leaders are so vigorously pursuing these efforts. First, process chemicals represent a significant portion of the manufacturing cost, and improvements which reduce the quantity of chemicals required will positively impact revenue. Second, substituting less hazardous materials when possible reduces the potential impacts associated with worker exposure or chemical release, and allows for simpler handling and management systems. Third, substituting or reducing quantities of chemicals may allow facilities to more easily comply with state and federal health, safety and environmental requirements. Thus, as a result of industry efforts, technology manufacturing has achieved an excellent health and safety record.

All three (3) of the advanced manufacturing technologies involve a variety of chemical substances, and will have associated Material Safety Data Sheets (MSDS) representing the specific chemicals to be used. MSDS will be made available to employees and agencies. Tables 6-11 through 6-16 of the DGEIS provide the estimated maximum annual chemical and component material consumption rates associated with the various potential manufacturing technologies to be located at the Project Site.

All three (3) of the manufacturing technologies will use similar commercially-proven engineering control systems to allow for the management of hazardous materials in a manner that is protective of human health and the environment. Hazardous process chemicals will be stored and/or used at several locations at a typical facility including outdoor areas; at chemical storage rooms; manufacturing process areas; and other indoor areas. The types and quantities of chemicals stored and used in each of these areas are documented in a Hazardous Materials Inventory Statement, which shall be provided to local fire and other emergency service agencies as part of all safety and emergency planning efforts for the Project.

Hazardous process chemicals will be typically delivered and stored and/or used in the following outdoor areas:

1) Bulk gas yard: The bulk gas yard will consist of steel tanks designed for storing cryogenic gases including argon, nitrogen, hydrogen, and oxygen. The tanks will be located within a fenced area on a concrete pad.

2) Emergency generator area: Emergency standby backup power shall be provided by several diesel emergency engine generators also located in an outdoor yard area. Each generator typically involves several thousand gallons of diesel fuel with secondary containment that consist of a rupture basin size for 125% of the primary storage tank. The storage and use of this volume diesel is regulated by the federal Spill Prevention Control and Countermeasure Rules and NYSDEC's regulations for the bulk storage of the petroleum and hazardous substances.

3) Bulk fuel oil storage area: Future industry tenants at the Project Site may also require bulk storage of fuel oil as a backup fuel supply for boiler systems.

Air pollution control systems including wet fume scrubbers to control acidic or alkaline vapors, ammonia or oxides of nitrogen, thermal oxidizers to control VOCs and bag houses or other filters to control particulates will be located at the Project Site as necessary. Bulk chemical storage may include raw assets or concentrated acid waste. These materials shall be stored in steel-lined tanks equipped with high level sensors and vented to pollution control systems. Chemical storage rooms will also be located in facilities to store hazardous chemicals typically delivered to essential chemical storage and distribution rooms through a dock facility.

Certain areas of the manufacturing process may also rely on bulk chemical delivery systems as opposed to container (*i.e.*, totes, 55-gallon drums, and bottles) transport and delivery of chemicals. From the chemical storage rooms, bulk chemicals are pumped to the process areas through chemically resistant tubing inside clear secondary containment PVC piping. Secondary containment piping shall be equipped with low point drains and leak detection.

Minimization and Mitigation Measures

A wide variety of environmental and health and safety laws and regulations shall guide the design, construction, and operation of the advanced technology manufacturing facilities to be located at the Project Site. All future manufacturing activities to be conducted at the Project Site shall be subject to the appropriate NYSDEC regulations including those requirements set forth in the Hazardous Substance Bulk Storage Program (6 N.Y.C.R.R. Parts 595-599) and Petroleum Bulk Storage Program (6 N.Y.C.R.R. Parts 612-614). In addition, all hazardous materials transferred to and from the Project Site shall only be transported in Department of Transportation-approved containers by licensed transporters.

The storage and use of any petroleum and hazardous substances at the Project Site shall be subject to the federal Spill Prevention Control and Countermeasure ("SPCC") rules. Facility system design and daily operations at the Project Site shall also comply with all applicable Uniform Fire and Building Codes and a site-specific Hazardous Material Management Plan shall be prepared and submitted to the Town of Alabama Fire Department for approval prior to the issuance of any Certificates of Occupancy. All employees handling hazardous materials or wastes will be appropriately trained in accordance with applicable Occupational Safety and Health Act (OSHA) and Resource Conservation and Recovery Act (RCRA) regulations.

Multiple environmental health and safety programs shall be implemented at the Project Site in order to comply with the applicable provisions of the Town of Alabama Zoning Law, RCRA, New York State Department of Labor regulations, the Emergency Planning and Community Right-to-Know Act, and OSHA regulations.

Hazardous process chemicals shall not be stored at any locations at the Project Site without the user of such chemicals first providing a Hazardous Materials Inventory Statement to the Town of Alabama Fire Department and other local emergency services agencies as part of a comprehensive safety emergency planning effort for the Project. All hazardous materials management practices and engineering controls for the advanced technology and manufacturing facilities to be located at the Project Site shall also be managed consistent with

the requirements set forth in the DGEIS. Lastly, all nanotechnology manufacturing facilities to be located at the Project Site shall comply at all times with applicable USEPA, OSHA and National Institute for Occupational Safety and Health (NIOSH) requirements.

Findings

As a result of the substantial self-policing efforts of the technology manufacturing industry, and with the mandated compliance with all applicable local, federal and state regulatory programs as described above, any potential environmental and health and safety impacts will be avoided and/or minimized to the maximum extent practicable. Thus, potential impacts will be minimized and/or avoided to the maximum extent practicable by incorporating, as mitigation measures, compliance with the regulatory requirements identified herein.

Traffic and Transportation

Discussion of Potential Impacts

GCEDC conducted a Traffic Impact Study to review and analyze the potential impacts to existing traffic conditions from Phase 1, 70% of full build-out, and full build-out developments of the Project. The Project shall be constructed in phases over a 20-year planning horizon, with threshold analyses for Phase 1 (1,000,000 square-feet of floor space) and 70% of full build-out of the Project Site's trip generation, so that additional evaluations can facilitate the phasing of transportation improvements.

The Project Site is bounded by three (3) roads, with New York Route 77 to the north; New York Route 77/63 Overlap to the east; and Judge Road to the south. A fourth road, Crosby Road, extends north/south through the Project Site. The following study intersections were reviewed and analyzed in the Traffic Impact Study:

- New York Route 63/New York Route 31/New York Route 31A
- New York Route 63/Blair Road/Main Street
- New York Route 77/New York Route 63/Lewiston Road
- New York Route 77/63 Overlap-Ham Road
- New York Route 77/New York Route 63/Judge Road
- New York Route 77/Bloomingdale Road
- New York Route 77/Ledge Road
- New York Route 77/Akron Road
- New York Route 77/I-90 Exit 48A
- New York Route 77/New York Route 5
- New York Route 77/Royalton Center Road
- New York Route 98/Lockport Road
- New York Route 63/Lewiston Road/Park Avenue

Intersection turning movement traffic counts were conducted at the Project Site area intersections during February 2010 and during November 2010. The traffic counts were done during the AM commuter peak from 7:00 to 9:00 a.m. and during the PM commuter peak from 4:00 to 6:00 p.m. A review of the seasonal variations of traffic in the area indicated that there were generally higher traffic volumes during the summer months due primarily to the Project Site's proximity to recreation centers such as the Darien Lake Amusement Park located south on New York Route 77-63. Therefore, the AM and PM peak hour turning movement counts conducted in February and November were factored to represent average August conditions. The resulting peak hour traffic volumes formed the basis of all traffic forecasts.

An automatic traffic recorder (ATR) was installed by the New York State Department of Transportation ("NYSDOT") on NY Route 77 just south of the NY Route 77/NY Route 63/Judge Road intersection to record hourly traffic volumes from August 10, 2010 through August 18, 2010. The following observations were evident based on the existing traffic volume data:

1. The AM peak hour generally occurs from 7:00 to 8:00 a.m. while the PM peak hour generally occurs from 4:00 to 5:00 p.m.

2. The two-way traffic volume on NY Route 77 adjacent to the Project Site is approximately 150 vehicles during the AM peak hour and 200 vehicles during the PM peak hour. The two-way traffic volume on the NY Route 77/63 Overlap adjacent to the Project Site is approximately 360 vehicles during the AM peak hour and 530 vehicles during the PM peak hour. The two-way traffic volume on Judge Road adjacent to the Project Site is approximately 45 vehicles during the AM peak hour and 105 vehicles during the PM peak hour.

3. Heavy vehicle percentages on the NY Route 77/63 Overlap generally range from 5% to 13% by approach during the AM and PM peak hours. Buses account for less than 1% of the traffic.

Regional transit service available in the Project's vicinity includes the B-Line – Batavia Bus Service (BBS), which is an operating subsidiary of the Rochester Genesee Regional Transit Authority (RGRTA). BBS provides curb-to-curb service within Genesee County; however, service is limited to three days per week with each day restricted to a specific regional area.

The typical AM and PM commuter hours represent the most conservative, "worst case" time periods to calculate potential Project-generated traffic. The trip generation evaluation contained in the Traffic Impact Study indicates that Phase 1 of the Project will generate 403 and 402 new AM and PM peak hour trips, respectively, while full build-out of the Project (assumed in Year 2035) will generate approximately 2,034 and 2,749 new AM and PM peak hour trips, respectively. The 70% threshold will generate 1,424 and 1,924 new AM and PM peak hour trips.

Minimization and Mitigation Measures

Various improvements have been identified to mitigate to the maximum extent practicable the Project's potential impact to existing traffic patterns and flows. It is noted that the improvements typically include traffic signals and turn lanes at intersections. Based on conversations with NYSDOT, alternative traffic controls, such as roundabouts, shall be considered, and the intersections shall be monitored to determine when the improvements should be installed.

Access to the Project Site shall be provided through Crosby Road during Phase 1. It is recommended that a right-turn lane be constructed on the east bound Judge Road approach of the NY Route 77/NY Route 63 intersection, and that this intersection and the NY Route 77/Ledge Road intersection be monitored for the potential installation of traffic signals during Phase 1 of the Project's development.

After Phase 1, and before the 70% threshold for Project build-out is reached, it is recommended that a bypass road be constructed through the Project Site from NY Route 77/63 Overlap just north of Ham Road to NY Route 77 at the existing location of the intersection of Crosby Road. This connector road will provide access to the Project Site, and will allow through traffic on NY Route 77 to bypass the Hamlet of Alabama, reducing potential traffic impacts in the Hamlet of Alabama. Designating the bypass road at Route 77 and de-designating existing NY Route 77 through the Hamlet of Alabama will be considered. In addition to the connector road, several new site driveways shall be constructed as needed and in correlation to the phased development of the Project Site. These site access improvements include: two (2) driveways on NY Route 77; two (2) driveways on Judge Road; and two (2) driveways on NY Route 77/63 Overlap (in addition to the bypass road curb cuts).

Traffic capacity improvements shall be completed (as needed) at several off-site intersections including:

- NY Route 77/NY Route 63/Judge Road
- NY Route 77/Bloomingdale Road
- NY Route 77/Ledge Road
- NY Route 77/Akron Road
- NY Route 77/I-90 Exit 48A

The actual timing and necessity of these improvements will be confirmed after completion of Phase 1 development and subject to the review and approval of NYSDOT.

The full build-out analysis of the Preferred Alternative indicates that a majority of the study area intersections will continue to operate adequately. A two-lane capacity analysis of NY Route 77 shows that only the Judge Road to Bloomingdale Road segment may become congested during full build-out conditions. Since additional mitigation above and beyond the improvements identified for the 70% threshold may be necessary to provide adequate operations at a few locations, a supplemental traffic analysis shall be conducted after the 70%

threshold is reached or when the Project Site generates 1,925 trips during the PM peak hour. The supplemental analysis shall focus on the intersections below:

- NY Route 77/NY Route 63/Judge Road
- NY Route 77/Bloomingdale Road
- NY Route 77/Ledge Road
- Route 77/Route 63/Lewiston Road

There are a number of potential level-of-service (LOS) degradations (increases in delay at area intersections) that may result from the full build out of the Project and, in order to view those potential impacts in a conservative manner, the degradations are being considered potential unavoidable impacts associated with the Project Site's traffic generation. Nevertheless, with implementation of the proposed traffic improvements set forth in the Traffic Impact Study, these potential impacts will be mitigated to the maximum extent practicable.

Based on coordination with the N.Y. State Thruway Authority and evaluation of the available capacity at the I-90 Exit 48A Interchange, as well as queuing at the adjacent signal, the Interchange appears capable of accommodating the build-out of the Project by managing the existing lanes, constructing an additional toll lane, or through an employer incentive that encourages EZ-Pass use.

In sum, the analysis set forth in the Traffic Impact Study shows that the proposed improvements for the Project will provide adequate operations at the study area intersections and on the existing road network for the levels of traffic anticipated.

Findings

Although the Project will have a significant impact on existing traffic and transportation patterns and flows, upon implementation of the mitigation measures identified above, traffic and transportation impacts from the Project will be mitigated to the maximum extent practicable. Moreover, the potential impacts on traffic are outweighed by the significant social and economic benefits to be provided by the Project.

To ensure that at full build out, no additional potential traffic impacts result from the Project that are not anticipated at the time of this Findings Statement, a supplemental traffic analysis shall be conducted before additional development occurs beyond the 70% threshold.

Land Use and Zoning

Discussion of Potential Impacts

The pattern of land use in the area surrounding the Project Site will be altered through the full build-out of the Project. The Project Site and surrounding areas largely consist of agricultural lands, recreational open spaces and a limited amount of large lot residential development. The southeast/west corner adjoining the Project Site is part of the John White WMA and the

Tonawanda Seneca Nation property borders the Project Site to the west. The Project proposes modern-high technology manufacturing and ancillary uses utilizing less than 49% of the 1,243.40 acres comprising the Project Site. The majority of the remaining acreage at the Project Site will be preserved for open space and the protection of environmentally sensitive resources.

Implementation of the Project will alter the pattern of existing land uses, transforming primarily open space and subprime agricultural land into a modern, advanced technology campus. The majority of the Project Site is zoned A-R (Agricultural-Residential), which does not accommodate the development of the Project.

Minimization and Mitigation Measures

In order to accommodate the Project, GCEDC is proposing that the Town of Alabama consider implementing the following three (3) land use measures to minimize potential impacts the Project may have on existing land uses and zoning-planning goals:

- Implementation of an Incentive Zoning Agreement pursuant to which GCEDC, in exchange for providing certain public amenities to the Town (which will inure to the benefit of the community as a whole), will receive a re-zoning of the Project Site into a newly-created Technology Zoning District in order to address the Project's unique needs.

- Amending the Comprehensive Plan for the Town of Alabama to provide for the development of the Project consistent with the other planning goals of the Town and Village, and incorporating the vision of the Project's goal of developing a world-class high technology manufacturing center with a focus on renewable energy.

- Considering the adoption of one or more of the strategies found in the Farmland Protection Strategies Report ("FPSR") for the Town of Alabama, New York, which has been prepared with the goal of describing and consolidating the potential strategies for the Town of Alabama to evaluate and consider in preserving farmland. FPSR is provided as one of the proposed mitigation measures for the potential loss of farmland associated with the development of the Project Site.

- Amendment of the Genesee County Smart Growth Plan to include the Project Site within the Hamlet of Alabama Smart Growth development area.

GCEDC has submitted an Incentive Zoning application to the Town of Alabama in furtherance of the potential mitigation measures stated above, and in particular to request that the Town create a special Technology Zoning District for the Project which will govern all development at the Project Site. The Technology Zoning District will be divided into three (3) subdistricts:

- Technology District 3 – TD3 will include the northeast corner of the Project, which is in close proximity to the Hamlet of Alabama's commercial/residential corridor, and shall

be limited to smaller buildings which would accommodate retail and professional office-related uses.

- Technology District 2 – TD2 will allow all uses permitted within TD3 plus light industrial uses, warehousing and distribution, community and cultural facilities, and technology demonstration facilities.

- Technology District 1 – TD1 will allow all uses permitted within TD2 and TD3 plus large scale advanced technology use, research, development, demonstration, and manufacturing.

The Technology Zoning District is designed to mitigate off-site impacts potentially associated with the development of the Project Site. The layout of the Technology Zoning District maximizes the benefits of the Project Site layout and incorporates smart design techniques to minimize the potential impacts of the Project. The proposed Technology Zoning District shall also include a 300-foot buffer of open space along any district lot line abutting a Residential (R) or Agricultural-Residential (A-R) District, with the exception of the property zoned TD3 in the northeast corner of the Project Site. In addition, a 300-foot buffer will be maintained between TD1 or TD2 with TD3. The 300 feet will be measured from the edge of the portion of the Project Site that has been zoned to TD1 or TD2. Lastly (again, with the exception of areas zoned TD3), a 100-foot buffer of land around the perimeter of the Project Site that is being zoned TD1 or TD2 (but remained zoned A-R or R) shall be retained as an additional open space buffer. Fencing, signs, landscaping, roads, access drives, utilities and utility-related uses shall be permitted within all open spaces and buffers retained at the Project Site.

In exchange for granting the zoning incentives set forth in the proposed Technology Zoning District, GCEDC (or its affiliate) may provide certain amenities identified as priorities by the Town of Alabama, which may include providing potable water, funding and acquiring real property nearer to the Hamlet of Alabama for a new town hall, and assisting and delivering broadband services to the Town.

<u>Findings</u>

The pattern of land use in the area will be altered by the Project. However, the following actions will minimize and/or mitigate potential impacts on land use and zoning to the maximum extent possible:

- Implementation of an Incentive Zoning Agreement with the Town of Alabama;
- Creation of the new Technology Zoning District;
- Amendment of the Town of Alabama's Comprehensive Plan and the Genesee County Smart Growth Plan to provide for the development of the Project consistent with the planning goals of Genesee County, the Town of Alabama and the Village of Oakfield, and incorporating the vision of the Project's goal of developing a world class high technology manufacturing center; and/or
- Implementation of one or more strategies in the FPSR for the Town of Alabama, New York.

The Project's potential impacts on existing land use and zoning will be minimized and/or mitigated to the maximum extent practicable. Moreover, the impacts to land use and zoning shall be outweighed by the potential significant economic benefits associated with the Project.

Utilities

The Project Site will be served by or have access to all major utility facilities, including water, sewer, electric, natural gas and telecommunications. While the provision of water and sewer is administered by public authorities, all other utility services are provided by private companies.

Discussion of Potential Impacts

Water Services

The Water Service Preliminary Report in the DGEIS, evaluates the necessary improvements required to supply the required water services to the Project Site. The analysis considers two (2) construction phases – Phase 1 and full build out scenarios. Phase 1 anticipates an assumed building development of 1.0 million square feet with a water demand of 1.0 million gallons per day ("gpd").

The availability of water resources and large diameter water mains is limited in the vicinity of the Project Site. Therefore, providing the high water demand necessary for the Project Site will require the development of a network with multiple water resources, rather than one or two simple high volume connections. Several alternatives were considered to provide a water service system that would meet the needs of the Project while minimizing the impact to existing water supply systems. The alternatives consist of providing a supply system including new water mains and connections to existing water mains in the surrounding area, as well as on-site storage tanks.

A phased network approach will be required to satisfy the water supply needs of the Project Site while maintaining the current levels of water service to the various communities. The most practical sources of supply are located to the south and west of the Project Site in the Town of Pembroke and Village of Oakfield, and through Genesee County. A Phase 1 water project consisting of the construction of a Route 77 water main with a Pembroke connection, and a Route 63 and South Pearl Road water main project, will be required to meet the demand for the Phase 1 development of the Project. The construction of an on-site water storage tank would provide the required on-site storage for fire flow and peak demands associated with Phase 1 of the Project. The estimated total capital cost of the Phase 1 water project is approximately $17,247,000.00.

The Town of Alabama and Village of Oakfield are planning water projects that are similar to the ones described above. If these municipal projects are completed in advance of the Project Site and the proposed water main materials and sizes were upgraded, the total capital cost associated with Phase 1 of the Project Site development may be reduced to $14,484,000.00

In addition to the required alternatives constructed for Phase 1 of the Project's development, additional improvements will be required to service the full build out of the Project Site. Construction of a Maple Street and Galloway Road water main would be required for the full build-out water system. To provide the anticipated 3.0 million gpd to the Project Site at full build-out, significant upgrades will also be required to the Genesee County, Monroe County Water Authority and Erie County water systems. The estimated total capital cost of the full build-out expansion for the Project is $21,405,000.

Wastewater Facilities

The Sewer Service & Wastewater Treatment Facility Preliminary Report in the DGEIS, was prepared to evaluate the necessary improvements required to provide sanitary service to the Project Site. STAMP will generate a combination of conventional domestic wastewater and wastewater from the manufacturing process and process support systems. The preliminary report evaluates several alternatives to provide sanitary service to the Project, considering the two (2) phases of development: Phase 1 and full build-out. The sewer demand for Phase 1 is estimated to be 1.0 million gpd. The initial construction of the Project Site would include a wastewater treatment facility and infrastructure to convey and treat this volume of flow. For the full build-out scenario, a sewer design demand of 3.0 million gpd was evaluated. This phase will include upgrades to the wastewater treatment facility and infrastructure previously constructed under the Phase 1 development portion of the Project, as well as new infrastructure to meet anticipated demand.

The location and construction of a wastewater treatment facility on the Project Site is the most economical and feasible approach for addressing wastewater treatment resulting from the Project. The construction of an on-site wastewater treatment facility eliminates the need for long sewer forced mains filled with untreated sewage; allows flexibility to upgrade the wastewater treatment facility easily since its incorporated into the Preferred Alternative; has the lowest estimated capital costs; eliminates the needs for off-site land acquisition; and allows for feasible permitting for the wastewater treatment facility.

The on-site wastewater treatment facility to be constructed within the Project Site would include a discharge of treated wastewater to the Whitney Creek pursuant to a State Pollutant Discharge Elimination System ("SPDES") permit issued by the NYSDEC. A SPDES permit establishes stringent performance standards and operating conditions that are designed to protect the State of New York's waters including Whitney Creek. The SPDES permit shall incorporate water quality standards, sampling analysis, and reporting requirements as established by NYSDEC. The sewer service for the Project will also require permitting from the New York State Department of Health, as well as the County of Genesee and the Town of Alabama (if applicable). Based on initial discussions with the NYSDEC, a discharge to Whitney Creek is feasible based on volume and concentration levels for a regulated Intermittent Stream.

Electrical Power

Anticipated electrical loading requirement for the Project is 185 megawatts. National Grid completed a review of system impact of low connection for the Project Site which evaluated the ability of National Grid's Genesee Regional Power Structure to provide the megawatt load-age on a five-year horizon for the Project. National Grid considers the findings and analysis contained in its report to be confidential information, and for both proprietary and security reasons, cannot be disclosed publicly. Nevertheless, several of the levels for the Project Site were considered by National Grid. It was concluded that a 9 megawatt load without reactive compensation or a 30 megawatt load with reactive compensation could be supplied at the Project Site without thermal voltage problems developing for the existing system. In addition, the Project Site lies within the Niagara Hydro Power Zone and will draw its electrical consumption needs from this renewable energy source.

Natural Gas

Estimated annual consumption of natural gas for the combined facilities to be located at the Project is 2,700 MMCF according to the Gas Service Analysis provided in the DGEIS. The proposed gas distribution plan set forth in the Gas Service Analysis contains the main components necessary to satisfy the Project's ultimate service requirements in consideration of the operation's parameters for the existing gas distribution system. The nearest natural gas distribution line is located the distance of approximately five (5) miles from the Project Site, near the intersection of Judge Road and Lewiston Road on the northwest side of the Village of Oakfield. Once the gas main extends the boundary of the Project Site, the available gas pressure will be in the range of 30-80 PSIG.

Telecommunications

The Genesee County website indicates that there are existing fiber optic lines running close to the Project Site in two (2) locations. One line is located at the Lewiston Road-Route 77/63 intersection near the northeast corner of the Project Site, and the other is located at the Judge Road-Route 77/63 intersection near the southeast corner of the Project Site.

Minimization and Mitigation Measures

The following measure shall be implemented as part of the development of the Project Site in order to minimize potential impacts to existing utility resources to the maximum extent practicable:

a. The improvements determined to be necessary for the Project Site as outlined in the Water Service Preliminary Report in the DGEIS shall be implemented (as necessary and applicable) on a going-forward basis as part of the Phase 1 and full build-out development phases of the Project in conformance with any and all applicable requirements of the Counties of Genesee and Erie, the Monroe County Water Authority, the Town of Alabama, and the Village of Oakfield.

b. Implementation of the recommendations set forth in the Sewer Service and Wastewater Treatment Facility Preliminary Report set forth in the DGEIS shall be implemented (as necessary and applicable) as part of the Phase 1 and full build-out developments of the Project. The construction of an on-site wastewater treatment facility shall be completed with an anticipated discharge to Whitney Creek subject to any and all applicable permitting requirements set forth by NYSDEC and, as applicable, the County of Genesee, and the Town of Alabama. Discharge from the wastewater treatment facility to Whitney Creek shall be subject to any and all applicable Intermittent Stream requirements as established by NYSDEC.

c. Provision of electrical power to the Project Site shall be completed in conjunction with the recommendations set forth by National Grid and subject to the review and approval (as applicable) by National Grid, Rochester Gas and Electric, the New York Power Authority, and the New York Independent System Operator.

d. Gas services required for the Project Site shall be completed pursuant to the Proposed Gas Distribution Plan set forth in the Gas Service Analysis in the DGEIS. Based on the projected needs of the Project, ample gas pressure will be supplied for future uses at the Project without presenting a potential significant adverse impact to existing natural gas resources.

Findings

Upon implementation of the measures identified above, Project impacts to existing utility resources will be mitigated to the maximum extent practicable.

Community Facilities

Discussion of Potential Impacts

Development of the Project will have an impact on the existing level of emergency response services provided in the Town of Alabama. Additional resources required to provide police services at the Project Site, however, are expected to be minimal. Periodic patrols of the Project Site may be required, and those efforts will be coordinated between the Genesee County Sheriff's Office and the New York State Police. The larger entities located at the Project Site will typically provide internal security personnel, so routine police patrols will be able to focus on the Project Site's public access areas such as roads and recreational areas.

With respect to fire and ambulatory services, technology manufacturing companies that will locate at the Project Site will organize and maintain their own internal fire response capabilities. These systems will be fully coordinated with the emergency response providers for the Town of Alabama, Genesee County and the State of New York. The type of incidents requiring response from public fire protection agencies will be similar to those currently maintained by those agencies. Effective responses to the Project Site will necessitate that the

technology manufacturing facilities themselves provide training to local responders so that site-specific and chemical-specific knowledge is conveyed to the responders. Depending on the specific needs of the actual facilities located in the Project, it is possible that additional resources and/or training may be required.

Approximately 54,000 tons per year of solid waste and 3,000 tons per year of hazardous waste are estimated at the peak generation during full build-out of the Project. This amount of solid waste can be readily managed by the existing private contractors operating in the region without the specific need for any additional waste management facilities.

Potential impacts to educational facilities are both direct and indirect. Direct impacts occur during construction and operations. However, due to the absence of school buildings in the Project study area and the remote location of the Oakfield-Alabama Central School District building to the Project Site, no adverse impacts are expected on any educational facilities during construction or operation. With regard to indirect impacts, educational facilities in the area are expected to benefit financially from the development of the Project. As noted in the Economic Impact Analysis provided in the DGEIS, increase in enrollments related to STAMP will be more than offset by potential increased tax revenues.

With respect to court services, the activities at the Project Site will be largely manufacturing-related subject to strict compliance with local, state and federal requirements. As a result, there will not be zoning related matters that may arise before the local court.

Minimization and Mitigation Measures

With respect to the potential impacts to the existing educational facilities, the Project may have a significant benefit to the educational facilities existing in the community as a result of the potential increased tax revenues generated by the Project. Furthermore, new advances in high tech manufacturing companies locating at STAMP will likely strengthen science, math and technology programs in the schools serving the community.

Depending on the specific needs of actual facilities that may locate at the Project Site, it is possible that additional fire and ambulatory resources and/or training may be required. In order to prepare for that possibility, a preliminary study to determine the existing baseline levels of emergency services currently provided by the Town of Alabama Fire Department, the Genesee County Emergency Services, and the Genesee County Sheriff's Department shall be completed. In addition, a facility-specific emergency services impact study shall be prepared for each actual technology manufacturing facility to be located at the Project Site and submitted to an informal committee composed of local and county emergency response representatives to review and provide input on such studies. Each study will identify mitigation measures that may be required for the following factors:

- Potential for increase in police calls
- Potential for increase in court services
- Potential for increase in EMS calls

- Potential for increase in motor vehicle accident calls
- Potential for increase in hazardous materials calls
- Potential for increase in fire calls
- Potential need for fire apparatus
- Potential incentives to attract additional volunteers for the fire department

Findings

In order to ensure that emergency service responders are adequately prepared for the potential unique needs of a future use, a facility-specific emergency services impact study shall be prepared for each actual technology manufacturing facility to be located at the Project Site and submitted to an informal committee composed of local and county emergency response representatives to review and provide input on such studies. Moreover, to ensure the adequacy of these future studies, a baseline study shall be completed to determine the current baseline levels of services provided by local and county emergency service providers. With implementation of these mitigation measures, potential impacts to community services shall be minimized and/or avoided to the maximum extent practicable.

Community Character and Demographics

Discussion of Potential Impacts

The Project has been designed to be in a low density campus setting, meaning that development will be respectful of and complement its natural landscape. Landscape buffers shall surround the Project along property lines shared with the existing houses, roads and the Hamlet of Alabama in order to maintain existing view sheds as well as the rural character of the area surrounding the Project. In addition, the ridge line that runs the existing Hamlet of Alabama will remain undeveloped to provide a visual separation between the hamlet and the Project.

In terms of maintaining the visual character of the community, the Project is planned to visually integrate itself into the existing rural, agrarian setting as outlined in the *Visual Impact Assessment* in the DGEIS. Larger technology manufacturing structures are located on the lower western portion of the Project Site, while the small-scale supporting structures are located on the eastern portion of the Project Site to provide a scaled transition to neighboring farmland. The eastern portion of the Project Site will also be scaled to mirror the aesthetics of the Hamlet of Alabama. Both the undeveloped buffer zones to be located around the Project Site's perimeter and the campus-like setting of the Preferred Alternative shall ensure that open spaces and environmentally sensitive locations are maintained. A 400-foot buffer will be maintained around the perimeter of the Project Site, expanded to an average of 1,600 feet along the western boundary adjoining the Tonawanda Seneca Nation property. Lastly, a minimum 500-foot buffer will be maintained along the Project Site's boundary adjoining the John White WMA.

The Preferred Alternative has been designed to integrate the manufacturing facilities into the existing community fabric. In addition, the following specific design measures have been integrated to minimize Project visibility:

- Cutting of trees and hedgerows shall be avoided to the maximum extent practicable.
- All trees on the Project Site shall be protected from disturbance to the maximum extent practicable to ensure the Project Site retains its rural character.
- All buildings shall be landscaped with indigenous plants adapted to the conditions found in the surrounding area.
- All exterior lighting shall be minimized and focused downward to the maximum extent practicable to avoid excessive night time light and glow around the Project Site.
- The design of specific buildings, structures, signs and general streetscape, in addition to building materials, shall be of high quality and chosen to reflect a rural-agricultural vernacular of the surrounding area.

Potential impacts during construction and operation of the Project to noise have been assessed according to NYSDEC guidelines. The Town of Alabama does not have a noise control ordinance that applies to STAMP. NYSDEC's published guidance "Assessing and Mitigating Noise Impacts" (NYSDEC, 2001) establishes a basis to assess the Project's potential for those impacts.

Taking the NYSDEC guidelines into consideration, the Project will limit noise at the STAMP boundary to an L_{EQ} of 65 dBa during the day and 45 dBa at night. NYSDEC guidelines state that noise sources should not increase levels above 65 dBa in non-industrial areas. The proposed Project property line requirement of 65 dBa during the day and 45 dBa at night will ensure that the 65 dBa level referenced by NYSDEC for non-industrial areas is not exceeded. The resulting maximum Project level of 65 dBa generally does not exceed maximum existing average baseline noise levels documented within the vicinity of the Project, which range from 63 dBa to 73 dBa.

Implementation of the Project has the potential to improve local and regional economics significantly. The creation of over 9,000 direct new high salary manufacturing related jobs at STAMP are expected to have a substantial positive effect on local and regional socioeconomic indicators, such as educational levels and per capita personnel and household incomes, compared to the existing baseline demographic statistics and trends. Other related socioeconomic indicators such as industrial employment, percentage of working age population employed, and a population age distribution which reflects better retention of working age young adults shall also be expected to exhibit substantial improvement over present socioeconomic measures.

By creating quality jobs focused on high technology advanced manufacturing and ancillary development, the Project will improve the demographic conditions of the local and regional communities. STAMP is designed to reverse the exodus of young college graduates in the 20-34

year old age range from the Genesee County community and western New York region serving to stabilize the demographic distribution and to retain intellectual capital produced locally, while maintaining the rural agricultural aesthetic of the Town of Alabama.

Minimization and Mitigation Measures

The existing Project, as designed, mitigates to the maximum extent practicable potential impacts to community character and demographics. At full build-out, STAMP will provide a substantial positive impact on local and regional socioeconomic indicators, as well as help reverse the exodus of young college graduates from the Genesee County community and western New York region serving to stabilize the demographic distribution.

Findings

As currently designed, adverse impacts to existing community character and demographics have been mitigated to the maximum extent practicable. Moreover, the Project has the potential to provide significant socioeconomic benefits including reversing the exodus of young college graduates from the Genesee County community and Western New York region.

Historic and Archeological Resources

Discussion of Potential Impacts

A Phase IA Cultural Resource Assessment was completed for the Project Site. The purpose of the Phase IA investigation was to gather information pertaining to the cultural setting of the Project Site to determine if any prehistoric or historic cultural resources could be potentially impacted at the Project Site. The Phase IA literature, research and sensitivity assessment found that there are 17 sites within one mile of the Project Site and one site within the Project Site that indicated historical and archeological importance. Of the 18 known sites, there are 13 prehistoric sites, two 2 historic sites, and 3 sites with no site file form. The one known prehistoric site located within the project area near the southwest corner has no site file form. In addition, a review of historic maps indicated that there are several Map Documented Structures (MDSs) within and adjacent to the Project Site. While there are no known properties listed on or eligible for listing on the National Register of Historic Properties within or adjacent to the Project Site, there are potential historic cultural resources ranging from middens to barn, outbuilding and house foundations associated with the MDSs within and adjacent to the Project Site. The Project Site is therefore regarded as having a high degree of sensitivity for prehistoric sites and a moderate-to-high degree of sensitivity for historic sites in undisturbed contexts.

A Phase IB Field Investigation study conducted on portions of the site have revealed thirteen (13) artifact clusters and several isolated find spots at the Project Site. Given the high sensitivity for prehistoric sites and the moderate-to-high sensitivity for historic sites, it has been determined that the Phase IB field investigation is warranted for all sections of the Project Site to be potentially impacted by future development.

The Phase IA Cultural Resource Assessment and a summary of the Phase IB fieldwork conducted thus far as well as the GEIS have been submitted to the New York State Office of Parks Recreation and Historic Preservation ("OPRHP") for review in accordance with Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law.

ESD consulted with OPRHP regarding the Project due to ESD's involvement in providing funding for the Project to be used for the purposes of land acquisition, professional fees, marketing, and for engineering and construction of a 500 foot to 600 foot access roadway with related utilities ("Access Roadway"). In a letter dated, March 27, 2012, OPRHP indicated that it does not oppose the release of ESD's short-term financing funds with the following conditions: 1) that the recipient of the funds, the Genesee Gateway Local Development Corporation ("GGLDC"), will consult with OPRHP regarding the location of the proposed Access Roadway; 2) that an archeological investigation will be completed to OPRHP's satisfaction at the location of the proposed Access Roadway prior to construction; and further; 3) that the Section 14.09 process will be completed prior to any ground disturbance for the Project beyond the Access Roadway. These conditions are stipulated in the Grant Disbursement Agreement between ESD and GGLDC.

Minimization and Mitigation Measures

Prior to the development of the Project Site, a Phase 1B field investigation of all sections of the Project Site will be conducted in coordination with OPRHP and the Tonawanda Seneca Nation. In addition, the project sponsor, GCEDC, and its affiliate GGLDC, shall comply with the conditions stipulated in OPRHP's letter of March 27, 2012 to satisfy Section 14.09 requirements and to avoid or minimize potential adverse impacts on cultural resources to the maximum extent practicable. Coordination with the Tonawanda Seneca Nation will also be required during the investigation and consultation process and prior to the development of the Project Site.

Findings

In order to address any potential impacts associated with the future development of the Project Site, a Phase 1B field investigation of the Project Site will be conducted in coordination with OPRHP and the Tonawanda Seneca Nation. Conditions stipulated in OPRHP's March 27, 2012 letter shall also be satisfied including consulting with OPRHP regarding the Access Roadway and completing the related archeological investigation prior to construction, and completing the Section 14.09 consultation process prior to any ground disturbance for the Project beyond the Access Roadway. With the implementation of these measures, potential adverse impacts to historic and archeological resources will be avoided or minimized to the maximum extent practicable.

Agricultural Resources

Discussion of Potential Impacts

Full development of the Project will result in a loss of agricultural use at the Project Site. Approximately 1,120 acres of the Project Site is located within the Genesee County Agricultural District No. 2, and based on available information, approximately 950 acres of the Project Site are currently being used for farming. The total area of prime farmland located within the Project Site is approximately 275 acres, representing 0.23% of the total prime farmland located in Genesee County and 0.49% of the total prime farmland acreage located in Agricultural District No. 2. Agricultural District No. 2 encompasses 55,143.18 acres of land located in the Towns of Alabama, Batavia, Elba, Oakfield, and Pembroke. There are approximately 148,584.30 acres of crop land located in Genesee County, with approximately 120,365 acres of this total classified as prime farmland. The potential loss of future agriculture use of the Project Site represents less than 1% of the total crop land acres located in Genesee County (*i.e.*, 0.65%), and approximately 1.7% of total cropland acres located in Agricultural District No. 2.

On February 24, 2010, GCEDC filed a Preliminary Notice of Intent to undertake the proposed action within an Agricultural District with the New York State Department of Agriculture and Markets ("NYSDAM") and the Genesee County Agricultural and Farmland Protection Board ("Genesee County AFPB") in accordance with Section 305(4) of the Agriculture and Markets Law ("AML"). GCEDC will complete the Notice of Intent process in accordance with AML, including filing a Final Notice of Intent with NYSDAM and Genesee County AFPB at least 65 days prior to the disbursement of grant funds by ESD for construction work and commencement of the proposed action by the GCEDC. In addition, at least 10 days prior to the disbursement of ESD funds and commencement of action, GCEDC will file a Certification with NYSDAM pursuant to Section 305(4)(g) of AML.

Minimization and Mitigation Measures

A number of factors will mitigate the loss of agricultural use at the Project Site. For example, development of the Project will not result in an immediate total loss of agriculture use at the Project Site. The phased development of the Project, coupled with implementation of the long-term Land Management Plan will ensure that future development areas will be maintained in the current land use until construction is commenced. As a result, that acreage which is currently being farmed on development areas proposed for the Project Site will continue to be farmed until such time that construction for each respective area is commenced.
In addition, the Farmland Protection Strategies Report (FPSR) provided in the DGEIS describes and consolidates methodologies to protect farmland located in other areas of the Town of Alabama as a mitigation measure for the farmland loss associated with the Project. Strategies listed in the FPSR include:

- Enhancing zoning protection for agricultural lands including the creation of agriculture districts.

- The creation of a subdivision law to manage residential developments.
- Increased minimum lot sizes.
- Adjust supplementary yard regulations.
- Appoint an agricultural member of the Planning Board.
- Create a town-based purchase development rights program.
- Create an advisory town farmland protection committee.
- Identify/refine priority farmland list.
- Promote agriculture and focus on improving agri-business.
- Assist farmers in identifying or developing direct marketing options.
- Provide public education on the value of farms.
- Provide public education on existing programs/assistance.
- Organize/provide farm generation planning/estate planning.
- Organize/assist in identifying farm worker pool.
- Implement additional or strengthen existing right-to-farm laws.

Lastly, the substantial tax revenue generated by the Project is expected to reduce the tax burden overall on other agricultural land in the Town of Alabama and Genesee County. In addition, GCEDC's development of the Genesee Valley Agri-Business Park is projected to contribute over $100,000,000 to the local and regional agricultural economy, greatly offsetting the loss of agricultural use at the Project Site.

Findings

Although development of the Project will result in a loss of agricultural use on the Project Site, such impacts will be mitigated to the maximum extent practicable by the general phased development strategy for the Project and implementation of the Land Management Plan as well as through the completion of the Notice of Intent Process with NYSDAM and implementation of any related avoidance or mitigation requirements. Moreover, the potential loss of agricultural lands at the Project Site will be outweighed by the significant economic benefits provided by the Project.

Potential Cumulative and Growth Inducing Impacts

Certain proposed actions covered under the SEQRA process have the potential to trigger further development by either attracting a significant local population, inviting commercial industrial growth, or by inducing the development of similar projects adjacent to the Project constituting an action. In addition, Section 617.9(b)(5)(iii)(a) of the SEQRA regulations requires the discussion of cumulative impacts where such impacts are "applicable and significant."

Cumulative impacts occur when two (2) or more individual environmental effects which, when taken together, are significant or that compound or increase other environmental effects. The individual effects may be effects resulting from a single project or from separate projects. In addition, potential cumulative impacts that may arise from interactions between the impacts of the Project and the impacts of other projects are addressed in this section. In this regard,

cumulative impacts are impacts on the environment that may result from the incremental increased impact of an action when the impacts of that action are added to other present, past, and reasonably foreseeable future actions. Assessment of any such potential cumulative impacts is limited to the consideration of probable impacts, not speculative impacts.

In general, cumulative impact analysis of external projects is required where the external projects have been specifically identified and either are part of a single plan or program, or there is a sufficient nexus of common or interactive impacts to warrant assessing such impacts together.

Existing or Approved Projects

There are no existing or approved projects in the Town of Alabama or surrounding areas that generate potential significant adverse impacts in accumulation with the Project.

The Town of Alabama is examining the cost and feasibility of providing public water supply and fire protection to approximately 411 additional homes in the Town of Alabama. The Town of Alabama, the Village of Oakfield, and the Town of Pembroke are planning water main projects in the vicinity of the Project Site. The Town of Alabama is proposing an 8-inch water main along New York State Route 77 from the intersection of Lewiston Road south to the intersection of Route 63, a 12-inch water main along Route 63; from Route 77 to Maple Street; and a 12-inch water main along Route 63, from Maple Street east to the Village of Oakfield water system. This water project would increase the number of residential homes in the Town of Alabama served by public water to 455 or approximately 70% of the Town's households. This project will provide a significant benefit to the community, and will not, in conjunction with the Project, present any potential significant adverse environmental impacts.

Alabama Ledge Wind Farm, LLC has proposed to develop a wind-powered generating facility of up to 38 turbines with a maximum capacity of approximately 80 MW. At this juncture, it is uncertain whether the project is moving forward for approval. Nevertheless, the wind farm project does not provide a potential cumulative adverse environmental impact in conjunction with the Project.

GCEDC is also developing a 232-acre technology park in Pembroke, New York at the crossroads of New York State Routes 77 and 5, named Buffalo East. However, there are no potential cumulative impacts associated with this project and development of the Project Site.

Inducement of Growth

The Project may have the potential to induce growth in the Town of Alabama and the surrounding communities in a number of ways, including employment opportunities, housing, and ancillary businesses.

Construction Workers Growth

The development of the Project will result in a significant number of construction workers with seasonal employment being located at the Project Site. These workers will be involved in a number of general and specialized construction activities with various trades associated with the different specialized phases of the work. The construction phase for the Project is planned to continue over a period of approximately 15 years. It is anticipated that there is a current excess of available construction workers in the Buffalo-Batavia-Rochester region, and that many of these workers will be drawn from the existing labor pool along with residents of Genesee County and Western New York.

The construction trades workers will most likely patronize restaurants, hotels/motels, entertainment facilities, and other places of service in the vicinity of the Project Site and surrounding communities. This will result in a temporary boost to the local economy. By itself, however, the entry of new construction workers into the area of the Project Site is not expected to result in the opening of any specific new businesses that cater to the needs of these workers.

Population Growth

The Project will provide significant new and expanded employment opportunities in the Town of Alabama and the region. The Project is anticipated at full build-out to provide over 9,000 new, quality jobs. Many of these new jobs are expected to be filled by the existing population residing within an approximate 60-to-70 mile radius of the Project Site. Some jobs will be filled by professionals moving into the region. As a result, implementation of the Project will likely contribute to population growth in the Genesee County area, and as far east as Rochester and west as Buffalo.

New Housing

The new jobs created by the Project will spur an increased demand for existing and new housing. In turn, the sale of such housing could create a gradual, increased school enrollment in those respective communities that create new housing over the planned development period. Throughout the community input process conducted for the Project over the past several years, Town of Alabama elected officials and citizens have voiced considerable opposition to additional residential development in the Town of Alabama proper.

Discussions with the Village of Oakfield and the Town of Batavia indicate they would welcome an opportunity to expand their residential base. This would allow Oakfield and Batavia to accommodate residential demand generated by the Project, while allowing Project employees the opportunity to live in areas located near the Project Site. The Project's potential to induce growth within the Town of Batavia and the Village of Oakfield will be managed by the land use planning processes of those jurisdictions. New housing developments in those jurisdictions would need to be in compliance with local comprehensive plan and zoning ordinance requirements.

Ancillary/Secondary Growth

The Project will likely induce some level of complementary secondary growth, especially in the area of supply and support enterprises and other high-technology industries. This potential secondary growth is dependent on the Project securing an "anchor" advanced technology manufacturing company locating at the Project Site. This impact, however, is considered beneficial to the region and the State. The resultant secondary businesses would be complementary to the "anchor" advanced technology manufacturing company, and would not be concentrated in any one portion of the development schedule, or cause any significant growth inducing impacts by themselves. Each secondary business located outside of the Project Site would need to be consistent with the local zoning or otherwise be approved on a local level, and each would be subject to its own SEQRA review process.

Additional potential locations for secondary ancillary development include the City and Town of Batavia, and Erie, Niagara and Monroe Counties. Existing urban areas throughout the Genesee, Erie, Niagara, and Monroe Counties could significantly benefit from the secondary growth resultant from the Project.

Water Induced Growth

Providing water supply to the Project Site may have the potential to cause an amount of induced growth in the surrounding region. However, as stated above, the Town of Alabama is already examining the cost and feasibility of providing public water supply and protection to approximately 433 additional homes in the Town of Alabama. The Village of Oakfield and the Town of Pembroke are also planning water main projects in the vicinity of the Project Site. These projects will provide a significant benefit to the community.

Traffic Improvements

Anticipated traffic improvements required for the Project will not have the potential to induce growth. The traffic improvements recommended in the DGEIS and in the *Traffic Impact Study* are designed to act as mitigation measures only for the potential impacts of traffic resulting from the Project, as opposed to mechanisms by which induced growth can occur.

<u>Findings</u>

The Project is not interdependent upon or undertaken as a result of or otherwise dependent upon any other proposed action in the area. The Project has the potential to provide positive economic growth within a large geographic area, thus some level of induced growth has been anticipated in the overall design of the Project and will be accommodated within the Project Site. Other growth resulting from the Project will occur in the Village of Oakfield, Town of Batavia, as well as the urban areas of Genesee, Erie, Niagara, and Monroe Counties. Such growth will occur on a voluntary basis, subject to local environmental review and approval. Localities that do not desire such growth related to the Project will have the ability to limit future growth consistent with their comprehensive master planning efforts, whereas those

localities that desire such growth can take appropriate steps to encourage site plan applications allowing construction to proceed.

POTENTIAL UNAVOIDABLE IMPACTS

Development often permanently alters the conditions of an area, and in the process, creates certain unavoidable impacts. With respect to the Project, certain unavoidable impacts may be presented in the form of material, energy, agricultural resources, altered habitats for non-endangered plants and animal species, and aquatic resources. However, these impacts will be minimized and/or avoided to the maximum extent practicable as a result of the implementation of the mitigation measures identified in the DGEIS, FGEIS and in this Findings Statement. Furthermore, the substantial financial and community benefits that will result from the Project shall greatly offset such impacts.

The following is an examination of the potential short-term and long-term unavoidable impacts that may result from the Project.

Potential Short-term Unavoidable Impacts

Short-term unavoidable impacts will likely be created during the construction phases for the Project. These impacts may include increased noise and odor, as well as a short-term impact to air quality associated with soil disturbances and truck movement. Effective site planning and development will mitigate the anticipated impacts associated with construction of the Project to the maximum extent practicable.

Potential Long-term Unavoidable Impacts

Certain long-term unavoidable impacts may result from the full build-out of the Project. Some of these impacts will be mitigated through the measures identified in the DGEIS. Such impacts include:

Loss of Property

The Project will represent a permanent impact on less than 49% of the 1,243.40 acres of land comprising the Project Site. However, over half of the total acreage will be set aside for the protection of the wetlands, surface waters, ecologically sensitive areas, and recreation and open space areas that exist on the Project Site. The incorporation of the planning and design measures set forth in the DGEIS shall mitigate the unavoidable loss of the Project Site's acreage to the maximum extent practicable.

Loss of Agricultural Use on Project Site

Despite the goal of maintaining as much open space as possible on the Project Site, once the Project is developed, the opportunities for future active farming on the Project Site will be lost on an incremental basis. The potential loss of future agricultural use at the Project Site

represents less than 1% of the total cropland acres located in Genesee County, and approximately 1.7% of total cropland acres located in Ag District No. 2. In return for this loss of cropland, the Project will create over 9,000 high-paying technology-related direct jobs at the Project Site and will become a significant net contributor to the local economy.

A number of factors will further mitigate the loss of agricultural use at the Project Site. For example, development of the Project will not result in an immediate total loss of agricultural use at the Project Site. The phased development of the Project, coupled with implementation of the long-term Land Management Plan, will ensure that future development areas will be maintained in their current land use until construction is commenced. In addition, the substantial tax revenue generated by STAMP will reduce the tax burden on other agricultural land in the Town of Alabama and in Genesee County.

Lastly, GCEDC's development of the Genesee Valley Agri-Business Park is projected to contribute over $100,000,000 to the local and regional agricultural economy, greatly offsetting the loss of agricultural use at the Project Site.

Permanent Use of Energy

The full build-out of the Project Site will result in the Project utilizing on a permanent basis certain energy resources including electricity and natural gas. However, the estimated consumption is well within the capacity of the energy sources. In addition, the Project lies within the Niagara Hydro Power Zone which will provide a low-cost renewable source of energy for the Project.

Altered Habitats for Non-Endangered Plant and Animal Species

The full build-out of the Project may result in an unavoidable alteration of habitats for some non-endangered plant and animal species. The ecological communities (habitats) found at the Project Site are common throughout New York State and within the surrounding landscape. Habitat alteration resulting from the Project will be offset by protection and restoration of key natural area corridors on the Project Site, abundant habitat for these species immediately adjacent to the site and in the immediate vicinity of the Project Site, including over 19,000 acres of currently protected conservation lands.

Impacts to Aquatic Resources

The full build-out of the Project may result in the unavoidable loss of wetland and associated headwater stream habitat, most of which is of low quality due to degradation by past and current land use at the Project Site. Compensation for these impacts will be provided by implementation of a mitigation strategy that will enhance, restore, and protect wetlands and streams of equal or greater value on and off the Project Site. Any temporal loss of aquatic resource functions and services will be buffered by the ecological resilience of the surrounding watershed.

Impact to Existing Traffic Patterns

There are a number of potential LOS degradations (increases in delay at area intersections) that may result from the full build-out of the Project. Nevertheless, the full build-out analysis of the Preferred Alternative indicates that a majority of the study area intersections will continue to operate adequately. A two-lane capacity analysis of NY Route 77 shows that only the Judge Road to Bloomingdale Road segment could become congested during full build-out conditions. Since additional mitigation above and beyond the improvements identified for the 70% threshold may be necessary to provide adequate operations at a few locations, it is recommended that a supplemental traffic analysis be conducted after the 70% threshold is reached, or when the Project Site generates 1,925 trips during the PM peak hour. The supplemental analysis would focus on the intersections below:

- NY Route 77/NY Route 63/Judge Road
- NY Route 77/Bloomingdale Road
- NY Route 77/Ledge Road
- Route 77/Route 63/Lewiston Road

In sum, the Traffic Impact Study indicates that the proposed improvements for the Project will provide adequate operations at the Project's study area intersections and on the existing road network for the levels of traffic anticipated.

EFFECTS ON USE AND CONSERVATION OF ENERGY RESOURCES

The construction and operation of STAMP will have both short-term and long-term impacts on the use and conservation of energy resources. In the short term, construction of the Preferred Alternative will involve the use of non-renewable energy resources including gasoline, diesel, fuel oil and electricity. In addition to construction-related energy use by equipment such as excavators, backhoes, loaders, bulldozers, dump trucks, generators, and paving equipment, an indirect use of energy would also occur as a result of construction workers commuting to and from the Project Site.

The general long-term impacts of the Preferred Alternative on the use and conservation of energy would result in traffic generated by the Project and the consumption of energy from day-to-day operations of users located at the Project Site. Estimated electric and natural gas loads for the Project are described in more detail in the DGEIS. In addition, the Industry Requirements and Environmental, Health and Safety Impacts Report in the DGEIS analyzes how potential manufacturing technologies targeted for the Project Site would consume energy.

STAMP's anticipated annual consumption of natural gas and electricity can be met by the current energy sources as described more fully in the DGEIS. Nevertheless, the design and development of the buildings to be located at the Project Site will incorporate state of the art energy efficient technologies and will meet current applicable federal and state requirements. In addition, the advanced technology and manufacturing operations to be located at the Project Site include technology sectors that will help advance the Nation's progress toward the

utilization of renewable energy resources, thus creating a conservational benefit. Lastly, the Project Site lies within the Niagara Hydro Power Zone which will provide a low-cost renewable source of energy for the Project.

It is anticipated that buildings constructed at the Project Site will conform to the energy standards recommended by the New York State Building Construction Code. Buildings will be designed and constructed incorporating design and selection, equipment assistance to achieve maximum energy conservation, in compliance with applicable provisions set forth in the New York State Energy Conservation and Construction Code. Given the projected build-out timeframe, each proposed new structure shall be required to meet the applicable energy standards of the most recent provisions of the New York State Energy Conservation and Construction Code.

IRREVERSIBLE AND IRRETRIEVABLE COMMITMENT OF RESOURCES

STAMP will require the irreversible and irretrievable commitment of certain human, material, environmental, financial and energy resources. The commitment of these resources, however, will be greatly offset by the socioeconomic benefits that will result from the construction and implementation of STAMP.

Human and financial resources have already been expended by GCEDC, the State of New York, the County of Genesee, and the Town of Alabama for the planning and review of the Project. The expenditure of funds and human resources will continue to be required throughout the permitting and construction phases of STAMP (*e.g.*, for environmental reviews and permitting, site plan approval, rezoning and building and construction inspections).

STAMP also represents the commitment of the land for the life of the Project. Less than 49% of 1,243.40 acres of property will be developed and not available for alternative uses for the life of STAMP. However, through a comprehensive planning approach that takes into consideration environmentally sensitive resources, the majority of the Project Site's acreage will be preserved as open space in order to protect existing wetlands and other ecological resources, as well as to provide a more rural, agrarian setting consistent with the community's character. The substantial landscape buffers will surround the Project Site along property lines shared with other property owners in order to maintain existing view sheds and the rural character of the area surrounding the Project Site. In addition, coupled with the implementation of the Land Management Plan, the Preferred Alternative mitigates the impact of the permanent commitment of the remaining acreage of the Project Site to the maximum extent practicable.

Various types of construction materials and building supplies will also be committed to the Project. The use of these materials, such as gravel, concrete, steel, etc., represents a long-term commitment of these resources which will not be available for other projects. Energy resources also will be irretrievably committed to the Project during the construction and operation of the Project. Fuel and electricity will be required during site construction and project operations. In addition, the Project Site lies within the Niagara Hydro Power Zone and will draw its electrical consumption needs from this renewable energy source. Lastly, the design of the buildings on

the Project Site will utilize LEED standards to the maximum extent practicable, thus maximizing energy efficiencies in the construction process and sustainable practices in the on-going operations of the Project's facilities.

A commitment of private and public funds will be made to the Project based on the premise that residents in the immediate communities, region, and State will greatly benefit by increased property and sales tax revenues, growth and land values surrounding the Project Site, increased employment opportunities in the local, regional, and state communities, and other revenues directly or indirectly generated by the Project. Therefore, the initial financial investments in the Preferred Alternative represent an overall long-term benefit.

CERTIFICATION OF FINDINGS

Having considered the Draft and Final Generic Environmental Impact Statements, including the comments received on the DGEIS, and having considered the preceding written facts and conclusions relied upon to meet the requirements of 6 NYCRR 617.9, ESD finds and certifies that:

1. The requirements of Article 8 of the New York State Conservation Law and the implementing regulations of the New York State Department of Environmental Conservation, 6 NYCRR Part 617, have been met;

2. Consistent with the social, economic and other essential considerations from among the reasonable alternatives thereto, the proposed action will minimize or avoid, to the maximum extent practicable, the adverse environmental effects including the effects disclosed in the DGEIS and FGEIS and set forth in this Findings Statement;

3. Consistent with the social, economic and other essential considerations described above, the incorporation in the development of this Project of the mitigation measures described in the DGEIS, FGEIS and in this Findings Statement, will minimize or avoid the adverse environmental impacts associated with the development of the Project which were identified in the DGEIS, FGEIS and in this Findings Statement; and

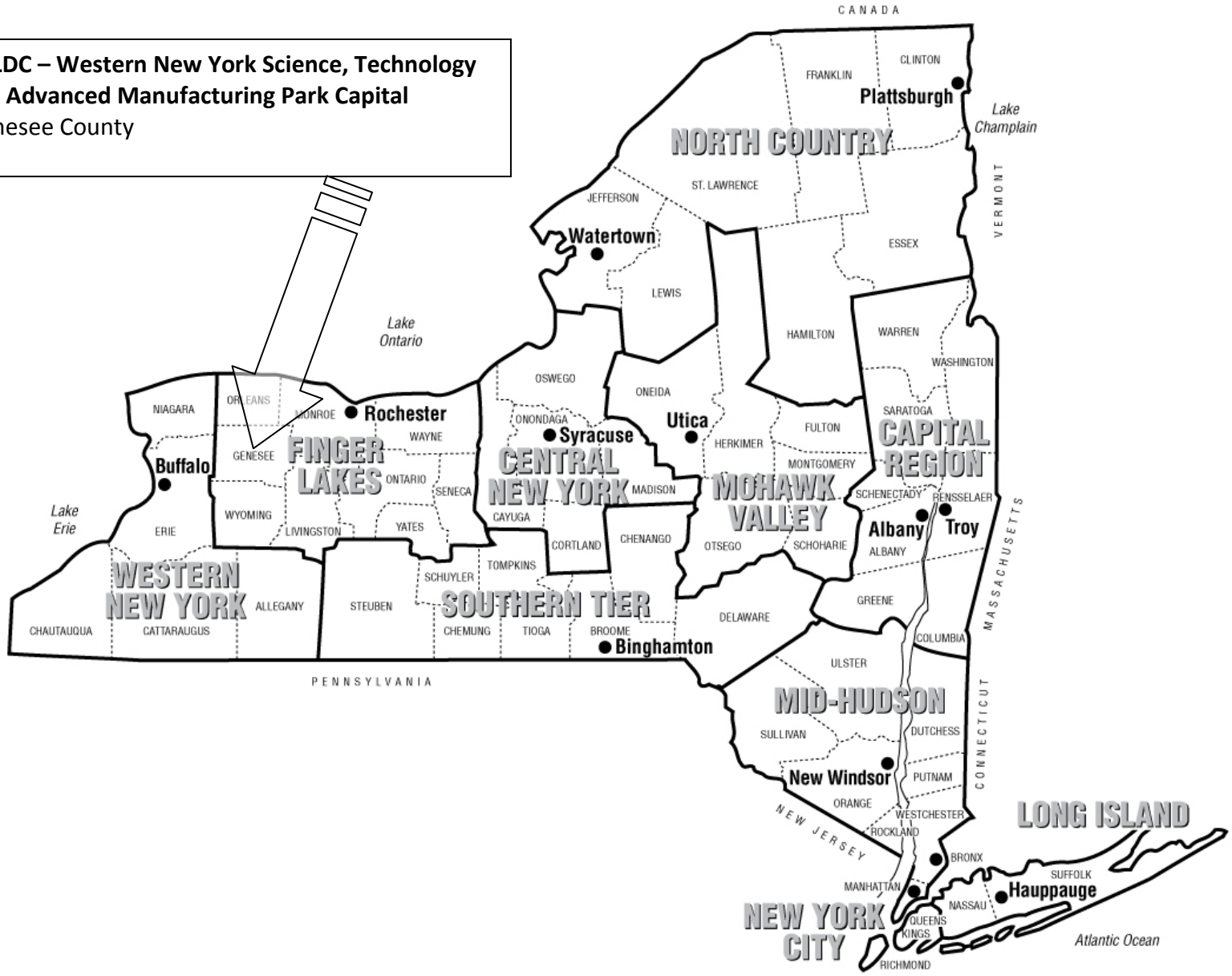
4. The Project is in compliance with Section 14.09 of the State Historic Preservation Act.

5. The Project is in compliance with Section 305(4) of the Agriculture and Markets Law.

Agency:	NYS Urban Development Corporation d/b/a Empire State Development
Signature of Responsible Officer:	_____
Name of Responsible Officer:	Rachel Shatz
Title of Responsible Officer:	Vice President, Planning & Environmental Review
Date:	April 17, 2012

LOCAL ASSISTANCE PROJECT LOCATION

A. GGLDC – Western New York Science, Technology and Advanced Manufacturing Park Capital
Genesee County



B. Town of Islip - Drainage Improvements Capital (P720)
April 17, 2012

Authorization to Amend the Project Scope

Grantee: Town of Islip (the "Town")

ESD Investment: $440,000 approved on June 26, 2002 (Strategic Investment Program ("SIP"))

Project Location: Middlesex Avenue, Islip, Suffolk County

Proposed Project: The Town has requested that ESD modify its project scope to change the location of the project.

Project Type: Infrastructure improvements on Middlesex Avenue in the Town of Islip.

Regional Council: The Long Island Regional Council has been made aware of this item. The project pre-dates the Regional Council Initiative.

Background:

Industry - The Town of Islip is a municipality located in Suffolk County, Long Island.

Ownership – Established in 1710, the Town of Islip is one of the ten towns in Suffolk County. Located on the south shore of Long Island, the Town population was 335,543 per the 2010 census. The Town includes the Villages of Brightwaters, Islandia, Ocean Beach, and Saltaire, as well as the hamlets of Bayshore, Baywood, Bohemia, Brentwood, East and Central Islip, and Great River among others.

ESD Involvement - These materials refer to and include, in their entirety, the attached materials presented to and approved by the ESD Directors on June 26, 2002. Any substantive changes to the project or terms and conditions are noted in these materials.

Past ESD Support – The Town of Islip has been the prior recipient of several ESD grants. On August 1, 2002, the Directors approved a $300,000 SIP grant (P931) for improvements to runway #6 at the Long Island Mac Arthur Airport. The project was completed and funds fully disbursed. On February 15, 2007, the Directors approved a $1.5 million SIP grant (V086) for renovations to the Shore Marina. The project was completed and funds disbursed.

Town of Islip - Drainage Improvements Capital (P720)
April 17, 2012

On February 21, 2008, the Directors approved a $250,000 Community Capital Assistance Program grant (V555) for repairs and renovations of the Homan's Creek dock. The project was completed and funds disbursed.

The Project:

Completion - December 31, 2012

Activity – The grant was intended to improve and upgrade drainage facilities on Prospect Avenue and Boulevard Avenue to address the flooding of local streets. The $440,000 grant included an engineering study, and improvement and upgrading of drainage facilities, including new leaching basins and bubbler systems. In addition, road improvements will be required.

The Town is now requesting a modification to change the location of the project to Middlesex Avenue from Grassmere Avenue east, to the east side of Hollywood Drive. The Town determined that it was necessary to address the flooding issue in the Middlesex Avenue and Oakland Avenue area first.

Budget – The project budget reflects cost increases since its approval in June 2002. The revised budget is shown below.

Results – The project as completed will correct the flooding problem in the area, increasing the number of parking spaces available for residents and will enhance the area's quality of life.

Financing Uses	Amount	Financing Sources	Amount	Percent
Cost related to the improvement and upgrade of existing drainage and road improvements including pavement.	$768,550	ESD Grant	$440,000	55%
Contingency	27,000	Town Capital Fund	$355,550	45%
Total Project Costs	$795,550	Total Project Financing	$795,550	100%

Grantee Contact - Tom Croci, Town Supervisor
Town Hall
655 Main Street
Islip, NY 11751
Phone: (631) 224-5500

Town of Islip - Drainage Improvements Capital (P720)
April 17, 2012

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Town shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Town will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.

3. Up to $440,000 will be disbursed to Grantee upon, completion of the project substantially as described in these materials, 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.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $440,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Town 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.

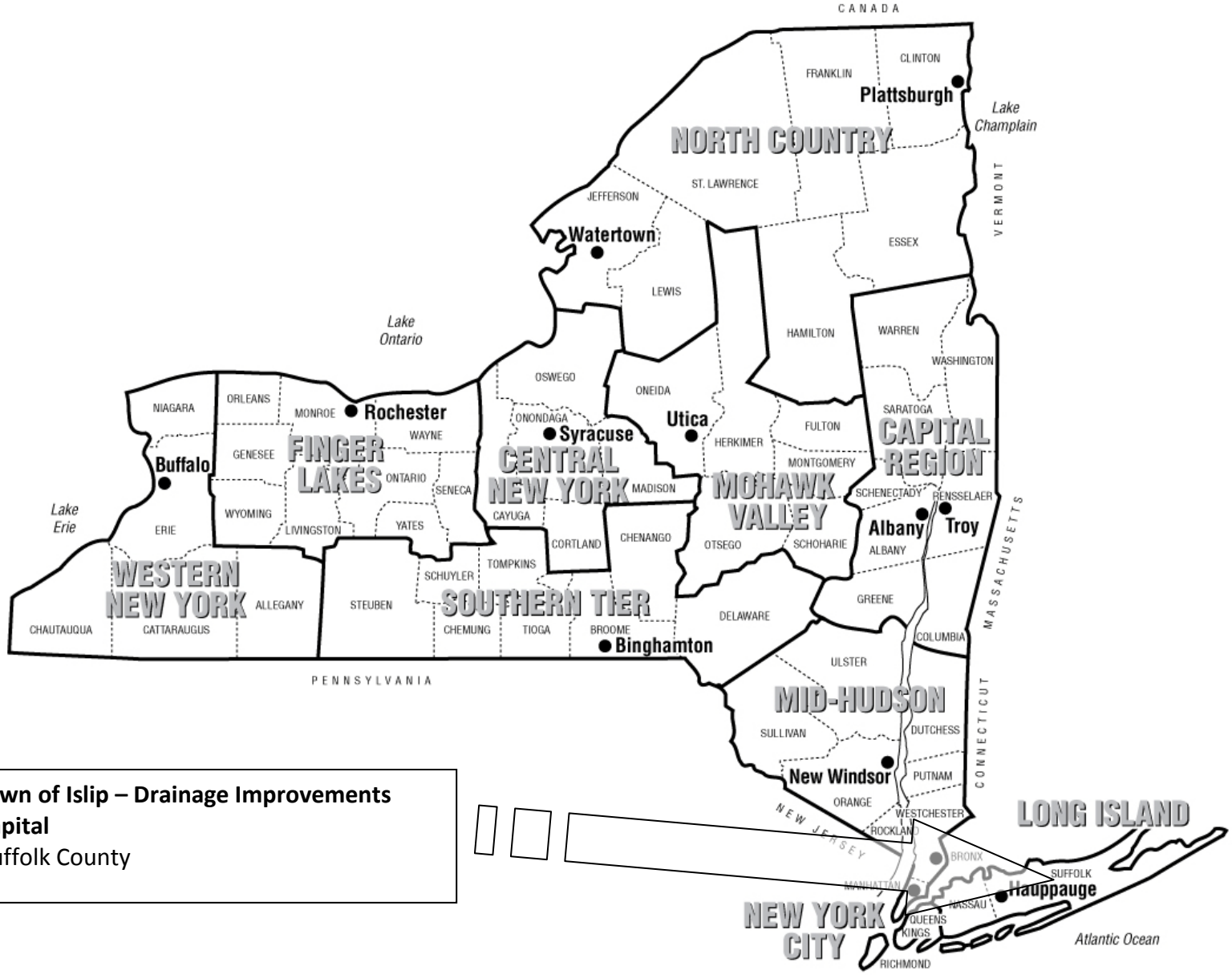
Environmental Review:
ESD staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

Statutory Basis – Strategic Investment Program:
The project was authorized in accordance with Chapter 55 of the Laws of 2000 for the Strategic Investment Program and reappropriated in the 2012-2013 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 ESD 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.

Attachments:
ESD Directors' Materials dated June 26, 2002

STRATEGIC INVESTMENT PROGRAM PROJECT LOCATION



B. Town of Islip – Drainage Improvements Capital
Suffolk County

Town of Islip Drainage Improvements, Project #P720
June 26, 2002

Grantee: Town of Islip
Contact: Peter McGowan, Supervisor
655 Main Street
Islip, New York 11751
Phone: (631) 224-5611 Fax: (631) 224-5243

Grantee Background: Municipality

Project Site: Suffolk County

ESD Investment: A grant of up to $440,000 to be used for a portion of the cost of drainage improvements on Prospect Avenue and Boulevard Avenue in the Town of Islip.

Project Team: Project Management Marion MacQueen
Environmental Soo Kang

Project Description: The project consists of the engineering study and the upgrading of existing drainage facilities to address the flooding of local streets. New leaching basins and bubbler systems will be installed to alleviate the flooding. Pavement patching will be required at project completion.

Project Schedule: Begin .....July 2001 Complete.....September 2002

Financing Uses	Amount	Financing Sources	Amount	Percent
Direct and indirect costs for the engineering study and upgrading of existing drainage facilities, to include pavement patching.	$440,000	ESD Grant	$440,000	100%
Total Project Costs	$440,000	Total Project Financing	$440,000	100%

Town of Islip Drainage Improvements, Project #P720
June 26, 2002

Environmental Review:

The Directors made a Determination of No Significant Effect on the Environment for the proposed project at their meeting of September 26, 2001. This determination addressed all aspects of the proposed project. Therefore, no further environmental review is required in connection with this action.

Statutory Basis – Strategic Investment Program

This project is authorized in accordance with Chapter 55 of the Laws of 2000 for the Strategic Investment Program (the "SIP Appropriation").

FOR INFORMATION

April 17, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Procurement Contracts - Third Quarter Fiscal Year 2011-2012

UTILIZATION OF CERTIFIED MINORITY AND WOMEN OWNED BUSINESS ENTERPRISES:

During the third quarter of Fiscal Year 2011/12, MWBE firms received 21.75% ($8,485,207) of the $39.1MM from all ESD projects, programs and subsidiaries. For the first three quarters of FY 2011/12, MWBE firms received 20.47% ($25,917,748) of the $127MM from all ESD projects, programs and subsidiaries. This represents a slight increase over the comparable period from Fiscal Year 2010/11.

M/WBE COMMITMENTS

In accordance with Section 4 (11) of the UDC Act, authorizing the Affirmative Action Policy adopted by the Corporation in February 1980, and the Resolution passed by the Corporation in September 1993, attached hereto is the Quarterly Report on Procurement Contracts to Minority and Women-owned Business Enterprises ("M/WBEs") during the Third quarter of Fiscal Year 2011-2012.

For the Board's information, below is information on ESD and its subsidiaries. For the third quarter of fiscal year 2011-12, ESD and its subsidiaries committed $442,520 of the $87.3MM in procurement contracts and amendments based on the submitted schedules of participation by primes. In the third quarter of Fiscal Year 2010-2011 MWBE firms received a commitment of $254,960 of the $3.3MM in procurements and amendments.

Empire State Development Corporation
Report on Procurement Contracts
Entered Into During the Quarter of (10/01/2011 - 12/31/2011)

CO.	VENDOR NAME	ORIG CONT DATE	REASON FOR AWARD	CONT #	INITIAL SCOPE OF SERVICES	CONTRACT AMOUNT	CURRENT STATUS	CONTRACT REPORTER	COMPETITIVE SEARCH	BASIS OF AWARD	COMMENTS
EMPIRE STATE DEVELOPMENT CORPORATION											
ESDC	BBDO, LLC 1285 Avenue of the Americas New York, NY 10019	12/1/2011	Need for marketing, advertising, and branding services in connection with the NYS Open for Business Campaign.	7506	Provide all necessary services in the areas of research ,marketing and advertising to create a campaign that will position New York State favorably in the global marketplace to spur investment, job creation, and income generation in New York's economic rebuilding process.	50,000,000	On-going	YES	YES	BV	
ESDC	Toski, Schaefer & Co., PC 300 Essjay Road Suite 115 Williamsville, NY 14221	12/20/2011	Need for annual audit services for the Corporation and its Subsidiaries for the fiscal years 2012, 2013, 2014, and 2015.	7546	Audit the consolidated financial statement of the Empire State Development for the fiscal years 2012-2015 which includes an audit of JDA, HCDC, NYEZC, NYCCDC and a Federal Single Audit.	910,000	On-going	YES	YES	BV	
ESDC	The Cayemitte Group 306 Farnsworth Ave Bordentown, NJ 08505	11/17/2011	Need for consulting services in connection with the marketing of ESDC's Bonding Assistance Program.	7492	Provide consulting services to ESD as it relates to the Bond Assistance Program by creating program regulations and procedures, reaching out and working with sureties and agents to gain their acceptance into the Program, and creating program materials for the applicants to follow.	59,500	On-going	Legally Exempt	YES	N/A	MWBE Discretionary Purchase
ESDC	Winston and Strawn, LLP 200 Park Ave New York, NY 10022	11/14/2011	Need for bond counsel in connection with UDC's Correctional Facilities Bonds.	7488	Provide bond counsel services to UDC in reference to determining and satisfying tax and financing requirements related to the disposal or transfer of correctional facilities.	49,999	On-going	YES	YES	BV	Pre-qualified Bond List
ESDC	New York Business Development Corporation 50 Beaver Street Albany, NY 12207	11/17/2011	Need for consulting services in connection with the marketing of ESDC's Capital Access Program.	7496	Provide consulting services to ESD as it relates to the Capital Access Program by marketing the program to financial institutions as well as Community Development Financial Institutions, enrolling those qualified institutions, and creating program procedures and material to follow.	38,000	On-going	Legally Exempt	N/A	N/A	Single Source/NYS Legislation
					ESDC TOTAL:	**51,057,499**					

*BV = Best Value
*LP = Lowest Price

Empire State Development Corporation
Report on Procurement Contracts
Entered Into During the Quarter of (10/01/2011 - 12/31/2011)

CO.	VENDOR NAME	ORIG CONT DATE	REASON FOR AWARD	CONT #	INITIAL SCOPE OF SERVICES	CONTRACT AMOUNT	CURRENT STATUS	CONTRACT REPORTER	COMPETITIVE SEARCH	BASIS OF AWARD	COMMENTS
MOYNIHAN STATION DEVELOPMENT CORPORATION											
MSDC	STA Joint Venture c/o STV Construction Inc. 225 Park Ave South New York, NY 10003	11/9/2011	Need for construction management and related technical services in connection with the Moynihan Station Development Project.	7497	Provide construction management services to the Moynihan Station Project during the final design, bidding, and construction phase which includes construction document reviews, cost monitoring, phase schedule management, inspections, contractor coordination, contract administration and other related support services.	23,000,000	On-going	YES	YES	BV	
					MSDC TOTAL:	**23,000,000**					
HARLEM COMMUNITY DEVELOPMENT CORPORATION											
HCDC	Tempest Windows, Inc. 1133 McDonald Ave. Brooklyn, NY 11230	12/29/2011	Need for window replacement at 1990 Lexington Ave.	7561	Provide delivery and installation of windows at 1990 Lexington Ave.	341,975	On-going	NO	YES	BV	Vendor under NYS DHCR competitive contract
HCDC	Skyline Industries, LLC 10 Java Street Brooklyn, NY 11222	12/29/2011	Need for window replacement and scaffolding at 1990 Lexington Ave.	7560	Provide delivery and installation of windows and scaffolding at 1990 Lexington Ave.	275,500	On-going	NO	YES	BV	Vendor under NYS DHCR competitive contract MWBE
HCDC	Tempest Windows, Inc. 1133 McDonald Ave. Brooklyn, NY 11230	11/16/2011	Need for window replacement at 1890 Lexington Ave.	7495	Provide delivery and installation of windows at 1890 Lexington Ave.	149,380	On-going	NO	YES	BV	Vendor under NYS DHCR competitive contract
HCDC	Ranshaw Fuel Plumbing and Heating 151-01 14th Avenue Whitestone, NY 11357	11/9/2011	Need for new heating system at 1890 Lexington Ave.	7518	Provide replacement of boiler system located at 1890 Lexington Ave. with two new gas powered boilers.	123,000	On-going	NO	YES	BV	Vendor under NYS DHCR competitive contract
HCDC	Skyline Industries, LLC 10 Java Street Brooklyn, NY 11222	11/9/2011	Need for window replacement at 1649 Amsterdam Ave.	7494	Provide delivery and installation of windows at 1649 Amsterdam Ave.	99,800	On-going	NO	YES	BV	Vendor under NYS DHCR competitive contract MWBE
HCDC	Brooklyn Mechanical Corp. 1429 Mill Avenue Brooklyn, NY 11234	11/30/2011	Need for new heating system at 220 West 140th Street.	7547	Provide replacement of boiler system located at 220 West 140th Street with new boilers, pumps, burners, and hot water system.	93,900	On-going	NO	YES	BV	Vendor under NYS DHCR competitive contract

*BV = Best Value
*LP = Lowest Price

Empire State Development Corporation
Report on Procurement Contracts
Entered Into During the Quarter of (10/01/2011 - 12/31/2011)

CO.	VENDOR NAME	ORIG CONT DATE	REASON FOR AWARD	CONT #	INITIAL SCOPE OF SERVICES	CONTRACT AMOUNT	CURRENT STATUS	CONTRACT REPORTER	COMPETITIVE SEARCH	BASIS OF AWARD	COMMENTS
HCDC	A and C Heating Services Inc. 111 Clay Street Brooklyn, NY 11222	11/30/2011	Need for heating services at 218 West 140th Street.	7552	Provide removal and installation of a new heating system at 218 West 140th Street.	93,400	On-going	NO	YES	BV	Vendor under NYS DHCR competitive contract
HCDC	A and C Heating Services Inc. 111 Clay Street Brooklyn, NY 11222	11/30/2011	Need for heating services at 206 West 140th Street.	7551	Provide removal and installation of a new heating system at 206 West 140th Street.	93,400	On-going	NO	YES	BV	Vendor under NYS DHCR competitive contract
HCDC	Brooklyn Mechanical Corp. 1429 Mill Avenue Brooklyn, NY 11234	11/30/2011	Need for new heating system at 222 West 140th Street.	7554	Provide replacement of boiler system located at 222 West 140th Street with new boilers, pumps, burners, and hot water system.	90,900	On-going	NO	YES	BV	Vendor under NYS DHCR competitive contract
HCDC	Riverdale Electrical Services, Inc. 421 Bruckner Blvd Bronx, NY 10455	11/21/2011	Need for electrical work at 1890 Lexington Ave.	7508	Provide installation of new electrical lamps and fixtures at 1890 Lexington Ave.	82,540	On-going	NO	YES	BV	Vendor under NYS DHCR competitive contract
HCDC	Riverdale Electrical Services, Inc. 421 Bruckner Blvd Bronx, NY 10455	12/9/2011	Need for electrical work at 1952 Second Avenue.	7553	Provide installation of new electrical lamps and fixtures at 1952 Second Avenue.	74,750	On-going	NO	YES	BV	Vendor under NYS DHCR competitive contract
HCDC	Riverdale Electrical Services, Inc. 421 Bruckner Blvd Bronx, NY 10455	11/9/2011	Need for electrical work at 309 East 118th Street.	7493	Provide installation of new electrical lamps and fixtures at 309 East 118th Street.	46,567	On-going	NO	YES	BV	Vendor under NYS DHCR competitive contract
HCDC	Sears Commercial One Sears Contract Sales 2417 Regency Blvd. Suite 6 Augusta, GA 30904	11/28/2011	Need for refrigerators at 309 East 118th Street.	7549	Provide 71 refrigerators as part of the Health and Safety/Energy saving supplies for 309 East 118th Street.	32,660	On-going	NO	YES	BV	
HCDC	Sears Commercial One Sears Contract Sales 2417 Regency Blvd. Suite 6 Augusta, GA 30904	11/28/2011	Need for refrigerators at 1952 Second Avenue.	7550	Provide 44 refrigerators as part of the Health and Safety/Energy saving supplies for 1952 Second Avenue.	20,900	On-going	NO	YES	BV	

HCDC TOTAL:	**1,618,673**
TOTAL FOR CONTRACTS:	**75,676,172**
TOTAL FOR AMENDMENTS:	**11,581,914**
GRAND TOTAL:	**87,258,086**

*BV = Best Value
*LP = Lowest Price