NEW YORK STATE URBAN DEVELOPMENT CORPORATION
D/B/A EMPIRE STATE DEVELOPMENT CORPORATION

MEETING OF THE DIRECTORS

THURSDAY

February 16, 2012

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

Buffalo Regional Office
95 Perry Street
Buffalo, New York 14203

and

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

January 20, 2012

MINUTES

In Attendance

Directors:

Julie Shimer – Chair
Kenneth Adams
Derrick Cephas
Paul Ciminelli
Robert Dyson (via telephone)
Joyce Miller
Regina Stone – 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
Peter Heilbrunn, Senior Director – Debt Management
Barbara Lampen, Director - Design and Construction
Edwin Lee, Senior Project Manager – 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

Steve Gawlik, Vice President – Capital Projects and Senior Counsel – Western New York Regional Office
Robert McNary, Director – Finger Lakes Regional Office
Edward Muszynski, Area Director – Finger Lakes Regional Office
Diego Sirianni, Economic Development Program Specialist – Buffalo Regional Office
Aimee Vargas, Director – Mid-Hudson Regional Office
Will Welisevich, Project Manager - Western New York Regional Office
Kevin Younis, Senior Vice President – Governmental Affairs – Albany Office
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 10:34 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, Chairperson 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 December 14, 2011 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 DECEMBER 14, 2011 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on December 14 2011, 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 six ESD grants totaling $3,985,000, one JOBS Now grant for $1,353,000 and one Urban and Community Development grant for $2,000,000. Mr. Lee added that these projects will leverage over $150 million in additional investments and will assist in retaining 2,145 jobs and in creating approximately 722 jobs across New York State.

Following Mr. Lee's summary, the Chair asked Mr. McNary, the Director of ESD's Finger Lakes Regional Office, to present the Ortho Clinical Diagnostic Capital Grant project for the Directors' consideration.

Mr. McNary stated that the Directors were being asked to approve a $1,000,000 capital grant to Ortho Clinical Diagnostic, a subsidiary of Johnson & Johnson that designs and manufactures medical equipment and clinical test products in Rochester. The grant, Mr. McNary stated, will be used to assist in reducing the cost of acquiring, renovating and equipping a former Kodak building which allowed the Company to continue operations in New York State. As a result of this project, Mr. McNary added, the Company has retained 1,130 jobs at four Upstate New York facilities.

Following the full presentation, Chair Shimer called for questions or comments. Director Ciminelli commented favorably with regard to the project, specifically with respect to the amount of private sector funding being leveraged by the ESD grant. There being no further questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

> Greece (Finger Lakes Region – Monroe County) – Ortho Clinical Diagnostics 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

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 Ortho Clinical Diagnostics 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, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Ortho Clinical Diagnostics, a Johnson & Johnson Company, a grant for a total amount not to exceed One Million Dollars ($1,000,000) 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 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.

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Greece (Finger Lakes Region – Monroe County) – Ortho Clinical Diagnostics 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 Ortho Clinical Diagnostics Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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Ms. Shimer then asked Mr. Welisevich, representing ESD's Western New York Regional Office, to present the Steuben Foods EDF Project. Steuben Foods, Mr. Welisevich explained, is a manufacturer of low acid aseptic and extended shelf life food products, including milk and soy-based beverages. Mr. Weilisevich noted that approximately 40 percent of raw materials are from New York State, primarily milk and therefore, the Company has a very positive effect on the dairy industry in the Western Region of New York State. Mr. Welisevich went on to note that the Directors are being asked to authorize ESD to make a grant of up to $2,500,000 to the Company to assist in the purchase and installation of high speed bottling or fillers of aseptic plastic packages. It is expected, Mr. Welisevich continued, that the project will assist in retaining 426 jobs and in creating 150 new jobs. Mr. Welisevich went on to note that the

Company is currently at 489 employees so they are well above their projected jobs for the schedule as they implement this project.

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:

Elma (Western New York Region – Erie County) – Steuben Foods Capital – Empire State Economic Development Fund Capital – 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 Steuben Foods Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Capital 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 Steuben Foods, Inc. a grant for a total amount not to exceed Two Million Five Hundred Thousand Dollars ($2,500,000) 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.

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Elma (Western New York Region – Erie County) – Steuben Foods 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 Steuben Foods Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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Next, Chair Shimer asked Mr. Sirianni, also representing ESD's Western New York Regional Office, to present the Buffalo Lafayette Urban and Community Development Assistance Capital Grant Project. Mr. Sirianni explained that the Directors were being asked to authorize ESD to make a $2,000,000 grant to Buffalo Lafayette LLC to be used to fund a portion of construction and renovation costs in connection with the renovation of a historic, blighted building into a mixed-use development consisting of a boutique hotel, companion retail services, restaurant and apartments in the City of Buffalo's central business district.

Following the full presentation, the Chair called for questions or comments. Chair Shimer then noted that this project appeared to have a lower benefit ratio than ESD averages. She asked if there was a rationale for this. Mr. Sirianni explained that this project falls into the purview of the Regional Economic Development Council. He added that although the Project came to ESD before the Councils were created, it specifically deals with the idea of smart growth and adaptive reuse. Mr. Sirianni further stated that the building is vital to the development of the central business district in Buffalo at this time.

Director Adams added that for some of ESD's grant programs, particularly those that support the Regional Council initiatives, the Governor's office set a standard of 5-1 benefit cost ratio for Regional Council projects. The Chair then stated that it would be helpful to the Directors if the materials were more specific with regard to those projects that are key to a Regional Council's economic development plan for an area as opposed to those that the Councils are just made aware of.

Director Ciminelli noted that the project will have a significant positive impact on downtown Buffalo. Ms. Shaffer added that the funding for this project had been agreed to before the Regional Councils were in place. She further stated that the funding source utilized – the Urban and Community Development Program – is specifically fashioned for projects such as this one.

Director Adams, referencing the Chair's earlier point regarding the Directors' materials, asked that going forward, the materials clearly indicate those projects that did come to ESD through the CFA or the Regional Council system. Ms. Shaffer stated that that information will be added to the Directors' materials as those projects start to come through.

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

> Buffalo (Western New York Region – Erie County) – Buffalo Lafayette Capital – Urban and Community Development Program – Urban and Community Project Development Assistance (Capital Grant) – Findings and Determinations Pursuant to Sections 5(4), 16-d 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 Hotel Lafayette Capital – Urban and Community Development Program – Urban and Community Project Development Assistance (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 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 Buffalo Lafayette LLC a grant for a total amount not to exceed Two Million Dollars ($2,000,000) 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.

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Buffalo (Western New York Region – Erie County) – Buffalo Lafayette Capital – Urban and Community Development Program – Urban and Community Project Development Assistance (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 Buffalo Lafayette Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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Chair Shimer then asked Aimee Vargas, the Director of ESD's Mid-Hudson Regional Office, to present the next two items on the Agenda.

Ms. Vargas provided the background information with regard to the C&S Wholesale JOBS Now Capital Grant Project and the Belmay MAP EDF Capital Grant item.

Ms. Vargas explained that the Directors were being asked to authorize ESD to make a grant of up to $1,353,000 to C&S Wholesale Grocers, one of the largest wholesale grocery distributors in the United States. The grant, she continued, will be used for a portion of the cost of construction and machinery and equipment expenditures which will increase the Company's capacity to house perishable items. As a result of this project, Ms. Vargas further noted, the Company will retain 285 jobs and will create 445 jobs.

Next, Ms. Vargas explained that the Directors were being asked to authorize ESD to make a $190,000 MAP grant to Belmay, Inc., a global company that creates and manufactures fragrances used in consumer products. Ms. Vargas noted that the grant will be used to assist in the purchase and installation of machinery and equipment that will allow the Company to compete with lower-cost countries. The project, Ms. Vargas further noted, will result in the retention of 121 jobs in Westchester and Orange Counties.

Following this presentation, Chair Shimer called for questions or comments on either

item. Hearing none, and upon motion duly made and seconded, the following resolutions were unanimously adopted:

Chester (Mid-Hudson Region – Orange County) – C&S Wholesale Grocers Capital – JOBS Now Program – 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 C&S Wholesale Grocers Capital – JOBS Now Program – 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 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 C&S Wholesale Grocers a grant for a total amount not to exceed One Million Three Hundred and Fifty-Three Thousand Dollars ($1,353,000) from the JOBS Now 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.

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Chester (Mid-Hudson region – Orange County) – C&S Wholesale Grocers Capital – JOBS Now Program 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 C&S Wholesale Grocers Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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Yonkers (Mid-Hudson Region – Westchester County) – Belmay 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 Belmay 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 Belmay, Inc. a grant for a total amount not to exceed One Hundred Ninety Thousand Dollars ($190,000) 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.

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Mr. Tazewell, the Director of ESD's New York City Regional Office, then presented the Mesorah Publications EDF Capital Grant project for the Directors' approval.

Mr. Tazewell explained that the Directors were being asked to authorize ESD to make a grant of $120,000 to Mesorah Publications, Ltd, in Brooklyn, New York. The Company, Mr. Tazewell further noted, is an internationally recognized publisher of important Jewish religious text. The grant, Mr. Tazewell stated, will be used for a portion of the cost of purchasing new machinery and equipment and renovation of its facility, which will allow the company to expand its New York State operations. Mr. Tazewell added that the Company will retain 101 employees and has pledged to create seven additional jobs by 2014.

Following Mr. Tazewell'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:

Brooklyn (New York City Region – Kings County) – Mesorah Publications 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 Mesorah Publications 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 Mesorah Publications, Ltd. a grant for a total amount not to exceed One Hundred Twenty Thousand Dollars ($120,000) 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.

* * *

Mr. Lee then presented the Discretionary Projects Consent Calendar for the Directors'

consideration. Mr. Lee explained that the Directors were being requested to approve two grants totaling $175,000.

First, Mr. Lee asked the Directors to authorize ESD to make a $100,000 grant to Campus Labs, LLC, a software development company in Buffalo created by a group of SUNY Buffalo students in 2000. Mr. Lee explained that the grant will be utilized to assist in the renovation and equipping of a new facility which will allow the company to expand its operations in Buffalo. Mr. Lee further noted that the project was completed in January 2011 and that the Company has retained 37 jobs and has already created 20 new jobs.

Mr. Lee then asked the Directors to authorize ESD to make a $75,000 grant to Gordon Companies, Inc., a retailer of seasonal and close-out merchandise. The grant, Mr. Lee explained, will be used to assist the Company with real estate acquisition and facility construction costs associated with the Company's relocation to a new facility in Erie County. The relocation, Mr. Lee continued, was completed in November of 2011 and the Company has already created 36 jobs, exceeding its job creation goal by six jobs.

Following the full presentation, the Chair called for questions or comments. Director Miller commented generally that in the future, ESD should consider making certain grants convertible grants so that the State can be recompensed for its investments in these companies and use the money to benefit other companies and for other economic development. She noted that she has made this recommendation in the past.

Director Adams then noted that on a recent trip to Buffalo, he had the opportunity to go to the Buffalo-Niagara Medical Campus where Campus Labs is located. Director Adams commented on the success of the area due, in part, to spin-offs such as Campus Labs from the Buffalo-Niagara Medical Campus.

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

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

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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 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;

<u>Empire State Economic Development Fund</u>

	Project Name	**Proj #**	**Grantee**	**Assistance up to**
	General Development Financing Projects			
A.	Campus Labs Capital	X114	Campus Labs, LLC	$100,000
B.	Gordon Companies Capital	V397	Gordon Companies, Inc.	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.

* * *

Ms. Lippowitsch then presented the January Non-Discretionary Consent Calendar for approval. Ms. Lippowitsch briefly outlined the content of the consent calendar noting, in part, that the calendar consisted of two Senate sponsored grants totaling $950,000 that were re-appropriated in the 2011-2012 New York State budget. Ms. Lippowtisch added that due diligence has been exercised by ESD staff and the recipients have provided ESD with the required disclosure and accountability certifications.

Ms. Lippowitsch first asked the Directors to approve a $500,000 grant to the Chemung County IDA on behalf of Eaton Corporation for a portion of the cost for renovations and the purchase of machinery and equipment in its manufacturing facility in Horseheads.
Ms. Lippowitsch then asked the Directors to approve a $450,000 grant to the City of Corning for City Hall Court Room renovations and upgrades.

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

New York State Economic Development Assistance Program - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the 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 New York State Economic Development Assistance Program 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 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 a grant to the party and for the amount listed below from the New York State Economic Development 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

New York State Economic Development Assistance Program – Senate - Project Summary Table

	Project Name	**Proj #**	**Grantee**	**Assistance up to**
A	Chemung County IDA – Eaton Electrical Capital	W265	Chemung County Industrial Development Agency	500,000
			TOTAL	**$500,000**

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.

* * *

Community Capital Assistance Program – 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 Community Capital Assistance Program Project (the "Project"), in accordance with Chapter 84 of the Laws of 2002 for the Community Capital Assistance Program, 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 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 Capital 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 Capital Assistance Program – Senate - Project Summary Table</u>

	Project Name	Proj #	Grantee	Assistance up

				to
B	City of Corning – City Hall Court Room Renovations Capital	X004	City of Corning	450,000
			TOTAL	**$450,000**

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 Mr. Younis to present the Hurricane Irene – Tropical Storm Lee Flood Recovery Grant Program items for consideration by the Directors.

Mr. Younis opened his presentation by explaining the Directors' materials had been slightly revised and that the Corporate Record would be updated to reflect the following revisions: (a) removing the eligibility limitation to counties where a federal disaster declaration has been made; and (b) changing the business application deadline from March 1st to March 16th.

Mr. Younis then explained that in December, the Governor and the Legislature enacted the Hurricane Irene - Tropical Storm Recovery Grant Program and appropriated $50 million for assistance to businesses and communities that suffered loss as a result of the disaster.
Mr. Younis went on to note that the Legislature established three different components for use of the funds as follows: (i) $9 million for the Flood and Mitigation Grant Program to be administered by ESD in consultation with the Department of Environmental Conservation; (ii)

$21 million for the Business Flood Recovery Grant Program to be administered by ESD; and (iii) $20 million that is dedicated and will be administered by the Director of the Division of Budget.

Referring to the Hurricane Irene – Tropical Storm Lee Flood Mitigation Grant Program, Mr. Younis explained that $9 million was appropriated to ESD and designated for counties for flood mitigation and control projects. Eligible counties, he further explained, will receive between $300,000 and $500,000 for flood mitigation or flood control projects in those creeks, streams and brooks impacted by the storms. ESD, Mr. Younis further explained, will give preference to applicants that demonstrate the greatest need based on available flood damage to be provided by federal agencies. Priority may also be given, he continued, to remediation which, if not undertaken, may result in additional flooding.

Among other things, Mr. Younis further noted that ESD will administer the program and staff will bring each grant award recommendation to the Directors for approval as they are completed. Mr. Younis added that the Directors are being requested to authorize the Hurricane Irene - Tropical Storm Lee Flood Mitigation Grant Program, adopt the Guidelines for the program and authorize the President and CEO or his designee to amend such guidelines from time to time.

Mr. Younis then went on to outline the Business Flood Recovery Grant Program noting, in part, that these funds will be used to provide grants for up to $20,000 per recipient for storm related repairs and restoration to structures and other storm related costs for eligible

businesses, farms and owners of multiple unit residential dwellings and not-for-profit organizations. Eligible applicants, he continued, must have sustained direct physical damage as a result of Hurricane Irene or Tropical Storm Lee.

The Directors, Mr. Younis explained, are being asked to authorize the Hurricane Irene - Tropical Storm Lee Business Flood Recovery Grant Program, adopt program Guidelines and authorize the President and CEO ("Officer") or his designee to amend the guidelines from time to time and further delegate to said Officer or his designee the authority to award grants to eligible entities in accordance with the Directors' materials including but not limited to authorizing said Officer or his designee to make such necessary findings or take any necessary actions to effectuate the foregoing.

Following the full presentation, the Chair called for questions or comments. Director Dyson reported that he had witnessed firsthand the damage caused to Dutchess, Ulster and Greene counties and stated that this is a good response to these events. Director Adams also spoke positively with regard to the programs and expressed his appreciation to Mr. Younis for his tremendous efforts in this regard.

Director Adams then asked when ESD will begin to process applications for the business grants and what the volume is expected to be. Mr. Younis stated that it is expected that the applications will be available by the end of the day and on Monday, the Corporation will get the word out to the counties that these funds are available for the mitigation and for businesses.

Mr. Younis added that a minimum of over 1,000 grants will be processed.

Director Miller congratulated the staff on their efforts. She then inquired as to the intended outreach with regard to the programs. Ms. Miller also asked if any thought has been given to determining what is meant by the greatest need and also with the size of the need, if $21 million is enough. Mr. Younis stated that the outreach effort will be vast. He then outlined the outreach methods that will be implemented in connection with that effort. With regard to the term greatest need, Mr. Younis explained that the statute was fairly limited stating that need can be assessed based only on available federal data. He went on to outline the federal data available from which those conclusions can be drawn.

Mr. Younis then noted that the $21 million will in all likelihood not be sufficient to fill the great need. He added, however, that the Governor's office has already announced other programs to support farms and other businesses and communities.

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

Statewide – Hurricane Irene - Tropical Storm Lee Flood Mitigation Grant Program – Local Assistance (Capital Grants) – Adoption of Guidelines; and Authorization to Take Related Actions

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RESOLVED, that the Corporation hereby authorizes the Hurricane Irene – Tropical Storm Lee Flood Mitigation Grant Program (the "Program") as it relates to the $9 million appropriation for Flood Control and Flood Mitigation projects, described in the materials presented in this meeting, a copy of which has been presented to this meeting and is ordered filed with the

records of the Corporation (the "Materials"); and be it further

RESOLVED, that the Corporation hereby adopts the guidelines for the Program, included in the Materials, and authorizes the President and Chief Executive Officer of the Corporation, or his designee(s), to amend, from time to time, such guidelines (such guidelines, as they may from time to time be amended, the "Guidelines") as he or she deems necessary or appropriate to effectuate the purposes of the Program; 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 resolution.

* * *

Statewide – Hurricane Irene - Tropical Storm Lee Business Flood Recovery Grant Program – Local Assistance (Capital Grants for Business Flood Recovery Relief) – Authorization to Adopt Guidelines; Delegation of Authority; Authorization to Make Grants; Authorization to Take Related Actions

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RESOLVED, that the Corporation hereby authorizes the Hurricane Irene – Tropical Storm Lee Business Flood Recovery Grant Program (the "Program"), described in the materials presented in this meeting (the "Materials"), a copy of which has been presented to this meeting and is ordered filed with the records of the Corporation; and be it further

RESOLVED, that the Corporation hereby adopts the guidelines for the Program, a copy of which has been presented to this meeting and is included in the Materials, and authorizes the President and Chief Executive Officer of the Corporation, or his designee(s), to amend, from time to time, such guidelines (such guidelines, as they may from time to time be amended, the "Guidelines") as he or she deems necessary or appropriate to effectuate the purposes of the Program; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) is hereby authorized to accept grant applications and award grants to eligible recipients pursuant to the Program in accordance with the Guidelines and these Materials (each such grant for the Program being hereby authorized) and to take such other actions as are necessary in order to effectuate the purposes of the Program; 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, (2) receipt of all other necessary approvals, and (3) the receipt of adequate funding for such assistance from the State of New York; 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, including without limitation, to make findings and hold public hearings that may be necessary pursuant to applicable law and to act on behalf of the Corporation to affirm, modify or withdraw any contemplated assistance as a result of testimony given at any such hearing, if necessary.

* * *

Next, Mr. Godley asked the Directors to authorize ESD to designate ESD's Deputy General Counsel, as an authorized signatory on Corporate Accounts. Mr. Godly explained that once a payment has received all the necessary approvals, there are four officers that are authorized to make this disbursement, the Chief Financial Officer, the General Counsel, the Controller and the Treasurer. Mr. Godley further explained that disbursements under $10,000 require one signature and disbursements over $10,000 require two. By adding the Deputy General Counsel, he continued, there should always be two authorized signatories available to disburse funds.

Following this 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 – Authorization to Designate an Additional Corporate Officer as an Authorized Signatory on Corporate Accounts

WHEREAS, the Directors, by prior actions, have authorized the following four officers to disburse funds on behalf of the Corporation from its corporate bank accounts in accordance with the applicable policies and procedures for such disbursements: the Chief Financial Officer, General Counsel, Controller, and Treasurer; and

WHEREAS, those policies and procedures are described in the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation; and

WHEREAS, in order to ensure that at least two authorized signatories are available at any time and from time to time as may be needed to authorize the disbursement of corporate funds, it is advisable to name an additional officer of the Corporation as an authorized signatory; and

WHEREAS, the Deputy General Counsel is an officer of the Corporation who is authorized to and often acts in the absence of the General Counsel; be it therefore

RESOLVED, that the Deputy General Counsel be, and hereby is, designated and empowered to act as an authorized signatory for all corporate accounts, in accordance with the applicable policies and procedures of the Corporation.

* * *

Mr. Beyer then asked the Directors to authorize the Corporation to enter into a contract with Rehon & Roberts for litigation services.

Mr. Beyer provided the relevant background information with regard to this request noting, in part, that Daystar Technologies, Inc. had defaulted under the terms of a Capital Grant Agreement and a lawsuit was filed by ESD. In April of 2010, Mr. Beyer continued, a judgment was entered against Daystar in the sum of $468,000.41 that could be levied within the State of New York. Mr. Beyer added that the Company, however, continues to operate in Santa Clara California and accordingly ESD elected to pursue the Company in California.

Following this presentation, the Chair called for questions or comments. The Chair

asked if ESD has a fairly high degree of confidence that this money can be recovered given that the Corporation is expending $55,000 to pursue the matter. Mr. Beyer stated that ESD has consulted with local counsel and California counsel and both believe that this entity has more than sufficient assets to pay this judgment.

Director Dyson added that it is important that ESD exercise its right to go after people who do not meet their obligations. Mr. Beyer noted his agreement and stated that the Corporation is very selective about initiating actions in other States because of the added legal expenses and the difficulty in pursuing matters outside of New York.

Chair Shimer then stated that it is important to exercise our rights but it is also important to be circumspect about using tax payer's money. Since this appears to be doable, she added, there is not a problem in this instance in expending these funds.

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

Empire State Development – Authorization to Enter Into a Contract with Rehon & Roberts to Provide Legal Services and to Take Related Actions

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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 Rehon & Roberts to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Rehon & Roberts in an amount not to exceed Fifty-five Thousand Dollars ($55,000) 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.

* * *

The Directors were then asked by Mr. Heilbrunn to authorize ESD to amend its contract with Bloomberg, LP to increase the contract by $51,000 bringing the total contract amount to $617,518 for services through January, 2014.

Following Mr. Heilbrunn'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:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION - Authorization to Amend the Contract with Bloomberg L.P.

RESOLVED, that on the basis of the materials presented at this meeting (the "Materials"), a copy of which is hereby ordered to be filed with the records of the Corporation, the Directors hereby approve an amendment to the existing contract (the "Contract") with Bloomberg L.P.; and the Corporation hereby finds Bloomberg L.P. to be responsible; and be it further

RESOLVED, that the Chief Executive Officer, or other officer of the Corporation, or his or her designee(s) are authorized to amend the Contract with Bloomberg L.P. for an additional $51,000.00 such that the total amount of the Contract shall not exceed $673,518.00 for services through January 26, 2014 and be it further

RESOLVED, that the Chief Executive Officer, or other officer of the Corporation, or his or her designee(s) be, and each of them hereby is, authorized to negotiate and execute said Contract amendment upon such terms as may be substantially consistent with the foregoing, and to take such further actions as they may deem necessary and appropriate.

* * *

Mr. Stout then asked the Directors to authorize ESD to enter into a contract for brokerage services in connection with the disposition of ESD's final condominium unit at 125 Maiden Lane.

Mr. Stout provided the relevant background information with regard to this request. Among other things, Mr. Stout noted that approximately two years ago, ESD entered into a brokerage agreement with Times Equity incorporated ("TEI"). The broker handling the matter for TEI was Michael Rudder. Mr. Rudder, Mr. Stout continued, has since moved on to his own agency, the Rudder Property Group, but he retained the work in terms of marketing this and ESD would now like to enter into a contract with Rudder Property Group on the same terms as the expired contract with TEI.

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

MAIDEN LANE CONDOMINIUMS (New York County) – Authorization to Enter into a Contract with Rudder Property Group for Brokerage Services in Connection with the Disposition of ESD's Final Condominium Unit at 125 Maiden Lane, New York, New York, and to take Related Actions

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RESOLVED, that based upon the materials presented at this meeting and ordered filed with the records of the Corporation (the "Materials") the Corporation hereby indicates its desire to dispose of its one remaining office condominium unit at 125 Maiden Lane, New York, New York, consisting of Unit 14A (the "Property"); and be it further

RESOLVED, that based on the Materials the Corporation hereby finds Rudder Property Group to be responsible; and be it further

RESOLVED, that the President and Chief Executive Officer or any other Officer of the Corporation be, and each of them hereby is, authorized and directed to enter into a contract with Rudder Property Group to act as a broker in connection with the disposition of the Property, substantially upon the terms set forth in the materials presented at this meeting; and be it further

RESOLVED, that the President and Chief Executive Officer or any other Officer of the Corporation be, and each of them hereby is, authorized and directed, in the name of and on behalf of the Corporation, to execute and deliver any and all documents and to take all such actions as may be necessary or appropriate to effectuate the foregoing.

* * *

Next, Ms. Hankin asked the Directors to authorize ESD to amend its contract with STV, Inc. to provide Owner's Representative Technical Services for the Atlantic Yards Land Use Improvement and Civic Project.

Ms. Hankin explained that the initial contract was for two years and the Directors are being asked to approve an extension of the contract for an additional two years. The additional two year contract, Ms. Hankin noted, will be the same value as the first two-year contract, $1,250,000. The entire contract, Ms. Hankin added, will be funded by the designated developer, the Forest City Ratner Companies.

Following the 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 (Kings County) – Atlantic Yards Land Use Improvement and Civic Project – Authorization to Amend the Contract with STV Inc. to Provide Owner's Representative Technical Services for the Project

RESOLVED, that based upon the materials presented at this meeting and ordered filed with the records of the Corporation (the "Materials"), the Corporation hereby finds STV Inc. to be responsible; and be it further

RESOLVED, that based on the Materials, the Corporation be, and hereby is, authorized to amend its existing contract with STV Inc. to provide additional Owner's Representative services in connection with the Atlantic Yards Land Use Improvement and Civic Project; and be it further

RESOLVED, that such amendment will extend the term for an additional two years and increase the compensation available under the contract by an additional $1,250,000; and be it further

RESOLVED, that the total compensation for services pursuant to this contract, as amended, shall not exceed $2,500,000 including reimbursables; and be it further

RESOLVED, that the President and Chief Executive Officer or any other Officer of the Corporation be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to execute and deliver any and all documents and take all such actions as may be necessary or appropriate to effectuate the foregoing.

* * *

Mr. Stout then asked the Directors to take various actions in connection with the 120 Wall Street Civic Project.

Mr. Stout explained that the approximately 600,000 square-foot office building in lower Manhattan has, since 1992, been known as an association center and that designation has provided certain tax incentives which enabled qualified not-for-profits to occupy about two thirds of the building. Mr. Stout went on to note that basically, among other incentives, the square footage in that building that is leased to not-for-profits has been exempt from real estate taxes through the participation of the New York City IDA. The IDA Civic Facility Legislation, Mr. Stout explained, has expired and this is affecting the ability of the not-for-profits to remain in the building.

Mr. Stout went on to explain that in an effort to assist in retaining this important sector of the downtown economy, ESD in consultation with the City of New York and the owner of the building are proposing the transaction as set forth in the Directors materials. Mr. Stout then provided a detailed synopsis of the proposed sale/lease transaction and ESD's role in that transaction. Mr. Stout also outlined the roles of the other entities involved in the transaction.

Following the presentation, the Chair called for questions or comments. Director Miller asked for assurance that the only beneficiaries of this arrangement will be the not-for-profits and that the Silverstein Organization will not benefit in any way. Mr. Stout assured her that that was the case noting that ESD will make sure by contract that any property tax exemption will flow to the not-for-profits in occupancy.

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

> New York City (New York County) – 120 Wall Street Civic Project – Civic Project Findings; Determination of No Significant Adverse Effect on Environment; Adoption of General Project Plan; Adoption of Sale-Leaseback Agreement, Bargain and Sale Deed, and Agreement of Lease with Owner of 120 Wall Street; Authorization to Hold Public Hearing(s) Thereon; Authorization to Acquire Real Property; Authorization to Lease Real Property; and Authorization to Take Related Actions

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RESOLVED, that, on 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 relating to the 120 Wall Street Civic Project (the "Project"), the Corporation hereby determines and finds pursuant to Section 10(d) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that:

(1) There exists in the area in which the Project is to be located, a need for the educational, cultural, recreational, community, municipal, public service or other civic facility to be included in the Project. Not-for-profit organizations generate substantial economic activity in New York and constitute an important sector of the State and City economies. Further, diversifying the employment base of Lower Manhattan is critically important to the stability of New York State and City finances. Not-for-profit organizations provide opportunities and community benefits not otherwise found in the private for-profit sector, and will add to the vibrant, mixed-use growth of the Downtown community.

(2) The Project shall consist of a building or buildings or other facilities which are suitable for educational, cultural, recreational, community, municipal, public service or other civic purposes. The Property, under the now-extinguished IDA Civic Facilities Legislation, suitably provided not-for-profits with cost-effective office space, and is projected to continue to do so under the terms of the proposed Project, which use constitutes a community, public service, and civic purpose.

(3) Such Project will be leased to or owned by the state or an agency or instrumentality thereof, a municipality or an agency or instrumentality thereof, a public corporation, or any other entity which is carrying out a community, municipal, public service or other civic purpose, and that adequate provision has been, or will be, made for the payment of the cost of the acquisition, construction, operation, maintenance and upkeep of the Project. Pursuant to the proposed terms of the Project: the Corporation would acquire ownership of the Property and simultaneously lease the Property to Owner for purposes of maintaining cost-effective rental space at the Property for eligible not-for-profit occupants; and Owner would be responsible for all operation and maintenance of the Property.

(4) The plans and specifications assure or will assure adequate light, air, sanitation and fire protection. The Property would continue to comply with all applicable Building Code(s), including making adequate provision for light, air, sanitation and fire protection.

and be it further

RESOLVED, that, on the basis of the Materials, the Corporation hereby determines and finds pursuant to Section 10(g) of the Act that there are no families or individuals to be displaced from the Project area; and be it further

RESOLVED, that based on the Materials, the Corporation hereby determines that the proposed Project will have no significant adverse effect on the environment; and be it further

RESOLVED, that, on the basis of the Materials, the Corporation hereby adopts, for purposes of the public hearing required by the UDC Act, and substantially on the terms and conditions described in the Materials:

(1) subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan

(the "Plan") for the Project set forth in the Materials, 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 relating to this Project; and

(2) the essential terms of the proposed Sale-Leaseback Agreement between 120 Wall Company, L.L.C. ("Owner") and the Corporation, the Bargain and Sale Deeds, and the Agreement of Lease between ESD as Landlord and Owner as Tenant (collectively, the "Contract Documents"); and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or authorized designee(s), be, and each of them is, hereby authorized and directed, in the name of and on behalf of the Corporation, to take all such actions as may be necessary or appropriate to schedule and hold such public hearing(s) as required by the Act or any other applicable law (which hearings may be held simultaneously), including, without limitation, the providing, filing, or making available of copies of the Plan and the essential terms of the Contract Documents, the fixing of a date for such hearing(s), the publication of a notice of such public hearing(s) 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(s), 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 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, and the findings previously made with respect thereto, shall be deemed affirmed and effective as of the conclusion of such hearing; and

(2) the essential terms of the Contract Documents 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;

(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 Sale-Leaseback Agreement, the Bargain and Sale Deeds, and the Agreement of Lease, including all exhibits and necessary documents related

thereto;

(3) the Corporation finds that it is necessary and convenient for the Corporation to acquire the Property (as defined in the Plan) from Owner for the Corporation's immediate or future use in furtherance of the Corporation's corporate purposes and the Plan;

(4) 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 for the Corporation to acquire the Property from Owner pursuant to the Materials and these Resolutions; and

(5) 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 for the Corporation to dispose of the Property to Owner via lease, and upon the expiration or termination of the lease via Bargain and Sale Deed, pursuant to the terms and conditions described in the Materials and these Resolutions; and be it further

RESOLVED, that Corporation approval is expressly contingent upon: (1) approval of the Public Authorities Control Board; and (2) receipt of all other necessary approvals; 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 of and on behalf of the Corporation to execute and deliver any and all such documents and to take all such related actions as may be necessary or appropriate to effectuate the foregoing resolutions.

* * *

The Directors were then asked by Mr. Kwon to authorize the Corporation to take various actions in connection with the 2570 Bouck Avenue Foreclosure Auction and Bid item.

Mr. Kwon explained the relevant background information with regard to this request. He noted, in part, that ESD is expected to acquire title to this property at auction and will recover a significant portion of ESD's outstanding loan balance once the property is properly marketed and sold.

Following the presentation, the Chair called for questions or comments. Director Miller asked for a clarification with regard to the proposed transaction and Mr. Kwon provided same.

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

New York (Kings County) - Authorization to (i) Place a Bid of up to $350,000 at a Foreclosure Auction for the Property Located at 2570 Bouck Avenue, Bronx New York (the "Property"), (ii) Initiate Procurement of a Real Estate Broker, (iii) Pay Off the Balance of the First Mortgage, (iv) Pay Outstanding Real Estate Taxes, (v) Take all related actions, and (vi) Make a Determination of No Significant Effect on the Environment.

RESOLVED, that on 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, relating to the placement of a bid at the foreclosure auction of a property located at 2570 Bouck Avenue, Bronx New York (the "Property") and other related actions, ESD staff is hereby authorized to place a bid of up to $350,000 at the foreclosure auction for the Property, procure a real estate broker, pay off the balance of the first mortgage, pay outstanding real estate taxes, and be it further

RESOLVED, that based on the materials submitted to the Directors, the Corporation hereby determines that the proposed action will not have a significant effect on the environment, and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) are, 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.

* * *

Lastly, Mr. Dorado asked the Directors to authorize ESD to amend its consultant contract with the Caymitte Group in connection with the Small Business Credit Initiative.

Mr. Dorado explained that the amendment involved an expansion of the scope of services as outlined in the Directors' materials, the extension of the term of the contract from March 31 through December 31, 2012 and an increase in the maximum contract amount from $60,000 to $120,000. Mr. Dorado added that the contract is entirely funded with Federal and State Small Business Credit Initiative funding.

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

State Small Business Credit Initiative – Bonding Assistance Program – Authorization to Amend the Contract with The Cayemitte Group for Consulting 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 Cayemitte Group to be responsible; and be it further

RESOLVED, that in accordance with the Materials, the Corporation is hereby authorized to amend the contract with The Cayemitte Group for consulting services as described in the Materials, the cost of which (as amended) is not to exceed one hundred twenty thousand dollars ($120,000) for the purposes and services, and substantially on the terms and conditions, as set forth in the Materials; and be it further

RESOLVED, that the President, or other Officer of the Corporation, or his designee(s) 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 resolutions.

* * *

Chair Shimer noted that because Kenneth Adams had to leave the meeting early to attend a speaking engagement at the Governor's request, there would be no President's Report this month.

There being no further business, the meeting was adjourned at 11:45 a.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary

FOR CONSIDERATION
February 16, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Olean (Western New York Region – Cattaraugus County) – Dresser-Rand Group 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: Dresser-Rand Group, Inc. ("Dresser-Rand" or the "Company")

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

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

Project Location: 500 Paul Clark Drive, Olean, Cattaraugus County

Proposed Project: Construction of a 5,000-square-foot research and development facility and the acquisition of related machinery and equipment

Project Type: Business expansion involving job retention and creation

Regional Council: The Western New York Regional Council has been made aware of this item. The project predates the Regional Council Initiative.

Employment:

Initial employment at time of ESD Incentive Offer:	787
Current employment level:	956
Minimum employment on January 1, 2014:	837

II. Project Cost and Financing Sources

Financing Uses	Amount
Construction	$6,000,000
Machinery & Equipment	2,500,000
Training	100,000
Soft Costs	1,000,000
Total Project Costs	$9,600,000

Financing Sources	Amount	Percent
ESD-Grant	$ 500,000	5%
Company Equity	9,100,000	95%
Total Project Financing	$9,600,000	100%

III. Project Description

A. Company

Industry: Energy conversion technology involving the design, manufacture and marketing of centrifugal and reciprocating compressors, steam turbines, expanders, gas turbines and control systems for the oil, gas, petrochemical and industrial process industries.

Company History: Founded in the 1840's in the form of Ingersoll-Rand in Painted Post (Steuben County), The Moore Steam Company in Wellsville (Allegany County) and Clark Brothers in Olean (Cattaraugus County).

Ownership: Publicly traded

Size: 64 sales offices, 33 service centers and 12 manufacturing operations in 26 countries. The Company employs approximately 6,400 people worldwide, including over 2,100 in New York's Southern Tier (Olean, Wellsville and Painted Post).

Market: Independent oil and gas producers and distributors worldwide; national oil and gas companies; major energy companies; and independent refiners. Approximately 59% of the products sold outside of North America. Major foreign customers include Royal Dutch Shell Group (The Hague, Netherlands); Exxon Mobil Corporation (Irving, Texas); and BP (London, United Kingdom). Major competitors include General Electric Oil & Gas/Nuovo Pignone-Thermodyne (Florence, Italy); Siemens (Munich, Germany); Solar Turbines Incorporated (San Diego, California); and Burckhardt Compression (Winterthur, Switzerland).

ESD Involvement: In 2010, Dresser-Rand notified ESD of an opportunity to collaborate with RamgenPower Systems, LLC ("RamgenPower"), a research and development company located in Bellevue, Washington, to develop, manufacture, assemble and market a Rampressor™ CO_2 compressor which would enable power plants that burn fossil fuels to process carbon dioxide in an economical manner. Typically, these power plants compress the carbon dioxide and send it through a pipeline for injection into oil wells or caverns. To proceed with the new technology, the Company would require additional research and development facilities and related new machinery and equipment. Without ESD assistance, the project would likely not have taken place in New York State.

Competition: The Company considered undertaking this project at an existing Company site in Olean, NY or LeHavre, France, an existing RamgenPower facility in Washington, or a location in Texas. The Olean site was at a disadvantage due to New York State's high utility rates.

Past ESD Support: Previously, ESD Directors approved $6,154,896 in training grants; a $5 million capital grant in 2002 and a $2 million capital grant in 2010. The Company did not meet employment goals on a $5 million capital grant in 2003 resulting in a repayment of $1.6 million and a reduction in the job commitment. The Company has complied with the terms of the remaining grants.

B. The Project

Completion: August 2011

Activity: Construction of a new 5,000-square-foot research and development facility; the purchase and installation of new machinery and equipment, including a 10 MW motor, epicyclic gear, variable frequency drive and the associated test loop; training and soft costs associated with the establishment of a new carbon dioxide test facility.

Results: The Project will create 50 new jobs and retain 787 existing jobs. The Company has already created 169 jobs, exceeding its job commitment.

Grantee Contact: H. Allan Kidd, Director of Emerging Technologies
500 Paul Clark Drive
Olean, NY 14760
Phone: (716) 375-3218
Fax: (716) 375-3178

ESD Project No.: X136

Project Team:	Origination	Michael Morse
	Project Management	Jean Williams
	Affirmative Action	Helen Daniels
	Finance	Ross Freeman
	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 $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 material or 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 three installments as follows:
   a) an Initial Disbursement of an amount equal to 50% of the grant ($250,000) upon completion of the project as described in these materials, including the construction and equipping of the new Research and Development facility, as evidenced by a certificate of occupancy; submission of documentation verifying project expenditures of approximately $9.5 million; and documentation of the employment of at least 797 total Full-Time Permanent Employees at the Project Location (Employment increment of 10), 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 ($125,000) will be

disbursed upon documentation of the employment of at least 817 Full-time Permanent Employees at the Project Location (Employment Increment of 20), provided Grantee is otherwise in compliance with program requirements;

c) a Third Disbursement of an amount equal to 25% of the grant ($125,000) will be disbursed upon documentation of the employment of at least 837 Full-time Permanent Employees at the Project Location (Employment Increment of 20), 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. Expenditures must be incurred on or after July 6, 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 $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 one hundred percent (100%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), upon demand by ESD, the entire Grant will be subject to recapture by ESD.

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	797

A	B
Reporting Date	Employment Goals
February 1, 2013	787+X+Y+Z
February 1, 2014	787+X+Y+Z
February 1, 2015	787+X+Y+Z
February 1, 2016	787+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=10, and Employment Goals shall equal [787 + X = 797] 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=20, and Employment Goals shall equal [787 + X + Y = 817] 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=20, and Employment Goals shall equal [787 + X + Y + Z = 837] 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 retain its employment level of 787 and create 50 new jobs by January 1, 2014.

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

   The Company was considering establishing the Rampressor™ CO_2 research and development facility in Washington, Texas or France. 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, the following are anticipated project impacts (dollar values are present value):

   - Fiscal benefits to NYS government from the project are estimated at $8,268,516;
   - Fiscal cost to NYS government is estimated at $500,000;
   - Project cost to NYS government per direct job is $5,345;

- Project cost to NYS government per job (direct plus indirect) is estimated at $2,170;
- Ratio of project fiscal benefits to costs to NYS government is 16.54:1;
- Fiscal benefits to all governments (state and local) are estimated at $14,198,152;
- Fiscal cost to all governments is $500,000;
- All government cost per direct job is $5,345;
- All government cost per total job is $2,170;
- The fiscal benefit to cost ratio for all governments is 28.40:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $84,188,493, or $365,335 per job (direct and indirect);
- The economic benefit to cost ratio is 168.38:1;
- Project construction cost is $7,000,000, which is expected to generate 70 direct job years and 49 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. 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 City of Olean Planning Board, 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 would not have a significant effect on the environment. ESD staff reviewed the 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 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

February 16, 2012

Olean (Western New York Region – Cattaraugus County) – Dresser-Rand Group 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 Dresser-Rand Group 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 Dresser-Rand Group, 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.

* * *

February 16, 2012

Olean (Western New York Region – Cattaraugus County) – Dresser-Rand Group 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 Dresser-Rand Group Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Project Summary
Benefit-Cost Evaluation1

Dresser-Rand Group, Inc.

Initial Jobs:	**787**	**Construction Job Years (Direct):**	**70**
New Jobs:	**50 over three years**	**Construction Job Years (Indirect)**:	**49**

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	$8,268,516	$2,085,600	$14,198,152	$4,271,980
Fiscal Cost /Direct Job	$5,345	$3,000	$5,345	$4,110
Fiscal Cost/Total Jobs	$2,170	$1,424	$2,170	$1,964
Fiscal B/C Ratio	16.54	7.00	28.40	10.60

	Project Results	Benchmarks for ESD Projects
Economic Benefits5	$84,188,493	$119,468,000
Econ. Benefits/Total Jobs	$365,335	$147,600
Economic B/C Ratio	168.38	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.

FOR CONSIDERATION
February 16, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Buffalo (Western New York Region – Erie County) – Galvstar 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: Galvstar LLC ("Galvstar" or the "Company")

ESD* Investment: A grant of up to $200,000 to be used for a portion of the costs associated with the purchase and installation 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: 1001 East Delavan Avenue, Buffalo, Erie County

Proposed Project: Acquisition and installation of machinery and equipment to establish a specialty steel company.

Project Type: Business attraction including job creation.

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 November 2010.

Employment:

Initial employment at time of ESD Incentive Offer:	0
Current employment level:	20
Minimum employment on January 1, 2014:	55

II. Project Cost and Financing Sources

Financing Uses	Amount
New Machinery & Equipment	$10,300,000
Used Machinery & Equipment	8,000,000
Soft Costs	500,000
Total Project Costs	$18,800,000

Financing Sources	Amount	Percent	Rate/Term/Lien
ESD-Grant	$200,000	1%	
ECIDA Bond Financing**	10,600,000	56%	9.25%/20yrs/sublease interest in RE improvements and 1st on M&E
Company Equity	8,000,000	43%	
Total Project Financing	$18,800,000	100%	

**A portion of $19.995 million in bond financing, which includes a 20yr subleasehold interest in the Project Location.

III. Project Description

A. Company

Industry: The production of galvanized steel for commercial and consumer products in the United States and Canada.

Company History: Galvstar LLC, formerly PortCoat LLC ("PortCoat"), was established in 2010.

Ownership: Privately held

Size: This project establishes the Company's first facility.

Market: Shortfalls in domestic galvanized steel products continue to grow at 5% per year, forcing U.S. manufacturers to rely on imported steel for up to 20% of their needs. Major customers include Stemcor USA, Inc. (New York, NY); ClarkDietrich Building Systems (West Chester, OH); Super Stud Building Products, Inc. (Edison, NJ). Major competitors are located in Europe and Asia as Galvstar is the only North American producer of coated steel.

ESD Involvement: In mid-2008, PortCoat advised ESD that it was considering establishing a specialty steel company to supply North America. ESD provided a capital grant incentive offer in December 2008 for this project, however, the Company did not move forward as financing deals for the equipment fell

through on two separate occasions due to the downturn in the economy. In mid-2010, the Company, now Galvstar, notified ESD that it has decided to proceed with the project at a new location, and sought assistance to lease vacant American Axle plant in Buffalo. ESD issued a revised grant incentive offer of $200,000, which Galvstar accepted in November 2010. Without ESD assistance, the new steel processing company would have been created out of state.

Competition: The Company considered undertaking the project in Ohio, Michigan, New Jersey, or Canada. The Buffalo site was at a disadvantage due to New York State's high labor and utility rates.

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

B. The Project

Project Completion: January 2012

Activity: Acquisition and installation of new machinery & equipment including a furnace, air knifes, zinc pots, cooling towers, gauges and various tanks and used equipment including a mandrels, shears, accumulator, and levelers previously acquired. The Company will become the anchor tenant in the former American Axle plant in Buffalo and has entered into a 20-year lease for 120,000-square-foot of the vacant 1.2 million square-foot facility.

Results: The Company will create 55 new jobs. Twenty jobs have already been created.

Grantee Contact: Mr. Daniel Bain, President
1001 East Delavan Avenue
Buffalo, New York 14215
Phone: (716) 892-2200 Fax: (716) 892-1128

ESD Project No.: W539

Project Team:

Origination	Ray Witzleben
Project Management	Jean Bly
Affirmative Action	Helen Daniels
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 1% of the $200,000 capital grant ($2,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no material or 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 $200,000 will be disbursed to the Grantee in three installments as follows:
   a) an Initial Disbursement of an amount equal to 50% of the grant ($100,000) upon completion of the project as described in these materials, as evidenced by operational occupancy of leased facilities at a former American Axle plant in the City of Buffalo, including a fully-executed lease, certificate of occupancy if applicable, documentation of $10 million in machinery and equipment; and documentation of the employment of at least 20 Full-time Permanent Employees at the Project Location (Employment Increment of 20), 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 ($50,000) will be disbursed upon documentation of the employment of at least 40 Full-time Permanent Employees at the Project Location (Employment Increment of 20), provided Grantee is otherwise in compliance with program requirements;
   c) a Third Disbursement of an amount equal to 25% of the grant ($50,000) will be disbursed upon documentation of the employment of at least 55 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. Expenditures must be incurred on or after November 5, 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 $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.

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	0

A	B
Reporting Date	Employment Goals
February 1, 2013	0+X+Y+Z
February 1, 2014	0+X+Y+Z
February 1, 2015	0+X+Y+Z
February 1, 2016	0+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=20, and Employment Goals shall equal [0 + X = 20] 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=20, and Employment Goals shall equal [0 + X + Y = 40] 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=15, and Employment Goals shall equal [0 + X + Y + Z = 55] 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 Z=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 create 55 new jobs by January 1, 2014.

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

   The Company considered establishing a new operation to Canada, Ohio, Michigan or New Jersey. 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, the following are anticipated project impacts (dollar values are present value):

   - Fiscal benefits to NYS government from the project are estimated at $3,664,343;
   - Fiscal cost to NYS government is estimated at $544,574;
   - Project cost to NYS government per direct job is $11,303;
   - Project cost to NYS government per job (direct plus indirect) is estimated at $3,727;

- Ratio of project fiscal benefits to costs to NYS government is 6.73:1;
- Fiscal benefits to all governments (state and local) are estimated at $6,243,353;
- Fiscal cost to all governments is $544,574;
- All government cost per direct job is $11,303;
- All government cost per total job is $3,727;
- The fiscal benefit to cost ratio for all governments is 11.46:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $32,626,957, or $223,274 per job (direct and indirect);
- The economic benefit to cost ratio is 59.91:1;
- There is no construction activity related to this project;
- For every permanent direct job generated by this project, an additional 2.04 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

ESD staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act 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

February 16, 2012

Buffalo (Western New York Region – Erie County) – Galvstar 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 Galvstar 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 Galvstar LLC 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.

* * *

Project Summary
Benefit-Cost Evaluation1

Galvstar LLC

Initial Jobs: **0** **Construction Job Years (Direct):** **0**
New Jobs: **55 over three years** **Construction Job Years (Indirect)**: **0**

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	$544,574	$794,250	$544,574	$1,020,500
Fiscal Benefits4	$3,664,343	$2,085,600	$6,243,353	$4,271,980
Fiscal Cost /Direct Job	$11,303	$3,000	$11,303	$4,110
Fiscal Cost/Total Jobs	$3,727	$1,424	$3,727	$1,964
Fiscal B/C Ratio	6.73	7.00	11.46	10.60

	Project Results	Benchmarks for ESD Projects
Economic Benefits5	$32,626,957	$119,468,000
Econ. Benefits/Total Jobs	$223,274	$147,600
Economic B/C Ratio	59.91	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.

FOR CONSIDERATION
February 16, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Greece (Finger Lakes Region – Monroe County) – Mercury Print 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: Mercury Print Productions, Inc. ("Mercury" or the "Company")

ESD* Investment: A grant of up to $250,000 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 Locations: 515 Lee Road, Greece, Monroe County**
1250 Lee Road, Greece, Monroe County
50 Holleder Parkway, Rochester, Monroe County

**Project activity site; others are job-retention sites

Proposed Project: Purchase of machinery and equipment for on-demand book publishing

Project Type: Expand business capacity including retaining and creating jobs

Regional Council: The Finger Lakes Regional Council has been made aware of this item. Project predates the Regional Council Initiative. The Incentive Offer was accepted in January 2011.

Employment:	Initial employment at time of ESD Incentive Offer:	210
	Current employment level:	215
	Minimum employment on January 1, 2014:	250

II. Project Cost and Financing Sources

Financing Uses	Amount
Prosper 5000XL Press	$2,750,000
Machinery and Equipment	2,170,000
Total Project Costs	$4,920,000

Financing Sources	Amount	Percent	Rate/Term/Lien
ESD-Grant	$250,000	5%	
M&T Bank-Loan	2,210,000	45%	5.5%/6.4 yrs/1st lien on M&E
SBA 504-Loan	1,968,000	40%	4.85%/10 yrs/2nd lien on M&E
Company Equity	492,000	10%	
Total Project Financing	$4,920,000	100%	

III. Project Description

A. Company

Industry: Mercury Print Productions, Inc., is a commercial printer with an on-demand digital print capability, in-house bindery, digital book print division, electronic media subsidiary, and fulfillment and warehousing units.

Company History: Founded in 1969 in Rochester, NY

Ownership: Privately owned

Size: All facilities located in Rochester, NY

Market: The Company entered the market for short-run digitally printed customized books in 2005. Its book division has grown rapidly in the past five years, serving the higher-education and the elementary/high school markets. Major customers include Williams Lea, Pearson Educational and McGraw Hill. Over this same period, domestic printers have seen a decline in volume as longer-run print jobs were sent to Asia.

ESD Involvement: The Company's future lies in reclaiming the longer-run print jobs that have been dominated by Asian companies. The transformational new technology for this is high speed inkjet printing, which dramatically lowers costs. This technology, manufactured primarily by three companies in the U.S., Hewlett Packard, Xerox and Kodak, will enable the Company to target longer-run products while allowing full customization and reduced waste at a price competitive with Asian manufacturers. When in June 2010, McGraw Hill ("MH") invited Mercury to move its book division close to MH's operations in Groveport, Ohio, Mercury approached ESD. ESD's $250,000 capital grant helped reduce costs to make it feasible for the Company to expand in New York. Without ESD assistance, the project would likely not have taken place in New York State.

Competition: The Company considered undertaking this project in Ohio.

Past ESD Support: Since 1989, ESD has assisted Mercury with loans and grants totaling $545,000. The Company has completed its required projects, maintained its job commitments, repaid two loans, and is current on its payments for one outstanding loan.

B. The Project

Completion: May 2011

Activity: The Company has acquired and installed a Kodak XL 500 Prosper Press at its Greece facility, which houses its book division. The Company also purchased various pieces of finishing equipment, including cutting, binding and stacking machines.

Results: The Company will retain 210 jobs, including 81 that were at risk, and create 40 new jobs.

Grantee Contact: Scott Mulcahy, Chief Financial Officer
50 Holleder Parkway
Rochester, NY 14615
Phone: (585) 368-5401 Fax: (585) 458-2896

ESD Project No.: X220

Project Team:

Origination	Kevin Hurley
Project Management	Edward Muszynski
Affirmative Action	Helen Daniels
Finance	Ross Freeman
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 $250,000 capital grant ($2,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no material or 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 $250,000 will be disbursed to the Grantee in three installments as follows:
   a) an Initial Disbursement of an amount equal to 50% of the grant ($125,000) upon documentation of machinery and equipment project costs totaling $4,920,000, and documentation of the employment of at least 210 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 ($62,500) will be disbursed upon documentation of the employment of at least 230 Full-time Permanent Employees at the Project Location (Employment Increment of 20), provided Grantee is otherwise in compliance with program requirements;
   c) a Third Disbursement of an amount equal to 25% of the grant ($62,500) will be disbursed upon documentation of the employment of at least 250 Full-time Permanent Employees at the Project Location (Employment Increment of 20), 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 January 11, 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 $250,000, 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	210

A	B
Reporting Date	Employment Goals
February 1, 2013	210+X+Y
February 1, 2014	210+X+Y
February 1, 2015	210+X+Y
February 1, 2016	210+X+Y

X = 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. X=20, and Employment Goals shall equal [210 + X = 230] 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 C.5 above (i.e. Y=20, and Employment Goals shall equal [210 + X + Y = 250] 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 210, including 81 jobs that were at risk of relocation, and create 40 new jobs.

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

   The Company considered relocating its on-demand book publishing unit to Ohio. 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, the following are anticipated project impacts (dollar values are present value):

   - Fiscal benefits to NYS government from the project are estimated at $3,891,218;
   - Fiscal cost to NYS government is estimated at $250,000;
   - Project cost to NYS government per direct job is $2,888;
   - Project cost to NYS government per job (direct plus indirect) is estimated at $1,587;
   - Ratio of project fiscal benefits to costs to NYS government is 15.56:1;
   - Fiscal benefits to all governments (state and local) are estimated at $6,555,297;
   - Fiscal cost to all governments is $250,000;

- All government cost per direct job is $2,888;
- All government cost per total job is $1,587;
- The fiscal benefit to cost ratio for all governments is 26.22:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $33,204,517, or $210,840 per job (direct and indirect);
- The economic benefit to cost ratio is 132.82:1;
- There is no construction activity related to this project;
- For every permanent direct job generated by this project, an additional 0.82 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

ESD staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act 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 Company 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

February 16, 2012

Greece (Finger Lakes – Monroe County) – Mercury Print 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 Mercury Print 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 Mercury Print Productions, Inc. a grant for a total amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000) 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 Evaluation[1]

Mercury Print Productions, Inc.

Initial Jobs: **210** **Construction Job Years (Direct):** **0**
New Jobs: **40 over three years** **Construction Job Years (Indirect)**: **0**

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]	$250,000	$794,250	$250,000	$1,020,500
Fiscal Benefits[4]	$3,891,218	$2,085,600	$6,555,297	$4,271,980
Fiscal Cost /Direct Job	$2,888	$3,000	$2,888	$4,110
Fiscal Cost/Total Jobs	$1,587	$1,424	$1,587	$1,964
Fiscal B/C Ratio	15.56	7.00	26.22	10.60

	Project Results	Benchmarks for ESD Projects
Economic Benefits[5]	$33,204,517	$119,468,000
Econ. Benefits/Total Jobs	$210,840	$147,600
Economic B/C Ratio	132.82	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.

FOR CONSIDERATION
February 16, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Port Jervis (Mid-Hudson Region - Orange County) - Kolmar Laboratories Capital II - 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 an Additional Grant and to Take Related Actions

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General Project Plan

I. Project Summary

Grantee: Kolmar Laboratories, Inc. ("Kolmar" or the "Company")

ESD* Investment: A grant of up to $250,000 to be used for a portion of the cost of the purchase and installation 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: 20 West King Street, Port Jervis, Orange County

Proposed Project: Purchase and installation of machinery and equipment, the development of new products and the improvement of existing products, and maintenance of the plant, buildings and equipment in Port Jervis.

Project Type: Business and job retention

Regional Council: The Mid-Hudson Regional Council has been made aware of this item. The project predates the Regional Council Initiative. The Incentive Offer was accepted in April 2010.

Employment:	Initial employment at time of ESD Incentive Offer:	411
	Current employment level:	407
	Minimum employment through January 1, 2016:	400

II. Project Cost and Financing Sources

Financing Uses	Amount
Machinery and Equipment	$5,000,000
Inventory/Accounts Receivable	18,000,000
Total Project Costs	$23,000,000

Financing Sources	Amount	Percent
ESD - Capital Grant (X590)	250,000	1%
ESD - Capital Grant (W756*)	$2,500,000	11%
ESD - Working Capital Grant (W331*)	2,000,000	9%
ESD - Capital Grant (X305**)	250,000	1%
Orange County IDA	125,000	.5%
NYS Office of Community Renewal	250,000	1%
New York Power Authority	900,000	4%
Company Equity	16,725,000	73%
Total Project Financing	$23,000,000	100%

*Approved September 14, 2010
**Approved December 16, 2010

III. Project Description

A. Company

Industry: Color cosmetics, personal care products, and over-the-counter pharmaceuticals.

Company History: Founded in 1921 in Milwaukee, Wisconsin by Lessing L. Kole and Frederick Marsek. The Company is currently majority owned by GSC Group, a private equity firm.

Ownership: Privately-held C Corporation

Size: Kolmar operates from a 264,000-square-foot facility in Port Jervis.

Market: Kolmar is a leading contract manufacturer in North America of fine color cosmetics, personal care products, and over-the-counter

pharmaceuticals. The Company manufactures highly recognizable products for Neutrogena, Mary Kay Cosmetics, and Procter & Gamble among others. The Company's principal competitors include Access Business Group, Accra Pac, C-Care LLC, and Chicago Aerosol.

ESD Involvement: After over 65 years of operation, Kolmar announced that it was considering closing its Port Jervis facility. The Company was struggling due to lack of investment and suffered significantly during the economic downturn. To assist the Company to remain in Port Jervis, in 2010, ESD approved $4,750,000 in capital and working capital grants for machinery and equipment, building and equipment maintenance, new product development and the improvement of existing products.

The Directors are now being requested to approve an additional $250,000 EDF Capital Grant to be used for a portion of the cost of the installation of machinery and equipment. This grant will replace funding that was anticipated from the Senate.

Kolmar is a vital employer to the Mid-Hudson Region and the Company could have relocated its operations outside of New York without ESD's assistance. As a result of the project, Kolmar will retain 400 existing jobs in Port Jervis.

Competition: The Company considered relocating its facility to Texas, New Jersey or Louisiana, which offered to fully subsidize its relocation and the construction of a new state-of-the-art facility.

Past ESD Support: On September 14, 2010, ESD approved a $2,000,000 EDF Working Capital Grant (W331) and a $2,500,000 Upstate City-by-City Capital Grant (W756) to be used for a portion of the cost to purchase and install machinery and equipment and to make other investments to support and retain Kolmar's Port Jervis-based manufacturing operation of pharmaceuticals and cosmetics. As of February 2012, $1,000,000 from W331 and $1,250,000 from W756 have been disbursed.

On December 16, 2010, ESD also approved a $250,000 EDF Capital Grant (X305) to further assist with the acquisition of machinery and equipment. As of February 2012, this grant has been fully disbursed.

B. The Project

Completion: June 2013

Activity: Purchase and installation of machinery and equipment, capital expenditures and investments in the development of new projects

and improvements of existing products and the maintenance of plant buildings and equipment at the Company's Port Jervis, Orange County facility. Working capital includes accounts receivable and inventory financing.

Results: The Company will maintain its Port Jervis operations and retain 400 jobs.

Grantee Contact: Rich Polifroni, Vice President, Finance
20 West King Street
Port Jervis, New York 12771
Phone: (845) 856-5311

ESD Project No.: X590

Project Team:		
	Origination	Paul Taxter
	Project Management	Glendon McLeary
	Affirmative Action	Denise Ross
	Finance	Ross Freeman
	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 $250,000 capital grant ($2,500) 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 $250,000 will be disbursed to Grantee upon documentation of eligible machinery and equipment and/or eligible capital expenditures and investments in R&M and R&D project costs totaling $500,000, and documentation of the employment of at least 400 Full-time Permanent Employees at the Project Location, 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. Expenses must be incurred on or after April 19, 2010, to be considered eligible project costs.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $250,000, 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	400

A	B
Reporting Date	Employment Goals
February 1, 2013	400
February 1, 2014	400
February 1, 2015	400
February 1, 2016	400

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 retain 400 jobs which were at risk of relocating to Louisiana.

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

The Company considered relocating its operations to Louisiana, Texas or New Jersey. 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, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at $11,322,717;
- Fiscal cost to NYS government is estimated at $5,289,275;
- Project cost to NYS government per direct job is $28,716;
- Project cost to NYS government per job (direct plus indirect) is estimated at $10,826;
- Ratio of project fiscal benefits to costs to NYS government is 2.14:1;
- Fiscal benefits to all governments (state and local) are estimated at $20,150,303;
- Fiscal cost to all governments is $5,289,275;
- All government cost per direct job is $28,716;

- All government cost per total job is $10,826;
- The fiscal benefit to cost ratio for all governments is 3.81:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $110,323,417, or $225,811 per job (direct and indirect);
- The economic benefit to cost ratio is 20.86:1;
- There is no construction activity related to this project;
- For every permanent direct job generated by this project, an additional 1.71 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is five 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

ESD staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act 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. Kolmar 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. Attachments

Resolution
New York State Map
Project Finance Memorandum
Benefit-Cost Analysis
ESD Directors' Materials dated September 14, 2010
ESD Directors' Materials dated December 16, 2010

February 16, 2012

Port Jervis (Mid-Hudson Region – Orange County) – Kolmar Laboratories Capital II – 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 Kolmar Laboratories Capital II - 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, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Kolmar Laboratories, Inc. a grant for a total amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000) 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 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

Kolmar Laboratories, Inc.

Initial Jobs:	**400**	**Construction Job Years (Direct)**:	**0**
Retained Jobs:	**400 over five years**	**Construction Job Years (Indirect)**:	**0**

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	$5,289,275	$ 794,250	$5,289,275	$ 1,020,500
Fiscal Benefits4	$11,322,717	$ 2,085,600	$20,150,303	$ 4,271,980
Fiscal Cost /Direct Job	$28,716	$ 3,000	$28,716	$ 4,110
Fiscal Cost/Total Jobs	$10,826	$ 1,424	$10,826	$ 1,964
Fiscal B/C Ratio	2.14	7.00	3.81	10.60

	Project Results	Benchmarks for ESD Projects
Economic Benefits5	$110,323,417	$ 119,468,000
Econ. Benefits/Total Jobs	$225,811	$ 147,600
Economic B/C Ratio	20.86	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.

FOR CONSIDERATION
February 16, 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 Plan; Authorization to Make a Grant 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.	Howe Caves Capital	X346	Howe Caves Development, LLC	$100,000
			TOTAL	**$100,000**

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 summary 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 Summary

February 16, 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

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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 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 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 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 Project, 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 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;

Empire State Economic Development Fund

	Project Name	**Proj #**	**Grantee**	**Assistance up to**
	General Development Financing Project			
A.	Howe Caves Capital	X346	Howe Caves Development, LLC	$100,000
			TOTAL	**$100,000**

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. Howe Caves Capital (X346)
February 16, 2012

General Project Plan

Grantee: Howe Caves Development, LLC ("Howe Caves" or the "Company")

ESD Investment: A grant of up to $100,000 to be used for a reimbursement for a portion of building construction and renovation cost.

Project Location: 225 Discovery Drive, Howes Cave, Schoharie County

Proposed Project: Construction of new outdoor attractions to complement the historic Howe Caverns tourism destination

Project Type: Expansion of facilities including the 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 Offer was accepted in March 2011.

Employment:

Initial employment at time of ESD Incentive Offer:	0
Current employment level:	24
Minimum employment through January 1, 2016:	47

Background:

Industry - Howe Caverns is a tourism destination located in Cobleskill, NY. Discovered twenty years before the Civil War, Howe Caverns (the "Site") is considered to be one of the oldest tourism attractions in the Northeastern United States.

Company History - The site is named after Lester Howe who is credited with the discovery in 1842 of a cave located 156-feet below the earth's surface in the northeastern portion of the Town of Cobleskill in Schoharie County. Shortly after the discovery of the cave, Howe began conducting tours to visitors. As the number of visitors declined, Howe sold the Site in 1898. The Site subsequently closed for over 25 years until 1926 when John Mosner and Walter H. Sagendorf joined together to reopen the Site to the public once again.

Ownership - In April 2007 when the Site was sold to Charles Wright and Emil Galasso Howe Caverns Development, LLC, a wholly owned subsidiary of Howe Caverns, Inc., was formed and nearly $8 million dollars in improvements were made to the Site. The site remains privately-owned.

Size - Caverns along with 400 acres of land above ground.

Market - The Site has become the largest show cave open to the public in the Northeast, with approximately 150,000 visitors each year.

ESD Involvement - To encourage the Company to proceed with the project, ESD provided an incentive offer for a $100,000 capital grant, which was accepted in March 2011.

Competition - The Site is the second most visited natural attraction in New York State behind Niagara Falls.

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

The Project:

Completion - May 2012

Activity - With the current economic downturn, the Company started to experience a decrease in visitors. Attendance was made worse recently by the devastation caused by Hurricane Irene and Tropical Storm Lee. The Company needed to make a significant investment to the Site in order to attract new visitors, increase repeat visitation and provide family oriented activities for longer stays in Schoharie County.

Results - A comprehensive multi-million dollar expansion plan was developed that included the construction of new indoor/outdoor attractions. The attractions include a zip line, a children's rope course, a dinosaur canyon, a gemstone mining building and a picnic pavilion.

Howe Caves Development, LLC plans to invest over $1.1 million on a wide-range of upgrades to its 400-acre facility that will complement the historic tourism destination and provide visitors additional activities to extend their visit to the historic site. The project will include the construction of a new 3,750-square-foot building called the Howes Caves Mining Company. The new building will provide both indoor and outdoor activities, a gemstone shop, and a jewelry store. The project will also include a new 6,850-square-foot picnic pavilion ("Pavilion"). The Pavilion will be able to accommodate up to 300 visitors and has been designed as a venue for parties, weddings, and other special events. Currently no other such venue is available in the immediate area.

The project is scheduled to be completed by May 2012. The project is expected to create 47 new jobs by January 1, 2016.

A. Howe Caves Capital (X346)
February 16, 2012

Financing Uses	Amount	Financing Sources	Amount	Percent
Site Preparation	$533,565	ESD Grant	$100,000	9%
Gemstone Building	277,479	Berkshire Bank*	532,904	45%
Pavilion	276,742	Company Equity	514,882	46%
Soft Cost	50,000			
Training	10,000			
Total Project Costs	$1,147,786	Total Project Financing	$1,147,786	100%

*4%/5year/1st lien on Real Estate

Grantee Contact - John C. Lemery, President
Howe Caves Development LLC
225 Discovery Drive
Howes Cave, NY 12092
Phone: (518) 581-8000 Fax: (518) 581-8823

Project Team -

Origination	Jane Kulczycki
Project Management	Beverly Bobb
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 $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 material or 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.

A Full-time Seasonal Employee shall mean (a) a full time, private sector employee (or self employed person), who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks providing services that would otherwise be provided by a Full-time Permanent Employee or (b) two part-time, private-sector employees (or self employed persons) 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 providing services that would otherwise be provided by a Part-time Permanent Employee.

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 documentation of project expenditures of approximately $1,147,786, and documentation of the employment of at least 24 Full-time equivalent Permanent Employees or Full-time Seasonal Employee 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 37 Full-time equivalent Permanent Employees or Full-time Seasonal Employee at the Project Location (Employment Increment of 13), 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 47 Full-time Permanent Employees or Full-time Seasonal Employee at the Project Location (Employment Increment of 10), 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 March 21, 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 $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. Howe Caves Capital (X346)
February 16, 2012

Baseline Employment	0
A	**B**
Reporting Date	Employment Goals
February 1, 2013	0+X+Y+Z
February 1, 2014	0+X+Y+Z
February 1, 2015	0+X+Y+Z
February 1, 2016	0+X+Y+Z
February 1, 2017	0+X+Y+Z

X = Grantee's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section 5 above (i.e. X=24, and Employment Goals shall equal [0 + X = 24] 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 5 above (i.e. Y=13, and Employment Goals shall equal [0 + X + Y = 37] 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 5 above (i.e. Z=10, and Employment Goals shall equal [0 + X + Y+ Z = 47] 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 Z=0.

Environmental Review:

The Town of Cobleskill Town Board, 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 a Type I action, which would not have a significant effect on the environment. ESD staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Statutory Basis – Empire State Economic Development Fund:

1. <u>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.</u>
   As a result of this project, the Company will establish a new facility and create 47 new seasonal full-time jobs by January 1, 2016.

2. <u>The project would be unlikely to take place in New York State without the requested assistance.</u>
   The Company's financing was insufficient to meet the projects needs resulting in a funding gap. The project would not have been possible without ESD funds.

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, project fiscal benefits to New York State government are expected to be $850,229, which exceed the cost to the State.

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

February 16, 2012

Howes Cave (Mohawk Valley Region – Schoharie County) Howe Caves 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 Howe Caves Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

FOR CONSIDERATION
February 16, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Statewide – Restore New York Communities – Capital Grants

REQUEST FOR: Land Use Improvement Findings and Determinations Pursuant to Sections 10(c), 10(g) and 16-n 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; Determination of No Significant Effect on the Environment

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General Project Plan

I. Project Summary

	Grantee	Project Name	Proj #	Grant	Village, Town, City	County
A.	City of Binghamton	Binghamton – RESTORE III – Neighborhood Impact Program	W837	$2,060,000	Binghamton	Broome
		TOTAL		**$2,060,000**		

II. Program Description

A. Background

In the 2006-07 and 2007-08 enacted New York State Budgets, ESD received a $300 million appropriation for the Restore New York's Communities initiative ("Restore NY" or the "Program"), which was allocated as follows: up to $50 million in FY 06-07, $100 million in FY 07-08, and $150 million in FY 08-09. The purpose of the Program is to revitalize urban areas and stabilize neighborhoods as a means to attract residents and businesses. Restore NY funds municipally sponsored projects for the demolition, deconstruction, rehabilitation, or reconstruction of vacant, obsolete or surplus structures.

On October 27, 2006, the successful Restore NY Round 1 award winners were announced, and included 79 different projects in 55 localities. The range of selected projects is large and diverse; and to the extent possible, funding was awarded in a geographically proportionate manner.

Special consideration was given to projects located in Brownfield Opportunity Areas and Empire Zones; those affected by flooding in June 2006; and communities with severe economic distress or dislocation.

The 64 Restore NY Round 2 award winners were announced on January 15, 2008. Projects were chosen with the intent of connecting community initiatives with economic development goals to serve as catalysts for future development and growth. Priority was given to those projects that would serve to revitalize urban cores, leverage private investment and bring future business expansion to New York's communities.

On September 2, 2009, Governor David A. Paterson announced the award of 79 projects for Restore NY Round 3. These projects span across the New York State in 74 localities as part of the continued effort to revitalize urban areas, stabilize neighborhoods and invite renewed investment in economically distressed communities.

B. The Project

ESD will make grants to the Grantees for the purpose of enhancing the Grantees' capacity to provide support in revitalizing urban areas and stabilizing neighborhoods as a means to attract residents and businesses in New York State. ESD will enter into an agreement with each Grantee that will stipulate the manner in which funds will be disbursed.

The attached project schedule provides a more detailed description of the recommended project.

III. Statutory Basis

Restore New York Communities Findings:
Land Use Improvement Projects

1. The area in which the project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest sound growth and development of the municipality.
   See attached Project Schedules.

2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.
   See attached Project Schedules.

3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.
   See attached Project Schedules.

4. There are no families or individuals displaced from the Project area.
No residential relocation is required because there are no families or individuals residing on the sites.

IV. Environmental Review

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

V. Affirmative Action

ESD's Non-Discrimination and Affirmative Action policy will apply unless otherwise noted on the project schedule. The Grantee 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.

VI. ESD Employment Enforcement Policy

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

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

Map
Resolutions
Project Summary

February 16, 2012

Statewide – Restore NY Communities – Capital Grants – Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c), 10(g) and 16-n 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 Restore NY Communities Capital Grant Project (the "Project"), the Corporation hereby determines pursuant to Sections 16-n and 10 of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that

1. The area in which the project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest sound growth and development of the municipality.

2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.

3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.

4. There are no families or individuals 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 to grant to the party and for the amount listed below from Restore NY Communities, 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,

and each of them hereby is, authorized to make grants to the parties and for the amount listed below from Restore NY Communities, 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

Restore NY Communities – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
	Restore NY Communities Projects			
A.	Binghamton – RESTORE III – Neighborhood Impact Program	W837	City of Binghamton	$2,060,000
			TOTAL	**$2,060,,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.

* * *

A. Binghamton – RESTORE III – Neighborhood Impact Program (W837)

February 16, 2012

General Project Plan

Grantee: City of Binghamton (the "City" or "Binghamton")

ESD Investment: A grant of up to $2,060,000 to be used for a portion of the cost of demolition, rehabilitation and reconstruction.

Project Locations: Thirty-four residential properties located in Binghamton, Broome County

23 Alfred Street	275 Front Street	25 Lyon Street	90 Pine Street
48 Brandywine Ave.	54 Gerard Ave.	99 Main Street	48 Schiller Street
8 Cary Street	15-17 Glenwood Ave.	43 Mary Street	20 Spring Forest
164 Clinton Street	31 Glenwood Ave.	49 Mary Street	126 Susquehanna St.
168 Clinton Street	33 Glenwood Ave.	8 Meadow Street	1 Tremont Avenue
22 Eldredge Street	85 Glenwood Ave.	17.5 Morgan St.	9 Varick Street
24 Eldredge Street	15 Harding Ave.	13 Munsell Street	1241 Vestal Ave.
3 Florence Street	85 Liberty Street	74 Pine Street	120 Walnut Street
29 Frederick Street	23 Lisle Avenue		

Proposed Project: The targeted redevelopment of residential properties to eliminate blight in the City.

Project Type: The demolition and/or rehabilitation of properties to revitalize a neighborhood as part of the City's master plan.

Regional Council: The Southern Tier Regional Council has been made aware of this project. The project pre-dates the Regional Council Initiative.

Background:

Grantee History - The City of Binghamton is located at the crossroads of I-86 and Route 81 and the confluence of the Chenango and Susquehanna rivers in Broome County. The City was, first settled in 1786 by William Bingham and incorporated in 1876. Binghamton has historically been an industrial city producing a broad array of products including cigars, shoes, flight simulators and time keeping devices. According to the 2000 census, the City had a population of 47,380. The area's major employers include Lourdes and Binghamton General Hospitals, VMR Electronics (data processing cable manufacturing), Emerson Network Power (power surge protection devices), CH Thompson (powder coat painting), Hinman, Howard & Katell (law firm) and Security Mutual (investments and insurance).

ESD Involvement - In 2003, the City established a comprehensive plan to revitalize vital neighborhood areas. It outlined a "Healthy Neighborhoods" approach to transform

pockets of residential properties that were a detriment to the surrounding households. Key to this revitalization project was the reclamation of Municipal Bond Bank Agency properties through demolition, new construction and renovation. In order to fill a financing gap for its Neighborhood Impact Program project, the City applied for a Restore III funds and was awarded a grant in September 2009. Restore III funding will further the City's on-going strategy to build and sustain healthy neighborhoods by leveraging a variety of public and private resources.

Past ESD Support - The City's was awarded a $2,000,000 Restore II grant for a project that is currently in progress.

The Project:

Completion - December 2013

Activity -The City will continue its three point effort including demolition, renovation and reconstruction to revitalize targeted neighborhoods with its selection of properties included in the Restore III project. First, the demolition of 18 blighted properties will remove unsafe structures that reduce nearby housing values. In addition to Restore funds, the City will utilize the Neighborhood Stabilization Program and CDBG for matching funds to complete the demolitions. Second, the City will rehabilitate 9 residential structures in key areas including the First Ward and north side, where Restore I and II funds have already made a tremendous impact. Restore funds will leverage additional resources to address vacant eyesore properties and create housing opportunities. The City will construct 2 new in-fill housing structures where former blighted structures once stood with assistance from the FWAC, while leveraging private mortgage financing. Lastly, the City will demolish and reconstruct 5 housing properties in a few different neighborhoods. Combined project activities will further promote neighborhood stability and help preserve the municipal tax base. Work began in August 2009 and is expected to be completed by December 2013.

Results - The City's residential program fulfills Restore NY's goals to revitalize urban centers and improve municipal housing. The investment strategy provided by the City and aided through Restore NY funding will provide a significantly positive impact in the residential program. Additionally, the elimination of blighted residential properties, targeted green-space, and rehabilitation of existing housing stock will promote neighborhood stability and create an environment for investment. Restore NY funds are critical to the success of this project.

A. Binghamton – RESTORE III – Neighborhood Impact Program (W837)
February 16, 2012

Financing Uses	Amount	Financing Sources	Amount	Percent
Demolition	$535,000	ESD Grant	$2,060,000	38%
Demolition / Reconstruction	900,000	City Equity*	2,807,000	52%
Rehabilitation	3,625,000	Private Equity**	513,000	10%
New Construction	320,000			
Total Project Costs	$5,380,000	Total Project Financing	$5,380,000	100%

*Comprised of proceeds from a Community Development Block Grant funds, grants from HOME, Neighborhood Stabilization Program funds, HHAP funds and First Ward Action Council funds
**Including multiple homeowner mortgages

Grantee Contact: Tarik Abdelazim, Director of Planning, Housing and Community Development
City of Binghamton
38 Hawley Street
Binghamton, NY 13901
Phone: (607) 772-7028 Fax: (607) 772-7063

Project Team:

Project Management	Robin Alpaugh
Design & Construction	Marty Piecuch
Affirmative Action	Denise Ross
Environmental	Soo Kang

Financial Terms and Conditions:

1. At the time of disbursement, the City will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The City will be obligated to advise ESD of a materially adverse change in its financial condition prior to disbursement.

3. The City will ensure the contribution of at least a 10% match of the grant amount to the Project.

4. Up to $2,060,000 will be disbursed to Grantee in four installments as follows:
a) an Initial Disbursement of an amount equal to 25% of the grant ($515,000) will be disbursed upon documentation of eligible projects costs totaling approximately $1,345,000, in compliance with ESD's Design and Construction requirements, and per review of all requisitions during the course of design and construction, 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 reasonable require.

b) a Second Disbursement of an amount equal to 25% of the grant funds ($515,000) will be disbursed upon documentation of an additional $1,345,000 in eligible project costs (cumulative total of $2,690,000), in compliance with ESD's Design and Construction requirements, and per review of all requisitions during the course of design and construction, 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 reasonable require.
c) a Third Disbursement of an amount equal of 25% of the grant funds ($515,000) will be disbursed upon documentation of an additional $1,345,000 in eligible project costs (cumulative total of $4,035,000), in compliance with ESD's Design and Construction requirements, and per review of all requisitions during the course of design and construction, 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 reasonable require.
d) a Fourth Disbursement of an amount equal of 25% of the grant funds ($515,000) will be disbursed upon documentation of an additional $1,345,000 in eligible project costs (cumulative total of $5,380,000), in compliance with ESD's Design and Construction requirements, and per review of all requisitions during the course of design and construction, 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 reasonable require.

Expenses must be incurred on or after May 4, 2009, to be considered reimbursable project costs. Previously expended funds may be applied toward match requirements retroactive to June 23, 2006, when the Restore New York Legislation was enacted.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $2,060,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the City 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.

Design and Construction:

Design and Construction staff will review project plans, scope, budget and schedule. D&C will visit the site at its option, review requisitions and recommend payment when its requirements have been met.

Affirmative Action:

ESD's Non-discrimination and Affirmative Action policy will apply. The grantee is encouraged to use its best efforts to achieve a Minority Business Enterprise participation goal of 3% and a Women

A. Binghamton – RESTORE III – Neighborhood Impact Program (W837)
February 16, 2012

Business Enterprise participation goal of 2% 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.

Environmental Review:

The City of Binghamton City Council, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project would not have a significant effect on the environment. ESD staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Due to the eligibility of the properties at 8 Meadow Street, 164 Clinton Street, 22 and 24 Eldredge Street and 20 Spring Forest Avenue for inclusion in the New York State and National Registers of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation ("OPRHP") pursuant to Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. ESD will ensure that consultation is completed with OPRHP and that work will be completed in accordance OPRHP provisions and in accordance with a Letter of Understanding.

Statutory Basis – Restore NY Communities:
Land Use Improvement Project Findings

1. <u>The area in which the project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest sound growth and development of the municipality.</u>
   The project involves the demolition and/or rehabilitation of vacant, condemned residential buildings, which have been deemed by the City to arrest sound growth and development in the area.

2. <u>The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.</u>
   The project involves the demolition and/or rehabilitation of targeted residential properties that the City has included in its overall master development plan established in 2003. The "Healthy Neighborhoods" approach is part of the effort towards transforming pockets of residential properties that are a detriment to the surrounding households.

3. <u>The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.</u>
   The City published a property assessment list and held a public hearing on the project at the time of application. The City will ensure compliance with all applicable local laws and regulations.

4. <u>The requirements of Section 10(g) of the Act are satisfied.</u>
   There are no families or individuals displaced from the Project area.

February 16, 2012

Binghamton (Southern Tier Region – Broome County) – Binghamton – RESTORE III – Neighborhood Impact Program – Restore NY Communities 08-09 – 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 Binghamton – RESTORE III – Neighborhood Impact Program Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

FOR CONSIDERATION
February 16, 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 Plans; Authorization to Amend the General Project Plan; Authorization to Make Grants and to Take Related Actions

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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**
	SUNY Sub-Allocation (Executive)			
A	Richardson Center – Core Capital	X584	Richardson Center Corporation	37,382,039
	1 project		**Sub-total**	**$37,382,039**

	Project Name	Proj #	Grantee	Assistance up to
	Empire Opportunity Fund (Executive)			
B	American Airpower Museum EOF Capital	U377	American Airpower Museum	0[1]
	1 - this grant was approved by the ESD Directors on December 18, 2006. The subject request is to reallocate funds to amend the general project plan, and does not involve new funding.			
	1 project		**Sub-total**	$0
	Local Assistance (Senate)			
C	SCIDA – Seneca Army Depot Capital	X551	Seneca County Industrial Development Agency	125,000
	1 project		**Sub-total**	**$125,000**
	Community Capital Assistance Program (Senate)			
D	TCAD – Novomer Expansion Capital	W491	Tompkins County Area Development, Inc.	150,000
E	Rochester Museum & Science Center – Cumming Nature Center Capital	W447	Rochester Museum & Science Center	50,000
	2 projects		**Sub-total**	**$200,000**
	TOTAL NON-DISCRETIONARY – 5 PROJECTS		**TOTAL**	**$37,707,039**

I. Statutory Basis

The projects are sponsored by the Executive, Assembly or Senate, and were authorized or reappropriated in the 2011-2012 New York State budget. No residential relocation is required as there are no families or individuals residing on the site(s).

Comment [SL1]: This is required when the project is a GPP and has a specific site.

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

February 16, 2012

SUNY Sub-Allocation - 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 SUNY Sub-Allocation 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 make a grant to the party and for the amount listed below from the SUNY Sub-Allocation, 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

SUNY Sub-Allocation Project – Executive - Project Summary Table

	Project Name	**Proj #**	**Grantee**	**Assistance up to**
A	Richardson Center – Core Capital	X584	Richardson Center Corporation	37,382,039
			TOTAL	**$37,382,039**

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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February 16, 2012

Empire Opportunity Fund - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Amend the General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the amended General Project Plan (the "Amended 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 Amended Plan, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, the Project is in compliance with Chapter 84 of the Laws of 2002 and the Corporation's guidelines established thereunder. Individual Project funding does not exceed 25 percent of the total project costs, or if project funding does exceed 25 percent of total project costs, the Director of the Division of the Budget has authorized the provision of such amount; 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 Amended Plan, such Amended 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 Empire Opportunity 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

Empire Opportunity Fund – Executive - Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
B	American Airpower Museum EOF Capital	U377	American Airpower Museum	0[1]
	1 - this grant was approved by the ESD Directors on December 18, 2006. The subject request is to reallocate funds to amend the general project plan, 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.

* * *

February 16, 2012

Local Assistance - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to 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 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
C	SCIDA – Seneca Army Depot Capital	X551	Seneca County Industrial Development Agency	125,000
			TOTAL	**$125,000**

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.

* * *

February 16, 2012

Community Capital Assistance Program – Authorization to Adopt the Proposed General Project Plans; 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 Community Capital Assistance Program Projects (the "Projects"), in accordance with Chapter 84 of the Laws of 2002 for the Community Capital Assistance Program, 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 Plans (the "Plans") 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 Plans, 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 hearings held on the Plans, such Plans 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 grants to the parties and for the amounts listed below from the Community Capital 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 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; and be it further

Community Capital Assistance Program – Senate - Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
D	TCAD – Novomer Expansion Capital	W491	Tompkins County Area Development, Inc.	150,000
E	Rochester Museum & Science Center – Cumming Nature Center Capital	W447	Rochester Museum & Science Center	50,000
			TOTAL	**$200,000**

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.

* * *

A. Richardson Center – Core Capital (X584)
February 16, 2012

Grantee: Richardson Center Corporation ("RCC")

ESD Investment: A grant of up to $37,382,039 to be used for the cost of renovations of the Richardson Olmsted Complex (the "ROC" or the "Complex").

Project Location: 400 Forest Avenue, Buffalo, Erie County

Proposed Project: Redevelopment of 180,000 square feet of the currently vacant Complex into an operational, self-sustaining mixed-use facility.

Project Type: Construction, development costs, furniture, fixtures and equipment, and related costs and fees to complete the Core Project.

Regional Council: The WNY Regional Council has been made aware of this item. The project pre-dates the Regional Council Initiative.

Background:

Industry – The RCC has undertaken extensive planning and stabilization and is prepared to transform the ROC, starting with the first phase of development as a boutique hotel, conference and event space, Buffalo Architecture Center, and Visitor Center – in the iconic Towers Administration Building (the "Administration Building") and two flanking wards, into a fully operational, self-sustaining mixed-use facility.

Organization History – Groundbreaking ceremonies took place in June 1871 and the entire Complex was completed in 1895. The facility functioned as a hospital until it was closed in 1974. The Complex is historically and architecturally significant; it's listed on the State and National Registers of Historic Places and has been designated by the National Park Service as a National Historic Landmark.

The ROC is recognized as a remarkable achievement of the great American architect Henry Hobson Richardson, the father of landscape design Fredrick Law Olmsted and the innovative psychiatrist and father of the American Psychiatric Association Dr. Thomas Story Kirkbride. When it was built in the late 1800s, the Buffalo State Asylum for the Insane was a progressive facility; a harmonious blend of state-of-the-art structures and a healing landscape to produce a therapeutic environment.

The former asylum is internationally regarded as one of the best examples of Richardson's Richardsonian Romanesque style, one of the most important surviving examples of nineteenth-century asylum design. In 2009, the Olmsted landscape was recognized by the Cultural Landscape Foundation as one of sixteen formative American landscapes at risk for alteration or destruction.

Richardson Center – Core Capital (X584)
February 16, 2012

The RCC has advanced a sound planning process, and is prepared to implement the reuse plan. Critical planning studies include: Historic Structures Report, Cultural Landscape Report, Urban Land Institute Advisory Panel, Master Plan, Generic Environmental Impact Statement, Project Development Plan, Phase I Environmental Assessment, and Buffalo Architecture Center Institutional Planning.

Ownership - RCC is a not-for-profit corporation that was formed in June 2006 to fulfill the state-established public purposes, renovation of the National Historic Landmark ROC buildings and grounds by carrying out reuse activities that honor the history and architecture of the buildings and grounds, that are compatible with the operations of the Buffalo Psychiatric Center on adjoining land, and that establishes new uses that will provide sufficient revenues to operate the facilities and save the historic complex. The board of the RCC was appointed by then Governor Pataki and formed as a not-for-profit 501(c)(3) organization.

Size - The Complex project consists of 42 acres of vacant, substandard and underutilized land and 14 remaining historic buildings that, in most instances, have been vacant and unattended for approximately 40 years. The Complex fell into a state of profound disrepair and deterioration, primarily due to lack of heat and ventilation and basic repairs to prevent water infiltration. As a result of this neglect, no part of the structure may be occupied for any use without significant renovation and repair.

Market - The project will return the vacant and surplus ROC to beneficial uses open to the public, and leverage the region's world-class period architecture and cultural facilities.

ESD Involvement – Former Governor Pataki sought, and the legislature adopted in the 2006-2007 New York State budget, a $76.5 million appropriation for the rehabilitation of the Complex into a mixed-use, multi-purpose civic campus for both public and private activities. The former Governor also designated a diverse group of the region's civic leaders to oversee the rehabilitation effort. This initiative is supported by the local community and state and local elected officials. The Richardson Olmsted Complex enjoys wide public support as a result of an active public process through all phases of the effort, including the assembling of a Community Advisory Group that met regularly, and multiple public meetings and other stakeholder sessions.

Past ESD Support - Of the $76.5 million appropriation, the ESD Directors approved a $10 million grant for pre-construction activities on December 18, 2006; a $2.1 million grant for stabilization activities on August 30, 2007; a $7,840,800 grant for stabilization activities on January 15, 2009; and a $4,939,957 million grant for the relocation of parking facilities and a nine-acre landscaped entry for public and private use. The Grantee has completed

over $3 million in pre-construction activities; will complete the stabilization activities in late 2012; and begin the relocation of parking facilities and landscaped grounds in early 2012. The Grantee is in compliance with the terms of the aforementioned grants.

Additionally, the ESD Directors also approved a $200,000 working capital grant on December 16, 2006 and a $150,000 working capital grant on November 19, 2009 to assist with operating expenses in support of stabilization and rehabilitation of the Complex, which are ongoing.

The Project:

Completion – December 2014

Activity - In September 2009, RCC completed a full Master Plan to guide a phased rehabilitation, redevelopment and reuse process for the ROC. This Master Plan served as the basis for an ESD General Project Plan ("GPP") for a Civic and Land Use Improvement Project that the Directors adopted at their meeting of December 16, 2010. At this meeting, the Directors also accepted a Draft Generic Environmental Impact Statement ("DGEIS") on the GPP pursuant to the New York State Environmental Quality Review Act ("SEQRA") and authorized the holding of a public hearing. After the close of the public comment period and after issuing a Final Generic Environmental Impact Statement ("FGEIS") that responded to all substantive comments, on May 23, 2011, the Directors issued Findings pursuant to SEQRA and affirmed the GPP.

The RCC has also completed various stabilization activities, including structural shoring of vulnerable areas at risk of collapse; Phase I repair of roof leaks; reconnection of the electric and installation of perimeter lighting; asbestos abatement and clean up; ventilation; 3,000-square-foot fully renovated Showcase Space in the prominent towers Administration Building; and emergency landscape work on the dead and dying trees. Additional stabilization activities underway include temporary sealing of open areas in perimeter walls and Phase II roof repair.

As noted above, the GPP anticipated the project to be completed in phases. The first phase will consist of leveraging a portion of the remaining state funds to complete what is referred to as the Core Project, which was originally estimated to cost in excess of $105 million, but has since been refined to a total budget of $56,750,984. This refinement involved addressing some portions of the originally defined Core Project through already-issued ESD grants and deferring a component (i.e. relocation of the Buffalo Psychiatric Center Maintenance Building) to a later phase of the project. The RCC intends to utilize the $76.5 million appropriation to complete the activities, the Core Project and a portion of a

future phase. The RCC will not seek capital funds above the $76.5 million appropriation. In addition, the project structure provides a stream of operating income, making the project self-sufficient and eliminating the need for additional state funds.

Final furniture, fixtures and equipment will be provided by the tenants. The hotel and conference and event space operators will serve as tenants of the Core Project development and will be responsible for the operation of the space that they occupy. Interest in the project by potential operators is strong, and the RCC is currently in serious negotiations with a number of potential operators, expected to result in the selection of an operator and management agent within the next 90 days. The project will also include the construction of a new road and shared entrance to the Complex on the north side, as well as associated landscaping and parking.

The Richardson Center Development Corporation ("RCDC"), a for-profit subsidiary of the RCC, has recently been created in order to comply with the requirements of the Federal and State tax credits that will be syndicated in order to leverage private investment in the project. The RCC will be the sole shareholder of the RCDC and will control this entity. The RCDC will control more than 80% of the QALICB, LLC, which will manage the project, (with a non-member manager also serving as developer/guarantor), including the selection of the hotelier, conference and event center operator and additional tenants. The project's full pre-development phase, which is expected to utilize Federal New Markets Tax Credits and State and Federal historic tax credits, is currently underway. Formal commitments from investors are expected in the next 90 days, assuming that there is evidence of solid and irrevocable commitment of funds from ESD, by approval of this project and deposit into an escrow account. The architectural/ design team and a hotel operator will be selected in the next 90 days. Construction is scheduled to begin in early 2013 and be complete in late 2014.

<u>Results</u> - The refined scope of the Core Project involves the design, renovation and redevelopment of 180,000 square feet, including the prominent Towers Administration Building 45 and two flanking wards, Buildings 10 and 44 (and possibly former kitchens, Buildings 12 and 43), into a fully operational mixed-use project consisting of a 100-room boutique hotel, 30,000 square feet of conference and event space, office space for public or private tenants, and a newly created Buffalo Architecture Center and Visitor Center.

Richardson Center – Core Capital (X584)
February 16, 2012

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction Costs	$38,128,172	ESD Grant	$37,382,039	66%
Soft Costs	1,700,000	Privately raised investment equity	19,368,945	34%
Developer/Guarantor Fee	4,757,812			
Furniture, Fixtures, Equipment & Supplies	7,165,000			
Architectural & Engineering Fees	1,500,000			
Project Contingency	3,500,000			
Total Project Costs	$56,750,984	Total Project Financing	$56,750,984	100%

Grantee Contact - Christopher T. Greene
c/o Damon Morey, LLP
200 Delaware Ave, Suite 1200
Buffalo, NY 14202
Phone: (716) 858-3730 Fax: (716) 856-5521

Project Team -

Project Management	Jean Williams
Legal	Stephen Gawlik
Affirmative Action	Helen Daniels
Design & Construction	Dennis Conroy
Environmental	Paul Tronolone

Financial Terms and Conditions:

1. The Grantee will be obligated to advise ESD of any material or adverse changes in its financial condition prior to disbursement.

2. The Grantee shall require that any developer or other entity that operates a hotel or convention center at the Complex will enter into a Labor Peace Agreement as may be required pursuant to NYS Public Authorities Law Section 2879-b.

3. Up to $37,382,039 shall be deposited in an escrow account at a bank mutually acceptable to ESD and the Grantee 60 days prior to closing, and following Grantee's compliance with all documentation requirements by ESD. The funds will be held by the RCC prior to closing, to then be provided together with the $19,368,945 in investor funds. The funds will only be transferred by ESD if the following closing requirements

typically required by the tax credit investor are in place: private investment funds, tax credit guarantor, operator leases, draw schedule, cash flow schedule showing the project has sufficient funds to operate for seven (7) years; and construction inspection process. RCDC will provide ESD with drafts of such investor required commitments and fiscal procedures for its review prior to their execution.

4. ESD funds will only be disbursed to the escrow account to permit Grantee to close on anticipated tax credit(s). ESD grant funds shall only be disbursed from any established construction account, in proportion to ESD's funding share, for eligible project-related capital expenses, provided the disbursements are in compliance with ESD's Design and Construction Department requirements.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $37,382,039, 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.

Design and Construction:
The Design & Construction Department ("D&C") will participate in project planning activities with the RCDC as the site development plans are developed. D&C will remain actively involved as the project moves from preliminary design through final design and cost estimating phases. D&C will monitor, review all design and construction documents, construction cost estimates, the overall construction budget, and project schedule prior to funding.

Environmental Review:
As Lead Agency, the Directors issued a Findings Statement pursuant to SEQRA and its implementing regulations of the New York State Department of Environmental Conservation for the project at their meeting of May 23, 2011. This Findings Statement was based upon the Draft and Final Generic Environmental Impact Statement for the Richardson Olmsted Complex Civic and Land Use Improvement project. These findings addressed all aspects of the proposed project. Therefore, no further environmental review is required in connection with this action.

In addition, because the property is listed on the State and National Registers of Historic Places ("S/NRHP"), is designated as a National Historic Landmark, and could contain S/NRHP-eligible archaeological resources, ESD consulted with the New York State Office of Parks, Recreation and Historic Preservation ("OPRHP") in accordance with Section 14.09 of the New York State Historic Preservation Act. This consultation resulted in ESD, OPRHP and RCC entering into a Letter of Resolution ("LOR") on April 11, 2011 outlining stipulations that RCC will employ to

manage potential impacts to the listed and/or S/NRHP-eligible resources, as well as additional public/stakeholder involvement to be carried out as selected components of the master plan are refined in final design, prior to actual construction. To date, RCC has complied with all applicable stipulations of the LOR; ESD will ensure that RCC continues to adhere to such stipulations prior to implementation of any Project components.

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

Statutory Basis – SUNY Sub-Allocation:
The project was reappropriated in the 2011-2012 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.

B. American Airpower Museum EOF Capital (U377)
February 16, 2012

Authorization to Amend the General Project Plan

Comment [Comment:1]: Page: 1
Delete if there is NO Public Hearing requirement. NOTE: CCAP, CEFAP and SIP capital projects now REQUIRE PUBLIC HEARINGS, and are General Project Plans.

Grantee: American Airpower Museum ("AAM" or the "Museum")

ESD Investment: $1,000,000 approved on December 18, 2006 (Empire Opportunity Fund)

Project Location: 1230 New Highway, East Farmingdale, Nassau County

Proposed Project: The Museum has requested that ESD modify its project scope and budget to focus on the acquisition of a prefabricated World War II Period "Quonset" hangar.

Project Type: Expansion of facilities through the acquisition of a "Quonset" hangar.

Regional Council: The Long Island Regional Council has been made aware of this item. The project pre-dates the Regional Council Initiative.

Background:

Industry - AAM is located at the Republic Airport in Farmingdale, New York. Branded as a "living aviation museum," the historical tourist destination has been operating out of an authentic World War II structure since arriving at Republic Airport in 1999.

Market – The Museum attracts an average of 45,000 people annually, In addition to its permanent display of working World War II fighter planes, it hosts many visiting historic and current military aircraft.

ESD Involvement – These materials refer to and include, in their entirety, the attached materials presented to and approved by the Directors on December 18, 2006 (the "Materials"). Any substantive changes to the project or terms and conditions are noted in these materials.

Past ESD Support – Since 2000, the ESD Directors have approved $1.1 million in funding to the Museum for a variety of projects, including the acquisition of aircraft, exhibits and restoration. All projects have been successfully completed, and funds fully disbursed.

American Airpower Museum EOF Capital (U377)
February 16, 2012

The Project:

Completion – December 31, 2012

Activity – The current structure has been marked for demolition by the Federal Aviation Administration ("FAA"), as the FAA has been ordered by the federal government to create broader runway protection zones.

Subsequent to ESD Directors' approval in December 2006, an historic designation by the New York State Department of Parks, Recreation and Historic Preservation has required the FAA halt all plans to demolish the Museum's hangar at Republic Airport.

In recent news, the AAM has established a lucrative educational partnership with York College ("York") / CUNY Aviation Institute. This partnership, notably the collaboration on developing the Tuskegee Airmen Exhibit at York College, is also beneficial to a wide array of college curricula not limited to aviation management, but to those of history, marketing and to York's K-12 partners as well. Additional funding from AAM's long-time supporters, such as the Stop & Shop Supermarket Company, has strengthened this project.

Revised Scope and Budget - The Museum has requested that ESD modify its scope and budget to focus on the acquisition of a prefabricated World War II Period "Quonset" hangar.

Results - The Quonset hangar would serve as a museum exhibit annex and thereby enhance the Museum's contribution to the region's economy by strengthening its ability to present operational WWII armor, as well as unique and historic aircraft.

It is anticipated that construction on the project will start in the winter of 2012 and be complete by the end of the year.

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction	$1,529,336	ESD Grant	$1,000,000	48%
Architectural and Engineering Fees	200,000	York College/ CUNY Aviation Institute	899,336	43%
Site Preparation	360,000	Local 138 IUOE - In Kind	150,000	7%
		Stop & Shop Contribution	40,000	2%
Total Project Costs	$2,089,336	Total Project Financing	$2,089,336	100%

American Airpower Museum EOF Capital (U377)
February 16, 2012

Project Team -	Project Management	Genevieve Carr
	Affirmative Action	Gowshihan Sriharan
	Design & Construction	Barbara Helm
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the Grant Disbursement Agreement, the Grantee will 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 material or adverse changes in its financial condition prior to disbursement.

3. Grantee will continue to maintain an account at a bank mutually acceptable to ESD and the Grantee. All such monies deposited in the account shall be invested as per ESD's Directors approved investment guidelines. The Grantee may, no more frequently than monthly, seek authorization from ESD to draw down funds for eligible costs from the imprest account in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. Any and all requests to draw down funds will be made upon presentation to ESD of an invoice and other such documentation as ESD may reasonably require.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $1,000,000, 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.

Comment [COMMENT2]: It may be necessary to define the project so that funds may be disbursed at an appropriate time, i.e. when construction is complete, even though some other part of the larger project, i.e. M&E purchase and installation is not finished. The disbursement terms used here must later be used in the GDA, so be sure that you have given this section careful thought.

Design and Construction:
ESD will reimburse $ 1 million for architectural and engineering fees, site preparation and construction for the Quonset hangar. The construction documents will be reviewed and payments will be made when Design & Construction requirements have been met.

Environmental Review:
ESD staff has determined that the project as modified constitutes a Type II action as defined by the New York State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

American Airpower Museum EOF Capital (U377)
February 16, 2012

Due to the project's location within a historic district, eligible for listing in the National Register of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. No further consultation is required.

Affirmative Action:
ESD's Non-Discrimination and Affirmative Action policy will apply. The Grantee is encouraged to use its best 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.

Disclosure and Accountability Certifications:
The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee's certifications indicate that there are no conflicts 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 December 18, 2006

C. SCIDA – Seneca Army Depot Capital (X551)
February 16, 2012

General Project Plan

Grantee: Seneca County Industrial Development Agency ("SCIDA")

Beneficiary Companies: Western Ag Enterprises, Inc. ("WAE"),
North East Freight Transfer Company ("NEFT")

ESD Investment: A grant of up to $125,000 to be used for the cost of facility and infrastructure improvements at the former Seneca Army Depot (the "Depot").

Project Location: 5786 State Route 96, Romulus, Seneca County

Proposed Project: Upgrade facilities and infrastructure to benefit WAE and NEFT, which have located at the Depot.

Project Type: Facility and infrastructure upgrades.

Regional Council: The Finger Lakes Regional Council has been made aware of this item. The project pre-dates the Regional Council Initiative.

Background:

Industry - The Seneca County Industrial Development Agency is a public benefit corporation.

Western Ag Enterprises, Inc., converts industrial fabrics for use as environmental protection in agricultural, industrial, mining, transportation, and recreational settings.

North East Freight Transfer Company provides freight savings to customers and reduces truck traffic on state roadways.

Organization/Company History – The SCIDA was created by the New York State legislature in 1973 to promote economic development in Seneca County. Among SCIDA's focus has been to assist existing and prospective businesses interested in locating at the former Seneca Army Depot, a 10,600-acre former military facility that has been converted to civilian use. Targeted uses at the Depot include institutional, industrial, commercial, warehousing, technology, and green energy.

WAE, headquartered in Tolleson, AZ, located its first East Coast facility at the Depot in August 2011 to better serve its eastern customers. Originally a producer of large hay tarps for farmers and covers for exported agricultural products, WAE has diversified to serve a variety of customized needs. For example, it makes the tarp that protects Yankee Stadium's field during rain.

NEFT, headquartered in Scranton, PA, moved to the Depot in September 2011 to operate a transload facility. Products arrive in bulk by rail to the Depot and then are transloaded onto a truck for the last leg of the trip to the final destination. The process can also work in reverse, meaning that local producers have an opportunity to take advantage of rail transportation rates for a partial carload by transshipping products through NEFT.

Size - WAE leased six 10,000-square-foot warehouses at the Depot for light manufacturing.

NEFT's leased facilities at the Depot include an entrance guard house, a loading platform and an igloo (which is a reinforced concrete storage structure built by the Army).

ESD Involvement – A $125,000 appropriation was included in the FY 2011-2012 New York State budget.

Past ESD Support – In 2004, ESD assisted SCIDA with a $22,800 grant for staff assistance to the Seneca Knit development project in Seneca Falls, and in 2008 and 2009 with two separate $100,000 grants for facility improvements at the Hillside Children's Center Varick campus ("Hillside"), which is at the Depot. These projects were completed and the grants were fully disbursed. In 2009, ESD approved a $900,000 grant for additional building renovations for Hillside and various Depot site improvements. All but $117,116 of that grant has been disbursed.

The Project:

Completion – June 2013

Activity - To be fully functional, WAE's and NEFT's facilities need renovations as well as infrastructure improvements.

The project scope includes:

- Building renovations, including electrical, heating, structural, sprinklers, roof, and utilities; and
- Infrastructure improvements, including private roadway improvements, connections to existing utility lines and entrance gate improvements.

SCIDA – Seneca Army Depot Capital (X551)
February 16, 2012

Results - Work began in July 2011, and will be completed in June 2013. Disbursement is expected to occur in two installments of $75,000 and $50,000. SCIDA will facilitate the infrastructure improvements for the benefit of the companies and for future businesses at the Depot.

Financing Uses	Amount	Financing Sources	Amount	Percent
Renovations	$75,000	ESD-Grant	$125,000	100%
Infrastructure	50,000			
Total Project Costs	$125,000	Total Project Financing	$125,000	100%

Grantee Contact - Patricia Jones, Deputy Executive Director
1 DiPronio Drive
Waterloo, NY 13165
Phone: (315) 539-1725 Fax: (315) 539-43405

Beneficiary Company Contacts - Jeff Davis, Site Manager, WAE
300 Liberty Commons
789 Pre Emption Rd #341
Geneva, NY 14456
Phone: (208) 908-8548

Mike Wince, Operations Manager, NEFT
5537 Route 96A; Building Post 2
Romulus, NY 14541
Phone: (570) 479-1777

Project Team - Project Management Edward Muszynski
Affirmative Action Helen Daniels
Environmental Soo Kang

Affirmative Action:
ESD's Non-Discrimination and Affirmative Action policy will apply. The Grantee/Beneficiary Organizations shall be required to use their best efforts to achieve a Minority Business Enterprise participation goal of 11% 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 construction work related to the project and to include minorities and women in any job opportunities created by the project.

SCIDA – Seneca Army Depot Capital (X551)
February 16, 2012

Statutory Basis – Local Assistance:
The project was authorized in the 2011-2012 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 and Beneficiary Companies have provided ESD with the required Disclosure and Accountability Certifications. These certifications indicate that Grantee and Beneficiaries have 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.

D. TCAD – Novomer Expansion Capital (W491)
February 16, 2012

General Project Plan

Grantee: Tompkins County Area Development, Inc. ("TCAD" or the "Organization")

Beneficiary Company: Novomer, Inc. ("Novomer" or the "Company")

ESD Investment: A grant of up to $150,000 to be used for a portion of the cost of renovations to existing leased space to create new lab and office areas.

Project Location: 950 Danby Road, Suite 198, Ithaca, Tompkins County

Proposed Project: Renovation of existing leased space to create lab and office areas, and the purchase of new equipment to increase polymer production and allow more efficient manufacturing methods to be tested.

Project Type: Building renovations

Regional Council: The Southern Tier Regional Council has been made aware of this item. The project pre-dates the Regional Council Initiative.

Background:

Industry - TCAD is a private, not-for-profit membership organization that provides economic development services for Tompkins County.

Novomer Inc., is a high-tech R&D facility that develops unique biocompatible polymers.

Organization/Company History – Founded in 1964, TCAD's goal is to ensure long-term competitiveness for the local economy. The Organization oversees the Tompkins County Industrial Development Agency ("TCIDA") and several revolving loan funds.

The Organization focuses its efforts on businesses that create wealth by selling the majority of their products and services outside the region. TCAD aims to grow jobs that offer higher wages, better benefits and more opportunity for advancement. TCAD focuses on industries such as conventional and advanced manufacturing, software, high-technology, cottage industry, and agri-business. Additionally, the Organization facilitates cooperation between business and government, creating a unique public-private partnership that supports regional economic growth.

TCAD – Novomer Expansion Capital (W491)
February 16, 2012

Novomer, a Cornell University spin-off established in 2004, was co-founded by Geoffrey Coates, a Cornell University chemistry professor and Scott Allen, a former graduate student, both of whom continue to work at the Ithaca location.

Size - Novomer has 3,000 square feet of office space in Waltham, Massachusetts and 9,850 square feet of lab space in Ithaca.

Market – Novomer's polymers allow carbon dioxide and other renewable materials to be cost-effectively transformed into polymers, plastics and other chemicals for a wide variety of industrial markets.

ESD Involvement – This project was reappropriated in the FY 2011-2012 New York State budget.

Past ESD Support - Assistance from ESD totals $341,000 which resulted in establishing a revolving loan trust fund; provided marketing guidance in attracting technology companies; helped purchase a machine to transition to lead-free manufacturing; and created a workforce development strategy and labor market analysis for Tompkins County.

The Project:

Completion – July 2010

Activity - The project consisted of renovating 9,850 square feet of existing space to accommodate new lab, office and scale-up space within the 270,000 square foot facility located at the South Hill Business Campus.

Results - The work was completed in July 2010 and will retain 15 full-time equivalent positions that consist of the Company's materials science and application development team in Ithaca. The Company also employs 15 full-time equivalent positions in a second facility in Rochester. The renovated space in Ithaca will enable increased polymer production and allow new, more efficient manufacturing methods to be tested.

TCAD – Novomer Expansion Capital (W491)
February 16, 2012

Financing Uses	Amount	Financing Sources	Amount	Percent
Architectural fees	$12,518	ESD Grant	$150,000	14%
Electrical	76,203	Company Equity	822,999	79%
HVAC & Construction	109,109	Tompkins Loan Fund*	75,000	7%
Floor	14,000			
Carpentry, walls, doors, paint	89,044			
Lab equipment main facility	747,125			
Total Project Costs	$1,047,999	Total Project Financing	$1,047,999	100%

*Tompkins County Area Development, 5-year term, at 9.5%, monthly payments of interest only for the first two years, monthly payments of principal and interest amortized over the three following years, and an additional payment of 5% of the original loan amount due at loan payoff. The loan is secured by a first position on all equipment purchased with the funds.

Grantee Contact - Heather Filiberto, Director of Economic Development Services
401 E. State Street, Suite 402B
Ithaca, NY 14850
Phone: 607-273-0005 Fax: 607-273-8964

Beneficiary Company Contact - Jim Mahoney, CEO/Director
South Hill Business Campus
950 Danby Rd, Suite 198
Ithaca, NY 14850
Phone: 607-330-2321 Fax: 607-330-4813

Project Team - Project Management Robin Alpaugh
Affirmative Action Denise Ross
Environmental Soo Kang

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 material or adverse changes in its financial condition prior to disbursement.

3. Up to $150,000 will be disbursed to Grantee upon documentation of project costs totaling $1,047,999 and 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. Expenses must be incurred on or after April 1, 2008 to be considered eligible project costs.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $150,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Statutory Basis – Community Capital Assistance Program:
The project was authorized in accordance with Chapter 84 of the Laws of 2002 and reappropriated in the 2011-2012 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 and Beneficiary Company have provided ESD with the required Disclosure and Accountability Certifications. Grantee's and Beneficiary Company's certifications indicate that Grantee and Beneficiary Company have 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.

E. Rochester Museum & Science Center – Cumming Nature Center Capital (W447)
February 16, 2012

General Project Plan

Grantee: Rochester Museum & Science Center ("RMSC")

ESD Investment: A grant of up to $50,000 to be used for a portion of the cost of renovations and the purchase of machinery and equipment.

Project Location: 6472 Guylick Road, Naples, Ontario County

Proposed Project: Upgrade facilities and equipment at Cumming Nature Center ("Cumming" or the "Center"), a regional recreational and educational asset.

Project Type: Facilities upgrade and the acquisition of machinery and equipment.

Regional Council: The Finger Lakes Regional Council has been made aware of this item. The project pre-dates the Regional Council Initiative.

Background:

Industry - RMSC's mission is to maintain and operate a scientific and educational center consisting principally of a museum and planetarium, including exhibits, collections, libraries, displays, and exploration.

Organization History – RMSC first opened in 1912. RMSC's Cumming Nature Center, which opened to the public in 1974, plays an important role in the region. Cumming is a nature and environmental education center and a natural habitat preserve with six miles of walking trails through forests and wetlands and 14 miles of cross-country skiing trails.

Ownership - The Rochester Museum & Science Center is a museum chartered by the State University of New York.

Size – RMSC's main museum campus: 13 acres in Rochester, NY. Cumming Nature Center: 900 acres in Naples, NY.

Market - Cumming has a visitor center and offers an array of public programs including cross-country skiing, spring maple sugaring program, scout badges, bird and butterfly spotting, and a popular fall timber sports weekend.

ESD Involvement – This project was reappropriated in the FY 2011-2012 New York State budget.

Rochester Museum & Science Center – Cumming Nature Center Capital (W447)
February 16, 2012

Past ESD Support – In 2005, the ESD Directors approved a $100,000 Community Capital Assistance Program ("CCAP) grant for the continued development of the 13,000-square-foot Nature Zone exhibit. The project was successfully completed, and funds fully disbursed.

The Project:

Completion – March 2009

Activity - The Center needed to upgrade, repair or replace facilities and equipment in order to ensure visitor safety and to continue providing quality programs and services to the region.

Results - RMSC completed the following at the Center:

- Replaced an old propane-fired boiler in the visitors' building with an energy-efficient boiler;
- Purchased a diesel lawn tractor for maintenance of the grounds;
- Purchased a heavy-duty wood splitter to process the remains of fallen trees;
- Purchased an all-terrain vehicle with electrical dump equipment to maintain the 14 miles of trails;
- Removed skylights over vestibules in the visitor center, replacing them with roofing, replaced vent screens in cupolas and eaves, and repointed two chimneys; and
- Completed interior painting of multipurpose room, installed two hot water heaters and new bathroom privacy partitions.

The interior and exterior work was done by Meisenzahl Construction Company, based in Naples, NY, which was selected based on its previous successful work at the Center. The boiler was purchased and installed by Emcor Services, a global company with a major presence in Rochester, NY. Emcor was selected because of its successful work for RMSC in the past and inclusion of comprehensive services in the boiler price. The machinery and equipment was purchased from Saxby Implement Corporation, also based in Rochester.

The project began in January 2006 and was completed in March 2009.

Financing Uses	Amount	Financing Sources	Amount	Percent
Interior and Exterior Renovations	$39,515	ESD Grant	$50,000	83%
Purchase of Machinery & Equipment	20,485	Grantee Equity	10,000	17%
Total Project Costs	$60,000	Total Project Financing	$60,000	100%

Rochester Museum & Science Center – Cumming Nature Center Capital (W447)
February 16, 2012

Grantee Contact - Pamela L. Jackson, Director of Development
657 East Avenue
Rochester, NY 14607
Phone: (585) 697-1936 Fax: (585) 271-5935

Project Team -		
	Project Management	Edward Muszynski
	Affirmative Action	Helen Daniels
	Environmental	Soo Kang

Statutory Basis – Community Capital Assistance Program:
The project was authorized in accordance with Chapter 84 of the Laws of 2002 and reappropriated in the 2011-2012 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.

Empire State Development

FOR CONSIDERATION
February 16, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: New York Harbor – Agreement with the Port Authority of New York and New Jersey for Funding with Regard to the Joint Dredging Plan

REQUEST FOR: Authorization to Approve Supplementary Funding to the New York State Department of Environmental Conservation for creation of a Dredging Team and Authorization to Enter into Agreements and Contracts with DEC and Amend the Bi-State Dredging Agreement; Authorization to Make a Grant and Take Related Actions

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General Project Plan

I. Project Summary

Borrower/Grantee: New York State Department of Environmental Conservation ("DEC")

ESD* Investment: Grant Funds received from the Port Authority of New York and New Jersey ("PANY&NJ") in an amount not exceeding $537,662

Proposed Project: Supplemental funding to ensure full implementation of a six-member inter-disciplinary team at DEC to focus on dredging in the New York Harbor and dredge material placement.

Project Completion: Five Years from Commencement of the Program

Grantee Contact: John J. Ferguson
Environmental Analyst 3
625 Broadway
Albany, NY 12233-1010
Phone: (518) 402-9177

Anticipated Appropriation Source: The Port Authority of New York and New Jersey – Bi-State Dredging Fund (the "Dredging Fund")

ESD Project No.:

Project Team:	Project Management	Sandra E. Dixon
	Legal	Jonathan Beyer
	Affirmative Action	Helen Daniels
	Environmental	Soo Kang

II. Project Cost and Financing Sources

Total Cost to Supplement the Project $537,662

Initial ESD Authorized Financing (November 18. 2010)						
2009 DEC Proposed Financing	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Personnel and Non Personnel	$611,346	$629,829	$648,316	$666,803	$685,289	$3,241,583
Revised Project Cost						
2012 DEC Proposed Financing	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Personnel and Non Personnel	$701,711	$725,451	$764,434	$787,841	$799,807	$3,779,245
Total Change/Increase From 2009 Proposed Financing						**$ 537,662**

Financing Sources	Amount	Percentage
PANY&NJ Grant	$537,662	100%
Total Supplemental Funding	$537,662	100.0%

III. Project Description

A. Background/ Project Status:

1. Prior Board Action. These materials refer to and include, in their entirety, the attached materials (the "Materials") presented to and approved by the Directors on November 18, 2010. The subject materials further describe the

need for ESD to allocate additional funds to ensure that there will be no disruption to the critical delivery of the responsibilities of the DEC Dredge Team as planned.

In order to fund hiring by DEC of a six-member inter-disciplinary team to focus on dredging in the New York Harbor and dredge material placement, the ESD Directors approved $3,241,583.00 in Bi-State Dredge Funds to improve on existing protocol and practices. DEC was unable to accomplish its required tasks without these new dedicated resources. Use of funds from the Dredging Fund for funding salaries for this purpose is consistent with the principles of the Plan described below.

The approved grant amount ($3,241,583) was based on a 2009 DEC proposal, which outlined job titles, duties, and program objectives, and included salaries and expenses.

2. Need for Amendment for Additional Funds. Following the November 18, 2010 approval of the grant by ESD Director's, rigorous negotiations commenced in 2010 and concluded in 2011 and a signed Agreement ("GDA") was forwarded to DEC for its execution so funds could be disbursed. DEC did not execute the GDA but instead advised that program objectives would be more effectively implemented by hiring lower level staff for two of the positions (Environmental Engineer and Marine Biologist) and that this change would also achieve DEC departmental employment goals. DEC recalculated the costs for staff and expenses and subsequently, submitted a request for additional funding. The Changes to the original proposal reflect these two new position titles and the resulting recalculation of cost.

The positions currently contemplated for the dredging team at DEC are an Environmental Analyst 4, who will be based in Albany, an Environmental Analyst 2, two Biologist 1 positions, and two Environmental Engineer 1 positions, all of whom will be based in DEC's Region 2 office in New York City.

No funds associated with this project have been disbursed. DEC has declined to execute the proffered GDA until the Board authorizes the additional funds requested in these materials. DEC plans to begin hiring only after additional funds are approved by the ESD Directors and there is assurance that salaries can be guaranteed to new hires.

B. The Bi-State Dredging Fund

In 1996, the PANY&NJ allocated $130 million to fund the Governors' Joint Dredging Plan (the "Plan"), with $65 million allocated for dredging and harbor related projects to each of the States of New York and New Jersey. The Plan was developed with two major objectives, namely the promotion of an increased level of certainty and predictability in the dredging project review process and dredged material management

and the facilitation of effective long-term environmentally sound management strategies for addressing dredging and disposal needs for the region.

Empire State Development ("ESD") was designated as the New York entity to implement the Plan, and entered into an agreement with the PANY&NJ (including all amendments thereto, the "Agreement"). Under the Agreement, the PANY&NJ agreed to provide up to $65 million in the Dredging Fund for program eligible items to be agreed upon by ESDC and the PANY&NJ related to the dredging and disposal of dredged material and related projects including sediment testing, development of contaminant identification technology, material management initiatives and pollution prevention and navigation studies.

C. Use of Project Proceeds

Recognizing the importance of the Port and its economic activity, the need to improve on existing protocol and practices, and the inability of DEC to accomplish its required tasks without the dedicated resources, DEC has proposed the creation of a Dredging Team for New York and use of funds from the Bi-State Dredging Fund for funding salaries for this purpose is consistent with the principles of the Plan.

For a period of five (5) years, this six member team at DEC, amongst other responsibilities, will be exclusively tasked with meeting Uniform Procedures Act requirements for permit applications and project review, the development of written guidelines for dredging and dredged material management projects to assist maritime businesses, reviewing and revising existing dredging permitting and beneficial use policy and procedures, as appropriate, and working with harbor stakeholders and other groups to address the need for dredged material placement sites in New York, in addition to other related tasks. Input on the proposal was obtained from the United States Army Corps of Engineers and the Port Authority of New York and New Jersey - parties with intimate knowledge of the permitting process and what is needed to establish an effective and efficient dredging team.

DEC will report its efforts, exhibiting enhanced efficiency, benchmarking measures, and other efforts to ESDC on a quarterly basis for review. Two years of funding for personal and non-personal services, including salaries, benefits, materials, travel, and will be provided for initially, with funding for each subsequent year provided by ESDC to DEC following a satisfactory annual review of the program. In this instance, the Directors are being asked to approve supplemental funding from the Dredging Fund to be applied to the five year program, at a cost of $537,662.

IV ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply.

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 for the New York State Department of Environmental Conservation. No further environmental review is required in connection with this project.

VI. Affirmative Action

The New York State Department of Environmental Conservation Non-discrimination and Affirmative Action policy will apply.

February 16, 2012

New York Harbor (Richmond, Kings, New York, Bronx, Queens) - Authorization to Approve Supplementary Funding to the New York State Department of Environmental Conservation ("DEC") for creation of a Dredging Team and Authorization to Enter into Agreements and Contracts with DEC and Amend the Bi-State Dredging Agreement; Authorization to Make a Grant and 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 Agreement between the Empire State Development Corporation and the Port Authority of New York and New Jersey ("PANY&NJ") for Funding with Regard to the Joint Dredging Plan (including amendments, the "Agreement"), the Corporation be, and it hereby is, authorized to enter into amendments to the Agreement and take other actions to approve the funding, in an amount not exceed $537,662, by ESDC to the New York State Department of Environmental Conservation ("DEC") for the establishment and staffing of a six member dredging team, and be it further

RESOLVED, that the provision of ESDC financial assistance is expressly contingent on receipt of the necessary funds from the PANY&NJ, and all necessary approvals to deliver the grant to DEC, and be it further

RESOLVED, that the President or his designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to execute and deliver any and all documents and take all such actions as may be necessary or proper to effectuate the foregoing,

* * *

Empire State Development

FOR CONSIDERATION
November 18, 2010

TO: The Directors

FROM: Dennis M. Mullen

SUBJECT: New York Harbor – Agreement with the Port Authority of New York and New Jersey ("PANY&NJ") for Funding with Regard to the Joint Dredging Plan

REQUEST FOR: Authorization to Approve the Funding to the New York State Department of Environmental Conservation ("DEC") for creation of a Dredging Team and Authorization to Enter into Agreements and Contracts with DEC and Amend the Bi-State Dredging Agreement; Authorization to Make a Grant and Take Related Actions

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General Project Plan

I. Project Summary

Borrower/Grantee: New York State Department of Environmental Conservation ("DEC")

ESD* Investment: Grant Funds received from the Port Authority of New York and New Jersey ("PANY&NJ") in an amount not exceeding $3,241,583.

Proposed Project: The grant will result in the creation of a six-member inter-disciplinary team at DEC to focus on dredging in the New York Harbor and dredge material placement.

Project Completion: Five Years from Commencement of the Program

Grantee Contact: John J. Ferguson
Environmental Analyst 3
625 Broadway
Albany, NY 12233-1010
Phone: (518) 402-9177

Anticipated

Appropriation Source:	The Port Authority of New York and New Jersey – Bi-State Dredging Fund	
ESD Project No.:	X250	
Project Team:	Project Management	Kevin J. Rutkowsky
	Legal	Jonathan Beyer
	Affirmative Action	Helen Daniels
	Environmental	Soo Kang

II. Project Cost and Financing Sources

Financing Use	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Personnel and Non-Personal	$611,346	$629,829	$648,316	$666,803	$685,289	$3,241,583

Total Project Costs $3,241,583

Financing Sources	Amount	Percentage
PANY&NJ Grant	$3,241,583	100%
Total Project Financing	$3,241,583	100.0%

III. Project Description

A. Background

The Port of New York and New Jersey (the "Port") is the largest port on the East Coast of the United States, and is the third largest port in the country in terms of container traffic. It is a significant economic engine in the region. The Port directly supports 164,930 direct jobs and 269,990 total jobs in the region, which generated over $11.2 billion in personal income in 2008. Port activity also generated $5 billion in federal, state and local tax revenues. The efficient and effective management of the Port enhances regional competitiveness, attracts investment, reduces the cost of consumer goods, and directly contributes to the standard of living in the region.

The Port's ability to remain a competitive and an economically vital resource is hinged upon its ability to accommodate deeper draft post-panamex vessels. Two natural impediments to accommodating these larger ships are the Port's depth and the fact that it is a river port. Since the Port has a natural depth of approximately 18 feet, it must be deepened to permit access for these larger ships with deeper drafts. Secondly, currents carry silt and sediment downstream, resulting in shoaling in the harbor. Maintenance dredging is necessary to remove the sediment and sand that settles within the Port to ensure safe navigation of vessels, keep berths open, and advance economic activity.

The management of dredged material from the harbor has undergone significant alteration within the last fifteen years. Historically, material dredged from the from the Port was barged and placed via open ocean disposal approximately six miles eastward of Sandy Hook, New Jersey ("Mud Dump Site"). However, in 1997, due to surveys indicating that the contaminants of certain material placed at the site led to sediment toxicity and bioaccumulation in estuarine organisms, the Mud Dump Site and the surrounding area was re-designated as the Historic Area Remediation Site ("HARS"), and material placed at the HARS to remediate the existing material must meet certain standards. Following the change in regulation, the cost of dredging skyrocketed, as much of the material dredged from the Port is not HARS-suitable, and alternative placement methods and sites had to be developed.

Much of the material generated from deepening projects is HARS suitable, and therefore can be placed at HARS, or be utilized in various beneficial reuse projects throughout the region. These beneficial reuse projects include habitat creation and restoration and beach nourishment. Placement of non-HARS suitable material involves greater costs, since the dredged material often needs to be brought upland for placement, and therefore amended with material and transported to the placement site.

Although the need for dredging and development of dredged material placement projects remains in the region, the New York Department of Environmental Conservation ("DEC") is unable to devote adequate resources to a dedicated staff to ensure timely review of dredging permitting applications, participate in groups dedicated to locating and permitting placement sites for non-HARS and HARS suitable material, and review existing policies and protocols at DEC to advance economically feasible, environmentally sustainable dredging and dredge material management practices, technologies, and sites.

The Board had previously agreed, in 1997, to fund a $19 million Sediment Contamination and Reduction Program at DEC with Dredging Funds, which included a study of contamination in the water and the remediation of contaminated areas, the development of regulations, and hiring of numerous staff members to carry out the program. The program resulted in a better understanding of contaminant sources throughout the estuary, participation in harbor work groups, and improved permitting for dredging projects throughout the Port.

B. The Bi-State Dredging Fund

In 1996, the PANY&NJ allocated $130 million to fund the Governors' Joint Dredging Plan (the "Plan"), with $65 million allocated for dredging and harbor related projects to each of the States of New York and New Jersey. The Plan was developed with two major objectives, namely the promotion of an increased level of certainty and predictability in the dredging project review process and dredged material management and the facilitation of effective long-term environmentally sound management strategies for addressing dredging and disposal needs for the region.

The Empire State Development Corporation ("ESDC") was designated as the New York entity to implement the Plan, and entered into an agreement with the PANY&NJ (including all amendments thereto, the "Agreement"). Under the Agreement, the PANY&NJ agreed to provide up to $65 million for program eligible items to be agreed upon by ESDC and the PANY&NJ related to the dredging and disposal of dredged material and related projects including sediment testing, development of contaminant identification technology, material management initiatives and pollution prevention and navigation studies ("Dredging Fund").

C. The Project

Recognizing the importance of the Port and its economic activity, the need to improve on existing protocol and practices, and the inability of DEC to accomplish its required tasks without the dedicated resources, DEC has proposed the creation of a Dredging Team for New York and use of funds from the Dredging Fund for funding salaries for this purpose is consistent with the principles of the Plan. The positions currently contemplated for the dredging team at DEC are an Environmental Analyst 4, who will be based in Albany, and an Environmental Analyst 3, Biologist 2, Biologist 1, Environmental Engineer 2 and Environmental Engineer 1, all of whom will be based in DEC's Region 2 office in New York City.

For a period of five (5) years, this six member team at DEC, amongst other responsibilities, will be exclusively tasked with meeting Uniform Procedures Act requirements for permit applications and project review, the development of written guidelines for dredging and dredged material management projects to assist maritime businesses, reviewing and revising existing dredging permitting and beneficial use policy and procedures, as appropriate, and working with harbor stakeholders and other groups to address the need for dredged material placement sites in New York, in addition to other related tasks. Input on the proposal was obtained from the United States Army Corps of Engineers and the Port Authority of New York and New Jersey - parties with intimate knowledge of the permitting process and what is needed to establish an effective and efficient dredging team.

DEC will report its efforts, exhibiting enhanced efficiency, benchmarking measures, and other efforts to ESDC on a quarterly basis for review. Two years of funding for personal and non-personal services, including salaries, benefits, materials, travel, and will be provided for initially, with funding for each subsequent year provided by ESDC to DEC following a satisfactory annual review of the program. The Directors are being asked to approve funding from the Dredging Fund for the five year program, at a cost of $3,241,583.

IV ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply.

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 for the New York State Department of Environmental Conservation. No further environmental review is required in connection with this project.

VI. Affirmative Action

The New York State Department of Environmental Conservation Non-discrimination and Affirmative Action policy will apply.

November 18, 2010

New York Harbor (Richmond, Kings, New York, Bronx, Queens) - Authorization to Approve the Funding to the New York State Department of Environmental Conservation ("DEC") for creation of a Dredging Team and Authorization to Enter into Agreements and Contracts with DEC and Amend the Bi-State Dredging Agreement; Authorization to Make a Grant and 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 Agreement between the Empire State Development Corporation and the Port Authority of New York and New Jersey ("PANY&NJ") for Funding with Regard to the Joint Dredging Plan (including amendments, the "Agreement"), the Corporation be, and it hereby is, authorized to enter into amendments to the Agreement and take other actions to approve the funding, in an amount not exceed $3,241,583, by ESDC to the New York State Department of Environmental Conservation ("DEC") for the establishment and staffing of a six member dredging team, and be it further

RESOLVED, that the provision of ESDC financial assistance is expressly contingent on receipt of the necessary funds from the PANY&NJ, and all necessary approvals to deliver the grant to DEC, and be it further

RESOLVED, that the President or his designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to execute and deliver any and all documents and take all such actions as may be necessary or proper to effectuate the foregoing,

* * *

Empire State Development

FOR CONSIDERATION
February 16, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Corporate Insurance Policies Renewal

REQUEST FOR: Authorization to Place Corporate Insurance Policies; and to Take Related Actions

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BACKGROUND

ESD is required to purchase various types of insurance coverage to ensure the protection of its employees, assets and subsidiaries. The majority of these policies expire annually in February and therefore must be renewed at this time.

Certain forms of insurance protect against financial losses due to liability claims and damage or theft of ESD property. These types of insurance include Commercial General Liability, Excess Umbrella Liability, Directors and Officers Liability, Automobile Liability, Real and Personal Property and Employee Crime and Dishonesty insurance.

Other forms of insurance constitute part of ESD's fringe benefits, such as Long and Short Term Disability, Accidental Death & Dismemberment, and Worker's Compensation insurance.

Policies may be placed with several different carriers, as ESD seeks to place each policy at the lowest cost among highly-rated carriers.

Insurance Marketing and Placement:

Selection of Cool Insuring Agency: Through a competitive solicitation process, in December of 2009 ESD procured Cool Insuring Agency as ESD's primary insurance consultant and broker. Cool is a reputable insurance broker with significant experience working with State agencies and local municipalities. Among other clients, Cool is the insurance broker for the New York State Insurance Fund, the State University of New York (SUNY) and the New York City Economic Development Corporation (NYC-EDC), as well as many public benefit corporations.

Insurance Marketing & Placement Process: In renewing our Corporate insurance policies, ESD's Insurance and Risk Management staff worked together with Cool to confirm the appropriate levels of coverage and authorized Cool to solicit highly-rated insurance carriers. As a result of this marketing effort, Cool has recommended placement of the following policies as set forth below. All of the recommended carriers carry a minimum financial strength rating of A (Excellent) as per AM Best.

Insurance	Policy Description	Carrier & Rating	2011-12 Premiums	2012-13 Premiums	+ Change
General Liability	$2 million general aggregate coverage/ $1 million per occurrence	National Casualty A+ (Excellent)	$135,000	$147,496	*$12,496*
Excess Umbrella Liability	$25 million general aggregate	Chartis A (Excellent)	$68,500	$72,500	*$4,000*
Automobile Liability	$1 million aggregate coverage/ $1 million per occurrence	Hartford A (Excellent)	$2,643	$4,320	*$1,677*
Real & Personal Property	$36.9 million total coverage	Hartford A (Excellent)	$38,898	$39,451	*$553*
Crime-Employee Dishonesty	$5 million aggregate	Great American A (Excellent)	$7,900	$7,900	*$0*
Workers Compensation/ Employers Liability Insurance	All ESD employees/ Corporate Liability protection	Hartford A (Excellent)	$67,070	$77,350	*$10,280*
Directors & Officers Liability	$5 million per claim/ $5 million aggregate	tbd	n/a	$20,000 *	*$20,000*
		Renewal Premium cost:	$320,011	$369,017	*$49,006*

** Preliminary estimate. Actual cost to be presented at the board meeting.*

The cost outlined in the table above is only for the insurance premiums and does not include Cool's $140,000 contractual fee for their advisory and brokerage services.

Insurance Term and Cost:

The total premium cost for the purchase of all insurance policies is $369,017. This cost represents a $49,006, or 15% increase over last year's premiums of $320,011. The increase is driven primarily by:

i. the addition of Directors and Officers Liability coverage to ESD's insurance portfolio;

ii. an increase in the premiums for general liability and umbrella coverage as a result of rising risk premiums across all carriers, particularly for construction risk; and

iii. an increase in Workers' Compensation coverage due to State WC Rating Board increases and ESD claims experience. The Rating Board increases rates based on an annual actuarial analysis and review of medical benefit costs.

As these policies are for the benefit of both the Corporation and its subsidiaries, approximately $182,000 or 49% of renewal premium payments will be reimbursed. The Corporation and its subsidiaries achieve optimal pricing through this cost-sharing arrangement due to economies of scale, as opposed to purchasing separate smaller policies.

Dept/ Subsidiary	Allocation	Funding Source
Lower Manhattan (LMDC)	55,192	US Dept of HUD
Erie Canal Harbor (ECHDC)	51,934	NYPA
MLC Housing Portfolio	32,014	Property-related income
42nd Street (42DP)	11,750	Developer Funds
Harriman Campus (HRTDC)	9,503	Developer Funds
Other Depts/Subsidiaries	21,779	Various
Recoverable from Subs/Depts	**$182,172**	
ESDC Share	**186,845**	Corporate Funds
Total Renewal Premiums	**$369,017**	

AFFIRMATIVE ACTION:

There are no NYS certified MWBE insurance carriers. However, there are opportunities to do business with MWBE firms as part of ESD's contract for insurance advisory and brokerage services with Cool. At this time, MWBE participation with Cool is approximately 15% and Cool continues to explore avenues to further increase participation. (Please note that the contract for insurance advisory and brokerage services is a separate board authorization.)

REQUESTED ACTION:

The Directors are requested to authorize the purchase of the policies set forth above, with the respective carriers indicated, for a total premium cost of $369,017.

ATTACHMENTS:
Resolution

February 16, 2012

AUTHORIZATION TO PLACE CORPORATE INSURANCE POLICIES; 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 Commercial Liability insurance with National Casualty Insurance, General Excess Liability insurance with Chartis Insurance, Crime-Employee Dishonesty insurance with Great American Insurance, Real & Personal Property, Auto and Worker's Compensation Insurance with Hartford Insurance and Directors and Officers Liability insurance with [*tbd*] for the 2012-2013 fiscal year at an annual premium of $369,017.

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.

Empire State Development

FOR CONSIDERATION

February 16, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: New York (Kings County) – Proposed Sale

RE: Authorization to (i) To Sell the 601-619 Throop Avenue, Brooklyn, Property to NEBHDC For the Purchase Price of $3,350,000, (II) To Allow ESD to Finance Up To 90 Percent of the Purchase Price, (iii) Take All Related Actions, and (iv) Determination of No Significant Effect on the Environment.

SUMMARY

The Directors are asked to approve the authorization for the New York State Urban Development Corporation ("UDC") d/b/a Empire State Development ("ESD") to sell the 601-619 Throop Avenue, Brooklyn property (the "Property") to the Northeast Brooklyn Housing Development Corporation ("NEBDHC" or the "Purchaser") for the purchase price of $3,350,000 (the "Purchase Price") and allow for an ESD financing of up to 90 percent of the Purchase Price.

BACKGROUND

In August 1987, the UDC closed on a $4,387,000 real estate loan with Nostrand Industrial Systems, Inc. ("Nostrand" or the "Borrower"), a subsidiary of Vannguard Urban Improvement Association, Inc. The loan was used to rehabilitate the Property for multi-office use. UDC holds a first mortgage lien on the Mortgaged Premises, which consists of two interconnecting buildings – a two-story and a five-story building. The Mortgaged Premises totals 30,900 rentable square feet and is situated in the historic district of Stuyvesant Heights in Bedford Stuyvesant, Brooklyn.

When the Borrower defaulted on its obligations in June 2002, ESD and the Borrower entered into a Note Modification Agreement (the "Agreement"). Under the terms of the Agreement, the interest rate on the loan was decreased to 0%, the term of the loan was extended, and $1,035,918 in accrued interest was conditionally forgiven.

The Borrower failed to abide by the terms of the Agreement and ceased making payments in 2007. Nostrand then requested that ESD subordinate its mortgage to additional financing. After reviewing the Borrower's request and financial information, ESD staff determined that the Borrower's plan would not have supported the new mortgage payments and would have seriously compromised ESD's mortgage position. ESD subsequently accelerated the loan in April 2008 and commenced a foreclosure proceeding in September 2008.

In September & October 2009, the Workout Committee and ESD's Board of Directors (the "Board"), respectively, approved the payment of back property taxes of up to $620,000. On November 16 2009, $547,622.41 was wired to Mooring Tax Asset Group, LLC. ("Mooring"), who had purchased and held the tax liens from the City of New York ("NYC"), to avert a tax foreclosure and avoid continued accrual of 18% interest. On January 12, 2010, ESD paid NYC Dept. of Finance $60,881.97 for property taxes covering a period from January 1, 2010 to June 30, 2010. On June 22, 2010, ESD paid NYC Dept. of Finance $41,079.24 for property taxes covering a period from July 1, 2010 to December 31, 2010. The tax due was $71,079.24, but the Property generated surplus income that allowed the court appointed receiver (the "Receiver") to pay $30,000 directly to NYC. In December 2010, the Board approved the allocation of up to $250,000 from corporate funds for the payment of future real estate taxes due on the Mortgaged Premises. Pursuant to that authority, ESD paid NYC Dept. of Finance $69,660.89 on December 31, 2010 and $59,318.26 (additional $15,000 was paid by the Receiver directly) on June 30, 2011. The total taxes and insurance premiums paid by ESD to date is approximately $800,000, bringing the total amount due to ESD, including outstanding principal balance of $3,335,823 and accrued interest of $1,461,235, to approximately $5.6 million. The Property was appraised at $3,350,000 in August 2011 by Jerome Haims Realty, Inc.

FORECLOSURE

The foreclosure auction of the Property was originally scheduled for September 8, 2011, but ESD, at the request of the Borrower, postponed the auction until October 20, 2011 ("Foreclosure Date"). During postponement period, the Borrower was offered 30 days to come up with a plan to resolve the default but the borrower failed to present ESD with a viable plan. Consequently, ESD move forward with the foreclosure auction and acquired tile to the property with the credit bid of $1 million on the Foreclosure Date. There were no other bidders at the auction despite ESD's eight weeks of legal foreclosure notice in the Brooklyn Eagle in accordance to statutes and rules.

REQUEST FOR PROPOSALS

ESD decided to market the Property through the Request For Proposals ("RFP") process because it was believed that it would be most efficient and cost effective method for this purposes. Accordingly, on November 16, 2011, ESD placed the official RFP notice in

the New York State Contract Reporter and followed that up with four consecutive weeks, starting on November 20, 2011, of advertising in the commercial real estate section of the Sunday, New York Times. The minimum purchase price was set at $3,350,000 and the due date for the proposals was set for December 16, 2011.

On November 30, 2011, ESD offered a tour of the Property and six people, representing five entities, were present. Approximately six other entities inquired about the Property and requested copies of the RFP. The questions and answers from these entities were posted on ESD's website.

On December 16, 2011, ESD received a total of three proposals, from NEBHDC, McClave Engineering P.C., and Walison Corporation (the "Responders"). On December 28, 2011, ESD staff met with the Responders separately to discuss their proposals. Because of some weakness and clarification needed in each proposal, ESD requested that the Responders submit Best and Final Proposals by January 17, 2012. By the new deadline, both NEBHDC and McClave offered Best and Final Proposals, but Walison declined to make changes to their original proposal.

RECOMMENDATION OF NEBHDC

ESD staff reviewed the three proposals and concluded that the best proposal was the one submitted by NEBHDC. NEBHDC is a not-for-profit organization which provides affordable rental housing to low-income residents of Central Brooklyn. To date, NEBHDC has planned, joint-ventured, and developed 2093 housing units of which 1082 are owned and managed by the organization, as well as nearly 17,000 square feet of commercial space throughout central Brooklyn neighborhood.

ESD's analysis found that the Purchase Price is even amongst the three Proposals, ranging from $3,350,000 to $3,500,000, so what gives NEBHDC the edge is that NEBHDC is from the area, understands the neighborhood and is the best fit for the Property. NEBHDC plans to consolidate its headquarters at the Property and will become an owner-occupant with approximately sixty jobs. NEBHDC also has a letter of interest to lease the 2nd floor from Bedford Stuyvesant Early Childhood Development Center, Inc. ("BSECDC"), which provides comprehensive early childhood education, health, nutrition and social services to young children and their families living in Bedford Stuyvesant. BSECDC would like to consolidate three of its ten centers and relocate approximately fifty jobs with plans to create thirty more jobs at the Property. Accordingly, NEBHDC received the highest marks in ESD staff RFP scoring sheet and is the one being recommended. NEBHDCO has request ESD financing and the financing terms will be negotiated at an annual interest rate to be determined over a 15 to 20 year period ("Financing Terms").

ENVIRONMENTAL REVIEW

Pursuant to the requirements of the State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation, ESD staff performed an uncoordinated review. This review determined the project to be an Unlisted Action, which would not have a significant effect on the environment. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

REQUESTED ACTION

The Directors are requested to adopt the attached resolution authorizing ESD staff to sell the 601-619 Throop Avenue, Brooklyn, property to NEBHDC for the Purchase Price of $3,350,000, (II) to allow ESD to finance up to 90 percent of the Purchase Price in accordance to the Financing Terms, (iii) take all related actions, and (iv) make a determination of no significant effect on the environment.

RECOMMENDATION

Based on the foregoing, I recommend approval of the attached resolution.

ATTACHMENT

Resolution

February 16, 2012

New York (Kings County) - Authorization to (i) sell the 601-619 Throop Avenue, Brooklyn, property to NEBHDC for the Purchase Price of $3,350,000, (II) to allow ESD to finance up to 90 percent of the Purchase Price in accordance to the Financing Terms, (iii) take all related actions, and (iv) to make a determination of no significant effect on the environment.

RESOLVED, that on 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, relating to the sale of a property located at 601-619 Throop Avenue, Brooklyn New York (the "Property") and other related actions, ESD staff is hereby authorized to sell the Property to NEBHDC for the Purchase Price of $3,350,000, offer financing of up to 90 percent of the Purchase Price in accordance to the Financing Terms, and be it further

RESOLVED, that based on the materials submitted to the Directors, the Corporation hereby determines that the proposed action will not have a significant effect on the environment, and be it further

RESOLVED, that the President and Chief Executive Officer-Designate of the Corporation or his designee(s) 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.

* * *

Empire State Development

FOR CONSIDERATION

February 16, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Proposed Transfer to, and Disposition by, the Office of General Services of the State of New York of the Cattaraugus Residential Center

REQUEST FOR: Authorization for Transfer to, and Disposition by, the Office of General Services in accordance with Applicable Provisions of the Public Authorities Law, Determination of No Significant Effect on the Environment and Take Related Actions

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Introduction

The Directors are being asked to (i) authorize the Corporation to enter into an agreement with the Office of General Services ("OGS") of the State of New York (the "State") for the transfer to and disposition by OGS of the Cattaraugus Residential Center (the "CRC"), (ii) authorize the transfer of the CRC to OGS in accordance with said agreement, (iii) approve and agree to the terms of OGS' sale of the CRC and authorize the Corporation to take such actions as are necessary to accomplish the same and (iv) take related action.

Background

The CRC is a youth residential facility occupied and operated by the Office of Children and Family Services of the State. The Corporation acquired legal title to the CRC and other youth facilities from OGS for a nominal price in order to provide security for the issuance of youth facilities revenue bonds ("Bonds") issued by the Corporation to finance the construction of improvements to the CRC and other youth facilities owned by the Corporation or the State. Rental payments paid the debt service on the Bonds. The Corporation leased the CRC and the other youth facilities it owned to OGS (the "Lease"), which subleased these facilities to the New York State Division of Youth (now the Office of Children and Family Services)(the "Sublease"). Since the Lease was simply a financing lease, OGS retained an option to purchase the CRC and

the other youth facilities owned by the Corporation for ten dollars ($10) upon payment of all the Youth Facilities Revenue Bonds.

All of the Bonds have been paid and the Lease and Sublease have expired by their terms. OGS did not exercise its bargain purchase option and that option has also expired. Therefore, the Corporation holds unencumbered legal title to the CRC and the other youth facilities. The CRC is a vacant facility; however, the State, as beneficial owner of the facility, continues to maintain the CRC. The CRC and the other youth facilities owned by the Corporation do not secure refunding bonds (the "Refunding Bonds") which have been issued to refund the Bonds, or any other obligations of the Corporation. An opinion by tax counsel will be necessary to ensure that any such Refunding Bonds remain in compliance with Federal tax law.

Transfer of Cattaraugus Residential Center to OGS for Disposition in accordance with Agreement between the Corporation and OGS

The Public Authorities Law imposes certain conditions and restrictions on the disposition of property by the Corporation and provides that, when it shall be deemed advantageous to the State, the Corporation may enter into an agreement with OGS for OGS to dispose of property of the Corporation under terms and conditions agreed to by the Corporation and OGS.

In accordance with this provision OGS has requested that the Corporation enter into the proposed Memorandum of Agreement between OGS and the Corporation (the "Agreement"). The Agreement requires that (i) the Corporation prepare and convey to OGS a deed for the CRC, (ii) OGS, upon receipt of the deed, shall reconvey the CRC in order to close on OGS' sale of the CRC to Olean General Hospital pursuant to the terms of a sale contract agreed upon by the Corporation and OGS and (iii) that the Corporation execute any forms necessary for recording the deed.

The transaction is advantageous to the State because it is in furtherance of the State's effort to dispose of underutilized State facilities for their reuse in the private sector. The Agreement recites facts demonstrating compliance with the requirements of the Public Authorities Law for obtaining an independent appraisal prior to the disposition of real property and for the disposition of property by publicly advertised bid. Upon receipt of the deed to CRC, OGS will sell the CRC to Olean General Hospital, pursuant to the terms of a sale contract for a cash purchase price of $321,000, which is an amount in excess of the $300,000 value assigned by OGS after its review of two independent appraisals.

Environmental Review

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, ESD staff performed an environmental review. This review determined the

project to be an Unlisted Action, which would not have a significant effect on the environment. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Requested Actions

In accordance with the attached resolution, you are hereby requested to 1) find and determine that the Agreement for the transfer to, and disposition by, OGS of the CRC is advantageous to the State; 2) authorize the Corporation to enter into the Agreement with OGS and to transfer the CRC to OGS by quitclaim deed for the purchase price of $1.00; 3) approve and agree to the terms and conditions of OGS' sale of the CRC to Olean General Hospital; 4) authorize the officers of the Corporation to take all actions deemed necessary to accomplish the foregoing, including the execution of any forms necessary for the recording of the deed in connection with the disposition by OGS of the CRC; (5) authorize the Corporation to take all related actions, including such actions, if any, as are necessary to preserve the tax-exempt status of the Refunding Bonds; and (6) make a Determination of No Significant Effect on the Environment.

Attachment:
Resolution
Memorandum of Agreement

February 16, 2012

TOWN OF CARROLLTON (CATTARAUGUS COUNTY) - CATTARAUGUS RESIDENTIAL CENTER – Authorization for Transfer to, and Disposition by, the Office of General Services in accordance with Applicable Provisions of the Public Authorities Law, Determination of No Significant Effect on the Environment and Take Related Actions

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WHEREAS, the Corporation holds title to a certain youth residential facility known as the Cattaraugus Residential Center and to certain other lands and the buildings and improvements thereon (collectively, the "Youth Facilities") all as identified in Exhibit A of the Agreement of Lease between the New York State Urban Development Corporation, Landlord, and The People of the State of New York (the "State"), acting by and through the Commissioner of General Services ("OGS"), Tenant, dated as of March 1, 1994, as amended and supplemented (the "Lease");

WHEREAS, the Corporation acquired legal title to the Cattaraugus Residential Center and the other Youth Facilities from OGS for nominal consideration in order to provide security for bonds ("Youth Facilities Revenue Bonds") issued by the Corporation from time to time pursuant to its Youth Facilities Revenue Obligation Resolution, adopted March 1, 1994, as amended and supplemented and various related resolutions (collectively, the "Resolution"), in order to finance the acquisition and construction of the Youth Facilities, including the Cattaraugus Residential Center;

WHEREAS, pursuant to the Lease, the Corporation leased the Youth Facilities, including the Cattaraugus Residential Center, to OGS for rental payments which were sufficient, together with certain payments made by OGS under a financing contract with the Corporation, to pay when due all debt service on the Youth Facilities Bonds;

WHEREAS, pursuant to an Agreement of Sublease (the "Sublease"), dated as of March 1, 1994, as amended and supplemented by and between the State acting through OGS, Landlord, and the New York State Division of Youth (the "Division"), Tenant, OGS subleased the Youth Facilities, including the Cattaraugus Residential Center, to the Division for rental payments equal to the rental payments due under the Lease;

WHEREAS, all of the Youth Facilities Revenue Bonds have been paid or defeased such that no Youth Facilities Revenue Bonds are outstanding under the Resolution and the Lease and the Sublease have expired by their terms;

WHEREAS, as a result of the expiration of the Lease and Sublease and the expiration of an option ("Purchase Option") included in the Lease granting OGS the right to purchase all of the Youth Facilities for a nominal price upon payment or provision for payment of all of the Youth Facilities Revenue Bonds, the Corporation holds title to the Youth Facilities, including the Cattaraugus Residential Center, unencumbered by the Lease, Sublease and Purchase Option;

WHEREAS, neither the Cattaraugus Residential Center nor any of the other Youth Facilities secure any obligations of the Corporation;

WHEREAS, OGS has requested that the Corporation enter into a Memorandum of Agreement (the "Agreement") with OGS pursuant to which the Corporation shall transfer the Cattaraugus Residential Center to OGS for the sale by OGS of such facility, on terms and conditions agreed to by the Corporation and OGS;

WHEREAS, the Corporation has adopted Guidelines Regarding Disposition of Property (the "Guidelines") implementing provisions of the Public Authorities Law applicable to the disposition of property by public authorities and (the "Applicable Law"). Such Guidelines provide, in conformity with the Applicable Law, that when it shall be deemed advantageous to the State, the Corporation may enter into an agreement with OGS for the disposition of property of the Corporation under terms and conditions agreed to by the Corporation and OGS and that in disposing of any such property of the Corporation, OGS shall be bound by the Applicable Law;

WHEREAS, in compliance with the Applicable Law, OGS has obtained independent appraisals of the Cattaraugus Residential Center and the terms and conditions for OGS' disposition of such facility include a publicly advertised competitive bidding process and an award to Olean General Hospital (the "Hospital"), as highest bidder, for a cash purchase price in excess of the value assigned by OGS to the Cattaraugus Residential Center after its review of the independent appraisals; and

WHEREAS, the transfer to, and disposition by, OGS of the Cattaraugus Residential Center pursuant to the Agreement is consistent with of the State's plan to dispose of underutilized State facilities for reuse by the private sector;

NOW THEREFORE, IT IS HEREBY RESOLVED that based on the materials so presented to the Corporation, the Directors hereby find that it is advantageous to the State for the Corporation to enter into the Agreement with OGS;

RESOLVED, that the Corporation be and hereby is authorized to (i) enter into the Agreement with OGS and to transfer the Cattaraugus Residential Center and convey title to the same by quitclaim deed to OGS for the price of one dollar ($1.00);

RESOLVED, that the Corporation hereby (i) approves and agrees to the terms and conditions of the sale by OGS of the Cattaraugus Residential Center to the Hospital (ii) authorizes the Corporation to take all actions deemed necessary to accomplish such sale, including the execution of all forms necessary for the recording of the deed to the Cattaraugus Residential Center and (iii) authorizes utilizing bond tax counsel to confirm compliance with applicable federal tax law; and be it further

RESOLVED, that based on the materials submitted to the Directors with respect to the proposed transfer to, and disposition by, the Office of General Services of the State of New York of the Cattaraugus Residential Center, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

RESOLVED, that the Officers of the Corporation, be and each of them hereby is, authorized and directed to take any and all action necessary (i) to carry out the foregoing resolutions and to carry out any authority or delegation granted to the Corporation in conjunction with such authorizations and (ii) in connection with the disposition of the Cattaraugus Residential Center, to preserve the exclusion from gross income for federal income tax purposes of interest on any bonds of the Corporation that refunded the Youth Facilities Revenue Bonds, including, but not limited to, the preparation and execution of any agreements, deeds, instrumentation and/or documents as such authorized officers may deem reasonably necessary or appropriate.

* * *

MEMORANDUM OF AGREEMENT
BETWEEN
STATE OF NEW YORK
OFFICE OF GENERAL SERVICES
AND
EMPIRE STATE DEVELOPMENT CORPORATION

THIS MEMORANDUM OF AGREEMENT, dated as of this _____ day of February, 2012, by and between the NEW YORK STATE OFFICE OF GENERAL SERVICES (hereinafter "OGS") and the New York State Urban Development Corporation d/b/a Empire State Development (hereinafter "ESD"), sets forth the general conditions for disposition of certain real property of ESD.

W I T N E S S E T H:

WHEREAS, pursuant to Article 9 Section 2897 of the Public Authorities Law, when it shall be deemed advantageous to the State, ESD may enter into an agreement with OGS authorizing OGS to dispose of property of ESDC upon terms and conditions agreed to by ESD and OGS; and

WHEREAS, ESD and OGS have determined that it is advantageous to the State to dispose of certain improved real property located in the Town of Carrollton, County of Cattaraugus, known as the Cattaraugus Residential Center.

WHEREAS, OGS solicited two independent appraisals of said property to determine the fair market value; and

WHEREAS, OGS has received a high bid at a competitive public auction conducted pursuant to Section 33 of the Public lands law and Section 2897 of the Public Authorities Law, after advertisement for bids, for four weeks prior to the date of sale; and

WHEREAS, OGS and ESD have agreed upon the terms and conditions of the sale, including the sale contract with the high bidder (collectively the "Terms of Sale"), and wish to memorialize their agreement in order to allow the sale to the high bidder to close.

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES, THE MUTUAL REPRESENTATIONS AND AGREEMENTS HEREINAFTER CONTAINED, IT IS AGREED AND UNDERSTOOD BETWEEN THE PARTIES:

1. ESD and OGS agree to all the Terms of Sale.
2. ESD will prepare a Deed conveying to the State of New York the premises described in Schedule A, attached hereto for reconveyance to the purchaser and execute any forms necessary for recording the same.
3. ESDC will secure the necessary approvals of the Board of Directors of ESD prior to the conveyance of the premises to OGS.
4. OGS, upon receipt of the Deed from ESD, will proceed to close the aforementioned transaction pursuant to the terms of the sale contract.
5. This Agreement constitutes the entire Agreement between the parties and this Agreement shall not be changed, modified or altered in any manner except by instrument in writing executed by all parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the day, month and year first written above.

EMPIRE STATE DEVELOPMENT	NEW YORK STATE OFFICE OF GENERAL SERVICES

By: _____
Kevin Younis
Vice President, Intergovernmental
and Legislative Affairs

Date: _____

By: _____
RoAnn M. Destito
Commissioner

Date: _____