

PLEASE NOTE – We welcome public comment on the items on the following agenda. To ensure maximum opportunity for participation, speakers representing themselves may speak for up to 2 minutes each, and those representing groups may speak for up to 4 minutes (1 speaker per group). Speakers' comments may address only items considered at today's meeting. Materials relating to matters that are scheduled for discussion in open session will be available at the meeting and will be posted on ESD's website prior to the meeting in accordance with the Public Officers Law.

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

Empire State Development works to promote business investment and growth that leads to job creation and prosperous communities across New York State

Meeting of the Directors

Thursday

January 15, 2015 – 9:30 a.m.

**PROPOSED AGENDA**

**FOR CONSIDERATION**

**I. CORPORATE ACTION**

- A. Approval of Minutes of the December 18, 2014 Directors' Meeting

**II. DISCRETIONARY PROJECT**

**DISCRETIONARY PROJECTS CONSENT CALENDAR**

- A. Discretionary Projects Consent Calendar – 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; Determination of No Significant Effect on the Environment

**Economic Development Purposes Fund**

- A. Faradyne Motors Capital (Wayne County) - \$65,000

### III. REGIONAL COUNCIL AWARDS

#### CENTRAL NEW YORK REGION

- A. Regional Council Award – Priority Project - Syracuse (Central New York Region - Onondaga County) – Nojaim Capital – Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions
- B. Regional Council Award – Priority Project – Syracuse (Central New York Region – Onondaga County) – SUNY ESF Biomass Cooperative Innovation Center Capital - Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions
- C. Regional Council Award – Priority Project- Aurelius (Central New York Region – Cayuga County) – TRW Automotive Capital - Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

#### WESTERN NEW YORK REGION

- D. Regional Council Award – Priority Project - Olean (Western New York Region - Cattaraugus County) – North Union Street Redevelopment Capital – Regional Council Capital Fund (Capital Grant)- Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment
- E. Regional Council Award – Priority Project - Cheektowaga (Western New York Region - Erie County) – Finishing Trades Institute Capital - Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

III. **REGIONAL COUNCIL AWARDS – Continued**

**NORTH COUNTRY REGION**

- F. Regional Council Award – Canton (North Country Region – St. Lawrence County) – St. Lawrence County IDA Canton Business Park Capital - Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

**REGIONAL COUNCIL AWARD PROJECTS CONSENT CALENDAR**

- G. Regional Council Award Projects Consent Calendar - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make Grants and to Take Related Actions

**Regional Council Capital Fund**

- A. St. Lawrence Brewing Company (St. Lawrence County) - \$65,000  
B. St. Lawrence County IDA Massena Lots 18 and 19 (St. Lawrence County) - \$60,000

IV. **NON-DISCRETIONARY PROJECTS**

**NON-DISCRETIONARY PROJECTS CONSENT CALENDAR**

- A. Non-Discretionary Projects Consent Calendar – Authorization to Adopt the General Project Plans; Authorization to Make Grants and to Take Related Actions

**Local Assistance (Senate & Assembly)**

- A. CenterState Corporation for Economic Opportunity Working Capital (Onondaga County) - \$800,000

**Community Enhancement Facilities Assistance Program, New York State Economic Development Program and Empire Opportunity Fund (Executive, Senate & Assembly)**

- B. Hotel Syracuse Capital (Onondaga County) - \$15,000,000

V. ADMINISTRATIVE ACTIONS

- A. Procurement of Multifunction Copiers – Authorization to Enter into a Five-Year Contract for Multifunction Copiers and Service Agreement and to Take Related Actions [materials will be available at meeting]
  
- B. Procurement of a Loan Servicing Software Package - Authorization to Take All Action Related to Entering into a Loan Servicing Software Contract for UDC Economic Development Loan Portfolio [materials will be available at meeting]

**DRAFT – SUBJECT TO REVIEW AND REVISION**

**NEW YORK STATE URBAN DEVELOPMENT CORPORATION**

d/b/a Empire State Development  
Meeting of the Directors  
New York City Regional Office  
633 Third Avenue  
37<sup>th</sup> Floor Conference Room  
New York, New York 10017

and

New York State Department of Financial Services  
1 State Street  
New York, New York 10006

December 18, 2014

**MINUTES**

**In Attendance**

**Directors:**

Derrick Cephas (Acting Chair)  
Anthony Albanese, Designee – Department of Financial Services  
Mehul Patel, Designee – Kenneth Adams

**Present for ESD:**

Lauren Axelrod, Senior Counsel  
Ingrid Barbosa-Santiago, Director - Subsidiary Finance  
Maria Cassidy, Deputy General Counsel  
Huey-Min Chuang, Senior Director - Business Economic  
Development  
Steven Cohen, Deputy Commissioner and Executive Vice President  
Elizabeth R. Fine, Executive Vice President, Legal and  
General Counsel  
Charles Imohiosen, Chief Operating Officer  
Brian Keil, Managing Director - NYS Innovation Capital Fund  
Edwin Lee, Assistant Vice President – Discretionary Projects  
Benson Martin, Director of Compliance  
Eileen McEvoy, Corporate Secretary  
Glendon McLeary, Senior Project Manager  
Kathleen Mize, Deputy CFO and Controller  
Rachel Shatz, Vice President - Planning and Environmental Review  
Joseph Tazewell, Director – New York City Regional Office

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**Also Present:** Michael Ball, Western New York Regional Office  
James Fayle, Director – Central New York Regional Office  
Bonnie Palmer, Director – Southern Tier Regional Office  
David J. Wright, Assistant Commissioner – Albany  
John VanDeLoo, North Country Regional Office

**Also Present:** The Press  
The Public  
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 11:07 a.m. by Acting Chair Cephas. 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, Acting Chair Cephas set forth the guidelines regarding comments by the public on matters on the Agenda as well as with regard to any conflicts of interest the Directors may have regarding items on the Agenda. Acting Chair Cephas noted that he would recuse himself from voting on the Insurance resolution.

Acting Chair Cephas then asked the Directors to approve the Minutes of the November 20, 2014 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 NOVEMBER 20,  
2014 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT  
CORPORATION

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RESOLVED, that the Minutes of the meeting of the Corporation held on November 20, 2014, 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.

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

Mr. Lee noted that the Directors will be asked to consider funding for 14 Discretionary Projects including: one SUNY Sub-Allocation grant for \$2,000,000; one Minority and Women-Owned Business Development and Lending Program grant for \$125,000; eight Regional Council Capital Fund grants totaling \$3,775,000 and two Connect New York grants totaling \$7,042,177.

Mr. Lee further noted that there is also a \$3,000,000 request regarding the Open for Business Craft Beverage grant program and a \$5,000,000 allocation in connection with the New York State Innovation and Venture Capital Fund.

Mr. Lee added that these projects will leverage over \$35 million in additional investments in diverse areas throughout New York State and will retain 714 jobs and create 62 jobs.

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Acting Chair Cephas then asked Mr. Ball, representing ESD's Western New York Regional Office, to present the Rich Products Capital Grant item for the Directors' consideration.

Mr. Ball explained that the \$2,000,000 grant will be used as reimbursement for a portion of construction and renovation costs. The project, he added, will result in an expansion to the Company's research and development operations and create a new customer care innovation center.

Mr. Ball further noted that the project was completed in June of 2014 and that the company has committed to retaining 651 jobs and creating 17 jobs. Mr. Ball explained that the company has already exceeded that goal and created 74 new jobs.

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

Buffalo (Western New York Region – Erie County) – Rich Products Capital – SUNY Sub-Allocation (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 Rich Products Capital – SUNY Sub-Allocation (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

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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 Rich Products Corporation a grant for a total amount not to exceed Two Million Dollars (\$2,000,000) from the SUNY Sub-Allocation 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.

\* \* \*

Ms. Chuang, then asked the Directors to make certain Findings and Determinations and to authorize ESD to make a \$125,000 grant in connection with the MWBE contractor Bonding Preparedness Training and Technical Assistance Program.

Ms. Chuang explained that the funds will go to the New York State Small Business

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Development Center Network on behalf of ten small business development centers Statewide.

These centers, she added, will assist 200 New York State Certified MWBE's to secure bonding for public contracts.

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

Statewide – Minority-and-Women owned Business Enterprises Contractor Bonding Preparedness Training and Technical Assistance Program – Findings and Determinations Pursuant to Sections 16-c and 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 Minority-and-Women owned Business Enterprises Contractor Preparedness Training and Technical Assistance Program (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make for a total amount, not to exceed \$125,000 from Minority- and Women-Owned Business Development and Lending 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 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

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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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Next, Mr. Filler asked the Directors to adopt Guidelines, authorize ESD to make grants and to delegate certain authority to the President and Chief Executive Officer in connection with the Craft Beverage Grant Program.

Mr. Filler provided the relevant background with regard to this request noting, in part, that the program is divided into two distinct sub-grant programs for a total of \$3,000,000.

Mr. Filler explained that the \$2,000,000 Craft Beverage Marketing and Promotion Grant Program will involve minimum grant awards of \$5,000 and maximum grant awards of up to \$500,000 per year per applicant.

Mr. Filler further explained that the \$1,000,000 Craft Beverage Industry Tourism Promotion Grant Program will involve minimum grant awards of \$25,000 and maximum grant awards of \$250,000.

For grants less than \$50,000, the Directors are being asked to delegate to the President and Chief Executive Officer of the Corporation, or his designee, the authority to: 1) accept applications for grants; 2) make grants; 3) make any necessary findings or take any necessary

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actions that the Corporation may be required under the Urban Development Corporation Act;  
4) approve the related project plans; and 5) hold any public hearings.

Following the full presentation, the Acting Chair called for any questions or comments.

Hearing none, and upon motion duly made and seconded, the following resolution was  
unanimously adopted:

Statewide – Statewide – Craft Beverage Grant Program – NYPA Open For Business –  
(Marketing and Tourism Grants for Craft Beverage Industry) – 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 Craft Beverage 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, for grants of less than \$50,000 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

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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.

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The Directors were then asked by Mr. Cohen and Mr. Keil to authorize ESD to enter into agreements for Program Funding and to disburse funds in connection with the New York State Innovation Venture Capital Fund's Technology Commercialization and Pre-Seed Company Investment Program.

Mr. Cohen outlined the relevant background details with regard to this request.

Mr. Cohen noted, among other things, that this program, launched by the Governor, is a \$50,000,000 new venture capital fund that will, for the most part, take a co-investment direct funding approach.

The fund, Mr. Cohen continued, has two major sections. The first section, he explained, is a co-investment fund where ESD will make direct investments in companies at the seed stage of up to \$750,000 and ESD will also consider business attraction, early or venture stage investments of up to \$5,000,000 for businesses coming to the State for significant job creation

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and those sorts of things.

The other segment, Mr. Cohen explained, relates to very small pre-seed investments of up to \$100,000.

Mr. Cohen then introduced Mr. Keil, ESD's new managing director for the Venture Capital Fund, to those present at the meeting.

Mr. Keil went on to provide further information with regard to the program and the specific request being presented to the Directors for consideration.

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

Statewide – NYS Innovation Venture Capital Fund's Technology Commercialization and Pre-Seed Company Investment Program - Authorization to Enter into Agreements for Program Funding; Authorization to Disburse Funds; and Authorization to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials"), relating to the NYS Innovation Venture Capital Fund program (the "Program"), the Corporation is authorized to enter into agreements and related documentation with the entities named in the Materials, or their affiliates, in order to provide Program funding in accordance with the Materials; and be it further

RESOLVED that the disbursement of Program funding for this set of awards covering the Upstate Regions shall not exceed the aggregate of \$5,000,000; and be it further

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

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

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

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Next, Mr. VanDeLoo, representing ESD's North Country Regional Office, presented the Lyons Falls-Lewis County Development Corporation Regional Council Awards item for the Directors' consideration.

Mr. VanDeLoo explained that the Directors were being asked to authorize ESD to make a \$1,000,000 grant to the Lewis County Development Corporation to be used for a portion of the costs of demolition of buildings at the 9.4 acre Lyons Falls brownfield site which is being redeveloped in order to create a shovel ready site for economic development.

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

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Regional Council Award – Lyons Falls (North Country Region – Lewis County) – Lewis County Development Corporation Lyons Falls Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Lewis County Development Corporation Lyons Falls Capital – Regional Council Capital Fund (Capital Grant) (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, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Lewis County Development Corporation a grant for a total amount not to exceed One Million Dollars (\$1,000,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer 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

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

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Next, Mr. Ball asked the Directors to authorize ESD to make a \$1,000,000 grant to the Research Foundation of the State University of New York in connection with the expansion of the Center for Computational Research's high performance computing and data analytics structure located within Buffalo's Center for Excellence in Bioinformatics and Life Sciences.

Mr. Ball noted that the funds will be used as reimbursement for a portion of the cost of computer infrastructure.

Mr. Ball further noted that the project was completed in October and that it has expanded the Center's ability to provide private companies with on demand, immediate access to advanced computing and storage infrastructure and consulting services.

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

Priority Project – Regional Council Award – Buffalo (Western New York Region – Erie County) – Center for Computational Research Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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hereby ordered filed with the records of the Corporation, relating to the Center for Computational Research Capital – Regional Council Capital Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; 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 The Research Foundation of the State of New York a grant for a total amount not to exceed One Million Dollars (\$1,000,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer 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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The Directors were then asked by Mr. Fayle, the Director of ESD’s Central New York Regional Office, to authorize ESD to make a \$700,000 grant in connection with the WST33 Plaza of the Arts Regional Council Awards item.

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Mr. Fayle explained that the \$700,000 grant will be used for a portion of the costs of construction and renovation in connection with the demolition of existing condemned buildings in downtown Auburn, New York and the construction of a new corporate headquarters facility to promote a business expansion.

Following the full presentation, the Acting Chair called for questions or comments.

Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Regional Council Award - Auburn (Central New York Region – Cayuga County) – WST33 Plaza of the Arts Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the WST33 Plaza of the Arts Capital -- Regional Council Capital Fund (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; 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

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make to WST33, LLC a grant for a total amount not to exceed Seven Hundred Thousand Dollars (\$700,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

Regional Council Award - Auburn (Central New York Region – Cayuga County) – WST33 Plaza of the Arts Capital – Regional Council Capital Fund (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 WST33 Plaza of the Arts Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

Mr. Fayle then presented the Ephesus Technologies LLC Project for the Directors' consideration.

Mr. Fayle further explained that the total project cost is \$585,00 and that the Directors

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were being asked to approve a grant of up to \$150,000 to be used for a portion of the cost of the purchase of machinery and equipment.

Mr. Fayle further explained that Ephesus is a women-owned business that is an LED lighting innovation company that designs, engineers and manufactures LED lighting products.

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

Regional Council Award – Priority Project – Syracuse (Central New York Region – Onondaga County) – Ephesus Technologies Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that 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 Ephesus Technologies, LLC a grant for a total amount not to exceed One Hundred and Fifty Thousand Dollars (\$150,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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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.

\* \* \*

Next, Mr. Tazewell, the Director of ESD's New York City Regional Office, presented the Pratt Institute item for the Directors' consideration.

Mr. Tazewell asked the Directors to authorize ESD to make a grant of up to \$500,000 to Pratt Institute to be used for a portion of the cost of renovations, purchase of machinery and equipment, and furniture and fixtures and equipment in connection with the expansion of the Pratt Design Incubator for Sustainable Innovation and the Brooklyn Fashion Design Accelerator at the Institute.

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

Regional Council Award – Brooklyn (New York City Region – Kings County) – Pratt Institute Capital – Regional Council Capital Fund (Capital Grant) – Findings and

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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 Pratt Institute Capital - Regional Council Capital Fund Capital Grant Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; 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 Pratt Institute a grant for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

Ms. Palmer, the Director of ESD’s Southern Tier Regional Office, asked the Directors to authorize ESD to make a grant in connection with the Chenango Place Regional Council Awards item.

Ms. Palmer asked the Directors to authorize ESD to make a grant of \$250,000 to Chenango Place, LLC to be used for a portion of the cost of construction and renovation of 6,000 square feet of commercial retail space within a 135,000 square foot mixed-use historic building.

Ms. Palmer added that the project is complete and a total of 48 market rate residential units have been created and are currently at 100 percent occupancy.

Following the full presentation, the Acting Chair called for questions or comments.

Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Regional Council Award — Priority Project—Binghamton (Southern Tier Region – Broome County) –Chenango Place Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Sections 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 Chenango Place Capital – Regional Council Capital Fund (Capital Grant) Project (the “Project”), the Corporation

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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 Chenango Place, LLC a grant for a total amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

Regional Council Award — Priority Project—(Southern Tier Region – Broome County) –  
Chenango Place Capital – Regional Council Capital Fund (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 Chenango Place Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

Next, Mr. Lee presented the Regional Council Awards Consent Calendar for the Directors' consideration.

Mr. Lee stated that there were two projects for consideration on the consent calendar and provided a synopsis of both projects.

Mr. Lee explained that the first item involves a \$100,000 grant to Calspan Corporation, a company that has been providing research and testing services in the transportation and aerospace industries for more than 70 years.

Mr. Lee added that in an effort to improve its tire testing system, the Company needed to upgrade its machinery and equipment from a hydraulic system to an electrically-driven system.

Mr. Lee further noted that the project will be completed this month and will retain 28 jobs and create ten jobs by 2016.

Mr. Lee went on to note that the second item involves a \$75,000 grant to GF Labels Development LLC, located in Washington County.

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The Company, Mr. Lee explained, has been producing data processing labels and printing materials since 1985.

Mr. Lee further explained that the company needed to expand to accommodate growth in its productions and operations and that in September 2014, it completed construction of a 6,000 square foot addition and also purchased machinery and equipment.

The total project costs, Mr. Lee added, were approximately \$608,000 and the Company is retaining nine jobs and has already created three of the four jobs to which it has committed.

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

Regional Council Capital Fund – Findings and Determinations Pursuant to Section 10 (g) of the Act; 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 Regional Council Capital Fund Projects identified below (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 Plans (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief

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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 amounts listed below from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

Regional Council Capital Fund

	Project Name	Proj #	Grantee	Assistance up to
A	Calspan Corporation Capital	X863	Calspan Corporation	\$100,000
B	Glens Falls Labels Capital	Y905	GF Labels Development, LLC	\$75,000
			TOTAL	\$175,000

and be it further

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

\* \* \*

Mr. McLeary then presented the December Non-Discretionary Projects Consent

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Calendar for the Directors' consideration. Mr. McLeary explained that there were two items to be considered and provided a synopsis of each.

Mr. McLeary explained that the first project involves a modification to a \$600,000 grant to CenterState Corporation for Economic Opportunity which was originally approved by the Directors in March 2010 for projects and programs that promote economic development in Central New York.

Mr. McLeary further explained that CenterState is seeking to reallocate a portion of the grant to purchase and install security cameras in downtown Syracuse. The security cameras, he added, are expected to promote safety and attract new businesses.

Mr. McLeary noted that this action does not involve any new funding.

Mr. McLeary then explained that the second project involves a \$6.2 million grant to Trudeau Institute for ongoing operations for the bio initiative to advance biotechnical, as well as, biomedical research in partnership with Clarkson University.

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

Community Projects Fund – Findings and Determinations Pursuant to Section 10 (g) of

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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 Community Projects Fund Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area(s); and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") 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 a grant to the party and for the amount listed previously from the Community Projects Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

Community Projects Fund – Assembly – Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	MDA – Essential New York Initiative Capital	W679	CenterState Corporation for Economic Opportunity	\$0*
	* This grant was approved by the ESD Directors on March 25, 2010. The			

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	subject request is to reallocate grant funds and does not involve new funding.			
			<b>TOTAL</b>	<b>\$0</b>

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.

\* \* \*

Capital Projects Fund – 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 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 President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to a make 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

Capital Projects Fund – Executive – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
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B	Trudeau Partnership Working Capital	Z568	Trudeau Institute, Inc.	\$6,200,000
			<b>TOTAL</b>	<b>\$6,200,000</b>

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.

\* \* \*

Director Patel then asked Ms. Santiago to present an item relating to the renewal of ESD's Insurance.

Ms. Santiago asked the Directors to authorize ESD to enter into a three year contract with two one-year extension options for brokerage services with Willis of New York, Inc.

Ms. Santiago then provided the relevant background information with regard to this request.

Following the full presentation, Director Patel asked if the \$125,000 per year was fixed or if the company received additional compensation.

Mr. Patel was advised that the amount is fixed unless a major project is added to the scope of work.

Director Patel then called for any further questions or comments. Hearing none, and

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upon motion duly made and seconded, the following resolution was unanimously adopted (It was noted for the records that Acting Chair Cephas recused himself with regard to the following resolution.):

Empire State Development – Authorization to Enter Into a Contract with to provide Insurance Brokerage 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 Willis of New York, Inc. to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a three (3) year contract with two (2) one-year extension options, at ESD’s discretion, with Willis of New York, Inc. in an amount not to exceed One Hundred Twenty Five Thousand Dollars (\$125,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

\* \* \*

Next, Ms. Shatz asked the Directors to authorize ESD to enter into a contract for environmental consulting services in connection with the redevelopment of the Arthur Kill Correctional Facility.

Ms. Shatz provided a detailed synopsis of the background information regarding this request including the process involved in selecting VHB to perform the environmental services.

Among other things, Ms. Shatz explained that the cost of this contract will be reimbursed by Broadway Stages, the developer.

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Following the full presentation, the Acting Chair called for questions or comments.

Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

New York State Urban Development Corporation d/b/a Empire State Development – New York (Richmond County) — Arthur Kill Correctional Facility - Authorization to Enter into a Contract for Environmental Consulting Services in Connection with the Redevelopment of the Arthur Kill Correctional Facility

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BE IT RESOLVED, that based upon the materials presented to this meeting and ordered held with the records of the Corporation (the “Materials”), the Corporation hereby finds VHB 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 VHB to act as ESD’s environmental consultant for the Project in an amount not to exceed \$255,200 inclusive of fees, expenses, and contingency, substantially upon the terms set forth in the Materials; 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 carry out the foregoing resolutions.

\* \* \*

The Acting Chair then asked Ms. Axelrod to present an item relating to the Procurement of legal services in connection with the disposition of two parcels of land in Kings County.

Ms. Axelrod explained that the Directors were being asked to authorize ESD to amend its contract with the law firm of Gonzalez Saggio & Harlen in an amount not to exceed \$300,000 to continue to provide advice on real estate, environmental and other related legal matters in connection with ESD’s participation in the sale of property.

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Following the full presentation, the Acting Chair called for questions or comments.

Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT - Authorization to Amend a Contract with the Law Firm of Gonzalez Saggio & Harlan to Provide Legal Services in Connection with Disposition of Two Non-Contiguous Parcels of Undeveloped Land Within the Brooklyn Development Center in Brooklyn, NY (the "Fountain Property") and to Take Related Actions

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RESOLVED, that in accordance with the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation (the "Materials"), the Corporation hereby finds the law firm of Gonzalez Saggio & Harlan ("Counsel") to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter amend a contract with Counsel in an amount not to exceed \$300,000, 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 and Chief Executive Officer and 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 to take all such actions as may be necessary or appropriate to effectuate the foregoing. Any actions previously taken by the Corporation or Counsel consistent with this authorization are hereby ratified and affirmed.

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Next, Mr. Cohen presented the MWBE quarterly report.

The Directors were then asked by the Acting Chair to consider the approval of Connect NY Broadband Consent Calendar based upon their review of the previous provided materials.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Following the full presentation, the Acting Chair called for questions or comments.

Hearing none, and upon motion duly made and seconded, the following resolution was

unanimously adopted:

NY Works and Regional Council Capital Fund – Findings and Determinations Pursuant to Section 10 (g) of the Act; 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 NY Works and Regional Council Capital Fund Projects identified below (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 Plans (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 amounts listed below from the NY Works and Regional Council Capital Fund funds, 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 grant 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

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approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals;

Regional Council Capital Fund

	Project Name	Proj #	Grantee	Assistance up to
A	Broadband Extension Project, Phase II	Z239	Southern Tier Network, Inc.	\$5,000,000
			TOTAL	\$5,000,000

NY Works

	Project Name	Proj #	Grantee	Assistance up to
B	Connecting the Capital Region	Y598	Hudson Valley Wireless	\$2,042,177
			TOTAL	\$2,042,177

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.

\* \* \*

Acting Chair Cephas then called for a motion to conduct and Executive Session pursuant to paragraph (d) & (h) of subdivision 1 of Section 105 of the New York State Open Meetings Law. Upon motion duly made and seconded, the following resolution was adopted:

EXECUTIVE SESSION – Pursuant to Paragraph (d) & (h) of Subdivision 1 of Section 105 of the New York State Open Meetings Law

RESOLVED, that the Directors conduct an Executive Session to consider matters pertaining to paragraph (d) & (h) of Subdivision 1 of Section 105 of the New York State Open Meetings Law.

\* \* \*

**DRAFT – SUBJECT TO REVIEW AND REVISION**

All persons were requested to leave the room with the exception of the Directors and members of the senior staff. The Executive Session ended at 12:01 p.m. It was noted for the record that no votes were taken during the Executive Session.

There being no further business, the meeting was adjourned at 12:01 p.m.

Respectfully submitted,

Eileen McEvoy  
Corporate Secretary

# Empire State Development

## FOR CONSIDERATION

January 15, 2015

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Discretionary Projects Consent Calendar

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

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Attached is a summary of a discretionary projects requesting ESD assistance of \$100,000 and under in the following category:

### Economic Development Purposes Fund

	Project Name	Proj #	Grantee	Assistance up to
A	Faradyne Motors Capital	X980	Faradyne Motors, LLC	\$65,000
			<b>TOTAL</b>	<b>\$65,000</b>

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 ("ESD" or the "Corporation")

### Environmental Review

Unless otherwise noted on a project summary, ESD staff has determined that the project 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 project.

### Office of Contractor and Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Supplier Diversity policy will apply to the project. In the case of training, global export market service and productivity improvement projects, the grantees and/or the beneficiary companies, as applicable, shall use their good faith efforts 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 specified in the project summary, grantees shall use their good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 23% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 13% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantee shall use good faith efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by 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 the project does not directly create jobs.

### Statutory Basis - Economic Development Purposes Fund

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

Attachments

New York State Map  
Resolutions  
Project Summary

January 15, 2015

Economic Development Purposes Fund – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a 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 Economic Development Purposes Fund Project identified below (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, 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 amounts listed below from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

Economic Development Purposes Fund

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	Faradyne Motors Capital	X980	Faradyne Motors, LLC	\$65,000
			<b>TOTAL</b>	<b>\$65,000</b>

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. Faradyne Motors Capital (X980)

January 15, 2015

### General Project Plan

**Grantee:** Faradyne Motors, LLC ("Faradyne" or the "Company")

**ESD Investment:** A grant of up to \$65,000 to be used for a portion of the cost of the purchase of new machinery and equipment.

**Project Location:** 2077 Division Street, Palmyra, Wayne County

**Proposed Project:** Leasehold improvements and the purchase of machinery and equipment as part of expansion into new product lines.

**Project Type:** Business expansion involving job retention and creation.

**Regional Council:** The Finger Lakes Regional Economic Development Council has been made aware of this item. The project is consistent with the Regional Plan to create manufacturing and supporting jobs in the region through economic investment to optimize business creation, retention and expansion.

**Employment:**

Initial employment at time of ESD Incentive Proposal:	6
Current employment level (Permanent Full Time):	15
Minimum employment on January 1, 2016:	22

### **Background:**

Industry – The Company manufactures electric motors for submersible pumps, and has begun to expand into the agricultural submersible motor market.

Company History - Faradyne Motors (originally Success Enterprises) was created in 2005 as a joint venture between Xylem, Inc. (formerly ITT, including the Goulds Pumps brand) and Pentair plc ("Pentair") to manufacture submersible motors for their North American markets.

Ownership – The Company is privately held, with 50% owned by Xylem, Inc. ("Xylem"), headquartered in Rye Brook, NY, and 50% owned by Pentair plc, headquartered in Manchester, United Kingdom.

Size – In addition to Faradyne's headquarters, production, and R&D facility in Palmyra, NY, the Company maintains a production facility in Suzhou, China.

Market – Faradyne's motors are used for Xylem's and Pentair's pumps serving the North

## Faradyne Motors Capital (X980)

January 15, 2015

American market and are used in applications such as agriculture, residential, oil, and gas.

ESD Involvement – In 2012, the Company, then located in Newark, NY, needed to expand its product line offering and considered a site in Palmyra, NY, and in China. In order to lower costs and make the project feasible in New York, ESD offered a grant of \$100,000, which the Company accepted in August 2012. The grant was subsequently reduced to \$65,000 due to Faradyne’s need to outsource some of the sub-assembly components in order to meet customer demand, resulting in a decrease in capital expenditures and projected employment. In October 2012, the Company moved its operations to leased space in Palmyra. Without ESD’s assistance to lower costs, the feasibility of the Company remaining in New York was at risk.

Competition – Suzhou, China

Past ESD Support – In 2005 and 2006, ESD approved grants of \$100,000 and \$250,000, respectively, to Success Enterprises (Faradyne’s original name) for capital equipment when the Company was newly formed. The projects were successfully completed. Of the \$250,000 grant, \$150,000 was repaid to ESD due to lower than required employment.

### The Project:

Completion – October 2014

Activity – The Company has renovated approximately 35,000 square feet of leased space for offices, R&D, manufacturing and warehouse uses, and installed capital equipment and tooling for a submersible motor assembly line.

Results – The project will retain six jobs at risk and create 16 new jobs. The Company has already created nine new jobs.

Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$841,809, which exceed the cost to the State.

Financing Uses	Amount	Financing Sources	Amount	Percent
		ESD Grant	\$65,000	2%
Construction/Renovation	\$370,000	WCIDA Loan-to-Grant*	\$100,000	2%
Machinery & Equipment	2,200,000	NYSEG Grant**	\$210,000	5%
Tooling	1,500,000	Company Equity	3,695,000	91%
Total Project Costs	\$4,070,000	Total Project Financing	\$4,070,000	100%

\* Wayne County Industrial Development Agency loan-to-grant with term of 3 years at 2% if employment goals are not met.

\*\*New York State Electric and Gas grant for electrical infrastructure improvements

**Faradyne Motors Capital (X980)**

January 15, 2015

Grantee Contact - Juan R. Lugo, Controller  
2077 Division Street  
Palmyra, NY 14522  
Phone: (315) 502-0125

<u>Project Team</u> -	Origination	Helen Blum
	Project Management	Edward Muszynski
	Contractor & Supplier Diversity	Vikas Gera
	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 \$65,000 capital grant (\$650) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$65,000 will be disbursed to the Grantee in two installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$32,500) upon documentation of construction, machinery, equipment and tooling project costs

**Faradyne Motors Capital (X980)**

January 15, 2015

totaling \$4 million, substantially as described in these materials, including a copy of the lease for the Project Location and documentation of the employment of at least 18 Full-time Permanent Employees at the Project Location (Employment Increment of 12), assuming that all project approvals have been completed and funds are available;

- b) a Second Disbursement of an amount equal to 50% of the grant (\$32,500) will be disbursed upon documentation of the employment of at least 22 Full-time Permanent Employees at the Project Location (Employment Increment of 4), 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 August 10, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

- 6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$65,000, 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;

**Faradyne Motors Capital (X980)**

January 15, 2015

- (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	6
<b>A</b>	<b>B</b>
Reporting Date	Employment Goals
February 1, 2016	6+X+Y
February 1, 2017	6+X+Y
February 1, 2018	6+X+Y
February 1, 2019	6+X+Y

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=12, and Employment Goals shall equal [6 + X = 18] 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=4, and Employment Goals shall equal [6 + X + Y = 22] 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.

**Non-Discrimination and Contractor & Supplier Diversity:**

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 10% and a Women Business Enterprise ("WBE") Participation Goal of 20% related to the total value of ESD's funding.

**Statutory Basis – Economic Development Purposes Fund:**

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

## FOR CONSIDERATION

January 15, 2015

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Syracuse (Central New York Region – Onondaga County) – Nojaim Capital – Regional Council Capital Fund (Capital Grant)

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

---

### General Project Plan

#### I. Project Summary

Grantee: Nojaim, Inc. (“Nojaim Brothers Supermarket” or the “Company”)

ESD\* Investment: A grant of up to \$1,000,000 to be used for a portion of the cost of construction, renovation and purchase of machinery & equipment.

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

Project Location: 307 Gifford Street, Syracuse, Onondaga County

Proposed Project: Construction, renovation and purchase of machinery and equipment for the creation of a health center in a building next to the existing food market and redesign of the current food market.

Project Type: Business expansion involving job retention

Regional Council: The project is consistent with the Central New York Regional Economic Development Council’s Plan to promote agribusiness and food processing to provide healthy food choices.

Employment:	Initial employment at time of ESD Incentive Proposal:	43
	Current employment level:	43
	Minimum employment through January 1, 2017:	43

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Real Estate Acquisition	\$60,000
Construction/Renovation	1,298,099
Infrastructure/Site Work	100,000
Machinery and Equipment Acquisition	716,952
Professional Services/10% Contingency	<u>341,500</u>

Total Project Costs \$2,516,551

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$1,000,000	40%
County of Onondaga	200,000	8%
Syracuse University	100,000	4%
National Foundation	200,000	8%
Company Equity	<u>1,016,551</u>	<u>40%</u>

Total Project Financing \$2,516,551 100%

III. Project Description

A. Company

Industry: Urban Food Market

Company History: Founded in 1919, Nojaim Brothers Supermarket is owned and operated by the third generation of the Nojaim family and has been serving Syracuse's Near Westside neighborhood for over 90 years. Nojaim is the anchor in a severely distressed community, where residents have limited access to healthy food. The Company has been committed to serving the Syracuse area throughout the years by partnering with local organizations and agencies in order to provide health services and healthier food options.

Ownership: The Company is privately held.

Size: All facilities located in Syracuse, NY.

Market: The Company provides fresh produce and food in Central New York.

ESD Involvement: The Company applied to Round I of the Consolidated Funding Application (“CFA”) to help fill a funding gap to remodel its current supermarket and include more fresh food, health education, health screenings and access to healthcare. The project was identified as a priority project by the Central New York Regional Economic Development Council and was awarded a \$1,000,000 grant. The project will serve as a model for urban agriculture, using a collaboration of private business, a regional health institution and a major university to address food deserts in an urban center.

Competition: N/A

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

B. The Project

Completion: October 2014

Activity: The Company added 3,000-square-feet, expanding its Syracuse supermarket facility to 24,300-square-foot. The facility will support the community’s demand for fresh food, healthcare and health education in one of Syracuse’s poorest neighborhoods. The Company partnered with St. Joseph’s Hospital to remodel the supermarket to stress the importance of healthy food choices through the building design, as well as offer seminars on nutrition, health screening and access to health professionals. The health center will be in a contiguous building.

Results: Retain 43 existing jobs.

Business Investment

Project: Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

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

- Fiscal benefits to NYS government from the project are estimated at \$1,412,035;
- Fiscal cost to NYS government is estimated at \$1,000,000;
- Project cost to NYS government per direct job is \$20,852;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$15,842;
- Ratio of project fiscal benefits to costs to NYS government is 1.41:1;
- Fiscal benefits to all governments (state and local) are estimated at \$2,382,467;
- Fiscal cost to all governments is \$1,000,000;
- All government cost per direct job is \$20,852;
- All government cost per total job is \$15,842;
- The fiscal benefit to cost ratio for all governments is 2.38:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$10,539,767, or \$166,968 per job (direct and indirect);
- The economic benefit to cost ratio is 10.54:1;
- Project construction cost is \$1,739,600 which is expected to generate 16 direct job year and 10 indirect job year of employment;
- For every permanent direct job generated by this project, an additional 0.32 indirect job are anticipated in the state's economy;
- The payback period for NYS costs is 1 year.

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

Grantee Contact: Paul Nojaim, President  
307 Gifford Street  
Syracuse, NY 13204-3201  
Phone: (315) 475-3441

ESD Project No.: X778

Project Team:	Origination	Bonnie Palmer
	Project Management	Jared Walkowitz
	Contractor & Supplier Diversity	Vikas Gera
	Finance	John Bozek
	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 \$1,000,000 capital grant (\$10,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$1,000,000 will be disbursed to the upon documentation of project costs totaling \$2,500,000, upon completion of the project substantially as described in these materials including a Certificate of Occupancy or other documentation verifying project completion, and documentation of the employment of at least 43 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 reimbursed by ESD's grant must be incurred on or after May 29, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

6. 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 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	43
<b>A</b>	<b>B</b>
Reporting Date	Employment Goals
February 1, 2016	43
February 1, 2017	43

IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2011-2012 New York State budget and reappropriated in the 2012-2013, 2013-2014 and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 23%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 13% and a Women Business Enterprise ("WBE") Participation Goal of 10% related to the total value of ESD's funding.

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 Photographs  
Project Finance Memorandum  
Benefit-Cost Analysis

January 15, 2015

Regional Council Award – Priority Project – Syracuse (Central New York Region – Onondaga County) – Nojaim Capital – Regional Council Capital Fund Capital – Findings and Determinations Pursuant to 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 Nojaim Capital - Regional Council Capital Fund (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; 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 Nojaim, Inc. a grant for a total amount not to exceed One Million Dollars (\$1,000,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*



# Empire State Development

## FOR CONSIDERATION

January 15, 2015

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Syracuse (Central New York Region – Onondaga County) – SUNY ESF Biomass Cooperative Innovation Center Capital – Regional Council Capital Fund (Capital Grant)

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

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### General Project Plan

#### I. Project Summary

Grantee: The Research Foundation for the State University of New York ("SUNY RF") on behalf of the SUNY College of Environmental Science and Forestry

Beneficiary: SUNY College of Environmental Science and Forestry ("ESF" or the "College")

ESD\* Investment: A grant of up to \$245,000 to be used for a portion of the cost of construction and the purchase of machinery and equipment

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

Project Location: SUNY ESF, 1 Forestry Drive, Syracuse, Onondaga County

Proposed Project: Finish and equip a biomass innovation center on ESF's campus to create a pilot pellet plant to convert wood to energy.

Project Type: University-industry innovation center

Regional Council: The project is consistent with the Central New York Regional Economic Development Council's Plan to: (1) strengthen targeted industry concentrations that leverage unique economic assets; (2) improve competitiveness in, and connections to, the regional, national, and global economies; and (3) revitalize the region's urban cores, main streets, and neighborhoods. The ESF Biomass Cooperative Innovation Center will provide business and other community members access to biomass processing and biofuel processing equipment and resources; enhance the ability of area businesses partners to compete globally; and provide opportunities in the City of Syracuse's urban core.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Building Construction	\$214,340	
Power System/Biomass Boiler	1,002,638	
Machinery & Equipment	<u>244,660</u>	
Total Project Costs	<u>\$1,461,638</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$245,000	17%
Grantee Equity*	<u>1,216,638</u>	<u>83%</u>
Total Project Financing	<u>\$1,461,638</u>	<u>100%</u>

\*Source is SUNY Construction Fund

III. Project Description

A. Organization

Industry: Research and educational institution

Organizational History: Established in 1951, SUNY RF is an educational corporation that administers externally funded contracts and grants for and on behalf of the State University of New York. It is a separate not-for-profit corporation, and as such is not supported by state appropriated tax dollars. SUNY RF provides the administrative flexibility to respond quickly to the special demands of externally funded contracts and grants in a manner that facilitates their scientific or technical execution.

Ownership: SUNY RF is a private, 501(c)(3) not-for-profit educational corporation.

Size: SUNY RF has over 17,000 employees statewide.

**ESD Involvement:** In response to the College’s sustainability goals and the need to foster research, education and business development in Central New York, ESF developed a Biomass Cooperative Innovation Center (the “Center”), but it was not fully completed or equipped to support new small-scale biomass processing. As a result of the Governor’s Regional Economic Development Council initiative, in 2012 SUNY RF, on behalf of ESF, was awarded a \$245,000 capital grant through the Consolidated Funding Application (“CFA”) process to make the Center fully operational.

**Competition:** N/A

**Past ESD Support:** Funding for the past five years to the Research Foundation for SUNY is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration)	Purpose/Site
Upstate Regional Blueprint Fund	X076	\$5,000,000	March 23, 2011	Complete; December 31, 2018 contact expiration	Machinery & equipment at Smart System Technology Commercialization Center, Canandaigua
Buffalo Regional Innovation Cluster	Z200	\$30,000,000	June 27, 2014	Ongoing	Advanced manufacturing equipment at University of Buffalo
	Z206	\$15,000,000	July 17, 2014	Ongoing	Working capital for Genome Medicine and Big Data Center at University of Buffalo
	Z207	\$32,500,000	July 17, 2014	Ongoing	Machinery & equipment for Genome Medicine and Big Data Center at University of Buffalo
	Z353	\$1,122,500	August 27, 2014	Ongoing	Machinery & equipment for Burgard High School at College of Technology at Alfred State
	Z387	\$2,077,500	August 27, 2014	Ongoing	Working capital for Burgard High School at College of Technology at Alfred State

**B. The Project**

**Completion:** October 2014

Activity: ESF completed interior construction of the Biomass Cooperative Innovation Center, including carpentry, electrical work and interior finishes. The College also installed a trailer-mounted mobile pellet mill and a biomass chipper.

Results: The project will produce 10 to 20 tons of wood pellets annually in a demonstration/research/educational setting. Students will be trained on how to manufacture pellets while optimizing costs, and conduct research on new pellet products. Additionally, the biomass boiler will convert approximately 2,000 tons of locally produced pellets into steam to power the ESF campus. ESF has a sustainability goal of becoming carbon neutral. The project will help offset approximately 15 to 18% of the College's greenhouse gas emissions, saving it over \$200,000 annually.

The Center and existing agri-forestry research at SUNY ESF provide comprehensive resources for education, research and business development in Central New York. The Center supports research/business development in biomass drying, conversion of agricultural wastes to usable products, and expansion of biomass pellet inputs. Direct job creation is estimated to be 1 FTE in the operation of the Center. In addition, the development of new businesses and enhanced use of biomass is expected to indirectly support the retention or creation of 2-3 FTEs.

#### Economic Growth

Investment Project: Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

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 \$41,274;
- Fiscal cost to NYS government is estimated at \$245,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.17:1;
- Fiscal benefits to all governments (state and local) are estimated at \$70,155;

- Fiscal cost to all governments is \$245,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.29:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$377,349;
- The economic benefit to cost ratio is 1.54:1;
- Project construction cost is \$214,000 which is expected to generate two direct job years and one indirect job years of employment;
- The payback period for NYS costs is not calculated.

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

Grantee Contact: Justine Gordon, Associate Director, Grants & Contracts Administration  
33 State Street  
Albany, NY 12201  
Phone: (518) 434-7105

Beneficiary Contact: Michael Kelleher, Director of Renewable Energy Systems  
1 Forestry Drive  
Syracuse, NY 13210  
(315) 470-4934

ESD Project No.: Y354

Project Team:	Origination	Raymond Lawrence
	Project Management	Edward Muszynski
	Contractor & Supplier Diversity	Vikas Gera
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$245,000 capital grant (\$2,450) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Grantee 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 Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Up to \$245,000 will be disbursed to Grantee upon documentation of construction and machinery and equipment project costs totaling \$1,461,638, substantially as described in these materials, as evidenced by a certificate of occupancy, 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. Expenditures reimbursed by ESD grant funds must be incurred after December 19, 2012. Matching costs may be incurred after July 16, 2012. All disbursements must be requested by April 1, 2016.
6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$245,000, 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.
7. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer 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 transfer 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 transfer occurred in the second full calendar year after the disbursement was made;
  - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
  - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
  - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

#### IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Environmental Review

ESD staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New

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

VI. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned businesses (MWBES) in the performance of ESD projects. For purposes of this project, however, goals will not be established due to the unavailability of certified MWBES for performance of this contract.

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions  
New York State Map  
Project Photographs  
Benefit-Cost Analysis

January 15, 2015

Regional Council Award – Priority Project – Syracuse (Central New York Region – Onondaga County) – SUNY ESF Biomass Cooperative Innovation Center Capital – Regional Council Capital Fund – Findings and Determinations Pursuant to Section 16-10 (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 SUNY ESF Biomass Cooperative Innovation Center Capital – Regional Council Capital Fund Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; 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 The Research Foundation for the State University of New York (“SUNY RF”) on behalf of the SUNY College of Environmental Science and Forestry a grant for a total amount not to exceed Two Hundred Forty-Five Thousand Dollars (\$245,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

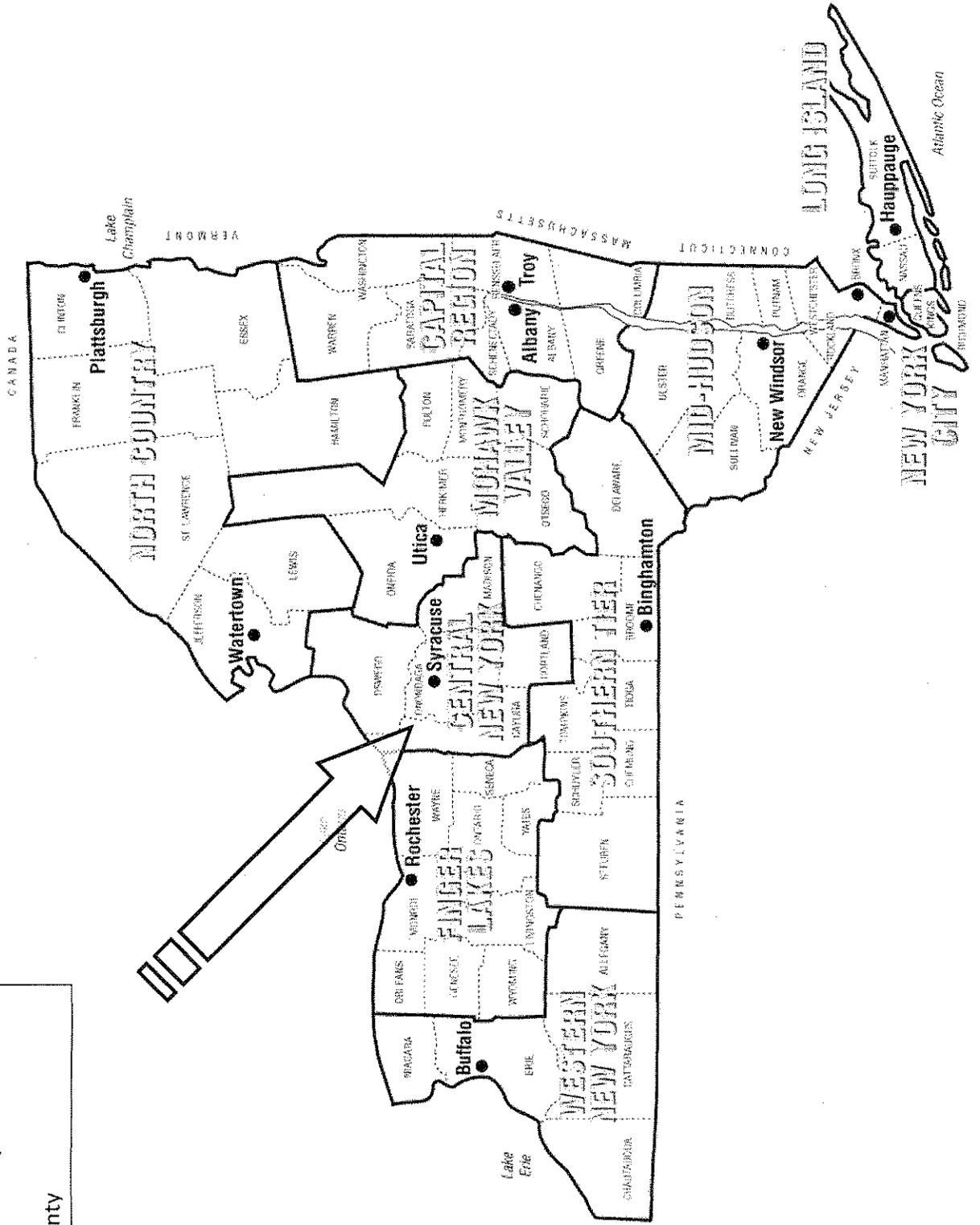
RESOLVED, that the President and Chief Executive Officer or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration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

\* \* \*

**SUNY ESF Biomass Cooperative  
Innovation Center Capital  
Syracuse  
Onondaga County**



# Empire State Development

FOR CONSIDERATION

January 15, 2015

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Aurelius (Central New York Region – Cayuga County) – TRW Automotive Capital – Regional Council Capital Fund (Capital Grant)

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

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## General Project Plan

### I. Project Summary

Grantee: TRW Automotive U.S. LLC (“TRW” or the “Company”)

ESD\* Investment: A grant of up to \$200,000 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 Empire State Development (“ESD” or the “Corporation”)

Project Location: 2150 Cranebrook Drive, Aurelius, Cayuga County

Proposed Project: Upgrade outdated equipment and undertake related plant renovations

Project Type: Business expansion involving job retention and creation

Regional Council: The project is consistent with the Central New York Regional Economic Development Council’s Plan to: (1) strengthen targeted industry concentrations that leverage unique economic assets; (2) improve competitiveness in, and connections to, the regional, national, and global economies; and (3) revitalize the region’s urban cores, main streets, and neighborhoods.

Employment:	Initial employment at time of ESD Incentive Proposal:	357
	Current employment level:	375
	Minimum employment on January 1, 2017:	369

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Building Renovations	\$150,000	
Machinery & Equipment	<u>1,835,000</u>	
Total Project Costs	<u>\$1,985,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$200,000	10%
Company Equity	<u>1,785,000</u>	<u>80%</u>
Total Project Financing	<u>\$1,985,000</u>	<u>100%</u>

III. Project Description

A. Company

**Industry:** TRW Automotive U.S. LLC manufactures remote door controls and tire pressure sensors for automobiles and trucks in its suburban Auburn plant in the Town of Aurelius. The Auburn facility has a global customer base with exports to Korea, Japan, China, and Europe.

**Company History:** The Company's roots go back to the early 1900s, when TRW's predecessor company was created. When Northrup Grumman purchased TRW in 2002, it sold TRW's automotive division to the private equity firm, Blackstone Group. The Company's parent, TRW Automotive Holdings Corp., went public in 2004.

**Ownership:** The Company is a wholly owned subsidiary of a publicly traded company. Its parent is traded on the New York stock exchange.

**Size:** Headquartered in Livonia, Michigan, the Company's operations encompass approximately 200 facilities with over 66,000 employees in 26 countries.

**Market:** The Company is one of the world's largest suppliers of automotive systems, modules and components to automotive original equipment manufacturers and related aftermarkets. Customers include all major automobile companies. Competitors include Autoliv, Delphi, and Bosch.

ESD Involvement: In response to increased demand, TRW needed to upgrade its outdated equipment. In the past, due to inefficiencies, the Company had to outsource a portion of its printed circuit board assembly business to a sister plant in Marshall, Illinois. As a result of the Governor's Regional Economic Development Council initiative, in 2013 the Company was awarded a \$200,000 capital grant through Round 3 of the Consolidated Funding Application process, which allowed that production to be brought back to the Auburn area.

Competition: Illinois

Past ESD Support: ESD assisted the Company in 2000, with two grants totaling \$71,700 for training and factory optimization. The projects, which did not have job requirements, were successfully completed and the grants disbursed.

B. The Project

Completion: September 2014

Activity: The Company equipped its 75,000-square-foot facility with six new state-of-the-art Panasonic CM 602 surface mount machines, which have precision robotics to place devices onto printed circuit boards. TRW also undertook renovations to electrical and other building systems to accommodate this new technology.

Results: The project will retain 357 existing jobs and create 12 new jobs. The Company has already exceeded that number, having hired 18 new employees. The facility will support new customer demand for Chrysler, Toyota, Hyundai, and Honda vehicles.

Business Investment

Project: Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

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

- Fiscal benefits to NYS government from the project are estimated at \$1,769,654;
- Fiscal cost to NYS government is estimated at \$200,000;
- Project cost to NYS government per direct job is \$12,500;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$11,807;
- Ratio of project fiscal benefits to costs to NYS government is 8.85:1;
- Fiscal benefits to all governments (state and local) are estimated at \$3,051,000;
- Fiscal cost to all governments is \$200,000;
- All government cost per direct job is \$12,500;
- All government cost per total job is \$11,807;
- The fiscal benefit to cost ratio for all governments is 15.25:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$14,407,677, or \$850,542 per job (direct and indirect);
- The economic benefit to cost ratio is 72.04:1;
- Project construction cost is \$150,000 which is expected to generate one direct job year and one indirect job year of employment;
- For every permanent direct job generated by this project, an additional 0.06 indirect job are anticipated in the state's economy;
- The payback period for NYS costs is 1 year.

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

Grantee Contact: Kevin Langford, Controller  
2150 Cranebrook Drive  
Auburn, NY 13021  
Phone: (585) 258-3569

ESD Project No.: Y790

Project Team:	Origination	Raymond Lawrence
	Project Management	Edward Muszynski
	Contractor & Supplier Diversity	Vikas Gera
	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 be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute 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 \$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 documentation of renovation/machinery and equipment project costs totaling \$1,985,000, substantially as described in these materials, and documentation of the employment of at least 357 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 (\$50,000) will be disbursed upon documentation of the employment of at least 363 Full-time Permanent Employees at the Project Location (Employment Increment of 6), 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 369 Full-time Permanent Employees at the Project Location (Employment Increment of 6), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 11, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

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	357
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A	B
Reporting Date	Employment Goals
February 1, 2016	357+X+Y
February 1, 2017	357+X+Y
February 1, 2018	357+X+Y
February 1, 2019	357+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=6, and Employment Goals shall equal  $357 + X = 363$ ] 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=6, and Employment Goals shall equal  $[357 + X + Y = 369]$  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 – Regional Council Capital Fund

The project was authorized in the 2013-2014 New York State budget and reappropriated in the 2014-2015 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Environmental Review

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

#### VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprises ("MWBEs") for any contractual opportunities generated in connection with the project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 20% related to the total value of ESD's funding.

#### 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  
Benefit-Cost Analysis

January 15, 2015

Regional Council Award – Priority Project – Aurelius (Central New York Region – Cayuga County) – TRW Automotive Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the TRW Automotive Capital -- Regional Council Capital Fund (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; 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 TRW Automotive U.S. LLC a grant for a total amount not to exceed Two Hundred Thousand Dollars (\$200,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

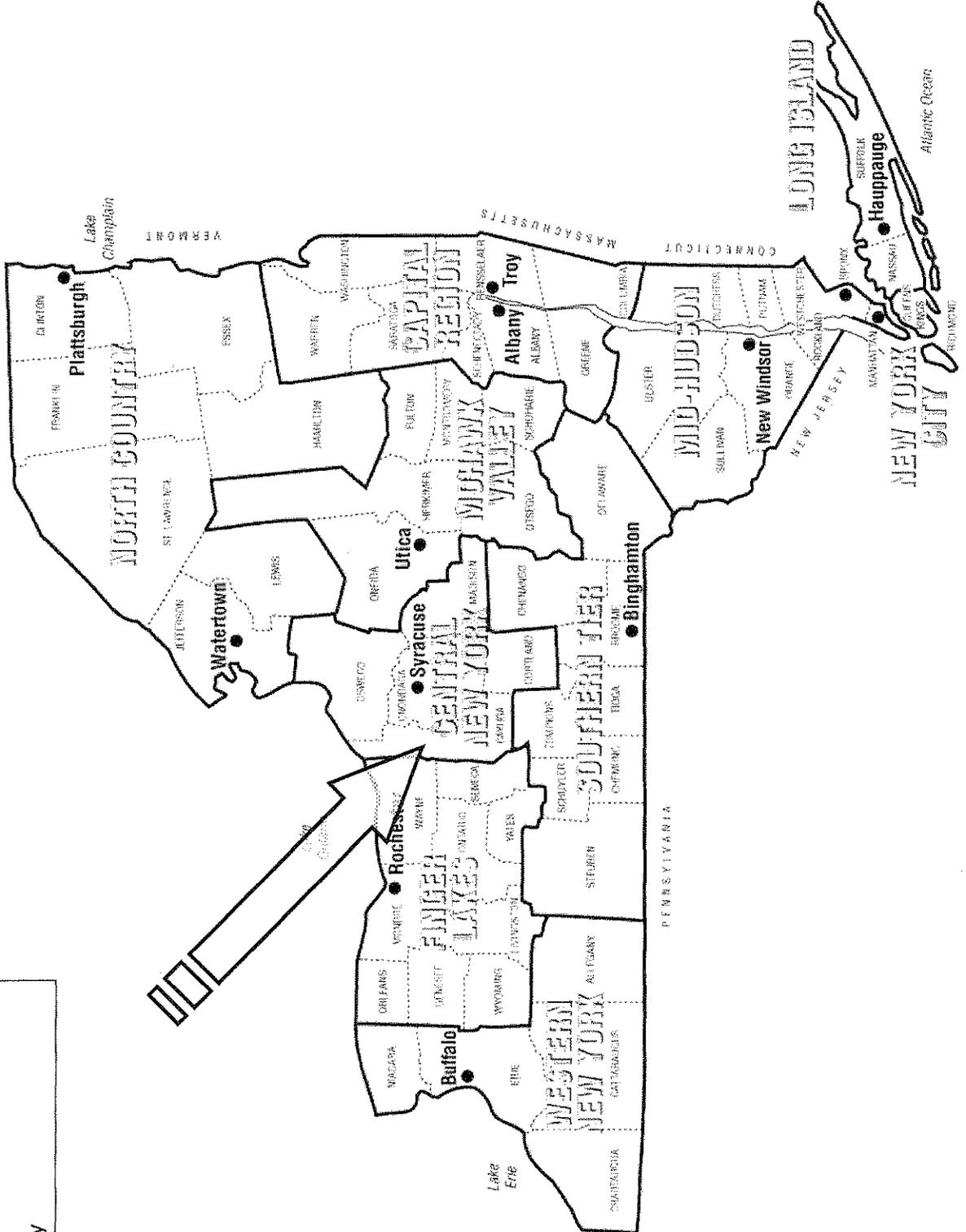
RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in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

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

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

\* \* \*

TRW Automotive Capital  
Aurelius  
Cayuga County



# Empire State Development

FOR CONSIDERATION

January 15, 2015

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Olean (Western New York Region – Cattaraugus County) – North Union Street Redevelopment Capital – Regional Council Capital Fund (Capital Grant)

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

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## General Project Plan

### I. Project Summary

Grantee: City of Olean (“Olean” or the “City”)

ESD\* Investment: A grant of up to \$800,000 to be used for a portion of the cost of street and streetscape design and reconstruction.

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

Project Locations: 100-500 North Union Street (“North Union”), Olean, Cattaraugus County

Proposed Project: Redevelopment of North Union and corresponding streetscapes

Project Type: Road reconstruction

Regional Council: The Priority Project is consistent with the Western New York Regional Economic Development Council (“WNY REDC”) Plan to promote downtown revitalization, sustainability and smart growth.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Design	\$1,628,484
Street and Streetscape Reconstruction	<u>7,795,453</u>
Total Project Costs	<u>\$9,423,937</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$800,000	8%
Federal (TIGER)-Grant	6,500,000	68%
NYS Department of Transportation Consolidated Local Street and Highway Improvement Program (CHIPS)-Grant	695,453	7%
Grantee Equity	<u>1,428,484</u>	<u>17%</u>
Total Project Financing	<u>\$9,423,937</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: N/A

Grantee History: Olean, established in 1823, is the major commerce and industrial center for Cattaraugus County. Between 1830 and 1850, Olean was known for timber production and as a major hub of rail travel. For a short time, the City was the world's largest oil depot and the home of oil executive and NYS Governor, Frank W. Higgins. Olean's key location along the Allegany River, combined with the establishment of rail service, resulted in the development of a strong industrial corridor. Over the years, with the decline of rail and water-based transportation, the City experienced an erosion of its manufacturing base as companies closed, consolidated operations, or moved out of state.

In 2011, the City adopted the Olean Urban Renewal Plan to identify unmet community needs while addressing issues involving preserving neighborhood character, promoting diverse housing, facilitating redevelopment and encouraging local employment. Additionally, the City formed a Downtown Restoration Task Force, which identified a vision for a walkable Olean by easing traffic flow through improving street designs.

Ownership: Public Municipality

Size: Olean employs approximately 150 full-time and 10 part-time employees.

ESD Involvement: As a result of the Governor’s REDC Initiative, Olean was awarded \$1 million through Round 1 of the Consolidated Funding Application (“CFA”) process to fund a priority project consisting of the transformation of the historically significant, vacant and dilapidated former Manufacturers Hanover Bank (“Manny Hanny”) building into a mixed-use structure and the redesign and reconstruction of the adjacent portion of North Union, both located in the City’s downtown historic district. \$800,000 of the \$1 million CFA award will be used to redesign and reconstruct North Union, restore failing water and sanitary sewer lines to full capacity and address issues with storm water run-off. The Manny Hanny project will be brought before the ESD Directors at a later date.

Competition: N/A

Past ESD Support: Since 2004, ESD Directors have approved \$1 million in financial support to the City. ESD’s financial support to the City for the past five years is summarized in the chart below:

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Regional Council Capital Fund	X649	\$500,000	December 19, 2013	August 7, 2014	Capital – E. State Street Reconstruction

B. The Project

Completion: Design: May 2014  
Reconstruction: October 2016

Activity: The project involves the complete redesign and reconstruction of the existing street into a two-lane corridor separated by a center median with 2 lanes of angled street parking in either direction. The City will implement traffic calming techniques by reducing and narrowing lanes, constructing new, wider concrete sidewalks and bicyclist lanes, and replacing five signaled intersections with modern roundabouts. The project also includes streetscape improvements with the planting of trees, shrubbery and grass; the installation of new street lighting; the replacement of 100-year old water lines and sewer lines; and the installation of additional storm sewer lines to receive roof water which currently drains into the sanitary sewer system.

Results: The improvements will spur economic development in the central business district with new and expanded retail and light commercial venues; encourage adjacent property owners to invest in their properties; provide a more welcoming street and streetscape for residents, students, and tourists; and promote smart growth initiatives. Additionally, the project will rebuild crumbling water and sewer line infrastructure, while eliminating storm water run-off into the sanitary sewer system.

#### Infrastructure

Investment Project: Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

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 \$361,960;
- Fiscal cost to NYS government is estimated at \$800,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.45:1;
- Fiscal benefits to all governments (state and local) are estimated at \$620,419;
- Fiscal cost to all governments is \$800,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.78:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$3,267,196;
- The economic benefit to cost ratio is 4.08:1;
- Project construction cost is \$5,182,000 which is expected to generate 50 direct job years and 34 indirect job years of employment;
- The payback period for NYS costs is 1 year.

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

Grantee Contact: The Honorable William Aiello, Mayor  
Olean Municipal Building  
101 East State Street

Olean, NY 14760  
Phone: (716) 376-5615

ESD Project No.: X648

Project Team:	Origination	Diego Sirianni
	Project Management	Jean Williams
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$800,000 capital grant (\$8,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after ESD's announcement of the project. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$800,000 will be disbursed to the Grantee in two installments as follows:
  - a) an Initial Disbursement of \$200,000 upon completion of the street and streetscape design and documentation of related project expenditures of at least \$220,000, assuming that all project approvals have been completed and funding is available;
  - b) a Second Disbursement of \$600,000 upon completion of the project substantially as described in these materials and documentation of additional project expenditures of approximately \$4.962 million in street and streetscape reconstruction (aggregate total expenditure of \$5.182 million), provided the 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 reimbursed by ESD's grant must be incurred on or after December 19, 2012 to be considered eligible project costs. All disbursements may be requested simultaneously, but must be requested by April 1, 2017.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$800,000, for this project if ESD determines that the reallocation of the

assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

#### IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2011-2012 New York State budget and re-appropriated in the 2012-2013, 2013-2014, and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Environmental Review

The City of Olean Common Council, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on November 12, 2014. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Due to the area’s viability as a historic district, eligible for inclusion 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 (“OPRHP”) pursuant to Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. No further consultation is required.

#### VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (“MWBEs”) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 20% related to the total value of ESD’s funding.

#### VII. ESD Employment Enforcement Policy

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

#### VIII. Smart Growth Public Infrastructure Review

Pursuant to the requirements of the State Smart Growth Public Infrastructure Policy Act (the “SG Act”), ESD’s Smart Growth Advisory Committee has reviewed a Smart Growth Impact Statement for the project and found that the project is consistent with the State Smart Growth Public Infrastructure Criteria (“Smart Growth Criteria”). The designee of the Chief Executive Officer of the Corporation has attested that the project, to the extent practicable, meets the relevant Smart Growth Criteria set forth in the SG Act.

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

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

X. Additional Submissions to Directors

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

January 15, 2015

Regional Council Award – Priority Project – Olean (Western New York Region – Cattaraugus County) – North Union Street Redevelopment Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the North Union Street Redevelopment Capital - Regional Council Capital Fund (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; 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 the City of Olean a grant for a total amount not to exceed Eight Hundred Thousand Dollars (\$800,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

January 15, 2015

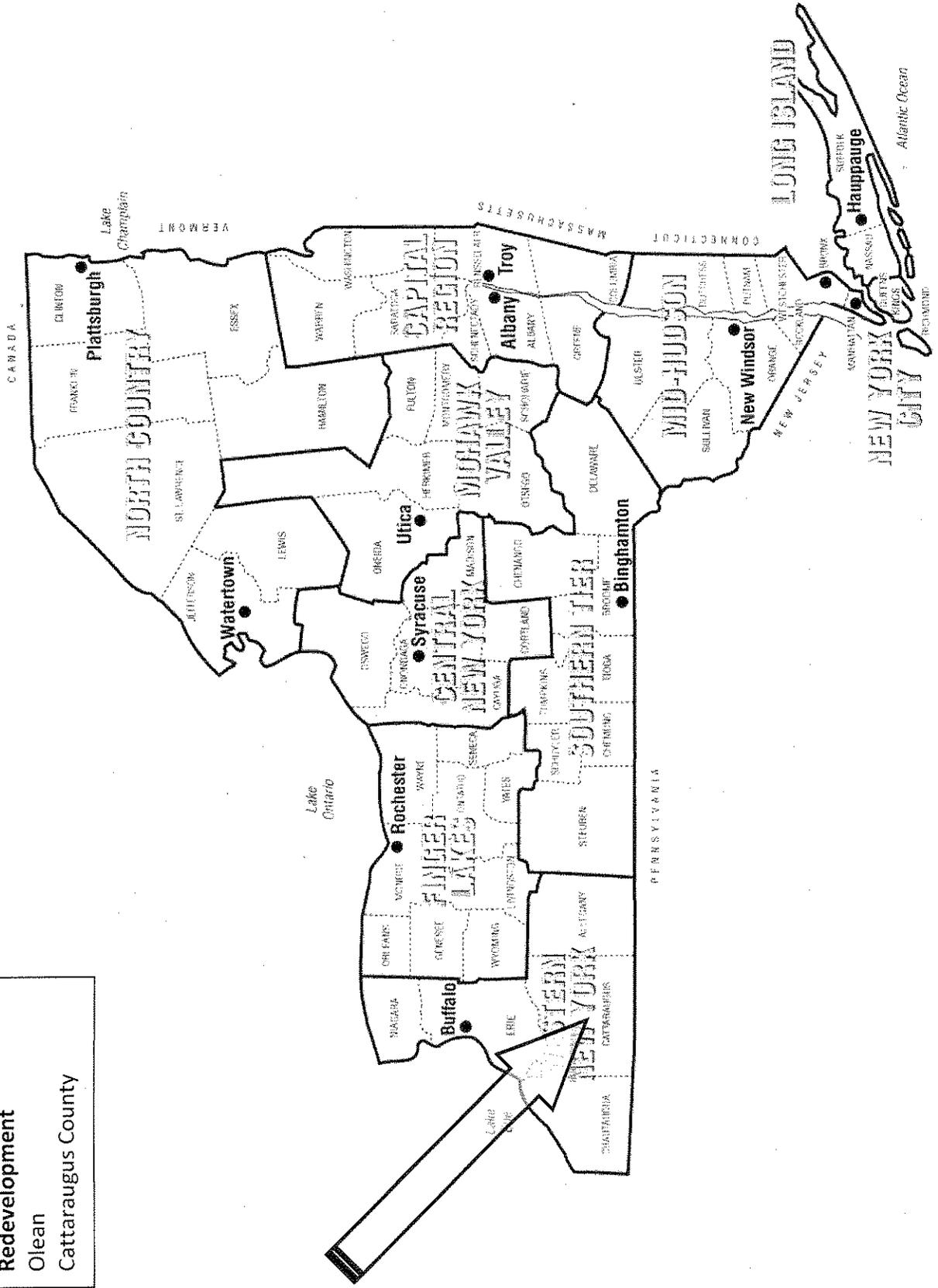
Regional Council Award – Priority Project – Olean (Western New York Region – Cattaraugus County) – North Union Street Redevelopment Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the North Union Street Redevelopment Capital – Regional Council Capital Fund (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

North Union Street  
Redevelopment  
Olean  
Cattaraugus County



# Empire State Development

## FOR CONSIDERATION

January 15, 2015

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project - Cheektowaga (Western New York Region – Erie County) – Finishing Trades Institute Capital – Regional Council Capital Fund (Capital Grant)

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

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### General Project Plan

#### I. Project Summary

Grantee: Finishing Trades Institute of Western and Central New York (“FTI”)

ESD\* Investment: A grant of up to \$500,000 to be used for a portion of the costs of building construction and renovations, as well as the acquisition and installation of machinery and equipment.

\* The New York State Urban Development Corporation doing business as Empire State Development “ESD” or the “Corporation”)

Project Location: 585 Aero Drive, Cheektowaga, Erie County

Proposed Project: Expansion of an existing training facility.

Project Type: Facility Improvement

Regional Council: The project is consistent with the Western New York (“WNY”) Regional Economic Development Council’s (“REDC”) Plan as it facilitates training of skilled tradesmen and promotes job readiness.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Machinery and Equipment Acquisition	\$105,500
Construction and Renovation	<u>681,000</u>
Total Project Costs	<u>\$786,500</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$500,000	64%
The Painters and Allied Trades Labor Management Cooperation Initiative – Grant	100,000	13%
Grantee Equity	<u>186,500</u>	<u>24%</u>
Total Project Financing	<u>\$786,500</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: FTI provides job training to Painters & Allied Trades International Union District Council 4 members, which is a local extension of the International Union of Painters and Allied Trades (“IUPAT”). FTI’s core purpose is to develop and expand a qualified and competitive workforce for finishing trades industries by offering journey worker upgrades and retraining; Occupational Safety and Health Administration approved health & safety classes; four NYS Department of Labor approved apprentice programs including Bridge and Tank Painters, Commercial Painters, Drywall Tapers and Glaziers; as well as trade and product-specific “train-the-trainer” programs to prepare instructors to effectively deliver important and up-to-date training and knowledge to tradesmen and women.

Grantee History: The IUPAT was formally organized in 1887 as The Brotherhood of Painters and Decorators of America. Today, IUPAT’s 1,500 members and 100 contractors work in the finishing trades as industrial and commercial painters, drywall finishers, wall covers, glaziers, glassworkers, billboard posters, healthcare workers, news press workers and service delivery groups. FTI was established as the education subsidiary/department of IUPAT in 1966 as the Painters’ District Council 4 Apprenticeship and Journeyman Upgrading and Retaining Trust Fund.

Ownership: The Grantee is a non-profit organization.

Size: FTI operates training facilities in Buffalo and Geneva, NY servicing 33 counties across Western, Central, and Northern New York. It presently employs six people at the Buffalo facility. The two facilities provide training to approximately 85 members who will receive 160 hours each and 200 members will receive between 16 and 64 hours each.

Market: FTI provides health, safety, apprentice and journeyman training and retraining to Painters & Allied Trades International Union District Council 4 members and contractors.

ESD Involvement: In 2012, FTI notified ESD that due to an increase in NYS approved apprentice programs over the last five years it was experiencing space constraints at its two existing training facilities and was forced to operate its largest program, the Bridge and Tank Painter Program, at a leased facility off site. FTI required a building expansion and new machinery and equipment to adequately accommodate all of its current and expanding programs but it did not have sufficient financial resources to undertake the capital investment. As a result of the Governor's REDC Initiative, FTI was awarded \$500,000 through Round 2 of the Consolidated Funding Application allowing FTI to proceed with the training facility expansion at the Buffalo facility.

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

B. The Project

Completion: September 2014

Activity: The project involved the expansion of FTI's Buffalo training facility including the construction of a 5,600-square-foot addition to an existing 5,625-square-foot existing facility; building renovations; and the acquisition and installation of new machinery and equipment including two 50 horsepower compressors, dryer, pulse machine, air cleaner, internal unfiltered spray unit, and virtual sprayers/welders to promote hands-on training without expending raw materials.

Results: The project will allow FTI to operate all training and apprenticeship programs in-house, reducing overhead and increasing oversight and efficiency. Additionally, the project will allow for an increase in the level of training and number of apprentices from 120+ to approximately 225. Upon completion of a 4,500 to 8,000 hour apprentice program, formerly

unskilled laborers will have the potential to earn starting hourly wages ranging from \$24.60 to \$35.60, plus benefits.

#### Economic Growth

Investment Project: Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

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 \$42,985;
- Fiscal cost to NYS government is estimated at \$500,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.09:1;
- Fiscal benefits to all governments (state and local) are estimated at \$75,160;
- Fiscal cost to all governments is \$500,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.15:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$567,006;
- The economic benefit to cost ratio is 1.13:1;
- Project construction cost is \$681,000 which is expected to generate six direct job years and four indirect job years of employment;
- The payback period for NYS costs is not calculated.

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

Grantee Contact: Mr. Gregory Stoner, Director of Training  
585 Aero Drive  
Cheektowaga, NY 14225-1442  
Phone: (716) 565-0112

ESD Project No.: Y147

Project Team:	Origination	Ray Witzleben
	Project Management	Jean Williams
	Contractor & Supplier Diversity	Vikas Gera
	Finance	John Bozek
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee 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 Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$500,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and documentation of building construction/renovation and machinery and equipment project costs totaling \$786,500, 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. Expenditures must be incurred on or after December 19, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.
5. The Grantee shall submit a report to ESD and the Regional Council not later than June 1st and January 1st after acceptance of the Incentive Proposal and for two full years following disbursement of grant funds. The report will comprehensively communicate all activities conducted by FTI for the previous six months. The report shall include, but not be limited to: progress on construction and percentage of project completion; and progress on M/WBE reporting requirements. At completion of the training center, FTI will also report on the number of participants that attended training classes and the number and type of certifications awarded.
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 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.

7. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds or the Grantee fails to submit required reports to ESD. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer 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 property transfer/reporting default 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 property transfer/reporting default occurred in the second full calendar year after the disbursement was made;
  - (iii) 60% of the disbursed amount if the property transfer/reporting default occurred in the third full calendar year after the disbursement was made;
  - (iv) 40% of the disbursed amount if the property transfer/reporting default occurred in the fourth full calendar year after the disbursement was made;
  - (v) 20% of the disbursed amount if the property transfer/reporting default occurred in the fifth full calendar year after the disbursement was made.

#### IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2012-2013 New York State budget and reallocated in the 2013-2014 and 2014-2015 budgets. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Environmental Review

The Town Board of the Town of Cheektowaga, 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. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (“MWBEs”) for any contractual opportunities generated in connection with the Project and shall be required to use

Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 25%. The overall goal shall include a Minority Business Enterprise (“MBE”) Participation Goal of 15% and a Women Business Enterprise (“WBE”) Participation Goal of 10% related to the total value of ESD’s funding.

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions

New York State Map

Project Photographs

Project Finance Memorandum

Benefit-Cost Analysis

January 15, 2015

Regional Council Award – Priority Project – Cheektowaga (Western New York Region – Erie County) – Finishing Trades Institute Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

---

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Finishing Trades Institute Capital – Regional Council Capital Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; 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 Finishing Trades Institute of Western and Central New York a grant for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer 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.

\* \* \*

January 15, 2015

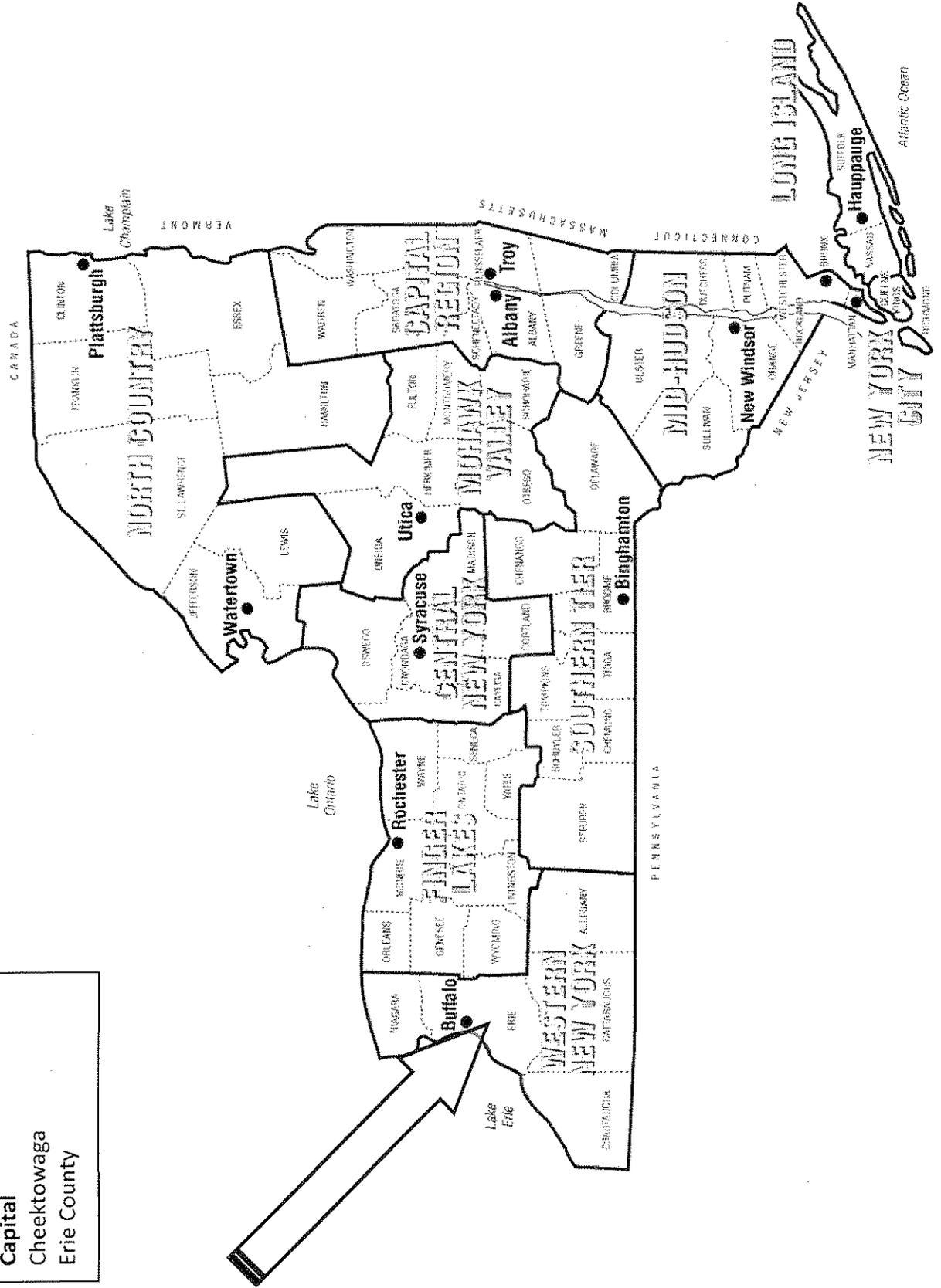
Regional Council Award – Priority Project – Cheektowaga (Western New York Region – Erie County) – Finishing Trades Institute Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Finishing Trades Institute Capital – Regional Council Capital Fund (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

**Finishing Trades Institute**  
**Capital**  
**Cheektowaga**  
**Erie County**



**Project Summary  
Benefit-Cost Evaluation<sup>1</sup>**

**Economic Growth Project  
Finishing Trades Institute**

The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

**Construction Job Years (Direct): 6**

**Construction Job Years (Indirect): 4**

Evaluation Statistics	Project Result NYS Govt.	NYS Govt. Benchmarks for ESD Projects <sup>2</sup>	Project Results State & Local Governments	State & Local Government Benchmarks for ESD Projects
Fiscal Costs <sup>3</sup>	\$500,000	\$794,250	\$500,000	\$1,020,500
Fiscal Benefits <sup>4</sup>	\$42,985	\$2,085,600	\$75,160	\$4,271,980
Fiscal B/C Ratio	0.09	3.00	0.15	10.60
	Project Results	Benchmarks for ESD Projects		
Economic Benefits <sup>5</sup>	\$567,006	\$119,468,000		
Economic B/C Ratio	1.13	20.00		

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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).

<sup>4</sup> 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 construction employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

<sup>5</sup> Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.

# Empire State Development

## FOR CONSIDERATION

January 15, 2015

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Canton (North Country Region – St. Lawrence County) – St. Lawrence County IDA Canton Business Park Capital – Regional Council Capital Fund (Capital Grant)

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

---

### General Project Plan

#### I. Project Summary

Grantee: St. Lawrence County Industrial Development Agency (the “IDA” or the “Organization”).

ESD\* Investment: A grant of up to \$470,000 to be used for a portion of the cost of building construction and site work, including access road and water-sewer infrastructure.

\* The New York State Urban Development Corporation doing business as Empire State Development (“ESD” or the “Corporation”).

Project Location: Commerce Lane, Lot 4, Canton, St. Lawrence County

Proposed Project: Construction of a multi-purpose building and infrastructure for a commercial business park.

Project Type: Building construction and infrastructure development.

Regional Council: The project is consistent with the North Country Regional Economic Development Council plan to provide the opportunity for expansion of North Country businesses with modern facilities.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Site Infrastructure	470,000
Building Construction	1,900,000
Fixtures-furnishings	<u>30,000</u>

Total Project Costs \$2,400,000

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD Grant	\$470,000	20%
Grantee Equity	<u>1,930,000</u>	<u>80%</u>
Total Project Financing	<u>\$2,400,000</u>	<u>100%</u>

III. Project Description

A. Organization

Industry: The Organization provides economic development assistance for St. Lawrence County.

Organization History: The IDA was formed in 1971.

Ownership: The IDA is a public benefit corporation with a 7 member board of directors.

Size: The Organization owns and operates small industrial parks in Massena and Canton.

ESD Involvement: St. Lawrence County Industrial Development Agency sought ESD assistance to help finance its development of a new 22-acre commercial business park in Canton by applying for funding assistance through Round 2 of the Consolidated Funding Application process. The organization was awarded \$470,000 towards the Canton Business Park project. This project would not be possible without ESD assistance.

Past ESD Support: Since 2008, ESD has approved 2 grants to the IDA totaling approximately \$1.4 million. One project is complete and the other is in progress. Funding for the past five years to the Grantee is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Regional Council Capital Fund	X664	\$1,300,000	December 19, 2013	December 31, 2021	Capital – Phase 1 - Railroad track renovation

## B. The Project

Completion: September 2014

Activity: The IDA planned, designed, obtained permits and constructed a 15,000-square-foot, multi-purpose commercial building with related site infrastructure to create a modern 22-acre business park. The new building and related infrastructure will provide a facility for entrepreneurs to locate businesses and expand employment.

Results: The project is expected to increase economic activity and job creation in St. Lawrence County. In addition, the new building is the new home of the IDA and another commercial tenant.

### Infrastructure

Investment Project: Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

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 157,765;
- Fiscal cost to NYS government is estimated at \$470,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.34:1;
- Fiscal benefits to all governments (state and local) are estimated at \$266,156;
- Fiscal cost to all governments is \$470,000;

- The ratio of project fiscal benefit to cost ratio to all governments is 0.57:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$1,339,589;
- The economic benefit to cost ratio is 2.85:1;
- Project construction cost is \$2,370,000 which is expected to generate 28 direct job years and 11 indirect job years of employment;
- The payback period for NYS costs is 1 year.

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

Grantee Contact: Patrick Kelly  
 Chief Executive Officer  
 19 Commerce Lane  
 Canton, NY 13617  
 Phone: (315) 379-9806

ESD Project No.: Y394

Project Team:	Origination	Bill Ferguson
	Project Management	John Vandeloo
	Contractor & Supplier Diversity	Denise Ross
	Finance	Ross Freeman
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$470,000 capital grant (\$4,700) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. Up to \$470,000 will be will be disbursed to the Grantee in a lump sum upon project costs totaling \$2,400,000, including documentation verifying building construction as evidenced by a Certificate of Occupancy and installation of water-sewer infrastructure, 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 reimbursed by ESD's grant must be incurred on or after July 12, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$470,000, 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.
5. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer 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 transfer 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 transfer occurred in the second full calendar year after the disbursement was made;
  - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
  - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
  - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

#### IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Environmental Review

The St. Lawrence County Industrial Development Agency, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on May 9, 2012. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

#### VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination & Contractor and Supplier Diversity policy will apply to the Project.

The IDA shall be required to use good faith efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise (“MWBE”) participation goal of 23%, Minority Business Enterprise (“MBE”) participation goal of 13% and a Women Business Enterprise (“WBE”) participation goal of 10% related to the total value of ESD’s funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

VII. Smart Growth Public Infrastructure Review

Pursuant to the requirements of the State Smart Growth Public Infrastructure Policy Act (the “SG Act”), ESD’s Smart Growth Advisory Committee has reviewed a Smart Growth Impact Statement for the project and found that the project is consistent with the State Smart Growth Public Infrastructure Criteria (“Smart Growth Criteria”). The designee of the Chief Executive Officer of the Corporation has attested that the project, to the extent practicable, meets the relevant Smart Growth Criteria set forth in the SG Act.

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

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

January 15, 2015

Regional Council Award – Canton – (North Country Region – St. Lawrence County) – St. Lawrence County IDA Canton Business Park Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the St. Lawrence County IDA Canton Business Park Capital – Regional Council Capital Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; 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 St. Lawrence County IDA a grant for a total amount not to exceed Four Hundred Seventy Thousand Dollars (\$470,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

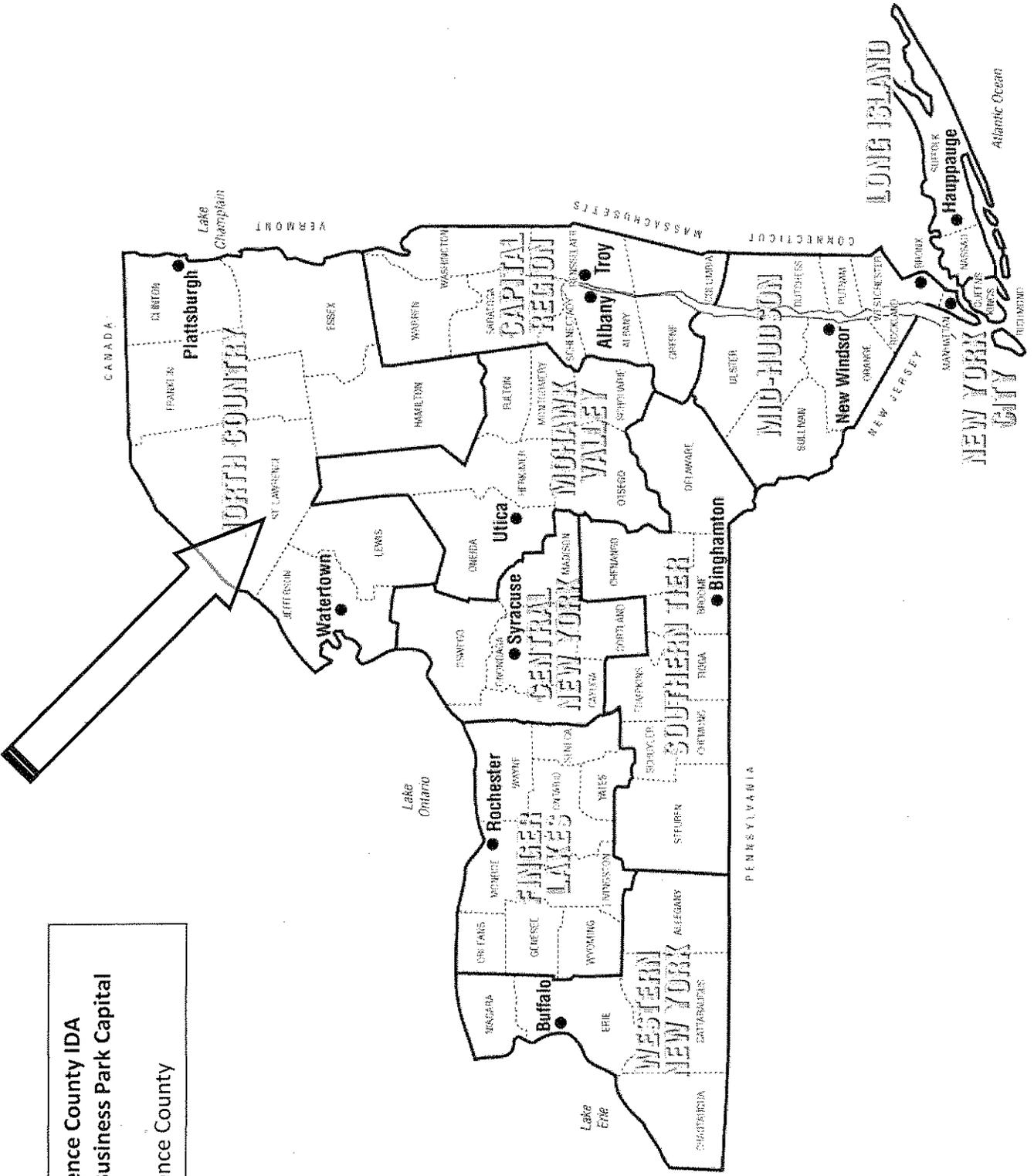
January 15, 2015

Regional Council Award – Canton – (North Country Region – St. Lawrence County) – St. Lawrence County IDA Canton Business Park Capital – Regional Council Capital Fund (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 St. Lawrence County IDA Canton Business Park Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

St. Lawrence County IDA  
 Canton Business Park Capital  
 Canton  
 St. Lawrence County



# Empire State Development

## FOR CONSIDERATION

January 15, 2015

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award Projects Consent Calendar

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

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Attached is a summary of a Regional Council Award project requesting ESD assistance of \$100,000 and under in the following categories:

### Regional Council Capital Fund

	Project Name	Proj #	Grantee	Assistance up to
A	St. Lawrence Brewing Company Capital	Y157	St. Lawrence Brewing Company, Inc.	\$65,000
B	St. Lawrence County IDA Massena Lots 18 & 19 Capital	Y156	St. Lawrence County Industrial Development Agency	\$60,000
			<b>TOTAL</b>	<b>\$125,000</b>

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 ("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.

## Office of Contractor and Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Supplier Diversity 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, shall use their good faith efforts 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 specified in the project summary, grantees shall use their good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 23% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 13% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantee shall use good faith efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by 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.

## 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.

## Statutory Basis – Regional Council Capital Fund

The projects were authorized in the 2012-13 New York State budget and reappropriated in the 2013-2014 and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site(s).

Attachments  
New York State Map  
Resolutions  
Project Summaries

January 15, 2015

Regional Council Capital Fund – Findings and Determinations Pursuant to Section 10 (g) of the Act; 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 Regional Council Capital Fund Projects identified below (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 Plans (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s), that no substantive negative testimony or comment has been received at the public 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 amounts listed below from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

Regional Council Capital Fund

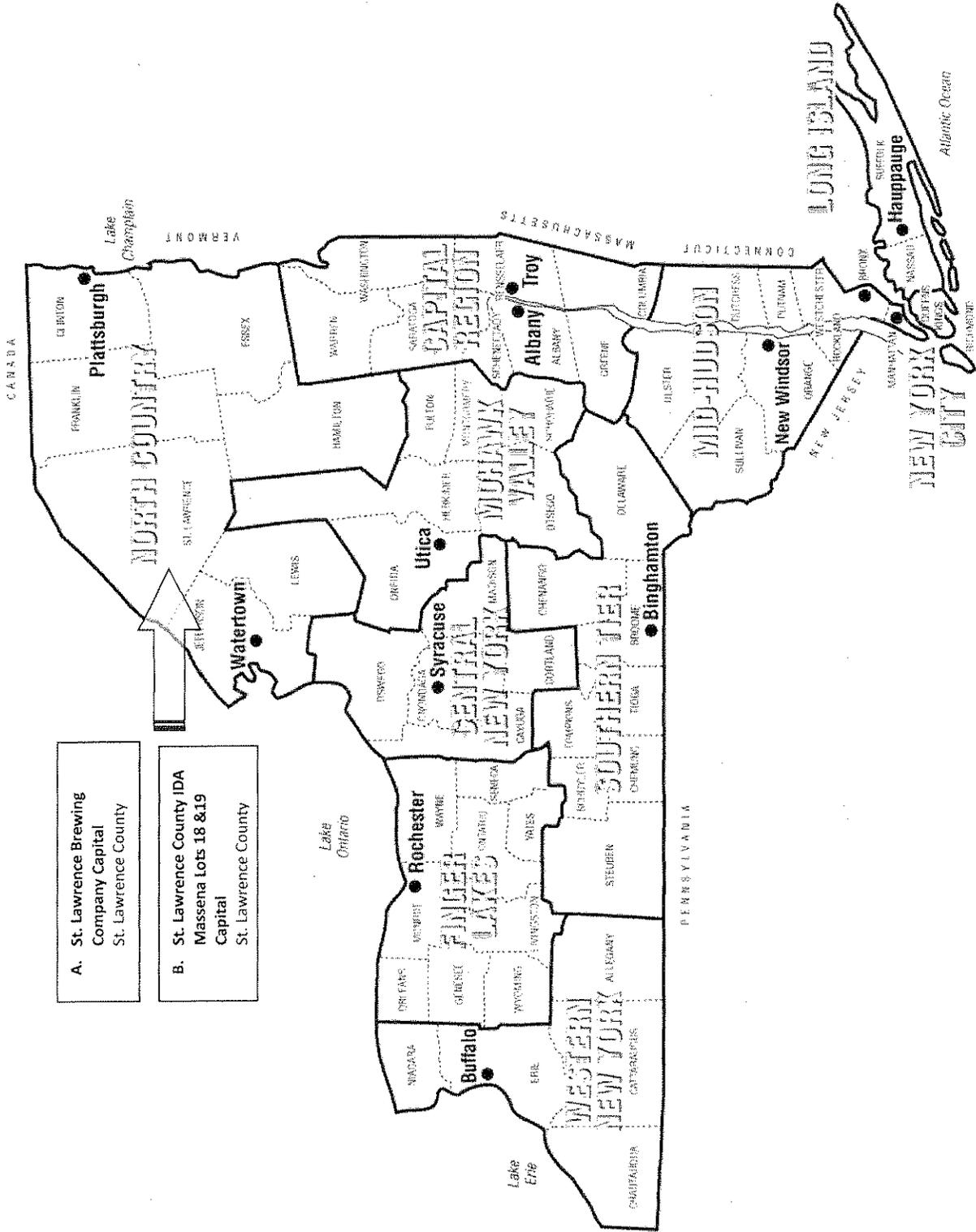
	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	St. Lawrence Brewing Company Capital	Y157	St. Lawrence Brewing Company, Inc.	\$65,000
B	St. Lawrence County IDA Capital	Y156	St. Lawrence County Industrial Development Agency	\$60,000
			<b>TOTAL</b>	<b>\$125,000</b>

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.

\* \* \*

# Regional Council Capital Fund



A. St. Lawrence Brewing Company Capital  
St. Lawrence County

B. St. Lawrence County IDA  
Massena Lots 18 & 19  
Capital  
St. Lawrence County

**A. St. Lawrence Brewing Company Capital (Y157)**

January 15, 2015

General Project Plan

- Grantee:** St. Lawrence Brewing Company (the "Company")
- ESD Investment:** A grant of up to \$65,000 to be used for a portion of the cost machinery and equipment.
- Project Location:** 19 Commerce Lane, Suite 4, Canton, St. Lawrence County
- Proposed Project:** Purchase and installation of energy recovery equipment for a new microbrewery.
- Project Type:** Business expansion involving job retention and job creation.
- Regional Council:** The project is consistent with the North Country Regional Economic Development Council's Regional Plan to expand economic development in North Country communities by assisting new business enterprises to expand and create jobs.
- Employment:**
- |   |    |
|---|----|
| Initial employment at time of ESD Incentive Proposal: | 3  |
| Current employment level:                             | 8  |
| Minimum employment on January 1, 2017                 | 25 |

**Background:**

Industry - Microbrewery

Company History – St. Lawrence Brewing Company formed as a new business in 2012.

Ownership – St. Lawrence Brewing Company is a privately-held company.

Size – All facilities located in Canton, New York.

Market – Local and regional North Country areas.

ESD Involvement – The St. Lawrence Brewing Company had started the development and construction of a new microbrewery and needed assistance to complete the expansion of its new start up business. The Company developed plans to become energy efficient with the addition of state of the art energy recovery equipment. With limited local financing available for the additional equipment, the owners sought ESD assistance for the energy recovery part of the project. The Company applied for funding assistance through Round 2 of the Consolidated Funding Application process and was

**St. Lawrence Brewing Company Capital (Y157)**

January 15, 2015

awarded \$65,000 to assist with the new microbrewery energy recovery system.

Competition – N/A

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

**The Project:**

Completion – October 2014

Activity - The Company planned, designed, obtained permits, and constructed a new 15-barrel microbrewery facility with new energy recovery equipment. The energy recovery equipment will recapture heat from the brewing process to heat the building. This is expected to save \$7,000 annually in heating costs.

Results – The Company retained 3 existing jobs and will create up to 25 new jobs. The Company has already created 5 new jobs.

Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$456,539, which exceeds the cost to the state.

Financing Uses	Amount	Financing Sources	Amount	Percent
Brewery equipment	\$335,000	ESD Grant	\$65,000	16%
Construction	65,000	Company Equity	335,000	84%
Total Project Costs	\$400,000	Total Project Financing	\$400,000	100%

Grantee Contact - Katrina Hebb, Vice President  
19 Commerce Lane Suite 4  
Canton NY 13617  
Phone: (303) 552-7595

Project Team -

Origination	Rosemary Redmond
Project Management	John Vandelloo
Contractor & Supplier Diversity	Denise Ross
Environmental	Soo Kang

**Financial Terms and Conditions:**

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$65,000 capital grant (\$650) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its

**St. Lawrence Brewing Company Capital (Y157)**

January 15, 2015

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 written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$65,000 will be disbursed to Grantee in three installments as follows:
  - a) an initial Disbursement equal to 50% of the grant (\$32,500) upon documentation verifying machinery and equipment costs totaling \$335,000, and documentation of the employment of at least 5 Full-time Permanent Employees at the Project Location, (Employment Increment of 2) assuming that all project approvals have been completed and funds are available.
  - b) A Second Disbursement of 25% of the grant (\$16,250) will be disbursed upon the employment of at least 14 Full-time Permanent Employees at the Project Location, (Employment Increment of 9), provided grantee is in compliance with program requirements.
  - c) A Third Disbursement of 25% of the grant (\$16,250) will be disbursed upon the employment of at least 25 Full-time Permanent Employees at the Project Location, (Employment Increment of 11), provided grantee is in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 19, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2018.

**St. Lawrence Brewing Company Capital (Y157)**

January 15, 2015

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$65,000, 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	3
<b>A</b>	<b>B</b>
Reporting Date	Employment Goals
February 1, 2016	3+X+Y+Z
February 1, 2017	3+X+Y+Z
February 1, 2018	3+X+Y+Z
February 1, 2019	3+X+Y+Z

X = Grantee's Employment Increment that will be the basis of the Initial Disbursement of the Grant as

## **St. Lawrence Brewing Company Capital (Y157)**

January 15, 2015

described in section C.5 above (i.e.  $X=2$  and Employment Goals shall equal  $[3 + X = 5]$  if the Initial Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Initial 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.  $Y=9$  and Employment Goals shall equal  $[3+ X + Y = 14]$  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.  $Z=11$  and Employment Goals shall equal  $[3+ X + Y + Z = 25]$  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  $Z=0$ .

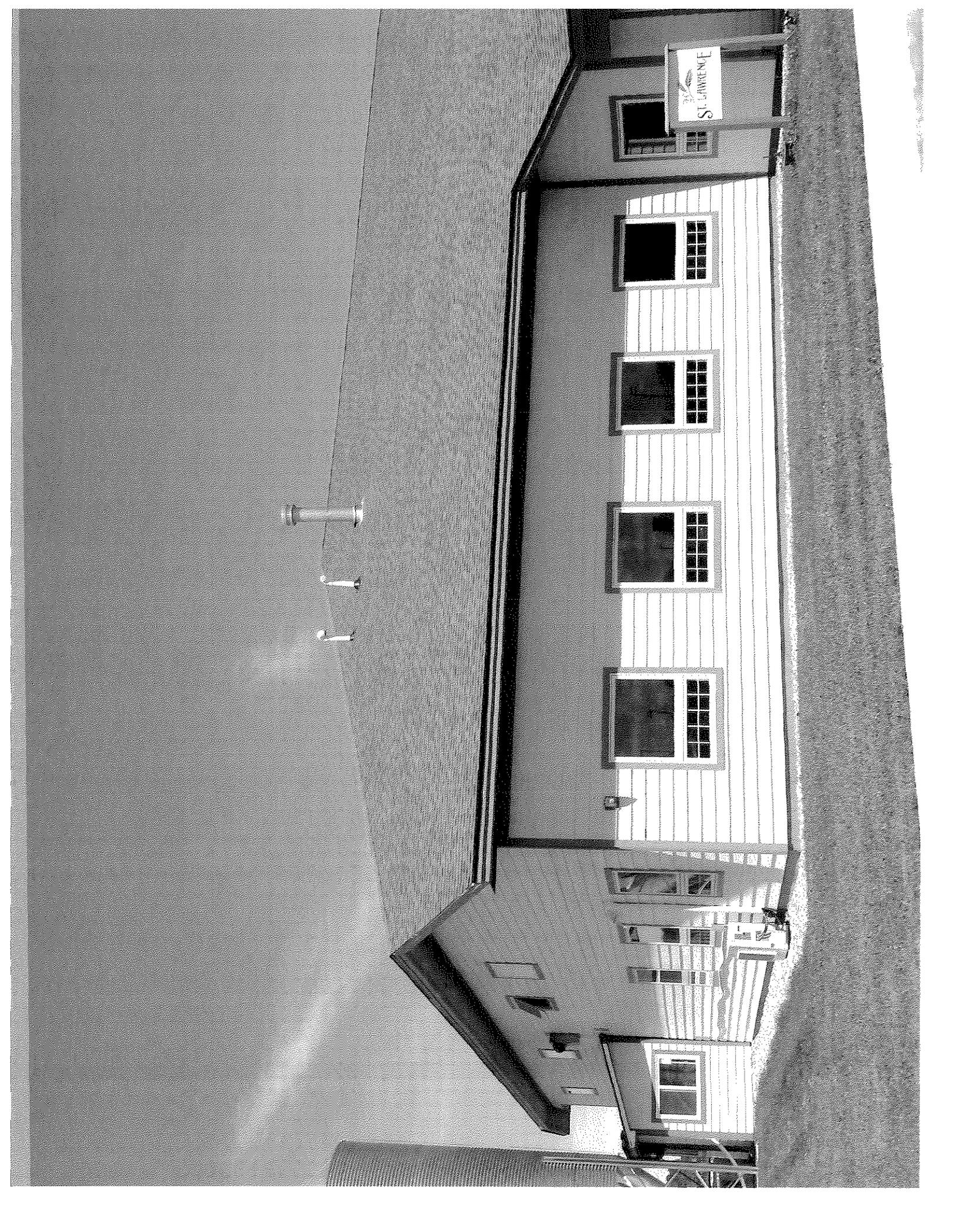
### **Non-Discrimination and Contractor & Supplier Diversity:**

ESD's Non-discrimination & Contractor and Supplier Diversity policy will apply to the project. The Company shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") participation goal of 20% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project.

### **Statutory Basis – Regional Economic Council Capital Fund**

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 and 2014-2015 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.







## B. St. Lawrence County IDA Massena Lots 18 & 19 Capital (Y156)

January 15, 2015

### General Project Plan

- Grantee:** St. Lawrence County Industrial Development Agency (“IDA”)
- ESD Investment:** A grant of up to \$60,000 for a portion of the cost of renovations.
- Project Location:** 21 and 31 Trade Road, Massena, St. Lawrence County.
- Proposed Project:** Renovations and repairs to commercial buildings in the IDA owned Massena Industrial Park.
- Project Type:** Construction and renovation
- Regional Council:** The project is consistent with the North Country Regional Economic Development Council Regional Plan to provide the opportunity for expansion of North Country business with modern facilities.

#### **Background:**

Industry – Local development corporation that provides economic development assistance in St. Lawrence County.

Company History - The IDA was formed in 1971.

Ownership – The IDA is a public benefit corporation with a 7-member board of directors.

Size – The IDA owns and operates small industrial parks in Massena and Canton.

ESD Involvement – The St. Lawrence County IDA sought ESD assistance to fund repairs and renovations to commercial buildings in the IDA owned industrial park in Massena. The buildings needed repairs and upgrades to prepare for new commercial tenants. The IDA applied through Round 2 of the Consolidated Funding Application process and was awarded \$60,000 to assist with the project. The building upgrade project would not be possible without ESD assistance.

Past ESD Support – Since 2008, ESD has approved 2 grants to the IDA totaling approximately \$1.4 million. One project is complete and the other is in progress. Funding for the past five years to the Grantee is summarized in the following chart:

**St. Lawrence County IDA IDA Massena Lots 18 & 19 Capital Capital (Y156)**

January 15, 2015

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Regional Council Capital Fund	X664	\$1,300,000	December 19, 2013	December 31, 2021	Capital-railroad track renovation-phase 1

**The Project:**

Completion – October 2014

Activity – Repairs and renovations to three IDA-owned commercial buildings including, plumbing, heating system, electrical, roof, entry door, pavement and parking area, and general clean-up for occupancy by businesses seeking facilities for business expansion and job creation.

Results – As a result of the project, the buildings are building code compliant and prepared for occupancy by new commercial tenants.

Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$132,809, which exceeds the cost to the State.

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction & repairs	\$150,000	ESD Grant	\$60,000	40%
		Grantee Equity	90,000	60%
<b>Total Project Costs</b>	<b>\$150,000</b>	<b>Total Project Financing</b>	<b>\$150,000</b>	<b>100%</b>

Grantee Contact - Patrick Kelly, Chief Executive Officer  
 19 Commerce Lane  
 Canton NY 13617  
 Phone: (315) 379-9806

Project Team -

Origination	Rosemary Redmond
Project Management	John Vandelloo
Contractor & Supplier Diversity	Denise Ross
Environmental	Soo Kang

**Financial Terms and Conditions:**

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$60,000 capital grant (\$600.) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its

**St. Lawrence County IDA IDA Massena Lots 18 & 19 Capital Capital (Y156)**

January 15, 2015

financial condition prior to disbursement.

3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$60,000 will be disbursed to Grantee upon, documentation of construction project costs totaling \$150,000, 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 December 19, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.
5. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer 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 transfer 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 transfer occurred in the second full calendar year after the disbursement was made;
  - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
  - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
  - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$60,000, 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.

**St. Lawrence County IDA IDA Massena Lots 18 & 19 Capital Capital (Y156)**

January 15, 2015

**Non-Discrimination and Contractor & Supplier Diversity:**

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned businesses (MWBES) in the performance of ESD projects. For purposes of this project, however, Minority and Women-owned Business Enterprise ("MWBE") participation goals will not be established due to the unavailability of certified MWBEs for performance of this Project.

**Statutory Basis – Regional Economic Council Capital Fund**

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

# Empire State Development

## FOR CONSIDERATION

January 15, 2015

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Non-Discretionary Projects

REQUEST FOR: Authorization to Adopt the General Project Plan; Authorization to Make Grant and to Take Related Actions

Attached is the summary of the projects sponsored by the New York State Executive and Legislative branches:

	Project Name	Proj #	Grantee	Assistance up to
	<b>Local Assistance (Senate &amp; Assembly)</b>			
A	CenterState Corporation for Economic Opportunity Working Capital	Z327, Z333	CenterState Corporation for Economic Opportunity	\$800,000
	<b>Community Enhancement Facilities Assistance Program, New York State Economic Development Program and Empire Opportunity Fund (Executive, Senate &amp; Assembly)</b>			
B	Hotel Syracuse Capital	X232, X233, X236	County of Onondaga	15,000,000
	<b>TOTAL NON-DISCRETIONARY – 2 PROJECTS</b>		<b>TOTAL</b>	<b>\$15,800,000</b>

### I. Statutory Basis

The project was sponsored by the Executive, Assembly or Senate, and was authorized or reappropriated in the 2014-2015 New York State budget. No residential relocation is required as there are no families or individuals residing on the site(s).

## II. Environmental Review

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

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

## III. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the projects. Unless otherwise specified in the project summary, Grantees shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 25% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 15% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantees shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the projects and to include minorities and women in any job opportunities created by 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 Map  
Resolutions  
Project Summary  
Hotel Syracuse Photographs



January 15, 2015

Local Assistance – 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 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 President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to a make 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 and Assembly – Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	CenterState Corporation for Economic Opportunity Working Capital	Z327, Z333	CenterState Corporation for Economic Opportunity	\$800,000
			<b>TOTAL</b>	<b>\$800,000</b>

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.

\* \* \*

January 15, 2015

Community Enhancement Facilities Assistance Program, New York State Economic Development Program and Empire Opportunity Fund - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make Grants 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 "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, 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 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 grants to the party and for the amount listed below from the Community Enhancement Facilities Assistance Program, New York State Economic Development Program and 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 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 Enhancement Facilities Assistance Program, New York State Economic Development Program and Empire Opportunity Fund – Executive, Senate and Assembly - Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
B	Hotel Syracuse Capital	X232, X233, X236	City of Onondaga	\$15,000,000
			<b>TOTAL</b>	<b>\$15,000,000</b>

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.

\* \* \*

January 15, 2015

Syracuse (Central New York Region – Onondaga County) – Hotel Syracuse Capital – Community Enhancement Facilities Assistance Program, New York State Economic Development Program and Empire Opportunity Fund - 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 Hotel Syracuse Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

**A. CenterState Corporation for Economic Opportunity Working Capital (Z327, Z333)**

January 15, 2015

- Grantee:** CenterState Corporation for Economic Opportunity (“CenterState CEO” or the “Grantee”).
- ESD Investment:** Grants of up to \$800,000 to be used for staffing, contractual services and program costs.
- Project Location:** Onondaga County
- Proposed Project:** Economic development and workforce training programs
- Project Type:** Working Capital
- Regional Council:** The Central Regional Council has been made aware of this item.

**Background:**

Industry - Economic Development

Company History - The Metropolitan Development Association of Syracuse and Central New York, Inc. (“MDA”), established in 1959, is a private, not-for-profit corporation representing the business leadership of the Central Upstate New York region (the “Region”). It carries out a number of functions and activities as determined by its board of directors, including economic development, downtown and neighborhood redevelopment, regional strategic planning, and real estate management. Working with two national consulting firms, Battelle Memorial Institute in Cleveland, Ohio and Catalytix, Inc. in Pittsburgh, Pennsylvania, in 2003, the MDA developed the Initiative, a comprehensive strategy for the twelve-county Region that provided the framework for all of CenterState CEO’s work.

In 2010, members of the MDA and the Greater Syracuse Chamber of Commerce voted to introduce a formal partnership between the two organizations, and formed the CenterState Corporation for Economic Opportunity to serve as the primary economic, community and business development catalyst in the Region. With more than 2,000 members, CenterState CEO works with its member companies, non-member firms in the Region, universities and colleges, and public sector planning and development entities.

Ownership – CenterState CEO is a not-for-profit corporation.

Size - All facilities located in Syracuse, NY.

ESD Involvement - \$800,000 in appropriations were included in the FY 2014-2015 New York State budget.

**CenterState Corporation for Economic Opportunity Working Capital (Z327, Z333)**

January 15, 2015

Past ESD Support - Since 1991, the ESD Directors have approved approximately \$3.7 million in grants to the Grantee.

Funding for the past five years to the Grantee is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Local Assistance	V679	\$250,000	May 21, 2009	March 20, 2012	Working Capital – Business Assistance Program
Community Projects Fund	W680	\$71,000	September 14, 2010	October 10, 2014	Working Capital – Economic Development Promotion
Community Projects Fund	W678	\$250,000	June 28, 2011	December 31, 2015	Working Capital – Development of environmental technology
Local Assistance	W392	\$71,000	October 20, 2011	September 30, 2015	Working Capital – Economic Development Plan
Economic Development Purposes Fund	Y450	\$100,000	June 27, 2013	December 31, 2015	Working Capital - Tourism

**CenterState Corporation for Economic Opportunity Working Capital (Z327, Z333)**

January 15, 2015

CNY Branding Working Capital	Z171	\$370,000	August 27, 2014	December 31, 2015	Working Capital – Destination Branding Campaign
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**The Project:**

Completion – December 2016

Activity - Funding will be used for economic development programs including the Metropolitan Export Initiative, Business Attraction and Foreign Direct Investment, and Regional Business Retention and Expansion. CenterState will also implement "Work Train," a workforce initiative to develop certificate training programs and a greater awareness of job prospects in the manufacturing industry among Central NY's unemployed and underemployed and "Dual Client," a platform to strengthen collaboration between employers, the community and workforce development partners to enhance employment prospects, retention and career growth.

Results - As a result of the project it is estimated that approximately 6,500 new jobs will be created in the region, 300 individuals will be recruited by December 2016 for the training program, and 200 individuals will be trained by December 2016.

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

Financing Uses	Amount	Financing Sources	Amount	Percent
Staffing	\$369,000	ESD Grant (Z327)	\$200,000	25%
Program Costs	9,000	ESD Grant (Z333)	\$600,000	75%
Contractual Services	422,000			
Total Project Costs	\$800,000	Total Project Financing	\$800,000	100%

CenterState Corporation for Economic Opportunity Working Capital (Z327, Z333)

January 15, 2015

Grantee Contact - Robert Simpson, President & CEO  
115 West Fayette Street  
Syracuse, NY 13202  
Phone: (315) 422-8284

Project Team - Project Management Wilfredo Florentino  
Contractor & Supplier Diversity Vikas Gera  
Environmental Soo Kang

**Financial Terms and Conditions:**

1. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. Up to \$800,000 will be disbursed to Grantee no more frequently than monthly, 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. All project expenditures must have been incurred after April 1, 2014, the date that the New York State budget, in which the project is authorized, was passed. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks and reports required have been completed to ESD's satisfaction.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$800,000, 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.

**Non-Discrimination and Contractor & Supplier Diversity:**

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned businesses (MWBs) in the performance of ESD projects. The Office of Contractor and Supplier Diversity has reviewed the project and has determined that, due to the highly specialized and unique nature of this project, there exists no potential for MWBE participation. As such, participation goals will not be established or required for this project.

**Statutory Basis – Local Assistance:**

The project is authorized in the 2014-2015 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

**CenterState Corporation for Economic Opportunity Working Capital (Z327, Z333)**

January 15, 2015

**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. Hotel Syracuse Capital (X232, X233, X236)

January 15, 2015

### General Project Plan

- Grantee:** County of Onondaga (the "County")
- Beneficiary:** Onondaga Convention Center Hotel Development Corporation ("OCCHDC")
- ESD Investment:** Grants of up to \$15,000,000\* to be used for a portion of the cost of acquisition and interior renovations of the Hotel Syracuse (the "Hotel")
- \* X232 – Community Enhancement Facilities Assistance Program - \$5,000,000  
X233 – New York State Economic Development Assistance Program - \$5,000,000  
X236 – Empire Opportunity Fund - \$5,000,000
- Project Location:** 500 South Warren Street, Syracuse, Onondaga County
- Proposed Project:** The County of Onondaga, through OCCHDC, will oversee renovations to the interior of the Hotel Syracuse including restoration of lobbies, rooms and entranceways.
- Project Type:** Infrastructure improvement involving construction and renovation
- Regional Council:** The Central New York Regional Economic Development Council has been made aware of this item.
- Background:**

**Grantee:**

Grantee History – The County of Onondaga was organized in 1794 from Herkimer and Tioga Counties, later apportionments of land creating Cayuga, Cortland and Oswego Counties. Today the County is comprised of separate municipalities including the City of Syracuse, 19 towns and 15 villages. The development of the County was spurred by the salt industry and the Erie Canal, which contributed to Syracuse's emergence as a significant center of commerce. In 1962, a charter divided the County into 24 legislative districts with an elected legislator representing each district in the County legislature. Under the Charter, a county executive was appointed to serve as Chief Executive Officer and Chief Budget Officer.

Ownership – Municipality

## Hotel Syracuse Capital (X232, X233, X236)

January 15, 2015

### Beneficiary:

Beneficiary History – The OCCHDC was established in October 2010 by the County of Onondaga to accept, administer and dispense funding for the purpose of developing and constructing a Hotel for the Convention Center in the County of Onondaga.

Ownership – The Onondaga Convention Center Hotel Development Corporation is a local development corporation organized pursuant to Section 1411 of the not-for-profit Corporation Law of the State of New York.

ESD Involvement – The project was reappropriated in the 2014-2015 New York State budget.

Past ESD Support – Funding for the past five years to the Grantee is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Special Appropriations Fund	X441	\$ 2,500,000	December 18, 2012	July 2014	Redesign of the Onondaga County Public Library

### The Project:

Completion – December 2016

Activity – Established in 1924, the historic Hotel Syracuse, located in downtown Syracuse, near the Onondaga County convention center, went out of business in 2004 and is currently vacant. The deteriorated building was originally purchased by a developer, but as a result of financial setbacks, rehabilitation of the Hotel was never initiated. In 2014, the Syracuse Industrial Development Agency (the "IDA") acquired the Hotel through eminent domain.

Following its acquisition of the Hotel, the IDA was approached by a new developer, Syracuse Community Hotel Restoration Co. 1 LLC ("Syracuse Community") who proposed a new construction plan for the Hotel. The IDA approved of this plan and conveyed title of the Hotel to Syracuse Community in July 2014. The County will act as a conduit on a non-recourse basis and will use grant funds to one, reimburse itself for

## Hotel Syracuse Capital (X232, X233, X236)

January 15, 2015

\$1,100,000 previously expended by the County to assist the IDA in acquiring the Hotel, and two, provide the remaining \$13,900,000 to OCCHDC to facilitate the proposed development.

Specific areas that will be renovated include meeting spaces, guest rooms and other public spaces such as lobby and entryways. Site acquisition has been completed, and construction and renovation will commence in July 2015. It is estimated that the Hotel will open in December 2016.

The Central Regional Economic Development Council has recommended additional funding from the CFA to complete this Hotel development and considers it a priority project.

Results - Renovation of the historic Hotel Syracuse will serve to stabilize an area of the downtown corridor which has experienced persistently poor growth and investment. Restoration will contribute to improved property values and lead to the attraction of new businesses and residents.

There is a plan to add retail establishments on the first floor of the Hotel, along with a spa and separate bar facility within the Hotel. The Hotel expects to host wedding events and provide catering services for various social and community events. It is anticipated that the Hotel will generate employment in all of these areas, and grow additional retail and service oriented businesses in the vicinity. The Hotel is also anticipated to promote residential development in the area.

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Financing Uses	Amount	Financing Sources	Amount	Percent
Acquisition Costs	\$1,880,000	ESD Grants (X232, X233, X236)*	\$ 15,000,000	25%
Hard Costs	39,341,193	Syracuse Industrial Development Agency (DesiNY Funds)	\$ 1,250,000	2%
Asbestos Removal	4,200,000	Restore NY	\$ 1,100,000	2%
Soft Costs	16,468,807	National Grid	\$ 800,000	1%
		NYS Cap	\$ 1,700,000	2%
		Mortgage Loan	\$ 22,596,000	36%
		REDC Funding	\$ 3,645,000	7%
		Historical Tax Credits	\$ 9,066,000	14%
		County of Onondaga Equity	\$ 6,733,000	11%
<b>Total Project Costs</b>	<b>\$61,890,000</b>	<b>Total Project Financing</b>	<b>\$ 61,890,000</b>	<b>100%</b>

\*X232 - Community Enhancement Facilities Assistance Program: \$5,000,000, X233 - New York State Economic Development Assistance Program: \$5,000,000, X236 - Empire Opportunity Fund: \$5,000,000

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<u>Project Team</u> -	Project Management	Simone Bethune
	Legal	Maria Cassidy
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Jonevan Hornsby
	Design & Construction	Scott Renzi
	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 materially adverse changes in its financial condition prior to disbursement.

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3. Up to \$15,000,000 will be disbursed as reimbursement for eligible expenses during the course of construction no more frequently than quarterly, in compliance with Design & Construction Requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facility, as evidenced by a Certificate of Occupancy. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must have been incurred after April 1, 2006, the date that the New York State budget, in which the project is authorized, was passed.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$15,000,000, 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.
5. Labor Peace: Public Authorities Law Section 2879-b prohibits public authorities from providing financing for any project that includes, as one of the principal functions, a hotel with more than fifteen employees unless a labor peace agreement ("LPA") as defined in the statute, is entered into with a labor organization representing hotel or convention center employees in the State, for a period of at least five years. An LPA meeting the Statutory requirement has been entered into for this project.

### **Environmental Review:**

The Syracuse Industrial Development Agency, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project 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 building's inclusion on the National Register of Historic Places, ESD has confirmed that the project sponsor initiated consultation with the New York State Office of Parks, Recreation and Historic Preservation pursuant to Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. ESD will ensure that consultation is completed.

### **Non-Discrimination and Contractor & Supplier Diversity:**

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Grantee, Beneficiary and related parties shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprises

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("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 28%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 14% and a Women Business Enterprise ("WBE") Participation Goal of 14% related to the total value of ESD's funding.

### **Statutory Basis – Community Enhancement Facilities Assistance Program:**

The project was authorized in the 1997-1998 New York State budget and Chapter 432, Laws of 1997, and Chapter 55, Laws of 2002, and reappropriated in the 2014-2015 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

### **Statutory Basis – New York State Economic Development Program and Empire Opportunity Fund:**

#### Section 10 Land Use Improvement Findings

1. That 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 the sound growth and development of the municipality.  
The project area has experienced population decline over the past decade resulting in building vacancies, general disrepair of storefronts, and decreased property values. It is increasingly apparent that the development of a vibrant downtown and urban core is necessary to capture and retain businesses and residents. The restoration of the Hotel will spur this objective.
2. That 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.  
The funding for this project will be used to reconstruct and renovate a dilapidated and vacant property as a first-class, Convention Center Hotel with banquet and conference space.
3. That the plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.  
The project is a collaboration between the County of Onondaga and the OCCHDC, a local development corporation created by the County to develop and construct a Hotel and Convention Center in the County of Onondaga.
4. That the proposed facility or project is consistent with any existing local or regional comprehensive plan.  
The project is consistent with the "City of Syracuse Comprehensive Plan 2025" (the "Plan") prepared by the Syracuse Common Council in 2005 and updated every five

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years.

5. The requirements of Section 10(g) of the Act are satisfied.  
No residential relocation required.

**Empire Opportunity Fund Determinations:**

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 of that project's costs, or if project funding does exceed 25 percent of that project's total costs, the Director of the Division of the Budget has authorized the provision of such amount.

**Disclosure and Accountability Certifications:**

The Grantee and Beneficiary have provided ESD with the required Disclosure and Accountability Certifications. Grantee's and Beneficiary's certifications indicate that Grantee and Beneficiary have no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grants to the Grantee as described in these materials.