

**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

February 19, 2015 – 9:30 a.m.

**PROPOSED AGENDA - REVISED**

**FOR CONSIDERATION**

**I. CORPORATE ACTIONS**

- A. Approval of Minutes of the January 15, 2015 Directors' Meeting
- B. Officer of the Corporation - Appointment of President and Chief Executive Officer Designate; Ratification of Actions
- C. Officers of the Corporation - Appointment of Officers

**II. DISCRETIONARY PROJECTS**

**NEW YORK CITY REGION**

- A. Bronx (New York City Region – Bronx County) – Fresh Direct Capital – Urban and Community Development Program – Urban and Community Development Assistance (Capital Grant) and Metropolitan Economic Revitalization Fund (Capital Loan) – Affirmation of the Directors August 27, 2014 Findings and Determinations Pursuant to Sections 16-6 and 10 (g) of the UDC Act; Affirmation of the General Project Plan

**WESTERN NEW YORK REGION**

- B. Buffalo (Western New York Region - Erie County) – 43North LLC Working Capital - Buffalo Regional Innovation Cluster (Working Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

### **III. REGIONAL COUNCIL AWARDS**

#### **NEW YORK CITY REGION**

- A. Regional Council Award – Priority Project - Brooklyn (New York City Region – Kings County) – Brooklyn Navy Yard/Steiner Studios Capital – Empire State Economic Development Fund and Regional Council Capital Fund (Capital Grants) - Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan (“GPP”); Authorization to Accept the Draft Environmental Impact Statement (“DEIS”) as Satisfactory with Respect to its Scope, Content and Adequacy under the State Environmental Quality Review Act (“SEQRA”) and for Publication, Circulation and Filing; Authorization to hold a Public Hearing on the DEIS Pursuant to SEQRA and other Applicable Law; Authorization to Hold a Public Hearing on the GPP Pursuant to the UDC Act and other Applicable Law; and Authorization to Take Related Actions

#### **SOUTHERN TIER REGION**

- B. Regional Council Award – Priority Project (Southern Tier Region) Southern Tier Region Economic Development Corporation - Shovel Ready Program 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 – Binghamton (Southern Tier Region – Broome County) – ACHIEVE 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

#### **CAPITAL REGION**

- D. Regional Council Award – Priority Project - Albany (Capital Region - Albany County) – Tech Valley High School STEM Connect 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 – Albany and Troy (Capital Region – Albany and Rensselaer Counties) – Albany Medical College 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

**III. REGIONAL COUNCIL AWARDS - Continued**

**CENTRAL NEW YORK REGION**

- F. Regional Council Award – Priority Project – Syracuse (Central New York Region - Onondaga County) – Le Moyne College 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

**MID-HUDSON REGION**

- G. Regional Council Award – Priority Project – Valhalla (Mid-Hudson Region- Westchester County) – New York Medical College II 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

**MOHAWK VALLEY REGION**

- H. Regional Council Award - Rome (Mohawk Valley Region - Oneida County) – Griffiss International Airport Capital - Economic Transformation Program (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

**REGIONAL COUNCIL CAPITAL FUND – CONNECT NY BROADBAND PROGRAM CONSENT CALENDAR**

- I. Regional Council Capital Fund – Connect NY Broadband Program Consent Calendar – 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

**Regional Council Capital Fund**

- A. Broadband Extension Project – Southern Tier Network, Inc. (Various Counties) - \$0

**III. REGIONAL COUNCIL AWARDS – Continued**

**REGIONAL COUNCIL AWARD PROJECTS CONSENT CALENDAR**

- J. Regional Council Award Projects Consent Calendar - Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Make Grants and to Take Related Actions

Regional Council Capital Fund

- A. Turbo Machined Products Capital - (Herkimer County) - \$100,000

Empire State Economic Development Fund

- B. Tangent Machine & Tool Capital - (Nassau County) - \$35,000  
C. Tupper Lake Crossroads Capital - (Franklin County) - \$36,000

**IV. NON-DISCRETIONARY PROJECTS**

**NON-DISCRETIONARY PROJECTS CONSENT CALENDAR**

- A. Non-Discretionary Projects Consent Calendar – Authorization to Make Grants and to Take Related Actions

Local Assistance (Senate)

- A. Fort Drum Regional Health Planning Organization Working Capital (Jefferson County) - \$100,000  
B. Adirondack North Country Association Working Capital (Multiple Counties) - \$350,000

**V. ADMINISTRATIVE ACTIONS**

- A. Renewal of Corporate Insurance Policies – Authorization to Purchase Corporate Insurance Policies; and to Take Related Actions
- B. Procurement of Legal Services – Authorization to Enter into a Contract for Legal Services in Connection with the NYS Innovation Venture Capital Fund and to Take Related Actions
- C. Brooklyn (Kings County) - Atlantic Yards Land Use Improvement and Civic Project – Modification of Authorization to Create Subsidiary
- D. Contract Extension – Authorization to Extend a Contract for Market and Financial Feasibility Services with the Firm of Ernst and Young Infrastructure Advisors, LLC; and Authorization to Take Related Actions

**VI. INFORMATION**

- A. Budget Variance Reports through December 31, 2014

**VII. EXECUTIVE SESSION**

- A. Update on Pending Litigation – Vinson v. HCDC, Index No. 14-CV-4068 (S.D.N.Y.) (Oral)

**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

January 15, 2015

**MINUTES**

**In Attendance**

**Directors:**

Kenneth Adams (Acting Chair)  
Joyce Miller  
Anthony Albanese – Designee – Superintendent (New York State  
Department of Financial Services)

**Present for ESD:**

Simone Bethune, Project Manager  
Maria Cassidy, Deputy General Counsel  
Elizabeth R. Fine, Executive Vice President, Legal and  
General Counsel  
Brendan Healey, Assistant Vice President – Loans and Grants  
Charles Imohiosen, Chief Operating Officer  
Robert Kwon, Vice President – Portfolio Management & Project  
Finance  
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

**Also Present:**

James Fayle, Director – Central New York RO  
Christina Orsi, Director – Western New York RO  
John VanDeLoo – North Country RO  
David J. Wright, Assistant Commissioner – Albany

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**Also Present:**                   The Press  
  The Media

The meeting of the Directors of the New York State Urban Development Corporation (“UDC”) d/b/a Empire State Development (“ESD” or the “Corporation”) was called to order at 9:39 a.m. by Acting Chair Adams. 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 Adams 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. No conflicts were noted.

Acting Chair Adams then asked the Directors to approve the Minutes of the December 18, 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 DECEMBER 18, 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 December 18, 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

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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 nine Discretionary Projects including: one \$65,000 Economic Development Purposes Fund grant; and eight Regional Council Awards Fund grants totaling \$3.34 million.

Mr. Lee added that these nine projects will leverage over \$19 million in additional investments and will assist in retaining 402 jobs and in creating approximately 62 jobs throughout New York State.

Acting Chair Adams then asked Mr. Lee to present the January Discretionary Projects Consent Calendar for the Directors' consideration.

Mr. Lee explained that there was one grant item to consider and he provided a synopsis of that item noting that the Directors were being asked to authorize ESD to make a \$65,000 grant to Faradyne Motors LLC.

Mr. Lee further noted that the Company manufactures motors for submersible pumps used in agriculture and oil and gas distribution.

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Mr. Lee went on to explain that in order to develop its product line in the agricultural market, the Company needed to expand its operations and considered doing so in Palmyra, New York or in Suzhou, China where it maintains a production facility.

Mr. Lee further explained that in October 2014, the Company completed a \$4 million renovation to a 35,000 square foot facility in Palmyra, including the purchase of \$3.7 million of machinery and equipment. The Company, he added, will retain six jobs and create 16 jobs.

Mr. Lee noted that nine of those jobs have already been created.

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:

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

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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.

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Mr. Fayle then presented the Nojaim Regional Council Awards item for consideration by the Directors.

Mr. Fayle asked the Directors to authorize ESD to make a \$1,000,000 grant to Nojaim,

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Inc., a family-owned business, which is almost 100 years old.

Mr. Fayle explained that the funds will be used for a portion of the costs of a business expansion in one of the poorest census tracts in the Country.

Mr. Fayle further explained that the expansion will include the purchase of machinery as well as renovations to help create a health center in conjunction and partnership with St. Joseph's Hospital in Syracuse University.

This partnership, Mr. Fayle further noted, will help in securing healthy food initiatives to get healthier food options into the inner city and to promote the community development aspect of this project.

Mr. Fayle added that the total project cost is \$2.5 million and that it will create 12 jobs.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked if the project was located in downtown Syracuse and Mr. Fayle explained that it is in the northeast section of Syracuse which is a very depressed area.

At the Acting Chair's request, Mr. Fayle further explained that Syracuse University led this initiative in an attempt to upgrade the entire area.

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Mr. Fayle added that other grants have been approved to bring in housing as well as other businesses to begin the process of improving the area and to provide job options for the members of the community.

Director Miller asked if any thought has been given to also establishing some type of urban or community farm to provide food for the people in the neighborhood and have them raise it themselves to some extent.

Mr. Fayle stated that that was not considered for this location but that there has been discussion about creating something similar at other locations in this neighborhood.

Acting Chair Adams stated that this is an important consideration and a possible pre-step may be a farmers' market.

The Acting Chair then called for any further 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) – 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

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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.

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Next, Mr. Fayle presented the SUNY ESF Biomass Cooperative Innovation Center Regional Council Awards item for the Directors’ consideration.

Mr. Fayle explained that the Directors were being asked to authorize ESD to make a

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\$245,000 grant to the Research Foundation of SUNY on behalf of the SUNY College of Environmental Science and Forestry (“ESF”). The funds, he noted, will be used for a portion of the cost of construction and the purchase of machinery and equipment for a Biomass Innovation Center to create a pilot pellet plant to convert wood to energy.

Mr. Fayle continued and explained that this is a \$1.46 million initiative that will produce ten to twenty tons of wood pellets annually. He added that in a demonstration and education setting, students are trained on how to manufacture these pellets for optimizing and conducting research on new pellets.

The Biomass boiler, Mr. Fayle further noted, will convert approximately 2,000 tons of locally produced pellets into steam to power the Environmental Science and Forestry campus to help reduce its carbon emission. This, he added, will also reduce energy costs by approximately 15 percent to have an annual savings of approximately \$200,000.

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) – 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.

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Mr. Fayle then asked the Directors to authorize ESD to make a \$200,000 grant to TRW

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Automotive U.S., LLC in Cayuga County.

Mr. Fayle explained that the grant will be used for a portion of the cost of the purchase of machinery and equipment which will allow the Company to become more efficient and will allow the Company to bring in-house some of the work that it has been outsourcing.

Mr. Fayle added that the project costs are \$1.9 million and it was to have created 12 jobs. The Company, he noted, has already created 14 jobs as a result of this project.

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 – 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

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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.

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Next, Ms. Orsi presented the North Union Street Redevelopment Regional Council

Awards item for the Directors' consideration.

Ms. Orsi stated that the Directors are being asked to authorize ESD to make an \$800,000 grant to the City of Olean to be used for a portion of the cost of street and streetscape design and reconstruction.

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Ms. Orsi noted that Olean was actually awarded \$1,000,000 and that the \$800,000 being considered today is going toward the streetscape. She added that she will return to the Directors at a later date for the other \$200,000 to go to the redevelopment of a building on that street.

The streetscape project, Ms. Orsi explained, is a \$9.4 million project with a complete redesign and reconstruction of what is now an existing six to seven lane street into a two-lane corridor that will be separated by a median along with two lanes of angled parking.

Among other things, Mr. Orsi noted that as a result of this grant, a \$7 million federal grant has been secured to complement this funding and complete this project.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked if it was accurate that this is an infrastructure and reconstruction project and Ms. Orsi stated that that was correct.

In the brief discussion that followed it was again noted that the federal government will be providing funding to assist with the water and sewer infrastructure work. It was further noted that the State Department of Transportation has provided funds as well.

The Acting Chair then asked if there were any further questions or comments. Hearing none and upon motion duly made and seconded, the following resolution was unanimously

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adopted:

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

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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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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.

\* \* \*

The Directors were then asked by Ms. Orsi to authorize ESD to make a \$500,000 grant to the Finishing Trades Institute (“FTI”) to be used for a portion of the cost of building construction and renovations as well as the acquisition and installation of machinery and equipment.

Ms. Orsi explained that FTI is a job training facility for the Painters and Allied Trades International Union, a local extension of the International Union of the Painters and Allied Trades.

Ms. Orsi noted that the \$786,000 project involved the expansion of FIT’s existing facility almost doubling its size. This expansion and renovation, she added, has allowed FIT to expand its training and apprenticeship programs in-house so that FIT can increase the number of apprentices that it trains from approximately 120 to 225.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Ms. Orsi further noted that the training program is intensive and provides 4,500 to 8,000 hours of training to unskilled laborers who have the potential for earning an hourly wage of \$24 to \$35 upon completion of the program.

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 – 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

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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 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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.

\* \* \*

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.

\* \* \*

Mr. VanDeLoo then asked the Directors to authorize ESD to make a \$470,000 grant to the St. Lawrence County IDA to be used for a portion of the cost of building construction and site work, including access road and water sewer infrastructure to develop a new 22 acre commercial business park in Canton.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. VanDeLoo noted that the total project cost is \$2,400,000 and that the new building and related infrastructure will provide a facility for entrepreneurs to locate businesses and expand employment.

The project, Mr. VanDeLoo further noted, will increase economic activity and job creation in St. Lawrence. He added that the new building is the new home of the IDA and another commercial tenant.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked if there was enough activity in the area to occupy such a facility. Mr. VanDeLoo stated that the area has two universities in the nearby adjacent town. As an outgrowth of that, he explained, there are a lot of different small and other support businesses.

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

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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.

\* \* \*

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

that the proposed action will not have a significant effect on the environment.

\* \* \*

Next, Mr. VanDeLoo presented the January Regional Council Awards Consent Calendar for the Directors' consideration noting that there were two projects on the consent calendar. Mr. VanDeLoo provided a synopsis of each project.

Mr. VanDeLoo first asked the Directors to approve a grant of \$65,000 to the St. Lawrence Brewing Company for the purchase and installation of machinery and equipment.

Mr. VanDeLoo explained that the Company was established in 2012 and is a microbrewer of beers and ales.

Mr. VanDeLoo further explained that in an effort to improve energy efficiency, the Company needed to install state-of-the-art energy recovery equipment to recapture energy from the brewery process. The recaptured energy, he noted, will heat the building and reduce operating costs.

Mr. VanDeLoo went on to note that the project was completed in October 2014 and that the total project costs were approximately \$400,000. He added that as a result of the project, the Company will retain 33 jobs and will create 22 jobs by 2017. Mr. VanDeLoo further stated that the Company has already created five of those additions jobs.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Next, Mr. VanDeLoo asked the Directors to approve a \$60,000 grant to the St. Lawrence County IDA to renovate and repair three IDA-owned commercial buildings in Massena Industrial Park.

Mr. VanDeLoo explained that the IDA needed to repair plumbing and heating systems, electrical systems, certain roof repairs and a parking area for occupancy by new commercial tenants.

Mr. VanDeLoo further explained that the project was completed in October 2014 and that the total project costs were approximately \$150,000.

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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.

\* \* \*

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. McLeary then presented the January Non-Discretionary Projects Consent Calendar for the Directors' consideration. Mr. McLeary explained that there were two projects to be considered and provided a synopsis of each project.

Mr. McLeary explained that the first project includes two grants to the CenterState Corporation for Economic Opportunity, totaling \$800,000 for economic development as well as work force training programs to spur economic growth in Central New York.

Mr. McLeary went on to note that the second project includes three grants totaling \$15 million to the County of Onondaga for the restoration of the historic Hotel Syracuse into a world class convention center hotel.

Mr. McLeary explained that the grants will be administered by the Onondaga Convention Center Hotel Development Corporation which was created by the County in 2010 for the purpose of developing and constructing a convention center hotel.

Among other things, Mr. McLeary explained that the project activities will include stabilization of the roof, renovation of meeting spaces and guest rooms and other public spaces.

Mr. McLeary provided other information regarding the status of the hotel project. He then noted that it is anticipated that construction and renovation are planned to commence in

**DRAFT – SUBJECT TO REVIEW AND REVISION**

July of 2015 and that it is estimated that the hotel will be completed in December of 2016.

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:

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	Z327, Z333	CenterState Corporation for Economic Opportunity	\$800,000

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Capital			
			<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.

\* \* \*

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

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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.

\* \* \*

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.

\* \* \*

Next, Ms. Mize presented an item relating to the procurement of multifunction copiers for the Corporation.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Specifically, Ms. Mize noted that the Directors are being asked to approve the purchase of eight new RICOH multifunction copiers and the associated maintenance agreement for these new machines, as well as for four existing RICOH machines which are currently on lease.

Ms. Mize went on to provide the relevant background information with regard to this request and noted that the proposed term of the purchase and maintenance contract is five years at a total cost of \$370,865.

The request to the board also includes a ten percent contingency of \$37,000 for a total cost of \$407,955. These costs will be funded by ESD’s budget operating fund.

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 - Authorization to Enter Into a Contract with Ricoh USA, Inc. to Provide Copier and Maintenance 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 Ricoh USA, Inc. to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Ricoh USA, Inc. in an amount not to exceed FOUR HUNDRED SEVEN THOUSAND NINE HUNDRED FIFTY-FIVE DOLLARS (\$407,955) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

\* \* \*

Mr. Kwon then presented an item relating to the procurement of a Loan Servicing Software package for the Corporation to cover ESD's economic development loan portfolio.

Mr. Kwon then explained that this service is currently being provided by McGregor Financial Solutions whose contract is about to expire.

Mr. Kwon went on to provide an outline of the process used in selecting Applied Business Software, Inc. to provide these 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:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Authorization to Enter into a Contract with Applied Business Software, Inc. and to Take all Related Actions.

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BE IT RESOLVED, that on the basis of the materials presented at this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, the Corporation hereby finds Applied Business Software, Inc. to be responsible; and be it further

RESOLVED, that the Chief Executive Officer, or other officer of the Corporation, or his or her designee(s) are hereby authorized to enter into a contract with Applied Business Software, Inc. for services covering a five year term, in a cumulative amount not to exceed \$180,000; and it be

**DRAFT – SUBJECT TO REVIEW AND REVISION**

further

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

\* \* \*

There being no further business, the meeting was adjourned at 10:30 a.m.

Respectfully submitted,

Eileen McEvoy  
Corporate Secretary



FOR CONSIDERATION

February 19, 2015

TO: The Directors

FROM: Elizabeth R. Fine

SUBJECT: Officer of the Corporation

REQUEST FOR: Appointment of President and Chief Executive Officer Designate;  
Ratification of Actions

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BACKGROUND

Section 3.1 of the Corporation's bylaws establishes the office of President and Chief Executive Officer ("CEO") Designate who, in the event of a vacancy in the office of the President, is to be proposed to the Corporation by the Governor. Under Section 3.5 of the bylaws, the President and CEO Designate is to have all of the powers of, and be subject to all of the restrictions upon, the President. The purpose of the office of President and CEO Designate is to assure the continuity of corporate operations during a transition in the office of the President and CEO, which requires Senate confirmation.

Mr. Howard A. Zemsky has been nominated by the Governor to the office of President and CEO Designate to fill the vacancy created by the transition of Kenneth Adams to the position of Commissioner of the Department of Taxation and Finance. Mr. Adams resigned from the Corporation effective February 13, 2015. Mr. Zemsky has also been nominated to serve as Commissioner of Economic Development.

Mr. Zemsky has co-chaired the Western New York Regional Economic Development Council during the past four years and has worked closely on the Governor's Buffalo Billion revitalization initiative. His company, Larkin Development Group, has redeveloped approximately 1.0 million square feet of historic building space in Buffalo since 2002, with a particular focus on reclaiming Buffalo's earliest industrial neighborhood, the Larkin Historic District.

In recent years, Mr. Zemsky has chaired Western New York's Transportation Authority, SUNY Buffalo State College serving over 10,000 students, and he has served as President of the Richardson Center Corporation, a non-profit board charged with rehabilitation of the Richardson and Olmsted designed former NY State Psychiatric Hospital.

Mr. Zemsky has a Bachelor's degree from Michigan State University and a M.B.A from the University of Rochester. He is a Brooklyn native, a product of Long Island and a resident of Buffalo where he and his wife, Leslie, have lived for 30 years with their 3 children.

#### REQUESTED ACTION

The Directors are requested to: appoint Howard A. Zemsky to the office of President and CEO Designate, effective as of February 13, 2015; confirm that he is an officer of the Corporation within the meaning of the bylaws of the Corporation, including the indemnification provisions thereof; and ratify any and all actions heretofore taken in such capacity.

#### RECOMMENDATION

Based upon the foregoing, I recommend approval of the above-named requested actions.

#### ATTACHMENT

Resolutions

February 19, 2015

APPOINTMENT OF OFFICER AND RATIFICATION OF ACTIONS – President and Chief Executive Officer Designate

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BE IT RESOLVED, that Howard A. Zemsky be, and he hereby is, appointed to the Office of President and Chief Executive Officer Designate, effective as of February 13, 2015; and be it further

RESOLVED, the in accordance with and for all the purposes of the New York State Urban Development Corporation Act and the Corporation's bylaws, including but not limited to the indemnification provisions thereof, Mr. Zemsky is an "officer" of the Corporation; and be it further

RESOLVED, that any and all actions taken by the foregoing individual since his nomination to the office identified herein be and hereby are ratified, adopted and approved as the acts and deeds of the Corporation.



FOR CONSIDERATION

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Officers of the Corporation

REQUEST FOR: Appointment of Officers

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BACKGROUND

It is proposed that the individuals named and described below be appointed to the offices indicated.

Randy Coburn	Senior Vice President & Director, Economic Incentives
Carey Gabay	First Deputy General Counsel
Brendan Healey	Assistant Vice President, Economic Incentives – Loans & Grants
Edwin Lee	Vice President, Economic Incentives – Loans & Grants
Cara Longworth	Regional Director, Long Island
Glendon McLeary	Assistant Vice President, Economic Incentives – Loans & Grants
Vincent Ravaschiere	Senior Vice President, Energy & Incentives
Meghan Taylor	Regional Director, Mid Hudson

Mr. Coburn joined the Department of Economic Development on March 2, 1989. On September 6, 2013, Mr. Coburn transferred to the Corporation and was appointed Senior Vice President, Economic Incentives. He is being appointed to the position of Senior Vice President & Director, Economic Incentives effective January 15, 2015.

Mr. Gabay joined the Corporation on February 5, 2015. Prior to joining the Corporation, Mr. Gabay served as Assistant Counsel to Governor Cuomo. Mr. Gabay is being appointed to the position of First Deputy General Counsel effective February 5, 2015.

Mr. Healey joined the Corporation on August 10, 2009 and most recently served as Senior Project Manager. He is being appointed to the position of Assistant Vice President, Economic Incentives – Loans & Grants effective January 15, 2015.

Mr. Lee joined the Corporation on June 12, 2003 and most recently held the position of Assistant Vice President, Discretionary Programs, Loans & Grants. He is being appointed to the position of Vice President, Economic Incentives–Loans & Grants effective January 15, 2015.

Ms. Longworth joined the Corporation on February 9, 2015 and is being appointed to the position of Regional Director, Long Island as of that date.

Mr. McLeary joined the Corporation on July 24, 2006 and most recently served as Senior Project Manager. Mr. McLeary is being appointed to the position of Assistant Vice President, Economic Incentives – Loans & Grants effective January 15, 2015.

Mr. Ravaschiere joined the Corporation on January 12, 2015 and is being appointed to the position of Senior Vice President, Energy & Incentives effective as of that date.

Ms. Taylor joined the Corporation on January 26, 2015 and is being appointed to the position of Regional Director, Mid Hudson effective as of that date.

#### REQUESTED ACTION

The Directors are requested to approve the appointment of the individuals identified above to the offices indicated, to confirm that each such individual is an officer of the Corporation within the meaning of the Corporation’s bylaws, including the indemnification provisions thereof, and to ratify any and all actions taken by any of them since their nomination to these positions.

#### RECOMMENDATION

Based upon the foregoing, I recommend approval of the above-named requested actions.

#### ATTACHMENT

Resolutions

February 19, 2015

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT  
– Appointment of Officers

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BE IT RESOLVED, that the following individuals be, and they hereby are, appointed to the offices which appear opposite their respective names, until their earlier resignation or removal:

<u>NAME</u>	<u>OFFICE</u>
Randy Coburn	Senior Vice President & Director, Economic Incentives
Carey Gabay	First Deputy General Counsel
Brendan Healey	Assistant Vice President, Economic Incentives – Loans & Grants
Edwin Lee	Vice President, Economic Incentives – Loans & Grants
Cara Longworth	Regional Director, Long Island
Glendon McLeary	Assistant Vice President, Economic Incentives – Loans & Grants
Vincent Ravaschiere	Senior Vice President, Energy & Incentives
Meghan Taylor	Regional Director, Mid Hudson

and be it further

RESOLVED, that in accordance with and for all the purposes of the New York State Urban Development Corporation (the “Corporation”) Act and the bylaws of the Corporation, including but not limited to the indemnification provisions thereof, each of the foregoing individuals is an “officer” of the Corporation; and be it further

RESOLVED, that any and all actions taken by each of the foregoing individuals since their nomination to the offices identified herein be and hereby are ratified as the acts and deeds of the Corporation.

\* \* \*

FOR CONSIDERATION

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Bronx (New York City Region – Bronx County) – Fresh Direct Capital – Urban and Community Development Program – Urban and Community Development Assistance (Capital Grant) and Metropolitan Economic Revitalization Fund (Capital Loan)

REQUEST FOR: Affirmation of the Directors August 27, 2014 Findings Pursuant to Sections 16-6 and 10(g) of the UDC Act; Affirmation of the General Project Plan

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I. Background

At their meeting on August 27, 2014, the ESD Directors adopted a General Project Plan (“GPP”) under s. 16 the UDC Act, and made findings and determinations authorizing a \$9,000,000 grant (the “Grant”) and \$1,000,000 loan (the “Loan”) to Fresh Direct, LLC (“Fresh Direct”) for a portion of the cost of construction of a new distribution facility, corporate headquarters and purchase of machinery and equipment (the “Fresh Direct Facility”).

As required by s. 16(2) of the UDC Act, a public hearing on the GPP and the Grant and Loan was held at Hostos Community College on Monday, November 17, 2014, from 5:00 to 9:00 p.m. ESD arranged the public hearing in accordance with all statutory requirements and applicable ESD policy. Specifically, a legal notice was published in the *New York Post* and *El Diario* on November 7, 2014. The GPP and information about the Grant and Loan were made available at the office of the Bronx County Clerk, the New York City Clerk of the Council and at ESD’s principal office. In addition, ESD established an email address to receive written comments, submitted before 9:00 pm on the date of the public hearing.

A total of 65 persons spoke at the public hearing. A transcript of the testimony is attached hereto. 16 persons commented in support of the Fresh Direct Facility. Supporters included, among others, the Bronx Borough President’s office, Bronx Overall Economic Development Corporation (“BOEDC”), New York Women’s Chamber of Commerce, and Fresh Direct. Supporters generally cited the Fresh Direct Facility’s role in expanding the diverse economy in

the Bronx, creating jobs on an underutilized industrial waterfront, job growth opportunities afforded to entry-level workers, and Fresh Direct's plan of greening its fleet.

More specifically, supporters indicated that this project has the support of tenant leaders, elected officials, local leaders and people across the region. They voiced their appreciation that Fresh Direct has expanded its services to every corner of the Bronx and that for those receiving Electronic Benefits Transfer ("EBT"), Fresh Direct has launched a unique pilot program in conjunction with the Governor's office and the USDA in the area in close proximity to the new facility to accept EBT benefits from eligible residents. Supporters also expressed gratitude for the willingness of Fresh Direct to hire local residents. Fresh Direct has already worked with BOEDC over the past three years to hire numerous Bronx residents. A number of Fresh Direct employees noted the career advancement opportunities that Fresh Direct has provided them, especially for those starting at an entry level position, and their happiness in working for Fresh Direct.

49 persons commented by raising concerns, primarily about anticipated health impacts that they believed would result from the trucks that would be associated with Fresh Direct's operations at the facility. Those raising concerns included South Bronx Unite!, South Bronx Community Congress, New York Lawyers for the Public Interest, Good Jobs New York and New York City Council Speaker Melissa Mark-Viverito.

In addition, approximately 137 persons, via email, submitted comments raising concerns, all of which were consistent with those expressed by the persons who commented at the public hearing.

## II. Adverse Testimony and ESD Response

The following is a summary of the adverse comments that were received and required responses.

(i) Comment: A Cost Benefit analysis on existing grocery stores was not conducted. Providing subsidies to Fresh Direct will have a negative impact on small businesses.

ESD Response: ESD conducts an individual cost-benefit analysis for any grant or loan that totals over \$250,000. This cost-benefit analysis determines the economic benefits that occur to New York State as a result of the assistance that is being provided. In Fresh Direct's case, the ESD subsidy is being provided to relocate the corporate headquarters and distribution facility to the South Bronx, in order to keep Fresh Direct and all the associated jobs in New York State. If ESD were not to provide this assistance, it is likely that Fresh Direct would have moved its facility to New Jersey. Fresh Direct already competes with existing grocery stores and, if Fresh Direct were to have moved to New Jersey or elsewhere, it is likely that it would still provide the same service in the same geographic areas that it would serve from the proposed South Bronx facility.

(ii) Comment: A Health Impact Study was not conducted.

ESD Response: Any significant health impacts arising from a project are considered in the environmental review performed under the State Environmental Quality Review Act (SEQRA) procedures. In this case, the supplemental environmental assessment completed in December 2011 was concluded with the Negative Declaration of Significance issued by the lead agency (the New York City Industrial Development Authority) in February 2012. The lead agency's Negative Declaration was subsequently upheld in court proceedings. See *South Bronx Unite! v. New York City Industrial Development Authority*, 115 A.D.3d 607 (1<sup>st</sup> Dep't March 27, 2014). As an involved agency in the environmental review, ESD is bound by the lead agency's determinations.

Moreover, under the 2014 CEQR Technical Manual, which is generally considered to contain the most appropriate technical analysis methods and guidelines for environmental impact assessment for projects located in New York City, a public health analysis (defined as an analysis of the public health implications posed by activities, a facility, release, or contaminated site under consideration) is called for if an unmitigated significant adverse impact is found in other analysis areas such as air quality, water quality, hazardous materials, or noise. In addition, in unusual circumstances, where a project may have a potential public health consequences that may not be related to the issues addressed in other technical analysis areas – such as projects that would have a potential public health impact due to pesticide applications – the lead agency may determine that a public health assessment is warranted. The December 2011 environmental assessment did not find any unmitigated significant adverse impact related to air quality, water quality, hazardous materials, or noise. In addition, the project does not have any associated unusual circumstances that may have a potential public health consequence unrelated to other technical analysis areas. Therefore, a public health analysis is not warranted for the proposed project.

(iii) Comment: Approximately 1,000 more truck trips will be added to the community.

ESD Response: Fresh Direct has advanced its logistics planning and now expects that the new facility will generate fewer truck trips in the Bronx than originally projected. Upon opening in 2017, Fresh Direct estimates that there will be 612 truck trips on a typical weekday (counting truck trips to and from the Project Location as two separate trips) as opposed to 938 truck trips originally projected in the December 2011 environmental assessment. Accounting for projected growth, there will be approximately 794 truck trips at peak operations in 2022. These trips would include 252 trips by suppliers to Fresh Direct and 542 trips by Fresh Direct delivery vehicles. The net increase in trips traveling through the community in 2022, however, would actually be about 685, as approximately 109 trucks associated with Fresh Direct operations would be anticipated to travel in the vicinity of the Project site even if Fresh Direct operations were to remain based in Long Island City without the Fresh Direct facility in the Bronx. This increase in truck traffic is very small in proportion to the total number of vehicles currently passing through the community on local streets and highways. As a basis of comparison, this increase in trips represents less than one half of one percent of the daily vehicles traveling

through the Major Deegan Expressway and Bruckner Expressway interchange area alone.

Fresh Direct utilizes sophisticated routing software to efficiently direct trucks in and out of the project and onto major roadways, thus minimizing travel through residential neighborhoods to the extent feasible. Since 2012, Fresh Direct has turned over much of its fleet, so that currently, 93% of its vehicles have much lower emissions of particulate matter than trucks built before 2010 when the EPA established its most stringent emission standards for new trucks. Thus, Fresh Direct trucks emit less air pollutants than older model trucks that typically pass through the community. Fresh Direct's policy is to rotate new vehicles into the fleet each year as older ones are retired. As a result, the emissions characteristics of the fleet can be expected to further improve as more stringent EPA mileage and greenhouse gas emission standards for new truck models are phased in between now and 2018. In addition, its entire delivery truck fleet has been upgraded to standby electric refrigeration, which allows trucks to rely on electric power, rather than run their diesel engines, to refrigerate products when operating at the Fresh Direct facility.

(iv) Comment: The South Bronx has one of the highest asthma rates in the country, and the air pollution (in particular, fine particles) emitted by truck traffic generated by Fresh Direct would increase asthma rates.

ESD Response: Urban communities such as the South Bronx historically have a high average incidence of childhood asthma. The reasons for this are not well understood, but they are likely to include demographic characteristics and air pollution, among other risk factors.

The Clean Air Act requires the U.S. Environmental Protection Agency ("EPA") to set National Ambient Air Quality Standards (NAAQS) for pollutants it finds to be harmful to public health and the environment. It does so through a process that entails close consultation with the scientific community and an in-depth analysis of the most recent technical and scientific information. The standards are set by EPA at a level that will protect public health, taking into account the sensitivity of people with special vulnerabilities, such as those suffering from asthma. EPA has focused particular attention on setting stringent health-based standards for fine particulate matter, a pollutant that is emitted by trucks, and has been linked to asthma and other respiratory diseases. In 2012, EPA significantly strengthened one of the standards for fine particulates. At that time, the EPA administrator found the fine particulate standards to be protective of "at-risk populations, with an adequate margin of safety from the effects associated with long- and short-term exposures to fine particles."

The Clean Air Act requires EPA and states to monitor ambient air quality to establish whether a local area is in compliance with the NAAQS. In the past, concentrations of fine particulates in the South Bronx measured well above the EPA standards. However, emissions have gone down substantially in recent years, after additional restrictions were imposed by EPA and the State on motor vehicles, power plants and industrial sources of pollution. As a result of these efforts, EPA recently determined that the Bronx and other counties in New York State are in attainment of the standards for fine particulates. This conclusion is supported by monitoring

data collected by the state at several monitoring stations, including two that are located in the vicinity of the Fresh Direct site. The data from these stations confirm that fine particulate levels generally have decreased in recent years, and are now at a point where they are well below the EPA health-based standards. Emissions from trucks associated with the Fresh Direct facility (which, as noted above, would represent a tiny fraction of the vehicle traffic in the area) would not be expected to reverse these trends.

As a further indication, Fresh Direct has committed to utilize commercially reasonable best efforts by commencement of full operations at the Fresh Direct facility in the Bronx, but in no event later than January 1, 2019, to have 98% of its Bronx facility-located truck fleet meet or exceed 2010 EPA emissions standards. In addition, Fresh Direct has committed to, by the end of 2018, lease or buy an additional 40-45 hybrid/alternative and/or clean diesel vehicles to be located at its Bronx facility.

(v) Comment: The project is relying on an over 20-year-old Environmental Impact Statement.

ESD Response: This comment is incorrect. As noted above, the lead agency (NYCIDA) prepared an environmental determination under SEQRA, based on an Environmental Assessment Form (EAF) with supplemental information for the proposed Fresh Direct Facility, dated December 2011. ESD participated as an involved agency in the review process.

While the original development plan was subject to environmental review in December 1993, which resulted in a Final Environmental Impact Statement ("FEIS"), subsequently there have been several projects that modified the development plan, including the establishment of the New York Post facility in 1998 and Federal Express Facility in 2007, for which additional environmental assessments were conducted.

The December 2011 environmental assessment for the proposed Fresh Direct Facility analyzed whether the proposed modifications to the original development program assumed in the 1993 FEIS could result in potential significant adverse impacts not previously identified in the FEIS and subsequent environmental assessments. The lead agency found that the proposed Fresh Direct Facility, which would replace the originally planned warehouse, distribution and wholesale Flower Mart (under the "warehouse" scenario of the 1993 FEIS), would be materially similar to the original development plan and would not result in significant adverse environmental impacts different from or greater than what was addressed in the previous environmental assessments. Therefore, the lead agency determined that no additional analysis or supplemental environmental impact statement is warranted for the proposed project.

(vi) Comment: There is no enforceable requirement to actually hiring Bronx residents.

ESD Response: The ESD grant and loan requires the retention of 1,949 Full-time Permanent Employees. The Excelsior assistance requires the retention of 1,949 Full-time Permanent Employees and the creation of 946 Full-time Permanent jobs in order to access all of the Excelsior assistance. Fresh Direct estimates that approximately 21% of its 2,454 current

Full-Time Permanent Employees reside in the Bronx. While there is no requirement that any of Fresh Direct's employees reside in a specific location, ESD expects that once the Project location is opened, a larger percentage of employees hired by Fresh Direct will reside in the Bronx.

(vii) Comment: ESD has failed to consult with community leaders and elected officials.

ESD Response: ESD has fully consulted with community leaders and elected officials, and has received expressions of support for the project from, among others, Bronx Borough President Ruben Diaz, Jr., the Bronx Chamber of Commerce (in an amicus brief filed with the Court in the South Bronx Unite! litigation referred to above), joined in the brief by: (i) Bronx Green Machine, an organization that develops green initiatives blending education and workforce development; (ii) Health People, a South Bronx organization that trains residents of communities plagued by chronic disease; (iii) Sylvia Center, an organization that conducts cooking classes in community centers and afterschool programs; (iv) Fedcap Rehabilitation Services, a non-profit organization that promotes workforce development programs, and ; (v) Millbrook Houses Residents Association, that represents about 1,500 residents living in close proximity to the Fresh Direct facility.

Additionally, ESD's project has received expressions of support from the following elected officials and community leaders:

NYS Senator Ruben Diaz Sr.  
NYS Assembly Speaker Elect Carl Heastie  
NYS Assembly Member Marcos Crespo  
NYS Assembly Member Jeffrey Dinowitz  
NYS Assembly Member Carmen Arroyo  
NYS Assembly Member Luis Sepulveda  
NYS Assembly Member Mark Gjonaj  
NYS Assembly Member Robert Rodriguez  
NYS Assembly Member Victor Pichardo  
NYC Council Member Andy King  
NYC Council Member Annabel Palma  
NYC Council Member Vanessa Gibson  
NYC Council Member Andy Cohen  
NYC Council Member Inez E. Dickens  
NYC Council Member Mark Levine

### III. Summary

After review and consideration of comments received at the public hearing, ESD staff believes that the Fresh Direct Facility is an important part of the local revitalization plan for the area, that the concerns raised during the public hearing period have been adequately addressed, and the Fresh Direct Facility is expected to have a positive impact on the community.

#### IV. Requested Action

The Directors are requested to affirm the findings related to the Grant and Loan for the Fresh Direct Facility, made pursuant to the New York State Urban Development Corporation Act, corrected only to reflect the current job numbers set forth in the August 27, 2014 GPP as adopted, and as explained in the Information Item presented to the Board on October 16, 2014.

Additional Submissions to Directors

Resolutions

ESD Directors' Materials dated August 27, 2014

Information Item from October 16, 2014

Transcript of the Public Hearing, dated November 17, 2014

February 19, 2015

Bronx (New York City Region – Bronx County) – Fresh Direct Capital – Urban and Community Development Program – Urban and Community Project Development Assistance (Capital Grant) – Affirmation of the Directors’ August 27, 2014 Findings Pursuant to Sections 16-6 and 10(g) of the Act; Affirmation of the General Project Plan

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WHEREAS, ESD staff has addressed the comments received at the public hearing on the GPP as set forth in the attached materials; it is hereby

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Fresh Direct, LLC a grant for a total amount not to exceed Nine Million Dollars (\$9,000,000) from the Urban and Community Development Program fund or such other funding source as may be available to the Corporation for which the Plan is eligible, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

February 19, 2015

Bronx (New York City Region – Bronx County) – Fresh Direct Capital – Metropolitan Economic Revitalization Fund (Capital Loan) – Affirmation of the Directors' August 27, 2014 Findings Pursuant to Section 10(g) of the Act; Affirmation of the General Project Plan

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WHEREAS, ESD staff has addressed the comments received at the public hearing on the GPP as set forth in the attached materials; it is hereby

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Fresh Direct, LLC a loan for a total amount not to exceed One Million Dollars (\$1,000,000) from the Metropolitan Economic Revitalization Fund or such other funding source as may be available to the Corporation for which the Plan is eligible, 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

Hearing Exhibit  
No. 2  
11-17-14 (MP)

## FOR CONSIDERATION

August 27, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Bronx (New York City Region – Bronx County) – Fresh Direct Capital – Urban and Community Development Program – Urban and Community Project Development Assistance (Capital Grant) and Metropolitan Economic Revitalization Fund (Capital Loan)

REQUEST FOR: Findings and Determinations Pursuant to Sections 5(4), 16-d and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and 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

Borrower/Grantee: Fresh Direct, LLC ("Fresh Direct" or the "Company")

ESD\* Investment: ESD grant and loan assistance totaling \$10 million as follows:

A grant of up to \$9,000,000 to be used for a portion of the cost of construction of a new distribution facility.

A loan of up to \$1,000,000 to be used for a portion of the cost of construction of a new distribution facility.

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

Project Location: 2 St. Anns Avenue, Bronx, Bronx County\*\*  
23-30 Borden Avenue, Long Island City, Queens County

\*\*Project activity site; other is job-retention site

Proposed Project: Construction of a new distribution facility, corporate headquarters, and purchase of machinery and equipment to allow for consolidation.

Project Type: Business consolidation involving job retention

Regional Council: The New York City Regional Council has been made aware of this item. The Project is consistent with the New York City Regional Plan as the Project will redevelop long-vacant land within one of the fifteen economically distressed or underdeveloped areas of New York City that the New York City Regional Council had identified in its initial 2011 five-year plan.

Employment: Initial employment at time of ESD Incentive Proposal: 1,949  
 Current employment level: 2,754  
 Minimum employment through January 1, 2025: 1,949\*

\*ESD's grant and loan requires retention of 1,949 jobs through January 1, 2025. In order to obtain all of the Excelsior tax credits, Fresh Direct will be required to retain 1,949 jobs and create 946 new jobs.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction	\$113,643,000
Machinery & Equipment	35,525,000
Soft Costs	<u>17,087,000</u>
 Total Project Costs	 <u>\$166,255,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Loan	\$1,000,000	0.6%	5%/7 yrs./*
ESD – Grant	\$9,000,000	5.4%	
EB-5 Loan	84,168,000	50.6%	4.5%/5 yrs./**
Brightwood Loan	15,500,000	9.3%	10%/6 yrs./***
NYC IDA Grant	10,500,000	6.3%	
NYS DOT Grant	1,000,000	0.6%	
New Markets Tax Credit Equity	5,000,000	3.0%	
Company Equity	<u>40,087,000</u>	<u>24.1%</u>	
 Total Project Financing	 <u>\$166,255,000</u>	 <u>100.0%</u>	

\*1<sup>st</sup> lien on \$1.5 million of machinery and equipment.

\*\* 1<sup>st</sup> lien on the assets of Fresh Property Bronx, LLC. There is also an option for Borrower to extend the term another 2 years with a potential additional extension of 3.5 years.

\*\*\* 1<sup>st</sup> lien on assets of Fresh Direct, LLC

### III. Project Description

#### A. Company

**Industry:** Fresh Direct is a direct-to-consumer internet grocer, delivering a full line of competitively priced grocery products to its customers' door. The Company is the largest full service independent internet grocer in the United States.

**Company History:** Fresh Direct traces its origins to the late 1990s and the desire of its co-founder and current CEO, Jason Ackerman, and his then partner to find the most effective way to satisfy New York City consumers' growing desire for high-quality fresh foods at affordable prices. The Company started with a single employee in 1999 and having made its first delivery in 2002, Fresh Direct has outgrown its physical and capacity constrained facility through consistent company growth and hiring of over 2400 employees.

**Ownership:** Fresh Direct is privately owned.

**Size:** The Company currently fulfills orders out of three warehouses in Long Island City, Queens, and operates a fleet of over 250 delivery trucks. In addition, Fresh Direct operates two cross-docks in Philadelphia, PA and Hackensack, NJ to service its Philadelphia-area and New Jersey based customers.

**Market:** Fresh Direct uses a direct-to-consumer internet grocery model, which provides for customer convenience and the ability to customize the grocery shopping experience through the online channel. The Company has 70,000 weekly customers throughout the New York and Philadelphia metropolitan regions. Fresh Direct's main competitors include grocery stores in these areas.

**ESD Involvement:** Fresh Direct has experienced significant and rapid growth since it acquired its current Long Island City headquarters in 1999, leasing a second Long Island City warehouse in 2007 and a third Long Island City warehouse in 2011 as well as a number of parking lots for its fleet. By 2011, balancing continued strong growth within increasingly tight facilities, the Company determined that it needed to find a long-term solution to capacity needs and inefficiencies resulting from operating multiple facilities. Fresh Direct, in order to satisfy customer demand and grow and increase employment required by continued growth, decided to consolidate in one facility and identified sites in Jersey City, New Jersey, and the Bronx as suitable options for consolidation. The New Jersey Economic Development Authority offered Fresh Direct substantial

incentives to choose the Jersey City location for consolidation. In order to make the Bronx location more economically feasible and to induce Fresh Direct to proceed with the project at the Bronx location, in February 2012, ESD issued an Incentive Proposal for a \$9 million grant, a \$1 million loan and \$18.2 million in Excelsior Tax Credits. The Company accepted the Incentive Proposal in February 2012.

Competition: Jersey City, New Jersey

Past ESD Support: In 2002, ESD Directors' approved a \$500,000 training grant to Fresh Direct. The grant was fully disbursed and Fresh Direct satisfied all requirements.

#### B. The Project

Completion: December 2016 (anticipated)

Activity: The project entails land preparation, site preparation, construction of the core and shell that will not exceed 500,000-square-foot facility, procurement and installation of food manufacturing and material handling equipment, development and implementation of advanced supply chain management software, facility commissioning, and transition of operations from the Company's Long Island City facilities to its new Bronx home. The new facility will be situated on a currently vacant 12.6-acre plot of land located at the Harlem River Yards.

The new facility will include:

- (1) dry, refrigerated and freezer storage and order fulfillment areas,
- (2) food production facilities, including meat, seafood, deli, prepared meal and bakery product production areas,
- (3) receiving, shipping and customer order staging and
- (4) operations, transportation and corporate offices.

The 45-foot tall core and shell of the building will support a multi-story/multi-level mezzanine facility built to food-grade specifications, including refrigeration of the facility to support several different temperature zones, insulated paneling to prevent loss of temperature and drainage to allow for wash down of all food production areas. Fresh Direct is working closely with the New York State Energy Research & Development Authority to ensure that the facility's structural design will provide for an energy-efficient operation.

Results: The project will allow Fresh Direct to consolidate into one larger facility, which will provide greater operating capacity and will provide substantial operating efficiencies. The new facility will double Fresh Direct's

capacity, allowing the company to service growth for the next seven to 10 years and add more than 3,500 new products to its current offerings. It will also bring new jobs to the community and help fulfill the desire of local governments to make the South Bronx an attractive area for business development. ESD's grant and loan assistance will allow the Company to retain 1,949 jobs. In addition, Fresh Direct expects the new facility to bring up to 1,000 new jobs to the community over the next 10 years. The new facility represents a significant investment by all parties to help stimulate the local economy, encourage private sector growth, create new jobs for New Yorkers and ensure that Fresh Direct remains a New York-based company.

## 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 10-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$96,399,844;
- Fiscal cost to NYS government is estimated at \$24,843,045;
- Project cost to NYS government per direct job is \$14,671;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$7,951;
- Ratio of project fiscal benefits to costs to NYS government is 3.88:1;
- Fiscal benefits to all governments (state and local) are estimated at \$173,448,667;
- Fiscal cost to all governments is \$35,843,045;
- All government cost per direct job is \$21,167;
- All government cost per total job is \$11,472;
- The fiscal benefit to cost ratio for all governments is 4.84:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$751,375,573, or \$240,486 per job (direct and indirect);
- The economic benefit to cost ratio is 20.96:1;

- Project construction cost is \$130,073,000, which is expected to generate 649 direct job years and 351 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.84 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is three years.

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

The project benefit cost analysis includes the creation of 946 new jobs in addition to the 1,949 jobs to be retained. The total incentive offered to the company included the Excelsior Jobs Program tax credits based on the new job creation and eligible investments in addition to the UCDP grant and MERF loan.

**Borrower/Grantee**

Contact: Jason Ackerman, Chief Executive Officer and Co Founder  
 23-30 Borden Avenue  
 Long Island City, NY 11101  
 Phone: (718) 928-1000

ESD Project No's.: X655, X656

Project Team:	Origination	Brenda Grober
	Project Management	Brendan Healey
	Legal	Simon Wynn
	Contractor & Supplier Diversity	Denise Ross
	Finance	Jonevan Hornsby
	Design & Construction	Peter Topor
	Environmental	Soo Kang

C. Financial Terms and Conditions – Grant

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$9,000,000 capital grant (\$90,000) 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. Fresh Direct Holdings, Inc., and Fresh Direct Property Holding, Inc., will guarantee the grant repayment obligation of its subsidiary, Fresh Direct, LLC, in the event of an Employment Shortfall or other default, as defined in these materials or the Grant Disbursement Agreement.

4. 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.
5. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
6. Up to \$9,000,000 will be disbursed to the Grantee in four installments as follows:
  - a) an Initial Disbursement of an amount of \$2,000,000 as an advance upon execution of a Grant Disbursement Agreement, upon compliance with ESD's Design and Construction requirements, and the employment of at least 1,949 Full-time Permanent Employees at the Project Locations assuming that all project approvals have been completed and funds are available;
  - b) a Second Disbursement of an amount equal to \$3,000,000 will be disbursed upon documentation of 30% construction completion in compliance with ESD's Design and Construction requirements and the employment of at least 1,949 Full-time Permanent Employees at the Project Locations, provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to \$3,000,000 will be disbursed upon documentation of 75% construction completion in compliance with ESD's Design and Construction requirements and the employment of at least 1,949 Full-time Permanent Employees at the Project Locations, provided Grantee is otherwise in compliance with program requirements.
  - d) a Fourth Disbursement of an amount equal to \$1,000,000 will be disbursed upon documentation of 90% construction completion in compliance with ESD's Design and Construction requirements and the employment of at least 1,949 Full-time Permanent Employees at the Project Locations, provided Grantee is otherwise in compliance with program requirements.

Within a year after the Fourth Disbursement, Grantee shall be required to submit documentation showing project completion in compliance with ESD's Design and

Construction requirements, including a Certificate of Occupancy.

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 February 3, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$9,000,000, 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.
8. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than 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) 100% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
- (iii) 90% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
- (iv) 80% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (v) 70% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.
- (vi) 60% of the disbursed amount if the Employment Shortfall occurred in the sixth full calendar year after the disbursement was made;
- (vii) 50% of the disbursed amount if the Employment Shortfall occurred in the seventh full calendar year after the disbursement was made;
- (viii) 40% of the disbursed amount if the Employment Shortfall occurred in the eighth full calendar year after the disbursement was made;
- (ix) 30% of the disbursed amount if the Employment Shortfall occurred in the ninth full calendar year after the disbursement was made.
- (x) 20% of the disbursed amount if the Employment Shortfall occurred in the tenth

full calendar year after the disbursement was made.

- (xi) 10% of the disbursed amount if the Employment Shortfall occurred in the eleventh 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	1,949
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A	B
Date	Employment Goals
February 1, 2015	1,949
February 1, 2016	1,949
February 1, 2017	1,949
February 1, 2018	1,949
February 1, 2019	1,949
February 1, 2020	1,949
February 1, 2021	1,949
February 1, 2022	1,949
February 1, 2023	1,949
February 1, 2024	1,949
February 1, 2025	1,949

D. Financial Terms and Conditions - Loan

1. The Borrower shall pay a commitment fee of 1% of the \$1,000,000 loan (\$10,000). In addition, at the time of closing, the Borrower will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Borrower will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Guarantees: Corporate Guarantees are required from any entity or commonly controlled entities together owning 50% or more of the Borrower including Fresh Direct Holdings, Inc., and Fresh Direct Property Holding, Inc.
4. The Borrower 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.

5. Up to \$1,000,000 will be disbursed to the Borrower upon completion of the project substantially as described in these materials including documentation of \$166,000,000 in building acquisition/construction/renovations/machinery and equipment project costs, a certificate of occupancy and documentation of the employment of at least 1,949 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available. Expenses must be incurred on or after February 3, 2012, to be considered eligible project costs. Disbursement of the loan must be requested by April 1, 2017.
6. Prior to disbursement, the Borrower 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 Borrower'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 Borrower to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Borrower'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 Borrower to other employees with comparable rank and duties.
7. 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.
8. Rate/Term: 5% interest rate over 7 years (84 months). The interest rate may be adjusted if the Borrower does not meet the Job Commitments. Loan becomes immediately due and payable if Borrower sells or closes the Project Location.
9. Repayment Term: 84 monthly interest payments beginning after disbursement of the loan, with outstanding principal due in full on the 84<sup>th</sup> month.

10. Job Commitments:

Baseline Employment	1,949
<b>A</b>	<b>B</b>
Reporting Date	Employment Goals
Anniversary Date of Loan Closing 2015	1,949
Anniversary Date of Loan Closing 2016	1,949
Anniversary Date of Loan Closing 2017	1,949
Anniversary Date of Loan Closing 2018	1,949
Anniversary Date of Loan Closing 2019	1,949
Anniversary Date of Loan Closing 2020	1,949
Anniversary Date of Loan Closing 2021	1,949
Anniversary Date of Loan Closing 2022	1,949
Anniversary Date of Loan Closing 2023	1,949
Anniversary Date of Loan Closing 2024	1,949
Anniversary Date of Loan Closing 2025	1,949

- 11. The Borrower will submit to ESD annual reviewed financial statements and quarterly internal financial statements certified by an officer of the Borrower.
- 12. Financial Disclosure: Updated financial disclosure on Borrower and all guarantors acceptable to ESD must be provided prior to closing.
- 13. Lien/Collateral: First lien position on \$1.5 million machinery & equipment.

IV. Statutory Basis - Urban and Community Development Program

This project is authorized under Sections 5(4) and 16-d of the New York State Urban Development Corporation Act (the "Act") and satisfies the eligibility criteria for an Urban and Community Development Program grant as set forth in the Act and the rules and regulations for the Urban and Community Development Program. No residential relocation is required as there are no families or individuals residing on the site.

V. Design and Construction

Fresh Direct is building a not to exceed 500,000 square foot distribution facility at Harlem River Yards, Bronx. The projected total construction cost is \$113,643,000. ESD's grant will reimburse construction expenditure up to \$9,000,000. For the ESD grant, the construction documents will be reviewed and payments will be made when design and construction ("D&C") requirements have been met.

VI. Environmental Review

The New York City 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 a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on February 14, 2012. As an involved agency in the SEQRA review, ESD is bound by the lead agency's Determination. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination & Contractor and Supplier Diversity policy will apply to the Project. Fresh Direct shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") participation goal of 40%, Minority Business Enterprise ("MBE") participation goal of 30% 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. MBE participation requirements may not be substituted for WBE participation, or the reverse.

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 Renderings/Site Map  
Project Finance Memorandums  
Benefit-Cost Analysis

August 27, 2014

Bronx (New York City Region – Bronx County) – Fresh Direct Capital – Urban and Community Development Program – Urban and Community Project Development Assistance (Capital Grant) – Findings and Determinations Pursuant to Sections 5(4), 16-6 and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Fresh Direct, LLC a grant for a total amount not to exceed Nine Million Dollars (\$9,000,000) from the Urban and Community Development Program 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.

\* \* \*

August 27, 2014

Bronx (New York City Region – Bronx County) – Fresh Direct Capital – Metropolitan Economic Revitalization Fund (Capital Loan) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan 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 Fresh Direct Capital – Metropolitan Economic Revitalization Fund (Capital Loan) 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 Fresh Direct, LLC a loan for a total amount not to exceed One Million Dollars (\$1,000,000) from the Metropolitan Economic Revitalization Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer 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 loan and grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the loan or grant or collateral securing the loan as he or she may deem necessary or appropriate in the administration of the loan and 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.

\* \* \*

August 27, 2014

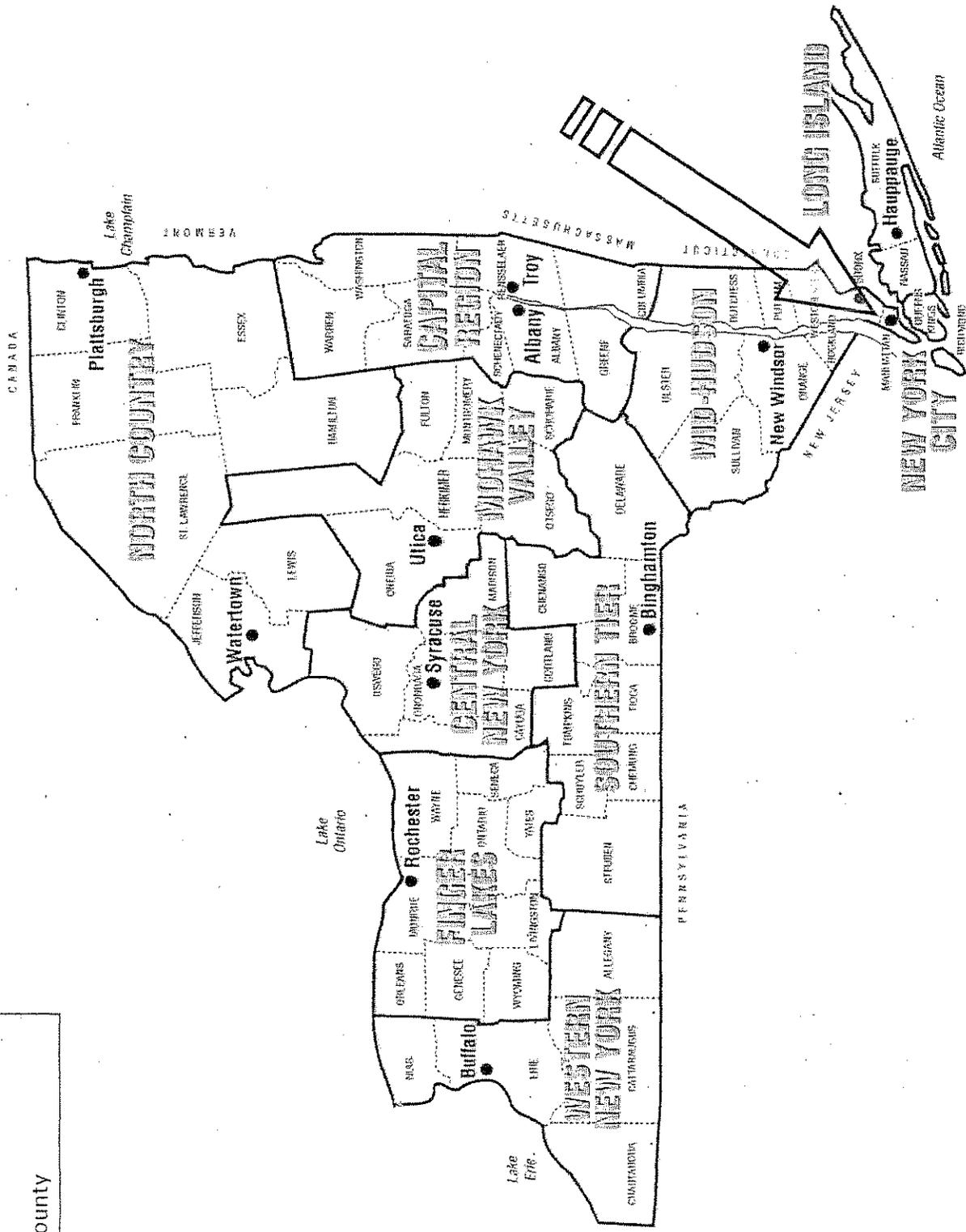
Bronx (New York City Region – Bronx County) – Fresh Direct Capital – Urban and Community Development Program – Urban and Community Project Development Assistance (Capital Grant) and Metropolitan Economic Revitalization Fund (Capital Loan) – Determination of No Significant Effect on the Environment

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

\* \* \*

Fresh Direct Capital  
Bronx  
Bronx County



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

### Fresh Direct – Business Investment

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 reported in the table below 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 table typically reflects only construction-related activity. Benchmarks for each type of project are noted in the footnotes.

Initial Jobs: 1,949	Construction Job Years (Direct): 649
Retained Jobs: 1,949*	Construction Job Years (Indirect): 1,000

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks <sup>2</sup>	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs <sup>3</sup>	\$24,843,045	\$794,250	\$35,843,045	\$1,020,500
Fiscal Benefits <sup>4</sup>	\$96,399,844	\$2,085,600	\$173,448,667	\$4,271,980
Fiscal Cost /Direct Job	\$14,671	\$3,000	\$21,167	\$4,110
Fiscal Cost/Total Jobs	\$7,951	\$1,424	\$11,472	\$1,964
Fiscal B/C Ratio	3.88	7.00	4.84	10.60
	Project Results	Benchmarks		
Economic Benefits <sup>5</sup>	\$751,375,573	\$119,468,000		
Econ. Benefits/Total Jobs	\$240,486	\$147,600		
Economic B/C Ratio	20.96	50.00		

\*See the description of project employment noted in the bulleted summary of project performance.

<sup>1</sup> Dollar values are present value calculated over a 10-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

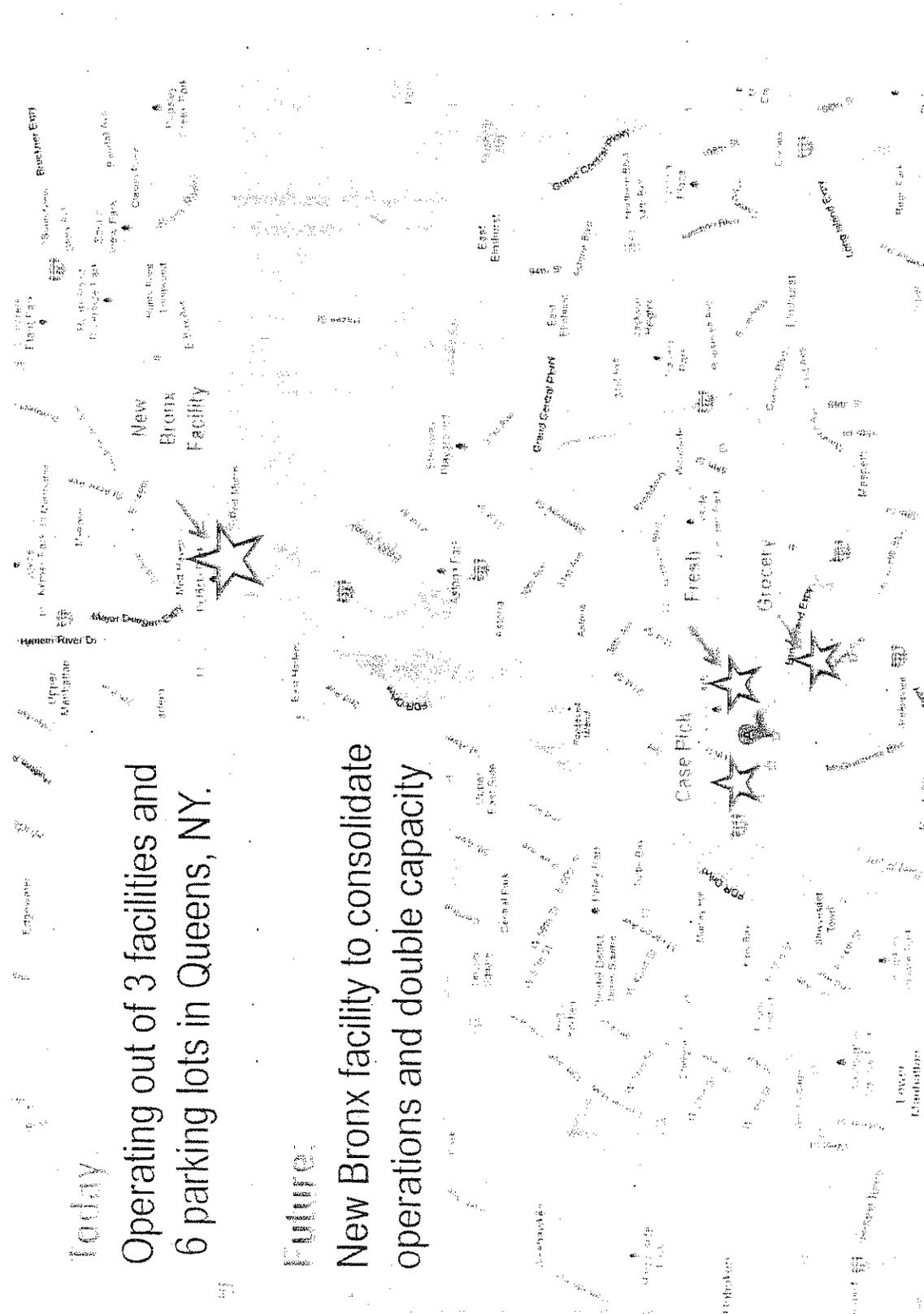
<sup>2</sup> The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Business Investment project benchmarks are 7.00 (Fiscal) and 50.00 (Economic). Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 20.00 (Economic).

<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 employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

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

# Mapping Company's Future



## Today

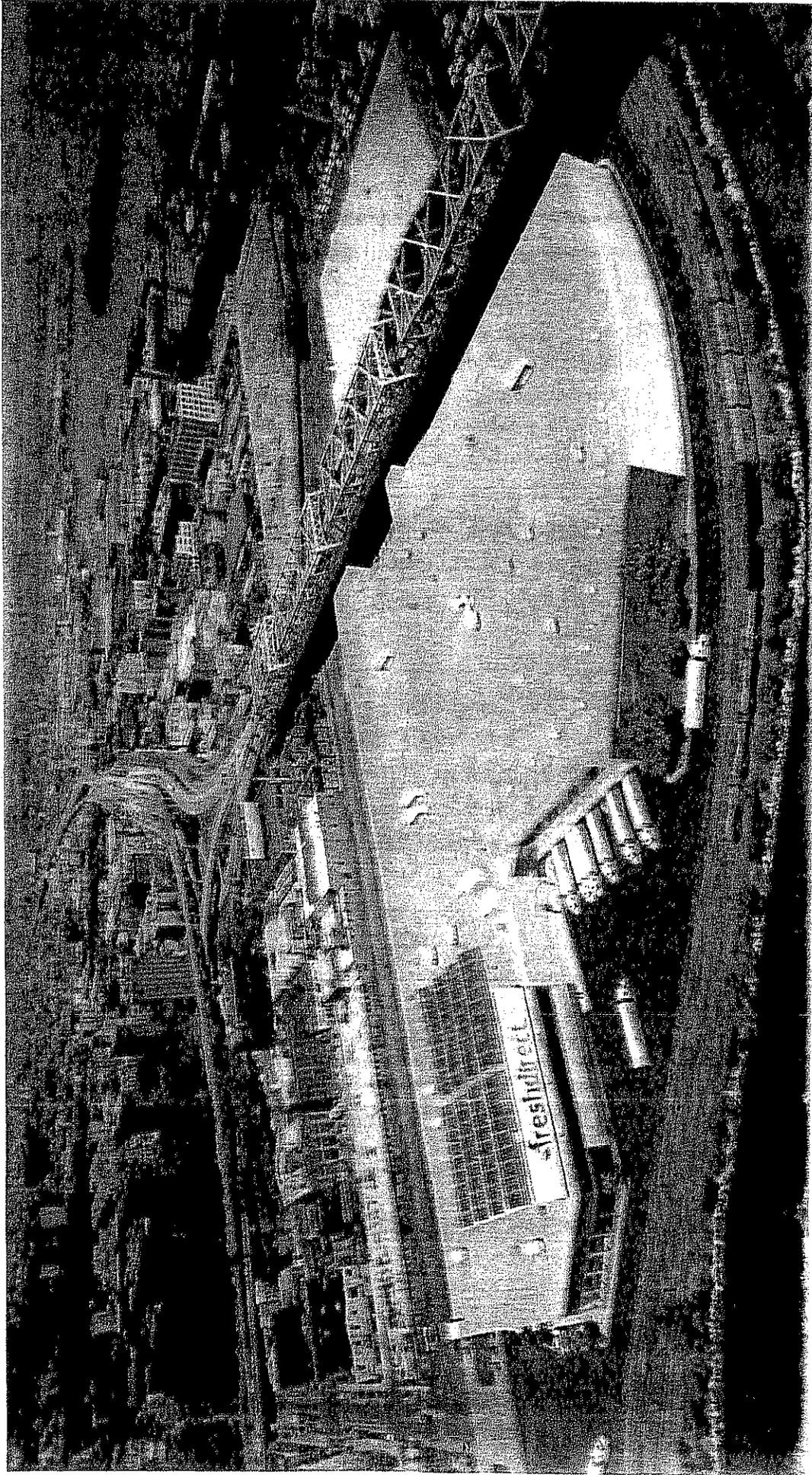
Operating out of 3 facilities and 6 parking lots in Queens, NY.

## Future

New Bronx facility to consolidate operations and double capacity

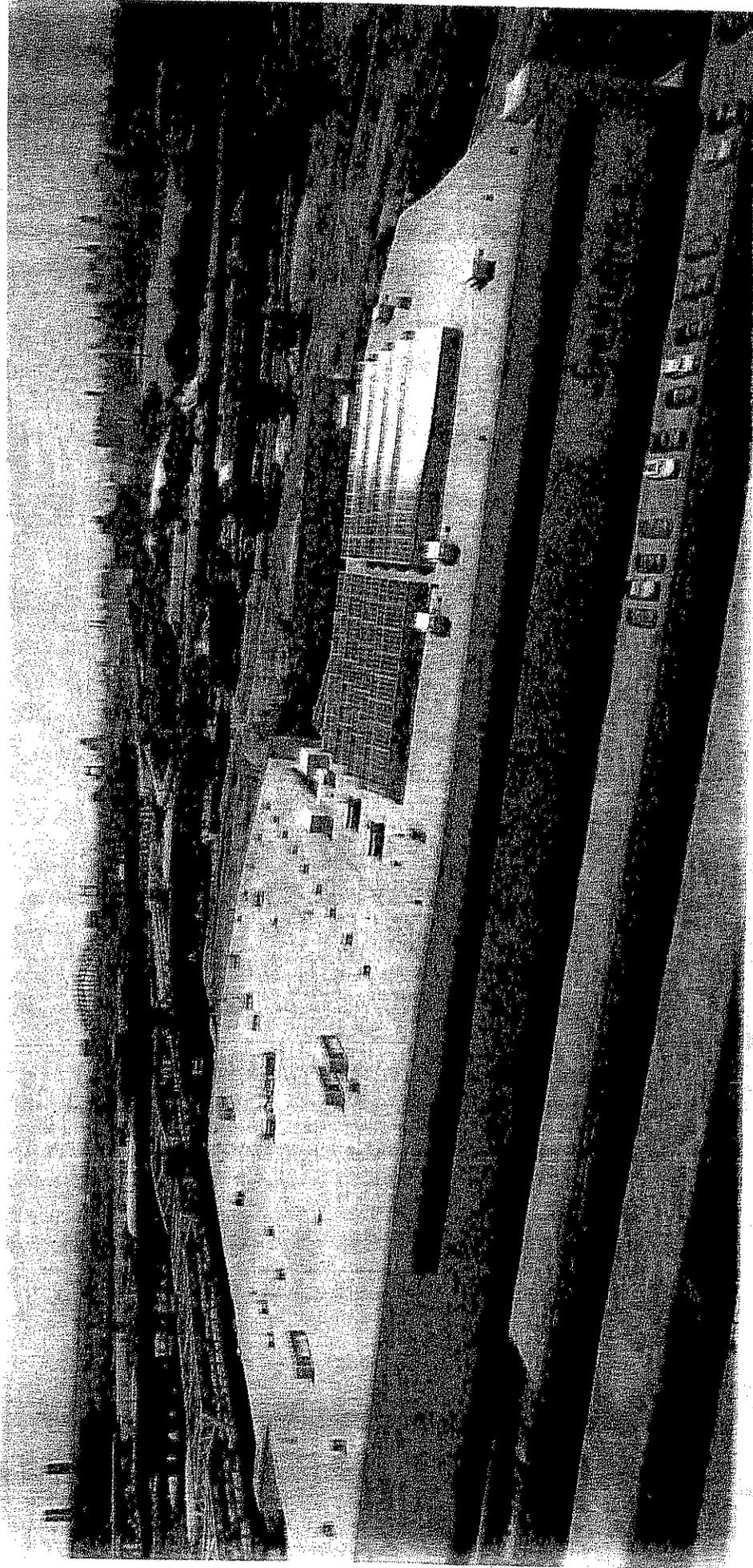
franchise

# New Bronx Facility



freshfront

# New Bronx Facility



2000

# Empire State Development

Hearing Exhibit  
No. 3  
11-17-14 (M)

## FOR INFORMATION

October 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Bronx (New York City Region – Bronx County) – Fresh Direct Capital – Urban and Community Development Program – Urban and Community Project Development Assistance (Capital Grant) and Metropolitan Economic Revitalization Fund (Capital Loan)

### I. Background

At a meeting held August 27, 2014, the ESD Directors adopted a General Project Plan (“GPP”) and authorized a \$9,000,000 grant (the “Grant”) and a \$1,000,000 loan (the “Loan”) to Fresh Direct, LLC, (“Fresh Direct”) for a portion of the project cost of \$166,255,000 for construction of a new distribution facility, corporate headquarters, and purchase of machinery and equipment to allow for consolidation. The GPP requires that Fresh Direct retain 1,949 Full-Time Permanent Employees from the initial disbursement of the Grant and Loan through January 1, 2025, in order for the full amount of the Grant and Loan to be disbursed and to avoid subsequent recapture of any part of the Grant or a default on the Loan. Initial disbursement of the Grant is anticipated to occur in the first quarter of 2015, assuming all necessary approvals are in place. Lump sum disbursement of the Loan is anticipated to occur after completion of the project.

### II. Update

This memorandum is to inform the Directors of a miscalculation in the current employment level noted on page two of the GPP. (Current employment level is a data point routinely presented to the Directors for information purposes.) The current number of employees, 2,754, reflected in the GPP was a payroll based total (from June 2014) reflective of Fresh Direct’s entire employee base, including out-of-NY State and part-time employees. The correct number of Full-Time Permanent Employees as of October 5, 2014, was 2,454. It is important to note that this number, 2,454 Full-Time Permanent Employees, significantly exceeds the Full-Time Permanent Employee retention requirement of the Grant and Loan, which is 1,949 and is not required to be achieved until the initial disbursement of the Grant and Loan.

A public hearing is being scheduled to solicit public comment on the GPP. This memorandum will be made available to the public and entered into the record of the hearing together with the GPP presented to you on August 27, 2014. An updated GPP, together with modifications, if any, that may be recommended by staff as a result of comments received at the hearing, will be presented to the Directors after the hearing for your further action.



FOR CONSIDERATION

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Buffalo (Western New York Region – Erie County) – 43North LLC  
Working Capital – Buffalo Regional Innovation Cluster (Working Capital Grant)

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

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I. Project Summary

Grantee: 43North, LLC (“43North”)

Beneficiaries: 43North Business Plan Competition winners (the “Winners”)

ESD\* Investment: A grant of up to \$1 million to be used for working capital expenditures for the 43North Business Plan Competition (the “Business Plan Competition”).

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

Project Location: 640 Ellicott Street, Buffalo, Erie County

Proposed Project: Administration of the 2015 and 2016 annual Business Plan Competitions and operational and support services for the 2014, 2015, and 2016 Winners.

Project Type: Entrepreneurship attraction

Regional Council: This is a signature initiative of the Buffalo Billion Investment Development Plan and is consistent with the Western New York (“WNY”) Regional Economic Development Council Plan to encourage entrepreneurship, attract new businesses and increase jobs, and improve WNY’s image.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Working Capital	<u>\$7,000,000</u>	
Total Project Costs	<u>\$7,000,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$1,000,000	14%
New York Power Authority ("NYPA") Power Proceeds Allocation-Grant	<u>6,000,000</u>	<u>86%</u>
Total Project Financing	<u>\$7,000,000</u>	<u>100%</u>

III. Project Description

A. Grantee

- Industry: 43North hosts an annual Business Plan Competition inviting entrepreneurs to present innovative business ideas and products to a panel of industry-leading judges with business and entrepreneurial expertise (the "Panel"), in hopes of transforming ideas into reality. The Winners receive cash prizes to establish and/or expand their businesses, mentoring, networking opportunities and one year of no-cost incubator space in exchange for establishing or expanding operations in the WNY Region for a minimum of one year and providing 43North with 5% non-dilutive company equity.
- Grantee History: The Grantee was formed in February 2014 for the sole purpose of organizing and administering the Business Plan Competition. During its first year, over 7,000 entrepreneurs from around the world submitted applications for a share of \$5 million in cash prizes. Of the 2,603 qualifying submissions, 11 finalists were invited to Buffalo in October 2014 for a highly-publicized event involving applicant presentations to the Panel and an awards ceremony. Each of the 11 finalists received a cash prize of \$250,000, \$500,000 or the top cash prize of \$1 million.
- Ownership: 43North is a limited liability company.
- Financial Review: 43North is a start-up with no corporate guarantor or projections. 43North is a business plan competition and is part of the Buffalo Billion initiative. The competition operates through the support of New York Power Authority and Launch NY, neither of which will act as guarantor

or parent. Therefore, ESD cannot come to a conclusion on its financial condition.

Size: There is one facility located in Buffalo, NY.

Market: 43North markets the annual Business Plan Competition to entrepreneurs worldwide.

ESD Involvement: During Governor Cuomo's 2012 State of the State Address, he committed a \$1 billion investment in the Buffalo area economy (the "Buffalo Billion Initiative") to create thousands of jobs and spur \$5 billion in new investment and economic activity over several years. In February of 2014, the Business Plan Competition, named after the latitudinal line that runs through the WNY Region, was announced as the largest business competition in the United States. The Business Plan Competition will attract promising start-up ventures and innovators worldwide, positioning the WNY Region as America's newest innovation and entrepreneurship hotbed.

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

#### B. The Project

Completion: December 2018

Activity: The \$7 million project involves support to 2014-2016 Winners which includes annual start-up, operational, incubation and mentoring costs. It also involves administration of the 2015 and 2016 Business Plan Competitions including global outreach and marketing consisting of social and traditional media and in-person international road shows; application review and processing; Panel coordination; and events planning. The 2015 Business Plan Competition, which will generally follow the same programming, is expected to launch in March 2015 with the final week of events and awards planned for October 2015. The \$1 million top prize Winner for 2014, Adiabatic Solutions, LLC (Tonawanda, NY) as well as three local Winners, Medical Conservation Devices (Batavia, NY), Raland Therapeutics (Fairport, NY), and Programmable Equipment (Amherst, NY), are leveraging the services of 43North's incubation space, but will continue operations at existing New York State facilities. The remaining 7 Winners have established operations at 43North's incubator space on the Buffalo Niagara Medical Campus.

Results: The project is expected to build upon the strengths of the WNY Region

by inviting and encouraging ideas that foster entrepreneurship, while ultimately resulting in job creation; increase Buffalo's image as a vibrant place to live, work and invest; and compliment approximately \$2.2 billion in new economic development activity currently underway in Buffalo.

**Economic Growth**

**Investment Project:** This project is an Economic Growth Investment project that does not involve permanent job commitments or construction spending. While such projects generate significant long term fiscal and economic benefits, such benefits are not estimated within the short-term period used in the benefit cost analysis. Therefore, no benefit cost analysis is provided.

**Grantee Contact:** Mr. Peter Burakowski, Senior Marketing Manager  
640 Ellicott Street, Suite 108  
Buffalo, NY 14203  
Phone: (716) 259-2838

**ESD Project No.:** Z472

<b>Project Team:</b>	Origination	Christina Orsi
	Project Management	Jean Williams
	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 \$1,000,000 working capital grant (\$10,000).
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$1 million will be disbursed to the Grantee in two advances as follows:
  - a) an Initial Advance in the amount of \$750,000 will be disbursed upon execution of the Grant Disbursement Agreement and such other documentation as ESD may reasonably require, assuming that all project approvals have been completed, funds are available, and the Grantee is otherwise in compliance with program requirements;
  - b) a Second Advance of up to \$250,000 will be disbursed upon documentation of eligible expenditures, verified by a Certified Public Accountant of at least 75% of the Initial Advance (\$562,500) and such other documentation as ESD may reasonably require, provided Grantee is otherwise in compliance with program requirements.

Within 24 months of the Second Advance, ESD will require documentation of an additional \$6,437,500 in eligible working capital expenditures (cumulative total of \$7M) verified by a Certified Public Accountant otherwise a portion of the \$1 million will be subject to recapture.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including but not limited to Annual Reports. Expenditures must be incurred on or after October 1, 2014, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by April 1, 2019. Funds may be used for start-up and operational costs for 2014 Winners which were announced in October 2014.

In addition to the above, the following items are required:

- 2014 and subsequent Winners will locate their businesses in WNY (or another Upstate New York location as approved by ESD) for at least one year following the competition award;
- 43North will provide incubation space and support for all Winners for at least one year following the competition award;
- 43North will take a minimum of 5% non-dilutive equity position in each Winner unless otherwise approved by ESD. All future proceeds from the equity must be used to reinvest in start-ups or entrepreneur support activity in WNY.

4. Written Annual Reports to NYPA, with a copy to ESD, will be required starting January 2015 through January 2020. The Annual Reports shall include, but not be limited to, the following information:
  - (i) Number, name and amount of prizes awarded to each Winner;
  - (ii) Marketing impact – positive media hits about 43North and WNY;
  - (iii) Status of all prior 43North Winners including location of business operation, date of establishment of the operation, initial and current number of jobs, and amount of other funds raised each year by the Beneficiaries following the award by 43North;
  - (iv) Other funds raised (including sources and amounts) to support 43North; and
  - (v) Additional information to address specific issues as ESD may require.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1 million 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.
6. A portion of the grant shall be subject to recapture if 43North fails to meet documentation of project costs, Annual Reporting, and other requirements set forth by ESD.

IV. Statutory Basis – Buffalo Regional Innovation Cluster

The project was 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.

V. Environmental Review

ESD staff has determined that the project does not constitute an 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 30% related to the eligible categories totaling approximately \$250,000. As such, the goal MWBE utilization shall be no less than \$75,000.

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

February 19, 2015

Buffalo (Western New York Region – Erie County) – 43North LLC Working Capital – Buffalo Regional Innovation Cluster (Working Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the 43North LLC Working Capital – Buffalo Regional Innovation Cluster (Working Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to 43North, LLC a grant for a total amount not to exceed One Million Dollars (\$1,000,000) from the Buffalo Regional Innovation Cluster, 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

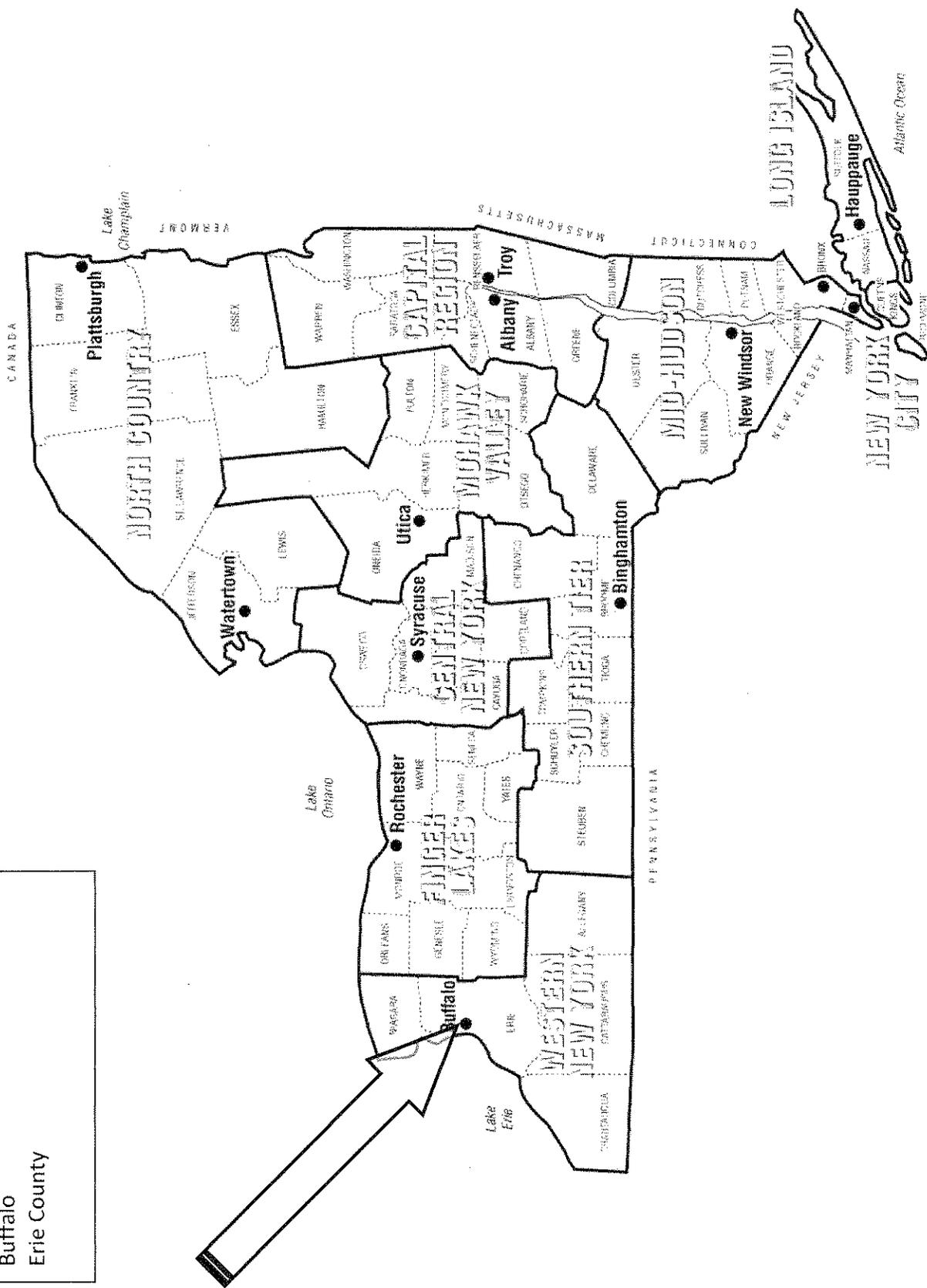
RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in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

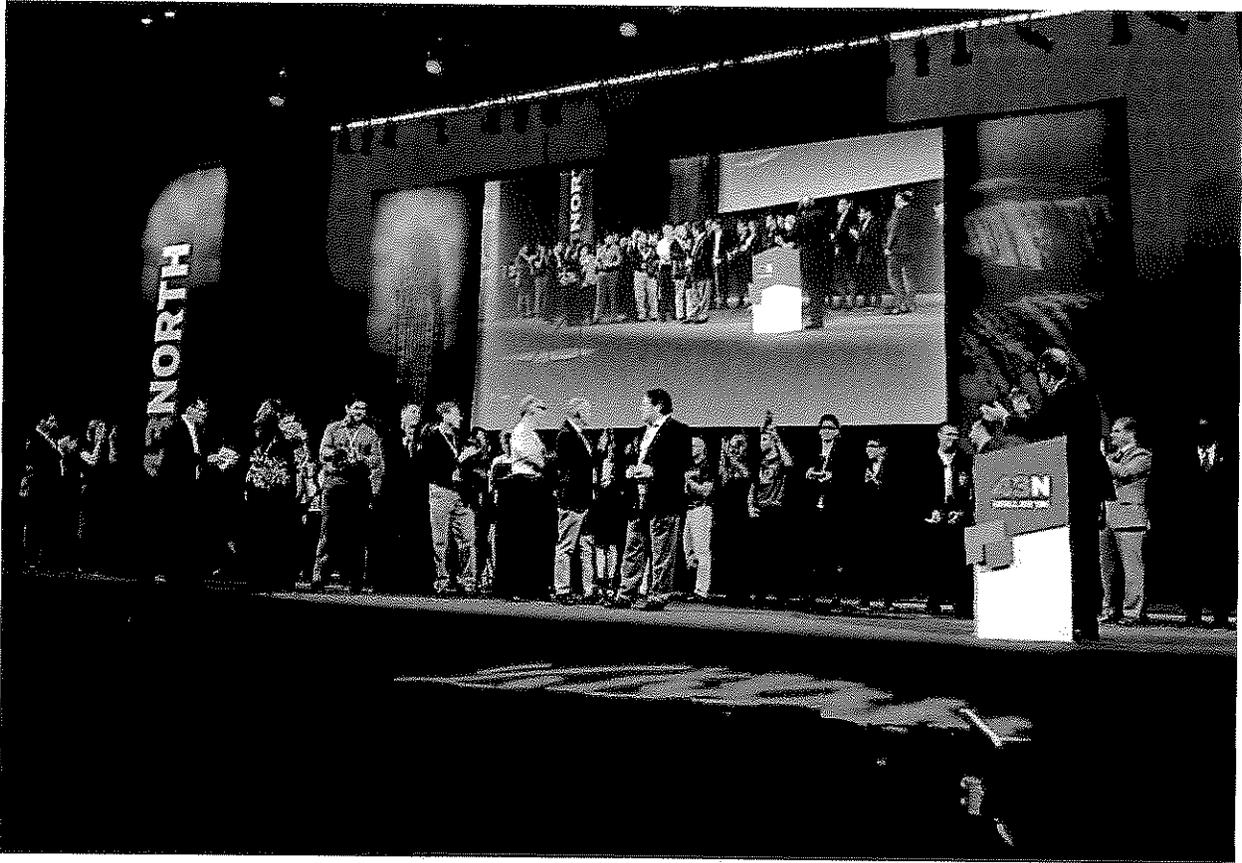
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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.

\* \* \*

43North LLC Working Capital  
Buffalo  
Erie County





Awards Ceremony – October 2014



Orientation Session for Competition Winners – January 2015

FOR CONSIDERATION

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Brooklyn (New York City Region – Kings County) – Brooklyn Navy Yard/Steiner Studios Capital – Empire State Economic Development Fund and Regional Council Capital Fund (Capital Grants)

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan (“GPP”); Authorization to Accept the Draft Environmental Impact Statement (“DEIS”) as Satisfactory with Respect to its Scope, Content and Adequacy under the State Environmental Quality Review Act (“SEQRA”) and for Publication, Circulation and Filing; Authorization to Hold a Public Hearing on the DEIS pursuant to SEQRA and Other Applicable Law; Authorization to Hold a Public Hearing on the GPP Pursuant to the UDC Act and Other Applicable Law; and Authorization to Take Related Actions;

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General Project Plan

I. Project Summary

Grantee: Brooklyn Navy Yard Development Corporation (“BNYDC”)

Beneficiary

Companies\*:

Kent Steiner, LLC

88 NT Associates, LLC

BNY Campus Associates, LLC

\*Each beneficiary company does business as Steiner Studios.

ESD\* Investment: Grants of up to \$11,300,000, contingent upon appropriation and the availability of funds, to be used for a portion of the cost of construction costs and related planning and design expenses. At this time, \$5,000,000 of the \$11,300,000 in funding has been identified. The source or sources for the remaining \$6,300,000 of the \$11,300,000 in grants will be determined at a later date.

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

Project Location: East end of the Brooklyn Navy Yard, Brooklyn, Kings County

Proposed Project: Implementation of Phase III of Steiner Studios’ multi-phase master plan at Brooklyn Navy Yard, which includes predevelopment, design, site work, infrastructure, new construction of six soundstages (176,000 square feet), stabilization of existing structures and renovation of a 46,000 square foot historic structure.

Project Type: Business expansion

Regional Council: This is a priority project for the NYC Regional Economic Development Council (“Council”) and was awarded grant funding as part of the second round of the Regional Economic Development Council initiative. The project is located in one of 15 areas of New York City designated by the Council as an Opportunity Zone. The project entails a major expansion of Steiner Studios, the largest tenant at the Brooklyn Navy Yard. Douglas Steiner, Chairman of Steiner Studios, is a member of the 31-person Council. In conformance with the Regional Council Code of Conduct, this individual has recused himself on votes endorsing this project. The Council includes six voting ex-officio members who are local elected officials but who are not permitted to make individual project recommendations.

## II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Design	\$5,200,000
Pre-development	1,750,000
Stabilization	750,000
Demolition & Abatement	2,400,000
Infrastructure Construction	22,600,000
Other Construction	<u>104,400,000</u>
Total Project Costs	<u>\$137,100,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant (Y439)	\$500,000	.4%	
ESD-Grant (Y440)	4,500,000	3.3%	
ESD-Grant (Y653)*	6,300,000	4.6%	
City of New York Grant	11,300,000	8.2%	
NYC Regional Center, LLC (EB5 Loan)	80,000,000	58.3%	4.45%/5 yrs.**/ 1 <sup>st</sup> lien on RE
TBD***	24,500,000	17.9%	
Company Equity	<u>10,000,000</u>	<u>7.3%</u>	
<b>Total Project Financing</b>	<b><u>\$137,100,000</u></b>	<b><u>100%</u></b>	

\* TBD

\*\* The term of the EB 5 financing is 5 years with a 5 year renewal.

\*\*\* TBD is anticipated to consist of EB5, Historic Tax Credits, New Markets Tax Credits and/or loans.

### III. Project Description

#### A. Company

**Industry:** BNYDC leases the 300-acre Brooklyn Navy Yard from the City of New York and subleases to various light industrial tenants. The Brooklyn Navy Yard currently has more than 330 tenants that employ approximately 7,000 people. Steiner Studios is a Hollywood-style film and television production facility.

**Company History:** The Brooklyn Navy Yard was established in 1801 and was once the site of one of the nation's most storied U.S. Navy ship building facilities. Over the past two decades, the Brooklyn Navy Yard has emerged as a hub for the establishment and growth of small industrial businesses. Steiner Studios was opened in November 2004.

**Ownership:** BNYDC is a not-for-profit local development corporation. Steiner Studios is privately owned.

**Size:** BNYDC's four million square feet of leasable space has been at full capacity for more than five years. BNYDC is in the midst of an eight-building redevelopment that will generate over 1.5 million square feet of new light-industrial space. Steiner Studios is located on 15 acres at Brooklyn Navy Yard, has 10 sound stages, including the largest one on the East coast, and an additional 235,000 square feet of support space.

**Market:** BNYDC operates the Brooklyn Navy Yard as a modern industrial park. Steiner Studios is a full-service, state-of-the-art production facility,

equipped for start-to-finish production of major motion pictures, independent films, television, broadcast commercials, photo shoots and music videos.

**ESD Involvement:** As a result of the Governor’s Regional Economic Development Council Initiative, BNYDC and Steiner Studios were awarded \$5,000,000 through the Consolidated Funding Application (“CFA”) to establish a media campus to further strengthen the transformational impact of the entertainment and media industry in the State of New York. An additional \$6,300,000 has been awarded to close a financing gap.

**Competition:** While Steiner Studios did not identify alternate locations to implement the project, implementation of this project will allow Steiner Studios to continue to be the premier location for film and TV production in the eastern United States.

**Past ESD Support:** ESD is currently administering \$6 million in grants and \$12 million in New Markets Tax Credits to BNYDC for the overall redevelopment of 250,000 square feet of Buildings 28, 123 and 128 into the Green Manufacturing Center at the Brooklyn Navy Yard. To date, approximately \$1,600,000 in grants has been disbursed for this project. In addition, ESD is currently administering \$3.25 million in grants to BNYDC for the renovation of Building 128 to allow Macro Sea to become a tenant. No grant funds have been disbursed to date for this project.

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

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Downstate Revitalization Fund	W932	\$1,000,000	March 2011	December 2016	Capital Grant
Port Authority Transportation, Economic Development and Infrastructure Renewal	X771	\$5,000,000	August 2012	December 2016	Capital Grant
Urban and Community Development	Y232	\$1,250,000	August 2013	December 2018	Capital Grant
Port Authority Transportation, Economic Development and Infrastructure Renewal Accumulated Interest	Y622	\$2,000,000	August 2013	December 2018	Capital Grant

Lastly, Eponymous Associates, LLC d/b/a Steiner Studios is Empire Zone

certified in the North Brooklyn Empire Zone, effective March 29, 2004, and has reported using \$10.265 million in Empire Zone benefits from 2004 through 2013.

**B. The Project**

**Completion:** December 2016

**Activity:** In partnership with BNYDC, Steiner Studios has developed a multi-phase master plan for the transformation of approximately 43 acres in the Brooklyn Navy Yard into a state-of-the-art, full-service Media Campus. Having successfully completed the first two phases of the master plan, Steiner Studios is now launching Phase III, which includes expanding onto the approximately 28 acre historic Naval Annex site and a vacant parcel along the Kent Avenue border of the Brooklyn Navy Yard.

Phase III includes the construction of six new soundstages (176,000 square feet) and the renovation of the historic Officer's Club (46,000 square feet). It also includes the installation of a gas/water/sewer/electric/ teledata infrastructure loop on the approximately 28 acre Naval Annex that will allow future development of approximately 350,000 square feet of new space for media companies and academic partners in fifteen renovated historic structures and six new buildings, to be developed in Phases IV and V. Other key components of the infrastructure investment include the construction of a Grand Stair Plaza, Campus Pedestrian Passage and Kent Avenue Vehicular Entrance.

**Results:** Phases I and II of Steiner Studios' master plan, which have already been completed, established Steiner Studios as the premier location for film and TV production in New York City and the eastern United States. Phase III will cement this position by increasing production capacity and paving the way for creation of the Media Campus, which will be a one-of-a-kind facility, home to media companies and academic partners from across New York State to collaborate and foster the next generation of entertainment technology and content creation.

The Media Campus will also support the burgeoning Tech Triangle connecting the Brooklyn Navy Yard, DUMBO, and Downtown Brooklyn, providing much-needed space for the growth of tech businesses and media businesses from across New York City and New York State.

Over the next 12 years, it is anticipated that an additional \$374 million in private investment, the creation over 2,500 permanent jobs and 2,600 construction jobs will occur at Steiner Studios, continuing the transformational impact of the media and entertainment industry on

New York State. It is estimated that at least 1,000 permanent jobs and 850 construction jobs will be created as a result of Phase III alone.

Grantee Contact: David Ehrenberg, President  
Building 292, 63 Flusing Avenue, Unit 300  
Brooklyn, NY 11205  
Phone: (718) 907-5908

Beneficiary Contact: Douglas Steiner  
15 Washington Avenue  
Brooklyn, NY 11205  
(718) 858-1600

ESD Project Nos.: Y439, Y440, Y653

Project Team:	Origination	Andrew Fletcher
	Project Management	Brendan Healey
	Legal	Simon Wynn
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Jonevan Hornsby
	Design & Construction	Joe Burkard, Paul Palazzo
	Environmental	Soo Kang

### C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee/Beneficiary shall pay a commitment fee of 1% of the \$11,300,000 capital grant (\$113,000) 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 Beneficiary will be required to contribute a minimum of \$10,000,000 of the total project cost in the form of equity contributed after December 19, 2012. Equity is defined as cash injected into the project by the Beneficiary or by investors, and should be auditable through Beneficiary financial statements or Beneficiary accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

In addition, the Grantee will be required to contribute a minimum of \$11,300,000 of the total project cost in the form of equity contributed after December 19, 2012. 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. NYC Grant funds are acceptable to count toward the Grantee's equity requirement.

4. Up to \$11,300,000 will be disbursed to Grantee during the course of the project no more frequently than quarterly, in compliance with ESD's Design and 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. Expenses reimbursed by ESD's grant must be incurred on or after September 19, 2013, to be considered eligible project costs. All disbursements 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 \$11,300,000, 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.
6. 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 – Empire State Economic Development Fund

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms.

As a result of this project, over 1,100 permanent jobs are anticipated to be created.

This project includes infrastructure improvements that are anticipated to lead to additional job creation.

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

Without ESD assistance to lower costs, the cost would have been too high to make the project.

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

#### 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.

- Fiscal benefits to NYS government from the project are estimated at \$6,350,286;
- Fiscal cost to NYS government is estimated at \$11,300,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.56:1;
- Fiscal benefits to all governments (state and local) are estimated at \$11,771,287;
- Fiscal cost to all governments is \$11,300,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 1.04:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$67,226,568;
- The economic benefit to cost ratio is 5.95:1;
- Project construction cost is \$137,100,000 which is expected to generate 676 direct job years and 364 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.

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

No residential relocation is required because there are no families or individuals residing on the site.

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

The funding was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 and 2014-15 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

#### VI. Design and Construction

The Steiner Studios project calls for initial infrastructure upgrades allowing for the renovation of fifteen existing structures along with the construction of six new buildings on 28 acres within the Brooklyn Navy Yard industrial park.

D&C will monitor construction progress and at its option attend construction meetings. D&C will review and approve contractor requisitions along with consultant invoices and verify that all requirements have been satisfied prior to the approval and release of ESD funds.

D&C will review preliminary design and completed construction documents and visit the site during construction. Each requisition will be fully reviewed and recommended for payment only when D&C requirements have been satisfied. The aforementioned project will be reviewed in conjunction with D&C requirements and forms.

#### VII. Environmental Review

ESD, as the lead agency, determined that a Draft Environmental Impact Statement ("DEIS") was necessary to be prepared pursuant to the State Environmental Quality Review Act ("SEQRA") and its implementing regulations (6NYCRR Part 617). The DEIS for the project is a comprehensive document that includes extensive technical analyses of potential impacts on the environment and proposes measures to mitigate any identified potential significant adverse impacts of the proposed project. It also considers alternatives to the project.

The DEIS, prepared by the Beneficiary Company's consultant, has been reviewed by Staff. It is the opinion of Staff that the DEIS is satisfactory with respect to its scope, content and adequacy for purposes of SEQRA and the implementing regulations of the New York State Department of Environmental Conservation. Upon acceptance of the DEIS by ESD Directors, Staff will undertake to circulate and file the DEIS as required by SEQRA. Pursuant to SEQRA, a duly-noticed public hearing will be held on the DEIS. The hearing will provide an opportunity for public comments on the project and the proposed GPP. Circulation of the DEIS will also afford an opportunity for the public and involved and interested parties to review and comment on the proposed project, for a statutorily required minimum period of 10 days following the close of the public hearing. All substantive comments received by ESD on the DEIS shall be addressed in a Final Environmental Impact Statement ("FEIS"), which the Directors will be requested to accept and approve at a later date. Following the acceptance of the FEIS and providing the requisite minimum 10 days for the public, as well as involved and interested agencies to consider the document, the Directors will, at a subsequent later date, have the ability and authority to adopt findings required under SEQRA and to make the grant.

#### 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. 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 (MWBE) 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 40% (totaling \$4,520,000). The overall goal shall include a Minority Business Enterprise Participation Goal of 25% and a Women Business Enterprise Participation Goal of 15% related to the total value of ESD's funding for projects Y439, Y440 and Y653.

X. ESD Employment Enforcement Policy

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

XI. 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.

XII. Additional Submissions to Directors

Resolutions  
New York State Map  
Project Photographs  
Project Finance Memorandum  
Benefit-Cost Analysis  
Draft Environmental Impact Statement

February 19, 2015

Regional Council Award – Priority Project - Brooklyn (New York City Region – Kings County) – Brooklyn Navy Yard/Steiner Studios Capital – Empire State Economic Development Fund and Regional Council Capital Fund (Capital Grants) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan (“GPP”); Authorization to Accept the Draft Environmental Impact Statement (“DEIS”) as Satisfactory with Respect to its Scope, Content and Adequacy under the State Environmental Quality Review Act (“SEQRA”) and for Publication, Circulation and Filing; Authorization to Hold a Public Hearing on the DEIS pursuant to SEQRA and Other Applicable Law; Authorization to Hold a Public Hearing on the GPP Pursuant to the UDC Act and Other Applicable Law; 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, relating to the Brooklyn Navy Yard/Steiner Studios Capital – Empire State Economic Development Fund and Regional Council Capital Fund (Capital Grants) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms;
2. The project would be unlikely to take place in New York State without the requested assistance;
3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;
4. There are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that the Draft Environmental Impact Statement (“DEIS”) for the project, as presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation relating to the project, is satisfactory with respect to its scope, content and adequacy for purposes of the New York State Environmental Quality Review Act (“SEQRA”) and

the implementing regulations of the New York State Department of Environmental Conservation, and is hereby accepted by the Corporation; and be it further

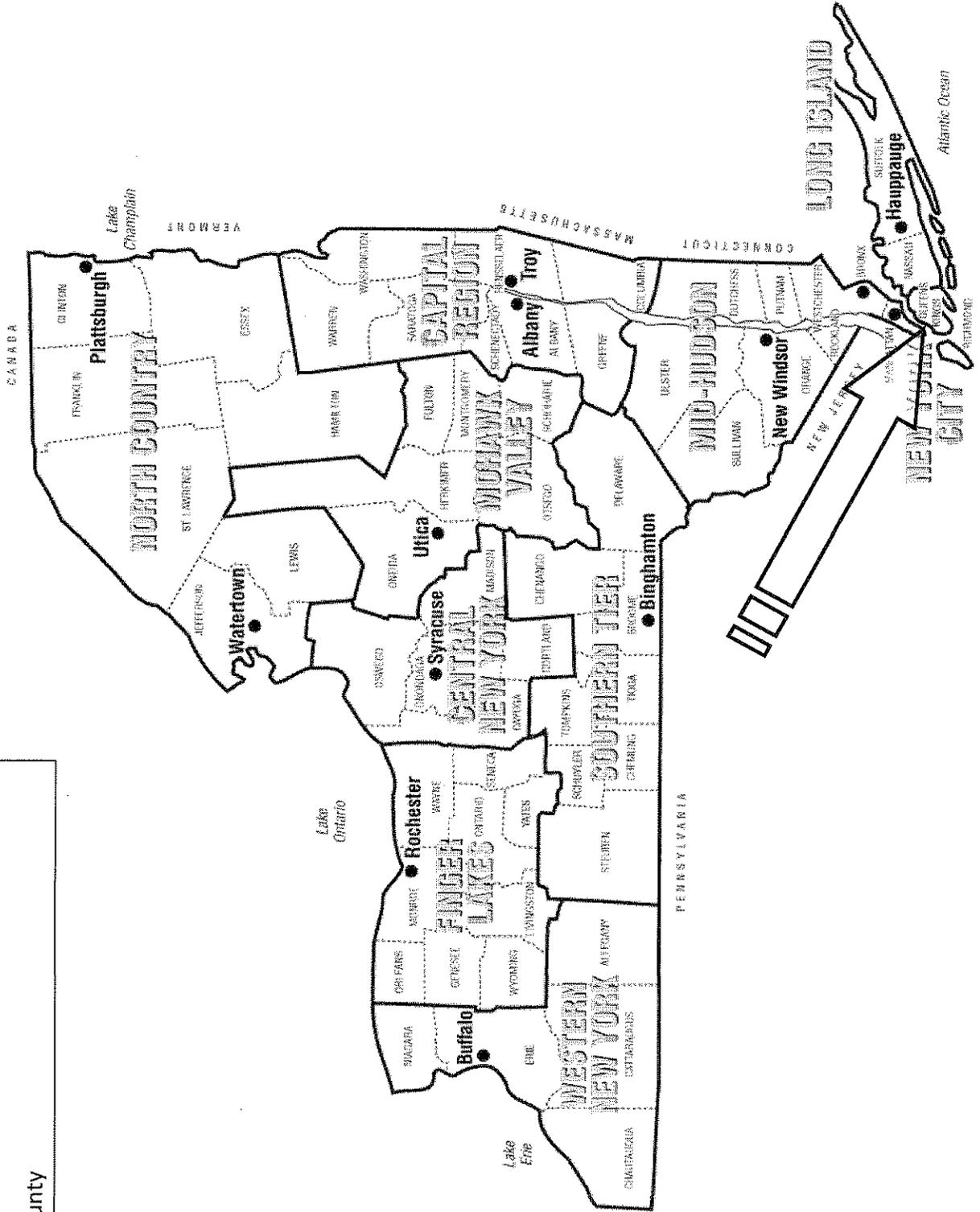
RESOLVED, that the Corporation is hereby authorized to publish, circulate, and file the accepted DEIS in the manner required under SEQRA and the implementing regulations of the New York State Department of Environmental Conservation; and be it further

RESOLVED, that the Chairman and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name of and on behalf of the Corporation to take such actions as may be considered necessary or appropriate to comply with the requirements of SEQRA, including, without limitation, the holding of a public hearing under SEQRA and other applicable law (which hearing may be held simultaneously with one or more hearings which may be held pursuant to other applicable law), providing, filing or making available copies of the DEIS or the summary thereof, the fixing of a date for such hearing, the publication of a notice relating to the DEIS and such hearing in accordance with SEQRA, the implementing regulations of the New York State Department of Environmental Conservation, other applicable law, and the procedures heretofore approved by the Corporation, with respect to similar hearings, and the making of a report or reports to the Directors on such hearing and written comments received; 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.

\* \* \*

Brooklyn Navy Yard/Steiner Studios Capital  
Brooklyn  
Kings County





FOR CONSIDERATION

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project - Southern Tier Region - Southern Tier Region Economic Development Corporation – Shovel Ready Program 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: Southern Tier Region Economic Development Corporation (“STREDC”)

Beneficiary

Organizations: Municipalities within the Southern Tier Region

ESD\* Investment: A grant of up to \$902,000 to be used to continue funding a regional revolving low-interest loan fund to facilitate shovel ready sites for development.

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

Project Location: Various, within the Southern Tier Region

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

Project Type: Regional revolving low-interest loan program

Regional Council: This is a Priority Project for the Southern Tier Regional Economic Development Council ("Council"). The project is consistent with the Council's plan and defined strategies based on the best use of the region's assets, ability to capitalize on opportunities and address critical issues impeding growth. The Shovel Ready Program (the "Program") will fulfill the strategy to strengthen economic development in the Southern Tier.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Capital Project Loans	<u>\$902,000</u>	
Total Project Costs	<u>\$902,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	<u>\$902,000</u>	<u>100%</u>
Total Project Financing	<u>\$902,000</u>	<u>100%</u>

III. Project Description

A. Grantee

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

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

Ownership: STREDC is a not-for-profit organization.

Size: STREDC has a board consisting of 13 members representing each county in the Southern Tier. In 2014, STREDC disbursed funds for one regional business loans totaling \$1,118,338 to assist the Wayland Business Park Infrastructure Extension Project located in Steuben County.

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

**ESD Involvement:** Since 2012, STREDC has received approximately \$4,000,000 through Rounds 1 and 2 of the Consolidated Funding Application (“CFA”) to administer low interest loans for the Program to facilitate shovel ready sites for development. As a result of the Governor’s Regional Economic Development Council Initiative, STREDC was awarded an additional second installment of reallocated fund totaling \$902,000 through Round 2 of the CFA to continue funding this regionally significant initiative. The low-interest revolving loan fund for capital projects would not have been established without ESD assistance.

**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
Regional Council Capital Fund	X970	\$1,000,000	September 2012	June 2013	Revolving Loan Program
	X749	\$2,500,000	April 2012	June 2012	
	X716	\$2,500,000	April 2012	June 2014	
	Y113	\$1,000,000	March 2013	June 2013	
	Y110	\$1,500,000	March 2013	June 2013	
	Y111	\$2,500,000	March 2013	June 2013	
Regional Council Capital Fund	Y112	\$2,125,000	April 2014	April 2019	Capital Grant
Economic Development Purpose Fund	X748	\$3,000,000	April 2012	June 2014	Revolving Loan Program

**B. The Project**

**Completion:** Ongoing

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

development agencies, and corporations and private sector entities.

**Results:** The Program will increase the Southern Tier Region’s capacity to attract and support business development by lowering the cost of site preparation and helping to position sites for NYS Shovel Ready Certification (“Certification”). The Certification is an ongoing component of ESD’s Build Now-NY program which has been helping local communities attract substantial private-sector investment and create jobs. The Certification is available to any site in New York that is suitable for the type of development proposed, has proper zoning and infrastructure, has completed the appropriate surveys and studies, and has received the necessary permits and approvals. The Shovel Ready Program will enhance the effectiveness of ESD’s existing certification of developable properties. Communities utilizing these funds will be more competitive in future site selection activity, resulting in investment and new job creation.

**Economic Growth  
Investment**

**Project:** This project is an Economic Growth Investment project that does not involve permanent job commitments or construction spending. While such projects generate significant long term fiscal and economic benefits, such benefits are not estimated within the short-term period used in the benefit cost analysis. Therefore, no benefit cost analysis is provided.

**Grantee Contact:** Diane Lantz, Executive Director  
8 Denison Parkway E, 2<sup>nd</sup> Floor, Suite 305  
Corning, NY 14830  
Phone: (607) 962-3021

**ESD Project No.:** Z537

<b>Project Team:</b>	Origination	Joseph Roman
	Project Management	Omar Sanders
	Legal	Richard Dorado
	Contractor & Supplier Diversity	Denise Ross
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

**C. Financial Terms and Conditions**

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

payment to the Corporation by the Grantee at signing of an amount equal the 1% of the grant amount.

2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project. Matching funds provided by Program funding recipients will be counted as the equity contribution. Equity should be able to be verified in Quarterly and Annual Reports. ESD generally seeks to provide no more than 20% of the financing for any particular project; however, due to the revolving loan fund structure of Grantee's Program, ESD will not require this for the project.
4. Up to \$902,000 will be disbursed to the Grantee in two installments as follows:
  - a) an Initial Disbursement of an amount equal to 70% of the grant (\$631,400) upon execution of a Grant Disbursement Agreement and receipt of required documentation
  - b) a Second Disbursement of an amount equal to 30% of the grant (\$270,00) upon documentation verifying disbursement of at least 75% of the first advance (\$473,550) and Grantee's compliance with program reports and requirements, including meeting expected goals.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after December 3, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2018.

5. ESD must approve the Program's loan application, marketing material and deal sourcing strategies, due diligence process, loan approval guidelines, underwriting policy and guidelines, portfolio management and monitoring processes, and goals.
6. ESD, via the Southern Tier Regional Office, will approve all funding recommendations.

ESD funds should be allocated as loans in a proportional share to the Program's other funding sources. No single investment of ESD funds may exceed \$250,000 without written consent of ESD, via the Southern Tier Regional Office. ESD funds may not be subject to a higher risk compared with other Program funds.
7. ESD funds will be deposited in an account (the "Imprest Account") at a bank mutually acceptable to ESD (as set forth in writing by ESD) and the Grantee. Funds in the

Imprest Account, from the time of deposit and until disbursed from such account in accordance with terms to be approved by the ESD Directors, will be invested in accordance with ESD's Investment Guidelines. ESD shall be provided with copies of all account statements, and reports in accordance with reporting requirements. All returns on ESD investments shall be kept in the same imprest account and shall be used exclusively for subsequent Program loans.

8. Grantee will report quarterly on investments and related Program activity. Such reports will contain information on investments, current status, leveraged funds, business revenue, job creation outcomes, and other items as determined by ESD. Once the Grantee has provided documentation verifying disbursement of the entire \$902,000 in grant funds, the Grantee will report annually on investments and related Program activity during the term of the bonds that will be issued to provide the grant (term to be noted in final Grant Disbursement Agreement).
9. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$902,000 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 2012-2013 New York State budget and appropriated 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 ministerial action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. The recipient of fund disbursements will be responsible for complying with SEQRA as applicable. No further environmental review is required in connection with this authorization.

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

ESD's Non-discrimination & Contractor and Supplier Diversity policy will apply to the Project. The Grantee 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%, Minority Business Enterprise ("MBE") participation goal of 10% 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. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

February 19, 2015

Regional Council Award – Priority Project - Southern Tier Region - Southern Tier Region Economic Development Corporation – Shovel Ready Program 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 Regional Council Award - Priority Project - Southern Tier Southern Tier Region - Southern Tier Region Economic Development Corporation – Shovel Ready Program 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 Southern Tier Region Economic Development Corporation a grant for a total amount not to exceed Nine Hundred and Two Thousand Dollars (\$902,000) 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

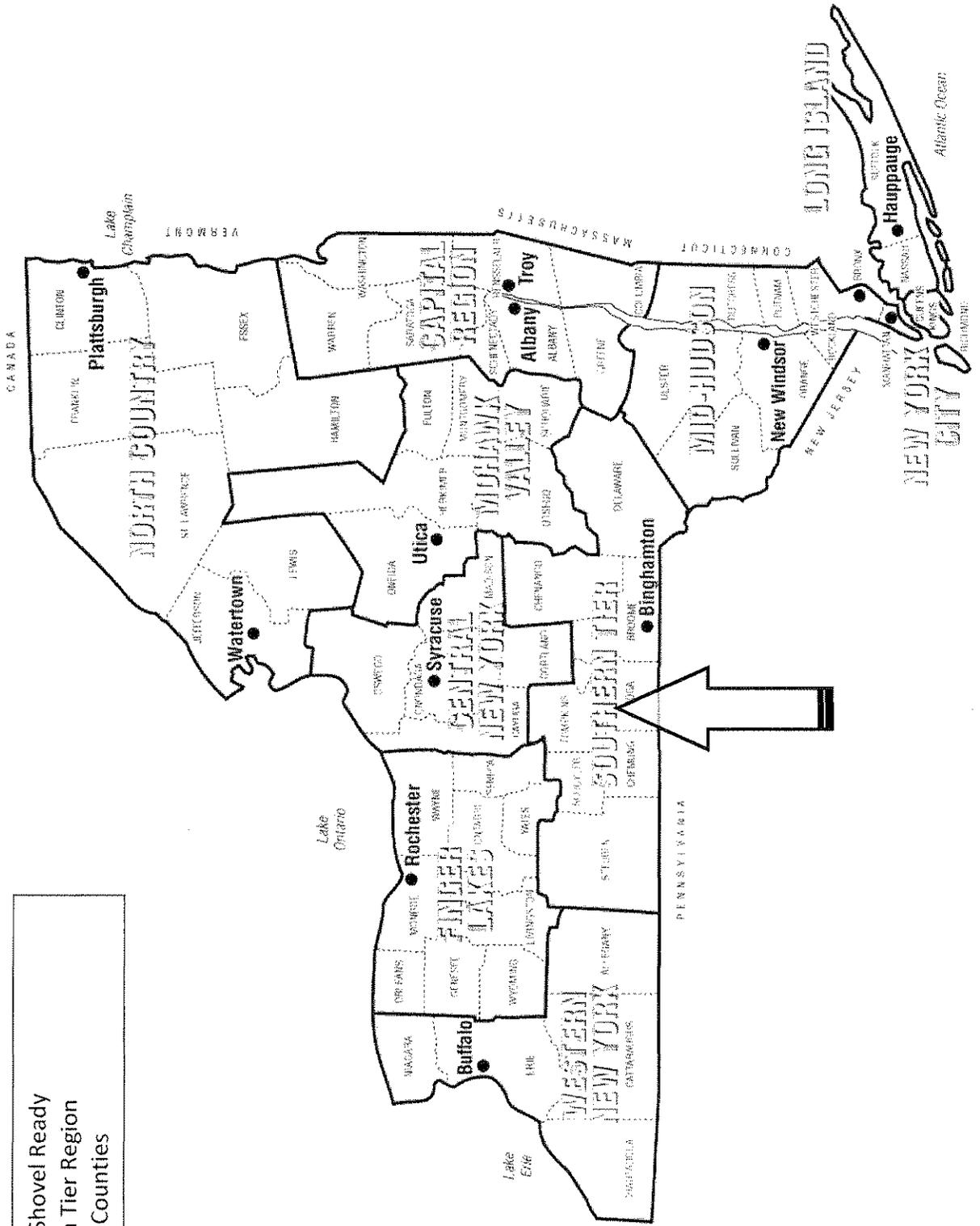
RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in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

\* \* \*

STREDC Shovel Ready  
 Southern Tier Region  
 Multiple Counties



FOR CONSIDERATION

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project— Binghamton (Southern Tier Region – Broome County) – ACHIEVE 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: NYSARC, Inc. Broome Tioga Chapter, d/b/a ACHIEVE (the “ACHIEVE”)

ESD\* Investment: A grant of up to \$304,000 to be used for a portion of the cost of a facility renovation.

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

Project Location: 125 Cutler Pond Road, Binghamton, Broome County

Proposed Project: Renovation of a 25,000-square-foot facility to implement an Employment Preparedness Program (“EPP”) for community residents with developmental disabilities

Project Type: Organization programming expansion

Regional Council: This is a priority project and is consistent with the Southern Tier Region Economic Development Council’s Plan to support opportunities for workforce development programs specific to the needs of

emerging growth industries and multi-sector innovation that will translate to competitive compensation for the region's workforce.

Employment: Initial employment at time of ESD Incentive Proposal: 289  
 Current employment level: 289  
 Minimum employment on January 1, 2018: 299

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction/Renovation	<u>\$379,000</u>	
Total Project Costs	<u>\$379,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$304,000	80%
Grantee Equity	<u>75,000</u>	<u>20%</u>
Total Project Financing	<u>\$379,000</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: Community organization

Grantee History: Established in 1949, NYSARC, Inc. ("NYSARC") was formed as a parent-based volunteer organization of 54 county-wide Chapters consisting of parents, friends and volunteers dedicated to action on behalf of children with disabilities. NYSARC evolved as a unique and effective model which has been duplicated across the nation and grew rapidly as a service and advocacy provider for both children and adults. Formed in 1952, ACHIEVE is the Broome-Tioga County chapter of NYSARC.

Ownership: ACHIEVE is a not-for-profit organization.

Size: ACHIEVE has four locations in Broome and Tioga counties with a total staff of 304 full-time employees and 54 part-time employees. The ACHIEVE serves over 1,800 individuals annually.

Market: Services for individuals with disabilities

ESD Involvement: The Grantee applied for assistance through the Consolidated Funding Application ("CFA") process to offset the high costs of a facility expansion

for a three-phase workforce development initiative in Binghamton. This expansion project was developed to implement an EPP that will cater to community members with developmental disabilities.

During Round 3 of the CFA process, the Southern Tier Regional Economic Development Council (“STREDC”) deemed this a Propriety Project that fosters the region’s strategic plan that aims to establish opportunities for workforce development within Opportunity Agenda targeted areas.

In 2013, ACHIEVE was awarded \$304,000 to support interior build out of a 25,000-square-foot commercial space, entrance and exit structural improvements, and electrical and plumbing upgrades.

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

B. The Project

Completion: June 2014

Activity: The project involves renovations to a 25,000-square-foot existing facility to address fire, health, and safety concerns for community participants and includes the build out of interior walls, entrance and exit upgrades, and plumbing and electrical installations. The project will accommodate the EPP and expand services for the Day Habilitation Program (“DHP”) in Binghamton. The DHP provides a comprehensive spectrum of intense rehabilitative, clinical, and support services in a medical model to individuals with moderate to severe levels of disability whose skill deficits prevent participation in vocational programming. Services include: daily living skills; cognitive skill development; recreation; communication development; occupational, physical, and speech therapy; and comprehensive nursing services.

Results: This facility expansion will create the necessary space to accommodate a workforce development program that will provide employment/vocational training to individuals with a range of developmental disabilities in the existing DHP. The impact of this transitional workforce training program will provide opportunities to train, evaluate, and move these individuals into employment over a 24-month period. The intended outcome is to prepare 12 to 18 individuals who are currently receiving high cost day habilitation services and move these individuals into vocational opportunities, including competitive employment in the community. By placing these community members into employment, additional space will be created to accommodate the growing need for DHP services in the community. The renovation of three

core rooms at the facility will provide skill training to an underrepresented population in Broome and Tioga counties.

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.

- Fiscal benefits to NYS government from the project are estimated at \$156,207;
- Fiscal cost to NYS government is estimated at \$304,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.51:1;
- Fiscal benefits to all governments (state and local) are estimated at \$270,870;
- Fiscal cost to all governments is \$304,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.89:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$2,061,330;
- The economic benefit to cost ratio is 6.78:1;
- Project construction cost is \$379,000 which is expected to generate four direct job years and two 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: Mary Jo Thorn, Chief Executive Officer  
125 Cutler Pond Road  
Binghamton, NY 13905  
Phone: (607) 723-8361

ESD Project No.: Z447

Project Team:	Origination	Joe Roman
	Project Management	Omar Sanders
	Contractor & Supplier Diversity	Denise Ross
	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 \$304,000 capital grant (\$3,040) 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 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. Prior to disbursement, the Grantee 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 \$304,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$152,000) upon completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy or other documentation verifying project completion as ESD may require, total project expenditures of approximately \$379,000, including construction and renovations costs of \$379,000, and documentation of the employment of at least 289 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 (\$76,000) will be

- disbursed upon documentation of the employment of at least 294 Full-time Permanent Employees at the Project Location (Employment Increment of 5), provided Grantee is otherwise in compliance with program requirements;
- c) a Third Disbursement of an amount equal to 25% of the grant (\$76,000) will be disbursed upon documentation of the employment of at least 299 Full-time Permanent Employees at the Project Location (Employment Increment of 5), 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, 2018.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$304,000, 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. 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	289
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A	B
Reporting Date	Employment Goals
February 1, 2016	289+X+Y
February 1, 2017	289+X+Y
February 1, 2018	289+X+Y
February 1, 2019	289+X+Y
February 1, 2020	289+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=5, and Employment Goals shall equal [289 + X = 294] 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=5, and Employment Goals shall equal [289 + X + Y = 299] 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 & Contractor and Supplier Diversity policy will apply to the project. The Grantee 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 22% 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. 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

February 19, 2015

Regional Council Award – Priority Project— Binghamton (Southern Tier Region – Broome County) – ACHIEVE 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 Regional Council Award – Priority Project— Binghamton (Southern Tier Region – Broome County) – ACHIEVE 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 NYSARC, Inc. Broome Tioga Chapter, d/b/a ACHIEVE a grant for a total amount not to exceed Three Hundred and Four Thousand Dollars (\$304,000) 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

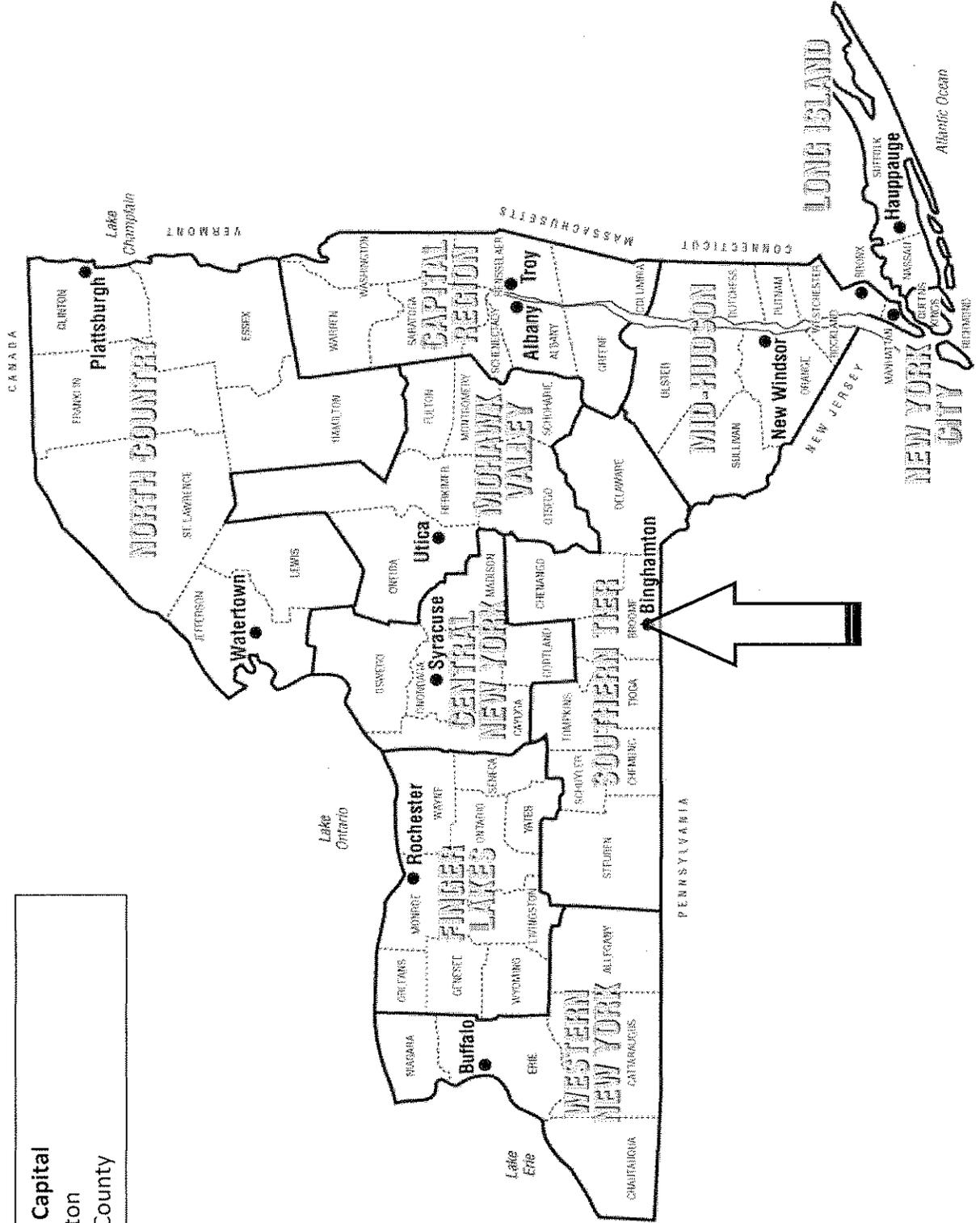
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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.

\* \* \*

**ACHIEVE Capital**  
Binghamton  
Broome County





FOR CONSIDERATION

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project - Albany (Capital Region – Albany County) – Tech Valley High School STEM Connect 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: Fuller Road Management Corporation (“FRMC”)

Beneficiary  
 Organization: Tech Valley High School (“TVHS”)

ESD\* Investment: A grant of up to \$1,500,000 to be used for a portion of the cost of building fit-up.

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

Project Location: 246 Tricentennial Drive, Albany, Albany County

Proposed Project: The project includes costs to construct and fit-up the Zero Energy (“ZEN”) Extension building to accommodate the Tech Valley High School Science, Technology, Engineering and Mathematics (“STEM”) Connect project, a collaboration between Tech Valley High School, SUNY Polytechnic Institute (“SPI”), the newly merged SUNY College of Nanoscale Science and Engineering (“CNSE”) and SUNY Institute of Technology, and FRMC.

Project Type: Commercial real estate development

Regional Council: This is a Priority Project for the Capital Region Economic Development Council ("CREDC") that leverages partnerships and builds collaboration among academic, government and commercial organizations to support education and workforce development initiatives that encourage the pursuit of STEM careers.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction/Building fit-up	\$9,000,000	
Total Project Costs	<u>\$9,000,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	
ESD-Grant	\$1,500,000	17%
Grantee Equity	<u>7,500,000</u>	<u>83%</u>
Total Project Financing	<u>\$9,000,000</u>	<u>100%</u>

III. Project Description

A. Company

Industry: FRMC supports the educational, research and economic mission of the State University of New York ("SUNY") and the CNSE, which is now called SPI. FRMC was formed to plan, design, develop, construct, own, and lease facilities necessary to create the environment wherein SPI could develop and deploy basic and applied nanotechnology innovations and translate them into commercially viable applications. FRMC acts as the landlord and supports the brick and mortar and infrastructure needs and functions of SPI. Pursuant to a ground lease from SUNY at Albany, FRMC has constructed and owns several buildings comprising over 1.3 million square feet of space at SPI's Nano Complex in Albany.

SPI is a fully-integrated research, development, prototyping, and educational institution with campuses in Albany and Marcy. SPI provides strategic support through outreach, technology acceleration, business incubation, pilot prototyping, and test-based integration support for onsite corporate partners including IBM, Tokyo Electron, Applied Materials, Advanced Semiconductor Materials Lithography ("ASML") and International SEMATECH, as well as other next generation

nanotechnology research activities. To date, SPI has over 300 global corporate partners.

TVHS is a public high school that promotes project-based learning to further STEM advancement for students in both small and large group settings. TVHS has approximately 160 students from school districts represented by the Capital Region Board of Cooperative Educational Services ("BOCES") and the QUESTAR BOCES. TVHS is a one-of-a-kind learning experience that engages students in current emerging technologies and supports the growth and economy of the region through collaboration between public schools, higher education, business, and government.

**Grantee History:** FRMC was formed in 1993 by The Research Foundation of The State University of New York ("The Research Foundation") and the University at Albany Foundation, Inc.

**Beneficiary History:** Tech Valley High School was created in 2007 through a partnership between BOCES and Questar III, an educational cooperative that provides leadership and creates student success through shared instructional and support services to schools and their communities.

**Ownership:** FRMC is a not-for-profit real estate management corporation.

**Size:** FRMC has an unpaid Board of Directors chaired by the SPI Senior Vice President and Chief Executive Officer. The FRMC Board also includes four directors appointed by the University at Albany Foundation, four directors appointed by The Research Foundation and two independent directors elected by unanimous vote of the other Board members.

**Market:** Since FRMC's creation, approximately \$14 billion of public and private investment has been made in facilities and programs of SPI, resulting in the creation of approximately 3,100 jobs at the SPI complex in Albany.

**ESD Involvement:** TVHS opened in 2007 in leased space at the Rensselaer Technology Park, and in 2009, moved into temporary space at the University at Albany's East Campus. In need of permanent space and with a mission compatible to that of SPI, the Nano Complex in Albany was identified as the optimal site. TVHS and SPI applied to Round 3 of the Consolidated Funding Application ("CFA") for financial assistance to support the construction and fit-up of classroom space for TVHS at the Nano Complex in Albany. The project was identified by the CREDC as a priority project that furthers the goal of collaboration and partnership-building among academic, government and commercial organizations to support education

initiatives that encourage the pursuit of STEM careers to meet the needs

of the Capital Region’s high tech industries. In December 2013, the project was awarded a \$1,500,000 CFA grant which was accepted in May 2014. Without ESD funding, the project would not have occurred.

**Past ESD Support:** In December 2006, ESD’s Directors approved a \$75 million capital grant to FRMC to construct a \$235 million state-of-the-art 300mm wafer facility, Class 1 capable cleanroom expansion to CNSE’s facilities, and new cleanroom processing, support, nanofabrication and nanocharacterization equipment. ESD’s Directors also approved a \$1 million working capital grant to FRMC, which allowed for the implementation of R&D programs.

ESD’s financial support to FRMC in the last five years is summarized in the chart below.

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
Local Assistance	W885	\$940,000	April 2011	February 2012	Working Capital Grant
	W886	\$980,000	April 2011	February 2012	Working Capital Grant
Regional Council Capital Fund	Y368	\$2,625,000	September 2013	December 2021	Capital Grant
Urban and Community Development Program	Y396	\$1,375,000	September 2013	December 2021	Capital Grant

**B. The Project**

**Completion:** September 2014

**Activity:** FRMC entered into a lease agreement with TVHS to provide a new school by the Fall of 2014. The project included the construction and fit-up of the 25,000 square feet ZEN Extension building for exclusive use by TVHS. The 2-story structure includes two general purposes classrooms, physics,

chemistry, design fabrication and art labs, a design/art studio, 1,900 square feet of administrative office space including a nurses' suite, a conference room, faculty office space, multi-purpose cafeteria/assembly space and student break out rooms.

To create the ZEN Extension, FRMC sub-ground leased a parcel to Columbia Development Companies, which then contracted with Whiting Turner Construction Company to construct the ZEN Extension. The total cost incurred to build and fit-up the ZEN Extension on behalf of FRMC, for the exclusive use of TVHS, was over \$9,000,000. Project costs will be paid for by FRMC through a 20-year lease agreement with Tri Centennial Properties LLC, and TVHS would reimburse FRMC through a sub-lease agreement.

**Results:** This project will provide a dedicated building and state-of-the-art learning spaces where Capital Region students will be inspired to study STEM, work in the Region's emerging technology industries, and solve real world problems in the areas of energy, medicine, biotechnology, sustainability and information technology.

#### 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.

- Fiscal benefits to NYS government from the project are estimated at \$613,292;
- Fiscal cost to NYS government is estimated at \$1,500,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.41:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,070,127;
- Fiscal cost to all governments is \$1,500,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.71:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$7,709,128;

- The economic benefit to cost ratio is 5.14:1;
  - Project construction cost is \$9,000,000 which is expected to generate 76 direct job years and 52 indirect job years of employment;
- See Project Summary Benefit-Cost Evaluation (attached) for detail and definitions.

Grantee Contact: Walter Gerald Barber, President and Chief Administrative Officer  
 257 Fuller Road  
 Albany, NY 12203  
 Phone: (518) 437-8686

Beneficiary Contact: Denise Zieske, Business Partnership Coordinator  
 246 Tricentennial Drive  
 Albany, NY 12203  
 Phone: (518) 862-4958

ESD Project No.: Z064

Project Team:	Origination	Nate Cohen
	Project Management	Linda Dillon
	Contractor & Supplier Diversity	Denise Ross
	Finance	Aaron Barnes
	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 \$1,500,000 capital grant (\$15,000) 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 December 19, 2013. 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 \$1,500,000 will be disbursed to Grantee upon documentation of construction and fit-up project costs totaling \$9,000,000 by FRMC and/or Tri Centennial Properties LLC, as evidenced by a certificate of occupancy and/or other documentation verifying project completion, 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, 2013 to be considered eligible project costs and expenses must be incurred on or after May 12, 2014 to be considered reimbursable project costs. All disbursements must be requested by December 31, 2016.

5. The Grantee is required to submit annual progress reports on the achievement of the following project goals and metrics annually for three (3) years following the final disbursement:

Goal – Grow and strengthen the regional economy through the creation of a STEM workforce, and connect education and private enterprise.

Metric – Report the number of TVHS students receiving internship/employment at a regional nanotech, biotech, alternative energy, advanced materials or IT company.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,500,000, 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. 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 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

The University of Albany, SUNY, as lead agency, has completed an environmental review of the proposed project, as part of the review for the Fuller Road Management Corporation's Northerly Expansion 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 Northerly Expansion Project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on November 1, 2010. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

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

February 19, 2015

Regional Council Award – Priority Project - Albany (Capital Region – Albany County) – Tech Valley High School STEM Connect 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 Tech Valley High School STEM Connect 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 Fuller Road Management Corporation a grant for a total amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) 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.

\* \* \*

February 19, 2015

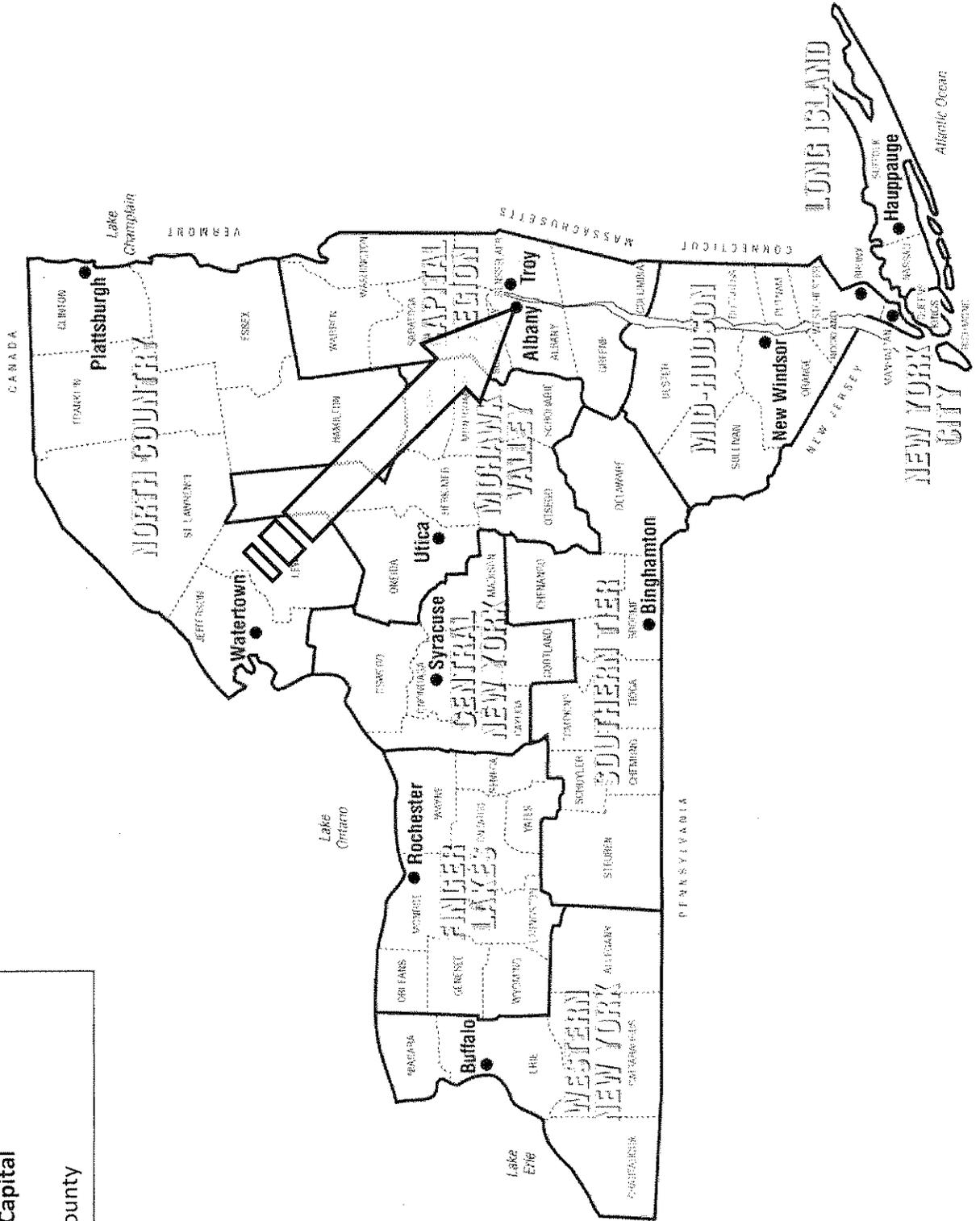
Regional Council Award – Priority Project - Albany (Capital Region – Albany County) –  
Tech Valley High School STEM Connect Capital – Regional Council Capital Fund (Capital  
Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Tech Valley High School STEM Connect Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

Tech Valley High School STEM  
Connect Capital  
Albany  
Albany County





FOR CONSIDERATION

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Albany and Troy (Capital Region – Albany and Rensselaer Counties) – Albany Medical College 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: Albany Medical College (the “College”), as fiscal agent for the New York Capital Research Alliance (“NYCAP” or the “Alliance”)

Beneficiary

Organizations: Rensselaer Polytechnic Institute (“RPI”) and The Research Foundation for The State University of New York (the “Research Foundation”), on behalf of the University at Albany (“UAlbany”), as the founding members of the NYCAP.

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

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

Project Locations: 1400 Washington Avenue, Albany, NY, Albany County  
110 Eighth Street, Troy, NY, Rensselaer County  
465 Jordan Road, North Greenbush, NY, Rensselaer County

**Proposed Project:** Purchase and installation of machinery and equipment with and laboratory fit-up to advance the biomedical and life sciences sectors and bring new opportunities and job growth to the Region.

**Project Type:** Laboratory fit-out and the purchase and installation of machinery and equipment

**Regional Council:** This is a Priority project for the Capital Region Economic Development Council (“Council”). The project combines the strengths, resources and assets of the member institutions, to accelerate the potential for scientific discoveries and innovations in health care, and expedite their pathway into the marketplace. At the time of the Round 2 Consolidated Funding Application (“CFA”) submission, Shirley Ann Jackson, president of Rensselaer Polytechnic Institute, was a co-chair of the 19-person Council, and James Barba of Albany Medical Center and George Philip of the University at Albany were Council members. In conformance with the State’s policy, these individuals recused themselves on votes recommending this project. The Council included 25 additional, ex-officio members who are elected officials but cannot vote on individual project recommendations.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Machinery and Equipment	<u>\$2,500,000</u>	
 Total Project Costs	 <u>\$2,500,000</u>	
 <u>Financing Sources</u>	 <u>Amount</u>	 <u>Percent</u>
ESD-Grant	\$500,000	20%
Grantee Equity	<u>2,000,000</u>	<u>80%</u>
 Total Project Financing	 <u>\$2,500,000</u>	 <u>100%</u>

III. Project Description

A. Company

**Industry:** Medical education institution

**Grantee History:** Established in 1839, Albany Medical College is one of the oldest medical colleges in the United States. Albany Medical College is an entity of the

Albany Medical Center, northeastern New York's only academic health sciences center. Albany Medical Center is one of the largest private employers in the Capital Region and one of New York's largest teaching hospitals. It incorporates the Albany Medical Center Hospital, which offers the widest range of medical and surgical services in the region, and the Albany Medical College, which trains the next generation of doctors, scientists and other healthcare professionals, and also includes a biomedical research enterprise and the region's largest physician's practice with 350 doctors. Albany Medical College enrolls approximately 135-140 multi-talented students in educational programs leading to the degree of Doctor of Medicine.

**Beneficiary History:** Established in 1824, RPI is one of the leading technological universities in the country and focuses its research in the areas of biotechnology and the life sciences, computational science and engineering, nanotechnology and advanced materials.

Founded in 1844, UAlbany is the oldest university campus of the State University of New York System. UAlbany is the recipient of ESD funding from the Round 1 CFA process to expand research capabilities of the Ribonucleic Acid Institute and to establish a Biotechnology Training Center.

**Ownership:** The Albany Medical College, as the fiscal agent for the Alliance, is part of the Albany Medical Center, a non-profit organization.

**Size:** The Albany Medical Center and its entities employ over 7,000 individuals, of which 1,390 are full-time employees of the Albany Medical College. RPI has 6,000 students and 850 faculty members. UAlbany has 17,000 students and 1,000 faculty members.

**Market:** Albany Medical Center serves a 150-mile radius with an area population of over two million. It is the only level-1 trauma center and academic medical institution for the 25-county region between New York City and Montreal, treating patients from Western New England, Southern Quebec and Upstate New York. RPI and UAlbany attract students and faculty from all over the world.

**ESD Involvement:** As a result of the Governor's Regional Economic Development Council Initiative, Albany Medical College, RPI and the University at Albany applied to and were awarded \$950,000 through the Round 1 of the CFA to establish the NYCAP and provide support for 10 collaborative research projects involving two or more NYCAP members. Albany Medical College applied on behalf of the Alliance to Round 2 of the CFA for funding to

support the creation of a matching grant program to attract more federal research dollars to the Capital Region. In December 2012, the project was awarded a \$500,000 CFA grant which was accepted in June 2013.

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
Economic Development Purposes Fund	X804	\$950,000	December 20, 2012	June 30, 2015	Working Capital & Capital

B. The Project

Completion: June 2014

Activity: The project includes the use of ESD funding to support a 20% matching grant program for researchers and principal investigators across the Alliance's partnering institutions for the purchase and installation of machinery and equipment and laboratory fit-up to further collaborative research by Alliance member organizations in mutually agreed upon areas.

The project encompasses two initiatives. The first initiative involved the use of ESD funding to support the purchase of a confocal scanning microscope by the University at Albany to replace an antiquated instrument at its Neuroscience Imaging Center for Biomedical Research and Training. A Zeiss LSM 710 Spectral Detection Confocal IV microscope with 34 channels was installed in UAlbany's Biology Building. The new instrumentation and associated capital renovations to the laboratories are critical for the retention of current faculty and the recruitment of new faculty. The state-of-the-art equipment will also be a resource for use by public and private entities around the Capital Region.

The second initiative involved the use of ESD grant funds to create the RPI Center for Translational Research in Medicine ("CTR<sub>x</sub>"), located in both the Center for Biotechnology & Interdisciplinary Studies (CBIS) on the main RPI campus in Troy, and at the Rensselaer Technology Park in North Greenbush. The operational mission of CTR<sub>x</sub> is to serve as a leading academic center for research and education resulting in discoveries, innovations, and applications towards improving public health. Specific research areas of focus for the CTR<sub>x</sub> include surgical devices, drug repurposing, neuroprosthetics and diagnosis/biomarker discovery. The

CTRx will provide Rensselaer faculty, students, staff, and collaborators with the facilities, resources, and guidance to conduct translational research with the potential of generating further research and commercialization funding from public and private sources.

**Results:** The equipment purchases and the associated fit-up of laboratory space provide additional settings in the Capital Region for bio-medical research to take place.

UAlbany anticipates that the expansion of the Albany Neuroscience Imaging Center will create over 60 faculty and research positions over the next five years.

The Rensselaer CTRx will train students in the biomedical and bioengineering programs at RPI's Troy and North Greenbush campuses, preparing them for skilled jobs in biotechnology, bioengineering and biosciences at the intersection of basic and applied research, technology development and innovation. The CTRx will bring together the critical infrastructure, talent and focus needed to attract biomedical and biotechnological companies to the area.

#### Economic Growth

**Investment Project:** This project is an Economic Growth Investment project and does not involve permanent job commitments or construction spending. While such projects generate significant long term fiscal and economic benefits, such benefits are not estimated within the short-term period used in the benefit cost analysis. Therefore, no benefit cost analysis is provided.

**Grantee Contact:** Vincent P. Verdile, MD, Dean  
Albany Medical College  
43 New Scotland Avenue  
Albany, NY 12208  
Phone: (518) 262-6008

#### Beneficiary

**Contacts:** Jonathan S. Dordick, Ph.D., Vice President for Research  
Rensselaer Polytechnic Institute  
110 8th Street  
Troy, NY 12180  
Phone: (518) 276-6211

James Dias, Operations Manager/Campus Research Officer  
Research Foundation (UAlbany)  
University Hall, Room 307

1400 Washington Avenue  
Albany, NY 12222  
Phone: (518) 956-8170

Robert Jones, President  
University at Albany  
University Hall, Room 302  
1400 Washington Avenue  
Albany, NY 12222  
Phone: (518) 956-8010

ESD Project No.: Y380

Project Team:	Origination	Nate Cohen
	Project Management	Linda Dillon
	Contractor & Supplier Diversity	Denise Ross
	Finance	Aaron Barnes
	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 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 \$500,000 will be disbursed to Grantee in arrears, no more frequently than quarterly, in proportion to ESD's funding upon documentation of machinery and equipment project costs, 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 and expenses must be incurred on or after June 6, 2013 to be considered reimbursable project costs. All disbursements must be requested by December 31, 2015.

5. The Grantee is required to submit annual progress reports on the achievement of the following project goals and metrics annually for three (3) years following the final disbursement:

Goals:

- i. The Alliance will expand over the disbursement period to include 1 to 2 additional private sector, university affiliated and/or research institutions.
- ii. Provide strong regional high tech support in private business, academia and government that firmly establish the Capital Region as the world leader in technology.
- iii. All the member institutions to apply for research funding in a much more comprehensive manner as a group highlighting unique strengths and attributes from each of the participating institutions. This will result in a higher likelihood of acquiring the grant award, rather than the institutions in the region independently seeking funding and by competing with one another, limiting the potential for success.

Metrics:

- i. The Alliance will report additional members added.
  - ii. Research milestones will be reported and monitored for each research project.
  - iii. Provide a summary report outlining the use of grant funding for all projects.
  - iv. Document job creation as a result of funded research projects.
  - v. Document additional grant awards to Alliance members who collaboratively apply for research funding from other sources.
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.

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 business in the performance of ESD projects. For purposes of this project, however, overall goals will not be established since the content of future funding proposals is unknown.

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

February 19, 2015

Regional Council Award – Priority Project - Albany and Troy (Capital Region – Albany and Rensselaer Counties) – Albany Medical College 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 Albany Medical College 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, 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 Albany Medical College 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

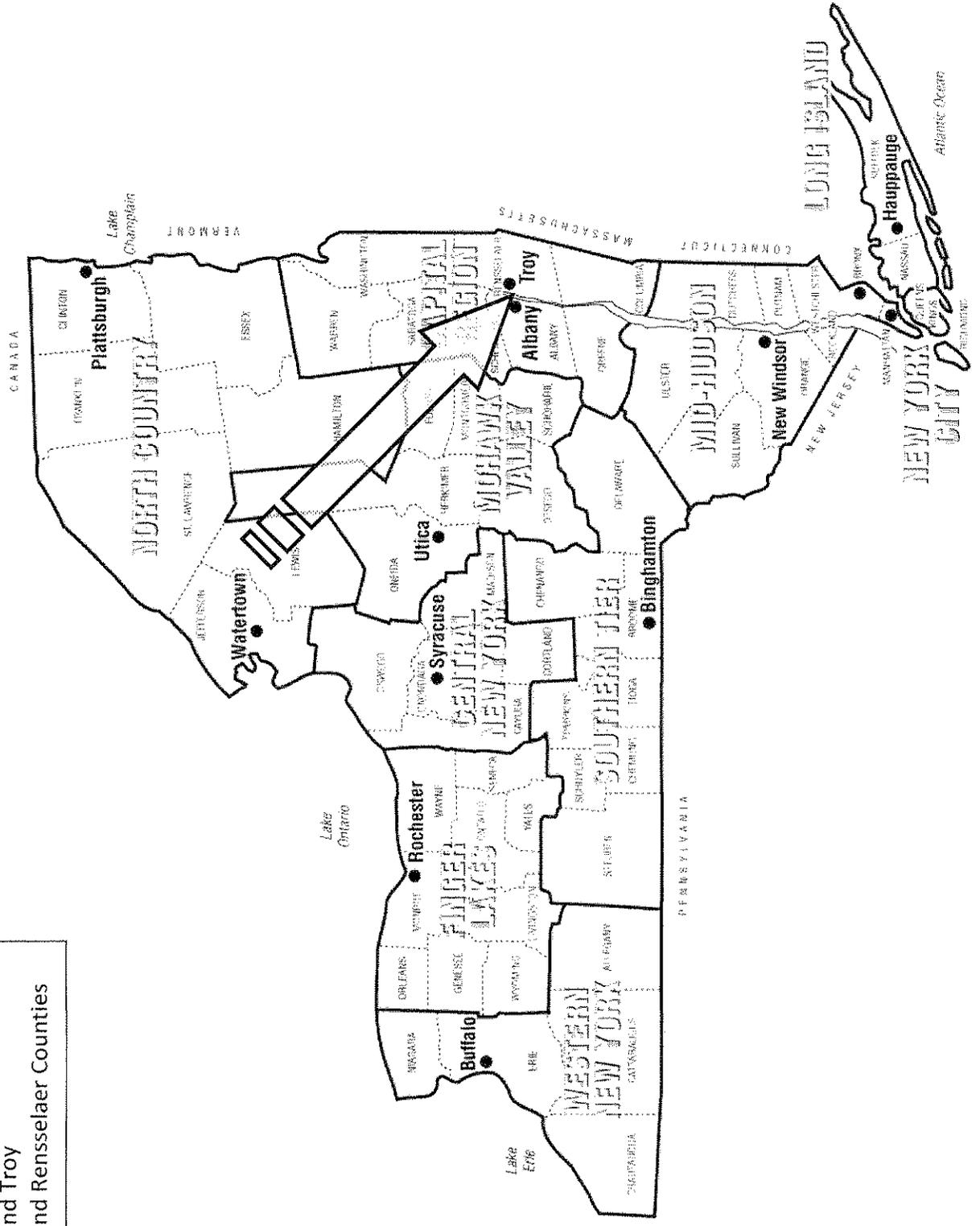
RESOLVED, that the President and Chief Executive Officer or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration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

\* \* \*

**Albany Medical College Capital**  
 Albany and Troy  
 Albany and Rensselaer Counties





FOR CONSIDERATION

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project - Syracuse (Central Region – Onondaga County) – Le Moyne College 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: Le Moyne College (“Le Moyne” or the “College”)

ESD\* Investment: A grant of up to \$2,000,000 to be used for a portion of the cost of construction and renovation.

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

Project Location: 1419 Salt Springs Road, Syracuse, Onondaga County

Proposed Project: Renovation and equipping of two existing academic buildings with new laboratories and classrooms, and other facilities for health/science hi-tech firms and the Madden School of Business

Project Type: Construction and renovation of academic buildings to enhance academic programs in the health professions

Regional Council: The project is a Priority Project of the Central New York Regional Economic Development Council (“Council”) and is consistent with the Council’s Plan to improve competitiveness and connections to the regional, national, and global economies. Dr. Fred Pestello, the former President of LeMoyne College was a member of the 2-person Council. In conformance with the State’s policy, this

individual has recused himself on votes recommending this project. The Council includes 8 additional, ex-officio members who are elected officials but cannot vote on individual project recommendations.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction/Renovation	\$15,931,743	
Furniture, Fixtures & Equipment	1,732,959	
Architectural/Engineering	<u>1,184,184</u>	
<b>Total Project Costs</b>	<b><u>\$18,848,886</u></b>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$2,000,000	11%
Company Equity	<u>16,848,886</u>	<u>89%</u>
<b>Total Project Financing</b>	<b><u>\$18,848,886</u></b>	<b><u>100%</u></b>

III. Project Description

A. Company

Industry: Educational Institution

Company History: Founded by the Society of Jesus in 1946, Le Moyne is the first Jesuit college to be founded as a co-educational institution. The College has over 3,500 undergraduate and graduate students. The College is the second-youngest of the 28 Jesuit colleges and universities in the United States, and is the only comprehensive Catholic college in Central New York.

Ownership: Le Moyne is a private, not-for-profit college.

Size: All facilities located in Syracuse, NY.

ESD Involvement: Le Moyne sought to undertake a project to enhance its academic programs in the health and business professions. In July 2012, Le Moyne submitted a Round 2 Consolidated Funding Application and was awarded a \$2,000,000 grant in July 2013 to assist with the financing of the project. ESD's assistance will facilitate the College's renovation of two existing Academic buildings for laboratories, classrooms and other facilities designed to enhance its academic programs. Without this renovation, the College would not be able to effectively address the needs of the next generation of New York's entrepreneurs, scientists, innovators, business

leaders and health professionals.

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

B. The Project

Completion: October 2014

Activity: The project involved the renovation and equipping of a portion of the Coyne Science building and the complete renovation and equipping of the Mitchell Hall Madden School of Business in Syracuse. The project activities included renovation or creation of two high-tech incubator suites, 9 research laboratories, 6 teaching laboratories, four specialty laboratories/academic facilities, 6 laboratory preparation/demonstration rooms, 9 classrooms and related facilities.

Results: The project will support the expansion and modernization of facilities for the College's programs in the health and business professions.

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.

- Fiscal benefits to NYS government from the project are estimated at \$1,169,601;
- Fiscal cost to NYS government is estimated at \$2,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.58:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,993,687;
- Fiscal cost to all governments is \$2,000,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 1.00:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$10,445,211;
- The economic benefit to cost ratio is 5.22:1;

- Project construction cost is \$17,115,927 which is expected to generate 157 direct job years and 101 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: Steven Kulick, Dir. Foundation & Government Relations  
 1419 Salt Springs Road  
 Syracuse, NY 13214  
 Phone: (315) 445-4560

ESD Project No.: Y353

Project Team:	Origination	Ray Lawrence
	Project Management	Wilfredo Florentino
	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 \$2,000,000 capital grant (\$20,000) 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. 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. Funds will be disbursed as a reimbursement for the estimated \$12,072,930 eligible project costs, during the course of design and/or construction, in proportion to ESD's funding share, and at specific intervals and on a prorated basis as outlined below, 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 or equivalent documentation. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonable require.

Up to \$2,000,000 will be disbursed to the grantee in four installments as follows:

- a. an Initial Disbursement of an amount equal to 73% of the grant (\$1,460,000) upon documentation of project costs totaling \$16,641,351, which includes approximately \$9,865,395 in expenditures between December 19, 2012 and approximately September 30, 2013, and \$6,775,956 in prior expenditures between July 16, 2012 and December 18, 2012, assuming that all project approvals have been completed and funds are available;
- b. a Second Disbursement of an amount equal to 4% of the grant (\$80,000) will be disbursed upon documentation of additional project costs totaling approximately \$500,000, between approximately October 1, 2013 and December 31, 2013, assuming that all project approvals have been completed and funds are available;
- c. a Third Disbursement of an amount equal to 13% of the grant (\$260,000) will be disbursed upon documentation of additional project costs totaling approximately \$1,707,535, between approximately September 1, 2014 and September 30, 2014, assuming that all project approvals have been completed and funds are available;
- d. a Fourth Disbursement of an amount equal to 10% of the grant (\$200,000) will be disbursed 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. All disbursements must be requested by April 1, 2016. Project costs may be incurred after July 16, 2012; however, expenditures incurred prior to December 19, 2012, cannot be reimbursed by grant funds.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. 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:

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;

80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;

60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;  
40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;  
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

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. 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

February 19, 2015

Regional Council Award – Priority Project - Syracuse (Central Region – Onondaga County) – Le Moyne College 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 Le Moyne College 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 Le Moyne College a grant for a total amount not to exceed Two Million Dollars (\$2,000,000) 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.

\* \* \*





FOR CONSIDERATION

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Valhalla ( Mid-Hudson Region – Westchester County) – New York Medical College II 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

J. Project Summary

Grantee: New York Medical College (“NYMC” or the “College”)

ESD\* Investment: A grant of up to \$641,500 to be used for a portion of the cost of construction and renovation to expand an incubator facility at the College.

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

Project Location: 7 Dana Road, Valhalla, Westchester County

Proposed Project: Construction and renovation involving the expansion of an existing biotechnology research and development facility

Project Type: Capital facility expansion

Regional Council: The project was identified by the Mid-Hudson Regional Economic Development Council’s Plan (the “Plan”) as a key, Priority Project. The project is consistent with the Plan to support specialized workforce

training and establish a platform for entrepreneurs and start-up drug companies to create jobs.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	\$7,720,829
Incubator Construction	5,628,764
Furniture, Fixtures & Equipment	2,373,915
Soft Costs	<u>1,761,000</u>
 Total Project Costs	 <u>\$17,484,508</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$641,500	4%
ESD-Grant (X622)	4,000,000	23%
Gen NY SIS - Grant	2,900,000	16%
HECAP Grant	348,794	2%
US Department of Commerce		
EDA -	328,000	2%
NYMC 2014 Series A – DASNY Bonds	7,500,000	43%
Grantee Equity	<u>1,766,214</u>	<u>10%</u>
 Total Project Financing	 <u>\$17,484,508</u>	 <u>100%</u>

III. Project Description

A. Grantee

Industry: Educational Institution

Grantee History: NYMC was founded in 1860 by a group of New York City civic leaders who were concerned with the primitive conditions of hospitals and medical education. Today, NYMC is one of the largest private health sciences colleges in the nation, with more than 1,400 students and 850 residents and clinical fellows. The College educates physicians, scientists and healthcare professionals to become highly qualified to assume leadership roles in their fields. In addition, NYMC is the leading academic biomedical research institution between New York City and Albany. Over 200 scientists engage in vital research activities such as cardiovascular disease, cancer, disaster medicine, kidney disease, the neurosciences, and infectious diseases. NYMC offers access to centralized research facilities commonly used in drug discovery and development. Biotech companies interact with College scientists and use sophisticated research equipment at a fraction of the cost associated with development and/or

purchase and maintenance.

Ownership: NYMC is a not-for-profit organization.

Size: New York Medical College has approximately 3,000 faculty members and has more than 1,400 students and 850 residents and fellows.

ESD Involvement: An integral part of the College's mission is to provide a facility that contributes to the advancement of biomedicine research. Its goal is to become a leader in translational research that will lead to improvements in the treatment and prevention of disease. In order to achieve this goal, the College recognized a need to create a new biotechnology incubator and provide ongoing workforce training and education. NYMC decided to renovate an existing unused facility on its campus. The total cost of the renovation project exceeded the College's available resources and additional funding was needed to proceed with the project.

In 2011, the College applied under the Consolidated Funding Application ("CFA") for funding and was awarded \$4,000,000 to renovate the building. In July 2012, the College applied for additional funding under the CFA to expand an incubator room within the same building as a space for 12 incubator tenants and non-resident incubator companies. ESD made NYMC an offer in October 2013 which it accepted in November 2013.

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
Regional Council Capital Fund	X622	\$4,000,000	July 18, 2012	August 2014	Construction and Renovation of a facility on campus

B. The Project

Completion: August 2014

Activity: The scope of work performed on the incubator room involved demolition, sheetrock, doors, a new roof, HVAC, plumbing and electrical.

Renovations to the overall building totaled approximately 23,000 square feet and the incubator room was expanded from 2,550 to 4,305 square feet. The facility features the incubator along with workforce training suites, laboratories, a shared vivarium for animal research, clinical resources, a conference room, cafeteria and a library.

Results:

The creation of a biotechnology incubator will help create and support job growth in the biotech industry. Many of the Mid-Hudson Region's biotech companies, including giants like Pfizer and Regeneron have identified a pressing need for enhanced training of the existing workforce to remain competitive. The College will work with the regional biotech companies to identify training needs and provide a structured continuing education program at the facility.

Economic Growth  
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.

- Fiscal benefits to NYS government from the project are estimated at \$859,998;
- Fiscal cost to NYS government is estimated at \$641,500;
- Ratio of project fiscal benefits to costs to NYS government is 1.34:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,493,720;
- Fiscal cost to all governments is \$641,500;
- The ratio of project fiscal benefit to cost ratio to all governments is 2.33:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$8,299,880;
- The economic benefit to cost ratio is 12.94:1;
- Project construction cost is \$15,110,593 which is expected to generate 104 direct job years and 52 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: Steve Picolo, Chief Financial Officer  
7 Dana Road  
Valhalla, NY 10595  
Phone: (914) 594-4000

ESD Project No.: Y346

Project Team:	Origination	Ryan McLeod
	Project Management	Simone Bethune
	Contractor & Supplier Diversity	Denise Ross
	Finance	Aaron Barnes
	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 \$641,500 capital grant (\$6,415) 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 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 \$641,500 will be disbursed in a lump sum upon project completion, as evidenced by attainment of a certificate of occupancy or other documentation verifying project completion, and upon documentation of Phase II construction and renovation project costs totaling \$3,207,520 to expand the iBio incubator spaces, 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 November 22, 2013 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 \$641,500, 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

ESD’s Non-discrimination and Contractor Diversity policy will apply to the project. The Grantee shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 40%. The overall goal shall include a Minority Business Enterprise (“MBE”) Participation goal of 25% and a Women Business Enterprise (“WBE”) Participation goal of 15% 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. 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

February 19, 2015

Regional Council Award – Priority Project – Valhalla (Mid-Hudson Region – Westchester County) – New York Medical College II 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 New York Medical College II 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 New York Medical College a grant for a total amount not to exceed Six Hundred and Forty One Thousand Five Hundred Dollars (\$641,500) 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

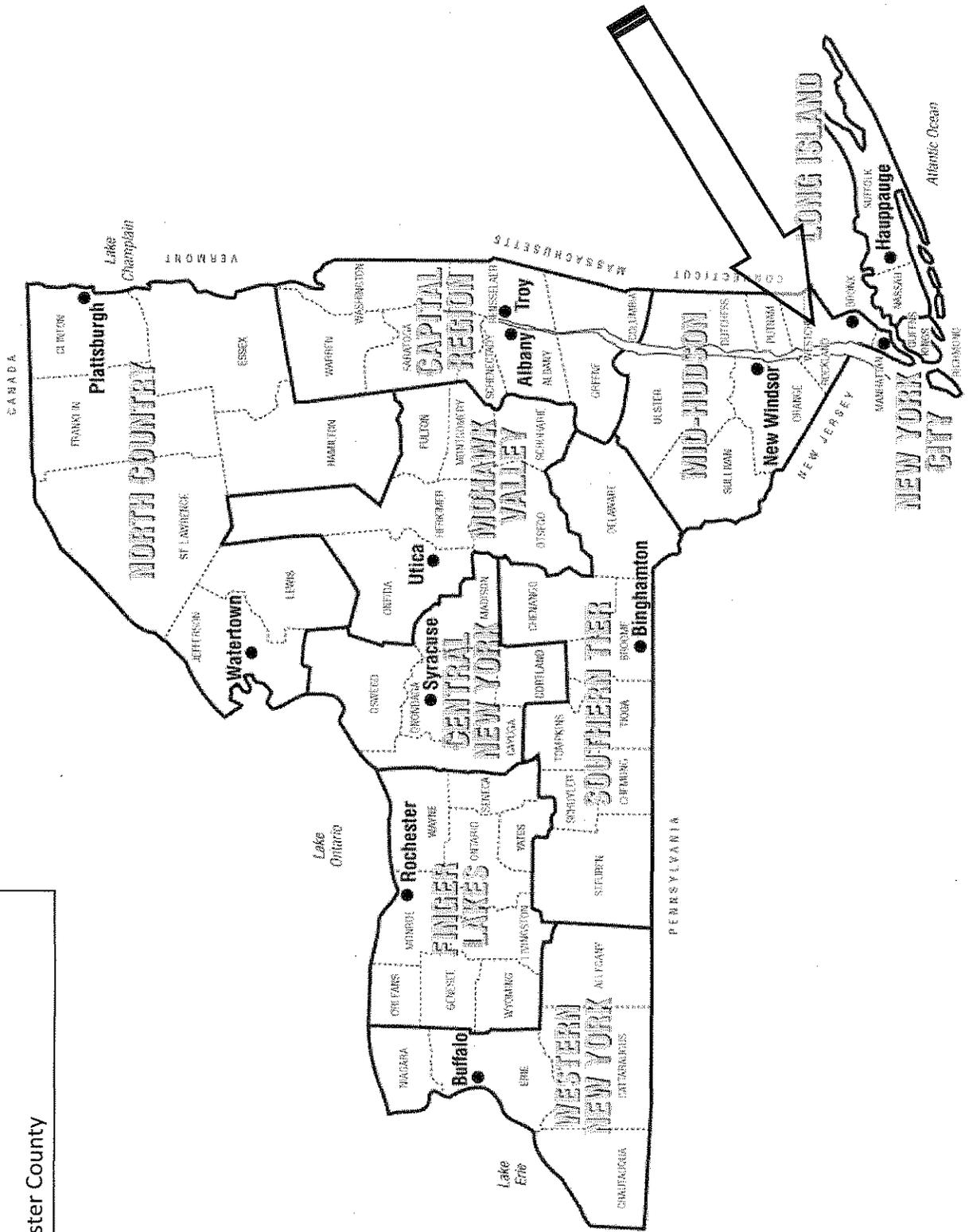
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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.

\* \* \*

New York Medical College Capital II  
Valhalla  
Westchester County





FOR CONSIDERATION

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Rome (Mohawk Valley Region – Oneida County) – Griffiss International Airport Capital – Economic Transformation Program (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: County of Oneida (“Oneida” or the “County”)

ESD\* Investment: A grant of up to \$350,000 to be used for a portion of the cost of renovations to an airplane hangar and construction of 3,200 square feet of office space at Griffiss International Airport.

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

Project Location: Bomber Drive, Rome, Oneida County

Proposed Project: Renovations to an airplane hangar and construction of 3,200 square feet of office space at Griffiss International Airport

Project Type: Infrastructure Improvement

Regional Council: The project is consistent with the Mohawk Valley Regional Economic Development Council’s Plan to drive efficiency, collaboration and inclusiveness for business and local government throughout the Region.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction/Renovation	<u>\$3,544,000</u>	
Total Project Costs	<u>\$3,544,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$350,000	10%
NYS Department of Transportation /Federal Aviation Authority -Grant	2,700,000	76%
Oneida County Equity	<u>494,000</u>	<u>14%</u>
Total Project Financing	<u>\$3,544,000</u>	<u>100%</u>

III. Project Description

A. Grantee

Grantee

Grantee History: Oneida County was formed in 1798 when it separated from Herkimer County. Historically, the County's economy was driven by the silverware industry. Today, the economy focuses mainly on textiles and agriculture, followed by metals manufacturing. Key regional economic drivers are the county's metals, firearms and food manufacturers.

Ownership: Municipality

ESD Involvement: Griffiss International Airport (the "Airport") is owned and operated by the County. The County transitioned Airport operations from the Town of Whitestown to Rome in 2007. The Airport is home to 2 heavy Maintenance and Repair and Overhaul companies that employs over 250 aircraft maintenance mechanics. Additionally, there are several smaller aviation and academic institutions situated on Airport property.

In October 2011, the Griffiss Local Development Corporation ("GLDC") which promotes, facilitates and oversees the redevelopment of the former Griffiss Air Force Base, applied for funding under Round 1 of the Regional Council Consolidated Funding Application for assistance with completing a renovation project on Nosedock 784, a 28,000-square-foot hangar located at the Airport. GLDC was awarded \$350,000 in funding by ESD in April 2012 to prepare the hangar for the arrival of a new

manufacturing company. Due to delays stemming from sequestration, the project never moved forward.

In August 2012, Oneida County applied under Round 2 of the Regional Council Consolidated Funding Application through the New York State Department of Transportation (“DOT”) for funding to renovate Nosedock 784. In December 2012, the County was awarded \$2,700,000 in funding from the DOT.

In 2013, Oneida County was chosen by the Federal Aviation Administration as one of six Unmanned Aerial Test (“UAS”) sites. Soon after that Oneida County entered into a Teaming Agreement with the Northeast UAS Airspace Integration Alliance (“NUAIR”) to manage the Griffiss UAS Test site. NUAIR is a regional alliance of private industry, academic institutions and military assets and operations, which works to establish FAA designated test sites for UAS in the Northeast.

To accommodate the Teaming Agreement, the County identified a need to renovate the Nosedock for NUAIR’s use which included the addition of office space, but it encountered a shortfall in the budget. In May 2014, the County requested that ESD transfer \$350,000 in funding from the defunct 2011 Nosedock project to the NUAIR renovation project.

The County began accepting bids to begin work on the renovations in June 2014. To date, renovations to the hangar are complete and the County has overseen construction of 3,200 square feet of office space for NUAIR’s use. In addition NUAIR has completed several unmanned tests.

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 <sup>1</sup> )	Purpose
LOCAL ASSISTANCE	Y484	\$16,717	November 18, 2013	December 2014	Capital grant for flood mitigation

LOCAL ASSISTANCE	X908	\$391,494	November 18, 2013	December 2014	Capital grant for flood mitigation due to Hurricane Irene
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B. The Project

Completion: September 2014

Activity: NUAIR required a manufacturing facility with direct access to a public airport where military transport aircraft could arrive and depart unimpeded. The project included renovations to an airport hangar with replacement of siding, insulation, HVAC, sprinklers and fire alarms.

Results: The project will spur job growth in UAS development and conduct testing and research in order to safely integrate UAS vehicles into the National Airspace System.

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.

- Fiscal benefits to NYS government from the project are estimated at \$254,070;
- Fiscal cost to NYS government is estimated at \$350,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.73:1;
- Fiscal benefits to all governments (state and local) are estimated at \$429,090;
- Fiscal cost to all governments is \$350,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 1.23:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$2,141,155;

- The economic benefit to cost ratio is 6.12:1;
- Project construction cost is \$3,544,000 which is expected to generate 42 direct job years and 19 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: Anthony J. Picente, Jr., County Executive  
 800 Park Avenue  
 Utica, NY, 13501  
 Phone: (315) 798-5800

ESD Project No.: X629

Project Team:	Origination	Jane Kulczycki
	Project Management	Simone Bethune
	Contractor & Supplier Diversity	Denise Ross
	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 \$350,000 capital grant (\$3,500) 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. 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 \$350,000 will be disbursed to Grantee upon documentation of construction and renovation project costs totaling \$3,350,000 and upon completion of the project substantially as described in these materials, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 16, 2011, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$350,000, 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.
6. The Grantee shall provide a matching contribution of no less than ten percent of the aggregated Economic Transformation Program award amount. Such matching contribution may be cash or the value of in-kind services contributions or administrative costs dedicated to this project, including funds from private contributions. Match amounts must be "firmly committed" and support the proposed project. "Firmly committed" shall mean there must be a signed, written agreement to provide the resources and services. The written agreement may be contingent upon an applicant receiving the Economic Transformation Program award.

#### IV. Statutory Basis – Economic Transformation Program

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 & Contractor and Supplier Diversity policy will apply to the Project. The Grantee 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%, Minority Business Enterprise ("MBE") participation goal of 9% and a Women Business Enterprise ("WBE") participation goal of 11% 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. 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

February 19, 2015

Rome (Mohawk Valley Region – Oneida County) – Griffiss International Airport Capital – Economic Transformation Program (Capital Grant) – Findings and Determinations Pursuant to Sections and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to County of Oneida a grant for a total amount not to exceed Three Hundred and Fifty Thousand Dollars (\$350,000) from the Economic Transformation 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

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.

\* \* \*





FOR CONSIDERATION

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Capital Fund – Connect NY Broadband Program  
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 Grants and to Take Related Actions

General Project Plan

I. Project Summary

Regional Council Capital Fund

	Project Name	Proj #	Grantee	Assistance up to
A	Broadband Extension Project	Z239	Southern Tier Network, Inc.	*\$0
	* This grant was approved by the ESD Directors on December 18, 2014. The subject request is to affirm the approved project and does not involve new funding.		<b>TOTAL</b>	<b>\$0</b>

## II. Program Description

### A. Background

Accelerating the availability, affordability, and utilization of broadband technologies is a high priority for the State of New York. Access to the numerous benefits of broadband access, such as e-commerce, e-government, telemedicine and distance learning will result in job creation, improved healthcare, greater educational opportunities for our students and teachers, and enhanced economic development.

Recognizing that broadband services are vital to our state's economic well-being, in September 2012, Governor Cuomo Committed \$25 million in funding to expand high-speed Internet access in rural upstate and underserved urban areas of New York through the Connect NY Broadband Grant Program. In March 2013, eighteen broadband project were selected to receive Connect NY Broadband grants based on the support of the Regional Economic Development Councils that analyzed and ranked project competing for the \$25 million in funding. In addition, 4 Broadband Project Sponsors received more than \$10 million from Round 3 of the Regional Economic Development Council Grants to expand broadband across New York State.

Together, these projects will bring broadband service to over 153,000 households, 8,000 businesses and 400 anchor institutions – many without any means to access the Internet, across more than 6,000 square miles of New York State. Most of the funding will be for the “last-mile” of broadband service, which means the project will provide high speed Internet connections directly to New Yorkers. The last-mile is the most expensive portion of a broadband network, and often prevents many rural residents from receiving broadband service, even when service is available to nearby homes.

The \$25 million Connect NY awards, combined with additional funding to advance broadband technologies and services, brings the total amount of funding awarded for broadband project during Governor Cuomo's administration to more than \$70 million, the largest statewide broadband funding commitment in the nation.

### B. The Project

See attached Consent materials.

## III. Statutory Basis

The projects were authorized in the 2013-14 New York State budget and re-appropriated in the 2014-2015 New York State Budget. No residential relocation is required as there are no families or individuals residing on the site.

#### IV. Environmental Review

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

#### V. 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.

#### 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 in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policies will apply to the project.

#### VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs. The purpose of the grants is to extend broadband service to unserved households. Progress will be measured in terms of households and businesses served.

#### 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

Project Summaries

February 19, 2014

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 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 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 amount listed below from the 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 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	Z239	Southern Tier Network, Inc.	*\$0
	* This grant was approved by the ESD Directors on December 18, 2014. The subject request is to affirm the approved project and does not involve new funding.		<b>TOTAL</b>	<b>\$0</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.

\* \* \*



## A. Broadband Extension Project (Z239)

February 19, 2015

### Affirmation of the Director's December 18, 2014 Findings and Determinations

**Grantee:** Southern Tier Network, Inc. ("STN" or the "Company")

**ESD Investment:** \$5,000,000 approved December 18, 2014 to be used for a portion of the cost to extend dark fiber backbone to expand broadband access and increase capacity.

**Project Status:** At their meeting on December 18, 2014, the ESD Directors made findings and determinations authorizing a \$5,000,000 grant to the Southern Tier Network, Inc. to be used for a portion of the cost to extend dark fiber backbone to expand broadband access and increase capacity. The Broadband Extension Project will extend 95 miles of STN's dark fiber backbone into Allegany, Broome, Tioga and Tompkins Counties, and into targeted business development areas.

**Public Hearing:** A public hearing for the Project was held at the Broome County Office Building (60 Hawley Street, Binghamton, NY 13902-1766) on Monday, January 19, 2015, to consider the General Project Plan ("GPP"). ESD arranged the public hearing in accordance with all statutory requirements and applicable ESD policy. Specifically, a legal notice was published in the Binghamton *Press and Sun Bulletin*, the *Star Gazette*, the *Ithaca Journal* and the *Buffalo News* on January 2, 2015. The General Project Plan was available at the office of the Broome County Clerk, the Tompkins County Clerk, the Tioga County Clerk, and the regional office of the Corporation. A transcript of the hearing is attached herewith.

One person spoke in favor of the Project and two attendees – David Pullen, Esq., District One Legislature for Allegany County, and his brother, who offered support for David's testimony - expressed concerns regarding the project footprint. The concerns addressed the fact that the proposed Project area did not encompass enough of Allegany County (the "County") because the broadband coverage proposed for installation was not equitably distributed among each of the four counties the project plan encompassed. In addition, the County was not invited to offer any input in terms of project planning, location, or design. Furthermore, the brothers expressed concerns that Allegany County did not receive proper notification of this project from STN and the legal notice from ESD was the first notification of the project.

**Negative Testimony  
and ESD Response:**

**Proposed Project Area:** Allegany County is not being served in a meaningful way.

**Response:** The Project location includes areas of Allegany, Broome, Tioga and Tompkins counties.

## A. Broadband Extension Project (Z239)

February 19, 2015

This Project serves as a part-two piece of a larger broadband initiative throughout the Southern Tier Region. Southern Tier Network (STN) is a not-for-profit, local development corporation established to own, build and manage an open access regional fiber optic backbone that will enable access to the highest speed broadband connectivity available in Chemung, Schuyler and Steuben Counties. Articles of Incorporation for STN have been filed with New York State, and a board of directors is in place, comprised of representatives from the three counties and other community stakeholders.

Construction on Phase I began in spring of 2012 on the 235-mile optical fiber backbone. Phase I was funded by Corning Incorporated and Chemung, Schuyler and Steuben counties, who came together to look at ways to expand economic development in the region. Determining high-speed broadband was a key factor in creating jobs, attracting new businesses and talent to the region. Each county also contributed to Phase 1 as follows:

- Chemung - \$ 789,945
- Schuyler - \$ 188,370
- Steuben - \$1,227,786

The **Phase II Broadband Extension Project (funded through ESD)** will extend 95 miles of the dark fiber backbone into Allegany, Broome, Tioga, and Tompkins Counties, and into targeted business development areas. This includes areas east from Waverly, in Chemung County, through the counties of Tioga and Broome, to Kirkwood, NY. This route is designed to run in close proximity to the NYS Route 17/I-86 corridor, which has been identified as a focus area for business development, but also has been identified as deficient in fiber infrastructure. In addition, the project will provide connectivity north to Ithaca and west to Alfred, to allow Cornell and Binghamton Universities and Alfred College the bandwidth they need for their joint R&D and to connect with incubators at Alfred and Corning, necessary for them to become Innovation Hot Spots and participate in the START-UP NY program.

*Allegany County, as a whole, is not a member county of this Council.* However, upon the direct request of Alfred College, STN agreed to expand its network to the college to provide the bandwidth they need for their joint R&D, and to connect with incubators. This bandwidth is necessary in order for Alfred College to become Innovation Hot Spots and participate in the START-UP NY program.

The portion of the STN Network built in Phase 1 (privately funded) already reached into Allegany County. Building on the existing network, Phase 2

## **A. Broadband Extension Project (Z239)**

February 19, 2015

expanded the network directly to Alfred College. To expand further into Allegany County would have added significant cost to the project. Allegany County has many remote communities and funding was not available to bring fiber further into these remote communities.

The optical fiber backbone will be open to any viable entity for use in supporting the creation and delivery of technologies and services. The network is meant to complement the established carrier infrastructure and not to devalue existing investments in the community.

**Notification of Project: Allegany County was unaware of this project prior to the receipt of the public hearing announcement - sent to all the county/town clerks, which will benefit from the Project.**

**Response:** The REDC Round III awards were publicly announced on December 11, 2013. Restrictions on partners are not set by ESD or by New York State's Regional Councils. Furthermore, the NYS Broadband Program Office publicized all project awards related to broadband via bi-weekly newsletters, on our website and during multiple public events throughout the year.

ESD requires that public hearing announcements are sent to the representatives, elected officials, and county/town clerks' offices representing the areas that will ultimately be served by the project. The Allegany County Clerk and Allegany's County Administer, Mitch Alger, both received copies of Southern Tier Network's General Project Plan, as well as notification of the Project's public hearing.

To satisfy the public hearing outreach component, ESD requires the publication of a legal notice in at least one newspaper for each municipality – "municipality" can also mean a county – served by the Project. To reach residents/businesses located in Allegany County, a legal notice was placed in the *Buffalo News*, which circulates throughout Western NY and parts of the Finger Lakes Region.

Any surrounding towns or communities that are not represented within the project's footprint do not require formal notification.

**Planning Process Participation: Applicants may form partnerships based on what best serves their business model. However, in this instance, Alfred College approached STN and requested that STN expand its network in order to provide the college with the bandwidth needed for their joint R&D efforts, and to connect with incubators. This bandwidth is necessary in order for Alfred College to become an Innovation Hot Spot**

## **A. Broadband Extension Project (Z239)**

February 19, 2015

**and participate in the START-UP NY program. Otherwise, Allegany County was omitted from the planning process, and the County's opinion and existing plans were not included or considered.**

**Response:** The current Empire State Development funds meet the specific requirements of the Southern Tier Regional Economic Council's initiatives and focus programs; Allegany County, as a whole, is not a member county of this Council. However, upon the direct request of Alfred College, STN agreed to expand its network to the college to provide the bandwidth they need for their joint R&D, and to connect with incubators. This bandwidth is necessary in order for Alfred College to become Innovation Hot Spots and participate in the START-UP NY program.

The STN project is currently funded to include that section (Alfred University) of Allegany County only. However, STN's Chief Executive Officer, Steve Manning, notes that this is a beginning, and it would be beneficial for Allegany County officials and STN to meet on the topic of furthering fiber build-outs deeper into the County.

Additionally, all REDC broadband award applications undergo a stringent evaluation process, which includes such factors as: project scope, unserved populations in the project footprint, and the number of businesses and community anchor institutions in the area.

**Equitable Distribution of Grant: Allegany County will not benefit from an equitable sum of the \$5,000,000 grant awarded to Southern Tier Network.**

**Response:** The proposed project involves extending STN's Open Access Network (OAN) east from Waverly in Chemung County, through the counties of Tioga and Broome, to Kirkwood, NY. This route is designed to run in close proximity to the NYS Route 17/I-86 corridor, which has been identified as a focus area for business development, but also has been identified as deficient in fiber infrastructure.

Of additional importance is the connectivity established by this project north to Ithaca and west to Alfred, which will allow Cornell University, Binghamton University, and Alfred College the bandwidth necessary for their joint research, development, and technology transfer. This will also tie together the Ceramics Corridor Innovation Centers; two business incubators that have developed a relationship with the above universities; and with Corning Community College. They are all currently collaborating on a NYS Hot Spot application that will benefit the expanded region; the fiberoptic ring will be "hugely important" to this project and to its participants, especially as they get involved in more high-technology work.

## **A. Broadband Extension Project (Z239)**

February 19, 2015

The universities and incubators will have private dark fiber connections to each other for their research and development needs.

The portion of the STN Network built in Phase 1 (privately funded) already reached into Allegany County. Building on the existing network, Phase 2 expanded the network directly to Alfred College. To expand further into Allegany County would have added significant cost to the project. Allegany County has many remote communities and funding was not available to bring fiber further into these remote communities.

Furthermore, the STN Network is an open access model, which means, STN will allow any provider, partner or county to connect to the network. Thereby significantly extending the reach of a high fiber network.

Eventually interconnections with the statewide ION fiber backbone and other regional open access networks will provide access to such areas as New York City, Syracuse, Albany and beyond. The extension of the STN network into Allegany, Tompkins, Broome and Tioga counties will provide those counties with a tangible economic development foundation, which will allow further development into these counties. Once this foundation is in place, it is STN's goal to reach out to each of these counties to facilitate collaboration between the STN network and each county, allowing each county to develop plans for expansion and further development.

STN recognizes the needs of Allegany County, and during the public hearing STN extended the invitation to meet with Allegany County to further discuss potential opportunities.

### **Summary:**

After review and consideration of comments received at the public hearing, NYS Broadband Executive Director, David Salway, still confirms that the Broadband Extension Project is an important part of the infrastructure development for broadband expansion across New York State, and will have a positive impact on each community served.

The project provides a high-speed fiber network, which aligns with Governor Andrew M. Cuomo's \$500 million New NY Broadband Fund that will allow every New Yorker to have access to high-speed Internet by the end of 2018, with speeds of 100 Mbps. Although many technologies deliver high-speed capabilities, fiber is the only technology that can consistently deliver access at high speeds. Therefore, fiber builds are an important piece of the Governor's strategy.

ESD staff believes that the concerns raised at the hearing have been adequately addressed or will be specifically addressed by the courts (Article 78 proceeding) or by DEC (emissions analysis for its permit),

**A. Broadband Extension Project (Z239)**

February 19, 2015

respectively, and that no ESD funds would be disbursed prior to such satisfactory disposition. Furthermore, any concerns regarding lack of service will be addressed through the New NY Broadband Program and all New Yorkers will have access to high-speed broadband by the end of 2018.

**Requested Action:**

The Directors are requested to affirm the findings and determinations related to the Project, made pursuant to the New York State Urban Development Corporation Act, and to affirm the General Project Plan.

**Additional Submissions**

**To Directors:**

Approved ESD Directors' Materials - December 18, 2014  
Transcript of the Public Hearing, dated January 19, 2015

## A. Broadband Extension Project (Z239)

December 18, 2014

### General Project Plan

- Grantee:** Southern Tier Network, Inc. ("STN" or the "Company")
- ESD Investment:** A grant of up to \$5,000,000 to be used for a portion of the cost to extend dark fiber backbone to expand broadband access and increase capacity.
- Project Location:** Allegany, Broome, Tioga, and Tompkins Counties;  
Zip Codes: 14859, 13827, 13811, 13736, 13835, 13760, 13850, 13754, 14843, 14804, 14813, 14895, 13073, 14867, 14886
- Proposed Project:** The Broadband Extension Project will extend 95 miles of STN's dark fiber backbone into Allegany, Broome, Tioga, and Tompkins Counties, and into targeted business development areas.
- Project Type:** Infrastructure development
- Regional Council:** The Southern Tier Regional Council identified this project as a priority. The Incentive Offer was accepted on November 19, 2014 and is consistent with the Regional Plan to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

#### **Background:**

Industry – Southern Tier Network (STN) is a not-for-profit, local development corporation (LDC) established to own, build and manage a regional fiber optic backbone that will enable access to the highest speed broadband connectivity in the Southern Tier Region.

History – In 2010, the Southern Tier Central Regional Planning and Development Board (STC) devised a plan to create a fiber-optic infrastructure. STC secured the funding and partners necessary to launch the initiative, and has been joined by Chemung, Schuyler, and Steuben Counties, ECC Technologies, Inc., and Corning Incorporated to form Southern Tier Network. Today, a board of directors is in place, comprised of representatives from the three counties and other community stakeholders.

Ownership – Not-for profit, Local Development Corporation (LDC)

Size – STC is governed by a board of directors. The board has 12 members, two alternates, a chief executive officer, and an accountant.

Market – Access to the Internet can be achieved by a number of different technologies.

## A. Broadband Extension Project (Z239)

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The definition of broadband is determined by the data transmission speeds in both directions. Download speeds refer to data which is received, such as accessing websites, receiving files through email, streaming video, and using cloud-based services. Upload speeds refer to data which is transmitted to another user or to a website or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

Broadband service is facilitated by either wireline or wireless technologies. Wireline services require a physical cable connection to provide connectivity, while wireless services are transmitted using antennas and wireless receivers similar to how radio transmissions are carried. Although there are a number of different wireless technologies, many wireless broadband providers use a hybrid model of providing service, as a wireline (usually fiber) connection is required at some point in the network.

In New York State, broadband service is provided by the following categories of service providers:

- Cable – 16 Providers, (Provides service to 94% of the state)
- DSL – 38 Providers, (Provides service to 92% of the state - Speeds: 768kbps – 25 mbps)
- Fiber – 26 Providers, (12 business only)
- Fixed Wireless- 12 Providers reporting coverage, (Serves 5% of the state – Speeds - 1.5 mbps – 100 mbps)
- Mobile Wireless- 6 providers (Speeds: 768 kbps – 12 mbps)
- Satellite Providers- 4 providers

ESD Involvement – In December 2013, as part of the Regional Economic Development Council Round 3 awards, the Regional Council selected three projects to receive broadband funding and allocated \$6 million to create a broadband fund in the North Country totaling \$11 million. These projects complement the Governor's Connect NY Broadband grants program which allocated \$25 million in funding to 18 broadband project sponsors. Under Governor Cuomo's administration more than \$70 million in broadband funding has been awarded. This is the largest statewide broadband funding commitment in the nation.

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

### The Project:

Completion – January 2017

Activity – STN will supply access to the new telecommunications network, not Internet

## A. Broadband Extension Project (Z239)

December 18, 2014

connectivity itself. It will lease network capacity to telecommunications carriers, governments, educational institutions and healthcare organizations, as well as other commercial and industrial businesses. The initiative will focus on partnerships with service providers and encourage the use of the optical fiber backbone to expand competitive services throughout the region, including more rural areas. The optical fiber backbone will be open to any viable entity for use in supporting the creation and delivery of technologies and services.

The Broadband Extension will extend STN's Open Access Network east from Waverly, in Chemung County, through the counties of Tioga and Broome, to Kirkwood, NY. In addition, the project will provide connectivity north to Ithaca and west to Alfred, to allow Cornell and Binghamton Universities and Alfred College the bandwidth they need for their joint R&D and to connect with incubators at Alfred and Corning, necessary for them to become Innovation Hot Spots and participate in the START-UP NY program.

Results – Expand broadband services to 76,355 households, 485 businesses and 181 Community Anchor institutions. See Table A, which describes all Key Indicators.

Financing Uses	Amount	Financing Sources	Amount	Percent
Site Preparation	\$795,105	ESD Grant	\$5,000,000	76%
Construction/Renovation	2,934,082	Company Equity	1,550,000	24%
Equipment & Machinery	1,778,700			
Architectural/Engineering	533,913			
Planning	508,200			
Total Project Costs	\$6,550,000	Total Project Financing	\$6,550,000	100%

Grantee Contact – Steve Manning, Chief Executive Officer  
Southern Tier Network, Inc.  
8 Denison Parkway East  
Corning, NY 14830  
Phone: (607) 962-5092

Project Team –

Origination	Angela Liotta
Project Management	Angela Liotta
Contractor & Supplier Diversity	Denise Ross
Finance	Ross Freeman
Environmental	Soo Kang

## A. Broadband Extension Project (Z239)

December 18, 2014

### Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$5,000,000 (\$50,000) 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 at least 24% 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. Up to \$5,000,000 will be disbursed to the Grantee no more frequently than quarterly during the course of design and/or construction, upon completion of project key indicators, 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 and upon meeting all project key indicators, as evidenced by a certificate of occupancy and supporting documentation and required Reports. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

ESD will be entitled to recoup all or part of ESD's grant if the Recipient fails to reach, to a degree acceptable to ESD milestones as agreed upon in Table A, which lists key indicators for infrastructure work, and Table B, which lists the major network build-out phases and quarterly milestones of the entire project.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after November 19, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

5. Grant Funds are to be used for the following:
  - (i) To fund the construction or improvement of all facilities required to provide broadband service.
  - (ii) For installing or upgrading existing broadband facilities on a one-time, capital improvement basis in order to expand broadband access and increase capacity.
  - (iii) To fund the cost of long-term leases (greater than 1 year) of facilities required to provide broadband service.
  - (iv) To fund reasonable make-ready expenses incurred as a result of providing

## A. Broadband Extension Project (Z239)

December 18, 2014

broadband service.

### 6. Eligible Expense Categories

- (i) Network & Access Equipment Costs: Include switches, video headends, optical equipment, digital line concentrators, digital subscriber line access multiplexers, middleware, video-on-demand equipment, radio equipment, data routing equipment, etc.
- (ii) Outside Plant Costs: Includes cable (aerial, buried, underground, and submarine), fiber, conduit systems, poles, network interface devices and reasonable make-ready costs.
- (iii) Tower Costs: Includes the cost of constructing new buildings and renovating existing buildings, as well as any site preparation costs.
- (iv) Customer Premises Equipment: Includes wireless subscriber units, modems, set-top boxes, and routers (if CPE will be provided at no cost to subscribers.)
- (v) Professional Services: Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.
- (vi) Testing: Includes items such as testing, network and IT systems, user devices, servers, lab furnishing and test generators.
- (vii) Other Upfront Costs: Includes any other upfront costs not covered in the other categories, such as site preparation.

### 7. The Recapture Amount, if the property is sold within 5 years of disbursement or if Grantee fails to complete Indicators or Milestones, is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred; and/or failure to complete Indicators or Milestones.

- (a) The Recapture Amount, if the property is sold within 5 years of disbursement, 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.

**A. Broadband Extension Project (Z239)**

December 18, 2014

- (b) The Recapture Amount , if the failure to complete Indicators or Milestones occurs, 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 0% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
  - (ii) 90% of the disbursed amount if 1% to 10% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
  - (iii) 80% of the disbursed amount if 11% to 20% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
  - (iv) 70% of the disbursed amount if 21% to 30% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
  - (v) 60% of the disbursed amount if 31% to 40% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
  - (vi) 50% of the disbursed amount if 41% to 50% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
  - (vii) 40% of the disbursed amount if 51% to 60% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
  - (viii) 30% of the disbursed amount if 61% to 70% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
  - (ix) 20% of the disbursed amount if 71% to 80% of the Milestones or Indicators are completed by the time of the submitting final reporting requirements;
  - (x) 10% of the disbursed amount if 81% to 90% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
  - (xi) 5% of the disbursed amount if 90% to 99% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
8. Compliance with National Electrical Safety Code (NESC): All pole attachments shall comply with the National Electrical Safety Code (NESC) requirements. Connect NY grant recipients shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the National Electrical Safety Code (NESC) and all applicable and current electrical and safety requirements of any State or local governmental entity.
9. Broadband Mapping Program Compliance: Recipients shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the recipient's entire service area.

## **A. Broadband Extension Project (Z239)**

December 18, 2014

10. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$5,000,000, 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.
11. In the event Reports, Updates, Mapping, and Milestone reports are not received in the form and time periods as indicated in Section 2, ESD shall not be obligated to make any further Grant disbursements. In the event such Reports, Updates, Mapping, and Milestone reports as indicated in Section 2 are not received within 60 days in the form and time periods as indicated in Section 2, Grantee will be in default. However, no default shall be deemed to have occurred if Grantee cures such default within ten (10) days of notice of default from ESD.

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

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The Company shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (MWBE) Participation goal of 20%, a Minority Business Enterprise (MBE) Participation goal of 10% 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.

### **Smart Growth:**

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.

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

The project was 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.

**FOR CONSIDERATION**

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT; Regional Council Award Projects Consent Calendar

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-m and 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:

	Project Name	Proj #	Grantee	Assistance up to
	<b>Regional Council Capital Fund</b>			
A	Turbo Machined Products Capital	Y145	Turbo Machined Products, LLC	\$100,000
	<b>Empire State Economic Development Fund</b>			
B	Tangent Machine & Tool Capital	Z449	Tangent Machine & Tool Corp.	\$35,000
C	Tupper Lake Crossroads Capital	Y281	Tupper Lake Crossroads, LLC	36,000
			<b>TOTAL</b>	<b>\$171,000</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.

### A. Statutory Basis - Empire State Economic Development Fund

Please see individual project summaries for factual bases for items 1, 2, and 3.

1. Each proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a

municipality or region of the State or would enhance or help to maintain the economic viability of family farms.

2. Each proposed project would be unlikely to take place in New York State without the requested assistance.
3. Each proposed project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
4. The requirements of Section 10(g) of the Act are satisfied.  
No residential relocation is required in connection with any project involving the acquisition, construction, reconstruction, rehabilitation, or improvement of property because no families or individuals reside on the sites.

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

February 19, 2015

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

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

1. The Project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.
2. The Project would be unlikely to take place in New York State without the requested assistance.
3. The Project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
4. There are no families or individuals to be displaced from the project area(s); and be it further

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

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

actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

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

Empire State Economic Development Fund

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
	<b>General Development Financing Project</b>			
A	Turbo Machined Products Capital	Y145	Turbo Machined Products, LLC	\$100,000
			<b>TOTAL</b>	<b>\$100,000</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.

\* \* \*

February 19, 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

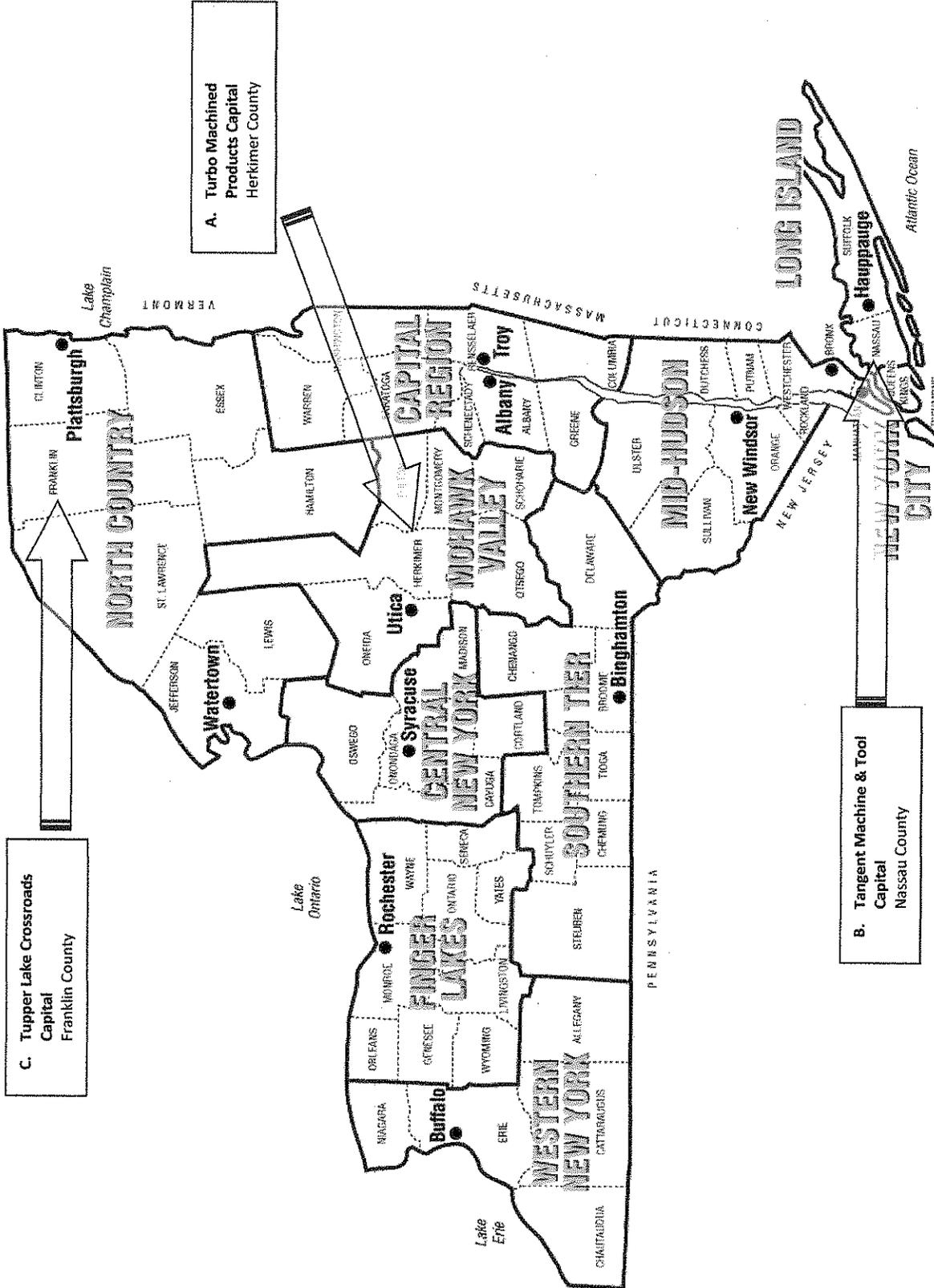
	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
B	Tangent Machine & Tool Capital	Z449	Tangent Machine & Tool Corp.	\$35,000
C	Tupper Lake Crossroads Capital	Y281	Tupper Lake Crossroads, LLC	36,000
			<b>TOTAL</b>	<b>\$71,000</b>

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 Awards



C. Tupper Lake Crossroads Capital  
Franklin County

A. Turbo Machined Products Capital  
Herkimer County

B. Tangent Machine & Tool Capital  
Nassau County

## A. Turbo Machined Products Capital (Y145)

February 19, 2015

### General Project Plan

<b>Grantee:</b>	Turbo Machined Products, LLC (“Turbo Machined” or the “Company”)	
<b>ESD Investment:</b>	A grant of up to \$100,000 to be used for a portion of the cost of the purchase of machinery and equipment.	
<b>Project Location:</b>	102 Industrial Drive, Frankfort, Herkimer County	
<b>Proposed Project:</b>	Minor renovations and the purchase of new machinery and equipment	
<b>Project Type:</b>	Business expansion involving job retention and creation	
<b>Regional Council:</b>	The project is consistent with the Mohawk Valley Regional Economic Development Council’s Plan to create and sustain innovation and technology.	
<b>Employment:</b>	Initial employment at time of ESD Incentive Proposal:	39
	Current employment level:	40
	Minimum employment on January 1, 2016:	46

### **Background:**

Industry - Turbo Machined Products, LLC is a leading supplier of state-of-the-art milled contoured turbine engine components. The Company is ISO 9001:2000 and AS 9100 registered, the highest quality standard awarded to companies.

Company History – Established in 1993, Turbo Machined Products, LLC, supplies products that support the power generation, aerospace and other industries.

Ownership - Turbo Machined Products, LLC is a privately-held company.

Size - All facilities located in Frankfort, NY.

Market - Turbo Machined Products, LLC serves the aerospace defense, municipal power, power generation, marine, military, solar and nuclear industries. Customers include Hamilton Sundstrand, Pratt and Whitney, General Electric, Martin Marietta, Rolls Royce, Elliot Corp., Utica Tect Corp., and Dresser-Rand.

ESD Involvement - The Company saw an opportunity to increase its capacity and create more complex components to allow for competitive growth and to meet customer needs. In 2012, the Company submitted a Consolidated Funding

**Turbo Machined Products Capital (Y145)**  
February 19, 2015

Application for assistance in financing an investment in new machinery and equipment. In January 2013, the Company was awarded a \$100,000 capital grant to encourage Turbo Machined to make the capital investment and grow in New York State. ESD's assistance will facilitate the Company's purchase of state-of-the-art machines and equipment to support new customer development and increase sales. Without this equipment, the Company would not be able to effectively increase productivity.

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
Empire State Economic Development Fund	W475	\$35,000	October 2, 2008	August 29, 2012	Capital

**The Project:**

Completion – October 2014

Activity - The Company purchased state of the art equipment used in the production of jet engine parts. The equipment will support new customer demand for aircraft blade manufacturing and continued demand for turbine engine components.

Results - Retain 39 existing jobs and create 7 new jobs.

Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$1,114,261, which exceed the cost to the State.

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction/Renovation	\$40,000	ESD Grant	\$100,000	11%
Machinery and Equipment	763,000	Company Equity	845,329	89%
Employee Training	10,000			
Tooling Software, electrical work, temporary rigging, drawings	132,329			
Total Project Costs	\$945,329	Total Project Financing	\$945,329	100%

Grantee Contact - John A. Kabot Jr., President

**Turbo Machined Products Capital (Y145)**

February 19, 2015

102 Industrial Dr.  
Frankfort, NY 13340  
Phone: (315) 895-3010

<u>Project Team</u> -	Origination	Jane Thelen
	Project Management	Wilfredo Florentino
	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 \$100,000 capital grant (\$1,000) 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 at least 10% of the total project cost in the form of equity contributed after the Grantee's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$100,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$50,000) upon documentation of real estate / machinery and equipment project costs totaling \$940,000, including machinery and equipment project costs totaling \$760,000, a

## Turbo Machined Products Capital (Y145)

February 19, 2015

Certificate of Occupancy or other documentation verifying project completion as ESD may require, documentation of the employment of at least 39 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;

- b) a Second Disbursement of an amount equal to 25% of the grant (\$25,000) will be disbursed upon documentation of the employment of at least 42 Full-time Permanent Employees at the Project Location (Employment Increment of 3), provided Grantee is otherwise in compliance with program requirements;
- c) a Third Disbursement of an amount equal to 25% of the grant (\$25,000) will be disbursed upon documentation of the employment of at least 46 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 February 1, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

- 6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
- 7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

## Turbo Machined Products Capital (Y145)

February 19, 2015

- 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	39
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A	B
Reporting Date	Employment Goals
February 1, 2017	39+X+Y
February 1, 2018	39+X+Y
February 1, 2019	39+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section 5 above (i.e. X=3, and Employment Goals shall equal  $[39 + X = 42]$  if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section 5 above (i.e. Y=4, and Employment Goals shall equal  $[39 + X + Y = 46]$  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.

### 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

### Statutory Basis – Empire State Economic Development Fund:

1. The project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms. As a result of this project, the Company will maintain its employment level of 39 and create 7 new jobs.

**Turbo Machined Products Capital (Y145)**

February 19, 2015

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

ESD assistance is needed to fill a financing gap.

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

Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$1,114,261, which exceed the cost to the State.

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

See cover memo.

**FINANCE MEMORANDUM**

**TO:** Margaret Tobin  
**CC:** Rob Kwon  
**FROM:** Aaron Barnes  
**DATE:** 1/6/2015  
**RE:** Turbo Machined Products, LLC

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**Grantee**

- Name: Turbo Machined Products, LLC (“The Company” or “Turbo Machined Products”)
- Corporate Location: Frankfort, NY
- Corporate Form: Limited Liability Corporation
- Nature of Business: Hardware supplier that provides state-of-the-art milled contoured turbine components to aerospace defense, municipal power, power generation, marine, military, solar and nuclear industries.
  - Major Customers: Hamilton Sundstrand, Pratt and Whitney, General Electric, Martin Marietta, Rolls Royce, Elliot Corp., Utica Tect Corp., and Dresser-Rand.

**Financial Information**

- Industry: All Other General Merchandise Stores
- NAICS Code: 452990
- ESD credit rating (score): Fair (2)
  - Profitability:
    - Sales: Increasing over 3 year historical period.
    - Profit Margin: Above industry median in most recent year.
    - EBITDA: Positive but decreasing over 3 year historical period.
    - Net Income: Decreasing over 3 year historical period.
  - Liquidity:
    - Current ratio: Below the industry median but above 1 in most recent year.
  - Solvency:
    - Total debt/total assets: Above the industry median in most recent year and less than 65%.
    - EBITDA/Debt Service: Strong
  - Other:
    - Age of financial statements: Over 12 months
    - Audit status: Financial information not audited

**Turbo Machined Products, LLC**  
**Years Ending December 31**

	Industry Median	2011	2012	2013
Net Sales		4,230,497	4,453,745	4,675,054
EBITDA		2,542,453	2,642,257	2,479,778
Pre-tax Profit		643,048	662,137	495,273
Pre-tax profit/net sales	4.60%	15.20%	14.87%	11.00%
Net Income		327,971	377,100	184,642
Current Assets		1,002,404	1,194,597	1,320,908
Current Liabilities		572,580	704,182	958,412
Current Ratio	2.30	1.75	1.70	1.38
Total Assets		2,908,174	3,280,660	3,275,121
Long-term Debt		1,444,148	1,498,458	1,198,529
Total Debt		1,723,148	1,870,458	1,608,529
Total Liabilities		2,223,978	2,596,465	2,590,926
Net Worth		684,196	684,195	684,195
Total debt/total assets	0.13	0.59	0.57	0.49
EBITDA/Debt Service		6.61	5.68	4.97

**Additional Information**

- Current Liabilities has increased over the 3 year historical period due to a substantial increase in accounts payable and current portion of long-term debt.
- Though revenue increased from 2012 to 2013, EBITDA and Net Income decreased due to a significant increase in cost of goods sold. The Company had to ramp up production for one of its major customers, Pratt & Whitney. This involved costly tooling design and programming.

## B. Tangent Machine & Tool Capital (Z449)

February 19, 2015

<b>Grantee:</b>	Tangent Machine & Tool Corp. (“Tangent” or the “Company”)	
<b>ESD Investment:</b>	A grant of up to \$35,000 to be used for a portion of the cost of the purchase of machinery and equipment.	
<b>Project Location:</b>	108 Gazza Boulevard, Farmingdale, Nassau County	
<b>Proposed Project:</b>	As a part of Aerospace and Defense Diversification Alliance in Peacetime Transition (“ADDAPT”) Group Competitiveness Improvement Program (“Program”), the company will purchase and install new machinery and equipment for its Long Island facility.	
<b>Project Type:</b>	Business expansion involving job retention	
<b>Regional Council:</b>	The project is consistent with the Long Island Regional Economic Development Council’s Plan to reinvigorate Long Island’s manufacturing sector through continued transformation of traditional defense and aerospace work to advanced technology products.	
<b>Employment:</b>	Initial employment at time of ESD Incentive Proposal:	17
	Current employment level:	17
	Minimum employment through January 1, 2018:	17

### Background:

Industry - Tangent Machine & Tool Corp. provides precision machined parts in the aerospace and defense industries.

Company History - Tangent was established in 1953. In 2001, Tangent was purchased by Joe Scafidi and Charles Piola and redefined from a tooling company to a manufacturer of precision parts to the aerospace and defense industries.

Ownership – Tangent is a privately-held company.

Size - All facilities located in Farmingdale, NY.

Market –Some of Tangent’s clients include Exelis, Ametek and Grumman.

ESD Involvement – Established in 1991, ADDAPT was formed to respond to the significant reductions in defense spending by the Federal government. ADDAPT’s mission is to sustain and grow manufacturing capability and capacity in the region’s defense and aerospace industries by serving as a strong advocate, a hub for information,

## Tangent Machine & Tool Capital (Z449)

February 19, 2015

and a strategic growth partner.

In 2013, \$1,000,000 was allocated through Round 3 of the Consolidated Funding Application to the ADDAPT Program which support manufacturing firms to invest in new facilities, facility expansion and machinery based on industry, capital investment plans and job creation/retention. Tangent is the first company being funded through the Program and was awarded \$35,000 to assist with new machinery and equipment at its Long Island facility. Without ESD support, the company would not remain competitive in this highly technical and ever growing industry.

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

### The Project:

Completion – February 2015

Activity - The Company purchased and installed new machinery and equipment which will support its competitiveness in the manufacturing of machined parts for the aerospace and defense industries.

Results - Retain 17 existing jobs.

Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$801,763, which exceed the cost to the State.

Financing Uses	Amount	Financing Sources	Amount	Percent
Machinery and Equipment	\$175,000	ESD Grant	\$35,000	20%
		Company Equity	140,000	80%
Total Project Costs	\$175,000	Total Project Financing	\$175,000	100%

Grantee Contact - Joseph A. Scafidi, President  
108 Gazza Boulevard  
Farmingdale, NY 11735  
Phone: (631) 249-3088

Project Team -

Origination	Beverly Bobb
Project Management	Wilfredo Florentino
Contractor & Supplier Diversity	Vikas Gera
Environmental	Soo Kang

## Tangent Machine & Tool Capital (Z449)

February 19, 2015

### Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$35,000 capital grant (\$350) 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 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 \$35,000 will be disbursed to Grantee upon, documentation of machinery and equipment project costs totaling \$175,000, and documentation of the employment of at least 17 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after October 16, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.
6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$35,000, 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

**Tangent Machine & Tool Capital (Z449)**

February 19, 2015

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	17
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A	B
Reporting Date	Employment Goals
February 1, 2016	17
February 1, 2017	17
February 1, 2018	17

**Tangent Machine & Tool Capital (Z449)**

February 19, 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, goals will not be established due to the unavailability of certified MWBES for performance of this Contract.

**Statutory Basis – Regional Economic 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.



## C. Tupper Lake Crossroads Capital (Y281)

February 19, 2015

### General Project Plan

- Grantee:** Tupper Lake Crossroads, LLC ( "Tupper Lake" or the "Company")
- ESD Investment:** A grant of up to \$36,000 to be used for a portion of the cost to conduct a redevelopment feasibility study.
- Project Location:** 131 Park Street, Tupper Lake, Franklin County
- Proposed Project:** Feasibility analysis for the redevelopment of a new lodging and restaurant facility
- Project Type:** Capital Feasibility Study
- Regional Council:** The project is consistent with the North Country Regional Economic Development Council's Plan to expand economic development in North Country communities by assisting new business enterprises to expand and create jobs.

#### **Background:**

Industry – Hospitality and Tourism

Company History –Tupper Lake Crossroads, LLC was formed 2006 as a family owned real estate development firm to develop a small vacant parcel of land in Tupper Lake.

Ownership – Tupper Lake is a privately-held limited liability company.

Size – All facilities located in Tupper Lake, New York.

Market – Local Adirondack and North Country areas.

ESD Involvement – The Company owns a ½ acre vacant parcel of land in downtown Tupper Lake that was previously occupied by the 3/30 motel that was destroyed by a fire over 10 years ago. Tupper Lake is seeking to redevelop the site into a new boutique hotel and restaurant for year round residents and seasonal tourism visitors. In order to obtain financing and local permits for redevelopment, the Company needed to complete a project feasibility study. The Company applied for assistance through Round 2 of the Consolidated Funding Application process to begin to structure the planning and financing for the redevelopment and was awarded \$36,000 to assist with the financing of the feasibility study. This feasibility study would not be possible without ESD assistance.

**Tupper Lake Crossroads Capital (Y281)**

February 19, 2015

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

**The Project:**

Completion – October 2014

Activity – The Company solicited proposals and contracted with Pinnacle Advisory, a nationally recognized professional hospitality consulting organization located in Boston, to prepare a project feasibility study for a proposed lodging and restaurant facility to be located in Tupper Lake.

Results – The Company completed the feasibility study and expects to proceed to the next steps of planning, permitting, financing and development of a new small boutique hotel and restaurant in Tupper Lake. When completed, this new facility is expected to create jobs, add economic activity and help to revitalize downtown Tupper Lake.

The project is an Economic Investment project and does not involve permanent job commitments or construction spending. While such projects generate significant long term fiscal and economic benefits, such benefits are not estimated within the short term period used in the typical benefit cost analysis. Therefore, no benefit cost analysis is provided.

Financing Uses	Amount	Financing Sources	Amount	Percent
Contract services	\$40,000	ESD Grant	\$36,000	90%
		Company Equity	4,000	10%
Total Project Costs	\$40,000	Total Project Financing	\$40,000	100%

Grantee Contact - Elizabeth Lowe, Operating Manager  
76 Old Hotel Road  
Tupper Lake NY 12983  
Phone: (518) 523-9480

Project Team -                      Origination                                      William Ferguson  
   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 \$36,000 capital grant (\$360) and reimburse ESD for all

## Tupper Lake Crossroads Capital (Y281)

February 19, 2015

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 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. Up to \$36,000 will be disbursed to Grantee upon, documentation of feasibility study project costs totaling \$40,000, 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 February 26, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$36,000, 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.

### **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. 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 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.



FOR CONSIDERATION

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Non-Discretionary Projects

REQUEST FOR: Authorization to Make Grants 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)</b>			
A	Fort Drum Regional Health Planning Organization Working Capital	Y716	Fort Drum Regional Health Planning Organization	\$100,000
B	Adirondack North Country Association Working Capital	Z451	Adirondack North Country Association, Inc.	350,000
	<b>TOTAL NON-DISCRETIONARY – 2 PROJECTS</b>		<b>TOTAL</b>	<b>\$450,000</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



February 19, 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 – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
A	Fort Drum Regional Health Planning Organization Working Capital	Y716	Fort Drum Regional Health Planning Organization	\$100,000
B	Adirondack North Country Association Working Capital	Z451	Adirondack North Country Association, Inc.	350,000
			<b>TOTAL</b>	<b>\$450,000</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. Fort Drum Regional Health Planning Organization Working Capital (Y716)**

February 19, 2015

- Grantee:** Fort Drum Regional Health Planning Organization  
("FDRHPO" or "the Organization")
- ESD Investment:** A grant of up to \$100,000 to be used for a portion of the cost of staffing and coordination of program services to maintain a collaborative regional healthcare system for military base retention.
- Project Location:** 120 Washington Street, Suite 302, Watertown, Jefferson County
- Proposed Project:** FDRHPO will provide administrative services and programs to support and promote medical services for soldiers and families in the Watertown-Fort Drum area.
- Project Type:** Base Retention Working Capital
- Regional Council:** The North Country Regional Economic Development Council has been made aware of this item.

**Background:**

Industry - Healthcare and Community Services

Organization History – FDRHPO was established in 2005 by the civilian community to meet a congressional mandate to build cooperative health care agreements between military installations and local health systems to provide quality healthcare services to the military. Fort Drum is the only Army installation that does not have a hospital, emergency department or inpatient capabilities on its installation. The U. S. Army at Fort Drum depends upon the community to provide healthcare services for nearly 20,000 soldiers and almost 26,000 family members.

FDRHPO serves as the principal lead organization to develop and coordinate projects that build healthcare capacity and support existing community healthcare resources. This includes a regional Health Information Exchange ("HIE"), connecting local providers to the Army Virtual Lifetime Electronic Record ("VLER"), expanding telehealth access, promoting access to regional emergency medical services ("EMS"), and recruiting and retaining medical professionals.

Ownership - FDRHPO is a not for profit organization

ESD Involvement - A \$100,000 appropriation was included in the FY 2013-2014 New York State budget.

**Fort Drum Regional Health Planning Organization Working Capital (Y716)**

February 19, 2015

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
Local Assistance	Y062	\$300,000	January 2013	August 2014	Working Capital

**The Project:**

Completion – December 2015

Activity – FDRHPO will continue to operate and perform as an administrative organization, managing and directing multiple regional specialized projects to maintain and improve the healthcare system for the soldiers and families of Fort Drum. Projects include:

HIE – Expansion of the utilization of the system for providers to securely share medical information electronically.

E-Connect – Implementation of a pilot project to provide a common access point to military and civilian providers of all records of military and veteran members.

Telehealth - Expansion of the system by increasing partnerships with specialized health care providers.

EMS - Facilitation of shared services and increased enrollment in paramedic training and paramedic certifications.

Results – The project is expected expand and improve healthcare for the military and their families and develop the regional healthcare workforce with programs to increase access and opportunities for students, local community members and healthcare professionals.

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

**Fort Drum Regional Health Planning Organization Working Capital (Y716)**

February 19, 2015

Financing Uses	Amount	Financing Sources	Amount	Percent
Health info exchange	\$45,000	ESD Grant	\$100,000	67%
E-Connect Ft. Drum	15,000	Organization Equity	50,000	33%
Telehealth access	30,000			
EMS cooperative	15,000			
Recruitment-retention	45,000			
<b>Total Project Costs</b>	<b>\$150,000</b>	<b>Total Project Financing</b>	<b>\$150,000</b>	<b>100%</b>

Grantee Contact - Denise Young, Executive Director  
 120 Washington Street-suite 302  
 Watertown NY 13601  
 Phone: (315) 755-2020

Project Team - Project Management                      John Vandello  
 Contractor & Supplier Diversity              Denise Ross  
 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 \$100,000 will be disbursed to Grantee, no more frequently than quarterly, upon documentation of eligible project costs, 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, 2013, 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 \$100,000, 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 business in the performance of ESD contracts. For purposes of this contract

**Fort Drum Regional Health Planning Organization Working Capital (Y716)**  
February 19, 2015

however, goals will not be established due to the lack of subcontracting opportunities to minority and women owned firms in the performance of this contract.

**Statutory Basis – Local Assistance:**

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.

**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. Adirondack North Country Association Working Capital (Z451)

February 19, 2015

- Grantee:** Adirondack North Country Association, Inc. (“ANCA” or the “Organization”)
- ESD Investment:** A grant of up to \$350,000 to be used for a portion of the cost of operations for providing assistance to small businesses and communities in the 14-county Adirondack North Country Region.
- Project Locations:** North Country Region and portions of the Mohawk Valley, Capital and Central New York regions
- Proposed Project:** ANCA will assist communities and small businesses in securing funds and will support collaborative efforts to improve economic development in the regions.
- Project Type:** Working Capital
- Regional Council:** The North Country Regional Economic Development Council has been made aware of this item.

### Background:

Industry — Economic Development

Organization History — Established in 1955, ANCA is an economic development organization that assists communities and business enterprises in planning and developing projects and obtaining financing. ANCA also supports entrepreneurial activity by providing programs and services to help start or grow small businesses. ANCA serves as a technical advisor and information clearinghouse for a wide range of economic and community development opportunities including: regional sustainability, agriculture and local foods; tourism planning; small scale manufacturing; production and marketing of artisan crafts; and clean energy production. ANCA works closely with ESD’s regional offices and other state agencies serving the Upstate region.

Ownership — ANCA is a not-for-profit organization.

Size — ANCA serves the 14-county Adirondack North Country Region and assists approximately 100 communities, which includes 14 cities and 255 towns.

ESD Involvement — A \$350,000 appropriation was included in the 2014-2015 New York State budget.

Past ESD Support — Funding for the past five years to the Grantee is summarized in the

## Adirondack North Country Association Working Capital (Z451)

February 19, 2015

following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Local Assistance	Y042	\$100,000	February 2013	October 2013	Working Capital
Local Assistance	Y708	\$250,000	March 2014	December 2016	Working Capital
Market NY	Z162	\$100,000	August 2014	December 2016	Working Capital

### The Project:

Completion — December 2016

Activity — ANCA will continue to perform as a leading administrative organization, creating, managing and directing multiple regional specialized projects to develop the North Country economy and quality of life. ANCA staff will undertake the following activities as a part of this project:

- **Cleaner Greener Sustainability** – Coordinate a plan and technical support to develop and track a large scale North Country green energy economy and report to the North Country Economic Development Council on renewables such as biomass, solar, and hydro and also produce an annual Clean Energy Conference.
- **Connected Communities** – In cooperation with the Federal Highway Administration, ANCA will develop corridor management plans, and develop and maintain a marketing website to promote tourism across communities in the North Country. ANCA will host the annual Common Ground Alliance Forum.
- **Local Economies** – In cooperation with Cornell Cooperative Extension, ANCA will develop and promote regional capacity and sustainability for local farms and agricultural products and other local food supply sources. ANCA will develop a plan for a North Country products brand that will serve as an umbrella brand for the marketing and promotion of North Country goods and services.
- In cooperation with Traditional Arts in Upstate New York, ANCA will develop and promote a resource network for support of North Country artisans to produce and market their craftworks at the annual “Buyer Days” tradeshow produced by ANCA.

**Adirondack North Country Association Working Capital (Z451)**

February 19, 2015

- Capacity Optimization – ANCA will upgrade computer hardware and software and conduct staff training to provide administrative and technical support to communities and businesses to obtain grants, loans, and additional financing options from private, local, state, or federal resources.

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

Results — The project will assist North Country communities and business enterprises in building sustainability for multiple economic sectors across the North Country Region.

Grantee Contact — Kate Fish, Executive Director  
67 Main Street / Suite 201  
Saranac Lake NY 12983  
Phone: (518) 891-6200

Project Team — Project Management John Vandelloo  
Contractor & Supplier Diversity Denise Ross  
Environmental Soo Kang

Financing Uses	Amount	Financing Sources	Amount	Percent
Sustainability	\$1,799,025	ESD Grant	\$350,000	13%
Connect communities	399,479	Grantee Equity	2,262,420	87%
Local economies	368,916			
Capacity optimization	45,000			
Total Project Costs	\$2,612,420	Total Project Financing	\$2,612,420	100%

**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 \$350,000 will be disbursed to Grantee upon documentation of eligible working capital expenses, no more frequently than quarterly, 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.

**Adirondack North Country Association Working Capital (Z451)**

February 19, 2015

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$350,000, 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 & 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 business in the performance of ESD contracts. However, for purposes of this Contract, goals will not be established due to the unavailability of minority and women-owned businesses for performance of this Contract.

**Statutory Basis – Local Assistance:**

The project was 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.

**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.

FOR CONSIDERATION

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Renewal of Corporate Insurance Policies

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

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BACKGROUND

ESD is required to purchase various types of insurance coverage to ensure the protection of its board members, employees, assets and subsidiaries.

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

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

**Insurance Marketing and Placement:**

In December of 2014, the ESD Board of Directors authorized the Corporation to enter into a contract with Willis of New York, Inc. as ESD's primary insurance consultant and broker. In renewing our corporate insurance policies, ESD's Insurance and Risk Management staff partnered with Willis of New York, Inc. and The Keville Agency, Inc., an ESD WBE insurance consultant, to confirm the appropriate levels of coverage and authorized Willis of New York, Inc. to solicit quotes from highly-rated insurance carriers. As a result of this marketing effort, Willis of New York, Inc. has recommended the purchase of the following policies as set forth below. All of the recommended carriers carry a minimum financial strength rating of A (Excellent), as per AM Best.

<u>Insurance</u>	<u>Policy Description</u>	<u>Carrier / Rating</u>	<u>2014-15 Premiums</u>	<u>2015-16 Premiums</u>
Directors & Officers Liability/Employment Practices Liability	\$3 million aggregate coverage/shared limits	<b>National Union</b> A (Excellent)	\$117,907	\$121,775
Commercial General Liability	\$2 million general aggregate coverage/ \$1 million per occurrence	<b>Philadelphia Indemnity</b> A++ (Superior)	\$150,960	\$146,172
Excess Umbrella Liability	\$25 million general aggregate	<b>Philadelphia Indemnity &amp; Navigators</b> A++ (Superior) A (Excellent)	\$ 76,463	\$ 76,368
Automobile Liability	\$1 million aggregate coverage/ \$1 million per occurrence	<b>Philadelphia Indemnity</b> A++ (Superior)	\$ 9,450	\$ 11,306
Real & Personal Property	\$24 million total coverage	<b>Hartford</b> A (Excellent)	\$ 27,298	\$ 29,567
Employee Crime & Dishonesty	\$5 million aggregate	<b>Great American</b> A+ (Superior)	\$ 7,900	\$ 7,900
Workers' Compensation	All ESDC employees/ Corporate Liability protection	<b>Hartford</b> A (Excellent)	\$ 91,677	\$ 83,632
<b>Total Premium cost</b>			<b>\$481,655</b>	<b>\$476,720</b>

**Insurance Term and Cost:**

The total cost in premiums for the purchase of the insurance policies is \$476,720. This cost represents a \$4,935 or approximately 1% savings over last year's premiums of \$481,655.

As these policies are for the benefit of both the Corporation and its subsidiaries, renewal premium payments will be reimbursed to the Corporation based upon an allocation from certain ESD subsidiaries. The Corporation and its subsidiaries achieve optimal pricing through this cost-sharing arrangement due to economies of scale, as opposed to purchasing separate, smaller policies.

**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 and procurements. ESD Office of Contractor and Supplier Diversity have reviewed the project and have determined

that there exists no potential for MWBE participation. As such, participation goals will not be established or required for this procurement.

**ENVIRONMENTAL REVIEW:**

ESD staff has determined that the requested authorization to purchase corporate insurance policies 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 authorization.

**REQUESTED ACTION:**

The Directors are requested to authorize the purchase of the insurance policies set forth above, with the respective carriers indicated, for a total premium cost of \$476,720.

**ATTACHMENTS:**

Resolution

February 19, 2015

AUTHORIZATION TO PURCHASE CORPORATE INSURANCE POLICIES; AND TO TAKE  
RELATED ACTIONS

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RESOLVED, that based upon the materials presented to the Directors at this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, that the Chairman and Chief Executive Officer of the Corporation or Chief Financial & Administrative Officer or his/her designee(s) are hereby authorized, in the name and on behalf of the Corporation, to enter into all contracts, agreements and instruments, as the Chairman and Chief Executive Officer of the Corporation or Chief Financial & Administrative Officer or his/her designee(s) shall deem necessary or appropriate in connection with the purchase of the Corporation's Directors & Officers Liability/Employment Practices Liability with National Union, Excess Umbrella Liability insurance with Philadelphia Indemnity & Navigators; Commercial General Liability and Auto Liability insurance with Philadelphia Indemnity; Real & Personal Property and Workers' Compensation Insurance with Hartford; and Employee Crime & Dishonesty insurance with Great American Insurance, for 2015-2016 at an annual premium cost of \$476,720.

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

FOR CONSIDERATION

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Procurement of Legal Services

REQUEST FOR: Authorization to Enter Into a Contract for Legal Services in Connection with the NYS Innovation Venture Capital Fund and to Take All Related Actions.

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I. CONTRACT SUMMARY

Counsel: Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. (“**Counsel**”)

Scope of Services: Counsel would provide legal services to the Corporation in connection with the NYS Innovation Venture Capital Fund’s Technology Commercialization and Pre-Seed Company Investment Program.

Contract Amount: \$80,000

Funding Source: NYS Innovation Venture Capital Fund.

II. BACKGROUND

The NYS Innovation Venture Capital Fund (the “Program”), authorized by Chapter 59 Part jj of the Laws of 2013, was established to support the transition from ideas and research to marketable products or services, accelerate seed and early-stage business formation and provide investment funding to support and attract high growth, early-stage companies to the State of New York. The Program consists of two segments: the Technology Commercialization segment and the Seed & Early Stage Co-investment segment.

To satisfy the Program’s Technology Commercialization segment, the ESD\* Board authorized funding of three investment entities on December 19, 2014 in order for such entities (or their affiliates) to make equity investments with Program monies into new pre-seed companies commercializing technologies originating in NYS universities,

incubators and research facilities, and manage the resulting investment portfolio. The three entities are Excell Partners, LLC (Rochester), SCP Buffalo Incubator/Z80 Labs LLC (Buffalo) and Grants for Growth (Syracuse). The Board will designate two additional investment entities located in the Downstate region.

In order to move forward with co-investment activity and effectuate the Technology Commercialization segment of the Program, the Corporation will need to enter into limited partnerships with these five entities ("Investment Entities"). Accordingly, the Corporation will require legal counsel to craft five limited partnership ("LP") agreements which set forth the relationship, rights and duties of the parties, including the terms of the economic deal, investment restrictions, and governance provisions. The LP agreements will also contain competitive market terms that enable ESD to maximize investment flexibility while advancing the policy goals of the Program.

### **III. COUNSEL SELECTION PROCESS**

In August 2014, the ESD Board approved a pre-qualified list of firms to provide legal services in connection with the Corporation's investments in commercial enterprises. ESD staff interviewed four law firms from the pre-qualified list. Staff recommends the retention of Counsel in connection with the transactions between the Corporation and the Investment Entities based on: (a) knowledge and expertise of that firm; (b) Counsel's response to the pre-qualification solicitation; and (c) willingness to partner with a State-certified M/WBE law firm. Counsel is a New York City firm with extensive experience representing investors financing pre-seed, seed and early stage ventures. Counsel also offers a deep bench of attorneys with business-side venture capital and private equity experience.

### **IV. SCOPE OF WORK**

Counsel would advise and represent the Corporation in connection with all aspects of entering into limited partnership arrangements with the Investment Entities, which may include but not be limited to researching competitive market terms, incorporating Program requirements and policy goals, and negotiating and drafting the agreements.

### **V. CONTRACT PRICE AND FUNDING**

The maximum amount of the contract shall be \$80,000. Counsel would work at ESD standard rates, which currently do not exceed \$400 per hour for partners, \$375 per hour for senior associates, \$350 per hour for mid-level associates, \$300 per hour for junior associates, and \$90 per hour for legal assistants. As noted above, the source of funding will be Program funds.

**VI. RESPONSIBLE PARTY**

Pursuant to State Finance Law Section 163 and the Corporation's policy related thereto, staff has: (a) considered Counsel's ability to perform the services provided for in the proposed contract; and (b) consulted the list of offerers determined to be non-responsible bidders and debarred offerers maintained by the New York State Office of General Services. Base on the foregoing, staff considers Counsel to be responsible.

**VII. ENVIRONMENTAL REVIEW**

Staff has determined that the proposed authorization constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implanting regulations for the New York Department of Environmental Conservation. No further environmental review is required in connection with this authorization.

**VIII. NON-DISCRIMINATION AND CONTRACTOR & SUPPLIER DIVERSITY**

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. Counsel 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 30% related to the total value of the contract.

**IX. REQUESTED ACTION**

The Directors are asked to: (1) make a determination of responsibility with respect to Counsel; and (2) authorize the Corporation to retain Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. as counsel to the Corporation for such legal services as are described in these materials for a maximum amount of \$80,000.

**X. RECOMMENDATION**

Based on the foregoing, I recommend approval of the requested action.

**XI. ATTACHMENT**

Resolution

February 19, 2015

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT - Authorization to Enter Into a Contract with Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. to Provide Legal Services in Connection with the NYS Innovation Venture Capital Fund, and to Take All Related Actions, and to Take All 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 Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. ("Counsel") to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Counsel in an amount not to exceed \$80,000, 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.

\* \* \*



FOR CONSIDERATION

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Brooklyn (Kings County) – Atlantic Yards Land Use Improvement and Civic Project

REQUEST FOR: Modification of Authorization to Create Subsidiary

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**Background**

On June 27, 2014, ESD Directors authorized the creation of Atlantic Yards Community Development Corporation, a wholly-owned ESD subsidiary (“AYCDC”), as permitted under the UDC Act, to improve oversight and monitoring of the Atlantic Yards Land Use and Civic Project (the “Project”). The Director’s authorized the following AYCDC parameters:

ESD will create a new subsidiary, AYCDC, to improve oversight and monitoring of the Project:

- ESD will establish, subject to Director approval, AYCDC within 6 months.
- AYCDC will be governed by a board of fourteen (14) directors, who will be responsible for monitoring the delivery of public commitments related to the Project by making policy recommendations to the ESD Directors.
  - Nine (9) board members, including the Chair, will be appointed by the New York Governor (Governor must appoint Chair per statute). Of these nine (9), no more than five (5) may be City or State employees;
  - The additional five (5) board members will be appointed by New York City Mayor and local elected officials:
    - 1 appointed by the Mayor of the City of New York
    - 1 appointed by the Brooklyn Borough President
    - 1 appointed by the Speaker of the New York State Assembly
    - 1 appointed by the President Pro Tem of the New York State Senate
    - 1 appointed by the Speaker of the New York City Council;

- All board members will be appointed to serve three year terms and must reside in New York City (emphasis added);
  - All elected officials making appointments will be encouraged to consult with Brooklyn Community Boards 2,3,6 and 8 in making appointments;
  - AYCDC will meet not less than quarterly, and will comply with the New York State Open Meetings Law; and
  - ESD will provide adequate staff support and cover administrative expenses for AYCDC.
- AYCDC will be charged with the following specific responsibilities:
    - Reviewing proposed changes to Project plan and agreements, and advising ESD board accordingly in advance of votes;
    - Monitoring developer compliance with all public commitments;
    - Monitoring, reporting on and responding to construction impacts and quality of life issues;
    - Evaluating the quality and effectiveness of monitoring, support and other services;
    - Making recommendations to ESD on ways to improve and expedite developer responsiveness to public obligations and increase transparency of Project development;
    - Assuring effective communication between the developer, government agencies and officials, elected officials and community and civic organizations;
    - Developing recommendations related to the Project, including in relation to unanticipated issues; and
    - Complying, as appropriate, with the Public Officers Law as it applies to members of the board and the conduct of business by AYCDC.

### **Current Status**

ESD officially incorporated AYCDC on November 25, 2014 with the NYS Department of State. The Governor's Office and ESD staff worked to identify the nine Governor appointments. ESD staff also sought the names of the AYCDC Directors to be appointed by the Mayor of the City of New York, Brooklyn Borough President, Speaker of the New York State Assembly, President Pro Tem of the New York State Senate, and Speaker of the New York City Council. The first AYCDC Director meeting took place on February 6, 2015 in Brooklyn.

## **Modification of Authorization**

When AYCDC was authorized by the ESD Directors, it was the intention of the Governor's Office that the ESD President and CEO would serve as a member of and as Chair of the AYCDC Board. The New York City residency requirement (highlighted above) did not present an issue because outgoing ESD President and CEO Kenneth Adams is a New York City resident. The Governor's Office would like to retain the option of appointing the ESD President and CEO as an AYCDC director and as the AYCDC Board Chair, regardless of the residency of such individual. Accordingly, staff recommends that the ESD Directors modify the June 27, 2014 authorization to create AYCDC by determining that, if the ESD President and CEO is appointed as an AYCDC Director, then that individual is not required to live within New York City. The June 27, 2014 authorization would be otherwise unaltered, and would remain in full force and effect. The AYCDC Directors would be asked to make a corresponding change to the AYCDC By-Laws.

## **Requested Action**

The Directors are being requested to modify the June 27, 2014 authorization to create AYCDC by amending the language regarding the New York City residency requirement for board members from:

- All board members will be appointed to serve three year terms and must reside in New York City;

To:

- All board members will be appointed to serve three year terms and must reside in New York City, with the exception that the ESD President and CEO, if appointed to the AYCDC Board, will not be required to reside with-in New York City;

## **Recommendation**

I recommend approval of the requested action.

## **Attachment**

Resolutions

February 19, 2015

BROOKLYN (KINGS COUNTY) – Atlantic Yards Land Use Improvement Project and Civic Project –  
Modification of Authorization to Create Subsidiary

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RESOLVED, that, on the basis of the materials presented to this meeting (the “Materials”), a copy of which are hereby ordered filed with the records of the Corporation relating to the Atlantic Yards Land Use Improvement and Civic Project (the “Project”), the Corporation hereby modifies the following element of the June 27, 2014 authorization to create the ESD subsidiary Atlantic Yards Community Development Corporation:

The following clause is hereby deleted:

- All board members will be appointed to serve three year terms and must reside in New York City;

And is hereby replaced with:

- All board members will be appointed to serve three year terms and must reside in New York City, with the exception that the ESD President and CEO, if appointed to the AYCDC Board, will not be required to reside with-in New York City;

; and be it further

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

\* \* \*



**FOR CONSIDERATION**

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Contract Extension

REQUEST FOR: Authorization to Extend a Contract for Market and Financial Feasibility Services with the Firm of Ernst and Young Infrastructure Advisors, LLC; and Authorization to Take Related Actions

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**INTRODUCTION**

On November 18, 2013 the Directors authorized a contract for market and financial feasibility services with the firm of Ernst and Young Infrastructure Advisors, LLC ("E&Y") in order to assist the Corporation and the Moynihan Station Development Corporation ("MSDC"), a subsidiary of the Corporation\*, with respect to developing a financing strategy for Phase 2 of the Moynihan Station project and associated passenger rail and transit improvements.

In this capacity, E&Y has provided critical analytical support to the development of the financial feasibility plan and the overall project finance strategy for Moynihan Station Phase 2, including invaluable support in ongoing negotiations with private sector development partners and other project stakeholders, such as Amtrak.

The initial contract term of nine months has expired, and authorization is now sought to extend this contract for an additional eighteen months in order that E&Y may continue to provide strategic advice on the project finance plan for Moynihan Station Phase 2. E&Y has provided quality analysis and carried out its services with a high degree of professionalism and speed.

The original authorized contract amount was for a not to exceed total of \$973,500, inclusive of reimbursable expenses and an approximate 10% contingency amount. Of this amount, approximately \$553,934.40 remains to be expended. Therefore, no additional dollar amount is requested to be added to this contract. Funds for this contract are being provided by MSDC and the Port Authority of New York and New Jersey.

\*The New York State Urban Development Corporation ("UDC" or the "Corporation") d/b/a Empire State Development ("ESD")

All other terms and conditions will remain the same and no amendments other than an extension are sought.

## **CONTRACT SUMMARY**

### **Contractor:**

Ernst and Young Infrastructure Advisors, LLC  
5 Times Square  
New York, New York 10036

### **Scope of Services:**

To assist the Corporation and the Moynihan Station Development Corporation (“MSDC”), a subsidiary of the Corporation\*, with respect to developing a financing strategy for Phase 2 of the Moynihan Station project and associated passenger rail and transit improvements.

### **Contract Term:**

Extended for an additional eighteen months.

### **Contract Amount:**

Not to exceed \$973,500, inclusive of reimbursable expenses and an approximate 10% contingency amount.

### **Funding Source(s):**

MSDC and the Port Authority of New York and New Jersey.

## **SCOPE OF WORK**

Ernst & Young will provide the Corporation and MSDC with assessments of the current proposed financing options available for Moynihan Station Phase 2 and improvements to the existing Penn Station and will advise on the potential for new sources of revenue, bond finance and equity investment vehicles, and other considerations based upon sophisticated financial modeling. In addition, Ernst & Young will analyze strategic and financial issues relating to the procurement process and cost effective options for completing the proposed transportation improvements and associated mixed use development while also evaluating strategies for leveraging the value of the Farley building’s transferable development rights and the possible sale or lease of these real estate interests. Ernst & Young will further evaluate cost estimates and identify policy considerations related to the initiative while providing support in any discussion or negotiations with the federal government, City of New York, Amtrak and any private developers or investors.

### **CONTRACT TERM, PRICE AND FUNDING**

The term of the contract will be extended for an additional eighteen months. The amount of the contract shall not exceed \$973,500. The source of funding is the MSDC and the Port Authority of New York and New Jersey.

### **NON-DISCRIMINATION AND CONTRACTOR & SUPPLIER DIVERSITY**

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will continue to apply to this contract. Ernst & Young 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.

### **ENVIRONMENTAL REVIEW**

ESD staff has determined that the proposed authorization constitutes a Type II action as defined by the New York State Environmental Quality Review Act and its implementing regulations. No further environmental review is required in connection with the authorization.

### **REQUESTED ACTIONS**

The Directors are being asked to authorize the Corporation to extend the contract with the firm of Ernst & Young for an additional eighteen months.

### **RECOMMENDATION**

Based on the foregoing, I recommend approval of the requested actions.

### **ATTACHMENTS**

Resolutions

February 19, 2015

EMPIRE STATE DEVELOPMENT – Authorization to Extend a Contract for Market and Financial Feasibility Study Services with the Firm of Ernst and Young Infrastructure Advisors, LLC; and Authorization to Take Related Actions

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RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds the firm of Ernst and Young Infrastructure Advisors, LLC to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to extend the Corporations existing contract with the firm of Ernst and Young Infrastructure Advisors, LLC for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolutions.

\* \* \*



FOR INFORMATION

February 19, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Budget Variance Reports through December 31, 2014

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In accordance with applicable law, attached are the variance reports for the third quarter of fiscal year 2014-15 for the department operating budgets, as well as subsidiary operating and capital budgets.

During the first nine months of fiscal year 2014-15, total departmental spending was approximately \$ 31.5 million, or 54% of the total budget of approximately \$58 million. It is projected that the Corporation will end the current fiscal year under budget by approximately \$4.5 million, or 8%. This is mainly attributable to the existence of budgeted staff positions that were filled after the start of the fiscal year or that remain vacant (including the associated fringe benefits). In addition, certain non-personal services expenses, such as consultant fees, remain under budget.

Total subsidiary spending for operations, excluding HCDC Weatherization, was approximately \$3.2 million, or 73% of the total budget of \$4.4 million. Operating spending as compared to the budget was in line for the period and is anticipated to end the current fiscal year within budget. Spending for HCDC's Weatherization Program is shown separately as it is federally funded.

Total subsidiary spending for capital work was approximately \$97.2 million, or 44% of the \$222 million cumulative capital budget for all subsidiaries. The variance in spending reflects a time lag in billing which is common with large scale construction and capital projects. Much of the capital work completed throughout the period is generally not invoiced until 60 days after the work has ended. These costs are not readily measurable, but as construction progresses, it is expected that the pace of capital spending may increase before fiscal year end.



Departmental Budget Variance Report  
December 31, 2014

	Public Policy & Planning	Business Development	Incentives/ Government Programs	Compliance	Finance	Legal	Administration	Fixed Corporate Expenses	Total
<b>HEADCOUNT</b>	23	75.5	46	29	41	20	30.5	-	265
<b>ANNUAL BUDGET</b>									
Personal Services (incl. Benefits)	\$ 2,735,094	\$ 7,554,295	\$ 3,721,241	\$ 2,638,851	\$ 2,922,307	\$ 2,218,885	\$ 2,267,401	\$ 13,083,533	\$ 37,141,607
Occupancy Expenses	-	-	-	-	-	-	-	7,376,300	7,376,300
Government Assessment Fee	-	-	-	-	-	-	-	3,736,000	3,736,000
Repairs / Maint / Prop Mgmt / Other Outside Serv /	32,652	179,427	12,323	1,200	60,300	15,500	154,275	160,000	615,677
Computers / Software / Equipment	12,000	-	-	-	-	-	403,890	-	415,890
Telephone / Fax / Internet	-	-	-	-	-	-	395,500	-	395,500
Legal / Accounting Fees	-	-	-	-	125,000	370,000	-	10,000	505,000
Consulting Fees	704,000	577,000	932,777	-	30,000	30,000	-	58,000	2,311,777
Office Supplies / Printing / Advertising	37,500	28,398	27,450	100	1,300	500	199,600	11,400	306,248
Insurance	-	9,500	-	-	-	-	-	313,900	323,400
Travel & Meals	116,863	152,700	46,500	13,575	9,800	10,000	17,500	-	366,938
On-Line Services, Dues & Subscriptions	17,574	44,276	55,800	4,425	30,350	60,500	2,200	3,000	218,125
Other Post Employment Cost	-	-	-	-	-	-	-	4,300,000	4,300,000
<b>Total</b>	<b>\$ 3,655,683</b>	<b>\$ 8,545,596</b>	<b>\$ 4,796,091</b>	<b>\$ 2,658,151</b>	<b>\$ 3,159,057</b>	<b>\$ 2,705,385</b>	<b>\$ 3,440,366</b>	<b>\$ 29,052,133</b>	<b>\$ 58,012,462</b>
<b>ACTUAL TO DATE</b>									
Personal Services (incl. Benefits)	\$ 1,591,397	\$ 4,715,762	\$ 2,237,598	\$ 1,948,660	\$ 2,171,277	\$ 1,539,550	\$ 1,589,813	\$ 8,341,427	\$ 24,135,484
Occupancy Expenses	-	-	-	-	-	-	-	5,447,371	5,447,371
Government Assessment Fee	-	-	-	-	-	-	-	-	-
Repairs / Maint / Prop Mgmt / Other Outside Serv /	18,568	132,257	7,223	268	34,406	12,548	109,715	36,467	351,451
Computers / Software / Equipment	-	-	-	-	-	-	158,902	-	158,902
Telephone / Fax / Internet	-	-	-	-	-	-	270,520	-	270,520
Legal / Accounting Fees	-	-	-	-	125,000	179,383	-	-	304,383
Consulting Fees	47,987	230,873	-	-	-	5,000	-	11,114	294,974
Office Supplies / Printing / Advertising	-	9,018	1,212	100	-	-	78,112	10,000	98,442
Insurance	-	888	-	-	-	-	-	182,702	183,590
Travel & Meals	65,578	115,411	20,460	9,072	9,402	2,256	20,799	-	242,979
On-Line Services, Dues & Subscriptions	5,360	786	3,830	2,375	21,205	12,966	430	-	46,952
Other Post Employment Cost	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,728,890</b>	<b>\$ 5,204,994</b>	<b>\$ 2,270,324</b>	<b>\$ 1,960,475</b>	<b>\$ 2,361,290</b>	<b>\$ 1,751,703</b>	<b>\$ 2,228,291</b>	<b>\$ 14,029,081</b>	<b>\$ 31,535,048</b>
<b>BALANCE REMAINING</b>									
Personal Services (incl. Benefits)	\$ 1,143,697	\$ 2,838,533	\$ 1,483,643	\$ 690,191	\$ 751,030	\$ 679,335	\$ 677,588	\$ 4,742,106	\$ 13,006,123
Occupancy Expenses	-	-	-	-	-	-	-	1,928,929	1,928,929
Government Assessment Fee	-	-	-	-	-	-	-	3,736,000	3,736,000
Repairs / Maint / Prop Mgmt / Other Outside Serv /	14,084	47,170	5,100	932	25,894	2,952	44,560	123,533	264,226
Computers / Software / Equipment	12,000	-	-	-	-	-	244,988	-	256,988
Telephone / Fax / Internet	-	-	-	-	-	-	124,980	-	124,980
Legal / Accounting Fees	-	-	-	-	-	190,617	-	10,000	200,617
Consulting Fees	656,013	557,635	932,777	-	10,000	25,000	-	46,886	2,228,311
Office Supplies / Printing / Advertising	37,500	19,380	26,238	-	1,300	500	123,659	1,400	269,978
Insurance	-	8,612	-	-	-	-	-	130,895	139,507
Travel & Meals	51,285	37,289	26,040	4,503	398	7,744	(3,299)	-	123,959
On-Line Services, Dues & Subscriptions	12,214	43,490	51,970	2,050	9,145	47,534	1,770	3,000	171,173
Other Post Employment Cost	-	-	-	-	-	-	-	4,300,000	4,300,000
<b>Total</b>	<b>\$ 1,926,793</b>	<b>\$ 3,552,110</b>	<b>\$ 2,525,767</b>	<b>\$ 697,676</b>	<b>\$ 797,767</b>	<b>\$ 953,682</b>	<b>\$ 1,214,247</b>	<b>\$ 15,022,749</b>	<b>\$ 26,477,282</b>
<b>OVERVIEW</b>									
Annual Budget	\$ 3,655,683	\$ 8,545,596	\$ 4,796,091	\$ 2,658,151	\$ 3,159,057	\$ 2,705,385	\$ 3,440,366	\$ 29,052,133	\$ 58,012,462
Actual to Date	\$ 1,728,890	\$ 5,204,994	\$ 2,270,324	\$ 1,960,475	\$ 2,361,290	\$ 1,751,703	\$ 2,228,291	\$ 14,029,081	\$ 31,535,048
Balance Remaining	\$ 1,926,793	\$ 3,340,602	\$ 2,525,767	\$ 697,676	\$ 797,767	\$ 953,682	\$ 1,214,075	\$ 15,023,052	\$ 26,477,414
% of Annual Budget Used	47%	61%	47%	74%	75%	65%	65%	48%	54%

**Subsidiary Operating Budget Summary Variance Report**  
December 31, 2014

	Convention Center	Empire State New Market Corp	Erie Canal Harbor	Empowerment Zone	HCDC	Moyhnan Station	Queens West	USA Niagara	Total	HCDC Weatherization
<b>ANNUAL BUDGET</b>										
Personal Services (Incl. Benefits)	\$185,992	\$0	\$777,467	\$242,525	\$1,125,096	\$384,014	\$151,017	\$561,373	\$3,427,484	\$710,255
Occupancy Expenses	26,500	0	64,000	0	16,000	0	20,600	65,895	192,995	0
Government Assessment Fee	0	0	0	0	0	0	0	0	0	0
Repairs / Maint / Prop Mgmt / Other Outside Serv / Expenses	500	4,910	72,000	1,275	23,400	6,250	850	7,250	116,435	507,285
Computers, Software & Equipment	0	0	400	0	5,500	3,500	350	5,000	14,750	3,500
Telephone/Fax/Internet	500	0	10,000	150	22,000	35,500	100	16,000	84,250	5,500
Legal / Accounting Fees	28,000	42,000	3,000	23,000	68,500	0	0	0	164,500	13,500
Consulting Fees	0	30,000	0	0	9,000	0	0	0	39,000	15,600
Office Supplies / Printing / Advertising	300	0	8,000	500	28,000	36,500	2,000	3,750	79,050	18,000
Insurance	24,650	12,010	58,000	12,700	57,533	26,329	25,677	26,926	243,825	14,529
Travel & Meals	1,500	5,000	2,000	300	6,500	1,000	0	500	16,800	11,000
On-Line Services, Dues & Subscriptions	50	1,200	2,000	0	8,500	750	0	2,700	15,200	25,500
<b>Total</b>	<b>\$267,992</b>	<b>\$95,120</b>	<b>\$996,867</b>	<b>\$280,450</b>	<b>\$1,370,029</b>	<b>\$493,843</b>	<b>\$200,594</b>	<b>\$689,394</b>	<b>\$4,394,289</b>	<b>\$1,324,669</b>

	Convention Center	Empire State New Market Corp	Erie Canal Harbor	Empowerment Zone	HCDC	Moyhnan Station	Queens West	USA Niagara	Total	HCDC Weatherization
<b>ACTUAL SPENDING TO DATE</b>										
Personal Services (Incl. Benefits)	\$147,448	\$0	\$665,173	\$208,402	\$881,884	\$299,136	\$102,279	\$436,207	\$2,740,529	\$472,481
Occupancy Expenses	19,457	0	57,092	0	0	0	13,130	42,975	132,653	0
Government Assessment Fee	0	0	0	0	0	0	0	0	0	0
Repairs/Maint/Prop Mgmt/Other Outside Serv/Expenses	200	229	54,655	0	3,742	2,032	0	1,509	62,366	15,033
Computers, Software & Equipment	0	0	0	0	4,156	2,243	0	2,687	9,085	1,341
Telephone/Fax/Internet	375	0	4,924	62	10,172	20,875	0	11,625	48,033	4,164
Legal / Accounting Fees	28,000	21,500	683	6,000	14,000	0	0	0	70,183	14,000
Consulting Fees	0	30,000	0	0	650	0	32	0	30,682	0
Office Supplies / Printing / Advertising	0	0	3,399	9	6,053	0	0	236	9,698	8,480
Insurance	7,606	6,316	18,697	6,578	28,556	10,330	7,042	7,494	92,620	1,065
Travel & Meals	144	0	8	0	1,893	1,330	0	42	3,417	8,845
On-Line Services, Dues & Subscriptions	0	0	999	0	3,547	0	0	1,289	5,836	9,318
<b>Total</b>	<b>\$203,229</b>	<b>\$58,046</b>	<b>\$805,629</b>	<b>\$221,051</b>	<b>\$954,653</b>	<b>\$335,945</b>	<b>\$122,484</b>	<b>\$504,066</b>	<b>\$3,205,102</b>	<b>\$534,728</b>

	Convention Center	Empire State New Market Corp	Erie Canal Harbor	Empowerment Zone	HCDC	Moyhnan Station	Queens West	USA Niagara	Total	HCDC Weatherization
<b>BALANCE REMAINING</b>										
Personal Services (Incl. Benefits)	\$38,544	\$0	\$112,294	\$34,123	\$243,212	\$84,878	\$48,738	\$125,166	\$686,955	\$237,774
Occupancy Expenses	7,043	0	6,908	0	16,000	0	7,470	22,920	60,342	0
Government Assessment Fee	0	0	0	0	0	0	0	0	0	0
Repairs/Maint/Prop Mgmt/Other Outside Serv/Expenses	300	4,681	17,345	1,275	19,658	4,218	850	5,741	54,069	492,252
Computers, Software & Equipment	0	0	400	0	1,345	1,257	350	2,313	5,665	2,159
Telephone/Fax/Internet	125	0	5,076	88	11,828	14,625	100	4,375	36,217	1,336
Legal / Accounting Fees	0	20,500	2,317	17,000	54,500	0	0	0	94,317	(500)
Consulting Fees	0	0	0	0	8,350	0	(32)	0	8,318	15,600
Office Supplies / Printing / Advertising	300	0	4,601	491	21,947	36,500	2,000	3,514	69,352	9,520
Insurance	17,044	5,694	39,303	6,122	28,977	15,999	18,635	19,432	151,205	13,464
Travel & Meals	1,356	5,000	1,992	300	4,607	(330)	0	458	13,383	2,155
On-Line Services, Dues & Subscriptions	50	1,200	1,001	0	4,953	750	0	1,411	9,364	16,182
<b>Total</b>	<b>\$64,763</b>	<b>\$37,074</b>	<b>\$191,238</b>	<b>\$59,399</b>	<b>\$415,376</b>	<b>\$157,898</b>	<b>\$76,110</b>	<b>\$185,328</b>	<b>\$1,189,187</b>	<b>\$789,941</b>

	Convention Center	Empire State New Market Corp	Erie Canal Harbor	Empowerment Zone	HCDC	Moyhnan Station	Queens West	USA Niagara	Total	HCDC Weatherization
<b>OVERVIEW</b>										
Annual Budget	\$267,992	\$95,120	\$996,867	\$280,450	\$1,370,029	\$493,843	\$200,594	\$689,394	\$4,394,289	\$1,324,669
Actual to Date	\$203,229	\$58,046	\$805,629	\$221,051	\$954,653	\$335,945	\$122,484	\$504,066	\$3,205,102	\$534,728
Balance Remaining	\$64,763	\$37,074	\$191,238	\$59,399	\$415,376	\$157,898	\$76,110	\$185,328	\$1,189,187	\$789,941
% of Annual Budget Used	75.83%	61.02%	80.82%	78.82%	69.68%	68.03%	61.06%	73.12%	72.94%	40.37%

**Subsidiary Capital Budget Summary Variance Report**  
December 31, 2014

	Convention Center	Erie Canal Harbor	HCDC	Moynihan Station	Farley	Queens West	USA Niagara	Total All Subsidiaries
<b>ANNUAL BUDGET</b>								
Acquisition Costs	\$0	\$6,000,000	\$0	\$0	\$250,000	\$0	\$0	\$6,250,000
Design & Other Soft Costs	2,500,000	7,290,931	0	2,971,267	775,000	100,896	1,666,100	15,304,194
Legal Costs	50,000	502,780	150,000	73,733	375,000	500,000	20,000	1,671,513
Property Management/Maintenance Costs	0	2,640,325	0	0	4,800,000	120,000	1,500,000	9,060,325
Insurance	0	70,000	0	0	795,000	0	0	865,000
Demolition & Site Clearance	0	700,000	0	0	0	75,000	0	775,000
Construction Costs	60,000,000	33,699,418	0	74,330,000	400,000	1,177,873	7,489,900	177,097,191
Other Misc. Costs	0	500,000	0	0	400,000	6,089,229	3,900,000	10,889,229
<b>Total</b>	<b>\$62,550,000</b>	<b>\$51,403,454</b>	<b>\$150,000</b>	<b>\$77,375,000</b>	<b>\$7,795,000</b>	<b>\$8,062,998</b>	<b>\$14,576,000</b>	<b>\$221,912,452</b>

	Convention Center	Erie Canal Harbor	HCDC	Moynihan Station	Farley	Queens West	USA Niagara	Total All Subsidiaries
<b>ACTUAL SPENDING TO DATE</b>								
Acquisition Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Design & Other Soft Costs	\$1,110,747	3,995,721	0	2,254,524	539,286	11,673	0	7,911,951
Legal Costs	\$3,746	1,042,992	2,979	73,733	39,578	81,197	0	1,244,224
Property Management/Maintenance Costs	\$0	1,481,372	0	0	303,240	773	884,341	2,669,726
Insurance	\$0	45,480	0	0	596,403	0	0	641,883
Demolition & Site Clearance	\$0	0	0	0	0	9,909	0	9,909
Construction Costs	\$30,883,886	6,894,572	0	45,841,348	404,172	221,761	199,145	84,438,640
Other Misc. Costs	\$0	160,817	0	0	0	0	150	160,967
<b>Total</b>	<b>\$31,998,379</b>	<b>\$13,620,954</b>	<b>\$2,979</b>	<b>\$48,169,605</b>	<b>\$1,882,678</b>	<b>\$325,314</b>	<b>\$1,083,636</b>	<b>\$97,077,300</b>

	Convention Center	Erie Canal Harbor	HCDC	Moynihan Station	Farley	Queens West	USA Niagara	Total All Subsidiaries
<b>BALANCE REMAINING</b>								
Acquisition Costs	\$0	\$6,000,000	\$0	\$0	\$250,000	\$0	\$0	\$6,250,000
Design & Other Soft Costs	1,389,253	3,295,210	0	716,743	235,714	89,223	1,666,100	7,392,243
Legal Costs	46,254	-540,212	147,021	0	335,422	418,803	20,000	427,289
Property Management/Maintenance Costs	0	1,158,953	0	0	4,496,760	119,227	615,659	6,390,599
Insurance	0	24,520	0	0	198,597	0	0	223,117
Demolition & Site Clearance	0	700,000	0	0	0	65,091	0	765,091
Construction Costs	29,116,114	26,804,847	0	28,488,652	-4,172	956,112	7,290,755	92,658,551
Other Misc. Costs	0	339,183	0	0	400,000	6,089,229	3,899,850	10,728,262
<b>Total</b>	<b>\$30,551,621</b>	<b>\$37,782,500</b>	<b>\$147,021</b>	<b>\$29,205,395</b>	<b>\$5,912,322</b>	<b>\$7,737,684</b>	<b>\$13,492,364</b>	<b>\$124,835,152</b>

	Convention Center	Erie Canal Harbor	HCDC	Moynihan Station	Farley	Queens West	USA Niagara	Total All Subsidiaries
<b>ANNUAL OVERVIEW</b>								
Annual Budget	\$62,550,000	\$51,403,454	\$150,000	\$77,375,000	\$7,795,000	\$8,062,998	\$14,576,000	\$221,912,452
Actual Spending to Date	\$31,998,379	\$13,620,954	\$2,979	\$48,169,605	\$1,882,678	\$325,314	\$1,083,636	\$97,077,300
Balance Remaining	\$30,551,621	\$37,782,500	\$147,021	\$29,205,395	\$5,912,322	\$7,737,684	\$13,492,364	\$124,835,152
% of Budget Used	51.16%	26.50%	1.99%	62.25%	24.15%	4.03%	7.43%	43.75%