

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
Wednesday
March 20, 2013 – 9:30 a.m.

PROPOSED AGENDA

FOR CONSIDERATION

I. CORPORATE ACTION

- A. Approval of Minutes of the February 21, 2013 Directors' Meeting (Corporate Action)

II. DISCRETIONARY PROJECTS

MID HUDSON REGION

- A. Kingston (Mid-Hudson Region – Ulster County) – Wolf-tec Capital - Empire State Economic Development Fund - General Development Financing (Capital Grant) - Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

NEW YORK CITY REGION

- B. Bronx (New York City Region - Bronx County) – GrowNYC Working Capital – Urban and Community Development Program – Urban and Community Technical Assistance (Working Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

II. DISCRETIONARY PROJECTS - Continued

FINGER LAKES REGION

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

III. REGIONAL COUNCIL AWARDS

FINGER LAKES REGION

- A. Regional Council Award – Priority Project – Alabama (Finger Lakes Region – Genesee County) – GCEDC – GGLDC - Western New York Science, Technology and Advanced Manufacturing Park Capital – Economic Development Purposes Fund and Regional Council Capital Fund (Capital Loan and Grant) - 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 a Grant and to Take Related Actions

NEW YORK CITY REGION

- B. Regional Council Award – Priority Project - New York (New York City Region – New York County) – TAYSTEE CREATE LLC Capital – Regional Council Capital Fund, Empire State Economic Development Fund, and Downstate Revitalization Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m, 16-r and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Adoption of Findings Pursuant to the State Environmental Quality Review Act

SOUTHERN TIER REGION

- C. Regional Council Award – Priority Report - Southern Tier Region – Southern Tier Region Development Corporation – Community Revitalization 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

II. **REGIONAL COUNCIL AWARDS - Continued**

SOUTHERN TIER REGION

- D. Regional Council Award – Priority Report - Southern Tier Region – Southern Tier Region Economic Development Corporation - Rural Initiative 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
- E. Regional Council Award – Priority Report - 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

WESTERN NEW YORK REGION

- F. Regional Council Award – Priority Project – Various (Western New York Region – Erie, Niagara and Chautauqua Counties) – Buffalo Neighborhood Stabilization Company Small Business Green Retrofit 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

NORTH COUNTRY REGION

- G. Regional Council Award – Priority Project - (North Country Region – Hamilton and Fulton Counties) – Hamilton County Broadband 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 Take Related Actions

CENTRAL NEW YORK REGION

- H. Regional Council Award – Priority Report – Syracuse (Central New York Region – Onondaga County) –Matt Industries 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

IV. NON-DISCRETIONARY PROJECTS

NON-DISCRETIONARY PROJECTS CONSENT CALENDAR

- A. Non-Discretionary Projects Consent Calendar– Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make Grants and to Take Related Actions

Local Assistance (Senate)

- A. Canisius College – Women’s Business Center (Erie County) - \$100,000

HURRICANE IRENE-TROPICAL STORM LEE FLOOD MITIGATION

- B. Otsego County – Local Assistance – Hurricane Irene – Tropical Storm Lee Flood Mitigation (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the General Project Plan; Authorization to Make a Grant and to Take Related Actions

Local Assistance – Hurricane Irene – Tropical Storm Lee Flood Mitigation (Executive)

- A. Otsego County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital – (Otesgo County) - \$449,618

STATEWIDE – LOCAL ASSISTANCE - BASE RETENTION

- C. Statewide – Local Assistance – Base Retention – Working Capital Grant – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

Local Assistance – Base Retention (Executive)

- A. Suffolk County Department of Economic Development and Planning – Gabreski Base Retention Working Capital (Suffolk County) - \$126,686

V. LAND USE AND CIVIC PROJECT

- A. Orchard Park (Erie County) – Erie County Stadium Civic Project – Authorization to Enter Required Agreements; and Authorization to Take Related Actions

VI. ADMINISTRATIVE ACTIONS

- A. Procurement of Legal Services – Authorization to Enter into an Amended Contract with Hodgson Russ LLP
- B. Annual Budget – Authorization to Adopt Annual Operating Budget including Subsidiary Operating Support for Fiscal Year (FY) 2013-2014 and to Take Related Actions
- C. Property Disposition Guidelines – Approval of Property Disposition Guidelines, Appointment of Contracting Officer and Authorization to Take Related Actions
- D. Annual DHCR Mortgage Servicing Fee Payment – Authorization to Enter into a Letter Agreement and Pay DHCR a Mortgage Servicing Fee for Fiscal Year Ending March 31, 2013

VII. INFORMATION

- A. Quarter Report on Procurement Commitments to Certified Minority and Women Business Enterprises (MWBE's) – 3rd Quarter of Fiscal Year 2012-2013
- B. Broadband Grants Report (Oral)
- C. President's Report (Oral)

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NEW YORK STATE URBAN DEVELOPMENT CORPORATION

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

and

Buffalo Regional Office
95 Perry Street, Suite 500
Buffalo, New York 14203

February 21, 2013

MINUTES

In Attendance

Directors:

Kenneth Adams (Acting Chair)
Paul Ciminelli
Joyce Miller
Anthony Albanese – Designee for Superintendent – Department
of Financial Services

Present for ESD:

Maria Cassidy, Deputy General Counsel
Sheri Lippowitsch, Vice President – Loans and Grants
Eileen McEvoy, Corporate Secretary
Kathleen Mize, Deputy CFO and Controller
Mehul Patel, Chief of Staff
Susan Shaffer, Vice President – Loans and Grants
Frances A. Walton, Chief Financial and Administrative Officer

For Western New York:

Steve Gawlik, Vice President – Capital Projects and Senior
Counsel
Christina Orsi, Director - Western New York Regional Office

Also Present:

Merideth Bahr-Andreucci, Director-Industry Development
Ed Muszynski, Area Director-Finger Lakes Regional Office
Kenneth Tompkins, Director – Mohawk Valley Regional Office
John VanDeLoo, Economic Development Program Specialist-North
Country Regional Office
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 9:38 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.

Acting Chair Adams then asked the Directors to approve the Minutes of the January 17, 2013 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 JANUARY 17, 2013 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on January 17, 2013, 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.

* * *

Acting Chair Adams then asked the Directors to approve the appointment of Mehul Patel as ESD’s Chief of Staff.

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Upon motion duly made and seconded, the following resolution was unanimously adopted:

APPOINTMENT OF OFFICER – Chief of Staff

BE IT RESOLVED, that the following individual be, and he hereby is, appointed to the office which appears opposite his name, effective as of February 19, 2013 and until his resignation or removal:

<u>NAME</u>	<u>OFFICE</u>
Mehul Patel	Chief of Staff;

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, the foregoing individual 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 as the acts and deeds of the Corporation.

* * *

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

Ms. Lippowitsch noted that the Directors will be asked to approve one Economic Development Fund Grant totaling \$1,540,000 and 31 Community Development Financial

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Institution Assistance Program Grants totaling \$1,710,000.

Ms. Lippowitsch added that there were three Regional Council Award Projects, two Regional Council Capital Fund Projects for grants totaling \$5,550,000 and one Economic Transformation Program grant totaling \$5,000,000.

Ms. Lippowitsch further stated that these projects will leverage over \$17.7 million of additional investments and will assist in retaining 3,121 jobs and in creating approximately 32 jobs in New York State.

Following Ms. Lippowitsch's full report, the Acting Chair asked Ms. Orsi to take the Agenda out of order and present the Roswell Park Cancer Institute Regional Council Award item for the Directors' consideration.

Acting Chair Adams further asked Mr. Gawlik and Ms. Orsi to follow the Roswell item with a presentation of the Buffalo Investment Development Strategy item.

Ms. Orsi opened her presentation by noting that Roswell is a comprehensive cancer research and treatment center.

The \$5.1 million grant, she continued, will be used for facility renovations and the acquisition and installation of machinery and equipment.

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Ms. Orsi added that this is a priority project of the Regional Council and that it was adopted as such because it is part of the continuing investment in the Buffalo-Niagara Medical Campus. This investment, she continued, will allow the Campus to begin to accelerate commercialization and ultimately new company formation in the health/life sciences area.

Ms. Orsi further noted that the project will directly assist in creating 32 new jobs. She added that Roswell is a very significant employer in the region with over 2,700 full time employees.

Among other things, Ms. Orsi noted that ESD's investment of \$5.1 million will be matched by Roswell Park's investment of over \$14 million in additional personnel costs over the next several years, over \$2 million in supply costs and another \$2.5 million that another company, CTG, is contributing to the project as part of their software development and service.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked if this is a privately held entity and Ms. Orsi stated that it is currently a public entity subsidized by the State. She added that Roswell is working with the State to come up with a plan over the next few years to become a private entity.

Director Miller stated for the record that because the State has put a considerable amount of money into the project and Roswell stands to make substantial returns, if and when

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there are profits associated with this enterprise, there should be a process in place whereby the State recoups some of its investment.

The Acting Chair then suggested that Ms. Orsi reach out to Joe Tazewell to obtain information on a project ESD is involved with in New York City with the New York Genome Center and share that information with her colleagues at Roswell. This will ensure, he continued, that ESD is connecting these investments in both locations and that there is a high level of cooperation in this research between these two New York State institutions. Ms. Orsi stated that she will follow up on that suggestion.

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

Regional Council Award – Priority Project – Buffalo (Western New York Region – Erie County) – Roswell Park Cancer Institute Capital – Regional Council Capital Fund Capital (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 Roswell Park Cancer 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

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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 Roswell Park Cancer Institute a grant for a total amount not to exceed Five Million One Hundred Thousand Dollars (\$5,100,000) 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.

* * *

Mr. Gawlik then asked the Directors to approve an amendment to ESD's contract with McKinsey and Company as a global management consulting firm to assist ESD and the Western New York Regional Council in implementing a business and economic development strategy for the State's expected One Billion Dollar investment in Buffalo.

Mr. Gawlik provided an outline of the background information regarding this request and explained that the original contract amount was \$2.8 million and the increase requested is

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an additional \$2.4 million. Ms. Orsi then provided further details with regard to this contract amendment.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked why the term of the contract was only for six months given the considerable amount of the amendment. Ms. Orsi explained, among other things, that McKinsey has such a high level of engagement in the planning and is so familiar with what needs to be done, they will be able to execute that work in an expeditious fashion.

Ms. Orsi added that the ultimate goal is to build regional capacity long term to continue to carry this forward. Therefore, she continued, McKinsey is viewed as a sort of a bridge over the next six months. During that time, Ms. Orsi stated, local and regional resources will be built out through contracts which will be presented to the Directors for approval.

Director Miller asked if the long term support will still be part of ESD or if there will be a separate entity to carry this out.

Ms. Orsi stated that it will still be tied back to the Buffalo Billion which is being managed and administered through ESD and therefore, it will be tied to ESD in some form.

Director Ciminelli then noted that he has worked with the McKinsey Group and believes this to be a great move as they are energetic and passionate and have done great work thus far.

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He added that it is a perfect transition to build capacity in Western New York.

The Acting Chair thanked Director Ciminelli for his comments and observations.

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Authorization to Enter into a Amended Contract for Consultant Services relating to the Buffalo Investment Development Strategy; and Authorization to Take Related Actions.

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds McKinsey & Company, Inc. to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to amend the contract with McKinsey & Company, Inc. for an additional amount not to exceed Two Million Four Hundred Thousand Dollars (\$2,400,000) for a total contract amount not to exceed Five Million Two Hundred Eighty Three Thousand and Five Hundred Eleven dollars (\$5,283,511) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the Chief Executive Officer, or other officer of the Corporation, or his or her 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.

* * *

Next, Ms. Bahr-Andreucci asked the Directors to authorize ESD to make a \$1,540,000 EDF grant to ITT Geospatial Systems for building improvements to its classified operations in the Rochester area.

Ms. Bahr-Andreucci provided the relevant background information with regard to this

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request explaining, in part, that the Company approached ESD in 2010 with the risk that all 600 of the division headquarter jobs, which are all based in Rochester, might move out of the State.

Concurrent with that risk assessment, Ms. Bahr-Andreucci continued, the Company also needed to move approximately 330 of those 600 headquarter employees out of an antiquated building in the City of Rochester.

Ms. Bahr-Andreucci added that ITT considered a number of U.S. locations where it already has facilities in the division including Clifton and Bloomfield, New Jersey and Indiana.

At the time the offer was made, Ms. Bahr-Andreucci stated, ESD made an incentive proposal of \$1,8550,000 but when the number of committed jobs was reduced by approximately 100 by the Company through a voluntary buy-out offer, ESD reduced its offer on a pro rata basis to the \$1,540,000 requested today.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller expressed her concern that no additional jobs will be created as a result of this grant. The Acting Chairman stated that he had visited with the Company last summer and that it is an incredible facility. He added that the one thing that the Directors' materials are unable to capture is the degree to which something so technologically advanced draws from a supply chain of other New York State companies. For example, he noted, that the Company assembles satellites at this facility and the lenses for the satellites are made by Corning, a specialty glass

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manufacturer.

The Acting Chairman then expressed his concern, noting that it is unrelated to the agenda, that the impending sequester of the federal government, could have a significant effect on this defense related industry in the State.

Director Miller noted her agreement with regard to this concern and stated that she appreciates the fact that ESD is thinking about the larger picture.

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

Town of Gates – (Finger Lakes Region – Monroe County) – ITT Geospatial Systems Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms;
2. The project would be unlikely to take place in New York State without the requested assistance;

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3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;
4. There are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to ITT Space Systems, LLC a grant for a total amount not to exceed One Million Five Hundred Forty Thousand Dollars (\$1,540,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Next, Ms. Samuels asked the Directors to authorize \$1,710,000 in funding for the New

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York State Community Development Financial Institutions Assistance Program to support financial and technical assistance to minority and women-owned businesses.

Ms. Samuels explained that today’s request involves authorization to make grants ranging from \$20,000 to \$80,000 to 31 organizations that responded to ESD’s most recent request for proposals.

Ms. Samuels noted that the selection of the proposed awardees is based on the strength of the proposals, economic development in the district communities, the track record of the successful performance of these organizations and the strong lending capacity.

Ms. Samuels added that most of these organizations will help to alleviate the suffering of some of the organizations or businesses that have suffered as a result of Hurricane Sandy.

Acting Chair Adams asked how the amount that each entity receives is determined.

Ms. Samuels explained that there is a large review committee that makes those decisions.

Ms. Samuels outlined the review process involved in reaching those decisions.

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

Statewide – Community Development Financial Institutions Assistance Program –
Community Development Financial Institutions (Grants) – Findings and Determinations
Pursuant to Section 16-o and 10 (g) of the Act; 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 Community Development Financial Institutions Assistance Program – Community Development Financial Institutions (the “Projects”), 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 grants for a total amount not to exceed One Million Seven Hundred Ten Thousand Dollars (\$1,710,000) from the Community Development Financial Institutions Program for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Mr. Tompkins then asked the Directors to authorize ESD to make a grant of \$5,000,000 in connection with the MVEDGE Marcy Nanocenter Interceptor Sewer Upgrade Capital Economic Transformations Program.

Mr. Tompkins provided the background information with regard to this request noting,

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among other things, that the \$5,000,000 grant is needed because the current sewer pipe – the intersector that comes from the site, will be inadequate to handle the build out of the site and the future manufacturing activities.

Mr. Tompkins further noted, in part, that in addition to the upgrade being critical to the build out of the Marcy Nano site, it also helps to enable the Quad C Project, which is a high tech facility and a separate priority project that is on the SUNY IP Campus.

That campus, he continued, is adjacent to the Marcy site and high technology and manufacturing are essentially the cornerstones of the Mohawk Valley region’s strategy to transform its economy to compete in national and global markets.

Following the full presentation, the Acting Chair asked where on a list of the top five priority projects of the Mohawk Valley Council priority projects would Marcy Nanocenter fall and Mr. Tompkins stated that it would be at the top. Acting Chair Adams then 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 - Marcy (Mohawk Valley Region – Oneida County) – MVEDGE - Marcy Nanocenter Interceptor Sewer Upgrade 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

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 MVEDGE - Marcy

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Nanocenter Interceptor Sewer Upgrade 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 Economic Development Growth Enterprises a grant for a total amount not to exceed Five Million Dollars (\$5,000,000) 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.

* * *

Regional Council Award - Priority Project - Marcy (Mohawk Valley Region – Oneida County) – MVEDGE - Marcy Nanocenter Interceptor Sewer Upgrade Capital – Economic Transformation Program (Capital Grant) – Determination of No Significant Effect on the Environment

DRAFT – SUBJECT TO REVIEW AND REVISION

RESOLVED, that based on the material submitted to the Directors with respect to the MVEDGE - Marcy Nanocenter Interceptor Sewer Upgrade Capital 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 \$450,000 Regional Counsel Awards grant to use for a portion of the cost of construction of a new Port of Ogdensburg access road.

Mr. VanDeLoo explained that the Ogdensburg Bridge Port Authority (“OBPA”) owns and operates the Port facility at the Port of Ogdensburg which is the only U.S port on the St. Lawrence Seaway. Mr. VanDeLoo added that the OBPA provides transportation and warehousing logistics servicing the needs of marine, railroad and trucking industries on a local, regional and worldwide basis.

Mr. VanDeLoo then provided additional relevant background information stressing that without the new road, the Ogdensburg Bridge and Port Authority could not accommodate the oversized and overweight tractor trailers needed to transport large equipment and wind turbine components.

With the new road completed, Mr. VanDeLoo noted, the OBPA is able to compete for and obtain new contracts for handling shipments of large wind turbines and components.

DRAFT – SUBJECT TO REVIEW AND REVISION

Following the full presentation, the Acting Chair commented that although it was a short connection road that was constructed, it took the sharp turn out of the existing road and facilitated OBPA being able to navigate the trucks.

The Acting Chair then 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 - Ogdensburg (North Country Region – St. Lawrence County) – Ogdensburg Bridge & Port Authority Capital – Regional Council Capital Fund (Capital Grant)

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the Ogdensburg Bridge & Port Authority a grant for a total amount not to exceed Four Hundred Fifty Thousand Dollars (\$450,000) 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

DRAFT – SUBJECT TO REVIEW AND REVISION

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 - Ogdensburg (North Country Region – St. Lawrence County) – Ogdensburg Bridge & Port Authority Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Ogdensburg Bridge & Port Authority Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

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

Ms. Lippowitsch noted that the Directors were being asked to approve four Senate sponsored projects totaling \$511,200 in assistance authorized or re-appropriated in the fiscal year 2012-2013 New York State Budget.

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

Ms. Lippowitsch provided a brief synopsis on the background information of each of the grants.

Ms. Lippowitsch stated that the first project involved a \$200,000 grant to the Rochester Technology and Manufacturing Association for a job training program at the Monroe Community College.

The second project, Ms. Lippowitsch explained, consists of a \$100,000 grant to the Adirondack North Country Association for small businesses and community assistance in the 14-county Adirondack North Country region.

Ms. Lippowitsch went on to note that the third project involves a \$150,000 grant to CitySolve Systems for a graffiti removal and cleaning program in several communities in the Bronx.

Lastly, Ms. Lippowitsch stated that the third project involves a \$61,200 grant to Roxbury Volunteer Emergency Services in Queens County for a system to fill self-contained breathing apparatus.

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

Local Assistance - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make Grants 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 Local Assistance Projects (the “Projects”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area(s); and be it further

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

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

Local Assistance – Senate – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
A	RTMA – Job Training and Marketing	Y037	Rochester Technology and Manufacturing Association, Inc.	200,000
B	Adirondack North Country Association – Working Capital	Y042	Adirondack North Country Association, Inc.	100,000
			TOTAL	\$300,000

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

* * *

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

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

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

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

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

Capital Projects Fund - Senate - Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
C	CitySolve Systems – Graffiti Removal Equipment Capital	Y082	CitySolve Systems, Inc.	150,000
			TOTAL	\$150,000

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

* * *

Community Capital Assistance Program – 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 Community Capital Assistance Program Project (the “Project”), in accordance with Chapter 84 of the Laws of 2002 for the Community Capital Assistance Program, the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written findings of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written findings being made, the President and Chief

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Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from the Community Capital Assistance Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

Community Capital Assistance Program – Senate - Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
D	RVES – Cascade System Capital	Y071	Roxbury Volunteer Emergency Services, Inc.	61,200
			TOTAL	\$61,200

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

* * *

Mr. Gawlik then presented the Erie County Stadium Civic Project for the Directors’ consideration.

Among other things, Mr. Gawlik explained that the Directors were being asked to approve the proposed General Project Plan, make a Determination of no Significant Effect on the Environment and to authorize ESD to take all related actions in connection with the project.

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Mr. Gawlik provided the relevant background information with regard to this request and explained, in part, that the overall ESD project structure contemplates that the Erie County Stadium Corporation (“ECSD”), the subsidiary formed for this purpose, will enter into a lease with the stadium owner, Erie County, and will sub-lease the stadium and surrounding lands to the Buffalo Bills franchise.

Mr. Gawlik further explained that as part of the transaction, the stadium will undergo significant improvements.

Mr. Gawlik noted that the stadium was built in 1972 and is in great need of a facelift.

Mr. Gawlik added that the project budget for the next two years is \$130 million, with the County contributing \$40 million, the Bills contributing \$35 million and the State contributing \$53 million.

Mr. Gawlik then outlined the proposed improvements in detail.

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:

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Orchard Park (Erie County) – Erie County Stadium Civic Project – Make Determinations Pursuant to Sections 10(d) and 10(g) of the Act; Authorization to Adopt and General Project Plan; Authorization to Hold a Public Hearing; Determination of No Significant Effect on the Environment; and Authorization 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 Erie County Stadium Civic Project (the “Project”), the Corporation hereby finds pursuant to Section 10 of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”):

- (1) that there exists in the area in which the Project is to be located a need for the educational, cultural, recreational, community, municipal, public service or other civic facility to be included in the project;
- (2) that such Project shall consist of a building or buildings which are suitable for educational, cultural, recreational, community, municipal, public service or other civic purposes;
- (3) that such Project will be leased to or owned by the State or an agency or instrumentality thereof, a municipality or an agency or instrumentality thereof, a public corporation, or any other entity which is carrying out a community, municipal, public service or other civic purpose, and that adequate provision has been, or will be made for the payment of the cost of acquisition, construction, operation, maintenance and upkeep of this project;
- (4) that the plans and specifications assure adequate light, air, sanitation and fire protection; and be it further

RESOLVED, that on the basis of the materials presented to this meeting relating to the Project indicating that there are no families or individuals to be displaced from the Project area, the Corporation hereby finds that the requirements of Section 10(g) of the Act are satisfied; 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 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 be it further

RESOLVED, that the President 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

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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.

* * *

Orchard Park (Erie County) – Erie County Stadium Civic Project – Make Determinations Pursuant to Sections 10(d) and 10(g) of the Act; Authorization to Adopt and General Project Plan; Authorization to Hold a Public Hearing; Determination of No Significant Effect on the Environment; and Authorization to Take Related Actions

RESOLVED, that on the basis of the materials submitted to the Directors with respect to the Erie County Stadium Civic Project (the “Project”), the Corporation hereby determines that the proposed action will not have a significant adverse effect on the environment.

* * *

Following approval of the above-referenced resolution, the Acting Chair expressed his appreciation to Mr. Gawlik , Ms. Cassidy and the rest of the team for their efforts in moving this forward.

Next, Mr. Patel asked the Directors to authorize ESD to conditionally designate the National Urban League and The Hudson Companies, Inc. as the developer for an important site on 125th Street in Harlem. He further requested that they authorize ESD to enter into a Pre-Development Agreement and take all related actions.

Mr. Patel explained that the site is currently a four-story parking garage located between 125th and 126th Streets. He further noted that the land is currently owned by the City of New York and managed by the New York City Economic Development Corporation (“EDC”).

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Mr. Patel went on to provide additional background information with regard to the site and provided an outline of the process involved in making this selection.

Mr. Patel then outlined the proposed uses for the site including the relocation of the National Urban League to the site, retail space, community facility space and a parking garage with a maximum of approximately 225 spaces.

Mr. Patel added that the site will also include 144 housing units, of which 50 percent will be affordable housing apartment.

Following the presentation, the Acting Chair called for questions or comments. Director Miller asked if it was known at this point, what levels of income the affordable housing is targeted at and Mr. Patel stated that the site is in the very early stages of development and therefore he did not have that information. He added that staff will be coming back to the Directors with the proposed program to the General Project Plan process this Summer. Mr. Patel further noted that the developer will be following the HPD guidelines with regard to income levels and in terms of the length of time that the apartments will remain affordable.

Director Miller asked if there is a way to make these units permanently affordable.

Mr. Patel stated that he would raise that question with the developer. He added that it is encouraging that part of the National Urban League's mission in relocating to this site is to

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ensure that it includes affordable housing.

Director Miller then asked if the development team is being encouraged to reach for some kind of energy certification rating.

Mr. Patel stated that although with the mixed uses, the site does not fit neatly into the standard LEED, ESD has asked for energy saving commitments in terms of LEED Silver at a minimum.

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

NEW YORK CITY (NEW YORK COUNTY) – Proposed Development at 121 West 125th Street – Authorization to Conditionally Designate Developer and Enter into a Pre-Development Agreement; Authorization to Take Related Actions

BE IT RESOLVED, that based on the materials presented at this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds NUL/Hudson to be responsible; and be it further

RESOLVED, that in accordance with the Materials, the Corporation is hereby authorized to Conditionally Designate NUL/Hudson as the Developer of the 121 West 125th Street site and enter into a Pre-Development Agreement with NUL/Hudson substantially on the terms and conditions, as set forth in the Materials; and be it further

RESOLVED, that the President, or other Officer of the Corporation, or his or her 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.

* * *

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Mr. Otero then asked the Directors to authorize ESD to renew the Corporation's insurance policies which are set to expire on February 28, 2013.

Mr. Otero then provided detailed background information with regard to the request noting that Cool Insurance Agency, ESD's broker and advisor, marketed ESD's insurance portfolio and solicited bids from 26 insurance carriers. The renewal premium cost of \$450,818, he continued, represents a 7.4 percent or \$30,000 increase over last year's premiums.

Mr. Otero explained that the increase was driven primarily by rising liability risk premiums across all carriers, particularly premiums for both commercial general liability and excess umbrella, coupled with an increase in worker's compensation coverage.

Following Mr. Otero's 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:

Empire State Development - Renewal of Corporate Insurance Policies - Authorization to Purchase Corporate Insurance Policies; and to Take Related Actions

RESOLVED, that based upon the materials presented to the Directors at this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, that the President 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 President 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 and Excess Umbrella Liability insurance with Chartis Insurance; Commercial General Liability and Auto Liability insurance with Philadelphia

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Indemnity; Real & Personal Property and Workers' Compensation Insurance with Hartford Insurance; and Employee Crime & Dishonesty insurance with Great American Insurance, for 2013-2014 at an annual premium of \$450,818.

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.

* * *

Next, Mr. Harrison asked the Directors to authorize ESD to enter into a contract with either or both Dell or Marketing Technologies in an aggregate amount of up to \$400,000 for the purchase of computing data storage equipment and services.

Mr. Harrison noted that as some of ESD's current equipment is approaching end of life, it is necessary to phase it out and replace it on an as-needed basis with state-of-the-art hardware utilizing virtualization technology.

This, he continued, will allow ESD to consolidate IT resources and provide optimal services to its users and business clients.

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

EMPIRE STATE DEVELOPMENT – Authorization to Enter Into a Contract with either or both Dell Corporation and Marcum Technology LLC to Purchase Computing Equipment and 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 Dell Corporation and Marcum Technology LLC to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with either or both Dell Corporation and Marcum Technology LLC in an aggregate amount not to exceed FOUR HUNDRED THOUSAND DOLLARS (\$400,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

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

* * *

Ms. Jackson then asked the Directors to authorize the retention of Schoeman Updike Kaufman Stern & Ascher LLP to provide real estate and environmental legal services in connection with the negotiations and drafting of agreements and other documents related to the Proposed Development at 121 West 125th Street item that was presented earlier in the meeting by Mr. Patel.

Ms. Jackson then provided the relevant details regarding the requested transaction and noted, in part, that the firm being recommended is a New York State Certified Women-Owned Business Enterprise. She added that the firm is also on ESD’s competitively solicited pre-qualified counsel list.

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

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

EMPIRE STATE DEVELOPMENT– Authorization to Enter Into a Contract for Real Estate Legal Service with the Law Firm of Schoeman Updike Kaufman Stern & Ascher LLP; and to Take Related Actions

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds Schoeman Updike Kaufman Stern & Ascher LLP to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Schoeman, Updike, Kaufman, Stern & Ascher LLP in an amount not to exceed THREE HUNDRED FORTY NINE THOUSAND FIVE HUNDRED DOLLARS (\$349,500), inclusive of any fees paid to the Firm pursuant to the Notice to Proceed agreement between the Firm and ESD executed on December 13, 2012, for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

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

* * *

Next, Ms. Shatz asked the Directors to authorize ESD to enter into a contract with Fountain Spatial, Inc. to provide consultant services with regard to the preparation of on-line mapping applications for environmental assessment forms.

Ms. Shatz provided an outline of the process involved in the selection of this company. She also provided details with regard to the need for these services.

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Ms. Shatz added that the contract term will be for the duration of one year and payments will not exceed \$100,000 inclusive of reimbursables and contingencies. The contract, she continued, is funded by an Urban and Community Development and Planning Grant and there is an overall MWBC participation goal of 20 percent for the contract.

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

New York State Urban Development Corporation d/b/a Empire State Development (the “Corporation”)– Authorization to Enter Into a Contract with Fountains Spatial, Inc. to provide Services to Prepare an Online Mapping Application for Environmental Assessment Forms(EAFs) and to Take Related Actions

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds Fountains Spatial, Inc. to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Fountains Spatial, Inc. in an amount not to exceed ONE HUNDRED THOUSAND DOLLARS (\$100,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

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

* * *

Mr. Gawlik then presented the Land Bank Program for the Directors’ consideration.

First, Mr. Gawlik provided the background information with regard to this program. He then

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went on to outline the process involved in selecting the applications of the City of Rochester, Suffolk County and Broome County for the creation of Land Banks.

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

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

Land Bank Program – Approval of Land Bank Applications and Authorization to Take All Related Actions

RESOLVED, that on the basis of the materials (the “Materials”) presented at this meeting, a copy of which is hereby ordered filed with the records of the New York State Urban Development Corporation d/b/a Empire State Development (the “Corporation”), relating to the Land Bank Program (the “Program”), the Corporation hereby approves creation of a land bank by the following applicants: i) Suffolk County; ii) Broome County; and iii) the City of Rochester for the purposes and substantially in the form set forth in the Materials, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate; and be it further

RESOLVED, that President 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 execute and deliver any and all documents and to take all actions as may be necessary or proper to effectuate the foregoing resolution.

* * *

Next, Mr. Gawlik asked the Directors’ to authorize ESD to acquire real property in the City of Buffalo. The property, he explained, is the Episcopal Church Home located on Busty Street in Buffalo.

DRAFT – SUBJECT TO REVIEW AND REVISION

Mr. Gawlik further stated that the complex, which previously housed an adult daycare facility and a skilled nursing facility, has been vacant for many years and has severely deteriorated.

Mr. Gawlik continued and explained that the property is in a very important location with regard to the City of Buffalo because it is basically across the street from the Peace Bridge, which is operated by the Buffalo and Erie County Peace Bridge Authority.

Peace Bridge, Mr. Gawlik added, is an international crossing that connects Buffalo, Port Erie and Canada. Due to the vicinity of the Peace Bridge and its proximity to Canada, Mr. Gawlik further noted, the property is an important asset for future economic development projects and it may be needed ultimately by the Peace Bridge Authority to expand its plaza.

Among other things, Mr. Gawlik outlined the financial structure of the transaction. Director Miller asked a number of questions with regard to, among other things, the appraisal price and the sale price and how they were arrived at.

Director Ciminelli spoke in favor of the project noting that it has been a very controversial piece of property over the last 20 years and that he commends the Governor for moving ahead with this action.

DRAFT – SUBJECT TO REVIEW AND REVISION

The Acting Chair suggested that Mr. Gawlik send a detailed informational report to Director Miller within a reasonable amount of time so that she can feel more comfortable in her role as a fiduciary and Mr. Gawlik agreed to do so.

Acting Chair Adams called for any further questions or comments and Director Miller stated that based upon her reading of it, she was able to vote in favor of the resolution. There being no further questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

City of Buffalo (Erie County)- Authorization to Acquire Real Property, Determination of No Significant Effect on the Environment and Authorization to Take Related Actions.

RESOLVED, that based on the materials presented to this meeting and ordered filed with the records of the New York State Urban Development Corporation d/b/a Empire State Development (the "Corporation") relating to the Episcopal Church Home in the City of Buffalo, the Corporation be and hereby is authorized to: (i) acquire real property consisting of the Episcopal Church Home as described in the Board materials; and (ii) take all related actions, and be it further

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designees 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.

* * *

The Acting Chair noted that the Budget Variance Reports had been provided to the Directors and that staff was available to answer questions, if any, raised by the Directors.

DRAFT – SUBJECT TO REVIEW AND REVISION

Acting Chair Adams then provided the President’s Report speaking, in part, with regard to the federal funding that the Governor has secured for the State of New York to assist those negatively impacted by Hurricane Sandy.

There being no further business, the meeting was adjourned at 11:26 a.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary

FOR CONSIDERATION

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Kingston (Mid-Hudson Region – Ulster County) – Wolf-tec Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Wolf-tec, Inc. or (“Wolf-tec” or the “Company”)

ESD* Investment: A grant of up to \$350,000 to be used for a portion of the cost of acquisition, construction, renovations and the purchase of machinery and equipment.

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

Project Location: 132 Flatbush Avenue, Kingston, Ulster County

Proposed Project: The purchase and renovation of a 133,000-square-foot building and purchase of new machinery and equipment

Project Type: Business expansion and job creation

Regional Council: The Mid-Hudson Regional Council has been made aware of this item. Project predates the Regional Council Initiative. The Incentive Offer was accepted in April 2011. The project is consistent with the Regional Plan to rebuild the economy by utilizing the region's assets to attract

and grow businesses and create new of jobs opportunities in the region.

Employment:	Initial employment at time of Application to ESD:	56
	Current employment level:	68
	Minimum employment through January 1, 2017:	83

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Real Estate Purchase	\$2,600,000
Construction/Renovation	2,775,000
Machinery & Equipment	2,000,000
Soft costs	<u>325,000</u>
 Total Project Costs	 <u>\$7,700,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant	\$350,000	5%	
TD Bank N.A.*	2,100,000	27%	8.5%/7 yrs/1st lien on RE
TD Bank N.A.**	2,400,000	31%	8.5%/ 1st lien on RE
TD Bank N.A.**	1,725,400	22%	8.5%/ 1st lien on M&E
Central Hudson Utility Company - Grant	100,000	1%	
Company Equity	<u>1,024,600</u>	<u>13%</u>	
 Total Project Financing	 <u>\$7,700,000</u>	 <u>100%</u>	

* Commercial mortgage.

**One year line of Credit converted into seven years fully amortizing term loan.

III. Project Description

A. Company

Industry: Manufacturer of food processing equipment

Company History: Founded in 1977, Wolf-tec, Inc. is a family owned business located in Ulster County that manufactures and distributes meat, poultry, and seafood processors. The Company sells its products through distributors in North America, South America, Asia, Europe, Africa, New Zealand, and Australia.

Ownership: The Company is privately owned.

Size: All facilities located in Kingston, NY.

Market: The Company's customers include Sara Lee, Cargill, Boars Head, Perdue Farms, Maple Leaf (Canada), Brasil Foods (Brazil), Plumrose (Venezuela), and Dawn Farms (Ireland).

ESD Involvement: Wolf-tec is a rapidly expanding company. Over the past five years the Company has invested over \$1.8 million per year in research and development. This investment allowed the Company to explore opportunities for future growth by developing new products to improve and expand their operations. Unfortunately, the Company's current space did not provide sufficient room for continued sales growth and new product lines. In order to remain ahead of the competition, the Company needed a larger space to design, develop and implement new and improved food processing equipment and technologies. The Company had identified existing properties in Kingston, New York and Jefferson County, Georgia for this project. To encourage the Company to proceed with the project in New York State and to reduce the costs, ESD offered the Company a \$350,000 capital grant, which was accepted in April 2011.

Competition: Without ESD's assistance the Company would have relocated to Georgia.

Past ESD Support: The Company approached ESD in early 2008 to discuss its interest to relocate to a larger facility. To demonstrate its desire to retain the Company and support its growth in NYS, ESD offered Wolf-tec a \$15,000 GEMS grant which was accepted on October 30, 2008. The grant was directed toward Wolf-tec's participation in the Process Expo which caters to large international food processors and to assist the Company efforts to expand its export sales to a wider audience. The grant allowed the Company to attend the conference, establish connects with international companies and increase its revenues. The GEMS grant was fully disbursed to the grantee as of August 4, 2009. Wolf-tec has been Empire Zone certified in the Kingston/Ulster Empire Zone since 1996. They have reported using \$664,308 in tax credits on their Business Annual Reports (2000 – 2011).

B. The Project

Completion: December 31, 2013

Activity: The Company has invested approximately \$7,000,000 towards the business expansion project which includes the acquisition and renovation

of a 133,000-square-foot vacant property and the purchase of \$2,000,000 in new manufacturing equipment to expand its operations. The facility will support new customer demand for new and improved food processing equipment and technologies.

Results: The Company will retain 56 full-time jobs and create 27 additional full-time employees by January 2015.

Grantee Contact: Don Tegeler, CFO
20 Kieffer Lane
Kingston, NY 12401
Phone: (845) 340-9727 Fax: (845) 340-9732

ESD Project No.: X357

Project Team:	Origination	Paul Taxter
	Project Management	Beverly Bobb
	Contractor & Supplier Diversity	Denise Ross
	Finance	Ross Freeman
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company 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 Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the

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

5. Up to \$350,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 29% of the grant (\$100,000) upon documentation of the acquisition of a 105,000 square-foot building located at 132 Flatbush Avenue and documentation of the employment of at least 56 Full-time Permanent Employees at the existing Kieffer Lane location, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 42% of the grant (\$150,000) will be disbursed upon completion of the project substantially as described in these materials, documentation verifying project expenditures of approximately \$6,000,000 and documentation of the employment of at least 70 Full-time Permanent Employees at the Project Location (Employment Increment of 14), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 29% of the grant (\$100,000) will be disbursed upon documentation of the employment of at least 83 Full-time Permanent Employees at the Project Location (Employment Increment of 13), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after April 6, 2011, 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 \$350,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

Baseline Employment	56
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A	B
Reporting Date	Employment Goals
February 1, 2014	56+X+Y
February 1, 2015	56+X+Y
February 1, 2016	56+X+Y
February 1, 2017	56+X+Y
February 1, 2018	56+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=14, and Employment Goals shall equal [56 + X = 70] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee’s Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=13, and Employment Goals shall equal [56 + X + Y = 83] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

IV. Statutory Basis

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

As a result of this project, the Company will maintain its employment level of 56, which

were at risk of relocation to another state and create 27 new jobs.

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

The Company considered relocating its operations to Jefferson, Georgia. ESD's assistance helped to reduce costs and make the project feasible in New York.

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

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

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

- Fiscal benefits to NYS government from the project are estimated at \$3,913,188;
- Fiscal cost to NYS government is estimated at \$350,000;
- Project cost to NYS government per direct job is \$5,833;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$2,971;
- Ratio of project fiscal benefits to costs to NYS government is 11.18:1;
- Fiscal benefits to all governments (state and local) are estimated at \$7,219,748;
- Fiscal cost to all governments is \$350,000;
- All government cost per direct job is \$5,833;
- All government cost per total job is \$2,971;
- The fiscal benefit to cost ratio for all governments is 20.63:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$41,946,846, or \$356,111 per job (direct and indirect);
- The economic benefit to cost ratio is 119.85:1;
- Project construction cost is \$3,100,000, which is expected to generate 22 direct job years and 12 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.98 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

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

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

V. Environmental Review

The City of Kingston Planning Board, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on February 13, 2012. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

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, goals will not be established due to the unavailability of minority and women-owned businesses for performance of this Project.

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

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

VIII. Additional Submissions to Directors

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

March 20, 2013

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

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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Wolf-tec, Inc. a grant for a total amount not to exceed Three Hundred and Fifty Thousand Dollars (\$350,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation

or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

March 20, 2013

Kingston (Mid-Hudson Region – Ulster County) – Wolf-tec Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

FOR CONSIDERATION

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Bronx (New York City Region – Bronx County) – GrowNYC Working Capital – Urban and Community Development Program – Urban and Community Technical Assistance (Working Capital Grant)

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

I. Project Summary

Grantee: Council on the Environment of New York, Inc. d/b/a GrowNYC (“GrowNYC” or the “Organization”)

ESD* Investment: A grant of up to \$250,000, to be used for a portion of the cost of salaries/fringe, leasing and distribution costs.

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

Project Location: One Oak Point Avenue, Bronx, Bronx County

Proposed Project: Facility expansion involving leasing and equipping a new wholesale farmers market facility in the Bronx.

Project Type: Business expansion.

Regional Council: The New York City Regional Council has been made aware of this item. The Incentive Offer was accepted in March 2013. The project is

consistent with the Regional Plan as it embraces each of the plan’s key pillars by improving quality of life, fostering a pro-growth environment, investing in the future, and promoting interregional cooperation.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Lease Acquisition	\$300,000
Furniture, Fixtures & Equipment	275,489
Utilities	45,000
Salaries/Fringe	753,960
Construction/Renovation	35,000
Food Distribution	886,618
Training	6,000
Design & Planning	<u>1,000</u>

Total Project Costs \$2,303,067

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$250,000	10%
Greenmarket Farmer Fees	120,000	5%
New York State Attorney General -Grant	43,200	2%
Manhattan Borough President Grant	89,190	4%
Other Grants*	700,281	32%
Organization Equity	<u>1,100,396</u>	<u>47%</u>

Total Project Financing \$2,303,067 100%

*Other grants: Doris Duke Foundation, New World Foundation, NYC Community Foundation and Barnwood, Deutsche Bank Community Foundation, New York Community Trust

III. Project Description

A. Organization

Industry: GrowNYC is an environmental non-profit that operates farmers markets, community gardens and educational programs in New York.

Organization History: Founded in 1970, as the Council on the Environment of New York City, GrowNYC was originally a policy advocacy organization. Over the past 43 years, the Organization has adopted a hands-on approach to raise awareness of, and promote environmental strategies that improve communities and quality of life in New York City. The Organization operates 53 green farmers markets, 11 youth operated urban farm

stands, over 70 community and school gardens, and four education programs that teach children healthy eating, gardening, and recycling.

The Organization also cultivates a strong alliance with New York State farmers who provide a range of products including bread, wines, dairy, fish, meat, and produce.

Ownership: 501(c)3 not-for-profit.

Size: GrowNYC employs 93 staff and operates 53 markets across the five boroughs of New York City. This is in addition to an administrative office in Manhattan and a distribution warehouse in Long Island City.

Market: GrowNYC serves the New York City consumer population through its farmers markets and educational programs, while also preserving smaller New York farms by fostering their access to urban markets.

ESD Involvement: GrowNYC approached ESD to help fulfill Governor Andrew M. Cuomo's pledge in his first State of the State address to establish a wholesale farmers market in the Bronx. The Organization needed assistance to close a funding gap in the cost of the project. In February 2013, ESD made GrowNYC an offer from the Urban and Community Development Funding Program which the Organization accepted in March 2013. ESD's working capital grant will facilitate critical operations at the Organization's combined wholesale farmers market and distribution hub. But for this assistance, the market would not be established at this location.

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

B. The Project

Completion: October 2014

Activity: Although New York State is a leading producer of fruits and vegetables, relatively little of the State's produce is sold and consumed in New York City, the country's largest market for food. The failure to capture such a tremendous market has contributed to the contraction of the acreage under cultivation in New York – roughly a 30% decrease over the past 30 years.

A key reason is that farmers lack direct marketing channels to wholesale customers and cannot sell profitably to the commission merchants who dominate sales to small business customers in New York City. A major

operational challenge to establishing such channels is the relative difficulty of distribution in a dense and high-cost urban environment.

GrowNYC will lease, prepare and equip a plot of land located in the Hunts Point section of the Bronx that will operate as a Wholesale Green market. Preparation of the land will involve paving what is now an unfinished lot. In addition, GrowNYC will lease and equip an existing facility nearby to serve as GrowNYC's new distribution hub. The new distribution facility will replace the Organization's existing distribution operation now located in Long Island City. The completed distribution facility will include a walk-in cooler, office equipment, forklift and trucks; GrowNYC will also deploy sales and distribution staff to operate the facility.

Results: GrowNYC anticipates strengthening the basic infrastructure which connects upstate farmers with downstate consumers, thereby increasing the total sales volume for participating farmers. In addition, the completion of the cycle from production to consumption occurring within a few hundred miles will reduce carbon emissions.

Grantee Contact: Marcel Van Ooyen, Executive Director
51 Chambers Street
New York, NY 10007
Phone: (212) 788-7900 Fax: (212) 788-7913

ESD Project No.: Y347

Project Team:	Origination	Mehul Patel
	Project Management	Simone Bethune
	Contractor & Supplier Diversity	Vikas Gera
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. The Grantee will be obligated to advise ESD of any material adverse changes in its financial condition prior to disbursement.
2. 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 Organization or by investors, and should be auditable through Organization financial statements or Organization accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
3. Up to \$250,000 will be disbursed to the Grantee for working capital expenditures in

arrears, no more frequently than quarterly, in proportion to ESD's share of funding 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 27, 2013, to be considered eligible project costs.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$250,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
5. Grant funds will be subject to a pro-rata recapture if property is sold within 2 years of disbursement of funds or if less than 70% of market space is made available to farmers located in New York State.

IV. Statutory Basis

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 Technical Assistance 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. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The Recipient shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 30%, 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

March 20, 2013

Bronx (New York City Region – Bronx County) – GrowNYC Working Capital – Urban and Community Development Program – Urban and Community Technical Assistance (Working Capital Grant) – Findings and Determinations Pursuant to Sections 10 (g) of the Act; 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 GrowNYC Working Capital - Urban and Community Development Program (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 the Council on the Environment of New York d/b/a GrowNYC a grant for a total amount not to exceed Two Hundred and Fifty Thousand Dollars (\$250,000) from the Urban and Community Development Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

March 20, 2013

Bronx (New York City Region – Bronx County) – GrowNYC Working Capital – Urban and Community Development Program – Urban and Community Technical Assistance (Working Capital grant) – Determination of No Significant Effect on the Environment

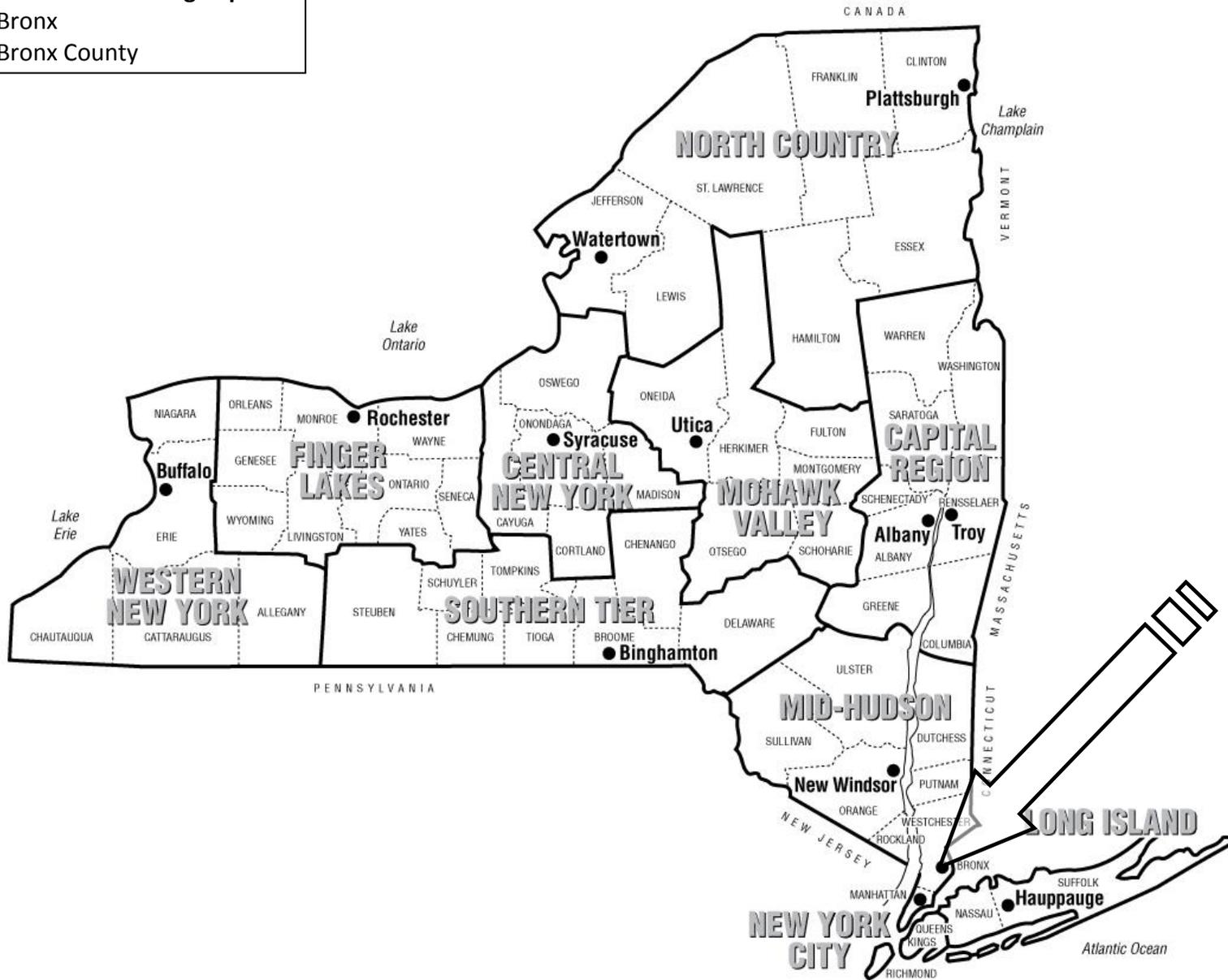
RESOLVED, that based on the material submitted to the Directors with respect to the GrowNYC Working Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

GrowNYC Working Capital

Bronx

Bronx County



FOR CONSIDERATION

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Rochester (Finger Lakes Region – Monroe County) – Monro Service Corporation Capital – Empire State Economic Development Fund – (General Development Financing (Capital Grant))

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

General Project Plan

I. Project Summary

Grantee: Monro Service Corporation (“MSC” or the “Company”)

ESD* Investment: A grant of up to \$400,000 to be used for a portion of the cost of building construction

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

Project Location: 200 Holleder Parkway, Rochester, Monroe County

Proposed Project: Construct a building addition and purchase new machinery and equipment as part of a corporate headquarters expansion.

Project Type: Business expansion involving job retention and creation

Regional Council: The Finger Lakes Regional Council has been made aware of this item. The project predates the Regional Council Initiative. The Incentive Offer was accepted in October 2010. The project supports a key strategy identified in the Regional Plan to optimize business creation,

retention and expansion. The project retains the presence of a publicly traded corporate headquarters and captures new job growth, both of which could have gone to locations outside the state and region.

Employment:	Initial employment at time of ESD Incentive Offer:	190
	Current employment level:	203
	Minimum employment on January 1, 2015:	210

(Jobs shown are combined MMB/MSC employment. Current employment consists of 81 for MMB and 122 for MSC)

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Building Construction	\$2,913,000
Paving/Site Work/Space Planning	261,900
Machinery & Equipment	<u>1,388,100</u>
 Total Project Costs	 <u>\$4,563,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$400,000	9%
City of Rochester-Grant	300,000	6%
Company Equity	<u>3,863,000</u>	<u>85%</u>
 Total Project Financing	 <u>\$4,563,000</u>	 <u>100%</u>

III. Project Description

A. Company

Industry: Automotive and undercar repair

Company History: Incorporated in 1959, Monro Muffler Brake, Inc. (“MMB”) owns and operates a chain of over 940 stores in 22 states providing automotive and undercar repair and tire services. These operate primarily under the names Monro Muffler Brake & Service, Tread Quarters Discount Tire, Mr. Tire, Autotire Car Care Center, Tire Warehouse, and several others. MMB provides a range of services for autos, light trucks and vans, including brakes, mufflers/exhaust systems, steering, drive trains, and other products and services such as tires and routine maintenance and state inspections.

Monro Service Corporation, the Grantee, is a wholly owned subsidiary of

MMB. MSC provides purchasing, warehousing, accounting, payroll and other services for MMB's stores. MSC owns the property and facility at the Project Location, as well as other office/warehouse facilities throughout the U.S. MMB and MSC are headquartered together in Rochester and where they jointly employ over 200 full-time equivalent employees.

- Ownership: The Company is a subsidiary of MMB, a publicly traded corporation.
- Size: In New York State, MMB owns over 140 retail stores which employ approximately 760 workers. MMB also has a large presence outside of NYS, primarily in Ohio, Pennsylvania and other states in the Northeastern U.S., where most of its growth has taken place in the past five years.
- Market: The market and customers include owners of passenger cars, light trucks and vans seeking economical repairs, parts and services for specialized items. Competitors primarily include national and regional tire and undercar automotive service chains, such as Midas, car dealerships, and mass merchandize service centers, such as Sears and Pep Boys.
- ESD Involvement: MMB/MSC needed more space for their corporate headquarters in Rochester. Its first choice was to expand at the current site where there was available land. Other options were outside of NYS. Given MMB's growth in other states, the headquarters would likely go outside New York State, where the costs are lower. In order to keep the headquarters in NYS and offset added costs, ESD offered a capital grant to the Company, which it accepted on October 21, 2010. The City of Rochester provided assistance in the form of a grant, and the County of Monroe assisted as well with various tax abatements.
- Competition: States where MSC's real estate ownership has shown rapid growth over the past five years, such as Maryland, Illinois, New Hampshire, and Kentucky.
- Past ESD Support: The Company is Empire Zone certified in the Rochester Empire Zone, and has used \$740,270 in tax credits from 2007 through 2011.

B. The Project

- Completion: December 2012
- Activity: The Company has added 15,000 square feet of office space and 55,000 square feet of warehouse space to its facility, which now totals 175,000 square feet. Additionally, MSC installed furnishings, fixtures and

equipment, including information technology and HVAC upgrades. The project began in September 2011 and was completed in December 2012.

Results: Retain 190 existing jobs and create 20 new jobs. The Company has already created 13 new jobs.

Grantee Contact: Catherine D'Amico, Chief Financial Officer
200 Holleder Parkway
Rochester, NY 14615
Phone: (585) 764-3335 Fax: (585) 647-0941

ESD Project No.: X209

Project Team:	Origination	Kevin Hurley
	Project Management	Edward Muszynski
	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 Company shall pay a commitment fee of 1% of the \$400,000 capital grant (\$4,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Monro Muffler Brake, Inc. will guarantee the grant repayment obligation of its subsidiary, Monro Service Corporation, 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 \$400,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$200,000) upon documentation of construction/machinery and equipment project costs totaling \$4,563,000, and documentation of the employment of at least 190 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 (\$100,000) will be disbursed upon documentation of the employment of at least 200 Full-time Permanent Employees at the Project Location (Employment Increment of 10), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$100,000) will be disbursed upon documentation of the employment of at least 210 Full-time Permanent Employees at the Project Location (Employment Increment of 10), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after October 21, 2010, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$400,000, 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) 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	190
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A	B
Reporting Date	Employment Goals
February 1, 2014	190+X+Y
February 1, 2015	190+X+Y
February 1, 2016	190+X+Y
February 1, 2017	190+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=10, and Employment Goals shall equal [190 + X = 200] 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=10, and Employment Goals shall equal [190 + X + Y = 210] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

IV. Statutory Basis

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

As a result of this project, MMB/ MSC will together maintain its employment level of

190 jobs which were at risk of relocation to another state.

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

Without ESD assistance to lower costs and make the Company's facility competitive with one in Maryland, Illinois or New Hampshire, the cost would have been too high to make the project feasible in New York.

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

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.

Business Investment Project

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

- Fiscal benefits to NYS government from the project are estimated at \$7,997,554;
- Fiscal cost to NYS government is estimated at \$511,395;
- Project cost to NYS government per direct job is \$3,551;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$1,496;
- Ratio of project fiscal benefits to costs to NYS government is 15.64:1;
- Fiscal benefits to all governments (state and local) are estimated at \$13,433,961;
- Fiscal cost to all governments is \$922,789;
- All government cost per direct job is \$6,408;
- All government cost per total job is \$2,699;
- The fiscal benefit to cost ratio for all governments is 14.56:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$63,348,679, or \$185,276 per job (direct and indirect);
- The economic benefit to cost ratio is 68.65:1;
- Project construction cost is \$3,174,900, which is expected to generate 29 direct job years and 20 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.39 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

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

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

V. Environmental Review

The City of Rochester, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on July 12, 2011. 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

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, goals will not be established due to the unavailability of minority and women-owned businesses for performance of this project.

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

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

VIII. Additional Submissions to Directors

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

March 20, 2013

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

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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Monro Service Corporation a grant for a total amount not to exceed Four Hundred Thousand Dollars (\$400,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

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

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

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March 20, 2013

Rochester (Finger Lakes Region – Monroe County) – Monro Service Corporation Capital –
Empire State Economic Development Fund – General Development Financing (Capital Grant)
– Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Monro Service Corporation Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

FOR CONSIDERATION

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Alabama (Finger Lakes Region – Genesee County) – GCEDC-GGLDC – Western New York Science, Technology and Advanced Manufacturing Park Capital – Economic Development Purposes Fund and Regional Council Capital Fund (Capital Loan and 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 Loan and a Grant and to Take Related Actions

General Project Plan

I. Project Summary

Co-Borrowers/
Co-Grantees: Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center (“GCEDC”) and Genesee Gateway Local Development Corporation (“GGLDC”)

(Co-Borrowers shall collectively be referred to as the “Borrower”; Co-Grantees shall collectively be referred to as the “Grantee.”)

ESD* Investment: A grant of up to \$500,000 and a loan of \$1,100,000, to be used for a portion of the cost of land acquisition and associated soft costs.

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

Project Location: NYS Route 77, Judge Road, Alabama, Genesee County

Proposed Project: Land purchase to create a mega-site for advanced technology manufacturing.

Project Type: New industrial park development

Regional Council: The Western New York Science, Technology and Advanced Manufacturing Park Capital (“STAMP”) has been designated a Priority Project by the Finger Lakes Regional Economic Development Council and unanimously endorsed by its Advanced Manufacturing work group as a top priority. The Incentive Offer was accepted in December 2012 and revised in February 2013. The project is consistent with the Regional Plan in that it supports advanced technology and manufacturing and is identified as key to the region in the Industrial Development and Infrastructure category.

Loan Financing: The loan will provide permanent financing for a 10-year term at an annual interest rate of 0% in Years 1 through 5, and up to 3% in Years 6 through 10.

Security: First mortgage on the parcels of the project’s real estate purchased with loan proceeds; and

First mortgage and the right to effect deed restrictions on the parcels of the project’s real estate purchased with grant proceeds.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Land Acquisition	\$2,002,000
Planning/Other Soft Costs	<u>100,100</u>
Total Project Costs	<u>\$2,102,100</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Loan	\$1,100,000	52%	see below*/1 st Lien on RE
ESD-Grant	\$500,000	24%	1 st Lien on RE/deed restrictions
Other ¹	392,100	19%	
Borrower/Grantee Equity ²	<u>110,000</u>	<u>5%</u>	
Total Project Financing	<u>\$2,102,100</u>	<u>100%</u>	

*Loan shall have a 10-year term at an annual interest rate of 0% in Years 1 through 5, and up to 3% in Years 6 through 10. A balloon payment of \$1.1 million will come due at the end of the fifth year. ESD may defer this payment or exercise other forms of forbearance as described in Financial Terms and Conditions (Loan) #8.

¹This amount will come from a portion of a \$2 million Senate-sponsored grant (X544), used for land acquisition, and approved by the Directors on April 17, 2012.

²This represents 10% equity for the loan. The equity requirement for the grant has been waived.

III. Project Description

A. Borrower/Grantee

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

Borrower/Grantee

History:

Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center is a public benefit corporation established in 1970. Genesee Gateway Local Development Corporation is an affiliate of GCEDC established in 2004 to handle industrial park development, including receipt of grants and loans, and serves as a conduit for such assistance to private companies. In addition to STAMP, GGLDC has completed five park developments: Gateway II Corporate Park, Upstate Med & Tech Park, Buffalo East Technology Park, Genesee Valley Agri-Business Park, and Apple Tree Acres Corporate Park. All of these parks have infrastructure completed and are able to accommodate new business developments.

In late 2005, GGLDC identified a market need to develop a much larger park than those mentioned above. Such a mega site, of at least 1,000 acres, would seek to attract a large-scale advanced manufacturing project. The Borrower/Grantee has identified such a site in the Town of Alabama, and since 2008 has expended several million dollars for preliminary multi-faceted feasibility studies, and once feasibility of such a development was determined, completed an Environmental Impact Statement, community outreach and began to acquire property. GGLDC realizes that, given the massive infrastructure and other demands and issues associated with such a site, there are very few such feasible projects in New York State (“NYS”) or even in the U.S. An example of such a mega site is the Luther Forest project in the Capital Region, a multi-year effort that required a very significant infrastructure build-out and attracted chip-maker Global Foundries. STAMP is the second such mega site in NYS.

Ownership/Size: GCEDC and GGLDC have similar officers and board members. GGLDC currently owns 143 acres (90 of which were purchased with bridge financing after ESD’s incentive offer) and has options on an additional 1,074 acres for the STAMP project. With the expected purchase of an additional 274 acres (364 since ESD’s incentive offer), GCEDC will own a total of 417 acres. The entire STAMP site is approximately 1,250 acres.

ESD Involvement: As a result of the Governor’s Regional Economic Development Council initiative, the Borrower/Grantee was awarded \$500,000 through the

Consolidated Funding Application (“CFA”) process. Subsequently, in order to make possible the purchase of an additional 364 acres when purchase options were due to expire, ESD offered an additional \$1,100,000 in the form of a loan for this project, which will position Western New York State as a hub for advanced technology manufacturing and spur significant regional economic growth.

Competition: Competition comes from companies that conduct national location searches for sites like STAMP. To be competitive, the site must be shovel ready.

Past ESD Support: In April 2012, ESD approved a \$2 million Senate-sponsored grant to GGLDC for a portion of the cost of land acquisition, design, engineering, infrastructure construction, and other soft costs to prepare and market the STAMP site. No disbursements have been made.

In September 2009, ESD approved a \$1 million Senate-sponsored grant for an earlier phase of STAMP, for feasibility studies and for environmental and community outreach. This grant has been fully disbursed.

B. The Project

Completion: Land purchase (364 acres) is expected to be completed in April 2013.

Activity: Under this phase of STAMP, funded by the Grant and Loan, an additional 364 acres of open land will be purchased. All design, engineering and construction for the initial park (initial infrastructure) is expected to be completed by the end of 2014.

Results: There is potential for up to 1,200 jobs at the STAMP site by 2016, and over 9,300 projected jobs at full build-out in 2032.

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

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

- Fiscal benefits to NYS government from the project are estimated at \$107,210;
- Fiscal cost to NYS government is estimated at \$2,866,795;
- Ratio of project fiscal benefits to costs to NYS government is 0.04:1;
- Fiscal benefits to all governments (state and local) are estimated at \$181,389;
- Fiscal cost to all governments is \$2,886,795;
- The fiscal benefit to cost ratio for all governments is 0.06:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$964,217;
- The economic benefit to cost ratio is 0.34:1;
- Project construction cost is \$1,567,100, which is expected to generate 14 direct job years and 10 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.72 indirect job is anticipated in the state's economy.

Fiscal costs include the current project's \$1.1 million capital loan and \$500,000 grant, as well as the \$2 million grant (X544) approved in April 2012 for related Phase III assistance. The estimated net cost to New York State is \$306,795 (net present value, using a 3 percent real discount rate), in either Case (1) a balloon payment of full principal after Year 5; or Case (2) principal and interest payments made in Years 6-10.

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

Borrower/Grantee

Contact: Mark A. Masse , Senior Vice President of Operations
 99 MedTech Drive, Suite 106
 Batavia, NY 14020
 Phone: (585) 343-4866 Fax: (585) 343-0848

ESD Project Nos.: Y089, Y263

Project Team:	Origination	Merideth Andreucci
	Project Management	Edward Muszynski
	Legal	Antovk Pidedjian
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Amit Nihalani
	Environmental	Soo Kang

C. Financial Terms and Conditions (Grant)

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. Up to \$500,000 will be disbursed to Grantee upon documentation of real estate purchase and associated soft project costs totaling approximately \$2,102,100, 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 21, 2012, to be considered eligible project costs. Disbursement of the grant must be requested by April 1, 2014.
4. 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.
5. For five years from the date of the initial disbursement of Grant funds, Grantee shall take the following actions prior to any sale, in whole or in part, with respect to the project site: Obtain ESD written approval that the intended uses for the parcel(s) to be sold are consistent with the goals of the STAMP project. The deed(s) for any project real estate acquired with the use of Grant funds shall be subject to this restriction upon sale (the "Restriction"). Upon ESD's written approval, ESD shall release a prorata share of its mortgage lien and authorize the property owner to refile the deed(s) with the Restriction lifted. In the event that ESD does not approve such a sale or transfer, which then does occur within a five-year period, as defined below, the Grantee shall pay to ESD, promptly upon ESD's written demand therefor, the applicable amount indicated below.

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.

- 6. As security for the payment of any Recapture Amount that may become due and prior to the disbursement of any Grant funds, Borrower shall deliver a collateral mortgage to ESD to secure Borrower's obligation to pay any of the Recapture Amount that may become due (the "Mortgage").

C. Financial Terms and Conditions (Loan)

- 1. The Borrower shall pay a commitment fee of 1% of the \$1,100,000 loan (\$11,000). 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. Receipt of the corporate guarantees of GCEDC and GGLDC (the "Guarantors") in form and substance satisfactory to ESD. In the event that the Borrower decides to create a special purpose entity to own the STAMP real estate and accept the loan, there is no change to the Guarantors. The guarantees are subject to modification by the factors identified in #8 of these Terms and Conditions.
- 4. The Borrower will be required to contribute a minimum of 10% of the loan amount (which equals 10% of the loan-related property acquisition project costs), 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.

The Borrower shall be required to satisfy the equity requirement after the loan has been disbursed. In order to show compliance with the equity requirement, the Borrower will be required to submit quarterly reports after the loan has been disbursed until it has satisfied the equity requirement. Such quarterly reports shall include documentation showing closing, planning and other soft costs.

- 5. Up to \$1,100,000 will be disbursed to the Borrower upon documentation verifying property acquisition project expenditures of \$1,100,000, assuming that all project approvals have been completed and funds are available. Expenses reimbursed by ESD's loan must be incurred on or after February 22, 2013, to be considered eligible project costs. Survey work/other soft costs that had to be expended as of February 1, 2013, will be allowed. Disbursement of the loan must be requested by April 1, 2014.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,100,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Borrower 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. Rate/Term: 10-year term at an annual interest rate of 0% in Years 1 through 5, and up to 3% in Years 6 through 10.
8. Repayment Terms: The loan will be at 0% interest rate with no principal payment due for the first five years (60 months). At the end of the fifth year, a balloon payment of \$1.1 million will come due. Notwithstanding the foregoing, no less than six months prior to the due date for the principal payment set forth in the prior sentence, upon the Borrowers' request and submission of sufficient documentation as to the status of the potential sale, funding and development of the project, ESD will make a reasonable determination as to whether to: (1) require the \$1.1 million balloon payment; (2) waive the obligation to repay the loan; or (3) extend the loan for another five-year period, with payment terms to be determined in consultation with the Borrower but determined by ESD in its sole discretion which payment terms may range from those similar to what is being offered during the first five-year term of the loan (i.e., 0% interest and a balloon payment of the entire principal balance payable at the end of the tenth year), to a fully amortizing loan with equal monthly payments at annual rate of interest not to exceed 3%. In evaluating the repayment terms, ESD will consider a number of key factors, including but not limited to, whether or not a contract for sale to a prospective buyer or future tenant appears imminent, the capacity of the Borrower to repay the loan and the overall status of the STAMP development plan. There is no prepayment penalty. If the Borrower has to sell the land to repay ESD's loan, ESD will grant some consideration if the net sale proceeds are less than the remaining loan balance. Moreover, ESD will make a reasonable determination whether to modify the level of the corporate guarantees if it is shown that such guarantees will have a materially adverse impact on the Guarantors' liquidity, ability to obtain credit or equity financing, or materially impair their ability to undertake significant economic development projects.
9. The Borrower will submit to ESD annual reviewed financial statements and quarterly internal financial statements certified by an officer of the Borrower.
10. Financial Disclosure: Updated financial disclosure on Borrower and all guarantors acceptable to ESD must be provided prior to closing.
11. Lien/Collateral: First mortgage on property acquired with the proceeds of the loan and grant.
12. Due Diligence: Appraisals, and engineering and environmental reviews acceptable to ESD, including a Phase I Environmental Site Assessment covering all parcels purchased with loan

and grant, must be provided prior to closing.

IV. Statutory Basis – Regional Council Capital Fund and Economic Development Purposes Fund

The project was authorized in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site. The 364 acres that Borrower/Grantee is acquiring is farmland that is still in operation. There are no residences located on those 364 acres.

V. Environmental Review

Pursuant to the State Environmental Quality Review Act (“SEQRA”), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), the ESD Directors adopted SEQRA Findings on April 17, 2012 based on the Final Generic Environmental Impact Statement (“FGEIS”) for the Western New York Science and Technology Advanced Manufacturing Park. By adoption of SEQRA Findings, the Directors certified that the requirements of 6 NYCRR Part 617 have been met. The present request for ESD funding does not constitute an action beyond those actions already considered in the FGEIS and does not require additional environmental review under SEQRA.

Due to ESD's mortgage position on the loan and grant, a Phase I Environmental Site Assessment must be submitted to ESD for review and approval prior to closing on the loan and disbursement of the grant.

VI. Smart Growth Public Infrastructure Review

Pursuant to the requirements of the State Smart Growth Public Infrastructure Policy Act (the “SG Act”), and in connection with the previous grant for the STAMP project approved by the Directors in April 17, 2012, ESD’s Smart Growth Advisory Committee previously reviewed a Smart Growth Impact Statement (“SGIS”). This review found it is impracticable for the project to be developed in a manner consistent with the relevant State Smart Growth Public Infrastructure Criteria (“Smart Growth Criteria”) due to the project’s site needs and that the project is justified by the public benefits that would result from the project including increase in high quality jobs and tax revenues. The designee of the Chief Executive Officer of the Corporation has attested that it is impracticable for the project to meet the relevant Smart Growth Criteria set forth in the SG Act and that the project is justified for the reasons stated in the SGIS. This attestation addressed all aspects of the proposed project. Therefore, no further smart growth public infrastructure review is required in connection with this action.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the project. The Borrower/Grantee shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 5% related to the total value of ESD's grant (Y263) and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project. MWBE participation on the loan (Y089) may be utilized toward the goals established for the grant.

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

Resolutions

New York State Map

STAMP Site and Location Maps

Project Finance Memorandum

Benefit-Cost Analysis

March 20, 2013

Regional Council Award – Priority Project – Alabama (Finger Lakes – Genesee County) – GCEDC-GGLDC – Western New York Science, Technology and Advanced Manufacturing Park Capital – Economic Development Purposes Fund and Regional Council Capital Fund – 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 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 GCEDC-GGLDC – Western New York Science, Technology and Advanced Manufacturing Park Capital -- Economic Development Purposes Fund and 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, 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 Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center and Genesee Gateway Local Development Corporation a loan for a total amount not to exceed One Million One Hundred Thousand Dollars (\$1,100,000) from the Economic Development Purposes Fund and 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 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.

* * *

FOR CONSIDERATION

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – New York (New York City Region – New York County) – TAYSTEE CREATE LLC Capital – Regional Council Capital Fund, Empire State Economic Development Fund, and Downstate Revitalization Fund – General Development Financing (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: TAYSTEE CREATE LLC (“TAYSTEE CREATE” or the “Company”)

ESD* Investment: A grant of up to \$10,000,000 to be used for a portion of the cost of construction.

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

Project Locations: 424-458 West 126 Street, and 461 West 125 Street, New York, New York County

Proposed Project: Redevelopment of the former Taystee Bakery complex into an approximately 240,000-square-foot mixed-use facility.

Project Type: Real estate development

Regional Council: The Incentive Offer was accepted in October 2012. The project is consistent with the Regional Plan. The New York City Regional

Economic Development Council identified this as a priority project. The project is located in the 125th Street area, one of 15 Opportunity Zones located throughout New York City that were identified in the NYC REDC Strategic plan. These formerly distressed and under-utilized areas have undergone major rezoning planning and public investment during the past decade, and are now poised for accelerated growth. The transformation of the former Taystee Bakery factory into the CREATE@Harlem Green center for entrepreneurial activity will provide a critically important transitional facility between the historic retail and entertainment district of Central Harlem and the growing universities of Columbia and City College. With support from ESD, the center will provide affordable commercial and industrial space for entrepreneurs, businesses, craftspeople, artists and non-profit organizations.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Real Estate Acquisition	\$2,664,708
Construction/Renovation	44,621,150
Pre-development violation removal	1,111,249
Hard Cost Contingency	4,462,115
Tenant Improvements	7,200,000
Leasing/Marketing	3,500,000
Soft Costs	<u>8,629,142</u>
 Total Project Costs	 <u>\$72,188,364</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant*	\$10,000,000	14%	
Bank Financing	54,888,364	76%	TBD
Company Equity	<u>7,300,000</u>	<u>10%</u>	
 Total Project Financing	 <u>\$72,188,364</u>	 <u>100%</u>	

* Consists of a \$5,000,000 Regional Council Capital Fund grant (X860), a \$1,475,000 Empire State Economic Development Fund grant (X878) and a \$3,525,000 Downstate Revitalization Fund grant (X879).

III. Project Description

A. Company

Industry: TAYSTEE CREATE LLC was established to acquire and redevelop the

former Taystee Bakery complex.

Company History: TAYSTEE CREATE was formed in 2012. TAYSTEE CREATE is comprised of entities controlled by Janus Partners LLC (“Janus”) and Monadnock Construction, Inc. (“Monadnock”). Janus has been based in Harlem for over 20 years and has developed a number of residential, commercial and mixed-use properties in the neighborhood and throughout New York City. This includes the Mink Building/Harlem Green complex that is across the street from the Project Location that currently contains 320,000 square feet and is proposed to be expanded to 500,000 square feet with the recent rezoning. Monadnock is a general contractor and construction management firm based in Brooklyn that was founded in 1975 and has built commercial, mixed-use, community facility and residential projects in New York City, including 9,000 units of housing.

Ownership: TAYSTEE CREATE is owned by Janus and Monadnock.

Size: Janus has developed approximately 750,000 square feet, with projects ranging in size from 40,000 square feet to 320,000 square feet. Monadnock has the experience, expertise and bonding capacity to handle projects ranging from \$8 million to \$200 million in construction cost.

Market: Real estate development

ESD Involvement: As a result of the Governor’s Regional Economic Development Council initiative, TAYSTEE CREATE was awarded \$10,000,000 through the Consolidated Funding Application (“CFA”) process. Development costs for the project are high because of the poor condition of the existing building. The CFA was submitted to secure necessary financing in order to allow the project to proceed.

Competition: N/A

Past ESD Support: In 2006, the ESD Directors approved a \$95,000 grant for a feasibility study to determine the best economic uses for the Mink Building. This project was successfully completed and ESD disbursed this grant in 2008.

B. The Project

Completion: March 2015

Activity: TAYSTEE CREATE purchased the property from New York City Economic Development Corporation in July 2012 after being chosen as the successful respondent to a Request for Expressions of Interest for the property. TAYSTEE CREATE anticipates it will complete designs by April

2013 and will begin development in July 2013. The project entails the redevelopment of the former Taystee Bakery complex into a mixed-use facility that will contain approximately 240,000 square feet, consisting of manufacturing space, office space, retail space and community facility space. The project is anticipated to create up to 440 full-time jobs.

The project will target manufacturing, commercial, retail and community facility users, especially locally-based enterprises looking to expand, in a low-income neighborhood where market rents remain relatively affordable.

Results: The project will produce a new world-class urban place that will bring positive recognition and attention to West Harlem and Manhattanville. The project will attract new companies and businesses as well as provide space for small local businesses, arts and not-for-profit uses that cannot find affordable space in West Harlem, allowing them to grow and prosper in place. The project will bridge the Apollo Theater/West 125th Street entertainment district with the arts and science communities of City College and Columbia University and create a central gathering place for the diverse residents of the area.

Grantee Contact: Jerry Salama, Managing Member
P.O. Box 1795, Manhattanville Station
New York, NY 10027

ESD Project No's.: X860 – Regional Council Capital Fund
X878 – Empire State Economic Development Fund
X879 – Downstate Revitalization Fund

Project Team:	Origination	Joe Tazewell
	Project Management	Brendan Healey
	Contractor & Supplier Diversity	Denise Ross
	Finance	Jonevan Hornsby
	Design & Construction	Joe Burkard
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$10,000,000 capital grant (\$100,000) 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. Janus Partners LLC will guarantee the grant repayment obligation of TAYSTEE CREATE LLC, in the event of a 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 December 16, 2011. 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. The Developer Fee cannot be counted toward the equity requirement.
5. Up to \$10,000,000 will be disbursed to Grantee as reimbursement for eligible expenses 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 project, as evidenced by a temporary 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 October 11, 2012. All disbursements must be requested by September 30, 2016.

6. All disbursements require compliance with NYCEDC deed requirements.
7. Grant funds will be subject to recapture if (i) the property is sold within 5 years of disbursement of funds, (ii) a temporary certificate of occupancy is not obtained by June 30, 2016, or in the event that Grantee has not obtained a temporary certificate of occupancy by that date, until the expiration of any cure period for obtaining the temporary certificate of occupancy permitted by NYCEDC, (iii) the five-year use and ownership deed covenants are violated and NYCEDC does not waive such violation, or (iv) a temporary certificate of occupancy that has been obtained is not current and a certificate of occupancy is not in place.
8. ESD may reallocate the project funds to another form of assistance at an amount no greater than \$10,000,000, 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.

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, 440 full-time jobs are anticipated to be created by tenants.

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

ESD assistance is needed to fill a financing gap and the project would not have proceeded without ESD's assistance.

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

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

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

- Fiscal benefits to NYS government from the project are estimated at \$2,747,543;
- Fiscal cost to NYS government is estimated at \$10,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.27:1;
- Fiscal benefits to all governments (state and local) are estimated at \$5,093,018;
- Fiscal cost to all governments is \$10,000,000;
- The fiscal benefit to cost ratio for all governments is 0.51:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$29,086,550;
- The economic benefit to cost ratio is 2.91:1;
- Project construction cost is \$66,023,656, which is expected to generate 319 direct job years and 171 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.53 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is one year.

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

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

Downstate Revitalization Fund:

This project is authorized under Section 16-r of the New York State Urban Development Corporation Act (the "Act") and satisfies the eligibility criteria in the Act and the rules and regulations for the Downstate Revitalization Fund Program. No residential relocation is required as there are no families or individuals residing on the site.

Regional Council Capital Fund:

The project was authorized in the 2011-12 New York State budget and reappropriated in the 2012-13 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Design and Construction

The project calls for the complete redevelopment of an abandoned industrial building into a 240,000-square-foot mixed use facility consisting of manufacturing, office, retail and community spaces.

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

The aforementioned project will be reviewed in conjunction with D&C requirements and forms.

D&C will review preliminary and final construction documents, project bidding and, at their discretion, visit the site throughout construction before funds are distributed.

VI. Environmental Review

ESD (the "Corporation"), pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), ratifies and makes the following findings based on the Final Environmental Impact Statement ("FEIS") certified as complete on August 24, 2012 by the New York City Planning Commission, as lead agency, in connection with the West Harlem Rezoning project, which includes rezoning to facilitate the redevelopment of the former Taystee Bakery site (the "proposed action").

SEQRA requires the adoption of written findings, supported by a statement of relevant facts and conclusions considered, prior to agency decisions on actions that have been the subject of

an FEIS. The Findings Statement, attached as Exhibit A, contains the facts and conclusions in the Draft Environmental Impact Statement (“DEIS”) and FEIS relied upon to support the Corporation’s decision on the action that is the subject of the requested authorization.

The findings that the Corporation hereby ratify and make are that:

- The Corporation has given consideration to the DEIS and FEIS;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the proposed action is one that avoids or minimizes significant adverse environmental effects to the maximum extent practicable, including the effects disclosed in the relevant environmental impact statement;
- Consistent with social, economic and other essential considerations to the maximum extent practicable, any significant adverse environmental effects revealed in the environmental impact statement process as a result of the proposed action will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigative measures which were identified as practicable;
- The proposed action is in compliance with Section 14.09 of the State Historic Preservation Act.
- The proposed action is consistent with the applicable State coastal policies set forth in 19 NYCRR 600.5.

Therefore, it is recommended that the Corporation ratify and adopt the SEQRA Findings Statement attached as Exhibit A.

VII. Non-Discrimination and Contractor & Supplier Diversity

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

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

Resolutions

New York State Map

Conceptual Drawing and Site Map

Project Finance Memorandum

Benefit-Cost Analysis

Exhibit A – SEQRA Findings Statement

March 20, 2013

Regional Council Award – Priority Project – New York (New York City Region – New York County) – TAYSTEE CREATE LLC Capital – Regional Council Capital Fund, Empire State Economic Development Fund, and Downstate Revitalization Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m, 16-r and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to TAYSTEE CREATE LLC a grant for a total amount not to exceed Ten Million Dollars (\$10,000,000) from the Regional Council Capital Fund, Empire State Economic Development Fund, and Downstate Revitalization Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer

of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer 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.

* * *

March 20, 2013

Regional Council Award – Priority Project – New York (New York City Region – New York County) – TAYSTEE CREATE LLC Capital – General Development Financing (Capital Grant) – Adoption of Findings Pursuant to the State Environmental Quality Review Act

RESOLVED, that with respect to the West Harlem Rezoning project, which includes rezoning to facilitate the redevelopment of the former Taystee Bakery site (the “Project”), the Corporation hereby makes and adopts pursuant to the State Environmental Quality Review Act (“SEQRA”) the following findings and determinations, which findings and determinations are made after full consideration of the Findings Statement attached as Exhibit A hereto, which Exhibit A is hereby adopted by the Corporation and copies of which document are hereby filed with the records of the Corporation.

- The Corporation has given consideration to the Draft and Final Environmental Impact Statement (“DEIS” and “FEIS”, respectively) prepared for the proposed West Harlem Rezoning Project;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the Project is one that avoids or minimizes adverse environmental effects to the maximum extent practicable, including the effects disclosed in the FEIS and the Findings Statement;
- Consistent with social, economic and other essential considerations, to the maximum extent practicable, adverse environmental effects revealed in the environmental impact statement process will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigation measures described in the FEIS and the Findings Statement; and
- The Project is in compliance with Section 14.09 of the State Historic Preservation Act; and
- The Project is consistent with the applicable State coastal policies set forth in 19 NYCRR 600.5.

and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to comply with the requirements of SEQRA in connection with the Project.

* * *

FOR CONSIDERATION

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project - Southern Tier Region - Southern Tier Region Economic Development Corporation – Community Revitalization 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

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 \$2,500,000 to be used to continue funding a regional low-interest loan and grant program to revitalize downtown, rural and neighborhood centers.

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

Project Locations: Various, within the Southern Tier Region

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

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

Regional Council: The Incentive Offer was accepted on February 1, 2013. This is a priority project for the region. The project is consistent with the Regional Plan and defined strategies based on the best use of the region’s assets, ability to capitalize on opportunities and address critical issues impeding growth. The Community Revitalization Program (the “Program”) will fulfill the strategy to strengthen the Southern Tier’s economic development backbone.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Capital Project Loans/Grants	<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	<u>\$2,500,000</u>	100% *
Total Project Financing	<u>\$2,500,000</u>	<u>100%</u>

* Matching funds provided by Program funding recipients will be counted as the equity contribution.

III. Project Description

A. Grantee

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

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

administers and services the loans provided under STREDC.

- Ownership: STREDC is a not-for-profit 404(a).
- Size: STREDC has a board consisting of 13 members representing each county in the Southern Tier. In 2012, STREDC closed two local business loans totaling \$143,000 to assist regional businesses with working capital.
- Market: Business assistance is provided throughout the Southern Tier Region.
- ESD Involvement: As a result of the Governor's Regional Economic Development Council Initiative, STREDC was awarded a second installment of \$2,500,000 through the 2012 Consolidated Funding Application ("CFA") Round 2 process to continue funding a regionally significant initiative, the Community Revitalization Program. This low-interest revolving loan, combination loan/grant and/or convertible loan fund for capital projects would not have been established without ESD assistance.
- Competition: N/A
- Past ESD Support: This is the second ESD grant to the organization to continue funding this Program. In January 2013, the organization closed a Community Revitalization Program CFA Round 1 loan totaling \$500,000.

B. The Project

- Completion: Ongoing
- Activity: STREDC will continue to administer the Program, a regional low-interest revolving loan, combination loan/grant and/or convertible loan fund to facilitate the redevelopment of downtown and community center locations to encourage investment and job creation. The Program will provide gap financing to redevelop commercial structures, develop new buildings and improve downtown, rural and neighborhood centers. Eligible applicants include cities, towns and villages within the eight-county Southern Tier Region. Funds will provide gap financing for capital use and will leverage additional financing from federal, state, municipal, and local development agencies, and corporations and private sector entities.
- Results: The Program will assist community neighborhood commercial center revitalization projects in the Southern Tier to improve downtowns with mixed-use residential/commercial and retail opportunities. Communities utilizing these funds will have the ability to identify their own priorities and structure projects to support unique local needs in targeted areas.

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

ESD Project No.: Y111

Project Team:	Origination	Kevin McLaughlin
	Project Management	Robin Alpaugh
	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 to 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. The Grantee may require the project developer to provide a corporate/personal guarantee as it relates to the individual project that utilizes Program funding.
4. Up to \$2,500,000 will be disbursed to the Grantee in four installments as follows:

- a) an Initial Disbursement of an amount equal to 30% of the grant (\$750,000) upon execution of a Grant Disbursement Agreement, and upon documentation verifying disbursement of at least 90% of the Round 1 Program funds (\$2,250,000), assuming that all project approvals have been completed and funds are available;
- b) a Second Disbursement of an amount equal to 30% of the grant (\$750,000) will be disbursed upon documentation verifying disbursement of at least 75% of the first advance (\$562,500) and Grantee's compliance with Program reports and requirements, including meeting expected goals;
- c) a Third Disbursement of an amount equal to 30% of the grant (\$750,000) will be disbursed upon documentation verifying disbursement of 100% of the first advance and 75% of the second advance (\$1,312,500 cumulative) and Grantee's compliance with Program reports and requirements, including meeting expected goals; and
- d) a Fourth Disbursement of an amount equal to 10% of the grant (\$250,000) will be disbursed upon documentation verifying disbursement of 100% of the first and second advances and 75% of the third advance (\$2,062,500 cumulative) and Grantee's compliance with Program reports and requirements, including meeting expected goals.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after February 1, 2013 to be considered eligible project costs. All disbursements must be requested by April 1, 2017. ESD will be entitled to recoup any advanced funds that are not disbursed by Grantee in a timely fashion.

- 5. ESD must approve the Program's grant/loan application, marketing material and deal sourcing strategies, due diligence process, grant/loan approval guidelines, underwriting policy and guidelines, portfolio management and monitoring processes, and goals.
- 6. ESD, via the Southern Tier Regional Office, will approve all funding recommendations. ESD funds should be allocated as grants and loans in a proportional share to the Program's other funding sources. No single investment of ESD funds may exceed \$250,000 without written consent of ESD, via the Southern Tier Regional Office. ESD funds may not be subject to a higher risk compared with other Program funds.
- 7. ESD funds will be deposited in an account (the "Imprest Account") at a bank mutually acceptable to ESD (as set forth in writing by ESD) and the Grantee. Funds in the Imprest Account, from the time of deposit and until disbursed from such account in accordance with terms to be approved by the ESD Directors, will be invested in accordance with ESD's Investment Guidelines. ESD shall be provided with copies of all account statements, and reports in accordance with reporting requirements. All returns on ESD investments shall be kept in the same imprest account and shall be used exclusively for subsequent Program loans and grants.

8. Grantee will report quarterly on investments and related Program activity. Such reports will contain information on investments, current status, leveraged funds, business revenue, job creation outcomes, and other items as determined by ESD. Once the Grantee has provided documentation verifying disbursement of the entire \$2,500,000 in grant funds, the Grantee will report annually on investments and related Program activity during the term of the bonds that will be issued to provide the grant (term to be noted in final Grant Disbursement Agreement).
9. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis - Regional Council Capital Fund

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

V. Environmental Review

ESD staff has determined that the project constitutes a Type II ministerial action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. The recipient of fund disbursements will be responsible for complying with SEQRA as applicable. No further environmental review is required in connection with this authorization.

VI. Non-Discrimination and Contractor & Supplier Diversity

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

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

List of STREDC Program Loans/Grants

March 20, 2013

Regional Council Award – Priority Project - Southern Tier Region – Southern Tier Region Economic Development Corporation - Community Revitalization 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

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 Region – Southern Tier Region Economic Development Corporation - Community Revitalization 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 the Southern Tier Region Economic Development Corporation a grant for a total amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

FOR CONSIDERATION

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project - Southern Tier Region - Southern Tier Region Economic Development Corporation – Rural Initiative 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

General Project Plan

I. Project Summary

Grantee: Southern Tier Region Economic Development Corporation (“STREDC”)

Beneficiary Organizations: Businesses and organizations throughout the Southern Tier Region

ESD* Investment: A grant of up to \$1,000,000 to be used to continue funding a regional low-interest loan and grant fund to reduce financial risk and increase sustainability of agriculture and forestry ventures.

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

Project Locations: Various, within the Southern Tier Region

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

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

Regional Council: The Incentive Offer was accepted on February 1, 2013. The is a priority project for the region. The project is consistent with the Regional Plan and defined strategies based on the best use of the region’s assets, ability to capitalize on opportunities and address critical issues impeding growth. The Rural Initiative Program (the “Program”) will fulfill the strategy to revitalize the rural farm and forest-based economy in the region.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Capital Project Loans/Grants	<u>\$1,000,000</u>	
Total Project Costs	<u>\$1,000,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	<u>\$1,000,000</u>	100% *
Total Project Financing	<u>\$1,000,000</u>	<u>100%</u>

* Matching funds provided by Program funding recipients will be counted as the equity contribution.

III. Project Description

A. Grantee

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

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

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

Size: STREDC has a board consisting of 13 members representing each county in the Southern Tier. In 2012, STREDC closed two local business loans totaling \$143,000 to assist regional businesses with working capital.

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

ESD Involvement: As a result of the Governor’s Regional Economic Development Council Initiative, STREDC was awarded a second installment of \$1,000,000 through the Consolidated Funding Application (“CFA”) Round 2 process to fund a regionally significant initiative, the Rural Initiative Program (the “Program”). This low-interest revolving loan, combination loan/grant and/or convertible loan fund for capital projects would not have been established without ESD assistance.

Competition: N/A

Past ESD Support: This is the second ESD grant to the organization to continue funding this program. To date, ESD funds have assisted five Rural Initiative projects totaling \$497,665 since the Program was established in 2012.

B. The Project

Completion: Ongoing

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

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

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

ESD Project No.: Y113

Project Team:	Origination	Kevin McLaughlin
	Project Management	Robin Alpaugh
	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 the Program borrowers (*i.e.*, not more than 0.5% of the loan amount), ESD will waive the provision regarding payment to the Corporation by the Grantee at signing of an amount equal to 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. The Grantee may require the Program Beneficiary to provide a corporate/personal guarantee as it relates to the individual project that utilizes Program funding.
4. Up to \$1,000,000 will be disbursed to the Grantee in four installments as follows:
 - a) an Initial Disbursement of an amount equal to 30% of the grant (\$300,000) upon

- execution of a Grant Disbursement Agreement, and upon documentation verifying disbursement of at least 90% of the Round 1 Program funds (\$2,700,000), assuming that all project approvals have been completed and funds are available;
- b) a Second Disbursement of an amount equal to 30% of the grant (\$300,000) will be disbursed upon documentation verifying disbursement of at least 75% of the first advance (\$225,000) and Grantee's compliance with Program reports and requirements, including meeting expected goals;
 - c) a Third Disbursement of an amount equal to 30% of the grant (\$300,000) will be disbursed upon documentation verifying disbursement of 100% of the first advance and 75% of the second advance (\$525,000 cumulative) and Grantee's compliance with Program reports and requirements, including meeting expected goals; and
 - d) a Fourth Disbursement of an amount equal to 10% of the grant (\$100,000) will be disbursed upon documentation verifying disbursement of 100% of the first and second advances and 75% of the third advance (\$825,000 cumulative) and Grantee's compliance with Program reports and requirements, including meeting expected goals.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after February 1, 2013 to be considered eligible project costs. All disbursements must be requested by April 1, 2017. ESD will be entitled to recoup any advanced funds that are not disbursed by Grantee in a timely fashion.

- 5. ESD must approve the Program's grant/loan application, marketing material and deal sourcing strategies, due diligence process, grant/loan approval guidelines, underwriting policy and guidelines, portfolio management and monitoring processes, and goals.
- 6. ESD, via the Southern Tier Regional Office, will approve all funding recommendations. ESD funds should be allocated as loans in a proportional share to the Program's other funding sources. No single investment of ESD funds may exceed \$250,000 without written consent of ESD, via the Southern Tier Regional Office. ESD funds may not be subject to a higher risk compared with other Program funds.
- 7. ESD funds will be deposited in an account (the "Imprest Account") at a bank mutually acceptable to ESD (as set forth in writing by ESDC) and the Grantee. Funds in the Imprest Account, from the time of deposit and until disbursed from such account in accordance with terms to be approved by the ESD Directors, will be invested in accordance with ESD's Investment Guidelines. ESD shall be provided with copies of all account statements, and reports in accordance with reporting requirements. All returns on ESD investments shall be kept in the same imprest account and shall be used exclusively for subsequent Program loans and grants.

8. Grantee will report quarterly on investments and related Program activity. Such reports will contain information on investments, current status, leveraged funds, business revenue, job creation outcomes, and other items as determined by ESD. Once the Grantee has provided documentation verifying disbursement of the entire \$1,000,000 in grant funds, the Grantee will report annually on investments and related Program activity during the term of the bonds that will be issued to provide the grant (term to be noted in final Grant Disbursement Agreement).
9. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Regional Council Capital Fund

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

V. Environmental Review

ESD staff has determined that the project constitutes a Type II 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 and Affirmative Action policy will apply. The Grantee is encouraged to use good faith to achieve a Minority Business Enterprise participation goal of 10% and a Women Business Enterprise participation goal of 10% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the project, and to include minorities and women in any job opportunities created by the project.

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

List of STREDC Program Loans/Grants

March 20, 2013

Regional Council Award – Priority Project - Southern Tier Region - Southern Tier Region Economic Development Corporation – Rural Initiative 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

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 Region - Southern Tier Region Economic Development Corporation – Rural Initiative 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 the Southern Tier Region Economic Development Corporation a grant for a total amount not to exceed One Million Dollars (\$1,000,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer 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.

* * *

FOR CONSIDERATION

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

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

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 \$1,500,000 to be used to continue funding a regional low-interest loan fund to facilitate shovel ready sites for development.

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

Project Locations: Various, within the Southern Tier Region

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

Project Type: Regional low-interest loan program

Regional Council: The Incentive Offer was accepted on February 1, 2013. This is a priority project for the region. The project is consistent with the Regional Plan and defined strategies based on the best use of the region's assets, ability to capitalize on opportunities and address critical issues impeding growth. The Shovel Ready Program (the "Program") will fulfill the strategy to strengthen the Southern Tier's economic development backbone.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Capital Project Loans	<u>\$1,500,000</u>	
Total Project Costs	<u>\$1,500,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	<u>\$1,500,000</u>	100% *
Total Project Financing	<u>\$1,500,000</u>	<u>100%</u>

* Matching funds provided by Program funding recipients will be counted as the equity contribution.

III. Project Description

A. Grantee

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

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

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

Size: STREDC has a board consisting of 13 members representing each county in the Southern Tier. In 2012, STREDC closed two local business loans totaling \$143,000 to assist regional businesses with working capital.

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

ESD Involvement: As a result of the Governor’s Regional Economic Development Council Initiative, STREDC was awarded a second installment of \$1,500,000 through the Consolidated Funding Application (“CFA”) Round 2 process to fund a regionally significant initiative, the Shovel Ready Program. This low-interest revolving loan fund for capital projects would not have been established without ESD assistance.

Competition: N/A

Past ESD Support: This is the second ESD grant to the organization to continue funding this Program. STREDC is working to close two Shovel Ready projects through this initiative from the CFA Round 1 allocation totaling \$2,484,336.

B. The Project

Completion: Ongoing

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

Results: The Program will increase the Southern Tier Region’s capacity to attract and support business development by lowering the cost of site preparation and helping to position sites for NYS Shovel Ready Certification. Shovel Ready Certification is an ongoing component of ESD’s Build Now-NY program which has been helping local communities attract substantial private-sector investment and create jobs. The certification is available to any site in New York that is suitable for the

type of development proposed, has proper zoning and infrastructure, has completed the appropriate surveys and studies, and has received the necessary permits and approvals. The Shovel Ready Program will enhance the effectiveness of ESD's existing certification of developable properties. Communities utilizing these funds will be more competitive in future site selection activity, resulting in investment and new job creation.

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

ESD Project No.: Y110

Project Team:	Origination	Kevin McLaughlin
	Project Management	Robin Alpaugh
	Legal	Richard Dorado
	Contractor & Supplier Diversity	Denise Ross
	Finance	Amit Nihalani
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project. Due to the Grantee's exceptionally low fees and administrative charges for 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 to 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 \$1,500,000 will be disbursed to the Grantee in four installments as follows:
 - a) an Initial Disbursement of an amount equal to 30% of the grant (\$450,000) upon execution of a Grant Disbursement Agreement, and upon documentation verifying disbursement of at least 90% of the Round 1 Shovel Ready funds (\$2,250,000), assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 30% of the grant (\$450,000) will be disbursed upon documentation verifying disbursement of at least 75% of the first advance (\$337,500) and Grantee's compliance with Program reports and requirements, including meeting expected goals;
 - c) a Third Disbursement of an amount equal to 30% of the grant (\$450,000) will be disbursed upon documentation verifying disbursement of 100% of the first advance and 75% of the second advance (\$787,500 cumulative) and Grantee's compliance with Program reports and requirements, including meeting expected goals; and
 - d) a Fourth Disbursement of an amount equal to 10% of the grant (\$150,000) will be disbursed upon documentation verifying disbursement of 100% of the first and second advances and 75% of the third advance (\$1,237,500 cumulative) and Grantee's compliance with Program reports and requirements, including meeting expected goals.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after February 1, 2013 to be considered eligible project costs. All disbursements must be requested by April 1, 2017. ESD will be entitled to recoup any advanced funds that are not disbursed by Grantee in a timely fashion.

5. ESD must approve the Program's loan application, marketing material and deal sourcing strategies, due diligence process, loan approval guidelines, underwriting policy and guidelines, portfolio management and monitoring processes, and goals.
6. ESD, via the Southern Tier Regional Office, will approve all funding recommendations. ESD funds should be allocated as loans in a proportional share to the Program's other funding sources. No single investment of ESD funds may exceed \$250,000 without written consent of ESD, via the Southern Tier Regional Office. ESD funds may not be subject to a higher risk compared with other Program funds.
7. ESD funds will be deposited in an account (the "Imprest Account") at a bank mutually acceptable to ESDC (as set forth in writing by ESD) and the Grantee. Funds in the Imprest Account, from the time of deposit and until disbursed from such account in accordance with terms to be approved by the ESD Directors, will be invested in accordance with ESD's Investment Guidelines. ESD shall be provided with copies of all account statements, and reports in accordance with reporting requirements. All returns on ESD investments shall be kept in the same imprest account and shall be used exclusively for subsequent Program loans.

8. Grantee will report quarterly on investments and related Program activity. Such reports will contain information on investments, current status, leveraged funds, business revenue, job creation outcomes, and other items as determined by ESD. Once the Grantee has provided documentation verifying disbursement of the entire \$1,500,000 in grant funds, the Grantee will report annually on investments and related Program activity during the term of the bonds that will be issued to provide the grant (term to be noted in final Grant Disbursement Agreement).
9. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$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.

IV. Statutory Basis - Regional Council Capital Fund

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

V. Environmental Review

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

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

List of STREDC Program Loans/Grants

March 20, 2013

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

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 the Southern Tier Region Economic Development 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 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.

* * *

FOR CONSIDERATION

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Various (Western New York Region – Erie, Niagara, and Chautauqua Counties) – Buffalo Neighborhood Stabilization Company Small Business Green Retrofit 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: Buffalo Neighborhood Stabilization Company (the “BNSC”)

Beneficiaries: Small businesses and not-for-profits to be determined at a later date.

ESD* Investment: A grant of up to \$800,000 to be used to establish a regional grant fund for capital project purposes.

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

Project Locations: Various locations throughout Erie, Niagara, and Chautauqua Counties.

Proposed Project: Establish the BNSC Small Business and Not-for-Profit Building Improvement Grant Program.

Project Type: Capital Improvements

Regional Council: The Incentive Offer was accepted in October 12, 2012. This is a priority project for the Western New York Regional Council Plan and will have an economic impact on the region by reducing energy usage, creating new green jobs, promoting smart growth, and providing workforce training.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Pre-retrofit renovations	<u>\$1,600,000</u>	
Total Project Costs	<u>\$1,600,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	<u>\$ 800,000</u>	<u>100%*</u>
Total Project Financing	<u>\$1,600,000</u>	<u>100%</u>

** Please note that matching funds will be provided by Beneficiaries and will be counted as the equity contribution.

III. Project Description

A. Grantee

Industry: The BNSC is a subsidiary of People for Sustainable Housing (“PUSH”), a non-profit community organization working to rebuild the West Side of the City of Buffalo (“Buffalo”) through neighborhood organization, action-planning and redevelopment initiatives. The BNSC focuses on housing development.

Grantee History: The BNSC was established in 2009 to conduct day-to-day operations and management of housing and land development within PUSH’s Green Development Zone (“GDZ”) while striving to increase property ownership by low-income residents. The GDZ is bounded by West Utica Avenue, Richmond Avenue, 15th Street and West Ferry Street, on Buffalo’s Upper West Side, which has experienced declining housing conditions, but has many assets on which to build. In addition to its building rehabilitation activities, the BNSC has expanded Upper West Side residents’ access to funds for weatherization. In 2009, PUSH canvassed the GDZ to generate applications for federal stimulus funds earmarked for home weatherization and within two weeks, residents submitted more than

400 applications resulting in \$2 million worth of weatherization projects now underway in the GDZ.

Ownership: Private not-for-profit 501(c)3 corporation

Size: All operations are located in Buffalo, NY.

Market: Small businesses and not-for-profits in Erie, Niagara and Chautauqua Counties.

ESD Involvement: As a result of the Governor's Regional Economic Development Council Initiative, the BNSC was awarded \$800,000 through the Consolidated Funding Application ("CFA") process to fund a regionally significant initiative. The BNSC will establish the region-wide BNSC Small Business and Not-for-Profit Building Improvement Grant Program (the "Grant Program") to assist Beneficiaries with pre-retrofit building improvements necessary to qualify for New York State's Energy Research and Development Authority's ("NYSERDA") Green Jobs/Green NY ("GJGNY") Program. GJGNY is a statewide program promoting energy efficiency and the installation of clean technologies to reduce energy costs and reduce carbon emissions by providing free energy assessments and affordable financing. GJGNY, through a rolling CFA application process, enables homeowners, small businesses, faith-based institutions, non-profits and multi-family building owners to complete energy efficient improvements, as well as providing training pathways for various green-collar careers. The BNSC is NYSERDA's designated implementing agency for GJGNY in the Western New York Region and is following best practices developed by similar entities in Seattle, WA and Portland, OR and Boulder, CO.

Competition: N/A

Past ESD Support: In November 2012, the ESD Directors approved a \$320,000 RESTORE NY III grant to the City of Buffalo to assist PUSH with the rehabilitation of two vacant structures into three units of affordable housing and the construction of an affordable two-family residence. The Project is currently underway.

B. The Project

Completion: October 2016

Activity: The Grant Program, which compliments PUSH's residential GJGNY weatherization efforts, will subsidize the costs to complete essential pre-retrofit building repairs to roofs, building envelopes and foundations to

eliminate moisture penetration, allowing existing small businesses and not-for-profits to qualify for the GJGNY program. Grant Program funds will be used to reimburse a maximum of 50% (up to \$35,000 per Beneficiary pre-retrofit project, but not to exceed 25% of the Beneficiary combined pre-retrofit and retrofit total project costs) of eligible pre-retrofit costs including roof leaks, decaying structural supports, ventilation, masonry repairs, deteriorating lead painted surfaces, mold, and asbestos abatement/removal, as deemed necessary by a certified energy auditor to qualify for GJGNY.

In 2012, the BNSC launched its PUSH Green grassroots marketing campaign as an independent contractor to NYSERDA under GJGNY. The GJGNY program, including all marketing and outreach activities, is being supported by a \$112 million allocation of funds from the Regional Greenhouse Gas Initiative (“RGGI”). The BNSC’s marketing efforts in GJGNY have included literature drops, phone calls, door-to-door canvassing, and community events in 27 economically distressed zip codes in Erie County (the “Target Areas) and will promote the Grant Program with the support of local community and business leaders, NYSERDA’s FlexTech small commercial program implementer, CJ Brown Energy, and the Small Business Development Center (“SBDC”) at Buffalo State College. Additionally, the BNSC will partner with regional stakeholders to promote the program in Niagara and Chautauqua counties. To date, the SBDC has identified approximately 40 small businesses in the Target Areas interested in energy efficiency improvements.

The Grantee has established relationships with nine regional weatherization contractors and energy auditors which have agreed to hire and train approximately 20 unemployed or under-represented workers, with salaries starting at \$17/hour, to conduct the building retrofits. The BNSC is currently working with the contractors and auditors to connect them with NYSERDA and New York State Department of Labor-sponsored workforce development, on-the-job training, and business support services. To date, the BNSC has referred over 50 individuals from disadvantaged communities to industry relevant training, ten of whom have transitioned into jobs in the residential weatherization sector. Two weatherization contractors, Acumen Insulation and Coatings and The Outsource Center, are certified minority-owned business enterprises.

The BNSC has provided ESD with its Grant Program’s grant application and monitoring plan for consideration, and will provide ESD with its grant approval guidelines and established goals for approval.

Results: The Grant Program is expected to assist up to sixty Beneficiaries with pre-retrofit expenditures necessary to qualify for the GJGNY program; reduce overhead costs of businesses by reducing energy usage; reduce greenhouse gas emissions; generate jobs for local contractors and materials manufacturing companies; foster reinvestment in key commercial corridors in older districts promoting smart growth initiatives by reducing sprawl and helping to reinvigorate commercial centers in urban districts; and leverage at least \$4 million in private investment.

Economic Growth

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

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

- Fiscal benefits to NYS government from the project are estimated at \$108,773;
- Fiscal cost to NYS government is estimated at \$800,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.14:1;
- Fiscal benefits to all governments (state and local) are estimated at \$186,443;
- Fiscal cost to all governments is \$800,000;
- The fiscal benefit to cost ratio for all governments is 0.23:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$981,829;
- The economic benefit to cost ratio is 1.23:1;
- Project construction cost is \$1,600,000, which is expected to generate 15 direct job years and 11 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.69 indirect jobs are anticipated in the state's economy;

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

Grantee Contact: Mr. Clarke Gocker, Director of Workforce Initiatives
271 Grant Street
Buffalo, NY 14213
Phone: (716) 884-0356 Fax: (716) 884-0358

ESD Project No.: X695

Project Team:	Origination	Holly Ortman
	Project Management	Jean Williams
	Legal	Steve Gawlik
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Ross Freeman
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$800,000 capital grant (\$8,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement
3. People for Sustainable Housing will guarantee the grant repayment obligation of its subsidiary, the Buffalo Neighborhood Stabilization Company, in the event of an Employment Shortfall or other default, as defined in these materials or the Grant Disbursement Agreement
4. The Grantee will be required to verify and provide documentation that each Beneficiary contributes a minimum of 10% of the pre-retrofit costs 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/Beneficiary or by investors, and should be auditable through Grantee/Beneficiary financial statements or Grantee/Beneficiary accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
5. Up to \$800,000 will be deposited into an imprest account in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 30% of the grant (\$240,000) into the imprest account upon execution of a Grant Disbursement Agreement and reimbursement of project fees, and receipt of required documentation, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 35% of the grant (\$280,000) into the imprest account upon documentation verifying Beneficiary disbursement of at least

- \$165,000 of the first advance and that the imprest balance is \$75,000 or below. Payment will be made upon presentation to ESD of proof of reimbursement to each Beneficiary; copies of all invoices and cancelled checks for pre-retrofit building improvements for each completed project; signed agreements with each Program participant to complete Green Jobs/Green NY (“GJGNY”) energy retrofits, proof of equity contribution, and such other documentation as ESD may reasonably require, including updated program reports; and
- c) a Final Disbursement of an amount equal to 35% of the grant (\$280,000) into the imprest account upon verification of Beneficiary disbursement of at least an additional \$280,000 (aggregate disbursement of \$445,000) and documentation that the imprest account balance is once again \$75,000 or below. Payment will be made upon presentation to ESD of proof of reimbursement to each beneficiary; copies of all invoices and cancelled checks for pre-retrofit building improvements for each completed project; signed agreements with Program participants to complete GJGNY energy retrofits, and such other documentation as ESD may reasonably require, including updated program reports.

ESD funds will be used to reimburse to a maximum of 50% of the eligible pre-retrofit costs per Beneficiary project. No single investment of ESD funds may exceed \$35,000 without written consent of ESD, via the Western New York Regional Office.

The Second and Final Disbursements are contingent on complete documentation supporting the previous advance. If insufficient documentation is submitted for any Beneficiary, ESD will subtract the amount of that imprest account disbursement from the current disbursement amount.

Supporting documentation for reimbursements subsequent to the final disbursement in an amount of up to \$355,000 (an aggregate total of up to \$800,000) must be received by ESD no later than October 1, 2018. Insufficiently documented pre-retrofit building improvements are subject to recapture.

The remaining balance of the imprest account on October 1, 2018, shall be returned to ESD, unless the Recipient requests and ESD approves a Program extension.

Grant funds will be subject to recapture if any Beneficiary receiving funds for pre-retrofit work fails to complete the GJGNY energy retrofit renovations portion of their project.

If the GJGNY program is discontinued, the Grantee will return all undisbursed funds remaining in the imprest account to ESD within three months of the GJGNY program’s cessation date.

All disbursements require compliance with program requirements and must be requested by no later than October 1, 2017. Expenditures incurred prior to written acceptance of this Incentive Proposal cannot be reimbursed by grant funds.

ESD must approve the Program's grant application, grant approval guidelines, monitoring processes, and goals.

Recipient will report quarterly through the term of the grant. Such reports will contain a cumulative summary of Program activities including (but not limited to): current status, leveraged funds, progress on GJGNY retrofit projects, completion dates of GJGNY retrofits for each Beneficiary, current imprest account statements including amount of accrued interest, and other items as determined by ESD.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$800,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Regional Council Capital Fund

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

V. Environmental Review

ESD staff has determined that the project constitutes a Type II ministerial action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. The recipient of fund disbursements will be responsible for complying with SEQRA as applicable. No further environmental review is required in connection with this authorization.

VI. 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. The Office of Contractor and Supplier Diversity has reviewed the project and has determined that, due to the highly specialized and unique nature of this project, there exists little to no potential for MWBE participation. As such, participation goals will not be established or required.

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

Benefit-Cost Analysis

March 20, 2013

Regional Council Award – Priority Project – Various (Western New York – Erie, Niagara, Chautauqua County) – Buffalo Neighborhood Stabilization Company Small Business Green Retrofit 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 Buffalo Neighborhood Stabilization Company Small Business Green Retrofit 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 Buffalo Neighborhood Stabilization Company a grant for a total amount not to exceed Eight Hundred Thousand Dollars (\$800,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

FOR CONSIDERATION

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award –Priority Project - (North Country Region – Hamilton and Fulton Counties) – Hamilton County Broadband Capital– Regional Council Capital Fund (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Hamilton County (the “County”)

* Investment: A grant of up to \$472,000 to be used for a portion of the cost of broadband infrastructure network installations in Hamilton and Fulton Counties.

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

Project Locations: Hamilton County: Lake Pleasant, Wells, Indian Lake, North Creek, Lake Luzerne, Raquette Lake, Blue Mountain Lake, Eagle Bay, Long Lake

Fulton County: Gloversville, Northville, Mayfield, Broadalbin, Johnstown

Proposed Project: Install broadband infrastructure network connections throughout Hamilton County and part of Fulton County.

Project Type: Capital project to develop broadband infrastructure network.

Regional Council: The Incentive Offer was accepted in July 2012. The project is consistent with the North Country Regional Economic Development Council’s (“NCREDC”) Regional Plan. A key NCREDC strategy is business retention and expansion. This project supports existing business entities and creates new opportunities for Hamilton County to cultivate economic development and create new employment. This project supports NCREDC’s vision to attract and nurture entrepreneurial pioneers to cultivate innovative clusters in rural communities.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Infrastructure/Sitework	\$85,554	
Equipment	274,862	
Administrative	52,216	
Engineering	<u>111,812</u>	
Total Project Costs	<u>\$524,444</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$472,000	90%
Hamilton County Equity	<u>52,444</u>	<u>10%</u>
Total Project Financing	<u>\$524,444</u>	<u>100%</u>

III. Project Description

A. Organization

Industry: County Government

County History: Hamilton County was founded in 1816. Hamilton County lies entirely within the Adirondack Park and is the least populated of New York’s 62 counties. The Hamilton County permanent resident population is 4,793.

ESD Involvement: As a result of the Governor’s Regional Economic Development Council Initiative, Hamilton County was awarded \$472,000 through the Consolidated Funding Application (“CFA”) process. Hamilton County requested ESD assistance to help finance its broadband project. This project was undertaken and only made possible with ESD assistance.

Past ESD Support: This is Hamilton County’s first capital project with ESD. Hamilton County is presently receiving ESD assistance under the Hurricane Irene – Tropical Storm Lee Flood Mitigation program.

B. The Project

Completion: January 2013

Activity: Hamilton County contracted with telecommunication firms to install the broadband network access infrastructure throughout Hamilton County and parts of adjacent Fulton County. Hamilton County obtained competitive bids from telecommunication and equipment firms. Frontier Communications, the authorized telecommunications provider in the region, contracted to perform the work and complied with ESD’s MWBE requirements with the utilization of Pivotel LLC, based in Norwich, New York, as a supplier of certain telecommunications equipment.

Results: Without the broadband infrastructure network project, Hamilton County cannot expect to enhance quality of life, grow jobs, increase population, or develop private business investments. With broadband service, Hamilton County plans to form coalitions with other adjacent counties which are already “wired” to build on regional strengths and resources in the North Country Region. Broadband access is considered basic to modern business needs and essential to attract new, young entrepreneurs and populations.

Infrastructure

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

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

- Fiscal benefits to NYS government from the project are estimated at \$13,337;
- Fiscal cost to NYS government is estimated at \$472,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.03:1;
- Fiscal benefits to all governments (state and local) are estimated at \$22,524;
- Fiscal cost to all governments is \$472,000;
- The fiscal benefit to cost ratio for all governments is 0.05:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$112,396;
- The economic benefit to cost ratio is 0.24:1;
- Project construction cost is \$197,366, which is expected to generate two direct job years and one indirect job year of employment;
- For every construction-related direct job generated by this project, an additional 0.45 indirect job is anticipated in the state's economy.

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

Grantee Contact: Ms. Ann Melious
 102 County View Dr.
 Lake Pleasant NY 12108
 Phone: (518) 548-3076 Fax: (518) 548-3091

ESD Project No.: X706

Project Team:	Origination/Project Management	John Vandello
	Contractor & Supplier Diversity	Diane Kinnicutt
	Finance	Amit Nihalani
	Design & Construction	Scott Renzi
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the County shall pay a commitment fee of 1% of the \$472,000 Capital Grant (\$4,720) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The County will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The County will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$472,000 will be disbursed to Grantee in arrears in three installments:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$236,000) upon completion of the project segment to include: installation of a 10-meg network at the Frontier Communication central office serving Hamilton County; and installation of 10-gig equipment and IP DSLAM equipment in Lake Pleasant, Wells, North Creek, Lake Luzerne, Gloversville, Northville, Mayfield, Broadalbin, Gloversville, and Johnstown. Also required is documentation verifying the purchase and installation of \$136,000 in telecommunications equipment, project expenditures of approximately \$260,000 for this segment, and any other documentation as ESD may require, assuming that all project approvals have been completed and funds are available and compliance with ESD's Design and Construction requirements for this project;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$118,000) upon completion of the project segment to include: installation of 10-gig equipment and IP DSLAM equipment at the Frontier Communication central offices at Raquette Lake, Blue Mountain Lake, Indian Lake, and Eagle Bay. Also required is documentation verifying an additional \$89,000 for the purchase and installation of telecommunications equipment and additional project expenditures of \$137,000 for this segment (cumulative \$397,000) and any other documentation as ESD may require, and compliance with ESD's Design and Construction requirements for this project; and
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$118,000) upon completion of the project segment to include: installation 10-gig equipment and IP DSLAM equipment at the Frontier Communication central office, and four remote switches serving Hamilton County, adding additional IP DSLAM equipment at Raquette Lake, Long Lake, Blue Mountain Lake, Lake Pleasant, and Wells. Also required is documentation verifying an additional \$49,000 for the purchase and installation of telecommunications equipment and total project expenditures of \$127,400 for this segment (cumulative \$524,400) and any other documentation as ESD may require, provided grantee is otherwise in compliance with program requirements and compliance with ESD's Design and Construction requirements for this project.

Also required is the completion of the total project including all segments as

described in these materials, satisfactory operation of the entire broadband infrastructure network system, 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 require. Expenses must be incurred on or after July 16, 2012 to be considered eligible project costs. All disbursements must be requested by April 1, 2014.

6. ESD may reallocate the project funds to another form of County assistance, at an amount no greater than \$472,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the County 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. If the Grantee is not the owner of the project, or if the property is no longer operational (unless replaced by improved technology), then the Grantee shall prohibit, for five years from the date of the initial disbursement of Grant funds, any transfer of the project in whole or in part, by sale, lease, or conveyance of any interest in or with respect to the project except (a) transfers of minor interests in the project site, such as utility easements and limited rights-of-way, and (b)(i) the arms-length basis sale or lease of individual condominium units in the ordinary course of business for a condominium development and (ii) the arms-length basis residential or commercial lease in the ordinary course of business for a commercial, residential, or mixed-use rental development. In the event that such a prohibited transfer occurs within such five-year period, the Grantee shall pay to ESD, promptly upon ESD's written demand therefore, the applicable amount indicated below.

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

V. Environmental Review

ESD staff has determined that the project constitutes a Type II 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. 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.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination and Contractor Diversity policy will apply to this project. The Grantee shall be required to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project. Considering the limited potential for MWBE utilization in the project scope and a lack of available and qualified firms in the relevant industries, the Grantee shall be required to use Good Faith Efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 2.5% related to the total value of ESD’s funding.

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

Benefit-Cost Analysis

March 20, 2013

Regional Council Award – Priority Project (North Country Region – Hamilton and Fulton Counties) – Hamilton County Broadband Capital– Regional Council Capital Fund (Capital Grant)

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, (“the Corporation”) relating to the Hamilton County Broadband 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 Hamilton County a grant for a total amount not to exceed Four Hundred Seventy Two Thousand Dollars (\$472,000) 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

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

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

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

General Project Plan

I. Project Summary

Grantee: Matt Industries Corporation d/b/a Dupli Envelope and Graphics Corporation (“Dupli” or the “Company”)

ESD* Investment: A grant of up to \$150,000 to be used for a portion of the cost of machinery and equipment.

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

Project Locations: One Dupli Park Drive, Syracuse, Onondaga County*
6011 Serrine Road, Trumansburg, Tompkins County

*Project activity site; other is job retention site

Proposed Project: Facility improvements, the purchase and installation of new machinery and equipment and the training and education of employees as a means to streamline the Company's printing operations and utilize new technology intended to revolutionize the printing industry.

Project Type: Business expansion involving job retention and creation.

Regional Council: The Incentive Offer was accepted in June 2012. The project is consistent with the Regional Plan because it supports the continued growth of advanced manufacturing in the Central New York Region.

Employment*:
Initial employment at time of ESD Incentive Offer: 113
Current employment level: 120
Minimum employment on January 1, 2015: 118

*These numbers includes employees from both NYS locations.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction/Renovation	\$37,000	
Machinery and Equipment	515,000	
Employee Training	6,000	
Soft Costs	<u>74,000</u>	
Total Project Costs	<u>\$632,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$150,000	24%
Company Equity	<u>482,000</u>	<u>76%</u>
Total Project Financing	<u>\$632,000</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Matt Industries Corporation d/b/a Dupli Envelope and Graphics Corporation is a print technology company which manufactures custom printed materials including envelopes, corporate identity and direct mail products for the direct mail, financial, education, real estate, insurance, corporate, healthcare, travel, and small business industries. Direct mail is also known as advertising mail to postal

customers. The Company offers relationship marketing and e-services, by integrating print and electronic media to bring its customers the ability to launch cross media marketing campaigns so they can outperform their competitors. Dupli's corporate identity products include envelopes, business cards, letterhead, name badges, note pads, thank you cards, pocket folders, and labels. Its online technology, DupliOnline, and its digital print equipment allow customers to affordably personalize and color print bulk brochures, post cards, calendars, letters, binders, booklets, magnets, and promotional items. Dupli's technology offers turnkey solutions via its Web site where users may pick a template and customize it with their contact information and upload a data base of records to be mailed. The Company also offers Intelligent Mail Barcode services, which is the Postal Service's next-generation mail delivery information processing service, built around barcode formats to be used on mail pieces, handling units and containers, and which contain different types of information.

Company History: Dupli was founded in 1965 and purchased by the Matt family in 1980, which at the time had four employees and produced 100,000 envelopes per week. Over the years, the Company has grown to produce 25 million envelopes per week and expand its services to include corporate identity and direct mail products, marketing services and e-services.

Ownership: Dupli is privately owned.

Size: Dupli owns and operates three facilities. These include the Syracuse, NY facility, a facility in Trumansburg, NY which employs 7, and a facility in Malvern, PA which employs 16.

ESD Involvement: As a result of the Governor's Regional Economic Development Council Initiative, Matt Industries was awarded \$150,000 through the Consolidated Funding Application ("CFA") process to fund this project. The print industry has come under tremendous pressure and change over the last four to five years. As a result of the economy, technology innovations, and competition from subsidized overseas printers, the industry has declined roughly 25% since 2007. Over 5,000 printers have gone out of business. This downward trend is expected to continue for the next several years. The print and mail industry is crucial to the New York State economy. Nearly 600,000 residents are employed in the printing industry, with nearly 175,000 of those people employed in upstate NY. With the industry at such a crossroads, research and development projects involving new technologies will be necessary to continue to grow and expand in the future. In 2010, Winkler + Dunnebler

("W&D"), a \$1.8 billion German-based company, developed new ink jet based envelope print technology which could revolutionize envelope printing. W&D had not yet made this equipment available to the marketplace and was looking for a partner to develop the market for this equipment. Dupli decided to seek assistance from the state in order to purchase the new equipment, make necessary facility improvements, purchase related software and hardware, and provide employee training and education. The Company decided to apply for the first round of Regional Council funding in 2011 which would help close a \$525,000 gap in financing.

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

B. The Project

Completion: December 2013

Activity: The Company has renovated and equipped its Syracuse facility with new state-of-the-art printing equipment which includes W&D's new Concept D printing press and its Smart Insertion equipment. W&D installed the first beta machine in the fourth quarter of 2011. Over the course of the next eight months in working with Dupli, that machine was retrofitted with many updates based on Dupli feedback. In the third quarter of 2012, a new machine was installed and the original machine was removed. Dupli continues to make updates. The facility improvements were made to create space for the new production process. Work was primarily completed by Montreal Construction Company of Syracuse, who was chosen based on price and general working relationship. The employee training to date has consisted of one key individual attending the National Postal Forum to become exposed to and learn the mailing industry. As part of this project, the Company will also invest in training that will help its sales organization to better realize and present the value of the new print technology.

Results: Retain 113 existing jobs in New York State, and create 5 new jobs at the Project Location. The Company has already created 5 new jobs and Company employment is currently 120 in New York State. The focus of this project is to bring more value to the printed envelope and to expand business by helping customers get more out of their envelopes and direct mail efforts. This equipment will be the first of its kind in the world. The project will define the sales market within the print industry and perfect the printing process. As a result of the equipment purchased, Dupli will lead the printing industry technologically, helping it to expand in the future and connect the physical nature of print with an ever growing and

changing digital world. The project will also provide a road map for other companies to follow.

Business

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

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

- Fiscal benefits to NYS government from the project are estimated at \$2,562,512;
- Fiscal cost to NYS government is estimated at \$150,000;
- Project cost to NYS government per direct job is \$2,519;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$1,473;
- Ratio of project fiscal benefits to costs to NYS government is 17.08:1;
- Fiscal benefits to all governments (state and local) are estimated at \$4,342,787;
- Fiscal cost to all governments is \$150,000;
- All government cost per direct job is \$2,519;
- All government cost per total job is \$1,473;
- The fiscal benefit to cost ratio for all governments is 28.95:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$22,658,398, or \$222,497 per job (direct and indirect);
- The economic benefit to cost ratio is 151.06:1;
- Project construction cost is \$111,000, which is expected to generate one direct job year and one indirect job year of employment;
- For every permanent direct job generated by this project, an additional 0.71 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is two years.

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

definitions.)

Grantee Contact: Kemper Matt, Jr., President
One Dupli Park Drive
Syracuse, NY 13204
Phone: (315) 472-1316 Fax: (315) 422-3637

ESD Project No.: X783

Project Team:	Origination	Bonnie Palmer
	Project Management	Jessica Hughes
	Contractor & Supplier Diversity	Diane Kinnicutt
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$150,000 capital grant (\$1,500) 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 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 Locations 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 Locations 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 \$150,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$75,000) upon documentation of project expenditures of at least \$250,000, including the purchase and installation of at least \$175,000 in machinery and equipment, a certificate of occupancy or other documentation as ESD may require verifying completion of project-related building improvements, and documentation of the employment of at least 113 Full-time Permanent Employees in New York State, 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 (\$37,500) will be disbursed upon documentation of the completion of the project, documentation verifying expenditures of an additional \$335,000, including the purchase and installation of an additional \$275,000 in M&E, and the employment of at least 116 Full-time Permanent Employees in New York State (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 (\$37,500) will be disbursed upon documentation of the employment of at least 118 Full-time Permanent Employees in New York State (Employment Increment of 2), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after June 7, 2012 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 \$150,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

- (i) 100% of the disbursed amount if the Employment Shortfall occurred in the

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

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

Baseline Employment	113
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A	B
Reporting Date	Employment Goals
February 1, 2014	113+X+Y
February 1, 2015	113+X+Y
February 1, 2016	113+X+Y
February 1, 2017	113+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=3, and Employment Goals shall equal $[113 + X = 116]$ 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=2, and Employment Goals shall equal $[113 + X + Y = 118]$ 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 2011-2012 New York State budget and reappropriated in the 2012-2013 New York State Budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project constitutes a Type II 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 contracts. For purposes of this contract, however, goals will not be established due to the unavailability of minority- and women-owned businesses for performance of this contract.

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

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

VIII. Additional Submissions to Directors

Resolutions
New York State Map
Benefit-Cost Analysis

March 20, 2013

Regional Council Award – Priority Projects - Syracuse (Central New York – Onondaga County) – Matt Industries 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 Matt Industries Capital -- Regional Council Capital Fund Capital 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 Matt Industries Corporation a grant for a total amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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.

* * *

FOR CONSIDERATION

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Non-Discretionary Projects

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

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

	Project Name	Proj #	Grantee	Assistance up to
	Local Assistance (Senate)			
A	Canisius College – Women’s Business Center	Y039	Canisius College	100,000
	TOTAL NON-DISCRETIONARY – 1 PROJECT		TOTAL	\$100,000

I. Statutory Basis

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

II. Environmental Review

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

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

III. 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 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%. Grantees 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.

IV. ESD Employment Enforcement Policy

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

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

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

VI. Additional Requirements

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

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

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

VII. Additional Submissions to Directors

New York State Maps
Resolutions
Project Summaries

March 20, 2013

Local Assistance - Findings and Determinations Pursuant to Section 10 (g) of the Act;
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 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 make a grant to the party and for the amount listed below from Local Assistance, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

Local Assistance – Senate – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
A	Canisius College – Women’s Business Center	Y039	Canisius College	100,000
			TOTAL	\$100,000

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

* * *

A. Canisius College - Women's Business Center (Y039)

March 20, 2013

- Grantee:** Canisius College ("Canisius")
- ESD Investment:** A grant of up to \$100,000 to be used for salaries, travel, supplies, and Web site upgrades.
- Project Location:** 2365 Main Street, Buffalo, Erie County
- Proposed Project:** A statewide project to connect US Small Business Administration ("SBA") Women Business Centers ("WBC") to a virtual Web site for training, counseling, support, and contracting opportunities for Minority- and Women-Owned Enterprises ("MWBEs").
- Project Type:** Initiative to expand the utilization of MWBEs.
- Regional Council:** The Western New York Regional Economic Development Council has been made aware of this item. The project is consistent with the Regional Plan as it will support MWBE business growth and job creation.

Background:

Industry – Higher Education Academic Institution

Grantee History – Canisius, founded in 1870 by European Jesuits, is one of 28 Jesuit colleges and universities in the United States. Canisius is an independent, co-educational, medium-size institution of higher education offering undergraduate and graduate programs leading to associate, baccalaureate and masters degrees.

Canisius College's External Business Programs is comprised of the Center for Professional Development, the Women's Business Center ("WBC"), the Canisius Amherst Conference Center, and the New York State Minority and Women's Business Center ("NYS MWBC") (collectively, the "Centers"). The Center for Professional Development was founded as part of Canisius more than 30 years ago to provide employees with the critical skills necessary to be effective within their organizations by offering personalized, proven, professional training and consulting. The WBC, founded in September 2003 through a grant from the SBA, is one of eight WBCs in New York State that are part of a national network, the SBA's Women's Business Center Program, which provides entrepreneurs and small business owners with the skills, knowledge and a support network to enhance the growth of new and established businesses, positively impacting local economic development. Last year, the Canisius WBC provided 125 programs serving over 2,000 participants. The NYS MWBC was established in 2010 to launch a statewide initiative to connect clients of the federal programs with statewide MWBE goals, objectives and programs through its NYMWBC.org Web site.

Canisius College - Women's Business Center (Y039)

March 20, 2013

The mission of the Centers is to create opportunities for its participants by offering programs, workshops and technical assistance to area businesses and professionals using academic faculty, local entrepreneurs and professional experts.

Ownership – Private college

Size – Canisius is located on a 72-acre campus, and has approximately 5,152 students enrolled.

ESD Involvement – A \$100,000 appropriation was included in the FY 2012-2013 New York State budget.

Past ESD Support – ESD has committed over \$3 million in funding to support Canisius College. All funds are legislative- or executive-sponsored. Unless otherwise noted below, all funds have been disbursed. These funds include:

- In August 1999, \$50,000 was approved for technical assistance/training;
- In August 2000, \$50,000 was approved for technical assistance;
- In July 2001, \$50,000 was approved for executive business training;
- In February 2003, \$15,000 was approved for executive, administrative and consultant costs;
- In August 2003, \$15,000 was approved for professional development;
- In July 2004, \$15,000 was approved for the Wehle School of Business;
- In March 2006, \$25,000 was approved for the Wehle School of Business;
- In September 2007, \$25,000 was approved for the Wehle School of Business;
- In October 2007, \$50,000 was approved for the Business Center;
- In May 2009, \$38,000 was approved for the Wehle School of Business; and
- In March 2011; \$38,000 was approved for International Business. \$25,954 was disbursed based on eligible project expenditures. The project is closed.

Canisius College - Women's Business Center (Y039)

March 20, 2013

The Project:

Completion – November 2013

Activity – The project will focus on assisting certified NYS MWBEs with critical skills including education, tools, support, and networking opportunities necessary to identify and secure NYS contracting and business growth opportunities. The Grantee will collaborate with each of the eight SBA-funded NYS WBCs, the Entrepreneurial Assistance Program (“EAP”) Centers and the Small Business Development Centers (“SBDCs”) statewide to identify and create virtual training, Web links, podcasts, and interactive Web links such as “ask the experts” online chats, which will be available through an improved, existing NYMWBC.org Web site (the “Web site”) through a free membership. The Web site will be linked to the SBA-funded NYS WBCs Web sites and vice versa; link to ESD’s Web site; provide answers to frequently asked questions on federal, state and local MWBE programs; and provide improved interactive links to Bidlink.net and the Contract Reporter. Although the Web site will not directly offer assistance in the MWBE certification process, it will provide the appropriate informational links to do so.

The Grantee expects to select 10 certified MWBEs statewide, identified by the eight WBCs, to personally provide consultation in identifying/securing potential MWBE contracts and also determine potential roadblocks prohibiting MWBEs from securing contracts. It plans to meet with NYS agencies and authorities in an attempt to determine why MWBE goals are not being met.

Field 2 Design (Snyder, NY), which developed the Web site, has been selected to conduct the Web site upgrades based on its technical experience. Canisius will administer the project and will work closely with the EAP Centers, ESD and the SBDCs to market the improved Web site. It will also host a MWBE training presentation in Buffalo on March 14th.

Results – The project is expected to connect and leverage federal programs with the NYS resource providers, the Contract Reporter and other information sources to create an actively engaged on-line community dedicated to education and business growth of certified NYS MWBEs. Additionally, the project is expected to identify frequent issues or roadblocks by MWBE and contracting agencies, which when resolved, will allow NYS to achieve significantly higher MWBE participation and utilization.

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

Canisius College - Women's Business Center (Y039)

March 20, 2013

Financing Uses	Amount	Financing Sources	Amount	Percent
Salaries	\$52,500	ESD Grant	\$100,000	100%
Travel	5,000			
Web site Hosting	400			
Conference Attendance	2,100			
Contractual Services	40,000			
Total Project Costs	\$100,000	Total Project Financing	\$100,000	100%

Grantee Contact - Ms. Melinda Rath Sanderson, Executive Director
2365 Main Street
Buffalo, NY 14214
Phone: (716) 888-8283 Fax: (716) 888-8284

Project Team - Project Management Jean Williams
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

Financial Terms and Conditions:

1. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. Up to \$100,000 will be disbursed to Grantee as reimbursement for incurred eligible 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, 2012. 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:

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project and use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall

Canisius College - Women's Business Center (Y039)

March 20, 2013

Minority and Women Business Enterprise ("MWBE") Participation Goal of 20% related to the total value of ESD's funding.

Statutory Basis – Local Assistance:

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

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

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Otsego County – Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation (Capital Grant)

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

I. Project Summary

	Project Name	Proj #	Grantee	Assistance up to
	Local Assistance – Hurricane Irene-Tropical Storm Lee Flood Mitigation (Executive)			
A	Otsego County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X909, Y375	Otsego County	449,618
	TOTAL HURRICANE IRENE-TROPICAL STORM LEE FLOOD MITIGATION – 1 PROJECT		TOTAL	\$449,618

II. Program Description

A. Background

Hurricane Irene made landfall in New York on August 28, 2011. Shortly thereafter, Tropical Storm Lee struck New York on September 7, 2011. Both storms caused extensive flooding and substantial damage across New York. Following the aftermath of Hurricane Irene and Tropical Storm Lee, President Obama issued a state of emergency declaration for New York State, which

allowed affected New Yorkers access to federal disaster relief funds. In an effort to provide additional flood disaster related relief aid, Governor Cuomo and the legislature created the Hurricane Irene - Tropical Storm Lee Flood Recovery Grant Program and appropriated \$50 million for assistance to businesses and communities that suffered losses as a result of these disasters. The enabling legislation designated \$9 million of the appropriation to be used for the Hurricane Irene – Tropical Storm Lee Flood Mitigation Grant Program (the “Program”), for grants to counties for flood mitigation or flood control projects in creeks, streams and brooks, and authorizes and empowers ESD, in consultation with the Department of Environmental Conservation (“NYSDEC”), to establish guidelines and such additional eligibility criteria as it deems necessary to effectuate the administration of this allocation for the benefit of counties included in the federal disaster declaration. An additional \$7 million from a New York State Department of Homeland Security and Emergency Services (“Homeland Security”) appropriation has been allocated for flood mitigation or flood control projects in creeks, streams and brooks.

Eligible Areas: Counties subject to the federal disaster declaration include Albany, Bronx, Broome, Chemung, Chenango, Clinton, Columbia, Delaware, Dutchess, Essex, Franklin, Greene, Hamilton, Herkimer, Kings, Montgomery, Nassau, New York, Oneida, Orange, Otsego, Putnam, Queens, Rensselaer, Richmond, Rockland, Saratoga, Schenectady, Schoharie, Sullivan, Suffolk, Tioga, Tompkins, Ulster, Warren, Washington, and Westchester.

Eligible counties will receive grants between \$300,000 and \$500,000 for flood mitigation or flood control projects in those creeks, streams and brooks impacted by Hurricane Irene and/or Tropical Storm Lee. ESD shall give preference to applicants that demonstrate the greatest need, based on available flood damage data provided by applicable federal agencies. Priority also may be given to remediation which, if not undertaken, may result in additional flooding. Counties may jointly apply for assistance and the amount for such joint grants may equal the sum of the amounts that would have been separately available to the individual counties making the joint application.

Projects that are eligible for grants under this Program shall include the following:

- (1) Removal of flood debris located in stream channels and/or floodways within Eligible Areas;
- (2) Removal of gravel in or directly around bridges, culverts and other infrastructure that threatens public and private infrastructure integrity or that significantly constrains the conveyance of water flows and by not removing such material(s) would likely exacerbate flooding from future high flow events;
- (3) Installation or repair of stream bank stabilization measures;

(4) Stream channel restoration to pre-flood depth, width, gradient, and where appropriate channel characteristics, and stream channel stabilization involving natural stream design techniques;

(5) Stream bank restoration involving the removal of side cast bed load material, reconnecting a stream with its flood plain, and re-grading to pre-flood elevations combined with vegetative planting and stabilization;

(6) Culvert repair or replacement with preference given to replacement of culverts with bridging infrastructure, or by upgrading the size of culverts to ensure adequate future flows; and

(7) Those projects eligible and approved by the United States Department of Agriculture Natural Resource Conservation Service's ("NRCS") Emergency Watershed Protection ("EWP") Program. Projects eligible under NRCS's EWP program include, stream debris removal, stream bank stabilization and restoration, establishing cover on critically eroding lands, and repairing conservation practices necessary to relieve the immediate hazards to life and property created by Hurricane Irene and Tropical Storm Lee.

Eligible Costs: These funds may be used for the planning, design and implementation of eligible projects. Only planning costs which are a component of a specific project, which will receive funding under this Program, will be considered eligible costs. Local or regional flood planning initiatives are not eligible under this Program. In order for a project cost to be eligible, such cost must be reasonable and necessary as determined by ESD and NYSDEC. All work must be done in compliance with all applicable federal, state and local regulations.

Staff prepared guidelines for the implementation and administration of the Program, and these were approved by the Directors at its January 20, 2012 meeting. The guidelines set forth the various Program requirements, including submission requirements, necessary documentation, and the appeal and audit processes.

B. The Projects

Twenty-three counties accepted grant awards for Flood Mitigation projects. Seventeen counties, 15 of whom received Flood Mitigation Grant awards, accepted grant awards that are funded by the Homeland Security funding. In total, ESD is administering grants for fund mitigation activities for 25 counties.

Each county's grant award(s) will be presented to the ESD Directors for approval as each county nears first disbursement requirements. ESD will enter into an agreement with each Grantee that will stipulate the manner in which funds will be disbursed. One project is being presented for approval today; other projects will be presented at a later date.

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

III. Statutory Basis

The project was sponsored by the Executive, was appropriated in the 2011-2012 and 2012-2013 New York State budgets, and was reappropriated (as applicable) in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site(s).

IV. Environmental Review

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

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

V. 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 project. 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 20% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 10% 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 project and to include minorities and women in any job opportunities created by the project.

VI. ESD Employment Enforcement Policy

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

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

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

VIII. Additional Submissions to Directors

New York State Map
Resolutions
Project Summary

March 20, 2013

Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the General Project Plan; Authorization to Make a Grant and to Take Related Actions

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 – Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area(s); and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, 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 Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation and/or the New York State Division of Homeland Security and Emergency Services, 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 – Hurricane Irene - Tropical Storm Lee Flood Mitigation - Executive –
Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
A	Otsego County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X909, Y375	Otsego County	449,618
			TOTAL	\$449,618

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. Otsego County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
(X909 and Y375)
March 20, 2013**

General Project Plan

- Grantee:** Otsego County (the “County”)
- Beneficiary Organization:** Otsego Soil and Water Conservation District (“Otsego SWCD”)
- ESD Investment:** A grant of up to of \$449,618 to be used for a portion of the cost of flood mitigation and flood control projects within the County.
- Project Locations:** Towns of Unadilla, Richfield, Roseboom, Laurens, Oneonta, Middlefield, Exeter, Otego, and Milford; Otsego County
- Project Type:** The project will entail flood mitigation activities to reduce future flooding in the Project Locations.
- Regional Council:** The Mohawk Valley Regional Economic Development Council has been made aware of this item. The project will help to protect the natural beauty and resources of the region, enabling it to create a vibrant future by promoting and sustaining a diverse, integrated and dynamic economy that capitalizes on technology and innovation to drive collaboration, inclusiveness and efficiency in all endeavors.

Background:

History – Otsego County was one of three counties split off from Montgomery (the other two being Herkimer and Tioga). Otsego County was officially established on February 16, 1791, with Cooperstown as its county seat, although at the time the village of Cherry Valley was much larger. The original county consisted of three large townships: Cherry Valley in the northeast, Otsego in the northwest and Harpersfield in the south.

The Otsego County Soil and Water Conservation District works with landowners, land management agencies, local governments, and other agencies in addressing a broad spectrum of resource concerns: erosion control, flood prevention, water conservation and use, wetlands, groundwater, water quality and quantity, non-point source pollution, forest land protection, wildlife, recreation, waste water management, and community development.

As a Soil and Water Conservation District in the New York portion of the Chesapeake Bay Watershed, Otsego County is a member of the Upper Susquehanna Coalition (“USC”).

**Otsego County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
(X909 and Y375)
March 20, 2013**

The USC focuses on agricultural sustainability, stream stabilization and wetland restoration.

Size - The 16 proposed projects are drawn from a total of 40 known sites where erosion is damaging improved properties in Otsego County.

ESD Involvement – a \$449,618 appropriation was included in the 2011-2012 and 2012-2013 New York State budgets. The funding award was made in conjunction with the New York State Department of Environmental Conservation (“NYSDEC”).

The projects will also serve as the local match for nine approved Natural Resource Conservation Service Emergency Watershed projects.

Past ESD Support – This is the first grant for both Otsego County and the Otsego County Soil and Water Conservation District.

The Project:

Completion – October 2013

Activity – The Otsego County Soil and Water Conservation District, as the sponsoring organization for Otsego County, will undertake the following nine projects included in the application submitted by Otsego County, as well as an additional six projects. The project commenced in the winter of 2012 and will conclude in the fall of 2013. Individual project activity is listed under the disbursement terms in the *Financial Terms and Conditions* section.

Results – The much-needed activity in the 16 selected projects will remediate, mitigate and reduce future flooding in the selected areas affected by Hurricane Irene and Tropical Storm Lee.

Financing Uses	Amount	Financing Sources	Amount	Percent
Flood Mitigation Projects	\$940,749	ESD Grant (X909)	\$326,160	35%
		New York State Division of Homeland Security and Emergency Services Grant (Y375)	123,458	13%
		Natural Resources Conservation Service (Federal) Funding	491,131	52%
Total Project Costs	\$940,749	Total Project Financing	\$940,749	100%

**Otsego County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
(X909 and Y375)
March 20, 2013**

Grantee/

Beneficiary Contact: Scott Fickbohm, District Manager
Otsego County SWCD
967 County Highway 33
Cooperstown, NY 13326
Phone: (607) 547-8337, Ext#4 Fax: (607) 547-8814

Project Team:	Project Management	Brendan Healey
	Legal	Eunice Jackson
	Contractor & Supplier Diversity	Denise Ross
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the County will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The County will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$449,618 will be disbursed to Grantee as follows:
 - a) An Initial Disbursement of an amount equal to 50% of the grant (\$224,809) upon execution of a Grant Disbursement Agreement, assuming that all project approvals have been completed and funds are available;
 - b) As individual projects are completed, subsequent disbursements up to \$224,809 will be made upon receipt of documentation verifying that: 1) 100% of the \$224,809 advance has been invested pursuant to program requirements; 2) that an individual approved project(s) has been completed; and 3) payment of the individual project costs.

Disbursements shall be made 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 July 13, 2012 to be considered eligible project costs.

The grant funding is allocated as follows:

Iduma Creek: This project includes stabilization of the right bank and debris removal through a 490-foot section in the Town of Unadilla to reduce erosion and protect an active agricultural operation. Up to \$32,000 is allocated to Grantee for completion of

**Otsego County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
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the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$32,000.

Lidell Creek: This project includes the stabilization of both banks and debris removal through a 1,700-foot section in the Town of Richfield to reduce erosion and protect an active agricultural operation and residences around Canadarago Lake. Up to \$15,000 is allocated to Grantee for completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$15,000.

Sheep Pen Creek: This project includes the stabilization of a 200-foot section of Sheep Pen Creek to reduce erosion and protect the Town of Unadilla's infrastructure. Up to \$18,620 is allocated to Grantee for completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$67,045.

Pleasant Brook: This project includes the stabilization of a 275-foot section of an unnamed tributary to Pleasant Brook to reduce erosion and protect the Town of Roseboom's infrastructure. Up to \$26,200 is allocated to Grantee for completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$98,530.

Lake Brook: This project includes the stabilization of a 1,590-foot section of Lake Brook to reduce erosion and protect adjacent private, Town of Laurens, school, and County property and infrastructure. Up to \$79,000 is allocated to Grantee for completion of the project substantially described in these materials and receipt of documentation verifying project costs of at least \$79,000.

Unnamed Tributary of Susquehanna River: This project involves the stabilization of a 1,150-foot section of an unnamed tributary to the Susquehanna River and replacement of inadequate storm water infrastructure to reduce erosion and flooding of approximately 70 low-income individual residences. Up to \$10,000 is allocated to Grantee for completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$10,000.

Cherry Valley Creek: This project includes the stabilization of a 150-foot section of Cherry Valley Creek to further reduce erosion and protect a private residence. Up to \$46,950 is allocated to Grantee for completion of the project substantially described in these materials and receipt of documentation verifying project costs of at least \$46,950.

Herkimer Creek: This project includes the stabilization of the left bank and debris removal through a 150-foot section of Herkimer Creek to reduce erosion and protect

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the Town of Exeter and County infrastructure. Up to \$19,000 is allocated to Grantee for completion of the project substantially described in these materials and receipt of documentation verifying project costs of at least \$19,000.

Otsdawa Creek: This project includes the stabilization of both stream banks and debris removal through a 1,300-foot section of Otsdawa Creek to reduce erosion and protect private and public property and infrastructure. Up to \$48,840 is allocated to Grantee for completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$48,840.

Goodyear Lake: This project includes the stabilization of both stream banks through a 250-foot section of an unnamed tributary to Goodyear Lake to reduce erosion and protect commercial and agricultural properties. Up to \$30,550 is allocated to Grantee for completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$30,550.

Lovers Lane: This project will rehabilitate both banks and remove debris through a 60-foot section of Sand Hill Creek in order to reduce excessive erosion and protect a road bridge. Up to \$31,670 is allocated to Grantee for completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$126,681.

Ben McCumber Road Site 2: This project will rehabilitate the right bank through a 250-foot section of Sand Hill Creek in order to reduce excessive erosion and protect an adjacent road. Up to \$50,420 is allocated to Grantee for completion of the project substantially described in these materials and receipt of documentation verifying project costs of at least \$201,681.

Prentice Gorge Site 1: This project will rehabilitate both banks through a 60-foot section of a tributary to Butternut Creek in order to reduce excessive erosion and protect an adjacent road and culverts. Up to \$18,423 is allocated to Grantee for completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$73,694.

Prentice Gorge Site 2: This project will rehabilitate both banks through a 30-foot section of a tributary to Butternut Creek in order to reduce excessive erosion and protect an adjacent road and culverts. Up to \$5,508 is allocated to Grantee for completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$22,032.

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Adair Site 2: This project will rehabilitate the left hand bank through a 35-foot section of Pleasant Brook in order to reduce excessive erosion and protect an adjacent road and culverts. Up to \$10,480 is allocated to Grantee for completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$41,917.

Hoose Road: This project will rehabilitate both banks through a 90-foot section of Snyder Creek in order to reduce excessive erosion and protect an adjacent road and culverts. Up to \$6,957 is allocated to Grantee for completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$27,829.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$449,618, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the County 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 and Supplier Diversity:

ESD's Non-discrimination and Contractor Diversity policy will apply to the project. The County shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 10%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation goal of 5% and a Women Business Enterprise ("WBE") Participation goal of 5% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project.

Statutory Basis – Local Assistance:

The project was authorized via two appropriations. The Hurricane Irene-Tropical Storm Lee Flood Recovery Grant Program was authorized in the 2011-2012 New York State budget and reappropriated in the 2012-2013 New York State Budget. The Division of Homeland Security and Emergency Services Disaster Assistance Program was authorized in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals being displaced by the project.

Disclosure and Accountability Certifications:

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

FOR CONSIDERATION

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Statewide – Local Assistance - Base Retention – 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

I. Project Summary

	Project Name	Proj #	Grantee	Assistance up to
	Local Assistance – Base Retention (Executive)			
A	Suffolk County Department of Economic Development and Planning – Gabreski Base Retention Working Capital	Y056	Suffolk County Department of Economic Development and Planning	126,686
	TOTAL BASE RETENTION – 1 PROJECT		TOTAL	\$126,686

II. Program Description

A. Background

State military bases account for more than 10,000 direct jobs, with direct wages of \$688 million and greater than \$1.9 billion annual economic impact. New York State's primary military installations include:

- Niagara Falls Reserve Station;
- Fort Drum, Watertown;
- Air Force Research Laboratory, Rome;
- Eastern Area Defense Sector, Rome;

- Defense Finance Accounting Service, Rome;
- Stratton Air National Guard Base, Scotia;
- Hancock Field, Air National Guard Base, Syracuse ;
- Watervliet Arsenal, Albany;
- West Point;
- Fort Hamilton, Brooklyn;
- Stewart Air National Guard Base, Newburgh; and
- Gabreski Air National Guard Base, Westhampton

In August 2012, ESD issued a Request for Proposals (“RFP”) for military base retention grants. The RFP was posted on ESD’s Web site and was also promoted throughout the media. Sixteen applications were received from fifteen organizations.

The grants are intended to support and improve military facilities in New York State in order to strengthen their capacity as major contributors to economic and employment opportunities and prevent them from being deemed unnecessary by the Base Realignment and Closure (“BRAC”) Commission.

Eligible applicants are not-for-profit organizations or municipalities with a demonstrated history of support for military bases and units in New York. All applicants must adhere to IRS guidelines in the use of grant funds, and must disclose the names and affiliations of their executive staff and board members, none of whom may be registered lobbyists.

Grant funds may be used to:

- communicate the importance of local bases and their missions to elected and government officials;
- improve existing military facilities in order to enhance their competitiveness in future BRAC rounds;
- promote additional missions for military units based in New York; and
- conduct any other efforts to sustain and expand the presence of military bases in New York, with the exception that grant funds may not be used to pay, retain or hire registered lobbyists or lobbying firms.

The maximum award available to an individual recipient is \$300,000.

Applications were evaluated based on their expected impact and by the applicant’s experience as an advocate for military personnel and facilities in New York State.

The economic benefits created by New York State's military installations continue to be threatened by federal budgetary constraints, modernization initiatives and future rounds of BRAC. In previous BRAC rounds, base closings have imperiled vital missions and devastated communities throughout New York. This grant seeks to promote, enhance and protect New York's military bases.

B. The Projects

On November 30, 2012, Governor Cuomo announced \$2.9 million in grants to help local municipalities and community organizations support and strengthen New York's military installations in the face of looming defense cuts in Congress.

The military base retention grants are a part of the state's efforts to safeguard New York's National Guard capabilities in the wake of Hurricane Sandy and to protect the economic and employment opportunities that major military facilities provide across the state. These grants will help promote, enhance and protect New York's bases.

ESD will enter into an agreement with each Grantee that will stipulate the manner in which funds will be disbursed. The Directors approved 11 projects totaling \$2,748,534 at its January 17, 2013 meeting. One project is being presented for approval today.

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

III. Statutory Basis

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

IV. Environmental Review

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

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

V. 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 project. 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 20% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 10% 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 project and to include minorities and women in any job opportunities created by the project.

VI. ESD Employment Enforcement Policy

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

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

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

VIII. Additional Submissions to Directors

New York State Map
Resolutions
Project Summary

March 20, 2013

Local Assistance – Base Retention - Findings and Determinations Pursuant to Section 10 (g) of the Act; 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 Local Assistance – Base Retention Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area(s); and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from 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 – Base Retention - Executive – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
A	Suffolk County Department of Economic Development and Planning – Gabreski Base Retention Working Capital	Y056	Suffolk County Department of Economic Development and Planning	126,686
			TOTAL	\$126,686

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. Suffolk County Department of Economic Development and Planning –
Gabreski Base Retention Working Capital (Y056)**

March 20, 2013

- Grantee:** Suffolk County Department of Economic Development and Planning (the “Department”)
- ESD Investment:** A grant of up to \$126,686 to be used for a portion of the cost of preparing a Military Sustainability Plan (“MSP”), an economic impact analysis and public relations activities for military base retention.
- Project Location:** Francis A. Gabreski Airport (“Gabreski”), Westhampton, Suffolk County
- Proposed Project:** Activities related to military base retention of the 106th Rescue Wing (the “106th”) of the Air National Guard (“ANG”) unit.
- Project Type:** Base Retention Working Capital
- Regional Council:** The Long Island Regional Economic Development Council (“LIREDC”) has been made aware of this item. The project is consistent with the LIREDC’s Regional Plan, which encourages innovation in the life sciences, information technology, clean energy, defense, and homeland security industry clusters.

Background:

Industry – The Suffolk County Department of Economic Development and Planning assists and promotes the development, growth and retention of a broad mix of industry clusters that facilitate job opportunities and private capital investment.

Organization History – Through implementation of various technical and financing programs, the Department acts as a one-stop resource for various business sectors and their respective needs. Additionally, the Department assists private enterprise, not-for-profit organizations and municipalities in the production of workforce housing that offers opportunities for the highly educated and skilled workforce to remain in Suffolk County. Through various grants, the Department encourages tourism and downtown revitalization to support the quality of life for its residents.

Suffolk County is home to the 106th Rescue Wing of the Air National Guard based at the Francis S. Gabreski Airport, a county-owned general aviation facility in Westhampton. The 106th’s primary federal mission is combat search and rescue; however, in peacetime, it performs search and rescue missions on behalf of the state and federal governments. The 106th significantly contributes to the maintenance and operation of Gabreski.

**Suffolk County Department of Economic Development and Planning –
Gabreski Base Retention Working Capital (Y056)**

March 20, 2013

In the 2005 Base Realignment and Closure (“BRAC”) process, the 106th was targeted for closure. Intense pressure from the local community and elected officials from local, state and federal government were successful in removing the unit from the closure list, but this did not guarantee that it would not be included in a future BRAC round. Although the 2005 BRAC round caught unit personnel off-guard, the experience demonstrated that efforts must be improved to show that the 106th makes a significant contribution to the local community and the region.

Size – All facilities are located in Westhampton, NY.

ESD Involvement – A \$126,686 appropriation was included in the 2012-2013 New York State budget.

Past ESD Support – The 106th was the beneficiary of two previous base retention grants, in the amount of \$10,000 each, awarded to “The Friends of the 106th Rescue Wing Organization,” in August 2007 and June 2008 for working capital projects. Both projects were completed and funds fully disbursed.

The Project:

Completion – May 2013

Activity – The Department will prepare an MSP, draft an economic impact analysis and undertake the marketing strategy, social networking and public outreach in support of the 106th. The Department will prepare a Request for Proposal (“RFP”) for the selection of experienced consultants.

Results – The MSP is expected to assist the state and county to identify and address the issues exposed during the 2005 BRAC round, which left the mission of the 106th vulnerable. The MSP will quantify the results of these issues, identify new areas of concern and make recommendations for action. Additionally, the MSP will highlight the assets of Gabreski Airport as a long-term military facility. The economic impact analysis will be specific to military facilities and will be compared to the US Department of Defense economic impact model.

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

**Suffolk County Department of Economic Development and Planning –
Gabreski Base Retention Working Capital (Y056)**

March 20, 2013

Financing Uses	Amount	Financing Sources	Amount	Percent
Staff Salaries	\$35,300	ESD Grant	\$126,686	50%
Consultants	\$217,386	Grantee Equity	\$116,000	46%
		The Town of Southampton	\$10,000	4%
Total Project Costs	\$252,686	Total Project Financing	\$252,686	100%

Grantee Contact - Joanne Minieri, Deputy County Executive, Commissioner
100 Veterans Memorial Highway
Hauppauge, NY 11788
Phone: (631) 853-6032 Fax: (631) 853-4767

Project Team - Project Management Glenda Wenerski
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

Financial Terms and Conditions:

1. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. Up to \$126,686 will be disbursed to Grantee in no more than three installments for 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 project expenditures must have been incurred on or after November 30, 2012, to be considered eligible project costs. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks 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 \$126,686, 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:

ESD's Non-discrimination and Contractor & Supplier Diversity policies 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 20% related to the total value of ESD's funding, and to solicit and utilize MWBEs for any contractual opportunities generated in

**Suffolk County Department of Economic Development and Planning –
Gabreski Base Retention Working Capital (Y056)**

March 20, 2013

connection with the Project. The Grantee may utilize any certified MWBE firm to meet the aforementioned participation goal.

Statutory Basis – Local Assistance – Base Retention:

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

Disclosure and Accountability Certifications:

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

FOR CONSIDERATION

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Orchard Park (Erie County) – Erie County Stadium Civic Project

REQUEST FOR: Authorization to Enter Required Agreements; and Authorization to Take Related Actions

I. Project Summary

Project Owner: County of Erie
95 Franklin Street
Buffalo, New York 14202

Contact: Honorable Mark Poloncarz
Erie County Executive
95 Franklin Street
Buffalo, NY 14202
Phone: (716) 858-8500

Project Subtenant: Buffalo Bills, Inc.
One Bills Drive
Orchard Park, New York 14127

Subtenant Contact: Russ Brandon, President & CEO
Buffalo Bills, Inc.
One Bills Drive
Orchard Park, New York 14127

Proposed Project: Design and construction of improvements to Ralph Wilson Stadium.
Provision of working capital and game day/operating expenses.

ESD* Investment: \$123,469,650 (2013 -2022)

* The New York State Urban Development Corporation d/b/a Empire State Development (“ESD” or the “Corporation”)

Anticipated Funding

Source: 2013-2014 State Budget

II. Background

On February 21, 2013, the Directors authorized the Corporation to adopt a General Project Plan ("GPP") for the Erie County Stadium Civic Project and to hold a public hearing on the GPP. A copy of the GPP is attached hereto as Exhibit A. The public hearing was held on March 7, 2013 at Erie Community College – South Campus and written comments were accepted on the Plan up until the close of the hearing. Two people came to the hearing and only one gave comments on the plan. Those comments were provided by Erie County and expressed support for the plan. As no substantive negative comments were received, no further action is required to implement the GPP.

III. Project Description

In December of 2012, an agreement in principle was reached among Governor Cuomo, Erie County Executive Mark Poloncarz and Ralph Wilson, Jr. pursuant to which the Bills would commit to remaining in the County-owned Stadium for up to an additional 10 years. The current lease expires on July 31, 2013. In return for the commitment, the Bills would receive: (a) funding to improve the Stadium; (b) working capital grants; (c) assumption of certain stadium operating, maintenance and game day expenses by the State and County; and (d) annual contributions for Stadium capital improvements.

As described more fully in the attached GPP, the Erie County Stadium Corporation ("ECSC"), the subsidiary formed for this purpose, will enter into a lease with the stadium owner, Erie County, and will sub-lease the Stadium and surrounding lands to the Buffalo Bills franchise for a period of 10 years subject to the Bills option to terminate the lease after year 7 as set forth below.

Pursuant to the lease and sub-lease and accompanying documents, the Stadium will undergo a \$130 million renovation funded by the parties as follows: (a) ECSC/State - \$53,890,650; (b) Erie County - \$40,654,350; and (c) Buffalo Bills - \$35,455,000. It is expected that the project will be funded and constructed over a period of two seasons. In addition, annual payments will be made to the Bills by the ECSC and the County as follows: (a) \$3 million working capital; (b) \$2.913 million operating expense reimbursement; (c) \$1.818 million game day expense reimbursement; and (d) \$4.6 million Stadium capital improvement allowance, of which, \$800,000 will be contributed by the Bills as rent. The annual payments for all categories are adjusted annually based on Consumer Price Index. The payments to the Bills which are reduced by the amount paid in rent by the Bills as described below, is split between the County and the State with the State paying 57% and the County 43% in year one. Thereafter, the County's share of the annual payment for all categories is increased one percent per year until the State/County share is 50-50 beginning in year 8 and continuing for the remaining term of the lease.

The term of the lease is 10 years but permits the Bills a one-time option to terminate the lease on the seventh anniversary with the payment of \$28,363,500. Otherwise, the ten-year term is non-terminable and not subject to any buyout right. In the event that the Bills were to break the lease, the lease documents provide the right to specific performance requiring the Bills to play at the Stadium. In the event that the County and State are unable to exercise their right of specific performance, the Bills would be required to pay liquidated damages in the amount of \$400 million.

As part of the transaction, ECSC will enter into a lease with the County, sublease with the Bills and a Construction Coordinating Agreement with the County and the Bills which will set forth the terms and conditions of the initial Stadium improvements. In addition, ESD will be required to execute a Four-Party Agreement with all the parties guaranteeing the obligations of ECSC. It is expected that the transaction will close by the end of March.

IV. Environmental Review

Pursuant to the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation, the Erie County Department of Public Works conducted an environmental review of the proposed stadium improvements. This review determined the project to be a Type I action as defined by SEQRA and therefore a coordinated review, for which ESD was an involved agency, was performed. The review found the project would not result in significant impact to the environment and a Negative Declaration was issued on February 12, 2013. On February 21, 2013, upon recommendation of ESD staff, the Directors made a Determination of No Significant Effect on the Environment. As such, no further environmental review is required.

V. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor and Supplier Diversity policy will apply. The funding recipient shall use its Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal to be determined by ESD's Office of Contractor and Supplier Diversity of no less than 20% related to the total value of ESD's funding. This shall also include specific participation goals for Minority Business Enterprises ("MBE") and Women Business Enterprises ("WBE"). The grantee will also agree 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 project.

VI. Requested Actions

The Directors are requested to: (a) authorize the Corporation to enter into the Four-Party Agreement and any other Project agreements that are necessary or appropriate to implement the Project ; and (b) take all related actions.

Attachment

Resolutions

Exhibit A – General Project Plan

March 20, 2013

Orchard Park (Erie County) – Erie County Stadium Civic Project – Authorization to Enter
Required Agreements; and Authorization to Take Related Actions

RESOLVED, on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, that the President 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 the required agreements as necessary to implement the Project on the terms substantially described herein; and be it further

RESOLVED, that the President 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.

* * *

FOR CONSIDERATION

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Procurement of Legal Services

REQUEST FOR: Authorization to Enter into an Amended Contract with Hodgson Russ LLP

CONTRACT NEED AND JUSTIFICATION

I. Contract Summary

Contractor: Hodgson Russ LLP (the "Firm")

Scope of Services: Provide the Corporation legal counsel services in real estate and construction matters in connection with negotiations concerning the Ralph Wilson Jr. Stadium f/k/a Rich Stadium

Contract Term: One year

Contract Amount: Original Contract Amount: \$49,500
Increase in Contract Amount: \$50,500
Total Contract Amount not to exceed: \$100,000

Funding Source: Corporate funds or other source to be determined

II. Background

In December of 1998, New York State Urban Development Corporation D/B/A Empire State Development ("ESD"), through its subsidiary the Erie County Stadium Corporation ("Stadium Corp"), together with the County of Erie ("County") and the Buffalo Bills, Inc. (the "Bills") agreed to a plan for the renovation of Ralph Wilson Jr. Stadium, f/k/a Rich Stadium (the "Stadium") and for a 15-year lease. Under the these agreements, the County leases the Stadium to Stadium Corp, which in turn subleases it to the Bills. The current lease is set to expire on July 31, 2013.

In December of 2012, an agreement in principle was reached among Governor Cuomo, Erie County Executive Mark Poloncarz and Ralph Wilson, Jr. pursuant to which the Bills would commit to remaining in the County owned Stadium for up to an additional 10 years.

Because of the complexity of the transaction and the specialized nature of the negotiations, the advice and assistance of outside counsel is required. In consultation with the Office of the Governor, ESD entered an agreement with Hodgson Russ on October 16, 2012, to provide assistance in the drafting of the various documents under consideration. The agreement was for an amount not to exceed \$49,500. Hodgson Russ has been primarily focused on drafting the construction related agreements necessary to complete the transaction. As the lease negotiations and drafting of the required documents has continued, ESD staff recommends that the retainer amount be increased to a total contract amount of \$100,000 which will allow Hodgson Russ, LLP to continue working on matter.

III. Proposed Contractor and Contractor Selection Process

Pursuant to an advertisement for services in the Contract Reporter, published on April 23, 2012, ESD solicited qualifications for law firms regarding a variety of areas of expertise including real estate.

The responses were evaluated by staff of the legal department, in each case including the General Counsel, on the basis of, among other things: number and experience of attorneys practicing in each area of expertise; demonstrated experience in development projects similar to those in which the Corporation engages; experience in government and public/private initiatives generally; presence and size of office(s) in New York State; and willingness to work within the Corporation's limitation on hourly fees. Staff considered the submissions of each firm, interviews with selected firms and in some cases additional information requested in clarification of an initial submission or interview.

As result of this review, a pre-qualified list of law firms and their area of expertise was formulated and approved by the ESD Board of Directors in September of 2012. The pre-qualified list allows ESD and its subsidiaries to secure outside counsel without further formal procurement requirements. Hodgson Russ was selected and approved on the pre-approved list for matters relating to the requested services.

Pursuant to State Finance Law Section 139-j and 139-k and the Corporation's policy related thereto, staff has; a) considered proposed contractor'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. Based on the foregoing, staff considers the proposed contractor to be responsible.

IV. Scope of Work

Strategic advice and counsel in connection with Ralph Wilson Jr. Stadium lease negotiations.

V. Contract Term, Price and Funding

The proposed term of the contract is one year. The Firm has agreed to bill within ESD's maximum rate structure.

VI. Contractor and Supplier Diversity

ESD's Non-Discrimination and Contractor Diversity policy will apply. The Law Firm will be required to use good faith efforts to achieve a Minority and Woman Owned Business Enterprises participation goal of 20%. The above-mentioned contract goals shall be a percentage of the total amount of the contract, including all expenditures made thereunder.

VII. Environmental Review

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

VIII. Requested Action

The Directors are requested to (1) make a determination of responsibility with respect to the proposed contractor; and (2) authorize the Corporation to enter into a contract with Hodgson Russ LLP for an amended amount not to exceed \$100,000.

IX. Recommendation

Based on the foregoing, I recommend approval of the requested actions.

X. Attachments

Resolution

March 20, 2013

Empire State Development – Authorization to Enter Into an Amended Contract with
Hodgson Russ LLP to Provide Legal Services and to Take Related Actions

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds Hodgson Russ LLP to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into an amended contract with Hodgson Russ LLP for an additional amount not to exceed Fifty Thousand Five Hundred DOLLARS (\$50,500) for a total new contract amount not to exceed One Hundred Thousand DOLLARS (\$100,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

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

* * *

FOR CONSIDERATION

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Annual Budget

REQUEST FOR: Authorization to Adopt Annual Operating Budget including Subsidiary Operating Support for Fiscal Year (FY) 2013-2014 and to Take Related Actions

BACKGROUND

State Finance Law requires that prior to the commencement of each fiscal year the Directors of the Empire State Development Corporation (ESDC or the Corporation) adopt an annual operating budget. This budget includes certain support provided to subsidiaries and for the operations of the Regional Economic Development Councils and New York Works Task Force. It pertains only to operating costs and not to programmatic appropriations included in the Governor's proposed FY 2013-2014 Executive Budget. All subsidiary operating and capital budgets must also be presented separately to, and approved by their respective Boards within the same time frame.

As indicated in the attached budget document, reflected in the funding source, "Housing/Other Revenue/Asset Sale Proceeds", is the proposed transfer of the ESD housing portfolio to New York State Housing Finance Agency on May 31, 2013 and the receipt of a payment of forty five million three hundred eighty thousand two hundred thirty-five dollars (\$45,388,235). These funds will be used in place of housing revenue to help meet ESD's annual operating budget expenses for the next two fiscal years.

In the FY 2013-14 budget, the expense for personal services is inclusive of the cost of fringe benefits which includes the Corporation's annual contribution to the New York State Retirement System. It is important to note that the amount of contribution has increased during prior fiscal years as a result of lower than expected rates of return on the fund balance and it is forecasted to remain at that higher level in the next fiscal year.

Public Authorities Law Section 2975 directs the Division of Budget to assess an amount to each public authority for recovery of central governmental services. The estimated government assessment fee for FY 2013-2014 is \$3.74 million.

If changes are required following the adoption of the State's FY 2013-2014 Budget, a modified annual operating budget will be presented to the Directors at a later date.

In addition to the operating budget, we are also seeking approval of the Corporation's FY 2013-2014 non-programmatic capital expense budget of \$1,017,000. The request reflects our plan to invest in new technologies that support our strategic goals and are focused on increasing server and storage capacity in our virtual environment, as well as the continued adoption of desktop virtualization to meet our business continuity goals. Also included is funding for upgrading the financial management system, video hardware and software and the ESD website redesign.

The details of the proposed FY 2013-2014 ESDC operating and non-programmatic capital expense budgets are attached to these materials for your review.

REQUESTED ACTION

The Directors are requested to adopt the Corporation's proposed Annual Operating Budget for FY 2013-2014 and approve the Non-Programmatic Capital Expense Budget for FY 2013-2014 as set forth in the attachments and to delegate authority to the appropriate officers to take related actions.

ATTACHMENTS

Proposed Annual Operating Budget for FY 2013-2014 including subsidiary operating support

Proposed Non-Programmatic Capital Expense Budget for FY 2013-2014

March 20, 2013

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

RESOLVED, that the Corporation hereby adopts the Annual Operating Budget for FY 2013-2014 including subsidiary operating support and approves the Non-Programmatic Capital Expense Budget for FY 2013-2014, based upon the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the “Materials”); and be it further

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

FOR CONSIDERATION

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Property Disposition Guidelines

REQUEST FOR: Approval of Property Disposition Guidelines, Appointment of Contracting Officer and Authorization to Take Related Actions

Background

The Public Authorities Accountability Act, Chapter 766 of the 2005 Laws of New York was signed into law by the Governor on January 13, 2006 and was amended by the Public Authorities Reform Act of 2009 (collectively, the “Act”). The Act establishes standards for the governance and operation of public authorities such as the New York State Urban Development Corporation d/b/a Empire State Development (the “Corporation”).

Title 5-A of the Act requires the adoption of guidelines with respect to property disposition. The Act also requires that the guidelines must be annually reviewed and approved by the Corporation. Since 2006, the Corporation has adopted and implemented the guidelines that are described below (the “Guidelines”), which effectively incorporate all requirements of the Act. These Guidelines, without change from 2012, are now proposed for re-adoption by the Corporation.

Guidelines Regarding Disposition of Property

In conformity with the Act, as recently amended and described below, the Guidelines Regarding Property Disposition for the Corporation generally provide for the following:

- a. appointment of a contracting officer;
- b. dissemination and posting of the Guidelines;
- c. inventory and reporting on the status of Corporation property; and
- d. obligations of the Corporation with respect to pricing and methods of disposition.

The obligations with respect to pricing generally require disposition of property at no less than fair market value as determined after publicly advertising for bids. Property consists of both real and personal property, and appraisals are required for disposition of real property and certain other not readily valued property.

The most significant exceptions to the bidding requirement are negotiated transfers to the State and negotiated transfers of personal property that have non-utilitarian qualities such as artistic quality or historical significance. These exceptions can permit sole sourcing.

Section 7 of the Guidelines provides for disposing of property for less than fair market value. If the transfer is to a government or other public entity, or the purpose of the transfer is within the purpose or mission of ESDC, disposal is permitted. If not, the transfer is subject to denial by the governor, senate or assembly. In any sale below fair market value certain transactional information must be submitted to the Board which must make a written determination that there is no reasonable alternative to the transfer.

Finally, for most larger negotiated transactions, including exchanges, leases and real property dispositions, an explanatory statement of the transaction must be sent 90 days in advance of such disposal to the Comptroller, Director of the Budget, Commissioner of General Services and the Legislature.

Environmental Review

ESD staff has determined that the requested approval of guidelines and appointment of an officer 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 approval.

Requested Action

The Directors are being asked to adopt the attached Guidelines, appoint the Vice President, Management Information Systems and Administrative Services, (or any successor head of Administrative Services) as both the Procurement Officer of the Corporation and the Contracting Officer for purposes of the Guidelines and to authorize the taking of related actions.

Attachments

Resolution
Guidelines

March 20, 2013

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

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

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

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

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

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

RESOLVED, that the Vice President, Contracts Administration for the Corporation (or any successor Vice President of Contracts Administration), is hereby appointed as both the Procurement Officer and the Contracting Officer as required and set forth in the Guidelines; and it is further

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

* * *

NEW YORK STATE URBAN DEVELOPMENT CORPORATION
D/B/A EMPIRE STATE DEVELOPMENT CORPORATION
GUIDELINES REGARDING DISPOSITION OF PROPERTY

I. Definitions. As used herein, unless a different meaning is required by the context.

1. “Contracting officer” shall mean the Procurement Officer who shall be appointed by resolution of the Board of Directors to be responsible for the disposition of property.

2. “Dispose” or “disposal” shall mean transfer of title or any other beneficial interest in personal or real property in accordance with these guidelines.

3. “Property” shall mean personal property in excess of five thousand dollars in value, real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

II. Duties of the Corporation with respect to guidelines related to the disposal of property.

1. a. The contracting officer shall be responsible for the Corporation’s compliance with, and enforcement of these guidelines.

b. The Corporation’s contracting activities shall comply with Title 5-A of the Public Authorities Law, the New York State Urban Development Act (the “Act”) and any other applicable law for the disposal of property.

c. These guidelines shall be annually reviewed and approved by the Board of Directors.

d. On or before the thirty-first day of March in each year, the Corporation shall file with the comptroller a copy of the guidelines most recently reviewed and approved by the Corporation, including the name of the Corporation’s designated contracting officer. At the time of filing such guidelines with the comptroller, the Corporation shall also post such guidelines on the Corporation’s internet website. Guidelines on the Corporation’s internet website shall be maintained on such website at least until the procurement guidelines for the following year are posted on such website.

2. Inventory. The Corporation shall:

- a. maintain adequate inventory controls and accountability systems for all property under its control;
- b. periodically inventory such property to determine which property shall be disposed of;
- c. produce a written report of such property in accordance with subdivision three of this section;
- d. transfer or dispose of such property as promptly as possible in accordance with Section III.

3. Reporting

- a. The Corporation shall publish, not less frequently than annually, a report listing all real property of the Corporation. Such report shall include a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Corporation and the name of the purchaser for all such property sold by the Corporation during such period.
- b. The Corporation shall delivery copies of such report to the comptroller, the director of the budget, the commissioner of general services, the legislature and Authorities Budget Office.

III. Disposal of Corporation's property.

1. Supervision and direction. Except as otherwise provided in this section, the contracting officer shall have supervision and direction over the disposition of property of the Corporation.

2. Custody and control. The custody and control of the property of the Corporation, pending its disposition, and the disposal of such property, shall be performed by the Corporation or by the commissioner of general services when so authorized under this section.

3. Method of disposition. Subject to Section II of these guidelines, the Corporation may dispose of property for not less than the fair market value of such property by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the contracting officer deems proper, and it may execute such documents for the transfer of title or other

interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this section. Provided, however, that no disposition of real property, or any interest in real property, shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction and, provided further, that no disposition of any property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar property, shall be made without a similar appraisal.

4. Sales by the commissioner of general services. When it shall be deemed advantageous to the state, the Corporation may enter into an agreement with the commissioner of general services where under such commissioner may dispose of property of the Corporation under terms and conditions agreed to by the Corporation and the commissioner of general services. In disposing of any such property of the Corporation, the commissioner of general services shall be bound by the terms of this title and references to the contracting officer shall be deemed to refer to such commissioner.

5. Validity of deed, bill of sale, lease or other instrument. A deed, bill of sale, lease, or other instrument executed by or on behalf of the Corporation, purporting to transfer title or any other interest in property under these guidelines shall be conclusive evidence of compliance with the provisions of these guidelines insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to the closing.

6. Bids for disposal; advertising; procedure; disposal by negotiation; explanatory statement.

a. all disposals or contracts for disposal of property of the Corporation made or authorized by the contracting officer shall be made after publicly advertising for bids except as provided in paragraph c of this subdivision.

b. Whenever public advertising for bids is required under paragraph a of this subdivision:

(i) the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the property;

(ii) all bids shall be publicly disclosed at the time and place stated in the advertisement; and

(iii) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the state, price and other factors considered; provided, that all bids may be rejected when it is in the public interest to do so.

c. Disposals and contracts for disposal of property may be negotiated or made by public auction without regard to paragraphs a and b of this subdivision but subject to obtaining such competition as is feasible under the circumstances, if:

(i) the personal property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity, or other quality of similar effect, that would tend to increase its value, or if the personal property is to be sold in such quantity that, if it were disposed of under paragraphs a and b of this subdivision, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;

(ii) the fair market value of the property does not exceed fifteen thousand dollars;

(iii) bid prices after advertising therefore are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;

(iv) the disposal will be to the state or any political subdivision, and the fair market value of the property and other satisfactory terms of disposal are obtained by negotiation; or

(v) under the circumstances permitted by section 7; or

(vi) such action is otherwise authorized by law.

d. (i) An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:

(a) any personal property which has an estimated fair market value in excess of fifteen thousand dollars;

(b) any real property that has an estimated fair market value in excess of one hundred thousand dollars, except that any real property

disposed of by lease or exchange shall only be subject to clauses (C) and (D) of this subparagraph;

(c) any real property disposed of by lease if the estimated annual rent over the term of the lease is in excess of fifteen thousand dollars;

(d) any real property or real and related personal property disposed of by exchange, regardless of value or any property any part of the consideration for which is real property.

(ii) Each such statement shall be transmitted to the persons entitled to receive copies of the report required under section II of these guidelines not less than ninety days in advance of such disposal, and a copy thereof shall be preserved in the files of the Corporation.

e. For purposes of Section c(ii), (v) and Section d of this paragraph 6 when an appraisal is not feasible or practical, fair market value shall be determined by the board of directors based on the recommendation of the contracting officer. In making such recommendation, the contracting officer shall make due inquiry of values of comparable property including, as appropriate, geographic location, use, occupancy, condition, obsolescence, outstanding debts, taxes and liens and intended future use.

7. Disposal of property for less than fair market value.

a. No asset owned, leased or otherwise in the control of a public authority may be sold, leased, or otherwise alienated for less than its fair market value except if:

(i) the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the asset will remain with the government or any other public entity;

(ii) the purpose of the transfer is within the purpose, mission or governing statute of the public authority; or

(iii) in the event a public authority seeks to transfer an asset for less than its fair market value to other than a governmental entity, which disposal would not be consistent with the authority's mission, purpose or governing statutes, such authority shall provide written notification thereof to the governor, the speaker of the assembly, and the temporary president of the senate, and such proposed transfer shall be subject to denial by the governor, the senate, or the assembly. Denial by the governor shall take the form of a signed certification by the governor. Denial by either house of the legislature

shall take the form of a resolution by such house. The governor and each house of the legislature shall take any such action within sixty days of receiving notification of such proposed transfer during months of January through June, provided that if the legislature receives notification of such proposed transfer during the months of July through December, the legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the governor, senate and assembly, the public authority may effectuate such transfer. Provided, however, that with respect to a below market transfer by a local authority that is not within the purpose, mission or governing statute of the local authority, if the governing statute provides for the approval of such transfer by the executive and legislative branches of the political subdivision in which such local authority resides, and the transfer is of property obtained by the authority from that political subdivision, then such approval shall be sufficient to permit the transfer.

b. In the event a below fair market value asset transfer is proposed, the following information must be provided to the authority board and the public:

- (i) a full description of the asset;
- (ii) an appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the board.
- (iii) a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the asset is situated as are required by the transfer.
- (iv) a statement of the value to be received compared to the fair market value;
- (v) the names of any private parties participating in the transfer, and if different than the statement required by subparagraph (iv) of this paragraph, a statement of the value to the private party; and
- (vi) the names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

c. Before approving the disposal of any property for less than fair market value, the board of an authority shall consider the information described in paragraph b of this subdivision and make a written determination that there is no reasonable alternative to the proposed below market transfer that would achieve the same purpose of such transfer.

Dated: March 20, 2013

FOR CONSIDERATION

March 20, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Annual DHCR Mortgage Servicing Fee Payment

REQUEST FOR: Authorization to Enter into a Letter Agreement and Pay DHCR a Mortgage Servicing Fee for Fiscal Year Ending March 31, 2013.

BACKGROUND

Pursuant to Section 26-b of the Private Housing Finance Law, residential housing projects financed by New York State Urban Development Corporation (“UDC”) doing business as Empire State Development (“ESD”) are subject to the regulation and control of the Commissioner of Housing and the New York State Division of Housing and Community Renewal (“DHCR”), now an agency of New York State Homes and Community Renewal (“HCR”). By a Memorandum of Understanding dated August 29, 1979, DHCR, UDC, the New York State Mortgage Loan Enforcement and Administration Corporation and the New York State Project Finance Agency confirmed DHCR’s regulatory authority and supervisory responsibilities for ESD’s residential mortgage portfolio (the “Projects”).

The MOU gave DHCR the responsibility to ensure compliance with the provisions of the Private Housing Finance Law (“PHFL”), State regulations and Section 236 of the National Housing Act, as well as other responsibilities including the authority to set maximum rentals rates for subsidized apartments and to establish and maintain funding reserves for the Projects. Consistent with the MOU, ESD has been making a payment for these supervisory responsibilities (the “Mortgage Servicing Fee”) on an annual basis. The amount of the fee was initially set forth in legislation and enforced by the Division of Budget. The same annual fee of \$2,838,000 is paid each year in response to a request by letter from HCR. HCR has submitted a letter to ESD requesting payment of the Mortgage Servicing Fee for the current Fiscal Year ending March 31, 2013 in the amount of \$2,838,000.

REQUESTED ACTION

The Directors are requested to authorize ESD to enter into a letter agreement pursuant to which ESD will pay DHCR a Mortgage Servicing Fee of \$2,838,000 for supervision of the ESD-financed residential housing portfolio for the fiscal year ending March 31, 2013.

ENVIRONMENTAL REVIEW

ESD staff has determined that the authorization to enter into a letter agreement and pay DHCR a mortgage servicing fee for Fiscal Year ending March 31, 2013 does not constitute an action 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 authorization.

ATTACHMENT

Resolution

March 20, 2013

NEW YORK STATE URBAN DEVELOPMENT CORPORATION - Authorization to Enter into a Letter Agreement and Pay DHCR a Mortgage Servicing Fee for Fiscal Year Ending March 31, 2013.

WHEREAS, pursuant to Section 26-b of the Private Housing Finance Law, residential projects financed by UDC are subject to the regulation and control of the Commissioner of Housing and the New York State Division of Housing and Community Renewal (“DHCR”); and

WHEREAS, the regulatory authority and responsibility of DHCR was confirmed in a Memorandum of Understanding dated August 29, 1979 among DHCR, now an agency of the New York State Homes and Community Renewal (“HCR”), the Corporation, New York State Mortgage Loan Enforcement and Administration Corporation and New York State Project Finance Agency (the “MOU”); and

WHEREAS, pursuant to the MOU, DHCR has provided supervisory and other services relating to the residential projects financed by UDC; and

WHEREAS, HCR has requested that ESD pay for these services for the fiscal year ending March 31, 2013;

NOW THEREFORE, the Corporation hereby resolves as follows:

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) is authorized to enter into a Letter Agreement under which ESD agrees to pay DHCR a mortgage servicing fee of \$2,838,000 for supervision of the ESD-financed residential housing portfolio for the Fiscal Year ending March 31, 2013 and to take any and all other steps necessary to effectuate payment of \$2,838,000, which amount shall not be repaid, as further outlined in the materials presented to this meeting and filed with records of the Corporation; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s), and each of them hereby is, authorized to take such actions or execute on behalf of the Corporation such agreements, instruments and resolutions as he or she may consider necessary or appropriate in connection with the foregoing.



FOR INFORMATION

March 21, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Quarterly Report on Procurement Commitments to Certified Minority and Women Business Enterprises (MWBEs) – 3rd Quarter of Fiscal Year 2012-13

COMMITMENTS TO CERTIFIED MWBEs DURING THIRD QUARTER OF FISCAL YEAR 2012-2013:

For the third quarter of fiscal year 2012-2013, ESD and its subsidiaries executed a total of \$7.36M in eligible procurements and amendments, of which \$1.14M or 15.48% has been committed to MWBEs by ESDC, its subsidiaries and primes. Of the total MWBE commitments, direct commitments by ESD to certified MWBE vendors accounted for approximately \$408,120 and the remaining balance of \$730,740 was committed by prime contractors to certified sub-contractors.

In total, during the first three quarters of FY 2012-2013, ESD and its prime contractors have committed \$34.11M or 15.21% of ESD's total qualifying expenditures (\$224.4M) to certified Minority and Women Owned Business Enterprises.