

**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

April 16, 2014 – 9:30 a.m.

**AGENDA**

**FOR CONSIDERATION**

**I. CORPORATE ACTION**

- A. Approval of Minutes of the March 28, 2014 Directors' Meeting

**II. DISCRETIONARY PROJECTS**

**NEW YORK CITY REGION**

- A. Long Island City (New York City Region - Queens County) – Steinway 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

**III. REGIONAL COUNCIL AWARDS**

**SOUTHERN TIER REGION**

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

### III. **REGIONAL COUNCIL AWARDS – Continued**

#### **MOHAWK VALLEY REGION**

- B. Regional Council Award – Priority Project – Utica (Mohawk Valley Region – Oneida County) – Utica Memorial Auditorium Capital – Regional Council Capital Fund and New York Works 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; Determination of No Significant Effect on the Environment
- C. Regional Council Award – Utica (Mohawk Valley Region – Oneida County) – Masonic Medical Research Laboratory Capital – Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

#### **WESTERN NEW YORK REGION**

- D. Regional Council Award – Priority Project - Salamanca (Western New York Region – Cattaraugus County) – ASP Partners 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; Adoption of Findings Pursuant to the State Environmental Quality Review Act

#### **NORTH COUNTRY REGION**

- E. Regional Council Award – Priority Project - Ticonderoga (North Country Region – Essex County) – Adirondack Meat Company 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
- F. Regional Council Award – Ticonderoga (North Country Region – Essex County) – Ticonderoga Water Sewer Infrastructure Capital – Regional Council Capital Fund – (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

**III. REGIONAL COUNCIL AWARDS – Continued**

**REGIONAL COUNCIL AWARD PROJECTS CONSENT CALENDAR**

- G. Regional Council Awards Projects Consent Calendar – 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

Empire State Economic Development Fund

- A. Amsterdam Industrial Development Agency Capital (Montgomery County) - \$40,000

**IV. NON-DISCRETIONARY PROJECTS**

**NON-DISCRETIONARY PROJECTS CONSENT CALENDAR**

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

Community Capital Assistance Program (Senate)

- A. Chaveirim Capital (Kings County) - \$50,000

Community Projects Fund (Assembly)

- B. CUNY Center for Small Business at York College Working Capital (Queens County) - \$150,000

**V. RADISSON COMMUNITY**

- A. Lysander (Onondaga County) – Radisson Community – Procurement for Railway Road Crossings Repair/Reconstruction Services – Authorization to Enter into a Contract for Railway Road Repair/Reconstruction Services; and Authorization to Take Related Actions

**VI. ADMINISTRATIVE ACTION**

- A. Procurement of Legal Services – Authorization to Enter into a Contract for Legal Services

**DRAFT – SUBJECT TO REVIEW AND REVISION**

**NEW YORK STATE URBAN DEVELOPMENT CORPORATION**

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

March 28, 2014

**MINUTES**

**In Attendance**

**Directors:**

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

**Present for ESD:**

Jonathan Beyer, Senior Counsel  
Destiny Burns, Director-Empowerment Zone and Community  
Lending  
Joseph Chan, Executive Vice President-Real Estate Development  
Elizabeth R. Fine, Executive Vice President, Legal and  
General Counsel  
Edwin Lee, Assistant Vice President – Discretionary Projects  
Charles Imohiosen, Chief Operating Officer  
Howard Kramer, Director Marketing Finance  
Eileen McEvoy, Corporate Secretary  
Glendon McLeary, Senior Project Manager  
Kathleen Mize, Deputy CFO and Controller  
Mehul Patel, Chief of Staff  
David Salway, Director – Broadband Program  
Marion Samuels, Director – Community Development Program  
Susan Shaffer, Senior Vice President – Loans and Grants  
Joyce Smith, Director-Entrepreneurial Assistance Program  
Simon Wynn, Senior Counsel

**DRAFT – SUBJECT TO REVIEW AND REVISION**

**Also Present:** Robin Alpaugh, Southern Tier Regional Office  
Vincent Esposito, Director – Finger Lakes Region  
Andrea Lohneiss, Director – Long Island Regional Office  
Christine Orsi, Director – Western New York Regional Office  
Kenneth Tompkins, Director – Mohawk Valley Regional Office  
Aimee Vargas, Director – Mid-Hudson Regional Office  
David J. Wright, Assistant Commissioner – Albany

**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 9:34 a.m. by Acting Chair Adams. It was noted for the record that the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

Next, Acting Chair Adams set forth the guidelines regarding comments by the public on matters on the Agenda as well as with regard to any conflicts of interest the Directors may have with regard to items on the Agenda. Director Ciminelli noted that he will recuse himself with regard to the vote on the Buffalo Billion Fort Schuyler and AMRI items.

Acting Chair Adams then asked the Directors to approve the Minutes of the February 20, 2014 Directors’ meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE FEBRUARY 20, 2014 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT

**DRAFT – SUBJECT TO REVIEW AND REVISION**

CORPORATION

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RESOLVED, that the Minutes of the meeting of the Corporation held on February 20, 2014, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

\* \* \*

The Acting Chair then asked Kathleen Mize to present an item relating to the adoption of ESD's Budget for Fiscal Year 2014-2015.

Ms. Mize noted that in compliance with State Finance Law, the Directors were being asked to adopt the ESD Fiscal Year 2014-2015 Annual Operating Budget which includes support provided to certain subsidiaries and funding for the operations of the Regional Economic Development Councils and the New York Works Task Force.

Among other things, Ms. Mize explained that if, following the adoption of the State's fiscal year 2014-2015 budget, changes are required, a modified operating budget will be presented to the Directors at a later date.

Ms. Mize further explained that in addition to the operating budget, authorization is also being sought to approve the Fiscal Year 2014-2015 non-programmatic capital expense authorization in the amount of \$1,636,500 which will support plans to invest in new communications technologies, purchase network and other computer equipment and upgrade the financial management and telecommunications systems.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

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

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RESOLVED, that the Corporation hereby adopts the Annual Operating Budget for FY 2014-15 including subsidiary operating support and approves the Annual Non-Programmatic Capital Expense Authorization for FY 2014-15 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.

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The Acting Chair then asked Ms. Roy to present an item relating to the Atlantic Yards Land Use Improvement and Civic Project for the Directors’ consideration.

Ms. Roy noted that in connection with the Atlantic Yards Project, the Directors were being asked to accept the Draft Supplemental Environmental Impact Statement (“DSEIS”), adopt an amendment to the Modified General Project Plan and authorize ESD to hold a public hearing.

Ms. Roy explained that ESD accepted and approved the Projects’ Final Environmental Impact Statement (“FEIS”) and General Project Plan (“GPP”).

## **DRAFT – SUBJECT TO REVIEW AND REVISION**

In 2009, Ms. Roy continued, the ESD Directors affirmed certain modifications to the Modified General Project Plan and in July, 2011 the court found that ESD’s review of that 2009 GPP did not adequately account for the potential prolonged build out of the project.

Ms. Roy further explained that ESD has prepared a Draft Supplemental Environmental Impact Statement (“DSEIS”) that includes extensive technical analyses of potential impacts from prolonged construction, a phase two of the project.

Ms. Roy then outlined in detail the areas of impact that will be studied.

Upon acceptance of the Draft EIS by ESD’s Directors, Ms. Roy further explained, the document will be published and filed and a public hearing will be held in Brooklyn in late April to give all interested parties an opportunity to provide comment. All substantive comments, she added, will be reviewed and addressed in the Final SEIS.

Ms. Roy further noted that attached to the Directors’ materials is a document outlining a transaction proposed by the developer, whereby Forest City Ratner and Greenland Holding Group will create a joint venture to carry out portions of the project. Ms. Roy explained that no action is required by the Directors on this proposed transaction at this time.

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Director Miller asked if there were any preliminary reactions or comments from the public or from the community and Ms. Roy stated that the DSEIS will not be released until there is approval by the Directors and that thereafter there will be a comment period. Director Ciminelli asked if the Supplemental Environmental Impact Statement (“SEIS”) affected the initial development schedule as it appears that the schedule has been extended out.

Ms. Roy explained that the original Environmental Impact Statement studied a build out through 2016 and now the build out is being studied to 2035.

That, she added, does not limit the project from being built in a shorter time frame. The SEIS, Ms. Roy further noted, looks at the potential impacts from the longer construction schedule.

The Acting Chair then asked Destiny Burns to call on those individuals who signed up to comment on the item to come forward to present their comments.

Five members of the public provided comments.

The first speaker was Gib Veconi speaking on behalf of the Prospect Heights Neighborhood Development Council (“PHNDC”). Mr. Veconi stated that PHNDC believes that had ESD and the project sponsors been candid in 2009 when changing from a ten year to a 25 year build out, public pressure would have required the agency not only to conduct an SEIS but

**DRAFT – SUBJECT TO REVIEW AND REVISION**

also to explore a strategy of including other development partners to preserve the schedule under which the project was originally approved.

Among other things, Mr. Veconi noted his view that a multi-source developer approach is more resilient and efficient than the single source model but in spite of that, ESD Directors are now being asked to accept a Draft SEIS that has reached the opposite conclusion.

Mr. Veconi speculates that the reason may be that the 2009 master development agreement makes it impossible to consider an alternative with developers other than Forest City Ratner.

Mr. Veconi concluded that ESD's Directors acceptance of the Draft EIS will further enshrine an unprecedented and failed franchise that ESDC has provided to the single source developer of the Atlantic Yards project pushing its goals even further out of the orbit of ESD's control.

Next, Ms. deLaUz, the Executive Director of the Fifth Avenue Committee provided comments.

Ms. deLaUz first provided background information on the Fifth Avenue Committee explaining that the Committee is a 36-year old non-profit comprehensive community development corporation whose initiative is to advance economic and social justice.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Ms. deLaUs then went on to state that the Committee has been concerned about the lack of public accountability of the Atlantic Yards Project since its inception.

Ms. deLaUz provided the Directors with a synopsis of her view with regard to the adverse impact that the delay of the affordable housing has had on the socio-economic conditions in the area.

Mr. Bailey, representing the Community Outreach division of the News Walk Managers, spoke in depth about construction impacts related to the project.

Among other things, Mr. Bailey stated that the actions of the individual construction workers have been a prime source of the community's complaints. He asserted that the workers engage in illegal parking, illegal idling, operating noisy equipment all night long and creating a general state of chaos at times.

In closing, Mr. Bailey stated his belief that the State has lost the confidence of the community in relation to the way it oversees the construction impacts. He went on to note that it is the community's hope that ESD will work with it to revise the oversight so that the environmental impacts of construction are correctly understood and minimized.

Next, Mr. Krashes, speaking as an individual, provided comment. He noted that he is part of the Street Block Association, an individual petitioner on the SEIS litigation and that he is

**DRAFT – SUBJECT TO REVIEW AND REVISION**

on the Board of the Prospect Heights Neighborhood Development Council.

Mr. Krashes provided background information on the project’s development and stated, among other things, that it is clear to him and others in his community that the State is prepared to place the risk for this project on the community and the public in terms of project benefits and the project’s environmental impacts while putting the priority on the prior developer’s interest.

Ms. Gunasekane, an area resident, then made comments. Ms. Gunasekane noted that she lives a half a block from Atlantic Yards and in her view, the project has lost the confidence of the people because of their disregard for the laws.

Following those comments, the Acting Chair called for a motion on the item and upon motion duly made and seconded, the following resolution was unanimously adopted (Director Miller voted in favor but noted her reservations and asked that periodic updates on the Project be provided to the Directors. It was noted that that would be done.):

New York (Kings County) – Atlantic Yards Land Use Improvement Project and Civic Project – Acceptance of Draft Supplemental Environmental Impact Statement; Adoption of Amendment to Modified General Project Plan; Authorization to Hold Public Hearing; and Authorization to Take Related Actions

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RESOLVED, that the Draft Supplemental Environmental Impact Statement (“**DSEIS**”) for the Atlantic Yards Land Use Improvement and Civic Project (the “**Project**”), as presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, is satisfactory with respect to its scope, content, and adequacy for purposes of public review under the New York State Environmental Quality Review Act (“**SEQRA**”) and the implementing

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

RESOLVED, that with respect to the Project, the Corporation does hereby adopt, for purposes of the public hearing(s) required under the New York State Urban Development Corporation Act of 1968, as amended (the “**UDC Act**”), and as may be appropriate pursuant to other applicable law or regulation, the March 2014 Proposed Amendment to the 2009 MGPP as presented to this meeting, together with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that the March 2014 Proposed Amendment to the 2009 MGP shall not be final until action is taken by the Directors as provided in the UDC Act and until such time as all requirements of all applicable laws and regulations in connection therewith shall have been satisfied; and be it

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 such actions as may be considered necessary or appropriate to comply with the requirements of SEQRA, the UDC Act, and any other applicable law or regulation, including, without limitation, the holding of a public hearing; the providing, filing, or making available copies of the DSEIS (or a summary thereof) and/or these materials; the fixing of a date for such hearing; the publication of a notice relating to such hearing and the DSEIS and the March 2014 Proposed Amendment to the 2009 MGPP; and the procedures heretofore approved by the Corporation with respect to similar hearings; and the making of a report or reports to the Directors on such hearing and any comments received; and be it further

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

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

projects from their region.

Mr. Lee noted that the Directors will be asked to consider funding for 25 Discretionary Projects including: one Downstate Revitalization Fund grant for \$1,000,000; one Economic Development Purposes Fund grant for \$1,000,000; one Empire State Economic Development Fund grant for \$100,000; three Entrepreneurial Assistance grants totaling \$222,621; and 19 Community Development Financial Institution Assistance Program grants totaling \$1,495,000.

Mr. Lee noted that in addition, the Agenda includes three Buffalo Billion Initiative Projects, as well as seven Regional Council Award Projects including one Empire State Economic Development Fund grant for \$120,000; four Regional Council Capital Fund grants totaling \$4.15 million and two Connect NY/NY Works Program grants totaling \$232,000.

Mr. Lee added that these 35 projects will leverage over \$1.7 billion in additional investments and will assist in retaining 1,375 jobs and in creating approximately 32 jobs in New York State.

Acting Chair Adams then asked Ms. Lohneiss, the Director of ESD's Long Island Regional Office, to present the Downtown Patchogue Redevelopers Downtown Revitalization Fund Project for the Directors' consideration.

Ms. Lohneiss explained that the Directors were being asked to authorize ESD to make a

**DRAFT – SUBJECT TO REVIEW AND REVISION**

\$1,000,000 grant in connection with the project.

Ms. Lohneiss further explained that the funds will be used for a portion of the cost of capital expenses related to the construction of a mixed-use transit oriented project consisting of office, retail and rental apartments.

Among other things, Ms. Lohneiss explained that the project was awarded in 2009 based on its anticipated impact on the Village’s overall revitalization efforts and strong support from the Village. The project, she added, and a Restore funded project located adjacent to it at 31 Main Street, have transformed this area of downtown and will contribute significantly to the dire need for rental housing in Suffolk County.

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

Patchogue (Long Island Region – Suffolk County) – Downtown Patchogue Redevelopers DRF Capital – Downstate Revitalization Fund – Downtown Redevelopment (Capital Grant) – Findings and Determinations Pursuant to Section 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

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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 Downtown Patchogue Redevelopers DRF Capital – Downstate Revitalization Fund – Downtown Redevelopment (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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 Downtown Patchogue Redevelopers, LLC a grant for a total amount not to exceed One Million Dollars (\$1,000,000) from the 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 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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Patchogue (Long Island Region – Suffolk County) – Downtown Patchogue Redevelopers  
DRF Capital – Downstate Revitalization Fund – Downtown Redevelopment (Capital  
Grant) – Adoption of Findings Pursuant to the State Environmental Quality Review Act

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RESOLVED, that with respect to the Mixed-Use Development of Downtown Patchogue Redevelopers, LLC (the “Project”), the Corporation hereby makes and adopts pursuant to the

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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) and supplemental environmental review prepared for the Mixed-Use Development of Downtown Patchogue Redevelopers, LLC;
- 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 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.

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Ms. Vargas, the Director of ESD’s Mid-Hudson Regional Office, presented the Crystal Run Healthcare Economic Development Purposes Fund project for the Directors’ consideration.

Ms. Vargas asked the Directors to authorize ESD to make a \$1,000,000 grant to be used for a portion of the cost of land acquisition and machinery and equipment.

Ms. Vargas noted that the Crystal Run Healthcare Facility is a physician-owned, multi-

**DRAFT – SUBJECT TO REVIEW AND REVISION**

specialty group that provides primary care and specialty medical services in the Mid-Hudson Valley.

Ms. Vargas further noted that in July of 2012, Crystal Run approached ESD for assistance with the purchase of the parcel in the Town of Wallkill. She added that the Company had considered moving all of its back office operations to North Carolina and because of ESD's incentive, the Company was able to keep the back office operations in New York State.

Ms. Vargas further explained that the total project cost is \$13.7 million and that the Company's employment has actually exceeded the retention of 1,189 which was the basis of the award. Their current employment, she noted, is 1,528.

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

Middletown (Mid-Hudson Region – Orange County) – Crystal Run Healthcare Capital – Economic Development Purposes Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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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 Crystal Run Healthcare Capital -- Economic Development Purposes Fund (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

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

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

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

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Middletown (Mid-Hudson Region – Orange County) – Crystal Run Healthcare Capital – Economic Development Purposes Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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Next, Ms. Orsi, the Director of ESD’s Western New York Regional Office, asked the Directors to authorize ESD to make an \$800,000 grant in connection with the Edison Welding Buffalo Billion Initiative item.

Ms. Orsi explained that the funds will be used for reimbursement for start-up activities necessary to establish a sustainable Buffalo-Niagara Institute for Advanced Manufacturing Competitiveness.

Ms. Orsi further explained that Edison Welding Institute is a non-profit member-based organization and their mission is focused on assisting manufacturers to improve their operational efficiencies and help them become more competitive and ultimately help manufacturers grow through the use of technology and innovation.

Following the full presentation, the Acting Chair asked if, beyond the very high skilled engineers and state-of-the-art support to industry, will there be any training for more average entry-level workers in welding and metal work.

Ms. Orsi explained, among other things, that one piece of the project will be to provide linkages to the area’s community colleges and other SUNY’s for more important solutions from entry level through engineering. She added that the concept of it is to be a one-stop shop for manufacturers.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

Buffalo Billion Initiative – Various Locations (Western New York Region – Allegany, Cattaraugus, Chautauqua, Erie, and Niagara Counties) – Edison Welding Institute Working Capital – Phase II – Economic Development Purposes Fund (Working Capital) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Edison Welding Institute Working Capital – Phase II – Economic Development Purposes Fund (Working 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 President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Edison Welding Institute, Inc. a grant for a total amount not to exceed Eight Hundred Thousand Dollars (\$800,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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**DRAFT – SUBJECT TO REVIEW AND REVISION**

The Directors were then asked by Ms. Smith to authorize ESD to make three grants totaling \$222,621 under its Statewide Entrepreneurial Assistance Program.

Ms. Smith stated that each organization will be receiving a grant in the amount of \$74,270 which they must match with 100 percent cash and income.

Ms. Smith further noted that 21 EAP grants were approved by the Directors on November 18, 2013 and that these three remaining projects required additional documentation and review. All, she added, have been vetted and approved through the New York State Grant Gateway System.

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

Statewide – Entrepreneurial Assistance Program (Training and Technical Assistance Grants); Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make Grants and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Empire State Development (“ESD”), relating to the Entrepreneurial Assistance Program (Training and Technical Assistance Grants) Projects, (the “Projects”), ESD 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 or his designee(s) be, and each of

**DRAFT – SUBJECT TO REVIEW AND REVISION**

them hereby is, authorized to make grants for a total amount not to exceed Two Hundred Twenty-Two Thousand Six Hundred Twenty-One (\$222,621) from the Entrepreneurial 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 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 ESD 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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Ms. Samuels then asked the Directors to authorize ESD to provide \$1,495,000 in funding for the Statewide-Community Development Financial Institutions Assistance Program.

Ms. Samuels noted that 19 grants will be made and they will range from \$40,000 to \$150,000. She added that the selection of these organizations was based on the strength of their proposals, the degree of economic distress in the community areas, successful track records and strong lending capacity.

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 Four Hundred Ninety-Five Thousand Dollars (\$1,495,000) 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.

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Mr. Lee then presented the March Discretionary Projects Consent Calendar for the

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Directors' consideration.

Mr. Lee noted that the Directors were being asked to approve a \$100,000 grant to ATM, Inc., a company that manufactures specific fastenings used to create small metal parts that are used in aero—space aviation, medical and public industries.

Mr. Lee further noted that in order to improve its competitiveness, the Company has invested over \$679,000 to purchase new machinery and equipment and streamline its manufacturing processes.

Mr. Lee added that all of the equipment has been installed and the Company is fully operational since October of 2012.

The Company, he continued, will retain 29 jobs and has committed to creating ten jobs, four of which have already been created.

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:

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

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

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

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

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

necessary approvals;

Empire State Economic Development Fund

	Project Name	Proj #	Grantee	Assistance up to
	General Development Financing Projects			
A	AMT Capital	X359	AMT Inc.	\$100,000
			TOTAL	\$100,000

and be it further

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

\* \* \*

Ms. Orsi then asked the Directors to make Findings and Determinations and to authorize ESD to make a grant in connection with the Fort Schuyler/RiverBend Park Buffalo Billion Initiative item.

Ms. Orsi noted that the Directors are being asked to approve a \$118,000,000 grant in connection with the Buffalo High Tech Innovation and Commercialization Hub in RiverBend. The funds, she explained, will be used towards site planning and design and machinery and equipment to ultimately go into the building. Because of the lead time on the machinery and equipment, Ms. Orsi further noted, ordering of the equipment must begin now.

Ms. Orsi explained that this will be part of a much larger \$1.7 billion private sector

**DRAFT – SUBJECT TO REVIEW AND REVISION**

partnership that will take a former manufacturing site in Buffalo, which was previously owned by Republic Steel and turn it into a state-of-the-art hub campus for high tech and green energy manufacturing investment.

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 (It was noted for the record that Director Ciminelli recused himself with regard to the following resolution.):

Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Fort Schuyler Management Corporation/RiverBend Park Capital – Buffalo Regional Innovation Cluster (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Fort Schuyler Management Corporation/Riverbend Park Capital – Buffalo Regional Innovation Cluster (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 Fort Schuyler Management Corporation a grant for a total amount not to exceed One Hundred Eighteen Million Dollars (\$118,000,000) from the Buffalo Regional Innovation Cluster,

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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. Orsi presented the Fort Schuyler Management Corporation/AMRI Buffalo Billing Initiative item for the Directors' consideration.

Ms. Orsi noted that the Directors were being asked to approve a \$50,000,000 Buffalo Regional Cluster grant to Fort Schuyler Management Corporation on behalf of the SUNY College of Nano Health Science and Engineering.

These funds, Ms. Orsi explained, will be used for a portion of the cost of equipment, real estate acquisition and build out costs for a new Buffalo Nano Innovation Commercialization Hub which will be located in the new building on the Buffalo Niagara Medical Campus.

Ms. Orsi added that AMRI, a contract pharmaceutical research organization will serve as

**DRAFT – SUBJECT TO REVIEW AND REVISION**

the anchor tenants in this new hub.

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 (It was noted for the record that Director Ciminelli recused himself with regard to the following resolution.):

Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Fort Schuyler Management Corporation/AMRI Capital – Buffalo Regional Innovation Cluster (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to Fort Schuyler Management Corporation/AMRI Capital – Buffalo Billion Investment Cluster 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 Fort Schuyler Management Corporation, a grant for a total amount not to exceed Fifty Million Dollars (\$50,000,000) from the Buffalo Regional Innovation Cluster 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 of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

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

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

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Mr. Tompkins, the Director of ESD's Mohawk Valley Regional Office, asked the Directors to authorize ESD to make a \$2,000,000 grant in connection with the Tyron Technology Park and Incubator Center Regional Council Awards item.

Among other things, Mr. Tompkins noted that the funds will be used to assist in the creation of a shovel-ready business park on the site of the former Tyron Juvenile Detention Facility in the Town of Perth.

Mr. Tompkins further noted that the facility is one of 11 correctional facilities closed in 2011 as part of the Governors plan to consolidate services and to increase the efficiency of the juvenile justice facility system.

Mr. Tompkins added that in addition to returning this property to the tax rolls, ESD and

**DRAFT – SUBJECT TO REVIEW AND REVISION**

the Regional Council anticipate that the Tyron Park will create significantly more jobs than were lost with the closing of the correctional facility.

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

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

Regional Council Award – Perth (Mohawk Valley Region – Fulton County) – Fulton County - Tryon Technology Park and Incubator Center Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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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 Fulton County - Tryon Technology Park and Incubator Center 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 Fulton County a grant for a total amount not to exceed Two Million Dollars (\$2,000,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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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Regional Council Award – Perth (Mohawk Valley Region – Fulton County) – Fulton County - Tryon Technology Park and Incubator Center Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Fulton County - Tryon Technology Park and Incubator Center Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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Mr. Esposito, the Director of ESD’s Finger Lakes Regional Office, asked the Directors to authorize ESD to make a \$1,000,000 grant in connection with the NY-BEST Regional Council Awards Project.

Mr. Esposito noted that the funds will be used to purchase and install state-of-the-art equipment and to establish a commercialization center at the Eastman Business Park to create the next generation of battery and other energy source devices.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

unanimously adopted:

Regional Council Award – Priority Project – Rochester (Finger Lakes Region – Monroe County) – NY-BEST Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the NY-BEST 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 New York Battery and Energy Storage Technology Consortium, Inc. a grant for a total amount not to exceed One Million Dollars (\$1,000,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

necessary or appropriate in the administration of the grant; and be it further

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

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

\* \* \*

Ms. Vargas then presented the Mount Saint Mary College Regional Council Awards grant item.

Ms. Vargas asked the Directors to approve a \$1,000,000 grant to be used for a portion of the cost of renovating the Dominican Center which is a historical building in the City of Newburgh to create a library and learning center and a residence to accommodate 156 students.

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

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

Regional Council Award – Newburgh (Mid-Hudson Region – Orange County) – Mount Saint Mary College - Dominican Center Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

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

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

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Regional Council Award – Newburgh (Mid-Hudson Region – Orange County) – Mount Saint Mary College - Dominican Center Capital – Regional Council Capital Fund (Capital

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Mount Saint Mary College – Dominican Center Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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Mr. Alpaugh, representing ESD’s Southern Tier Regional Office, presented the Project Seneca Phase I Capital grant item for the Directors’ consideration.

Mr. Alpaugh asked the Directors to approve a \$150,000 grant to Schuyler County to complete a study to establish a scope of services plan to decommission two out-of-compliance wastewater treatment plants in Watkins Glen and Montour Falls.

He added that a new wastewater treatment plant will be built to replace both of these plants.

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

Regional Council Award – Priority Project – Watkins Glen & Montour Falls (Southern Tier Region – Schuyler County) – Schuyler County/Project Seneca Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Sections and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 Schuyler County/Project Seneca 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 Schuyler County 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.

\* \* \*

The Directors were then asked by Ms. Lohneiss to authorize ESD to make a \$120,000

**DRAFT – SUBJECT TO REVIEW AND REVISION**

grant in connection with the Satur Farms Project.

Ms. Lohneiss noted, among other things, that the funds will be used to support the acquisition of machinery and equipment to expand the growing and processing of leafy salads at the company’s Calverton processing and distribution facility.

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

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

Regional Council Award – Priority Project – Calverton (Long Island Region – Suffolk County) – Satur Farms Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 Satur Farms LLC a grant for a total amount not to exceed One Hundred Twenty Thousand Dollars (\$120,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

Mr. Salway then presented the Connect NY Broadband Program Consent Calendar for the Directors’ consideration.

Mr. Salway noted that there were two grants totaling \$232,000 to be considered on

**DRAFT – SUBJECT TO REVIEW AND REVISION**

today’s calendar.

Mr. Salway provided a brief synopsis of each of these grants providing the amount, the recipient, as well as the region that will benefit from each grant.

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

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

NY Works – Connect NY – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s), that no substantive negative testimony or comment has been received at the public hearings held on the Plan, such Plan shall be effective at the conclusion of such hearings, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amounts listed below from the NY Works and Regional Council Capital Fund funds, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

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

NY Works

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	Connect WC Thurman White Space	Y595	Town of Thurman	\$200,000
B	Tompkins and Cayuga Ubiquitous Last Mile Coverage	Y593	Clarity Connect, Inc.	\$32,000
			<b>TOTAL</b>	<b>\$232,000</b>

and be it further

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

\* \* \*

Mr. McLeary then presented the March Non-Discretionary Projects Consent Calendar for the Directors’ consideration. Mr. McLeary explained that there were three grants to be considered and provided a synopsis of each of those grants.

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Hearing none, and upon motion duly made and seconded, the following resolutions were unanimously adopted (It was noted for the record that Director Adams recused himself with regard to the following resolution.):

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

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

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

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

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

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Empire Opportunity Fund – Senate – Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	Lancaster Public Safety Center Capital	U815	Town of Lancaster	\$0*
	* This grant was approved by the ESD Directors on November 15, 2006. The subject request is to reallocate the remaining grant to a revised project scope, and does not involve new funding.		<b>TOTAL</b>	<b>\$0</b>

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

\* \* \*

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 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 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
B	Adirondack North Country Association Working Capital	Y708	Adirondack North Country Association	\$250,000
C	Brooklyn Alliance – Brooklyn Chamber of Commerce Working Capital	Y742	Brooklyn Alliance, Inc.	650,000
			<b>TOTAL</b>	<b>\$900,000</b>

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

\* \* \*

Lancaster (Western New York Region – Erie County) – Lancaster Public Safety Center Capital – Empire Opportunity Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Lancaster Public Safety Center Capital Project – Empire Opportunity Fund (Capital Grant), the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

Next, Mr. McLeary presented the Hurricane Irene-Tropical Storm Lee Flood Mitigation Consent Calendar for the Directors’ consideration noting that there were two grants to be considered.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. McLeary provided a summary of the program to date before proceeding to a synopsis of the grants requested.

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:

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 Plans; Authorization to Make Grants and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the 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 Plans (the “Plans”) for the Projects submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plans, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment have been received at the public hearings held on the Plans, such Plans shall be effective at the conclusion of such hearings, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make grants to the parties and for the amounts listed below from 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 – Hurricane Irene - Tropical Storm Lee Flood Mitigation - Executive – Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
	Local Assistance – Hurricane Irene-Tropical Storm Lee Flood Mitigation (Executive)			
A	Montgomery County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X907 & Y483	Montgomery County	\$418,249
B	Tompkins County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X954	Tompkins County	13,117
			<b>TOTAL</b>	<b>\$431,366</b>

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

\* \* \*

The Directors were then asked by Mr. Kramer to authorize ESD to amend its contract with BBDO USA LLC. Mr. Kramer noted that the amendment will increase the contract from \$136,500,000 to up to \$186,500,000.

Mr. Kramer provided the background information with regard to this request and stated

**DRAFT – SUBJECT TO REVIEW AND REVISION**

in part, that this \$50,000 amendment is being funded from the New York Power Authority (“NYPA”) whose funds have already been received.

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

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Authorized to Enter into Amendment of Existing Contract with BBDO USA LLC; Authorization to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds BBDO USA LLC (“BBDO”) to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into an Amendment of the existing ESD-BBDO contract, pursuant to which the contract amount would be increased for the current \$136,500,000 to up to \$186,500,000, and all other contract terms would remain unmodified and in full force and effect, substantially on the terms and conditions set forth in the Materials; and be it further

RESOLVED, that the ESD-BBDO contract amendment is expressly contingent upon receipts 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 to take such actions and execute such documents as may be necessary or appropriate to carry out the foregoing resolutions.

\* \* \*

Mr. Pidedjian then asked the Directors to authorize ESD to extend its contract for legal services for one year for continued work for the Urban League’s Empowerment Center at 121 West 125<sup>th</sup> Street.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

EMPIRE STATE DEVELOPMENT– Authorization to Amend the Contract for Real Estate Legal Service with the Law Firm of Schoeman Updike Kaufman, Stern & Ascher LLP; 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 Schoeman Updike Kaufman, Stern & Ascher LLP to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into an amendment to the contract for real estate legal services with Schoeman, Updike & Kaufman, Stern & Ascher LLP to extend the expiration date to February 27, 2015 on the terms and conditions set forth in the Materials and with such amendments and modifications as the President, or his designee(s) shall deem necessary and appropriate; 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. Wynn then asked the Directors to adopt ESD Revised Procurement Guidelines.

Mr. Wynn outlined the revisions to the Guidelines since they were last approved.

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

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Adoption of Revised Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts

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BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, the proposed Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts, a copy of which is attached to the materials, be and hereby is approved and adopted as of the date hereof, and the Chief Executive Officer or his designee is authorized to promulgate the said Guidelines in electronic form and other media for the use of the staff of the Corporation and its subsidiaries, and to take such other and further action as may be deemed necessary or appropriate to effectuate the foregoing Resolution.

\* \* \*

Mr. Beyer then asked the Directors to re-adopt ESD’s Property Disposition Guidelines.

Mr. Beyer provided an outline of the Guidelines and asked the Directors to authorize ESD to take other related actions.

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

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

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

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

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

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

RESOLVED, that the Vice President Contracts Administration, ESD and Subsidiary Finance (or any successor Vice President) is hereby appointed as Contracting Officer as required and set forth in the Guidelines; and it is further

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

\* \* \*

Ms. Kinnicutt provided an informational report on ESD’s Procurement Commitments to Certified Minority and Women Business Enterprises for the Third Quarter of Fiscal Year 2013-2014.

\* \* \*

There being no further business, the meeting was adjourned at 11:51 a.m.

Respectfully submitted,

Eileen McEvoy  
Corporate Secretary



FOR CONSIDERATION

April 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Long Island City (New York City Region – Queens County) – Steinway Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: Steinway Musical Instruments, Inc. (“Steinway” or the “Company”)

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

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

Project Location: One Steinway Place, Long Island City, Queens County

Proposed Project: Investment in new machinery and equipment

Project Type: Business expansion involving job retention

Regional Council: The New York City Regional Council has been made aware of this item. The Incentive Proposal was accepted in July 2010, predating the Regional Council Initiative. However, the project is consistent with the Regional Plan to focus on accelerating economic growth and job creation.

Employment:	Initial employment at time of ESD Incentive Proposal:	372
	Current employment level:	392
	Minimum employment through January 1, 2019:	372

## II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction/Renovation	\$446,411	
Machinery and Equipment Acquisition	<u>992,802</u>	
<b>Total Project Costs</b>	<b><u>\$1,439,213</u></b>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$350,000	24%
Company Equity	<u>\$1,089,213</u>	<u>76%</u>
<b>Total Project Financing</b>	<b><u>\$1,439,213</u></b>	<b><u>100%</u></b>

## III. Project Description

### A. Company

Industry: Luxury piano manufacturer

Company History: The Company has been located in New York State since 1853, when it opened its first manufacturing warehouse in Lower Manhattan. It moved to its current headquarters, an 11-acre site in Astoria, Queens, in 1876. Steinway and Sons the piano manufacturing division of Steinway Musical Instruments, Inc. is dedicated to producing the finest pianos in the world. Steinway's revolutionary designs and superior workmanship began receiving national recognition almost immediately. The Company gained international recognition in 1867 at the Paris Exhibition when it was awarded the prestigious Grand Gold Medal of Honor for excellence in manufacturing and engineering. It was the first time an American company had received this award.

Steinway handcrafts its pianos in New York and Germany and sells them worldwide through approximately 170 dealers and 11 Steinway-operated showrooms located around the world. The Company's piano segment is comprised of two main categories, grand pianos and upright pianos. Steinway also provides services such as restoration, repair, replacement part sales, tuning, and regulation of pianos.

**Ownership:** In September 2013, Steinway Musical Instruments, Inc., was acquired by Paulson & Co. Inc. and is a private company.

**Size:** The Company headquarters is located on an 11-acre site in Long Island City.

**Market:** Steinway's core customer base consists of professional artists and amateur pianists as well as institutions such as concert halls, conservatories, houses of worship, hotels, colleges, universities, and music schools. Some of the Company's competitors include Yamaha, Kawai, Fazioli, and Schimmel.

**ESD Involvement:** Steinway is one of the oldest and best-trusted names in pianos and remains the market leader in grand pianos. In the last two decades the Company has been facing major competition from companies located in Japan, Korea, and China. With access to indigenous hardwoods, other key raw materials and a highly skilled and low cost workforce, piano manufacturers located in the Pacific Rim represent a serious competitive threat to Steinway's dominant position in the grand piano market. In an effort to increase its competitive advantage, the Company conducted a customer satisfaction survey.

After an analysis of the survey's data was performed in 2007, the Company discovered the quality of the lacquer finish was the number one customer complaint. In an effort to solve this problem, the Company decided to implement a similar polyester finishing process used in its Germany facility to improve its instruments manufactured in New York. For over 50 years, almost all of the Company's polyester pianos were imported from its Hamburg, Germany manufacturing plant. Before moving forward with this new concept, the Company considered relocating the finishing process to its Germany facility to reduce operating costs. However, if the Company decided to remain in New York, a significant investment was needed to make the project feasible. To encourage the Company to proceed with the project in New York State and to reduce the costs of the project, ESD, made an offer of a \$350,000 capital grant, which was accepted in July 2010.

Without the ESD grant, Steinway's exposure to rising costs would increase significantly. The project is a critical safeguard against the rising costs of production. Steinway's core business is highly sensitive to any price increases in light of the fierce competition from offshore competitors in the Pacific Rim. If Steinway did not pursue this project, it would likely face eventual layoffs and reduced production due to increasing costs and competition.

Competition: Hamburg, Germany

Past ESD Support: Since 1990, ESD has provided three grants to Steinway & Sons totaling \$671,900. All funds have been disbursed, and the projects are complete and in compliance with ESD requirements.

B. The Project

Completion: January 2012

Activity: The Company has completed the purchase and installation of new machinery and equipment and has also completed facility improvements to support a new polyester finishing process line at its New York facility. Facility improvements included purchase and installation of a new climate control system, polyester finishing tools, spray booth, motorized material handling devices, and polyester sanding and buffing equipment.

Results: As a result of the project, the Company has increased the cosmetic quality of the Steinway piano, has decreased overhead cost per piano at its New York facility and has allowed the Company to implement a more environmentally friendly manufacturing finishing process. The project will improve the Company's productivity, sales market share and profitability and will increase the overall competitive advantage of the Steinway brand.

The Company has committed to retaining all 372 existing jobs in the New York facility. As of December 2013, the Company has added 20 new positions to the newly created polyester department. The Company strongly believes their employment numbers will continue to grow as they manufacture more pianos with this new finish.

Grantee Contact: Andrew Horbachevsky  
Vice President, Manufacturing  
One Steinway Place  
Long Island City, NY 11105  
Phone: (718) 721-2600

ESD Project No.: X164

Project Team:	Origination	Andrew Fletcher
	Project Management	Beverly Bobb
	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 \$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 after ESD's announcement of the project. 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 50% of the grant (\$175,000) will be disbursed upon completion of the project substantially as described in these materials, documentation of machinery and equipment project costs totaling \$1,195,500, and documentation of the employment of at least 372 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 25% of an amount equal to the grant (\$87,500) will be disbursed no sooner than 12 months after the date the Initial Disbursement was made, upon documentation of the employment of at least 372 Full-time Permanent Employees at the Project Location, provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to 25% of the grant (\$87,500) will be disbursed no sooner than 24 months after the date the Initial Disbursement was made, upon documentation of the employment of at least 372 Full-time

Permanent Employees at the Project Location, 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 July 27, 2010, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$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	372
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A	B
Date	Employment Goals
February 1, 2015	372
February 1, 2016	372
February 1, 2017	372
February 1, 2018	372
February 1, 2019	372

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 372, 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, this specific product line would likely have been relocated to an existing facility in Hamburg, Germany.

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 \$9,124,396;
- Fiscal cost to NYS government is estimated at \$350,000;
- Project cost to NYS government per direct job is \$1,651;

- Project cost to NYS government per job (direct plus indirect ) is estimated at \$1,070;
- Ratio of project fiscal benefits to costs to NYS government is 26.07:1;
- Fiscal benefits to all governments (state and local) are estimated at \$16,670,566;
- Fiscal cost to all governments is \$350,000;
- All government cost per direct job is \$1,651;
- All government cost per total job is \$1,070;
- The fiscal benefit to cost ratio for all governments is 47.63:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$84,597,124, or \$258,657 per job (direct and indirect);
- The economic benefit to cost ratio is 241.71:1;
- Project construction cost is \$446,411, which is expected to generate two direct job years and two indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.54 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.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned businesses in the performance of ESD contracts. For purposes of this Contract, however, project performance has already been completed, and therefore, MWBE participation goals cannot be established.

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

Long Island City (New York City Region – Queens County) – Steinway Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Steinway 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 Steinway Musical Instruments, Inc. a grant for a total amount not to exceed Three Hundred 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.

\* \* \*



FOR CONSIDERATION

April 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Multiple Locations – (Southern Tier Region – Multiple Counties) – Southern Tier Region Economic Development Corporation Capital – Regional Council Capital Fund (Capital Grant)

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

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General Project Plan

I. Project Summary

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

Beneficiary Organizations: Healthcare provider industry and educational institutions within the Southern Tier Region

ESD\* Investment: A grant of up to \$2,125,000 to be used fund a regional grant program to provide the health care industry with financial resources to enhance health care in rural areas.

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

Project Locations: Various locations within the Southern Tier Region

Proposed Project: Establish a regional grant fund to enhance health care in rural areas

633 Third Avenue | New York, NY 10017 | (212) 803-3100

[www.esd.ny.gov](http://www.esd.ny.gov)

Project Type: Regional grant program

Regional Council: This priority project is aligned with the Southern Tier 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 Telemedicine and Mobile Technology Fund is based on three other regional grant/loan programs established in round 1 of the CFA process, and helps fulfill Strategy 3: Healthcare 2020 by helping expand rural health care.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Capital Project Grants	<u>\$2,125,000</u>	
Total Project Costs	<u>\$2,125,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	<u>\$2,125,000</u>	100%
Total Project Financing	<u>\$2,125,000</u>	<u>100%</u>

III. Project Description

A. Grantee

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

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 501(c)(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 404(a) not-for-profit organization.

Size: STREDC has a board consisting of 13 members representing each county in the Southern Tier. In 2011, STREDC closed four local business loans totaling \$180,000 to assist regional businesses with working capital. In 2012, STREDC closed and disbursed two loans totaling \$143,000. There were no loans made in 2013. STREDC is also currently managing three Regional loan/grant programs, Community Revitalization Fund, Rural

Initiative Fund and Shovel Ready, established by ESD with funds totaling \$16,250,000. Of this amount, \$11,733,743 has been allocated to various projects and \$5,108,719.13 has been disbursed.

Market: STREDC provides business assistance throughout the Southern Tier Region.

ESD Involvement: As part of the Regional Economic Development Council initiative, STREDC was awarded \$2,500,000 through the 2012 Consolidated Funding Application (“CFA”) process to establish funding for the Telemedicine and Mobile Technology Fund (the “Program”) to improve rural access to healthcare. Of the eight counties in the Southern Tier Region, four are ranked amongst the unhealthiest counties in the State. Rural access and affordability are of particular concern in those counties. This concern is noted as part of the Regional Council’s adopted strategy 3: Healthcare 2020. In January 2014, the Regional Council voted to reallocate \$375,000 of the fund to support two other priority projects, reducing the available funding to \$2,125,000. This grant fund for capital projects would not have been established without ESD assistance.

Competition: N/A

Past ESD Support: This is the first ESD grant to the organization to establish funding for this specific program. STREDC has received ESD grants totaling \$16,250,000 to establish three additional capital fund programs: the Community Revitalization Fund, Rural Initiative Fund and Shovel Ready Program.

## B. The Project

Completion: Ongoing

Activity: STREDC will administer the Program, a regional grant fund, to provide the health care industry and educational institutions with financial resources to purchase tele-health systems, equipment, software, mobile audio/video devices and vehicles. Equipment purchases will be used to enhance health care in rural areas directly by allowing physicians from large medical centers remote access, and indirectly by creating health care partnerships to research mobile technology. 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 healthcare-oriented businesses and other organizations in securing equipment and devices that might otherwise not be available while improving healthcare delivery in rural areas.

Businesses and organizations 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, 2<sup>nd</sup> Floor—Suite 305  
Corning, NY 14830  
Phone: (607) 962-3021

ESD Project No.: Y112

Project Team:	Origination/ 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 pay a commitment fee of 1% of the \$2,125,000 capital grant (\$21,250) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Beneficiary Organizations 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 Beneficiary Organizations or by investors, and should be auditable through Beneficiary Organizations financial statements or Beneficiary Organizations accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$2,125,000 will be disbursed to the Grantee in four installments as follows:
  - a) an Initial Disbursement of an amount equal to 30% of the grant (\$637,500) upon execution of a Grant Disbursement Agreement, assuming that all project approvals have been completed and funds are available;
  - b) a Second Disbursement of an amount equal to 30% of the grant (\$637,500) will be disbursed upon documentation verifying disbursement of at least 75% of the first advance (\$478,125) 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 (\$637,500) will be disbursed upon documentation verifying disbursement of 100% of the first advance and 75% of the second advance (\$1,115,625 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 (\$212,500) will be disbursed upon documentation verifying disbursement of 100% of the first and second advances and 75% of the third advance (\$1,753,125 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 April 17, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2019. 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 application, marketing material and deal sourcing strategies, due diligence process, grant 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 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 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 \$2,125,000 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 \$2,125,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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

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

#### V. Environmental Review

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

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

ESD's Non-discrimination 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 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. A further explanation of the MWBE requirements is attached hereto.

#### VII. ESD Employment Enforcement Policy

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

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

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

#### IX. Additional Submissions to Directors

Resolutions  
New York State Map  
Project Finance Memorandum

April 16, 2014

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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Southern Tier Region Economic Development Corporation 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 One Hundred Twenty Five Thousand Dollars (\$2,125,000) 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

April 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Utica (Mohawk Valley Region – Oneida County) – Utica Auditorium Capital – Regional Council Capital Fund and New York Works Program (Capital Grants)

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

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General Project Plan

I. Project Summary

Grantee: Upper Mohawk Valley Memorial Auditorium Authority (the “Authority”)

ESD\* Investment: Grants of up to \$1,950,000 as follows:

\$250,000 (Y282), \$700,000 (Y986), and \$1,000,000 (Y953) to be used for a portion of the cost of façade work, construction, and renovations to the Utica Memorial Auditorium.

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

Project Location: 400 Oriskany Street West, Utica, Oneida County

Proposed Project: Construction and renovations to the Utica Memorial Auditorium

Project Type: Economic Growth Investment involving construction and renovation

Regional Council: The project is aligned with the Mohawk Valley Regional Council Plan to preserve and build upon the region’s abundant cultural and geographic resources.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction & Renovation	\$2,810,000
Soft Cost	<u>680,000</u>
Total Project Costs	<u>\$3,490,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD Grant – Y282	\$250,000	7%
ESD Grant – Y986	700,000	20%
ESD Grant – Y953	1,000,000	29%
Dormitory Authority of NYS	1,000,000	29%
Authority Equity	<u>540,000</u>	<u>15%</u>
Total Project Financing	<u>\$3,490,000</u>	<u>100%</u>

III. Project Description

A. Authority

Industry: Sporting, entertainment and community events

Authority History: The Authority was formed in 1993 as a New York State public authority for the transfer of ownership of the Utica Memorial Auditorium (“UMA” or the “Auditorium”) from the City of Utica via State legislation. The Authority determines policy and oversees the operation of the UMA. Day-to-day operations of the UMA are carried out by Mohawk Valley Garden, Inc. The UMA was built by the City of Utica in 1959 on land donated by New York State on the site of the old Erie Canal. The UMA was a state-of-the-art facility and one of the first structures in the world with a cable supported roof. The innovative cable-roof design would receive recognition by the American Society of Engineers as a civil engineering landmark. UMA inspired the design of New York City’s Madison Square Garden and several other venues such as the Georgia Dome and Tropicana Field. The UMA is currently a premiere entertainment venue that features concerts, sporting events, family shows, and local, state, and national programming to the residents of Mohawk Valley and visitors to the region.

Ownership: New York State Public Authority

Size: All facilities are located in Utica, NY.

ESD Involvement: After 50 years of service to Oneida County residents, the Utica Memorial Auditorium is undergoing much needed renovations. The first phase of improvements, which were completed between 2012 and 2013, included installation of new lighting, installation of new telescopic seating, upgrades to audio/video systems, and complete renovation of lower-level locker rooms and facilities. This phase was funded by a \$2 million Special Appropriations Capital Projects Fund grant approved by the ESD Board of Directors in 2013.

To continue with the second phase of renovation work to the Auditorium, the Authority applied for additional resources from the Regional Council Initiative via Round 2 of the Consolidated Funding Application to close a funding gap in its budget. The second phase involved upgrades to the building's façade, the inclusion of club box seating, management office expansion, and support facilities such as additional restrooms. In March 2013, ESD made an offer of assistance from the Regional Council Capital Fund of \$250,000 (Y282), which the Authority accepted the following month.

In May 2013, the Authority was notified by the Mohawk Valley Regional Office that the \$1,000,000 (Y953) would to be awarded from the New York Works program to assist in the ongoing renovations.

In June 2013, the Authority sought additional assistance to accomplish the previously mentioned renovations to the Auditorium. The Authority applied through the third round of the Consolidated Funding Application process in August 2013 to close this funding gap. In February of 2014, ESD made the Authority an offer of assistance of \$700,000 (Y986) from the Regional Council Capital Fund, which it accepted in March of 2014.

Without ESD's assistance the ongoing renovations to the Auditorium could not have proceeded.

Competition: N/A

Past ESD Support: In the past five years, the Authority has received the following support:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
Special Appropriations Capital Project Fund	Y625	\$2,000,000	August 2013	October 2013	Capital Grant - Construction and renovations to the

					UMA
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B. The Project

Completion: July 2015

Activity: All three grants will assist the Authority in its goal to renovate and improve the Auditorium. Specifically, the project will involve renovation and construction work to the Auditorium’s façade to replace the dated, concrete canopies at the western entrance in addition to the lower concourse roof. The Authority will also construct new club box seating (private seating sections within the arena separated from the regular seats by glass panels) and upgrades to the Auditorium’s management offices and restrooms.

Results: The renovation of the Auditorium will create new jobs and bring significant economic development opportunities to Utica and the surrounding area. As a result of the renovation work completed thus far, The AHL team has drawn over 108,000 fans to the Auditorium in its 32 games and is averaging about 3,400 fans per game. Approximately 88% capacity of the building is utilized as a result of the games. There has also been a favorable impact on the restaurants and hotels in the Utica area, and recently, a restaurant opened next to the Auditorium to serve new fans and visitors.

Enhancing and improving the UMA will help to promote cultural tourism, create jobs for Mohawk Valley residents and preserve the Auditorium as an historic landmark and an asset for sporting, entertainment and community events.

Economic Growth

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

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

- Fiscal benefits to NYS government from the project are estimated at \$202,327;

- Fiscal cost to NYS government is estimated at \$2,950,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.07:1;
- Fiscal benefits to all governments (state and local) are estimated at \$346,237;
- Fiscal cost to all governments is \$2,950,000;
- The fiscal benefit to cost ratio for all governments is 0.12:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$2,483,705;
- The economic benefit to cost ratio is 0.84:1;
- Project construction cost is \$3,490,000, which is expected to generate 39 direct job years and 18 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.84 indirect job is anticipated in the state's economy.

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

Grantee Contact: Pat Donovan, Treasurer  
 400 Oriskany Street West  
 Utica, NY 13502  
 Phone: (315) 527-7622

ESD Project Nos.: Y282, Y986, and Y953

Project Team:	Origination	Jane Kulczycki
	Project Management	Simone Bethune
	Contractor & Supplier Diversity	Denise Ross
	Design & Construction	Scott Renzi
	Finance	John Bozek
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreements, the Grantee shall pay a commitment fee of 1% of the total of all three capital grants (\$19,500), and shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Up to \$1,950,000 will be disbursed as reimbursement for eligible expenses during the course of construction no more frequently than quarterly, in compliance with Design & Construction Requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facility, as evidenced by a Certificate of Occupancy. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,950,000 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 and New York Works Program

The project was authorized in the 2013-14 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Environmental Review

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

Due to the building's eligibility for inclusion on the New York State and National Registers of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. No further consultation is required.

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

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The Grantee shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 23% for Project Y282 and 26% for Projects Y953 & Y986, related to the total value of ESD's funding, and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

#### VII. ESD Employment Enforcement Policy

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

retain jobs.

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

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

IX. Additional Submissions to Directors

Resolutions

New York State Map

Project Photographs

Project Finance Memorandum

Benefit-Cost Analysis

April 16, 2014

Regional Council Award – Priority Project – Utica (Mohawk Valley Region – Oneida County) – Utica Auditorium Capital – Regional Council Capital Fund and New York Works Program (Capital Grants) – Findings and Determinations Pursuant to Sections 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Utica Auditorium Capital – Regional Council Capital Fund and New York Works Program (Capital Grants) 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 Upper Mohawk Valley Memorial Auditorium Authority three grants in a total amount not to exceed One Million Nine Hundred and Fifty Thousand Dollars (\$1,950,000) from the Regional Council Capital Fund and the New York Works 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 grants as he or she may deem necessary or appropriate in the administration of the grant; and be it further

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

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

them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

\* \* \*

April 16, 2014

Regional Council Award – Priority Project – Utica (Mohawk Valley Region – Oneida County) – Utica Auditorium Capital – Regional Council Capital Fund and New York Works Program (Capital Grants) – Determination of No Significant Effect on the Environment

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

\* \* \*

**Project Summary  
Benefit-Cost Evaluation1**

**Utica Memorial Auditorium –Economic Growth Investment**

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

**Construction Job Years (Direct): 39**

**Construction Job Years (Indirect): 18**

<b>Evaluation Statistics</b>	<b>Project Result NYS Govt.</b>	<b>NYS Govt. Benchmarks for ESD Projects2</b>	<b>Project Results State &amp; Local Governments</b>	<b>State &amp; Local Government Benchmarks for ESD Projects</b>
<b>Fiscal Costs3</b>	\$2,950,000	\$794,250	\$2,950,000	\$1,020,500
<b>Fiscal Benefits4</b>	\$202,327	\$2,085,600	\$346,237	\$4,271,980
<b>Fiscal B/C Ratio</b>	0.07	3.00	0.12	10.60
	<b>Project Results</b>	<b>Benchmarks for ESD Projects</b>		
<b>Economic Benefits5</b>	\$2,483,705	\$119,468,000		
<b>Economic B/C Ratio</b>	0.84	30.00		

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

2 The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 30.00 (Economic).

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

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

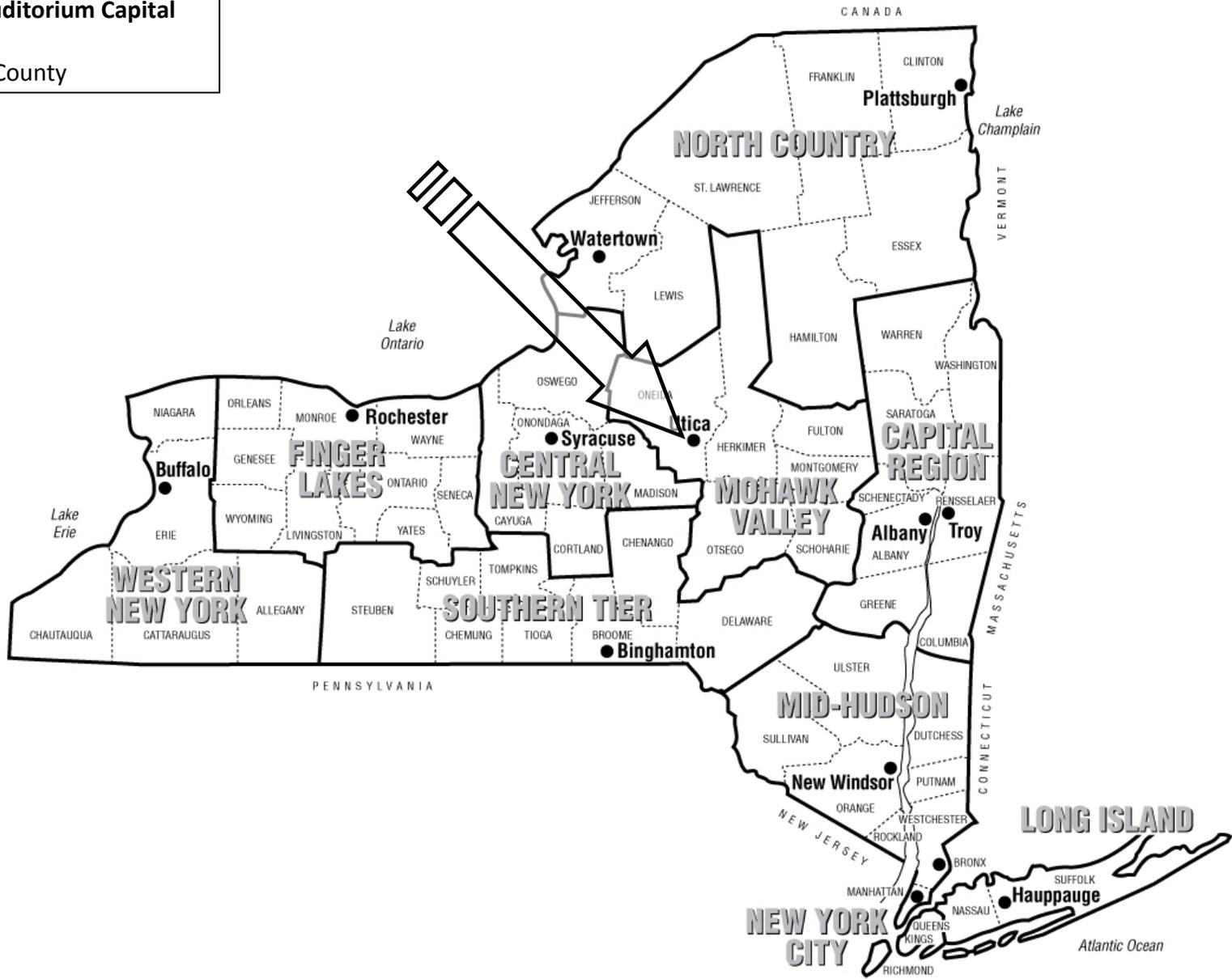
5 Economic benefits are estimated project benefits measuring fiscal flows to government plus net resident disposable income from project direct and indirect employment net of transfers, without adjusting for individual income earners' opportunity cost of employment.



**Utica Auditorium Capital**

Utica

Oneida County





FOR CONSIDERATION

April 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Utica (Mohawk Valley Region – Oneida County) – Masonic Medical Research Laboratory Capital – Regional Council Capital Fund (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: Masonic Medical Research Laboratory (“MMRL” or the “Institute”)

ESD\* Investment: A grant of up to \$300,000 to be used for a portion of machinery and equipment.

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

Project Location: 2150 Bleecker Street, Utica, Oneida County

Proposed Project: MMRL will establish a new Organ Bioengineering Program the (Program”) at the Stem Cell Center (the “Center”) of its Cardiac Research Institute, to explore alternative therapies for end-stage heart failure, using an innovative approach designed to grow new hearts using patient's own skin cells. To establish this program MMRL will purchase an optical mapping system, flow hood and bioreactor.

Project Type: Bioengineering initiative resulting in job retention and creation

Regional Council: The project is consistent with the Mohawk Valley Regional Economic Development Council Strategic Plan to realize future success from the semiconductor, nanoelectronics, clean technology, and other high technology sectors such as Biosciences, by developing an overarching incentives structure that can respond quickly to targets of opportunity and fit within the framework of the State’s long-term financial picture.

Employment: Initial employment at time of ESD Incentive Proposal: 32  
 Current employment level: 33  
 Minimum employment on January 1, 2015: 34

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Machinery and Equipment Acquisition	\$302,000	
Scientific Supplies and Materials	<u>525,000</u>	
Total Project Costs	<u>\$827,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$300,000	36%
MMRL Equity	<u>527,000</u>	<u>64%</u>
Total Project Financing	<u>\$827,000</u>	<u>100%</u>

III. Project Description

A. Institute

Industry: The Masonic Medical Research Laboratory is an internationally recognized biomedical research institute. In recent years, the MMRL has become an international center for genetic screening of cardiac arrhythmia diseases, especially those contributing to sudden death syndromes, including sudden infant death syndrome (“SIDS”).

Institute History: The Cardiac Research Institute at Masonic Medical Research Laboratory was established in 1958. For over 50 years, the MMRL has made many medical discoveries and won numerous awards. Currently, the MMRL has 33 employees and focuses on new treatments and cures for heart disease. The Institute accomplishes this through several different research programs including Molecular Genetics, Molecular Biology, Electrophysiology, Stem Cell, and Organ and Tissue Bioengineering. The research that emanates from the MMRL is international in scope and

benefit.

- Ownership:** The MMRL is a not-for-profit supported by volunteer contributions and bequests. It also obtains funding through foundation, corporation, and public grants.
- Size:** All facilities are located in Utica, NY.
- Market:** The MMRL has become a referral center for pharmaceutical and biotechnology companies that seek assistance with drugs under development for a wide variety of diseases and currently works together with companies in Europe, Asia and the Middle East, in addition to several in the United States. MMRL scientists serve as consultants to a variety of other biotechnology companies as well as to the FDA on medical matters. The MMRL is also an educational institution and resource center with close ties to Syracuse University, Utica College, the SUNY Health Science Center at Syracuse and other medical schools nationwide. The Laboratory offers four educational programs: Summer Fellowship, Undergraduate, Predoctoral and Postdoctoral.
- ESD Involvement:** To sustain its primary mission of conducting high quality, basic, and clinical research aimed at generating the knowledge and information necessary for the development of medical cures and treatments of tomorrow, MMRL seeks to create a new Organ Bioengineering Program at the Stem Cell Center of its Cardiac Research Institute. To bridge the financing gap for the purchase of the necessary equipment and materials required to establish the Program, the MMRL applied for financial support via a CFA. ESD awarded MMRL a capital grant in the amount of \$300,000, which will ensure that the project moves forward.
- Past ESD Support:** This is the Institute's first project with ESD.

## B. The Project

- Completion:** March 2016
- Activity:** The creation of the new Organ Bioengineering Program at the Stem Cell Center requires the purchase of a flow hood, bioreactor and optical mapping system. The Center will explore alternative therapies for end-stage heart failure using an innovative approach to grow new hearts using the patient's own skin cells (fibroblasts) and to avoid immune rejection of the hearts once they are transplanted. MMRL is working with Harvard Apparatus to design bioreactors that will permit it to grow and mature the cloned organs.

## Results:

As a result of the project, the Institute will retain 32 existing jobs and will create 2 new jobs. MMRL has already created 1 job, recruiting a new scientist. By 2016 MMRL will have added an additional researcher to its staff and completed the purchase of all machinery and equipment.

Additionally, ESD grant funds will be leveraged to further assist MMRL in attracting critical extramural grant support from other public sources, such as the National Institutes of Health. Extramural grant proposals are ranked in large part on the basis of their innovativeness. This project will generate the preliminary data that will allow MMRL to satisfy this requirement and will enable it to be more competitive for federal dollars

## Economic Growth

### Investment Project:

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

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

- Fiscal benefits to NYS government from the project are estimated at \$74,374;
- Fiscal cost to NYS government is estimated at \$300,000;
- Project cost to NYS government per direct job is \$200,000;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$144,479;
- Ratio of project fiscal benefits to costs to NYS government is 0.25:1;
- Fiscal benefits to all governments (state and local) are estimated at \$125,326;
- Fiscal cost to all governments is \$300,000;
- All government cost per direct job is \$200,000;
- All government cost per total job is \$144,479;
- The fiscal benefit to cost ratio for all governments is 0.42:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$755,115, or \$363,659 per job (direct and indirect);
- The economic benefit to cost ratio is 2.25:1;

- There is no construction activity related to this project;
- For every permanent direct job generated by this project, an additional 0.39 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is over seven years.

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

Grantee Contact: Dr. Charles Antzelevitch  
 Executive Director  
 2150 Bleecker Street  
 Utica, NY 13501  
 Phone: (315) 735-2217

ESD Project No.: Y247

Project Team:	Origination	Joseph Falcone
	Project Management	Glenda Wenerski
	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 Institute shall pay a commitment fee of 1% of the \$300,000 capital grant (\$3,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Institute will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Institute will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Institute's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Institute or by investors, and should be auditable through Institute financial statements or Institute accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Institute 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 \$300,000 will be disbursed to the Grantee in two installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$150,000) upon documentation of machinery and equipment project costs totaling \$302,000, upon documentation of scientific supplies and materials purchases totaling \$105,000, upon 50% completion of the project as described in these materials, and documentation of the employment of at least 33 Full-time Permanent Employees at the Project Location (Employment Increment of 1), assuming that all project approvals have been completed and funds are available;
  - b) a Second Disbursement of an amount equal to 50% of the grant (\$150,000) will be disbursed upon documentation of additional scientific supplies and materials purchases in the amount of \$420,000 (\$525,000 cumulative), upon completion of the project substantially as described in these materials, and documentation of the employment of at least 34 Full-time Permanent Employees at the Project Location (Employment Increment of 1), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after March 15, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$300,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Institute 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	32
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A	B
Reporting Date	Employment Goals
February 1, 2015	32+X+Y
February 1, 2016	32+X+Y
February 1, 2017	32+X+Y
February 1, 2018	32+X+Y
February 1, 2019	32+X+Y

X = Grantee's Employment Increment that will be the basis of the Initial Disbursement of the Grant as described in section C.5 above (i.e. X=1, and Employment Goals shall equal  $[32 + X = 33]$  if the Initial Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Initial Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. Y=1, and Employment Goals shall equal  $[32 + X + Y = 34]$  if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.

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

The project was authorized in the 2013-2014 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 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

April 16, 2014

Regional Council Award – Utica (Mohawk Valley Region – Oneida County) – Masonic Medical Research Laboratory Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Masonic Medical Research Laboratory 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 Masonic Medical Research Laboratory a grant for a total amount not to exceed Three Hundred Thousand Dollars (\$300,000) 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

April 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Salamanca (Western New York Region – Cattaraugus County) – ASP Partners Capital – Regional Council Capital Fund (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: ASP Partners, LLC (“ASP” or the “Company”)

ESD\* Investment: A grant of up to \$420,000 to be used as reimbursement for a portion of Phase I construction costs.

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

Project Location: Allegany State Park (the “Park”), Salamanca, Cattaraugus County

Proposed Project: Construct new lodging amenities at the Park

Project Type: Capital grant to support economic growth

Regional Council: This is a Priority Project for the Western New York (“WNY”) Regional Economic Development Council (“REDC”) Plan and is aligned with the Regional Plan and defined strategies for promoting tourism, attracting young adults to the WNY area, and increasing employment.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovations	\$1,600,000
Infrastructure/Site Work	205,000
Other Project Costs/Furniture, Fixtures, and Equipment	170,000
Architecture and Engineering	<u>125,000</u>
Total Project Costs	<u>\$2,100,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Grant	\$420,000	20%	
M&T Bank-Loan	1,200,000	57%	Prime +1½%/69 mos/1 <sup>st</sup> on RE
Company Equity	<u>480,000</u>	<u>23%</u>	
Total Project Financing	<u>\$2,100,000</u>	<u>100%</u>	

III. Project Description

A. Company

Industry: ASP is a lodging development and management company.

History: The Company was established in February 2012 as the entity to respond to a Request for Proposal (“RFP”) issued by the NYS Department of Parks Recreation and Historical Preservation (“OPRHP”) to upgrade and further develop the Park.

Ownership: Limited Liability Company

Size: ASP has one location in Bronxville, NY.

ESD Involvement: Allegany State Park is 65,000 acres and is the largest park in New York State. The Park attracts 1.5 million visitors annually and accounts for over 10% of WNY’s tourism visits. The Park offers camping experiences including ponds and lakes with canoeing, kayaking, boating and fishing access; a sandy beach for swimming; hiking trails for exploration of naturally-formed caves, rock

formations, plant and tree diversity and wildlife; an amphitheater; picnicking and playground amenities; and a park museum. The Park consists of the Quaker and Red House areas; combined they include over 300 campsites and over 350 cabins available for rent, primarily over the summer months. Nine of the cabins are full-service with bathroom and kitchen facilities.

In 2010, OPRHP established a ten-year Master Plan for the Park to improve water, sewer, power and natural gas services and expand facilities including renovations to an aging cabin stock and construction of new cabins. The Park issued an RFP in September 2011 for the construction of 28 higher-end, fully equipped cabins to meet current visitor demand. As ASP was the only respondent, the Park issued a second RFP in November 2012, and simultaneously applied for funding through the Consolidated Funding Application (“CFA”) process in attempts to secure assistance to subsidize construction costs. Again, ASP was the only respondent and was therefore awarded \$500,000 in CFA funding, contingent on an executed Operation of a Rental Cottage Concession contract (the “Contract”) with OPRHP to construct the cabins within the Park; the contract was executed in February 2014. Following the CFA award, the grant was split to fund the project in two phases, a \$420,000 grant, which is currently being requested, will fund Phase I; and an \$80,000 grant for a future phase of additional cabin construction, will fund Phase II. The Phase II request will be brought before the ESD Directors following OPRHP’s determination as to the exact location within the Park and number of cabins to be constructed.

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

B. The Project

Completion: September 2014

Activity: The Phase I project involves the installation of connecting utilities and the construction and furnishing of twenty-eight 900-square-foot cabins, fully equipped bathrooms and kitchens. The cabins, which will sleep 6 comfortably, will be rented for approximately \$750/week. Thirteen of the cabins will be constructed on the Parallel Trail (Quaker area), which will replace original cabins demolished years ago. The Bova Trail (Red House area) will be the location for fifteen new cabins in an undeveloped wooded and meadow area.

In 2015, ASP is expected to invest an additional \$400,000 for additional cabins and/or group camps for Phase II, upon OPRHP’s determination as to specific locations and number of units.

Once ASP has completed construction of the cabins, ownership will be transferred to OPRHP. OPRHP will provide ASP a 20-year license to manage the newly-constructed lodging units, which will be offered through Reserve America, the leading reservation management company for government and private campground operators. ASP is entitled to revenues and is responsible for maintaining the cabins and servicing between guests. ASP will pay OPRHP a license fee.

**Results:** The project is expected to increase area tourism including over-night visitors at the Park, extend lengths of stay, and expand the Park's offerings to now include destination weddings and other family destination events. OPRHP expects increased revenues through rental and usage fees.

#### Economic Growth

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

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

- Fiscal benefits to NYS government from the project are estimated at \$151,318;
- Fiscal cost to NYS government is estimated at \$497,670;
- Ratio of project fiscal benefits to costs to NYS government is 0.30:1;
- Fiscal benefits to all governments (state and local) are estimated at \$259,369;
- Fiscal cost to all governments is \$497,670;
- The fiscal benefit to cost ratio for all governments is 0.52:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$1,366,225;
- The economic benefit to cost ratio is 2.75:1;
- Project construction cost is \$2,300,000, which is expected to generate 21 direct job years and 14 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.68 indirect job is anticipated in the state's economy.

\*The benefit cost estimates are based on the combined Phases I and II.

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

Grantee Contact: Mr. Mark Barbera, Managing Director  
35 Warwick Road  
Bronxville, NY 10708  
Phone: (917) 603-8368

ESD Project No.: Y171

Project Team:	Origination	Holly Constantine Ortman
	Project Management	Jean Williams
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Jonevan Hornsby
	Design & Construction	Dennis Conroy
	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 \$420,000 capital grant (\$4,200) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's written acceptance of the Incentive Proposal. 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 \$420,000 will be disbursed to the Grantee as reimbursement for eligible expenses during the course of design and/or construction no more frequently than monthly, in compliance with ESD Design and Construction Requirements and in proportion to ESD's funding share, assuming all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facilities, as evidenced by a certificate of occupancy(ies) or other documentation verifying completion of the cabins on the Bova and Parallel Trails as ESD and OPRHP may require; and transfer of ownership to OPRHP. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures

reimbursed by ESD's grant must be incurred on or after February 7, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

5. ASP will be required to provide annual reporting for five years, beginning 12 months after the first newly-constructed lodging units are available for rent. The annual reporting needs to include the number of nights all lodging units in the Park were occupied in the previous 12-month period, including all nights the newly-constructed lodging units were occupied in the same previous 12-month period.
6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$420,000, 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 2012-2013 New York State budget and re-appropriated in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Design and Construction

Design & Construction ("D&C") staff will review general project plan, scope, budget, schedule and final design estimate. Final construction documents (CD's) and building permit(s) from local jurisdiction shall be submitted before construction commences. D&C will visit the site at its option, review progress completion, monthly requisitions and recommend payment when its requirements have been met. D&C will release final payment when closeout documentation has been submitted and approved in accordance with the Grant Agreement(s).

#### 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 June 30, 2010 as well as supplemental environmental reviews under which a determination of no significant effect on the environment were made on October 16, 2013 and October 29, 2013 by the New York State Office of Parks, Recreation and Historic Preservation, as lead agency, in connection with the Adoption and Implementation of a Final Master Plan / Final Environmental Impact Statement for Allegany State Park, including the construction of the proposed new lodging amenities at the Park (the "proposed action").

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

FGEIS. The Findings Statement, attached as Exhibit A, contains the facts and conclusions in the Draft 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.

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

#### 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

Exhibit A

Benefit-Cost Analysis

April 16, 2014

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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the ASP Partners Capital – Priority Project – 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 ASP Partners, LLC a grant for a total amount not to exceed Four Hundred Twenty Thousand Dollars (\$420,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

Regional Council Award – Priority Project – Salamanca (Western New York Region – Cattaraugus County) – ASP Partners Capital – Regional Council Capital Fund (Capital Grant) – Adoption of Findings Pursuant to the State Environmental Quality Review Act

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RESOLVED, that with respect to the Final Master Plan / Final Environmental Impact Statement for Allegany State Park, which includes the construction of the proposed new lodging amenities at the Park (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 Final Master Plan / Final Environmental Impact Statement for Allegany State Park, and supplemental environmental reviews for the proposed new lodging amenities;
- 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 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.

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**STATE ENVIRONMENTAL QUALITY REVIEW  
FINDINGS STATEMENT**

**Adoption and Implementation of a Final Master Plan/Final Environmental  
Impact Statement (FEIS) for Allegany State Park**

**New York State Urban Development Corporation  
d/b/a Empire State Development**

**April 16, 2014**

The New York State Urban Development Corporation, doing business as Empire State Development (“ESD”), as an involved agency in the environmental review conducted pursuant to the State Environmental Quality Review Act (“SEQRA”), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), makes the following Findings based on the Final Environmental Impact Statement (“FEIS”) dated June 30, 2010 prepared by the lead agency, the New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”), for the Allegany State Park Master Plan (the “project”) in the Towns of Red House, Carrollton, Cold Spring, South Valley, Salamanca, and Great Valley in Cattaraugus County, New York.

**Name of Action:** Adoption and Implementation of a Final Master Plan / Final Environmental Impact Statement (FEIS) for Allegany State Park

**Location:** Allegany State Park is located in the Towns of Red House, Carrollton, Cold Spring, South Valley, Salamanca, and Great Valley in Cattaraugus County, NY.

**Description of Action:** The final Master Plan for Allegany State Park provides long term guidance for the development and management of the park and protection of its resources as summarized below.

ESD’s action involves the approval of Regional Council Capital funding to ASP Partners, LLC, for a portion of the costs to construct cottages at Allegany State Park.

**Date of Completion of FEIS:** June 30, 2010

**FACTS AND CONCLUSIONS IN THE FEIS RELIED UPON TO SUPPORT THE DECISION**

1. These findings consider the relevant environmental impacts, facts and conclusions disclosed in the FEIS as well as supplemental environmental reviews completed by OPRHP, as lead agency, including the Short Environmental Assessment Form for the development and operation of cottages on Parallel Trail in Allegany State Park for which a determination of no significant effect on the environment was made on October 16, 2013, and the Short

Environmental Assessment Form for the development and operation of cottages on Bova Trail in Allegany State Park for which a determination of no significant effect on the environment was made on October 29, 2013; weigh and balance relevant environmental impacts with social, economic and other considerations; provide a rationale for the agency's decision; certify that the requirements of 6 NYCRR Part 617 have been met; and certify that consistent with social, economic and other essential considerations from among the reasonable alternatives available, the action is one which avoids or minimizes adverse environmental impacts to the maximum extent practicable, and that included within the plan are those mitigation measures that will avoid or minimize adverse environmental impacts to the maximum extent practicable.

2. The Final Plan/FEIS was subject to a complete Environmental Impact Statement process including public information meetings and 2 public hearings.

3. The FEIS contains a chapter on responses to comments on the Draft EIS. This chapter contains clarification of issues raised during the review of the Draft EIS. It also provides information that has been used in the preparation of the Final Master Plan/FEIS.

4. Allegany State Park was established in 1921 and is the largest state park in New York State comprising approximately 64,800 acres within its legislated boundary. It is located in Cattaraugus County in the OPRHP Allegany Region. The park is open year-round and hosts approximately 1.5 million visitors annually.

5. The geology of Allegany State Park is unique in New York State for being non-glaciated. The park is within the Salamanca Re-Entrant, a portion of northern reaches of the Allegheny Plateau never reached by the last Wisconsin ice sheet. This distinction influences the soils, surficial geology, topography and flora and fauna of the park. The water resources of the park include approximately 64 miles of fresh water stream plus many smaller tributaries as well as 3 man-made lakes and several state and federally designated wetlands. There are areas of the park which have been virtually undisturbed since its establishment and, in some cases, for many years before that. This has allowed vast stretches of forest to mature with little or no human intervention. Thus, many of the ecological communities that have developed in the park during this time are either rare for New York State or are of significance because of their high quality as examples of the community type. Wildlife is also abundant in the park with many species of birds, fish, mammals, reptiles and amphibians.

6. Several of the structures within Allegany State Park including portions of the Red House Area, Quaker Area, group camps and Stone Tower have been recommended by OPRHP's Field Services Bureau as eligible for designation on the National Register of Historic Places. In addition, a cultural resources survey conducted by the NYS Museum indicates considerable areas with high sensitivity for historic and prehistoric sites.

7. There is a wide variety of recreation resources in the park. Camping, cabins and cottages are available for overnight visitors. Swimming, picnicking, hunting, fishing, hiking, bicycling, horseback riding, skiing, snowshoeing, snowmobiling, birding, photography, nature studies other passive recreation activities are all available at the park as well as enjoying many scenic vistas.

8. The plan identifies a vision statement and goals for the park. The vision statement is: Allegany State Park will be a place for the public to visit, enjoy and appreciate the natural, cultural and physical resources and the recreational opportunities that the park offers. A balance will be achieved between recreational use and the protection and interpretation of the biological, physical and cultural resources of the park. The overall goal is to: Provide a diversity of high quality recreation opportunities balanced with stewardship of the park's natural and cultural resources.

9. The plan presents a series of "preferred alternatives" for future development and operation of Allegany State Park. Cumulatively, the actions described in the plan present OPRHP's long-term vision for the rehabilitation and enhancement of the park.

10. Status quo alternatives were evaluated for each element of the plan as well as other feasible alternatives. The Preferred Alternative combines the preferred options for recreation development and resource protection into one that best meets the goals for the park. This alternative represents the Final Master Plan.

11. The final Master Plan considers the historic, cultural, natural, geological, and recreational resources of the park and responds to the needs and safety of patrons, protection of cultural and natural resources, and principles of sustainability. It also details the designations, park preservation area designations, recreation and stewardship elements. The plan also prioritizes implementation actions and recognizes that implementation will be dependent on public and private funding.

12. Article 5 - Title 11 - Section 0539 of the NYS Environmental Conservation Law calls for the dedication of state-owned lands with rare species and/or significant natural communities as Natural Heritage Areas (NHA). These lands must meet certain criteria identified within the law. Allegany State Park was evaluated by the NY Natural Heritage Program and the entire park will be designated as an NHA. Designating the park as a NHA provides additional recognition of the significant ecological communities within the park. All of the current and proposed recreational activities in the park are consistent with the NHA designation.

13. The Bird Conservation Areas program is established in Environmental Conservation Law Section 11-2001, and authorizes the designation of BCA's in order to safeguard and enhance significant bird habitats located within state parks and other state-owned lands. The entire Allegany State Park is designated as a Bird Conservation Area. The BCA designation provides a level of recognition on a statewide level relative to other state parks and sites. The BCA designation does not prohibit existing or future recreation uses or park operations.

14. Article 20 of the Parks, Recreation and Historic Preservation Law outlines the process for designation of entire parks or portions of parks as part of a statewide Park Preserve system. The purpose of such designations is to conserve and protect park lands containing wildlife, flora, scenic, historic and archeological sites that are unique and rare in New York State.

Given the extent of cabins, campgrounds and other facilities within the park, OPRHP determined that Park Preservation Area designation is appropriate under Article 20. The Park Preservation area for Allegany State Park encompasses the entire park with the exception of developed areas, existing roads, the snowmobile trail system (including any future connections of the snowmobile trail system to surrounding communities and trail systems) and well head areas and roads within the National Fuel Gas Storage area. The Park Preservation Area is approximately 83% of the park. This designation is consistent with the current management of the park and represents the Agency's commitment to continue the park's historical and present management philosophy into the future.

15. The plan provides protection of natural resources through several means including: the designations discussed above, continued management of selected streams for native brook trout, development of a stream monitoring program for the Quaker Run watershed, survey and management measures for aquatic invasive species in the lakes, continued periodic dredging of the lakes as needed, development of an invasive species management plan for the park, location and mapping of spring seeps and ephemeral wetlands, continued maintenance of open field areas, passive management of the park's forests in accordance with Agency policy, prohibition of development of state-owned sub-surface resources and use of the Agency protocol and permit system for requests to access privately-owned subsurface rights in the park.

16. The plan also calls for several improvements to recreation opportunities at the park including:

- RV sites will replace some campsites at the Red House Camping area.
- Red House and Cain Hollow areas will receive electrical system upgrades.
- A primitive carry in-carry out camping area will be added at Cain Hollow.
- Backpack camping will be allowed, by permit, in certain areas in Wolf Run.
- A new loop of 5-10 cottages will be added on Bova Road above Camp Allegany, as well as 11 new cottages in the Red House Area north of Bova Road, outside original locations identified in the Master Plan.
- Some additional new cottages will be constructed on Parallel trail, including 8 cottages to be constructed along the existing trail replacing former cabins and 5 new cottages to be located along the haul road, outside the original locations identified in the Master Plan.
- Group Camp 5 will be rebuilt with barracks style accommodations and a new wash house.
- Group Camp 12 cabins will be replaced with new ones of the same design, a new wash house and rehabilitated mess hall.
- Camp Allegany will get utilities upgrades, rehabilitated barracks and mess hall and a study into the feasibility of more green building features.
- A new horse corral will be built on the north side of ASP 3 for Camp Turner.
- A new equestrian camping area will be developed at Group Camp 10, integrating it with the current area on the east side of ASP 2.
- New equestrian staging areas will be built in Bay State, Bradford entrance and Rice Brook areas.
- A new visitor and nature center will be built in the Beehunter area.

- Bath houses at both swimming beaches will be upgraded and a study will be completed to determine the feasibility of reinstating diving at the Quaker Lake beach.
- A picnic area will be formalized in the vicinity of Quaker beach.
- Two new picnic shelters will be constructed, one each in Quaker and Red House.
- Rest rooms at the picnic areas will be upgraded.
- Court and field game facilities will be upgraded in Quaker and Red House.
- A new basketball court will be developed in the Cain Hollow area.
- Playground equipment that was removed in Red House will be replaced.
- A new car top boat launch will be developed at the southern end of Quaker Lake.
- The water depth at the existing launch will be increased.
- A boat rental concession will be developed near the Quaker beach.
- The concession building at Red House will be rehabilitated.
- Sanitary facilities and accessibility at the Friends Boat Launch will be improved.
- The existing types of hunting opportunities will be maintained.
- Special fishing restrictions (delayed harvest on some stream segments) will continue.
- Active fish stocking will continue in selected stream segments and the lakes.
- Ice fishing will continue on both Red House and Quaker Lakes.
- Public access to all fishing areas will be improved.
- An additional accessible fishing platform will be developed at Red House Lake.
- A formal sledding area will be designated in the Summit area with an expanded warming hut that will serve the cross country ski area as well.

17. The ASP Final Trails Plan provides for approximately 227 miles of existing and proposed trails. The proposed trail system adds approximately 30 miles of undesignated trails and 50 miles of new trails to the existing designated trail system. Approximately 44 miles of undesignated trails would not be designated and would be officially closed and restored. The trails plan includes improvements to all of the Park's trail systems including: a new 7.6 mile Quaker area bikeway and improvements to the Red House Bikeway, construction of approximately 20 miles of new single-track trails for mountain biking and designation of approximately 58 miles of trails for biking, improvements and expansion of the equestrian trail system to 67 miles of designated trails, improvement and expansion of the park's hiking trail system to a total of 185 miles, rehabilitation and upgrades to the Art Roscoe Cross-country ski area, expansion of the snowmobile trail system to approximately 88 miles including proposed future connections to trails outside the park, expansion and improvement of park trailheads and parking areas, and improvement and expansion of interpretive trails within the park.

18. Allegany State Park is an integral part of the history of the area. As such the protection and interpretation of the cultural resources found there is also an important part of the master plan. Measures to protect and interpret cultural and historic resources in the park preserve include: Protection of the archaeological resources on a case by case basis where ground disturbance is anticipated, maintenance and restoration of historic structures according to the recommendations of the memorandum of resolution from the OPRHP Field Services Bureau, enhancement of cultural resource interpretation at the new visitor center as well as development of some historic interpretive trails.

19. Park operations, maintenance and infrastructure will be improved, including: The regional maintenance center will phase into using the area above the carpenter shop west of Quaker Run with new facilities; the sawmill and building it is in will be stabilized to preserve and protect them and guided tours will be provided; a new premier entrance and new building with camper registration facilities will be constructed at the park entrance from the Southern Tier Expressway on ASP 2; the Red House maintenance facility will be moved to the new location adjacent to the sawmill; the storage and work areas at the Quaker maintenance facility will be expanded; the Quaker administration building will be improved to provide accessible restrooms; and an historic structures report will be produced for the Regional Administration Building.

20. In addition, the plan recognizes that implementation of all of the actions identified within the plan will require substantial investment of state funds, along with additional funding from other public and private sources. The implementation of the Master Plan is divided into three priority phases. The initiation and completion of these priority phases will depend upon funding and demand and will be balanced with the need to make ongoing capital improvements to maintain and rehabilitate the park's roads, bridges, utilities, buildings and infrastructure.

21. Environmental impacts associated with the implementation of the plan were addressed under nine general areas including land, water, air, biological resources/ecology, historic and archeological resources, scenic resources, recreation/open space, public health and safety and energy, noise and odor.

- The plan will result in some physical change to the land, particularly where new recreation facilities and trails will be constructed. Most new recreation facilities will be located in areas of the park that are already developed and will require minimal land disturbance. Most of the increased parking will be accomplished through formalizing or restriping existing areas or slightly enlarging existing pull-offs. Pervious pavements will be used wherever possible. Some new facilities and trails will be located in areas where the soils and slopes combine to pose a moderate to severe hazard for erosion. Careful site-specific planning will be applied in these areas to minimize erosion potential. Erosion control and storm water management techniques will be incorporated into site specific designs for all construction projects that will disturb park soils. Some measures anticipated to be used include minimizing soil disturbance and vegetation clearing, the use of silt fencing and straw bales, preservation of vegetated buffers and seeding of disturbed areas as soon as possible following work.
- Master Plan implementation will result in beneficial impacts to park water resources by relocation of the Regional Maintenance center away from Quaker Run and the Red House Maintenance center away from Red House Creek. Stream monitoring in the park will be conducted to obtain baseline information on park streams and to be able to detect changes in water quality associated with construction. Continued periodic maintenance dredging as needed will occur at all 3 of the man-made lakes in the park. This will improve the water quality and recreation opportunities of the lakes and reduce turbidity impacts downstream for example at the Red House Lake

Beach. Temporary adverse impacts associated with dredging will be addressed through DEC and Corps of Engineers permit processes. Park streams could be impacted by proposed facility development projects or trail improvements or construction. Erosion control and stormwater management techniques as discussed above will be incorporated into site designs and a 50 foot buffer will be retained between proposed new developments and streams where possible. Buffer plantings may also be incorporated in some areas. Site specific design for new trails will seek to minimize the number of stream crossings and provide buffers between trails and water bodies. All trail work will be undertaken using established guidelines from trail maintenance manuals and consultation with other agencies will occur as needed. Eurasian water milfoil has been identified in Quaker and Red House Lakes. A more detailed survey will be conducted to determine the location and extent of these invasive plants and steps will be taken to remove them from the lakes. Development of oil and gas resources beneath park lands also has the potential to impact park water resources. The agency's policy, protocol, permit and environmental review processes will be used to minimize any potential impacts to park resources.

- The importance of the park's natural resources has been recognized in the designation of the entire park as a Bird Conservation Area and a Natural Heritage area. These designations will bring additional recognition, potential increased visitation by eco-tourists and possible funding opportunities especially for environmental interpretation. Areas of the park have also been identified as Park Preservation Areas under Article 20 of the State Parks, Recreation and Historic Preservation Law. This designation will provide additional recognition to the importance of these areas and provide an additional layer of protection against future development proposals in these areas.
- Most of the proposed new facility development in the plan will not impact the park's significant ecological communities. Less than 35 acres of the thousands of acres of significant natural communities in the park may be affected by proposed new development or trails. This amount will likely be reduced during actual site design of trails and facilities. In accordance with agency policy, tree removal will be minimized. New trails proposed could impact park wildlife either directly through trail construction or indirectly through the effects associated with the trail uses. Most of the new proposed trails are in areas of the park that are already heavily used by recreationists. The park contains some large areas that have no roads or trails and are considered important to maintain dynamic ecological processes as well as to provide habitat for wildlife species more sensitive to disturbances. The proposed master plan and trails plan represents a balance between recreation and stewardship of the park's natural resources. Large roadless blocks within the park will remain intact. New trails proposed have been kept near the edges of these areas leaving relatively unaffected large forest interior habitats. Site specific design of all proposed new facilities and trails will include surveys for rare plants and animals. An invasive species management plan will be developed for the park which will help inventory invasive species and prioritize removal projects. The Agency will continue

to work with NYSDEC and NYS Dept. of Ag. & Markets to address the Emerald Ash Borer and other invasive forest pests.

- The Master Plan recognizes and protects the important historic and archeological resources within Allegany State Park. Structures that are considered contributing to the parks eligibility for the National Register will be protected by following the recommendations identified in a memorandum from the Agency's Field Services Bureau (FSB). Ground disturbing activities that are not considered categorical exclusions will require consultation with the FSB to determine if additional archeological surveys are needed.
- The park's significant scenic resources will be protected and maintained through Master Plan implementation. The plan proposes continued maintenance of scenic vistas throughout the park as well as restoration and interpretation of some historic vistas.
- The Master Plan will result in substantial beneficial recreation and open space impacts through improved and expanded recreation facilities and visitor amenities such as a new park visitor and interpretation center, new premier entrance providing park information and camper registration services, new cottages, picnic shelter, bikeway, and boating facilities. The Trails Plan will result in a better organized and maintained trail system, some new recreational opportunities such as single track mountain bike trails, a variety of trail lengths and difficulties for patrons of different abilities and additional interpretive trails.
- Traffic and circulation and public safety will be improved through construction of the premier entrance at Red House which will remove congestion and large trailers from the Red House Administration building area, and construction of the Quaker Bikeway which will provide a safe path for families on bicycles in the Quaker area of the park. New facilities will be designed to meet all applicable health and safety codes as well as incorporating sustainability principals and energy efficiency.

22. The plan describes the process for supplemental environmental review and provides for guidance as to when additional environmental review may be required and identifies the types of actions that are likely to require additional review. These include new actions not addressed within the final Master Plan/FEIS that are not Type II actions within Part 617, any change from the preferred alternative for recreational and facility elements of the plan that may result in significant adverse environmental impacts and any leases, easements or other agreements between OPRHP and other entities that would affect resources in a manner that is not adequately addressed in the final Master Plan/FEIS. Specific elements of the plan are also identified that will be evaluated as to the need for additional review dependent on the outcome of more detailed planning.

## CERTIFICATION OF FINDINGS

Having considered the Draft and Final Environmental Impact Statements, including the comments received on the DEIS, and having considered the preceding written facts and conclusions relied upon to meet the requirements of 6 NYCRR 617.9, ESD finds and certifies that:

1. The requirements of Article 8 of the New York State Conservation Law and the implementing regulations of the New York State Department of Environmental Conservation, 6 NYCRR Part 617, have been met;
2. Consistent with the social, economic and other essential considerations from among the reasonable alternatives thereto, the proposed action will minimize or avoid, to the maximum extent practicable, the adverse environmental effects including the effects disclosed in the DEIS and FEIS and set forth in this Findings Statement;
3. Consistent with the social, economic and other essential considerations described above, the incorporation in the development of this project of the mitigation measures described in the DEIS, FEIS and in this Findings Statement, will minimize or avoid the adverse environmental impacts associated with the development of the project which were identified in the DEIS, FEIS and in this Findings Statement; and
4. The project is in compliance with Section 14.09 of the State Historic Preservation Act.

Agency: NYS Urban Development Corporation d/b/a  
Empire State Development

Signature of Responsible Officer: \_\_\_\_\_

Name of Responsible Officer: Rachel Shatz

Title of Responsible Officer: Vice President, Planning & Environmental Review

Date: April 16, 2014

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

### ASP Partners, LLC – Economic Growth Investment\*

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

**Construction Job Years (Direct): 21**

**Construction Job Years (Indirect): 14**

Evaluation Statistics	Project Result NYS Govt.	NYS Govt. Benchmarks for ESD Projects <sup>2</sup>	Project Results State & Local Governments	State & Local Government Benchmarks for ESD Projects
<b>Fiscal Costs<sup>3</sup></b>	\$497,670	\$794,250	\$497,670	\$1,020,500
<b>Fiscal Benefits<sup>4</sup></b>	\$151,318	\$2,085,600	\$259,369	\$4,271,980
<b>Fiscal B/C Ratio</b>	0.30	3.00	0.52	10.60
	<b>Project Results</b>	<b>Benchmarks for ESD Projects</b>		
<b>Economic Benefits<sup>5</sup></b>	\$1,366,225	\$119,468,000		
<b>Economic B/C Ratio</b>	2.75	20.00		

\*The benefit cost estimates are based on the combined Phases I and II.

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

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

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

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

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



FOR CONSIDERATION

April 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Ticonderoga (North Country Region – Essex County) – Adirondack Meat Company Capital – Regional Council Capital Fund (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: Adirondack Meat Company Inc. (“Adirondack Meat” or the “Company”)

ESD\* Investment: A grant of up to \$300,000 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 Location: Commerce Drive, Ticonderoga, Essex County

Proposed Project: Construct, equip and operate a new USDA meat processing facility

Project Type: New business with job creation

Regional Council: This is a priority project of the North Country Regional Economic Development Council supporting new business development and job creation in the North Country Region.

Employment:	Initial employment at time of ESD Incentive Proposal:	0
	Current employment level:	12
	Minimum employment on January 1, 2017	17

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction	\$430,000
Infrastructure and site work	100,000
Machinery and Equipment	315,000
Soft costs (including engineering, marketing, and utilities)	<u>224,000</u>

Total Project Costs	<u>\$1,069,000</u>
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<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$300,000	28%
Company Equity	<u>769,000</u>	<u>72%</u>

Total Project Financing	<u>\$1,069,000</u>	<u>100%</u>
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III. Project Description

A. Company

Industry: The Company is a USDA certified meat processor.

Company History: Adirondack Meat Company was formed in 2012.

Ownership: The Company is a privately owned corporation.

Size: The Company has one facility in Ticonderoga.

Market: The Company provides meat processing services to local and regional beef and pork producers. The company competes out of state with Vermont-Green Mountain regional meat processors.

ESD Involvement: As part of the Regional Economic Development Council initiative, Adirondack Meat was awarded \$300,000 through the Consolidated Funding Application process. Limited local financing for a new start-up business resulted in a funding gap, therefore, Adirondack Meat requested ESD assistance to help finance its new start-up business. This project would not be possible without ESD assistance.

Competition: n/a

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

## B. The Project

Completion: December 2013

Activity: The Company acquired land, constructed a new 7,500-square-foot building, purchased meat processing equipment, and obtained the required USDA certification. With the next nearest USDA meat processor 2 hours travel away, Adirondack Meat offers meat processing services to local and regional beef and pork producers in the North Country as well as beef and pork consumers. The availability of a local meat processing facility is expected to increase the production and sale of locally produced beef and pork products. This will help to develop Adirondack economic sustainability with new Adirondack local food production and new local food sales.

Results: Adirondack Meat has committed to creating 17 jobs by January 1, 2017, and has already created 12 jobs.

### Business Investment

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

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

- Fiscal benefits to NYS government from the project are estimated at \$561,857;
- Fiscal cost to NYS government is estimated at \$300,000;
- Project cost to NYS government per direct job is \$24,083;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$14,361;
- Ratio of project fiscal benefits to costs to NYS government is 1.87:1;
- Fiscal benefits to all governments (state and local) are estimated at \$920,901;
- Fiscal cost to all governments is \$300,000;

- All government cost per direct job is \$24,083;
- All government cost per total job is \$14,361;
- The fiscal benefit to cost ratio for all governments is 3.07:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$4,844,064, or \$231,882 per job (direct and indirect);
- The economic benefit to cost ratio is 16.15:1;
- Project construction cost is \$530,000, which is expected to generate six direct job years and two indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.68 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is four years.

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

Grantee Contact: Peter Ward, President  
 30 Commerce Drive  
 Ticonderoga NY 12883  
 Phone: (518) 585 2333

ESD Project No.: Y154

Project Team:	Origination	William Ferguson
	Project Management	John Vandello
	Contractor & Supplier Diversity	Elizabeth Gocs
	Finance	John Bozek
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$300,000 capital grant (\$3,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
  
5. Up to \$300,000 will be disbursed to Grantee in two installments as follows:
  - a) an Initial Disbursement equal to 50% of the grant (\$150,000) upon documentation verifying completion of a new 7,500-square-foot building as evidenced by a certificate of occupancy, total project costs totaling \$1,069,000 including the purchase and installation of \$315,000 in machinery and equipment, and documentation of the employment of at least 12 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
  
  - b) a Second Disbursement of an amount equal to 50% of the grant (\$150,000) will be disbursed upon documentation of the employment of at least 17 Full time Permanent Employees at the project location (Employment increment of 5) provided Grantee is in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after February 12, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$300,000, 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 number (for the preceding calendar year) of Grantee's Full-time Permanent Employees, as defined above, as of each 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, then ESD will have the right to terminate the grant agreement and withhold any grant proceeds not yet disbursed. 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.

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

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

Baseline Employment	0
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A	B
Reporting Date	Employment Goals
February 1, 2015	0+X+Y
February 1, 2016	0+X+Y
February 1, 2017	0+X+Y
February 1, 2018	0+X+Y
February 1, 2019	0+X+Y

X = Grantee's Employment Increment that will be the basis of the Initial Disbursement of the Grant as described in section C.5 above (i.e. X=12, and Employment Goals shall equal  $[0 + X = 12]$  if the Initial Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Initial Disbursement has not yet been made then X=0.

Y = Grantee’s Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. Y=5, and Employment Goals shall equal  $[0 + X + Y = 17]$ . 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.

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

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

## V. Environmental Review

The Adirondack Park Agency (“APA”) issued a Jurisdictional Determination on June 25, 2012 concluding that the proposed project constitutes a Class A regional project pursuant to the APA Act, and is subject to the jurisdiction of the APA pursuant to Sections 807, 808 and 809 of the Executive Law. ESD staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act (“SEQRA”) and the implementing regulations for the New York State Department of Environmental Conservation, 6 NYCRR Part 617.5(c)(36). No further environmental review is required in connection with ESD’s funding of the project.

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

ESD’s Non-discrimination and Contractor Diversity policy will apply to the Project. The Company shall be required to use “good faith efforts” to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation goal of 23%, a Minority Business Enterprise (“MWBE”) participation goal of 13% and a Women Business Enterprise (“WBE”) Participation goal of 10%, related to the total value of ESD’s funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

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

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

## VIII. Additional Submissions to Directors

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

April 16, 2014

Regional Council Award – Priority Project – Ticonderoga (North Country Region – Essex County) – Adirondack Meat Company Capital – Regional Council Capital Fund (Capital Grant) Findings and Determinations Pursuant to Section 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 Adirondack Meat Company 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 Adirondack Meat Company Inc. a grant for a total amount not to exceed Three Hundred Thousand Dollars (\$300,000) 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

April 17, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Ticonderoga (North Country Region – Essex County) – Ticonderoga Water Sewer Infrastructure Capital – Regional Council Capital Fund (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: Town of Ticonderoga (the “Town” or “Ticonderoga”)

ESD\* Investment: A grant of up to \$177,286 to be used for a portion of the cost of sewer and water infrastructure.

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

Project Location: John Street, Ticonderoga, Essex County

Proposed Project: Water and sewer infrastructure improvements in the John Street area.

Project Type: Municipal infrastructure

Regional Council: The project is consistent with the North Country Regional Plan to improve the quality of life and provide for health and safety of North Country communities with adequate water and sewer infrastructure.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction	\$287,856	
Engineering	<u>598,575</u>	
Total Project Costs	<u>\$886,431</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$177,286	19%
Town Equity*	<u>709,145</u>	<u>81%</u>
Total Project Financing	<u>\$886,431</u>	<u>100%</u>

\* The source of the Town Equity is a Community Development Block Grant.

III. Project Description

A. Town

**Town History:** The Town of Ticonderoga was formed in 1804 and is located at the confluence of Lake George and Lake Champlain in the southeastern corner of Essex County. Ticonderoga is entirely located within the Adirondack Park, and nearly one-third of its land area is part of the State Forest Preserve. Its population is approximately 5,200.

**ESD Involvement:** Since the origins of the Town go back to 1804, the aged water sewer infrastructure needed to be upgraded in certain areas having substandard, non compliant water-sewer infrastructure. In order to comply with current NYS codes, the Town sought ESD assistance to finance its water sewer infrastructure improvement project in the John Street neighborhood of 14 families. The Town applied for funding assistance through the Consolidated Funding Application (“CFA”). As part of the Regional Economic Development Council initiative, Ticonderoga was awarded \$177,286 as assistance for the project through the CFA process. This important infrastructure project would not be possible without ESD assistance. Without the ESD funding the Town would continue to be non compliant with current NYS-Department of Environmental Conservation health and safety codes.

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

B. The Project

Completion: March 2014

Activity: The Town has completed the installation of a new water sewer infrastructure to replace the substandard infrastructure in the John Street neighborhood of 14 families. The work included the installation of new sanitary sewer mains and lateral connections, storm sewer mains with manholes and catch basins, and water mains with valves, hydrants and related service connections.

Results: The project provides adequate water-sewer service for health and safety and will support further economic growth and an improved quality of life in the Town. As required by code, the project separates into distinct underground piping systems, the piping for the handling of stormwater and sewer discharge, The project protects the health and safety of 14 families consisting of 40 persons in the John Street neighborhood. The Town will be compliant with the NYS Department of Environmental Conservation consent order and not subject to further enforcement action from NYS Department of Environmental Conservation for spillage of untreated overflows onto town streets, and resident's homes and basements.

Infrastructure

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

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

- Fiscal benefits to NYS government from the project are estimated at \$56,251;
- Fiscal cost to NYS government is estimated at \$177,286;
- Ratio of project fiscal benefits to costs to NYS government is 0.32:1;

- Fiscal benefits to all governments (state and local) are estimated at \$94,899;
- Fiscal cost to all governments is \$177,286;
- The fiscal benefit to cost ratio for all governments is 0.54:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$477,633;
- The economic benefit to cost ratio is 2.69:1;
- Project construction cost is \$886,431, which is expected to generate 10 direct job years and four indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.39 indirect job is anticipated in the state’s economy.

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

Grantee Contact: William Grinnell, Supervisor  
 Box 471  
 Ticonderoga NY 12883  
 Phone: (518) 585-6265

ESD Project No.: Y633

Project Team:	Origination	Rosemary Redmond
	Project Management	John Vandelloo
	Contractor & Supplier Diversity	Elizabeth Gocs
	Environmental	Soo Kang
	Design & Construction	Scott Renzi

C. Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Town shall pay a commitment fee of 1% of the \$177,286 capital grant (\$1,772) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Town will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Town will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Town’s acceptance of ESD’s offer. Equity is defined as cash injected into the project by the Town or by investors, and should be auditable through Town 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 \$177,286 will be disbursed to Grantee upon documentation of project costs totaling \$886,431, upon completion of the project substantially as described in these

materials, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after June 20, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$177,286, 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 2012-2013 New York State budget and reappropriated in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Environmental Review

The Town Board of the Town of Ticonderoga, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on December 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. 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 the Project. The Company shall be required to use “good faith efforts” to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation goal of 23%, a Minority Business Enterprise (“MWBE”) participation goal of 13% and a Women Business Enterprise (“WBE”) Participation goal of 10%, related to the total value of ESD’s funding and to solicit and utilize MWBEs for any

contractual opportunities generated in connection with the Project.

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

April 17, 2014

Regional Council Award – Ticonderoga (North Country Region – Essex County) – Ticonderoga Water Sewer Infrastructure Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Ticonderoga Water Sewer Infrastructure 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 Town of Ticonderoga a grant for a total amount not to exceed One Hundred Seventy Seven Thousand Two Hundred Eighty-Six Dollars (\$177,286) 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.

\* \* \*

April 17, 2014

Regional Council Award – Ticonderoga (North Country Region – Essex County) –  
Ticonderoga Water Sewer Infrastructure Capital – Regional Council Capital Fund  
(Capital Grant) – Determination of No Significant Effect on the Environment

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

\* \* \*



FOR CONSIDERATION

April 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award Projects Consent Calendar

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

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

Empire State Economic Development Fund

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	Amsterdam Industrial Development Agency Capital	Y119	Amsterdam Industrial Development Agency	\$40,000
			<b>TOTAL</b>	<b>\$40,000</b>

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

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

Environmental Review

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

### Non-discrimination and Contractor and Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor and Supplier Diversity policies will apply to the project. Unless otherwise specified in the project summary, the grantee 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%. The grantee shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project and to include minorities and women in any job opportunities created by the project.

### Reallocation of Funds

ESD may reallocate each project's funds to another form of assistance, at an amount no greater than the amount approved, for the same project if ESD determines that the reallocation of the assistance would better serve the needs of the recipient and the state of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

### ESD Employment Enforcement Policy

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

### ESD Financial Assistance Subject to Availability of Funds and Additional Approval

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

### Statutory Basis:

#### A. Empire State Economic Development Fund

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

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

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

Additional Submissions to Directors

New York State Map  
Resolutions  
Project Summary

April 16, 2014

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

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

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

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

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

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

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

Empire State Economic Development Fund

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
	<b>General Development Financing Projects</b>			
A	Amsterdam Industrial Development AgencyCapital	Y112	Amsterdam Industrial Development Agency	\$40,000
			<b>TOTAL</b>	<b>\$40,000</b>

and be it further

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

\* \* \*

## A. Amsterdam Industrial Development Agency Capital (Y119)

April 16, 2014

### General Project Plan

<b>Grantee:</b>	Amsterdam Industrial Development Agency (“AIDA” or the “Organization”)
<b>Beneficiary:</b>	Mohawk Fabric Co., Inc. (“Mohawk Fabric” or the “Company”)
<b>ESD Investment:</b>	A grant of up to \$40,000 to be used for a portion of the cost to purchase machinery and equipment.
<b>Project Location:</b>	96 Guy Park Avenue, Amsterdam, Montgomery County
<b>Proposed Project:</b>	Purchase of machinery and equipment to upgrade the Beneficiary Company’s manufacturing facility
<b>Project Type:</b>	Business improvement involving job retention and creation
<b>Regional Council:</b>	The project is consistent with the Regional Plan to promote and sustain a diverse, integrated, and dynamic economy that capitalizes on technology and innovation.
<b>Employment:</b>	Initial employment at time of ESD Incentive Proposal: 10 Current employment level: 13 Minimum employment through January 1, 2018: 15

### **Grantee Background**

Industry – The Amsterdam Industrial Development Agency is a public benefit corporation that assists in the creation and retention of employment opportunities and businesses in the City of Amsterdam.

Company History – AIDA was created in 1973.

Size – AIDA includes a seven-member Board of Directors that is appointed by the Amsterdam’s Common Council to oversee the Organization’s operations.

### **Beneficiary Background**

Industry – Mohawk Fabric Co., Inc. is a manufacturer and distributor of specialty fabrics including silk, cotton nylon, polyester and rayon. The fabrics are used in the aircraft, automotive, apparel, and aerospace industries among others.

## **A. Amsterdam Industrial Development Agency Capital (Y119)**

April 16, 2014

Company History – Founded in 1922, the Company has created new innovations in the textile industry for large and small companies in Amsterdam and around the world.

Size – Mohawk Fabric currently operates out of a 33,000-square-foot facility.

ESD Involvement – After a successful first round of the Consolidated Funding Application process in 2011, Round 2 of the CFA process was launched in the Spring of 2012.

In March 2012, the Amsterdam Industrial Development Agency, (AIDA) collaborated with Mohawk Fabric, a small manufacturer based in the city of Amsterdam on a CFA. Mohawk Fabric needed financial assistance to close a funding gap to purchase new machinery and equipment that would allow it to produce its own fabric instead of outsourcing approximately 25,000 tons of fabric from a company in North Carolina. This outsourcing was costing the Company approximately \$2.5 million annually.

In December, 2012, AIDA was notified that a \$40,000 grant on behalf of Mohawk Fabric was awarded. In April 2013 AIDA accepted the grant which is from the Empire State Economic Development Fund for the benefit of the company. Without ESD's assistance, the project could not have taken place.

Competition – The Company considered moving to North Carolina.

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

### **The Project:**

Completion – February 2014

Activity – In early 2013, Mohawk Fabric completed the purchase of two knitting machines, installed a 50-70 KW solar energy system, and purchased new warping equipment.

AIDA will require that Mohawk Fabric provide proof of expenditures totaling \$300,000 and documentation that the job requirements have been fulfilled before funds are released. AIDA also plans to inspect the machinery and equipment on site prior to disbursement.

Results – Retain 10 existing jobs and create 5 new jobs. The Company has already created 3 new jobs.

**A. Amsterdam Industrial Development Agency Capital (Y119)**

April 16, 2014

Financing Uses	Amount	Financing Sources	Amount	Percent
Machinery & Equipment	\$300,000	ESD Grant	\$ 40,000	13%
		Mohawk Fabric Equity	\$ 135,000	45%
		New York State Office of Homes and Community Renewal - Grant	\$ 125,000	42%
<b>Total Project Costs</b>	<b>\$300,000</b>	<b>Total Project Financing</b>	<b>\$ 300,000</b>	<b>100%</b>

Grantee Contact – Jody Zakrevsky, Executive Director  
61 Church Street  
Amsterdam, NY 12010  
Phone: (518) 842-5011

Beneficiary Contact – Dominic Wade  
96 Guy Park Avenue  
Amsterdam, NY 12010  
(518) 842-3090

<u>Project Team</u> –	Origination	Jane Kulczycki
	Project Management	Simone Bethune
	Contractor & Supplier Diversity	Denise Ross
	Environmental	Soo Kang

**Financial Terms and Conditions:**

1. Upon execution of the grant disbursement agreement, the Beneficiary shall pay a commitment fee of 1% of the \$40,000 capital grant (\$400) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Grantee’s written acceptance of ESD’s offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

## A. Amsterdam Industrial Development Agency Capital (Y119)

April 16, 2014

4. Prior to disbursement, the Beneficiary 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 Beneficiary'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 Beneficiary to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Beneficiary'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 Beneficiary to other employees with comparable rank and duties.
5. Up to \$40,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$20,000) upon documentation of machinery and equipment project costs totaling \$300,000 and completion of the project substantially as described in these materials, and documentation of the employment of at least 13 Full-time Permanent Employees at the Project Location (Employment Increment of 3), 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 (\$10,000) will be disbursed upon documentation of the employment of at least 14 Full-time Permanent Employees at the Project Location (Employment Increment of 1), provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to 25% of the grant (\$10,000) will be disbursed upon documentation of the employment of at least 15 Full-time Permanent Employees at the Project Location (Employment Increment of 1), provided Grantee is otherwise in compliance with program requirements.

ESD will be entitled to recoup all or part of ESD's grant if the Beneficiary Company fails to reach or retain employment as agreed upon at the Project Location, as described above and consistent with the disbursement installments mentioned above. Disbursements may be requested simultaneously.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after April 11, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

6. Grantee agrees to impose the Employment Commitment, without condition, on the Beneficiary Company, Mohawk Fabrics Co., Inc., through documentation to be submitted to and found acceptable by ESD. Both the Recipient and the Beneficiary Company will be identified as signatories to any forthcoming Grant Disbursement Agreement.

**A. Amsterdam Industrial Development Agency Capital (Y119)**

April 16, 2014

7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$40,000, 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.
8. In consideration for the making of the Grant, Beneficiary 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 Beneficiary's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

**A. Amsterdam Industrial Development Agency Capital (Y119)**

April 16, 2014

Baseline Employment	10
<b>A</b>	<b>B</b>
Reporting Date	Employment Goals
February 1, 2015	10+X+Y+Z
February 1, 2016	10+X+Y+Z
February 1, 2017	10+X+Y+Z
February 1, 2018	10+X+Y+Z

X = Beneficiary's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section 5 above (i.e. X=3, and Employment Goals shall equal [10 + X = 13] if the First Disbursement is made, in the year such disbursement is made and for each year thereafter). If the First Disbursement has not yet been made then X=0.

Y = Beneficiary's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section 5 above (i.e. Y=1 and Employment Goals shall equal [10 + X + Y = 14] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.

Z = Beneficiary's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section 5 above (i.e. Z=1 and Employment Goals shall equal [10 + X + Y + Z = 14] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Z=0.

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

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.

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

1. The project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.  
As a result of this project, the Beneficiary will maintain its employment level of 10 and create 5 new jobs.
2. The project would be unlikely to take place in New York State without the requested assistance.  
Without ESD assistance to lower costs and make the Beneficiary's facility competitive with one in North Carolina, the cost would have been too high to make the project feasible in New York.

**A. Amsterdam Industrial Development Agency Capital (Y119)**

April 16, 2014

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

Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$145,791, which exceed the cost to the State.

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

See cover memo.



**FOR CONSIDERATION**

April 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Non-Discretionary Projects

REQUEST FOR: Authorization to Make Grants and to Take Related Actions

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

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
	<b>Community Capital Assistance Program (Senate)</b>			
A	Chaveirim Capital	Y842	Chaveirim of Boro Park Williamsburg	\$50,000
	<b>Community Projects Fund (Assembly)</b>			
B	CUNY Center for Small Business at York College Working Capital	Y644	Research Foundation of the City University of New York	150,000
	<b>TOTAL NON-DISCRETIONARY – 2 PROJECTS</b>		<b>TOTAL</b>	<b>\$200,000</b>

## I. Statutory Basis

The projects are sponsored by the Executive, Assembly or Senate, and were authorized or reappropriated in the 2013-2014 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 Map  
Resolutions  
Project Summary

April 16, 2014

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;

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed previously from the Community 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

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	Chaveirim Capital	Y842	Chaveirim of Boro Park Williamsburg	50,000
			<b>TOTAL</b>	<b>\$50,000</b>

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

\* \* \*

April 16, 2014

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

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

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

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

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

Community Projects Fund – Assembly – Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
B	CUNY Center for Small Business at York College Working Capital	Y644	Research Foundation of the City University of New York	\$150,000
			<b>TOTAL</b>	<b>\$150,000</b>

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

\* \* \*

## A. Chaveirim Capital (Y842)

April 16, 2014

### General Project Plan

- Grantee:** Chaveirim of Boro Park Williamsburg (“Chaveirim” or the “Organization”)
- ESD Investment:** A grant of up to \$50,000 to be used for the cost of a new computer server and telephone equipment.
- Project Location:** 1931 59<sup>th</sup> Street, Brooklyn, Kings County
- Proposed Project:** The Grantee will purchase a new computer server and advanced telephone equipment to create a more efficient dispatch system.
- Project Type:** Technology Improvement
- Regional Council:** The New York City Regional Council has been made aware of this item.

#### **Background:**

Industry – Chaveirim provides assistance to Brooklyn residents for a variety of non-emergency situations. Some of these services include assistance to individuals locked in or out of their home and roadside assistance. The Grantee also provides services to the elderly such as medication delivery.

Organizational History – Chaveirim was founded in September 2001 with 10 volunteers. The Organization has grown to include over 300 members and 40 dispatchers and receives approximately 200 calls per day.

Ownership – Not-for-profit organization.

Size – All facilities located in Brooklyn, NY.

ESD Involvement – A \$50,000 appropriation was included in the FY 2013-2014 New York State budget.

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

#### **The Project:**

Completion – December 2014

## Chaveirim Capital (Y842)

April 16, 2014

Activity – Chaveirim will purchase and install a new computer server and advanced telephone equipment to replace outdated equipment and update its dispatch system. The new advanced telephone equipment will work in coordination with the new computer server and allow multiple dispatchers to work more efficiently.

Results – As a result of the project, Chaveirim will establish an up-to-date dispatch system which will allow the Organization to run more efficiently. Additionally, this new dispatch system will allow the members in the field to complete tasks that currently require the assistance of a dispatcher.

Financing Uses	Amount	Financing Sources	Amount	Percent
Server	\$10,000	ESD Grant	\$50,000	100%
Telephone Equipment	\$40,000			
Total Project Costs	\$50,000	Total Project Financing	\$50,000	100%

Grantee Contact – Tobie Kohn, Secretary  
1931 59th Street  
Brooklyn, NY 11219  
Phone: (718) 972-7971

Project Team – Project Management Jared Walkowitz  
Contractor & Supplier Diversity Denise Ross  
Environmental Soo Kang

### Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$50,000 will be disbursed to Grantee upon, documentation of a new server and telephone equipment project costs totaling at least \$50,000. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must have been incurred after April 1, 2013, the date that the New York State budget, in which the project is authorized, was passed. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks and reports required have been completed to ESD's satisfaction.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$50,000, for this project if ESD determines that the reallocation of the

## **Chaveirim Capital (Y842)**

April 16, 2014

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 policy will apply to the Project. The Grantee shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 20%, related to the total value of ESD's funding, and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

### **Statutory Basis – Community Capital Assistance Program:**

The project was authorized in accordance with Chapter 84 of the Laws of 2002 and reappropriated in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

### **Disclosure and Accountability Certifications:**

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

**B. «Project\_Name» («Project\_Number»)**  
«Approval\_Date»

**Grantee:** Research Foundation of the City University of New York (“RFCUNY” or the “Foundation”)

**Beneficiary**

**Organization:** New York Small Business Development Center at York College (“SBDC”)

**ESD Investment:** A grant of up to \$150,000 to be used for a portion of the cost of establishing the EB-5 Immigrant Program at SBDC at York College.

**Project Location:** 94-20 Guy R. Brewer Blvd., Jamaica, Queens County

**Proposed Project:** Establishment of the EB-5 Immigrant Program at the SBDC at York College.

**Project Type:** EB-5 Immigrant Program Development

**Regional Council:** The New York City Regional Council has been made aware of this item.

**Background:**

Industry – RFCUNY is responsible for the administration of all funded programs (post-award) for the City University of New York.

The New York Small Business Development Center is a one-stop, business assistance organization that provides no cost training, information, research and guidance to new and existing entrepreneurs and small businesses owners.

Organizational History – RFCUNY is an educational corporation chartered by the State of New York in 1963. The Foundation was created due to the distinctive environment of sponsored programs’ demand for flexibility and the capacity to respond quickly to a wide variety of conditions and changing sponsor requirements. Special responsibilities include management of a planned giving program; liaison with governmental agencies and foundations; negotiation of agreements; facility construction and renovation; protection and commercialization of intellectual property; and compliance with applicable standards in research involving human subjects, animal care, environmental and radiological safety, and conflicts of interest.

Since 1984, the SBDC at York College has worked with 381,392 businesses, helping them to invest \$5,194,807,294 in New York's economy and create or save 168,368 jobs. Through 24 campus-based regional centers and 29 outreach offices, the SBDC applies the resources of university, private sector, and government to solve business problems and foster entrepreneurship. The SBDC emphasizes counseling and training services to women, veterans, people with special needs, and minority clients. The SBDC also

**«Project\_Name» («Project\_Number»)  
«Approval\_Date»**

focuses on projects that advance the job development, investment, and economic growth priorities of New York State, with an emphasis on manufacturers, exporters and technology-oriented firms.

Ownership – RFCUNY is a private, not-for-profit educational corporation.

SBDC at York is administered by State University of New York and funded by the U.S. Small Business Administration, the State of New York, and host campuses. The Advisory Board for the New York State Small Business Development Center is a collective of leaders in the industrial, government and educational sectors across the state.

ESD Involvement – A \$150,000 appropriation was included in the FY 2013-2014 New York State budget.

Past ESD Support – Since 2000, the ESD Directors have approved approximately \$4.8 million in grants to the RFCUNY for economic development initiatives. The Foundation has complied with all requirements, and all grants are fully disbursed. This is the SBDC's first project with ESD.

**The Project:**

Completion – January 2015

Activity – SBDC proposes to start an EB-5 immigrant program at York College to assist foreign investors (“Applicant”) seeking to make direct investments in New York businesses in order to be eligible for U.S. green cards. These Applicants must not only invest between \$500,000 and \$1 million in a U.S. business but also must take an active role in that business in either a managerial or policy-forming role. The business in which the Applicant invests must employ at least ten full-time workers, not including independent contractors, produce a service or product, and benefit the U.S. economy. The Applicant can create an original business, buy a business that was established after November 29, 1990, or buy a business and restructure or reorganize it so that a new business entity is formed.

SBDC at York College will work with Applicants referred by immigration attorneys at EB-5 resource centers. SBDC business advisors will advise Applicants in the following:

- Completion of EB-5 Visa applications
- Conducting feasibility studies
- Developing business plans and strategies



**«Project\_Name» («Project\_Number»)  
«Approval\_Date»**

no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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

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

**Statutory Basis – Community Projects Fund:**

The project is authorized in the 2013-2014 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

April 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Lysander (Onondaga County) – Radisson Community – Procurement for Railway Road Crossings Repair/Reconstruction Services

REQUEST FOR: Authorization to Enter into a Contract for Railway Road Crossings Repair/Reconstruction Services with Frank Tartaglia, Inc.; and Authorization to Take Related Actions

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Contract Need and Justification

I. Contract Summary

Contractor: Frank Tartaglia, Inc. (“Contractor”)  
5867 East Molloy Rd.  
Syracuse, New York 13211-2099  
Richard A. Barry, President  
(315) 455-0100

Scope of Services: Railway Road Crossings Repair/Reconstruction and all work incidental thereto on two rail crossings in the Radisson Corporate Park

Contract Term: The Repair and Reconstruction Schedule is expected to be approximately one week from mobilization.

Contract Amount: \$71,900

Funding Source: ESD’s sale proceeds from Radisson Land Sales

## II. Background and Scope of Work

A short but active ESD-owned rail spur cuts through the Corporate Park at ESD's Radisson Community in the Town of Lysander, northwest of Syracuse. The spur crosses two Town roads: West Entry Road and Brundage Road. See attached map. Both roads are heavily used by the industrial employers located within Radisson (including Anheuser Busch, McLane Northeast, Ainsley Warehouse, and Gypsum Express) and also are open to the public. Over the years, the rubber under both track crossings has been lifting due to rotting railroad ties, constant tractor trailer traffic, and severe weather conditions. This lifting has caused unacceptable obstructions in the road crossings. Both crossings have been closed for periods of time in the past, and both have been subject to temporary repairs periodically. The condition of both crossings at this time now requires more permanent solution. The recommended contract is for work to repair and/or reconstruct both crossings to meet Federal Railway Administration Track Safety Standards and all other applicable law and regulation.

## III. Contractor Selection Process

On February 12, 2014, ESD advertised a Request for Proposals (the "RFP") in the New York State Contract Reporter seeking a contractor to provide the requested repair/reconstruction services. A total of five (5) submissions were received. A three-person staff committee (the Radisson Project Manager, the CNY Regional Office Manager, and one Senior Counsel) reviewed the submissions based on bid price, experience, scheduling work timeframe, familiarity with FRA Standards, and references. Based on such review, Contractor was unanimously determined to be the most qualified firm to provide the services requested and to provide the best value to ESD.

The bids ranged from a low of \$71,675 to a high of \$156,250. Contractor was the second lowest bidder, but: (a) the two lowest bids were separated by less than one-half of one percentage point; (b) Contractor has significantly more experience than the lowest bidder; and (c) unlike the low bidder, Contractor is locally based. Given the scope of work, it was determined that considerations of experience were of concern. Contractor has extensive upstate New York experience, and has worked on the Radisson railway on several occasions. Thus, based on the totality of the selection criteria, staff rated Contractor highest of the five respondents.

Pursuant to State Finance Law Section 163 and the Corporation's policy related thereto, staff has: (a) considered 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 Contractor to be responsible.

#### IV. Contract Term, Price, and Funding

The proposed term of the contract is one month, given the short work schedule. The total contract amount will not exceed \$71,900, to be funded from sale proceeds from Radisson Land Sales, as noted above.

#### V. Non-Discrimination / Contractor and Supplier Diversity

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

#### VI. Environmental Review

ESD staff has determined that the authorization to enter into this contract constitutes a Type II action as defined in Section 617.5(c)2 of the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations for the New York State Department of Environmental Conservation. Therefore, no further environmental review is required.

#### VII. Requested Actions

The Directors are requested to: (1) make a determination of responsibility with respect to Contractor; and (2) authorize ESD to enter into a contract with Contractor for an amount not to exceed \$71,900 for the work as described in these materials.

#### VIII. Recommendation

Based on the foregoing, I recommend approval of the requested actions.

#### X. Attachments

Resolutions  
Map

April 16, 2014

Lysander (Onondaga County) – Radisson Community – Authorization to Enter into a Contract for Railway Road Crossings Repair/Reconstruction Services with Frank Tartaglia, Inc.; and Authorization 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 Frank Tartaglia, Inc. (“Contractor”) to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Contractor in an amount not to exceed \$71,900 for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

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

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FOR CONSIDERATION

April 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Procurement of Legal Services

REQUEST FOR: Authorization to Enter into a Contract with Foley & Lardner LLP

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CONTRACT NEED AND JUSTIFICATION

I. Contract Summary

Contractor: Foley & Lardner LLP (the "Firm")

Scope of Services: Assist ESD with legal advice and counsel in connection with long term planning for the retention of the Buffalo Bills in New York, including consideration of substantial renovation of the Ralph Wilson Jr. Stadium, f/k/a Rich Stadium, or the construction of a new stadium, as contemplated under the Stadium lease.

Contract Term: Three years

Contract Amount: not to exceed \$350,000

Funding Source: Corporate funds or other source to be determined

II. Background

In August of 2012, the ESD Board authorized retaining Foley & Lardner LLP to assist ESD staff in the negotiation of a new lease to keep the Buffalo Bills playing Western New York after the existing lease expired in July of 2013. As a result of these negotiations, in May of 2013, 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 new 10-year lease. Under these agreements, the County leases the Stadium to Stadium Corp, which in turn subleases it to the Bills. Mr. Irwin Raji, a partner with the Firm, and co-chair of the Firm’s Sports Industry Team, led the Foley team and was instrumental in the successful negotiations that led to the new lease.

The 2013 lease obligated the Bills to continue playing at the Stadium through 2023 but permits the Bills to void the lease after year seven in 2020 for the payment of \$28,363,500. In addition, the lease created the New Stadium Working Group (“NSWG”), an advisory group with each party having up to seven appointments whose purpose is to explore, investigate, design, plan, permit, obtain approvals for, develop, perform studies related to, and perform due diligence and other activities related to the development and construction of new stadium or a substantial renovation of the Stadium. The NSWG met for the first time on April 1, 2014, and plans to meet regularly in order to carry out its mission to determine the best course of action to keep the Bills in WNY for the long term.

Moreover, with the passing of the Bills owner, Ralph Wilson, Jr., it is expected that the team will be sold and as such, it is imperative that the State and ESD study and develop a plan to insure the long term viability of the franchise in Western New York. Because of the complexity of the transaction and the specialized nature of professional Stadium construction and lease arrangements, the advice and assistance of outside counsel is required. In consultation with the Office of the Governor, ESD staff recommends that Foley & Lardner, LLP be retained to assist ESD in the work of the NSWG and in ESD’s efforts for the planning, investigation and other due diligence necessary to keep the Bills in WNY. The contract with Foley will have an effective date of April 1, 2014.

### III. Proposed Contractor and Contractor Selection Process

Founded in 1842, Foley & Lardner LLP (“F&L” or the “Firm”) is a national firm with approximately 900 attorneys in 21 offices. Among its many practice areas, the firm specializes in the Sports industry.

Mr. Raji has represented and counseled major sports clients including a professional sports league, professional sports teams as well as owners and acquirers of professional sports teams. He advises clients in connection with a variety of new stadium development projects, construction agreements, new and interim lease agreements, acquisition of professional sports franchises, strategic counsel and commercial matters.

Mr. Raji's experience includes leading the team that represented Guggenheim Baseball Management in the recent acquisition of the Los Angeles Dodgers, the single largest transaction ever for a professional sports franchise. He also represented Rangers Baseball Express in its acquisition of the Texas Rangers. Mr. Raji was appointed by the Commissioner of Major League Baseball to serve on a three-person committee to determine feasibility of developing a new stadium for the Oakland A's in Northern California, represented MLB in the relocation of the

Montreal Expos, now the Washington Nationals, to Washington, D.C., and acted as MLB's counsel in its successful efforts to facilitate the negotiation and approval of new stadiums for the Miami Marlins and the Washington Nationals. Mr. Rajj also has provided counsel to the Miami Dolphins in their efforts to renovate Sun Life Stadium and has worked with private developers regarding in the creation of stadium development concepts throughout the country.

Mr. Rajj's role will be to provide ESD with targeted, strategic advice concerning the existing Stadium lease, the work of the NSWG and future studies and plans for the Stadium. A Contract Reporter exemption for this contract was granted based on the Mr. Rajj's and the Firm's particular expertise in negotiations involving professional sports teams and stadiums.

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

Legal advice and counsel in connection with long term planning for the retention of the Buffalo Bills in New York, including consideration of substantial renovation of the Ralph Wilson Jr. Stadium, f/k/a Rich Stadium, or the construction of a new stadium, as contemplated under the Stadium lease.

#### V. Contract Term, Price and Funding

The proposed term of the contract is three years. The Firm has agreed to a partner rate of \$495 per hour. All other legal personnel will be billed within ESD's maximum rate structure.

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

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

#### 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; (2) authorize the Corporation to enter into a contract with Foley & Lardner LLP for an amount not to exceed \$350,000 on the terms set forth above, including a partner rate of \$495/hr and including all costs and expenses incurred by the firm.

IX. Recommendation

Based on the foregoing, I recommend approval of the requested actions.

X. Attachments

Resolution

April 16, 2014

Empire State Development – Authorization to Enter Into a Contract with Foley & Lardner LLP to Provide Legal Services and to Take Related Actions

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

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Foley & Lardner LLP in an amount not to exceed Three Hundred Fifty Thousand Dollars (\$350,000) 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.

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