

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

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

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

Meeting of the Directors  
Thursday  
April 16, 2015 – 9:30 a.m.

**PROPOSED AGENDA – REVISED\***

**FOR CONSIDERATION**

**I. CORPORATE ACTION**

- A. Approval of Minutes of the March 19, 2015 Directors' Meeting

**II. DISCRETIONARY PROJECTS**

**MOHAWK VALLEY REGION**

- A. City of Rome (Mohawk Valley Region - Oneida County) – Rome H2O Capital – Economic Transformation Program (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and To Take Related Actions; Determination of No Significant Effect on the Environment

**NEW YORK CITY REGION**

- B. Little Neck (New York City Region – Queens County) – E. Gluck 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; and Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

\*Wording of Authorizations for Item III. A revised

**II. DISCRETIONARY PROJECTS - Continued**

**STATEWIDE - CRAFT BEVERAGE GRANT PROGRAM**

- C. Statewide - Craft Beverage Grant Program – Open For Business – Marketing and Tourism Grants for Craft Beverage Industry (Working Capital Grants) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make Grants and Take Related Actions
  - A. Brooklyn Alliance Craft Beverage Working Capital (Kings County) - \$250,000
  - B. New York Wine and Grape Foundation Craft Beverage Working Capital (Ontario County) - \$250,000

**III. REGIONAL COUNCIL AWARDS**

**NEW YORK CITY REGION**

**VICTORIA THEATER LAND USE IMPROVEMENT AND CIVIC PROJECT**

- A. New York (New York City Region – New York County) – Victoria Theater Land Use Improvement and Civic Project - Regional Council Capital Fund Grant, Downstate Revitalization Fund Capital Grant and Metropolitan Economic Revitalization Fund Capital Loan – Affirmation of Finding Pursuant to Section 10 (g) of the New York State Urban Development Act; Authorization to Make a Loan and Grants and to Take Related Actions

**MOHAWK VALLEY REGION**

- B. Regional Council Award – Priority Project – Marcy (Mohawk Valley Region – Oneida County) – Fort Schuyler Management Corporation – Quad C Phase 1B 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

**CENTRAL NEW YORK REGION**

- C. Regional Council Award – Aurelius (Central New York Region - Cayuga County) – Cayuga Marketing 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**

#### **SOUTHERN TIER REGION**

- D. Regional Council Award – Priority Project – Corning (Southern Tier Region – Steuben County) – Corning Museum of Glass 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

#### **LONG ISLAND REGION**

- E. Regional Council Award – Priority Project - Hempstead (Long Island Region – Nassau County) – Hofstra University Labs Capital I and II - Regional Council Capital Fund (Capital Grants) - 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

#### **NORTH COUNTRY REGION**

- F. Regional Council Award – Priority Project - Dexter (North Country Region - Jefferson County) – Watertown Airport Business 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; Determination of No Significant Effect on the Environment
- G. Regional Council Award - Watertown (North Country Region - Jefferson County) – Watertown Wastewater Improvements 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
- H. Regional Council Award – Clayton (North Country Region – Jefferson County) – Clayton Pump Station Improvements 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**

**FINGER LAKES REGION**

- I. Regional Council Award – Henrietta (Finger Lakes Region – Monroe County) – Rochester Institute of Technology Dry Room 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

**MARKET NY GRANT PROGRAM**

- J. Market NY Grant Program – Regional Tourism Marketing Competition – Market New York Program (Working Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions
  - A. Historic Armory Front Center Campaign Working Capital (Monroe County) - \$25,000

**IV. NON-DISCRETIONARY PROJECTS**

**NON-DISCRETIONARY PROJECTS CONSENT CALENDAR**

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

**Special Appropriation Nano Utica (Executive)**

- A. Fort Schuyler Management Corporation – Quad C Phase 1B Capital (Oneida County) - \$180,000,000

**Local Assistance (Senate)**

- B. SCIDA – Finger Lakes Technologies Capital - Seneca County Industrial Development Agency (Seneca County) - \$300,000

**V. NEW YORK STATE INNOVATION VENTURE CAPITAL FUND**

- A. New York State Innovation Venture Capital Fund (NYSIVCF) – Authorization of an Investment of NYSIVCF Funds
- B. Downstate NY Regions - NYS Innovation Venture Capital Fund’s Technology Commercialization and Pre-Seed Company Investment Program – Authorization to Enter into Agreements for Program Funding; Authorization to Disburse Funds; and Authorization to Take Related Actions

**VI. ADMINISTRATIVE ACTIONS**

- A. Procurement of Environmental Consulting Services – Authorization to Amend the Contract with STV Incorporated to Provide Environmental Consulting Services in Connection with Disposition of Two Non-Contiguous Parcels of Undeveloped Land Within the Brooklyn Development Center in Brooklyn, NY and to Take Related Actions
- B. NYSTEC – Authorization to Enter into a Contract for Industry Expertise to Assist the Broadband Program Office with Project Management and Technical Assistance for a Number of Broadband Related Projects

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**DRAFT – SUBJECT TO REVIEW AND REVISION**

**NEW YORK STATE URBAN DEVELOPMENT CORPORATION**

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

and

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

March 19, 2015

**MINUTES**

**In Attendance  
Directors:**

Howard A. Zemsky – Acting Commissioner of DED (Acting Chair)  
Derrick D. Cephas  
Robert Dyson  
Joyce Miller  
Anthony Albanese – Designee – Superintendent (New York State  
Department of Financial Services)

**Present for ESD:**

Simone Bethune, Project Manager – Loans and Grants  
Maria Cassidy, Deputy General Counsel  
Thomas Conoscenti, Director – Real Estate Development  
Elizabeth R. Fine, Executive Vice President, Legal and  
General Counsel  
John Gilstrap, Executive Vice President – Business Attraction &  
Expansion  
Howard Kramer, Director – Marketing Finance  
Edwin Lee, Vice President – Economic Incentives-Loans and Grants  
Benson Martin, Director of Compliance  
Eileen McEvoy, Corporate Secretary  
Glendon McLeary, Assistant Vice President – Economic Incentives  
-Loans and Grants  
Kathleen Mize, Deputy CFO and Controller

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Richard Newman, Executive Vice President – State Marketing Strategy  
Mehul Patel, Chief of Staff  
Ray Salaberrios, Managing Direct – Job Development Authority  
Rachel Shatz, Vice President – Planning & Environmental Review  
Margaret Tobin, Chief Financial Officer  
Kay Wright, Executive Vice President – Public Affairs  
Simon Wynn, Senior Counsel  
Lourdes Zapata, Executive Director - MWBD

**Also Present:**

Michael Ball – Western New York Regional Office  
Richard Ball – Finger Lakes Regional Office  
Vincent Esposito, Director – Finger Lakes Regional Office  
James Fayle – Central New York Regional Office  
Steve Gawlik – Western New York Regional Office  
Kevin Hurley – Finger Lakes Regional Office  
Bonnie Palmer – Southern Tier Regional Office  
Charles Radier – Mid-Hudson Regional Office  
David Salway – Albany Regional Office  
Arnold Will – Capital Region Regional Office

**Also Present:**

The Press  
The Media  
The Public

The meeting of the Directors of the New York State Urban Development Corporation (“UDC”) d/b/a Empire State Development (“ESD” or the “Corporation”) was called to order at 9:38 a.m. by Acting Chair Zemsky. 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 Zemsky set forth the guidelines regarding comments by the public on matters on the Agenda as well as with regard to any conflicts of interest the Directors may have regarding items on the Agenda.

Acting Chair Zemsky then asked the Directors to approve the Minutes of the February 19, 2015 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 19, 2015 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

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RESOLVED, that the Minutes of the meeting of the Corporation held on February 19, 2015, 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.

\* \* \*

Ms. Mize then presented ESD's Fiscal Year 2015-2016 Annual Operating Budget for the Directors' consideration.

Among other things, Ms. Mize noted that the budget includes funding for the operations of the Regional Economic Development Councils, the Statewide Broadband Initiative, Global New York, the Upstate Revitalization Fund, the New York State Innovation Venture Capital Fund and support provided to certain subsidiaries.

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:

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 2015-16 including subsidiary operating support and approves the Non-Programmatic Capital Expense Budget for FY 2015-16, 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.

\* \* \*

The Acting Chair then noted that he was taking the Agenda out of order to allow Mr. Salway to present item III H – The Connect NY Consent Calendar for the Directors consideration.

Mr. Salway provided a detailed synopsis of each of the grants included on the consent calendar.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked if it would be possible to get a map of the areas that are covered by these services and Mr. Salway stated that he would be happy to provide a map to the Directors.

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

New York Works and Regional Council Capital Fund – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the NY Works and Regional Council Capital Fund Projects identified below (the “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 Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plans (the “Plans”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer Designate 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 Designate 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 Designate 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 NY Works and Regional Council Capital Fund funds, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate 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 Designate 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;

**New York Works**

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>

**DRAFT – SUBJECT TO REVIEW AND REVISION**

A	Connecting the North Country Region	Z544	Older Adults Technology Services	812,000
B	ConnectNYC	Y605	NYC Department of Small Business Services	1,636,646
			<b>TOTAL</b>	<b>\$2,448,646</b>

Regional Council Capital Fund

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
C	North Country Next Generation Broadband Expansion	Z543	Slic Network Solutions, Inc.	\$5,687,140
			<b>TOTAL</b>	<b>\$5,687,140</b>

and be it further

RESOLVED, that the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized 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 Acting Chair then asked Mr. McLeary to present a summary of the Project items on the Agenda. Acting Chair Zemsky then explained that following this brief presentation, he would call upon the individual Regional Directors or their representatives to present the projects from their region.

Mr. McLeary noted that the Directors will be asked to consider funding for 16 Discretionary Projects including: one \$850,000 JOBS Now Program grant; one Minority and Women-owned Business Development Program grant for \$2,000,000; one Empire State Economic Development Fund grant for \$700,000 and one Economic Development Purposes Fund Loan for \$1,871,436.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. McLeary explained that there are also 12 Regional Council Awards projects, including one Economic Development Purposes Fund grant for \$250,000; one Economic Transformation Program grant for \$750,000; two NY Works/Connect NY grants totaling \$2,248,846; one Urban and Community Development Program grant for \$500,000 and six Regional Council Capital Fund grants totaling \$12,910,140 and one Market New York grant for \$18,100.

Mr. McLeary added that these 16 projects will leverage over \$142 million in additional investments and will assist in retaining 197 jobs and in creating approximately 300 jobs in New York State.

Next, Mr. Radier, representing ESD's Mid-Hudson Regional Office, presented the Coach USA JOBS Now project for the Directors' consideration.

Mr. Radier explained that Coach USA is one of the largest private sector providers of commuter and transit motor coach services in the U.S. and Canada.

Mr. Radier then explained that the \$850,000 grant will be used for a portion of the cost of real estate acquisition, construction, machinery and equipment acquisition and furniture and fixtures in connection with this business expansion project.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Radier further explained that the total project cost is approximately \$22.9 million. He added that as a result of ESD’s assistance, Coach was required to create 320 new jobs in New York State.

Mr. Radier went on to note that the Company is currently occupying the building and has a current work force of 341 jobs at the site.

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

Chester (Mid-Hudson Region - Orange County) – Coach USA Capital – JOBS NOW – (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 Coach USA Capital - JOBS NOW 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 Designate 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 Designate 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Coach USA a grant for a total amount not to exceed Eight Hundred and Fifty Thousand Dollars (\$850,000) from the JOBS NOW, 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 Designate 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 Designate 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 Designate or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

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Chester (Mid-Hudson Region - Orange County) – Coach USA Capital – JOBS NOW –  
(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 Coach USA Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

Acting Chair Zemsky then asked Mr. Michael Ball, representing ESD's Western New York Regional Office, to present the Unifrax Economic Development Fund item for the Directors' consideration.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Ball provided the relevant background information with regard to this item noting that the Directors were being asked to authorize ESD to make a \$700,000 grant to the Company to assist with the acquisition of new office equipment and laboratory equipment in connection with the relocation of its corporate headquarters and research and development operations to Tonawanda.

Mr. Ball explained that the Company outgrew its Niagara Falls Corporate Headquarters and was considering relocating to either Indiana or Tonawanda, New York which is in close proximity to an existing manufacturing facility in Tonawanda.

Mr. Ball further explained that the \$4.7 million project will retain 93 full-time permanent positions and three full-time contract positions and will create 10 new full-time permanent positions and five new full-time contract positions.

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

Tonawanda (Western New York Region – Erie County) – Unifrax Headquarters 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 Unifrax Headquarters

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 Designate 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 Designate 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 Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Unifrax I, LLC a grant for a total amount not to exceed Seven Hundred Thousand Dollars (\$700,000) 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 Designate 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 Designate 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

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necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer Designate 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. Richard Ball, representing ESD’s Finger Lakes Regional Office, then asked the Directors to authorize ESD to make a \$1,371,486 loan to Genesee County Economic Development Corporation (“GEDC”) to acquire additional land for the mega-site called STAMP.

Mr. Ball noted that this assistance will allow the immediate purchase of two land parcels that are farms and one home as the third land parcel for options which are due to expire.

Among other things, Mr. Ball noted that with the purchase of an additional 189 acres, GEDC will own a total of 1,061 acres of the STAMP site’s approximate 1,250 acre foot print.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked that if the project does not move forward as planned, can a provision be inserted that the Directors will be notified to that effect. Mr. Ball stated that will be done.

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

Alabama (Finger Lakes Region – Genesee County) – Western New York Science,

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Technology and Advanced Manufacturing Capital – Economic Development Purposes Fund (Capital Loan) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Western New York Science, Technology and Advanced Manufacturing Capital – Economic Development Purposes Fund (Capital Loan) Project (the “Project”), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there is a feasible method for relocating 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 Designate 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 Designate 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 Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center a loan for a total amount not to exceed One Million Three Hundred Seventy-One Thousand Four Hundred Eighty-Six Dollars (\$1,371,486) 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 Designate 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 Designate of the Corporation or his designee(s) be, subsequent to the making of the loan and grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the loan or grant or collateral securing the loan as he or she may deem necessary or appropriate in the administration of the loan and grant; and be it further

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

\* \* \*

Next, Mr. Esposito, the Director of ESD's Finger Lakes Regional Office, presented the College Town Rochester RCA item for the Directors' consideration.

Mr. Esposito explained that the Directors were being asked to authorize ESD to make a \$4,000,000 grant to CT Rochester LLC to be used for a portion of the cost of new construction, utilities and soft costs for the non-residential and non-hotel portions of a 14-acre development site known as College Town, adjacent to the University of Rochester.

Following the full presentation, the Acting Chair called for any questions or comments. Director Miller asked if it was correct that the funds will be used to create a parking facility for the College Town project and Mr. Esposito said that that was correct.

Director Miller then asked if it was also correct therefore that any job creation will be indirect rather than direct and Mr. Esposito stated that that was correct as well.

In answer to a further question, Director Miller was informed that the facility will be privately owned.

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Director Miller then asked that given all of the above, why is this being done as a grant and not a loan.

Mr. Esposito stated that loans are not typically available to the Regional Council process under which this project came forward.

Director Miller stated that when ESD is dealing with a profitable enterprise, there should be some process for considering a loan rather than a grant in order to ensure the best use of State funds.

Director Dyson noted that he was not aware that the Regional Council Awards do not include loans. Mr. Esposito stated that it is likely the funds can be converted into loans if requested or needed but that that has not been his experience in the first four rounds.

At the Acting Chair's suggestion, Mr. Esposito explained why this is a priority project in the Rochester Council.

Mr. Esposito noted, among other things, that the University of Rochester is the region's largest employer and this project assists in fulfilling one of the greatest needs of the University's Master Plan to create various mixed use amenities for students, visitors and suppliers.

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Director Miller noted her support for development at the University of Rochester. She asked that the Regional Council process be reviewed so that loans as well as grants can be considered.

The Acting Chair stated that that point will be taken up with the Regional Councils.

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

Regional Council Award – Priority Project – Rochester (Finger Lakes Region – Monroe County) – College Town Rochester Capital – Regional Council Capital Fund – Findings and Determinations Pursuant to Section 10 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 College Town Rochester Capital -- Regional Council Capital Fund Project (the "Project"), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer Designate 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 Designate 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 Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to CT Rochester LLC a grant for a total amount not to exceed Four Million

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Dollars (\$4,000,000) 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 Designate 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 Designate 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 Designate or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

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Regional Council Award – Priority Project – Rochester (Finger Lakes Region – Monroe County) – College Town Rochester 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 College Town Rochester Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

Mr. Esposito then presented the Sibley Redevelopment item for the Directors' consideration.

Mr. Esposito explained that the Directors were being asked to authorize ESD to make a \$500,000 grant to Sibley Redevelopment to be used for a portion of the cost of building

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renovations, furniture, fixtures, equipment and soft costs in connection with the renovation of an historic downtown building for mixed-uses.

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) – Sibley Redevelopment Capital – Urban and Community Development Program – Urban and Community Project Development Assistance (Capital Grant) - Findings and Determinations Pursuant to Sections 10(g) and 16-d 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 Sibley Redevelopment Capital -- Urban and Community Development 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; 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 Designate 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 Designate 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 Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Sibley Redevelopment LP a grant for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) from the Urban and Community Development Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Designate 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 Designate 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 Designate 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. Hurley, representing ESD's Finger Lakes Regional Office, presented the Roberts Wesleyan College Regional Council Capital Fund item for the Directors' consideration.

Mr. Hurley explained that the Directors were being asked to authorize ESD to make a \$250,000 grant to the College to be used for a portion of the cost of new construction, furniture, fixtures, equipment and soft costs in connection with the construction of a nursing and STEM Sciences building.

Following the full presentation, Acting Chair Adams called for any further questions or comments. Director Miller asked if Mr. Hurly had any idea how many of the students will actually stay in the area or remain in Upstate New York after they graduate.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Hurley stated that while he does not have the actual numbers available, a very large part of the project is to address the great need in the Town for health care for employees. The Project, he added, is designed to help keep as many graduates in the area as possible.

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

Regional Council Award – Priority Project – Chili (Finger Lakes Region – Monroe County) – Roberts Wesleyan College Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 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 Roberts Wesleyan College Capital - Regional Council Capital Fund Project (the "Project"), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer Designate 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 Designate 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 Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Roberts Wesleyan College a grant for a total amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and

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the approval of the State Division of the Budget; and be it further

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

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Regional Council Award – Priority Project – Chili (Finger Lakes Region – Monroe County)  
– Roberts Wesleyan College 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 Roberts Wesleyan College Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

Next, Ms. Palmer, the Director of ESD’s Southern Tier Regional Office, presented the STREDC Community Revitalization Program item for the Directors’ consideration.

Ms. Palmer noted that the Directors were being asked to authorize ESD to make a \$2.41 million grant to STREDC to be used to re-capitalize the regional low interest loan and grant fund referred to as the Community Revitalization Program.

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Ms. Palmer explained that this program is used to revitalize downtown, rural and neighborhood centers by offering gap financing for a variety of uses, including rehabilitation of existing structures, new construction involving mixed-use residential, commercial and retail opportunities.

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 – (Southern Tier Region) – Community Revitalization Program Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions*

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

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer Designate 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 Designate 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 Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Southern Tier Region Economic Development Corporation a

**DRAFT – SUBJECT TO REVIEW AND REVISION**

grant for a total amount not to exceed Two Million Four Hundred and Ten Thousand Dollars (\$2,410,000) 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 Designate 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 Designate 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 Designate or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

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The Directors were then asked by Mr. Will, representing the Capital Region, to authorize ESD to make a \$550,000 grant to Tech Valley Center of Gravity to be used for a portion of the cost of the fit-up of a 50,000 square foot historic building to support start-up companies and commercial activity in downtown Troy.

Mr. Will explained that Tech Valley was formed in 2012 to encourage entrepreneurship, create start-up companies and produce new jobs to keep young professionals in the Capital Region.

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

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

unanimously adopted:

Regional Council Award – Priority Project - Troy (Capital Region – Rensselaer County) – Tech Valley Center of Gravity Capital – Regional Council Capital Fund – (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Tech Valley Center of Gravity Capital (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 Designate 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 Designate 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 Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Tech Valley Center of Gravity, Incorporated a grant for a total amount not to exceed Five Hundred Fifty Thousand Dollars (\$550,000) 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 Designate 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 Designate 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 Designate or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

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Next, Mr. Will asked the Directors to approve a \$250,000 grant toward a \$1.8 million investment that will result in the relocation of the former Hoffman’s Playland Amusement Park to property adjacent to Huck Finn’s Warehouse in the north area of downtown Albany.

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

Regional Council Award - Albany (Capital Region – Albany County) – Albany County IDA Capital – Economic Development Purposes Fund (Capital Grant) – Findings and Determinations Pursuant to Sections 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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 Designate of the Corporation or his designee(s) may deem appropriate, a copy of which Plan,

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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 Designate 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 Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Albany County Industrial Development Agency a grant for a total amount not to exceed Two Hundred and Fifty Thousand Dollars (\$250,000) 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 Designate 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 Designate 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 Designate 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 - Albany (Capital Region – Albany County) – Albany County IDA 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 Albany County IDA Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Fayle, the Director of ESD’s Central New York Regional Office, then presented the Carrier Plastics Regional Council Awards item for the Directors’ consideration.

Mr. Fayle asked the Directors to authorize ESD to make a \$750,000 grant to Carrier Plastics, Inc. for a portion of the cost of construction, renovations and the purchase of machinery and equipment.

Mr. Fayle explained that this project will allow the Company to be more efficient as it continues to grow as a manufacturer of custom plastic products.

Mr. Fayle added that as a result of the project the Company will retain 100 jobs and will create 50 jobs.

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

Regional Council Award – Priority Project – Auburn (Central New York Region – Cayuga County) – Carrier Plastics Capital – Economic Transformation Program (Capital Grant) Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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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 Carrier Plastics Capital -- Economic Transformation Program (Capital Grant) Project (the “Project”), the Corporation

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 Designate 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 Designate 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 Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Currier Plastics, Inc. a grant for a total amount not to exceed Seven Hundred and Fifty Thousand Dollars (\$750,000) from the Economic Transformation Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate 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 Designate 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 Designate 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 – Auburn (Central New York Region – Cayuga County) – Currier Plastics Capital – Economic Transformation Program (Capital Grant) – Determination of No Significant Effect on the Environment

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

\* \* \*

The Acting Chair noted that since Mr. Salway presented the Broadband Consent Calendar earlier in the meeting, he will ask Mr. Landry to present the next item.

Mr. Landry presented the Market New York Consent Calendar item for the Directors' consideration.

Mr. Landry explained that the Directors were being asked to authorize ESD to make an \$18,100 grant to the Seagle Music Colony, Inc. to support a marketing plan that focuses on attracting an increased audience to Seagle Music Colony.

Mr. Landry went on to provide the status of the overall program.

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

Statewide – Market NY Grant Program – Regional Tourism Marketing Competition – Market New York (Working Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make a Grant and to Take Related Actions

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**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 Market NY Grant Program- Regional Tourism Marketing Competition (the “Project”) – Market New York Program and Economic Development Purposes Fund (Working Capital Grants), 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 areas of the Projects; and be it further

RESOLVED, that the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make grants for up to a total amount not to exceed (\$18,100) from the Market New York Program (Working Capital Grant) 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 Designate 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 Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized, subsequent to the making of the grants, 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 Designate 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 Regional Council Awards Consent Calendar for the Directors’ consideration.

Mr. McLeary explained that there was one grant to be considered.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. McLeary noted that the Directors were being asked to authorize ESD to make a \$40,000 grant to Springville Center for the Arts for building renovations and construction.

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

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

unanimously adopted:

Regional Council Capital Fund – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions

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

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plans (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer Designate 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 Designate 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 Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amounts listed below from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate 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 Designate of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

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

Regional Council Capital Fund

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	Springville Center for the Arts – 37 North Buffalo Street Capital	Y170	Springville Center for the Arts, Inc.	\$40,000
			<b>TOTAL</b>	<b>\$40,000</b>

and be it further

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

\* \* \*

Next, Mr. Salaberrios requested authorization for ESD to utilize up to \$2 million from ESD’s Minority and Women-owned Business Development and Lending Program to create a new Minority and Women-owned Business Investment Fund.

Mr. Salaberrios provided all of the relevant background information with regard to this Fund.

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 resolution was unanimously adopted:

Statewide - Authorization to Enter into Agreements and to Disburse Funds; and  
Authorization to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials), relating to the Minority- and Woman-Owned Business Investment Fund of the Minority- and Woman-Owned Business Development and Lending Program (the "Program"), the Corporation is authorized to enter into agreements and related documentation with the entities named in the Materials, or their affiliates, in order to provide Program funding in accordance with the Materials; and be it further

RESOLVED that the disbursement of Program funding shall not to exceed in aggregate two million dollars (\$2,000,000); and be it further

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

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

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

\* \* \*

Mr. McLeary then presented the March Non-Discretionary Projects Consent Calendar for the Directors' consideration. Mr. McLeary explained that there was one grant to be considered and provided a synopsis of that grant.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. McLeary provided a synopsis of each of the six projects on the consent calendar. Among other things, Mr. McLeary explained that the first project involves three grants totaling \$2,930,000 to Fuller Road Management Corporation and the additional five projects totaling \$72,500 will be used to promote fishing tournaments in the North Country and Central New York regions.

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

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

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

RESOLVED, that the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to a make grant to the party and for the amount listed below from Local Assistance, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate 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 Designate 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 – Executive and Senate – Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
	<b>Local Assistance</b>			
A	FRMC – University at Albany SUNY INDEX Working Capital	W887, X219, X562	Fuller Road Management Corporation	\$2,930,000
B	Town of Sandy Creek Fishing Tournaments Working Capital	Z509	Town of Sandy Creek	10,000
C	Town of Clayton Fishing Tournaments Working Capital	Z506	Town of Clayton	10,000
D	Town of Henderson Fishing Tournaments Working Capital	Z507	Town of Henderson	10,000
E	Village of Waddington Fishing Tournaments Working Capital	Z510	Village of Waddington	30,000
F	City of Ogdensburg Fishing Tournaments Working Capital	Z500	City of Ogdensburg	12,500
			<b>TOTAL</b>	<b>\$3,002,500</b>

RESOLVED, that the President and Chief Executive Officer Designate 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.

\* \* \*

Next, Mr. Gawlik asked the Directors to authorize ESD to enter into a contract with the Research Foundation of SUNY to provide Consulting and Support Services for the Upstate Revitalization Fund.

Mr. Gawlik explained that this Fund comes under the Government’s Executive budget and proposes \$1.5 billion to seven Upstate regions to create a competition for the regions to

**DRAFT – SUBJECT TO REVIEW AND REVISION**

compete for funding to support economic development initiatives in their region.

The Fund, Mr. Gawlik added, is expected to be mirrored after the Buffalo Billion Initiative, which has really provided a boom to the Upstate economy, particularly in Buffalo and Western New York.

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Authorization to Enter into a Contract for Consultant Services relating to the Upstate Revitalization Fund Support Services; 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 the Research Foundation for SUNY on behalf of the University at Buffalo to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with the Research Foundation for SUNY on behalf of the University at Buffalo for a total contract amount not to exceed Five Hundred Thousand Dollars (\$500,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

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

\* \* \*

Mr. Kramer then asked the Directors to authorize ESD to make a \$25 million amendment to its existing contract with BBDO USA LLC.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Kramer provided the relevant background information with regard to this request providing the amount of the initial contract as well as the subsequent amendments thereto.

Mr. Kramer noted that the funding for this \$25 million amendment has been secured from the New York Power Authority (“NYPA”) and is currently in-house.

Mr. Kramer further noted that should the Directors approve this amendment further approval by the Office of the State Comptroller is required.

The amendment, Mr. Kramer explained, will bring the contract from \$211,500,000 up to \$236,500,000.

Following the full presentation, the Acting Chair called for questions or comments. Director Dyson asked that with this increment, if the fees on the percentage basis that BBDO is charging are the same or is it lower because of the increment. Mr. Kramer stated that they are the same hourly rates as the existing contract.

In answer to a further question posed by Director Dyson, Mr. Kramer stated that it is a set hourly rate regardless of the volume.

Mr. Newman explained that approximately 90% of the money is used to pay for media

**DRAFT – SUBJECT TO REVIEW AND REVISION**

time and the remaining percentage pays for fees to outside companies. As a result, Mr. Newman further explained, BBDO does not benefit when the money is extended, they only benefit with the amount of work they continue to do.

A lengthy discussion ensued with regard to the process involved in connection with this contract and the various amendments.

There being no further questions or comments, 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 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 maximum contract amount would be increased from the current \$211,500,000 to \$236,500,000, 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, including without limitation approval by the Office of the State Comptroller; and be it further

RESOLVED, that the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to take such actions and execute such documents as may be necessary or appropriate to carry out the foregoing resolutions.

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**DRAFT – SUBJECT TO REVIEW AND REVISION**

Next, Mr. Beyer asked the Directors to approve the Corporation’s Property Disposition Guidelines.

Among other things, Mr. Beyer stated that the Public Authorities Accountability Act requires the adoption of the guidelines on an annual basis. Mr. Beyer provided a broad overview of the guidelines.

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

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

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

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

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Guidelines; and it is further

RESOLVED, that the President and Chief Executive Officer Designate, 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.

\* \* \*

Mr. Wynn then asked the Directors to approve ESD’s Procurement Guidelines as required by the Public Authorities Accountability Act. Mr. Wynn provided a general outline of the guidelines and noted that they have been revised to improve their user friendliness and to centralize some procedures to make the process more straight forward.

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 – 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 2015 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/her 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.

\* \* \*

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Conoscenti then asked the Directors to approve the creation of a Pre-qualified Real Property Tax Consultant list.

Mr. Conoscenti explained that from time to time, ESD’s real estate team has a need to bring in outside assistance to analyze the taxes or potential for taxes resulting from a proposed development. To meet this need, Mr. Conoscenti continued, an RFP was issued in November and ESD received four responses.

Mr. Conoscenti noted that after review, staff recommends that all four firms be added to the pre-qualified list.

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:

**NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT – Approval of Pre-Qualified Real Property Tax Consultants**

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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 firms listed on Exhibit A to this Resolution be, and each hereby is, approved as pre-qualified real property tax consultants to the Corporation, such approval to remain in effect until the meeting of the Directors first occurring after March 19, 2018 or, in the discretion of General Counsel, until the meeting of the Directors first occurring after March 19, 2019.

\* \* \*

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Stout then presented two items relating to the Bronx Psychiatric Center (the “Center”).

With regard to the first request, Mr. Stout asked the Directors to authorize ESD to enter into a contract for Environmental Legal Services in connection with the disposition of portions of the Center.

Mr. Stout provided a detailed synopsis of the background information regarding this request noting, in part, that ESD is assisting the New York State Office of Mental Health in disposing of a portion of the Center.

Mr. Stout also outlined the process involved in selecting the developer for the Center.

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

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT - Authorization to Enter Into a Contract for Environmental Legal Services in Connection with Disposition of Portions of the Bronx Psychiatric Center and to Take Related Actions

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RESOLVED, that in accordance with the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation (the “Materials”), the Corporation hereby finds the law firm of Sive Paget & Riesel P.C. (“Counsel”) to be responsible; and be it further

**DRAFT – SUBJECT TO REVIEW AND REVISION**

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Counsel in an amount not to exceed \$400,000, for the purposes and services, and substantially on the terms and conditions, as set forth in the Materials; and be it further

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

\* \* \*

Next, Mr. Stout asked the Directors to authorize ESD to enter into a contract for Environmental Consulting in connection with the disposition of portions of the Center.

Mr. Stout provided the relevant background information with regard to this request.

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

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT - Authorization to Enter Into a Contract for Environmental Consulting Services in Connection with Disposition of Portions of the Bronx Psychiatric Center and to Take Related Actions

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RESOLVED, that in accordance with the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation (the "Materials"), the Corporation hereby finds AKRF, Inc. ("Consultant") to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Consultant in an amount not to exceed \$800,000, for the purposes and services, and substantially on the terms and conditions, as set forth in the Materials; and be it further

RESOLVED, that the President and Chief Executive Officer Designate and his designee(s) be, and

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

\* \* \*

Ms. Shatz then asked the Directors to authorize ESD to enter into a contract for Historic Preservation Owner’s Representative in connection with the Victoria Theater Redevelopment Project.

Ms. Shatz provided the relevant background information regarding this request including the process involved in selecting Channing Redford Architect as the Historic Preservation Owner’s Representative on the project.

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

New York State Urban Development Corporation d/b/a Empire State Development – New York (New York County) — Victoria Theater Redevelopment Project Authorization to Enter Into a Contract for a Historic Preservation Owner’s Representative in Connection with the Victoria Theater Redevelopment Project

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BE IT RESOLVED, that based upon the materials presented to this meeting and ordered held with the records of the Corporation (the “Materials”), the Corporation hereby finds Channing Redford Architect to be responsible; and be it further

RESOLVED, that the President and Chief Executive Officer, or any other Officer of the Corporation be, and each of them hereby is, authorized and directed to enter into a contract with Channing Redford Architect to act as ESD’s historic preservation Owner’s Representative for the Project in an amount not to exceed \$197,180 inclusive of fees, expenses, and

**DRAFT – SUBJECT TO REVIEW AND REVISION**

contingency, substantially upon the terms set forth in the Materials; and be it further

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

\* \* \*

Lastly, Ms. Zapata presented the Quarterly Report on Utilization of Certified Minority and Women Enterprises for the Directors' information.

There being no further business, the meeting was adjourned at 11:18 p.m.

Respectfully submitted,

Eileen McEvoy  
Corporate Secretary

FOR CONSIDERATION

April 16, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: City of Rome (Mohawk Valley Region – Oneida County) – Rome H2O Capital –Economic Transformation Program (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: City of Rome (the “City”)

ESD\* Investment: A grant of up to \$8,500,000 to be used for a portion of the cost of installation of water and sewer infrastructure.

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

Project Locations: West/North Side, Rome, Oneida County  
Martin Street, Rome, Oneida County

Proposed Project: Installation and expansion of public water and sewer infrastructure to serve West Rome and the South Rome Brownfield Opportunity Area

Project Type: Revitalization of public infrastructure

Regional Council: The Mohawk Valley Regional Economic Development Council (“MVREDC”) has been made aware of this item. The Incentive Proposal was accepted in May 2014. The project is consistent

with the MVREDC plan to improve municipal infrastructure creating business opportunities and job creation.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Real Estate Acquisition	\$100,000
Construction/Renovation	350,000
Infrastructure/Site Work	7,875,000
Machinery and Equipment	1,078,000
Soft Costs including Design, Engineering, Environmental	1,076,000
Employee Training	<u>100,000</u>
 Total Project Costs	 <u>\$10,579,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$8,500,000	80%
Grantee Equity	<u>2,079,000</u>	<u>20%</u>
 Total Project Financing	 <u>\$10,579,000</u>	 <u>100%</u>

III. Project Description

A. Grantee

Industry: Local Government

Grantee History: The City of Rome, located in the central part of New York State, has an estimated population of 33,673. The City is within the Utica-Rome Standard Metropolitan Statistical Area and is the second largest city in Oneida County. The City suffered a substantial setback in 2011 with the closure of Oneida Correctional Facility losing 500 corrections and civilian workers. The City's commercial development has been moderately growing with the establishment of the Griffiss Business and Technology Park, a multi-use business, technology and industrial park on the former Griffiss Air Force base. In addition, the City offers many summer and winter recreational opportunities ranging from the City's revolutionary period landmarks to the Adirondack resorts, such as Old Forge and Lake Placid.

Ownership: Municipality

ESD Involvement: In the Mohawk Valley, water is a limiting factor for growth and community revitalization. In order to provide residents and businesses

with a safe, reliable and sustainable water supply, the City of Rome needed to address issues facing both West/North and South Rome communities and companies. In November 2013, Governor Cuomo announced a major water-sewer infrastructure improvement project in the City of Rome. An \$8.5 million Economic Transformation Program grant was awarded to the City of Rome for the project.

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

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Urban and Community Development Program	V907	\$400,000	1/17/08	3/14/2011	Reconstruction of a long-time vacant 28,000 sq. ft. building as a micro-enterprise center in the middle of downtown
Restore New York	W041	\$2,500,000	1/15/09	12/20/2012	Demolition, environmental remediation and infrastructure reconstruction of an uninhabitable vacant former manufacturing facility
Restore New York	W864	\$1,690,000	6/24/2010	12/31/2016	Exterior historic preservation, renovation and rehabilitation costs of three properties in Rome's downtown core.

**B. The Project**

Completion: December 2016

Activity: The project encompasses two sections of the City of Rome, the West/North Rome ("W/N") and the Martin Street ("South") sections. The W/N project involves construction of elevated storage tanks, connecting fragmented supply systems, increasing pressure, and supplying infrastructure for new home construction. The South project involves the expansion of public sanitary sewer service and the upgrade of public water service along the Martin Street gateway.

Results: As a result of the project, the City of Rome will provide reliable, clean, sustainable water supply to more than 1,000 residents and more than 50 businesses, and will provide critical infrastructure necessary to stimulate

industrial growth and commercial development.

Infrastructure  
Investment  
Project:

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

- Fiscal benefits to NYS government from the project are estimated at \$561,418;
- Fiscal cost to NYS government is estimated at \$8,500,000;
- 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 \$960,890;
- Fiscal cost to all governments is \$8,500,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.11:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$6,898,491;
- The economic benefit to cost ratio is 0.81:1;
- Project construction cost is \$9,301,000 which is expected to generate 105 direct job years and 49 indirect job years of employment;
- The payback period for NYS costs is not calculated.

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

Grantee Contact: Frank D. Tallarino, P.E., Commissioner  
198 N. Washington Street  
Rome, NY 13440  
Phone: (315) 838-1167

ESD Project No.: Z086

Project Team:	Origination	Kenneth Tompkins
	Project Management	Javier Roman-Morales
	Contractor & Supplier Diversity	Denise Ross

Finance  
Design & Construction  
Environmental

John Bozek  
Scott Renzi  
Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of \$10,000 and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the 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 the 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 \$8,500,000 will be disbursed to the Grantee for eligible expenses during the course of construction, no more frequently than quarterly, in compliance with ESD Design & Construction requirements and in proportion to ESD's share of funding, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon project completion, as evidenced by a certificate of completion or other documents verifying completion. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after May 5, 2014, to be considered eligible project costs.

All disbursements require compliance with program requirements and must be requested by no later than April 1, 2017. Expenditures incurred prior to written acceptance of the Incentive Proposal are not eligible project costs and cannot be reimbursed by grant funds.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$8,500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Economic Transformation Program

The project was authorized in the 2013-2014 New York State budget and reappropriated in the 2014-2015 and 2015-2016 New York State budgets. No residential relocation is required as

there are no families or individuals residing on the site.

V. Design and Construction

The City of Rome will be upgrading and constructing infrastructure in two sections of Rome. The project will include the construction of elevated storage tanks, connecting supply systems while increasing pressure and providing infrastructure for new home construction. ESD will reimburse construction expenditures up to \$8,500,000 during the course of the project and when all D&C requirements are met.

VI. Environmental Review

The City of Rome, as lead agency, has completed an environmental review of the North West Rome Water System Improvement and Martin Street Sewer System Improvement projects, 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. The review found the North West Rome Water System Improvement project to be a Type I Action and the Martin Street Sewer System Improvement project to be an Unlisted Action, which would not have significant effects on the environment. The lead agency issued the Negative Declarations on March 25, 2015. ESD staff reviewed the Negative Declarations and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Due to the potential for archaeological sites in the project area for both projects, ESD has confirmed that the project sponsor initiated consultation with the New York State Office of Parks, Recreation and Historic Preservation pursuant to Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. ESD will ensure that consultation is completed.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination & Contractor and Supplier Diversity policy will apply to the Project. The Grantee shall be required to use good faith efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") participation goal of 25%, Minority Business Enterprise ("MBE") participation goal of 13% and a Women Business Enterprise ("WBE") participation goal of 12% 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. 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 the Smart Growth Impact Statements for the projects and found that the projects are 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 projects, to the extent practicable, meet the relevant Smart Growth Criteria set forth in the SG Act.

XI. ESD Employment Enforcement Policy

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

X. 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.

XI. Additional Submissions to Directors

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

April 16, 2015

City of Rome (Mohawk Region – Oneida County) – Rome H2O Capital – Economic Transformation Program (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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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 Rome H2O Capital -- Economic Transformation Program (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to City of Rome a grant for a total amount not to exceed Eight Million Five Hundred Thousand Dollars (\$8,500,000) from the Economic Transformation Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer 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.

\* \* \*

April 16, 2015

City of Rome (Mohawk Region – Oneida County) – Rome H2O Capital – Economic Transformation Program (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Rome H2O Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

FOR CONSIDERATION

April 16, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Little Neck (New York City Region – Queens County) – E. Gluck Capital – Empire State Economic Development Fund - General Development Financing (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: E. Gluck Corporation (“E. Gluck” or the “Company”)

ESD\* Investment: A grant of up to \$500,000 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: 60-15 Little Neck Parkway, Little Neck, Queens County

Proposed Project: Relocation, renovation and expansion

Project Type: Business expansion involving job retention and creation

Regional Council: The Incentive Proposal was accepted in September 2013. The project is consistent with the New York City Regional Economic Development Council’s Plan to improve the quality of life by providing entry level jobs to underserved populations and keeping skilled labor in a sector that has experienced decline.

Employment:	Initial employment at time of ESD Incentive Proposal:	348
	Current employment level:	381
	Minimum employment on January 1, 2019:	428

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction & Renovation	\$9,150,000	
Machinery & Equipment	5,750,000	
Furniture, fixtures	350,000	
Design & Planning	300,000	
Moving Costs	<u>620,000</u>	
 Total Project Costs	 <u>\$16,170,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$500,000	3%
Landlord	8,670,000	54%
Company Equity	<u>7,000,000</u>	<u>43%</u>
 Total Project Financing	 <u>\$16,170,000</u>	 <u>100%</u>

III. Project Description

A. Company

Industry: Watch manufacturer

Company History: Headquartered in Long Island City, E. Gluck Corporation was founded in 1956 as a watch manufacturer. The Company designs timepieces, manufactures the components in Asia, and returns the components to its New York facility for final assembly, packaging, and distribution. Its flagship brand names are Armitron and Anne Klein. Armitron ranks as one of the top ten fashion watch brands in the U.S., along with Timex, Fossil, Seiko, Casio and Pulsar.

Ownership: The Company is privately owned.

Size: All facilities located in Little Neck, NY.

Market: The Company markets to vendors such as Wal-Mart, JC Penney's, Kohls, Macy's and Sears in addition to some higher-end department stores.

ESD Involvement: In 2012, the lease for the building in which E. Gluck had operated was terminated by the City University of New York ("CUNY") due to CUNY's need for additional space. As a result, it became necessary for the Company to find a new location. The Company found a 154,000-square-foot facility located in Little Neck, NY and planned to renovate and expand the space to 235,000 square feet to accommodate its business needs and future growth. The facility had been vacant for three years and work was needed to modernize the space.

There was a significant cost associated with relocation for the Company. Suitable out of state alternatives in New Jersey were less expensive and economic incentives were also available to induce E. Gluck to relocate to New Jersey. However, the Company's preference was to remain in New York, and so it applied for financial assistance under Round 1 of the Regional Consolidated Funding Application to help close its funding gap. In September 2013, ESD made E. Gluck an offer of financial assistance, which the Company accepted in September 2013, in August 2013, the Company sought assistance from ESD. In September 2013, ESD made E. Gluck an offer of financial assistance, which the Company accepted that same month. ESD's grant was critical to the Company's decision to remain in New York.

Competition: New Jersey

Past ESD Support: This is the Company's first project with ESD. The Incentive Proposal also includes up to \$2,500,000 of Excelsior Job Program Credits.

#### B. The Project

Completion: February 2015

Activity: The Company completed a renovation, expansion and modernization project to a previously vacant 154,000-square-foot facility. Improvements involved outfitting the building with energy efficient systems and installation of a state-of-the-art conveyer and warehouse technology for the efficient movement of product. The Company also added 81,000 square feet of additional space to the completed building.

Results: Retain 348 jobs and created 80 new jobs. The Company has already created 33 new jobs.

Grantee Contact: Murray Stimler, Vice President of Operations  
29-10 Thomas Avenue  
6015 Little Neck Parkway, Little Neck, NY 11362  
Phone: (718) 784-0700

ESD Project No.: Y649

Project Team:	Origination	Andrew Fletcher
	Project Management	Simone Bethune
	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 \$500,000 capital grant (\$5,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no 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 \$500,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$250,000) upon completion of the project substantially as described in these materials, a Certificate of Occupancy or other documentation verifying project completion as ESD may require, documentation of construction, renovation, furniture fixtures and equipment, design and planning, and moving project costs totaling \$16,170,000, including documentation of the purchase and installation of machinery and

- equipment project costs totaling \$5,750,000, and documentation of the employment of at least 348 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
- b) a Second Disbursement of an amount equal to 25% of the grant (\$125,000) will be disbursed upon documentation of the employment of at least 388 Full-time Permanent Employees at the Project Location (Employment Increment of 40), provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to 25% of the grant (\$125,000) will be disbursed upon documentation of the employment of at least 428 Full-time Permanent Employees at the Project Location (Employment Increment of 40), 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 September 10, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2019.

- 6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
- 7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than 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	348
A	B
Reporting Date	Employment Goals
February 1, 2016	348+X+Y
February 1, 2017	348+X+Y
February 1, 2018	348+X+Y
February 1, 2019	348+X+Y
February 1, 2020	348+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=40, and Employment Goals shall equal [348 + X = 388] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=40, and Employment Goals shall equal [348 + X + Y =428] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

#### IV. Statutory Basis

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

As a result of this project, the Company will maintain its employment level of 348 and create 80 new jobs.

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

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

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

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 \$17,982,571;
- Fiscal cost to NYS government is estimated at \$500,000;
- Project cost to NYS government per direct job is \$3,012;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$1,818;
- Ratio of project fiscal benefits to costs to NYS government is 35.97:1;
- Fiscal benefits to all governments (state and local) are estimated at \$33,247,418;
- Fiscal cost to all governments is \$500,000;
- All government cost per direct job is \$3,012;
- All government cost per total job is \$1,818;
- The fiscal benefit to cost ratio for all governments is 66.49:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$109,024,050, or \$396,426 per job (direct and indirect);
- The economic benefit to cost ratio is 218.05:1;
- Project construction cost is \$9,450,000, which is expected to generate 47 direct job years and 24 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.66 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

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

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

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

V. Environmental Review

The New York City Industrial Development Agency, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on September 17, 2013. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination 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 50%. The overall goal shall include a Minority Business Enterprise Participation Goal of 35% and a Women Business Enterprise Participation Goal of 15% related to the total value of ESD's funding.

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

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

VIII. Additional Submissions to Directors

Resolutions

New York State Map

Project Photographs

Project Finance Memorandum

Benefit-Cost Analysis

April 16, 2015

Little Neck (New York City Region – Queens County) – E. Gluck 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 E. Gluck 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 E. Gluck Corporation a grant for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) from the Empire State Economic Development Fund, for the purposes, and

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

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

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

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

\* \* \*

April 16, 2015

Little Neck (New York City Region – Queens County) – E. Gluck Capital – Empire State  
Economic Development Fund – General Development Financing (Capital Grant) –  
Determination of No Significant Effect on the Environment

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

\* \* \*

**FOR CONSIDERATION**

April 16, 2015

**TO:** The Directors

**FROM:** Howard A. Zemsky

**SUBJECT:** Statewide – Craft Beverage Grant Program – Open For Business – Marketing and Tourism Grants for Craft Beverage Industry (Working Capital Grants)

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

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**I. Project Summary**

Schedule	Project #	Grantee	Project Name	Grant Amount
A	Z882	Brooklyn Alliance, Inc.	Brooklyn Alliance Craft Beverage Working Capital	\$250,000
B	Z883	New York Wine and Grape Foundation	New York Wine and Grape Foundation Craft Beverage Working Capital	\$250,000

**ESD\* Investment:** Up to a total of \$500,000 of the \$3,000,000 Craft Beverage Grant Program grant assistance to be used for marketing and promotion of craft beverage in New York State.

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

**Project Locations:** Statewide - See Schedule A attached

**Proposed Projects:** See Schedule A-B attached

**Regional Council:** Each respective Regional Economic Development Council has been made aware of, and has endorsed, the relevant proposed projects.

**Anticipated  
Funding**

**Source(s):** Open For Business

## II. Project Cost and Financing Sources

See Schedule A – B attached.

## III. Project Description

### A. Background

At his April 2014 summit, the Governor pledged \$3 million to support the craft beverage industry in expanding its marketing, promotion, and tourism initiatives. The Craft Beverage Grant Program (the “Program”) will be administered by ESD in consultation with the NYS Department of Agriculture and Markets (“Ag & Markets”) and DED Division of Tourism. The Program is divided into two distinct grant programs: the \$2 million Craft Beverage Marketing and Promotion Grants; and the \$1 million Craft Beverage Industry Tourism Promotion Grants.

#### *1. Craft Beverage Marketing and Promotion Grants*

ESD has up to \$ 2 million of funding available for the State’s Craft Beverage Marketing and Promotion Grant Program. The program will increase the profile, awareness and sales of New York State produced wine, beer, spirits, and hard cider by providing matching funds for the marketing and promotion of these craft beverages. The program and each funded proposal will work to support the Regional Economic Development Councils’ long term strategic plans for economic growth in their regions.

ESD will establish a competitive process for the evaluation of applicants. Eligible applicants may receive grants ranging from \$5,000 to \$500,000 for up to 50% of project costs. An Eligible Entity may be awarded a maximum of \$500,000 in each Program year.

Eligible uses of grant funds must be a new activity or be a clear expansion of an existing activity:

- Business to Business (B to B) Marketing and Promotion;
- Business to Consumer (B to C) Marketing and Promotion; and
- Organizational Creation, Capacity Building or Expansion.

#### *2. Craft Beverage Industry Tourism Promotion Grants*

ESD has up to \$1 million of working capital (marketing only) funding available for the State’s Craft Beverage Industry Tourism Promotion Grants, which helps bolster tourism growth by promoting destinations, attractions, and special events explicitly related to the craft beverage industry, across New York State. The Program and each funded proposal will work to support the Regional Economic Development Councils’ long term strategic plans for economic growth in their regions.

B. The Project

ESD will make available a total of \$500,000 to fund four Craft Beverage Grant Program projects. Each Grantee will carry out its project as described in the individual project descriptions as set forth in Schedule A attached.

ESD Project No's.: See Table Above

Project Team:	Origination	Sam Filler
	Project Management	Jillian Drummond
	Contractor & Supplier Diversity	Denise Ross
	Environmental	Soo Kang

C. Financial Terms and Conditions

ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$500,000 collectively for these projects, if ESD determines that reallocation of the assistance would better serve the needs of the Grantees 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 – Open for Business

For the State Fiscal year April 1, 2014 through March 31, 2015, the State Legislature enacted Section 19 of Part I of Chapter 55 of the Laws of 2014, providing, inter alia, that the Power Authority of the State of New York is authorized and directed to make a contribution of up to \$90 million to the State Treasury, a portion of which is directed to the credit of ESD in furtherance of ESD's Statewide economic development initiatives. In State Fiscal Year April 1, 2015 through March 31, 2016, the State Legislature enacted Section 19 of Part I of Chapter 60\* of the Laws of 2015, providing, inter alia, that the Power Authority of the State of New York is authorized and directed to make a contribution of up to \$90 million to the State Treasury, a portion of which is directed to the credit of ESD in furtherance of ESD's Statewide economic development initiatives. No residential relocation is required as there are no families or individuals residing on the site.

\*Upon finalization of the Laws of 2015, the referenced Chapter may change to 61.

V. Environmental Review

Unless otherwise noted on a project summary attached as Schedule A - B, ESD staff has determined that the projects described in Schedule A - D does not constitute an action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination & Contractor and Supplier Diversity policy will apply. In accordance with the requirements of Article 15-A of the New York State Executive Law, all projects awarded funding shall be reviewed by ESD's Office of Contractor and Supplier Diversity ("OCSD"), which will, where applicable, set minority and women-owned business enterprise ("MWBE") participation goals. Such goals shall typically be included in the award letter or other contemporaneous communication from OCSD with respect to these requirements.

VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since these projects 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. Requested Actions

The Directors are requested to : (1) make the findings and determination required by section 10 (g) of the UDC Act; and (2) authorize the making of the grants which are the subject of these materials.

X. Recommendation

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

XI. Additional Submissions to Directors

Resolutions  
Schedule A (A)

April 16, 2015

Statewide – Craft Beverage Grant Program – Open For Business – Marketing and Tourism Grants for Craft Beverage Industry (Working Capital Grants) – Findings and Determination 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 Corporation, relating to the Craft Beverage Grant Program – Open For Business – Marketing and Tourism Grants for Craft Beverage Industry (Working Capital Grants) (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 areas of the Projects; 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 for up to a total amount not to exceed (\$500,000) from Open For Business for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

\* \* \*



## A. Brooklyn Alliance Craft Beverage Working Capital (Z882)

April 16, 2015

- Grantee:** Brooklyn Alliance, Inc. ("Alliance" or the "Organization")
- ESD Investment:** A grant of up to \$250,000 to be used for craft beverage industry tourism promotion.
- Project Location:** Kings County
- Proposed Project:** Promotion of Brooklyn and New York State's craft beverage industry
- Regional Council:** The New York City Regional Economic Development Council has been made aware of this project. The Incentive Offer was accepted in April 2015. The project is consistent with the Regional Plan to promote tourism.

### Background:

Organization History – Brooklyn Alliance, Inc., the economic development affiliate of the Brooklyn Chamber of Commerce ("Chamber"), was founded in 1967 to expand Chamber services by promoting and enhancing economic activity throughout the borough. To achieve this mission, the Alliance serves nearly 10,000 businesses, job seekers and entrepreneurs each year through a portfolio of economic development programs and services.

Ownership – Brooklyn Alliance, Inc. is a not-for-profit organization.

ESD Involvement – A \$250,000 grant from the Craft Beverage Marketing and Promotion Grants

Past ESD Support – Since 2007, the ESD Directors have approved \$4,315,000 in assistance to the Grantee. Funding for the past five years to the Grantee is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Local Assistance	W241	\$650,000	May 21, 2009	March 12, 2010	Business assistance and services
Local Assistance	W667	\$650,000	March 26, 2010	November 7, 2011	Business assistance and services
Local Assistance	Y038	\$350,000	January 17, 2013	October 16, 2013	Program support
Local Assistance	Y742	\$650,000	December 13, 2013	March 28, 2014	Program support

**Brooklyn Alliance Craft Beverage Working Capital (Z882)**

April 16, 2015

**The Project:**

Completion date – January 2016

Activity – Brooklyn Alliance will hold an exclusive New York State (“NYS”) Craft Beverage Trade Festival in Brooklyn to highlight the Brooklyn craft beverage market to visitors and NYS craft beverage makers. The Organization will conduct a marketing and tourism campaign for the Brooklyn craft beverage industry using ExploreBK.com and BrooklynMade.nyc (websites owned and operated by the Chamber and the Alliance). This will create subsidized opportunities for Brooklyn craft beverage makers to participate in a trade event outside of the NYS market.

Results – Brooklyn Alliance seeks to promote Brooklyn and the NYS’s craft beverage industry to support business growth and increase tourism in Brooklyn.

<b>Financing Uses</b>	<b>Amount</b>	<b>Financing Sources</b>	<b>Amount</b>	<b>Percent</b>
Project Related Salaries and Wages	\$133,260	ESD Grant	\$250,000	50%
Media Advertising	129,740	Grantee Match	250,000	50%
Event Production Costs	107,000			
Subsidies for Trade Show Entrance Fees, Travel & Expenses	48,000			
Printing and Travel Costs	14,740			
Print and Digital Production Costs	67,260			
<b>Total Project Costs</b>	<b>\$500,000</b>	<b>Total Project Financing</b>	<b>\$500,000</b>	<b>100%</b>

**Grantee Contact:** Emily Anderson, Director, Grants Management  
Brooklyn Alliance, Inc.  
335 Adams Street, Suite 2700  
Brooklyn, NY 11201  
Phone: (718) 875-1000

**Project Team:** Project Management Jillian Drummond  
Contractor & Supplier Diversity Denise Ross  
Environmental Soo Kang

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

**Brooklyn Alliance Craft Beverage Working Capital (Z882)**

April 16, 2015

2. The Grantee will be required to contribute a minimum of 50% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
3. Up to \$250,000 will be disbursed to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after March 15, 2015, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2016.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$250,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the 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 & Contractor and Supplier Diversity policy will apply to the project. The Recipient shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") participation goal of 20% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project.

**Statutory Basis – Open For Business:**

For the State Fiscal year April 1, 2014 through March 31, 2015, the State Legislature enacted Section 19 of Part I of Chapter 55 of the Laws of 2014, providing, inter alia, that the Power Authority of the State of New York is authorized and directed to make a contribution of up to \$90 million to the State Treasury, a portion of which is directed to the credit of ESD in furtherance of ESD's Statewide economic development initiatives. In State Fiscal Year April 1, 2015 through March 31, 2016, the State Legislature enacted Section 19 of Part I of Chapter 60\* of the Laws of 2015, providing, inter alia, that the Power Authority of the State of New York is authorized and directed to make a contribution of up to \$90 million to the State Treasury, a portion of which is directed to the credit of ESD in furtherance of ESD's Statewide economic development initiatives. No residential relocation is required as there are no families or individuals residing on the site.

\*Upon finalization of the Laws of 2015, the referenced Chapter may change to 61.

**Disclosure and Accountability Certifications:**

The Grant Recipient has provided ESD with the required Disclosure and Accountability Certifications. Grant Recipient's certifications indicate that Grant Recipient has no conflict of

**Brooklyn Alliance Craft Beverage Working Capital (Z882)**

April 16, 2015

interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grant Recipient as described in these materials.

## B. New York Wine and Grape Foundation Craft Beverage Working Capital (Z883)

April 16, 2015

- Grantee:** New York Wine and Grape Foundation (“NYW&GF” or the “Organization”)
- ESD Investment:** A grant of up to \$250,000 to be used for craft beverage industry tourism promotion.
- Project Location:** Ontario County
- Proposed Project:** In partnership with Wine Enthusiast magazine, the New York Wine and Grape Foundation will create a “New York Wine Country” bookazine, a combination of a magazine and book, to capitalize on the attention New York State wine has been receiving.
- Regional Council:** The Finger Lakes Regional Economic Development Council has been made aware of this project. The Incentive Offer was accepted in April 2015. The project is consistent with the Regional Plan to promote tourism.

### Background:

Organization History – Founded in 1985, NYW&GF is charged with developing and executing promotional and research programs in support of all New York State grapes. New York State has nearly 400 wineries, producing over 200 million bottles annually and winning gold medals in international competitions. During its 30 years of operation, the Organization’s statewide and regional programs, which operate under the “Uncork New York!” umbrella, have built tremendous awareness of the New York industry and its products.

Ownership – New York State Wine and Grape Foundation is a not-for-profit organization.

ESD Involvement – A \$250,000 grant from the Craft Beverage Marketing and Promotion Grants

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

### The Project:

Completion date – January 2016

Activity – NYW&GF will create a “New York Wine Country” bookazine focusing exclusively on New York’s Wine Country.

Results – The New York Wine and Grape Foundation seeks to increase its audience and supporters, as well as to use the Organization’s increased visibility to showcase wineries, area hotels, restaurants, and other attractions to drive tourism to the wine regions.

**New York Wine and Grape Foundation Craft Beverage Working Capital (Z883)**

April 16, 2015

<b>Financing Uses</b>	<b>Amount</b>	<b>Financing Sources</b>	<b>Amount</b>	<b>Percent</b>
Print and Digital Production Costs	\$230,000	ESD Grant	\$250,000	50%
Printing	180,000	Grantee Match	250,000	50%
Delivery	90,000			
Total Project Costs	\$500,000	Total Project Financing	\$500,000	100%

**Grantee Contact:** James Trezise, President  
New York State Wine and Grape Foundation  
800 S. Main Street  
Canandaigua, NY 14424  
Phone: (585) 394-3620

**Project Team:** Project Management Jillian Drummond  
Contractor & Supplier Diversity Vikas Gera  
Environmental Soo Kang

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
2. The Grantee will be required to contribute a minimum of 50% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
3. Up to \$250,000 will be disbursed to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after March 15, 2015, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2016.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$250,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the 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 & Contractor and Supplier Diversity policy will apply to the project. The Recipient shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to

**New York Wine and Grape Foundation Craft Beverage Working Capital (Z883)**

April 16, 2015

achieve an overall Minority and Women Business Enterprise (“MWBE”) participation goal of 40% 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 – Open For Business:**

For the State Fiscal year April 1, 2014 through March 31, 2015, the State Legislature enacted Section 19 of Part I of Chapter 55 of the Laws of 2014, providing, inter alia, that the Power Authority of the State of New York is authorized and directed to make a contribution of up to \$90 million to the State Treasury, a portion of which is directed to the credit of ESD in furtherance of ESD’s Statewide economic development initiatives. In State Fiscal Year April 1, 2015 through March 31, 2016, the State Legislature enacted Section 19 of Part I of Chapter 60\* of the Laws of 2015, providing, inter alia, that the Power Authority of the State of New York is authorized and directed to make a contribution of up to \$90 million to the State Treasury, a portion of which is directed to the credit of ESD in furtherance of ESD’s Statewide economic development initiatives. No residential relocation is required as there are no families or individuals residing on the site.

\*Upon finalization of the Laws of 2015, the referenced Chapter may change to 61.

**Disclosure and Accountability Certifications:**

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



FOR CONSIDERATION

April 16, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Victoria Theater Land Use Improvement and Civic Project (New York County)-Regional Council Capital Grant, Downstate Revitalization Fund Capital Grant and Metropolitan Economic Revitalization Fund Capital Loan

REQUEST FOR: Affirmation of Finding Pursuant to Sections 10 (g) of the New York State Urban Development Corporation Act; Authorization to Make a Loan and Grants and to Take Related Actions

I. Summary

Project: Victoria Theater Land Use Improvement and Civic Project

Borrower/Grantee: 233 West 125th Street Danforth, LLC (the "Company")

ESD\* Investment: ESD grant and loan assistance totaling \$9 million as follows:

Grants of up to \$4,000,000 to be used for a portion of the cost of construction of a mixed-use facility.

A loan of up to \$5,000,000 to be used for a portion of the cost of construction of a mixed-use facility.

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

Project Location: 235-237 West 125<sup>th</sup> Street a/k/a 233 West 125<sup>th</sup> Street, New York, New York County (the "Property")

Employment: Initial employment at time of ESD Incentive Proposal: 0  
 Current employment level: 0  
 Minimum employment on January 1, 2018: 373

Results: The funding will assist in the redevelopment of a deteriorated and vacant site adjacent to the Apollo Theater on 125<sup>th</sup> Street in New York County. The redevelopment will provide the first full-service hotel in Harlem in 80 years and will create another arts, entertainment, cultural and commercial destination in Harlem. Approximately 373 permanent jobs are expected to be created.

## II. Background

Harlem Community Development Corporation (“Harlem CDC”), a subsidiary of ESD, is the owner of the property. During construction the Company will lease the Project Location from Harlem CDC.

In June 2012, Harlem CDC accepted and ESD adopted a General Project Plan for the Victoria Theater Land Use Improvement and Civic Project for the redevelopment of the Victoria Theater (the “Project”). Harlem CDC on July 13, 2013 and ESD on July 17, 2013 affirmed a Modified General Project Plan for the Project.

The Project for which the funding that is the subject of this request for approval is being made was identified as a priority project by the Regional Economic Development Council (“REDC”) for the New York City region in both 2012 and 2014. The REDC grant funding was recommended as part of the Regional Council Award process. The requested funding will help redevelop the Property in a manner that fosters economic growth through revitalization of the area as an arts, entertainment, cultural and commercial destination while addressing the need for affordable and market rate housing in Harlem.

233 West 125<sup>th</sup> Street Danforth, LLC was organized by the conditionally designated developer, Danforth Development Partners, LLC (“Danforth”) and its development partners and investors to acquire and redevelop the Property. The Company was formed in May 2012 and its principals have over 30 years of experience developing residential and hotel properties in Harlem and throughout New York City.

The Company is a special purpose entity that is owned by Danforth Development Partners LLC, Wisk LLC and Starliner Properties 233 LLC, the successor entity to Starliner Properties, Inc., which was formed to facilitate Harlem Hotel Plaza LLC’s participation in the project.

The redevelopment consists of the construction and operation of a ±385,000-square-foot, mixed-use building containing approximately: a 208-room, select service hotel; 192 units of affordable and market-rate residential rental apartments; 25,000 square feet of commercial

retail space and 25,000 square feet for cultural uses. The Company is responsible for preserving historic elements of the building and for the build out of the cultural space.

It is expected that the newly constructed building will be subject to a condominium regime comprised of six units. Upon completion of the project in accordance with the approved development plan, Harlem CDC will own the cultural condominium unit and will convey the remaining condominium units to the Company or its approved designee(s). In connection therewith, the hotel unit and the unit with low income affordable residential apartments will be conveyed to single purposes entities and it is expected that the Company will retain title to a retail unit, a parking unit and a unit that will include market rate residential apartments.

III. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Land Costs	\$27,190,000
Legal Fees	\$300,000
Architectural/Engineering	2,375,715
Other Soft Costs	\$8,288,480
Hard Construction Costs	\$108,523,033
Contingency and Reserves	\$6,272,361
Developers Fee	\$3,247,687
Financing Costs	<u>\$8,159,097</u>
 Total Project Costs	 <u>\$164,356,373</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD - Loan (X944)	\$5,000,000	3.0%	TBD**/20 yrs./2 <sup>nd</sup> lien on RE
ESD - Grant (Z814)*	\$1,500,000	0.9%	
ESD - Grant (Z815)*	\$2,500,000	1.5%	
LIHTC Equity	\$14,219,378	8.7%	
Goldman Sachs Loan - Residential	\$41,505,733	25.3%	6%/3 yrs/ 1st lien on RE
Harlem CDC Enforcement Lien	\$7,400,000	4.5%	
Deferred Developer Fee	\$675,000	0.4%	
Goldman Sachs Loan – Commercial	\$69,494,267	42.3%	6%/3 yrs/ 1st lien on RE
Company Equity	<u>\$22,061,995</u>	<u>13.4%</u>	
 Total Project Financing	 <u>\$164,356,373</u>	 <u>100%</u>	

\*Z814 is a \$1.5 million Regional Council Capital Fund grant. Z815 is a \$2.5 million Downstate Revitalization Fund grant.

\*\*Interest rate will be set at closing based on Treasury bill rate at time of closing plus a small spread to cover administrative costs. This interest rate is currently 4.33%.

ESD Involvement: The Company approached ESD in 2012 for financial assistance to redevelop the historic Victoria Theater, which has been substantially vacant since 1997 and is in a state of disrepair. In order to make the project more economically feasible, in July 2012, ESD issued an Incentive Proposal for a \$5 million loan. The Company accepted the Incentive Proposal in August 2012. In 2014, the Company identified a financing gap and submitted an application for funding through Round 4 of the Regional Economic Development Council process. As a result, the Company was awarded a \$1.5 million Regional Council grant and a \$2.5 million Downstate Revitalization Program grant in order to close the financing gap to allow the project to proceed.

Competition: N/A

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

A. Loan and Grants Background

Completion: October 2018

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 \$15,262,975;
- Fiscal cost to NYS government is estimated at \$4,515,000;
- Project cost to NYS government per direct job is \$20,906;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$14,808;
- Ratio of project fiscal benefits to costs to NYS government is 3.38:1;
- Fiscal benefits to all governments (state and local) are estimated at \$32,268,117;

- Fiscal cost to all governments is \$4,515,000;
- All government cost per direct job is \$20,906;
- All government cost per total job is \$14,808;
- The fiscal benefit to cost ratio for all governments is 7.15:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$202,203,901, or \$663,173 per job (direct and indirect);
- The economic benefit to cost ratio is 44.78:1;
- Project construction cost is \$125,459,590, which is expected to generate 587 direct job years and 305 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.31 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is three year.

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

Borrower/Grantee Contact: Michael Callaghan, Member  
 100 Park Avenue, Suite 1600  
 New York, NY 10017  
 Phone: (917) 817-6917

ESD Project Tracking: X944, Z814, Z815  
 System Numbers

Project Team:	Origination	Ray Salaberrios
	Project Management	Brendan Healey
	Legal	Eunice Jackson
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Jonevan Hornsby
	Design & Construction	Joe Burkard
	Environmental	Rachel Shatz
	Real Estate	Thomas Conoscenti

B. Financial Terms and Conditions - Grants

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$4,000,000 capital grants (\$40,000) 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. Starliner Properties 233 LLC will guarantee the grant repayment obligation of 233 West 125<sup>th</sup> Street Danforth, LLC, in the event of an Employment Shortfall or other default, as defined in these materials or the Grant Disbursement Agreement.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as (1) 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 or (2) Low Income Housing Tax Equity. In addition, \$9,461,995 of the equity contribution is required to be in the form of cash injected into the project by the Company or by investors. Equity cannot be borrowed money secured by the assets in the project.
5. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
6. Up to \$4,000,000 will be disbursed to Grantee as reimbursement for eligible expenses during the course of the project no more frequently than quarterly, in compliance with ESD's Design and Construction requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the project, as evidenced by a certificate of occupancy, and the documentation of 373 Full-time Permanent Employees.

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 the date that the Incentive Proposal was accepted, to be considered eligible project costs. All disbursements must be requested by April 1, 2019.

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

8. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

Baseline Employment	0
---------------------	---

A	B
Reporting Date	Employment Goals
February 1, 2016	0+X
February 1, 2017	0+X
February 1, 2018	0+X
February 1, 2019	0+X
February 1, 2020	0+X
February 1, 2021	0+X

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

described in section C.5 above (i.e.  $X=373$ , and Employment Goals shall equal  $[0 + X = 373]$  if the Final Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Final Disbursement has not yet been made then  $X=0$ .

C. Financial Terms and Conditions - Loan

1. The Borrower shall pay a commitment fee of 1% of the \$5,000,000 loan (\$50,000). In addition, at the time of closing, the Borrower will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Borrower will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Guarantees: Personal Guarantees are required from any individual or family members together owning 20% or more of the Borrower or members of the Borrower. Corporate Guarantees are required from any entity or commonly controlled entities together owning 50% or more of the Borrower.
4. The Borrower will be required to contribute a minimum of 10% of the total project cost for the hotel (total project cost for the hotel is estimated to be \$68,912,811) in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
5. Up to \$5,000,000 will be disbursed to the Borrower upon completion of the project substantially as described in these materials including documentation of \$164,000,000 in project expenditures, and documentation of the employment of at least 373 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available. Expenses must be incurred on or after August 10, 2012 to be considered eligible project costs. Disbursement of the loan must be requested by April 1, 2019.
6. Prior to disbursement, the Borrower must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Borrower's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Borrower to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Borrower's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Borrower to other employees with comparable rank and duties.

7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$5,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
8. Rate/Term: TBD interest rate over 20 years (two hundred forty months). Interest rate will be set at closing based off of Treasury bill rate plus a small spread to cover administrative costs. Loan becomes immediately due and payable if Borrower sells or closes its interest in the Project Location.
9. Repayment Term: Fully amortizing; Two Hundred Forty (240) monthly interest and principal payments beginning after disbursement of the loan.
10. Job Commitments:

Baseline Employment	0
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A	B
Reporting Date	Employment Goals
Anniversary Date of Loan Closing 2020	373
Anniversary Date of Loan Closing 2021	373
Anniversary Date of Loan Closing 2022	373
Anniversary Date of Loan Closing 2023	373
Anniversary Date of Loan Closing 2024	373
Anniversary Date of Loan Closing 2025	373
Anniversary Date of Loan Closing 2026	373
Anniversary Date of Loan Closing 2027	373
Anniversary Date of Loan Closing 2028	373
Anniversary Date of Loan Closing 2029	373
Anniversary Date of Loan Closing 2030	373
Anniversary Date of Loan Closing 2031	373
Anniversary Date of Loan Closing 2032	373
Anniversary Date of Loan Closing 2033	373
Anniversary Date of Loan Closing 2034	373
Anniversary Date of Loan Closing 2035	373
Anniversary Date of Loan Closing 2036	373
Anniversary Date of Loan Closing 2037	373
Anniversary Date of Loan Closing 2038	373
Anniversary Date of Loan Closing 2039	373

373 Full-time Permanent Employees at the Project Location is required to disburse the Loan and must be retained for the term of the loan. If this commitment is not met and maintained, ESD may (1) increase the interest rate on the Note by two percentage points or (2) require whole or partial pre-payment of the remaining principal balance of the Note.

11. The Borrower will submit to ESD annual reviewed or audited financial statements and quarterly internal financial statements certified by an officer of the Borrower.
12. Financial Disclosure: Updated financial disclosure on Borrower and all guarantors acceptable to ESD must be provided prior to closing.
13. Lien/Collateral: Second lien on hotel real estate with an appraised value of no less than \$68.9 million and a useful life of no less than 20 years.
14. Due Diligence: Appraisals, and engineering and environmental reviews acceptable to ESD must be provided prior to closing, if applicable. Satisfactory corporate credit check and background check for principals and Guarantors will be required prior to closing.

#### D. Labor Peace

At the time of the adoption of the Modified General Project Plan for the Victoria Theater Land Use Improvement and Civic Project, the ESD Directors waived the Labor Peace Agreement (“LPA”) requirement for the Project, having determined that the increased costs associated with an LPA would make the project infeasible.

#### IV. Statutory Basis – Downstate Revitalization Fund Program

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

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

The Regional Council Capital Fund grant funding was authorized in the 2014-2015 New York State budget and re-appropriated in the 2015-2016 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

#### VI. Statutory Basis – MERF Loan

1. The proposed use of funds is consistent with the purposes of Metropolitan Economic Revitalization Fund Program.

The Project is a public/private economic development initiative that will create or retain substantial jobs.

2. The loan will assist in the expansion or retention of a business located in the State or the attraction of a business to the State.

The proposed Project will assist in revitalizing an underserved section of Harlem. The project will create 373 jobs.

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

See Section IIIB above.

4. The area in which the loan is to be given is an Economically Distressed Area that is adjacent to or within a municipality, of which all or a portion, is located within the New York portion of the service area of the Port Authority of New York and New Jersey.

The Project site is located in an economically distressed area in Harlem.

#### VII. Design and Construction

The Project calls for the redevelopment of the vacant Victoria Theater including complete demolition of the north portion of the site and selective re-use and renovation of the existing theater façade, lobby and monumental lobby stair. Renovation/selective demolition is tentatively scheduled to begin in mid 2015. ESD's Design and Construction department ("D&C") will serve as an owner's representative for Harlem CDC. D&C will attend construction meetings and monitor construction progress. D&C will have the right to review contractor requisitions and change orders for the Project, review and approve change orders and contractor requisitions with respect to the Cultural Condominium Unit. D&C will then verify that all construction requirements for the Project had been satisfied prior to disbursements for the loan and grants.

#### VIII. Environmental Review

The redevelopment of the Victoria Theater was the subject of an environmental review performed by ESD as the lead agency. A Final Environmental Impact Statement ("FEIS") was prepared pursuant to the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations for the New York State Department of Environmental Conservation. SEQRA Findings were adopted by ESD Directors on July 17, 2013. The activities in this request for authorization have been addressed in the FEIS, and therefore, no further environmental review is required in connection with this request.

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

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (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 Participation Goal of 22% and a Women Business Enterprise Participation Goal of 8% related to the total value of ESD funding.

X. 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.

XI. Additional Submissions to Directors

Resolutions  
New York State Map  
Project Renderings

April 16, 2015

Victoria Theater Land Use Improvement and Civic Project– Regional Council Capital Fund Grant, Downstate Revitalization Fund Capital Grant and Metropolitan Economic Revitalization Fund Capital Loan – Affirmation of Finding Pursuant to Section 10 (g) of the New York State Urban Development Corporation Act; Authorization to Make a Loan and 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 Victoria Theater Land Use Improvement and Civic Project – Regional Council Capital Fund Grant, Downstate Revitalization Fund Capital Grant and Metropolitan Economic Revitalization Fund Capital Loan, the Corporation hereby affirms the findings 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 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 loan and grants, the approval of the loan and grants 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 233 West 125<sup>th</sup> Street Danforth, LLC a loan for a total amount not to exceed Five Million Dollars (\$5,000,000) from the Metropolitan Economic Revitalization Fund and grants for a total amount not to exceed Four Million Dollars (\$4,000,000) from the Regional Council Capital Fund and 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 or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*



FOR CONSIDERATION

April 16, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Marcy (Mohawk Valley Region – Oneida County) – Fort Schuyler Management Corporation – Quad C.Phase 1B 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 Grants and to Take Related Actions

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General Project Plan

I. Project Summary

Grantee: Fort Schuyler Management Corporation (“FSMC” or the “Grantee”)

ESD\* Investment: A grant of up to \$3,100,000 to be used for a portion of the cost of construction of Phase 1B of the Computer Chip Commercialization Center (“Quad C”) adjacent to the State University of New York Institute of Technology (“SUNYIT”) campus in Marcy, Oneida County.

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

Project Location: 100 Seymour Road, Marcy, Oneida County

Proposed Project: Construction of the Phase 1B of the Quad C, a 253,000-square-foot facility containing flex space that will include clean rooms, laboratories, offices, lecture center and related utilities

Project Type: Real estate development for advanced manufacturing and research and development

Regional Council: The Mohawk Valley Regional Council has been made aware of this item. The project is consistent with the Regional Plan to build a diverse, integrated and dynamic economy that leverages technology and innovation.

Employment: Initial employment at time of ESD Incentive Offer: 0  
 Current employment level: 0  
 Minimum employment on January 1, 2019: 400\*

\* Employment shall include operational staff and faculty employed by FSMC and full-time tenant employees at the Quad C facility engaged in semiconductor research, development, and/or manufacturing activities at the Project Location. New positions may not be filled by transferring employees from other New York State locations.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	\$52,616,000
Infrastructure/Site Work	1,104,000
Furniture, Fixtures & Equipment	4,393,000
Construction Management	<u>14,887,000</u>
<b>Total Project Costs</b>	<b><u>\$73,000,000</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant (Z054)	\$3,100,000	4%
ESD – Grant (Y729)	42,600,000	58%
ESD – Grant (Y728) *	20,000,000	28%
Grantee Equity	<u>7,300,000</u>	<u>10%</u>
<b>Total Project Financing</b>	<b><u>\$73,000,000</u></b>	<b><u>100%</u></b>

\* Approved by the Directors on January 16, 2014

### III. Project Description

#### A. Grantee

Industry: Real Estate Development

Grantee History: Authorized by Chapter 530 of the Laws of 2010, the Fort Schuyler Management Corporation was formed by the State University of New York Research Foundation in partnership with the SUNYIT. FSMC has a ground lease for the Marcy Technology Complex from the State University of New York to establish public-private partnerships in support of SUNYIT's research, educational and economic development activities. FSMC is authorized to purchase, construct, develop and manage facilities co-located with the SUNYIT educational campus at the SUNYIT Marcy Technology Complex as well as ground sub-lease the property west of Edic Road constituting the Marcy NanoCenter project to Mohawk Valley Economic Development Growth Enterprises ("EDGE") for attraction of nanomanufacturing operations by a commercial partner.

FSMC advances the growth of emerging nanotechnology and semiconductor research and development cluster in New York that includes the College of Nanoscale Science and Engineering ("CNSE") at the University at Albany.

Ownership: Fort Schuyler Management Corporation is a not-for-profit organization.

Size: All facilities located in Utica, NY.

Market: Worldwide nanotechnology and semiconductor industries.

ESD Involvement: In July 2009, New York State announced the expansion of the Technology Hub-Manufacturing Node Model into the Mohawk Valley Region. This model established the New York State Computer Chip Hybrid Integration Partnership, an inter-regional nanotechnology enterprise in development, prototyping, and commercialization of state-of-the-art computer chip packages and architectures.

In October 2013, under the leadership and direction of Governor Cuomo, CNSE, SUNYIT, and FSMC established a consortium of leading global technology companies that will create the second major hub of nanotechnology research and development in New York State ("Nano Utica"). The consortium will address the critical challenges in advanced technology and manufacturing effectiveness by advancing the already established technology hub in Albany to support the manufacturing node in Utica in conjunction with various corporate partners, further

developing the public-private higher education economic infrastructure that is being developed throughout New York State.

The consortium will establish an open 3 dimensional (“3D”) device packaging platform that is US-based and will be tightly coupled to CNSE’s eco-system of global nanoelectronics industry partners. Specifically, the consortium will be led by Advanced Nanotechnology Solutions Incorporated (“ANS”), a newly formed corporation headed by the former CEO of Advanced Micro Devices (“AMD”), Hector Ruiz, and his leadership team. ANS and its partners are well positioned to drive the 3D revolution in a broadening of 3D packaging applications including advanced computing, consumer smart handhelds, smart cities, clean energy and defense.

As a result of the Governor’s Regional Economic Development Council Initiative, FSMC was awarded \$3,100,000 million grant through Round 3 of the Consolidated Funding Application (“CFA”) to further the development of this regionally significant initiative. An appropriation of \$180,000,000 was also included in the 2014-2015 New York State budget to fund the construction and fit-out of the Quad C.

Competition: Worldwide

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

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
Local Assistance	V062	\$2,250,000	October 22, 2009 (\$4M was originally awarded to EDGE on May 17,2007)	May 5, 2011	Working Capital Grant – Advanced rent payment to FSMC for the 15-year ground lease of the Marcy Nanocenter site by EDGE.
New York State Economic Development Assistance Program	W277	\$1,300,000	November 19, 2009 (\$10M was originally awarded to EDGE on September 19, 2008)	March 31, 2013	Capital Grant – \$1.3 M for design and construction of the 300mm wafer clean room for the Quad C.

Economic Transformation Program	X812	\$15,000,000	November 18, 2013	December 31, 2014	Capital Grant – Construction of the first phase of Quad C.
State and Municipal Facilities Program	Y728	\$20,000,000	January 16, 2014	December 31, 2021	Capital Grant – Construction of the first phase of Quad C.

**B. The Project**

**Completion:** December 2015

**Activity:** In November 2013, the ESD Directors approved \$15 million towards the construction of the building envelope and non-clean room areas of the Quad C (“Phase 1A”), a 253,000-square-foot facility that will contain flex space, clean rooms, laboratories, offices, a lecture center and related utilities. Phase 1A, approximately \$51.9M, started in June 2013 and was completed in December 2014.

This project scope, Phase 1B, involves continued construction of the non-clean room areas and the construction of the remainder of the building envelope of the state-of-the-art Quad C that will house over 50,000 square feet of Class 1,000 and Class 10,000 adaptive cleanroom, integrated utility and mechanical systems, 4,000 square feet of advanced labs, a 75 seat state-of-the-art SMART tiered lecture auditorium, over 40,000 square feet of offices, collaborative academic lecture, laboratories, integrated offices, atrium lobby, and corporate meeting space to be owned and operated by FSMC on behalf of the CNSE & SUNYIT partnership.

Phase 1B also includes the purchase and installation of new advanced technology semiconductor packaging equipment. The equipment and tooling include standard metallization, etch, patterning equipment, as well as wafer thinning and die/wafer tooling for dicing, over-and-under mold, joining to laminates, wire bond and test.

**Results:** Quad C will enable the attraction of high tech partners seeking to integrate and commercialize advanced technology devices and products, in partnership with global computer chip equipment, material, and chemical suppliers and contractors. Quad C will serve as a magnet to

attract global computer chip equipment, material, and chemical suppliers and contractors to Upstate New York. It will also serve as one of the newest models in corporate partnerships with academic research that is resulting in strong workforce and economic development efforts throughout New York State.

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 \$23,771,196;
- Fiscal cost to NYS government is estimated at \$38,550,000;
- Project cost to NYS government per direct job is \$240,938;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$114,535;
- Ratio of project fiscal benefits to costs to NYS government is 0.62:1;
- Fiscal benefits to all governments (state and local) are estimated at \$39,963,690;
- Fiscal cost to all governments is \$38,550,000;
- All government cost per direct job is \$240,938;
- All government cost per total job is \$114,535;
- The fiscal benefit to cost ratio for all governments is 1.04:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$249,551,457, or \$741,436 per job (direct and indirect);
- The economic benefit to cost ratio is 6.47:1;
- Project construction cost is \$120,557,000, which is expected to generate 1,374 direct job years and 638 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.12 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is not calculated.

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

The analysis includes Phases 1, 1A, and 1B.

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

Grantee Contact: Scott Bateman  
100 Seymour Road  
Utica, NY 13502  
Phone: (315) 792-7306

ESD Project No.: Z054

Project Team:	Origination	Jane Thelen
	Project Management	Glendon McLeary
	Contractor & Supplier Diversity	Denise Ross
	Finance	Jonevan Hornsby
	Design & Construction	Scott Renzi
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of \$10,000 and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Grantee must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by

Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

5. Up to \$3.1 million will be disbursed to Grantee upon documentation of eligible expenses during the course of design and construction no more frequently than quarterly, in compliance with the Design & Construction requirements and in proportion to ESD's funding share (4%), assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon project completion, as evidenced by a Certificate of Occupancy. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 16, 2011, 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 \$3,100,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
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	300*
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A	B
Reporting Date	Employment Goals
February 1, 2016	300
February 1, 2017	300
February 1, 2018	300
February 1, 2019	300+X
February 1, 2020	300+X
February 1, 2021	300+X

X = Grantee's Employment Increment that will be required at the Project Location by January 1, 2019 (i.e. X=100, and Employment Goals shall equal [300 + X= 400\*\*])

\*Minimum number of employees at the Project Location by January 1, 2018

\*\* Employment shall include operational staff and faculty employed by FSMC and full-time tenant employees at the Quad C facility engaged in semiconductor research, development, and/or manufacturing activities at the Project Location. New positions may not be filled by transferring employees from other New York State locations.

IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2013-2014 New York State budget and reappropriated in the 2014-2015 and 2015-2016 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Design and Construction

The Design and Construction Department (“D&C”) will review the plans and cost estimates for conformity to the scope of work. D&C will inspect the work and will approve and recommend payment of invoices based upon the inspections.

VI. Environmental Review

Pursuant to the State Environmental Quality Review Act (“SEQRA”), Article 8 of the Environmental Conservation Law and its implementing regulations (6 NYCRR Part 617), and in connection with the approval of funding for the proposed project, the Directors made a Determination of No Significant Effect on the Environment at their meeting of November 18, 2013. This determination addressed all aspects of the proposed project. Therefore, no further environmental review is required in connection with this action.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination & Contractor and Supplier Diversity policy will apply to the Project. The Grantee shall be required to use good faith efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise (“MWBE”) participation goal of 30%, 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 and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

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
- Quad C Progress Photographs
- Project Finance Memorandum
- Benefit-Cost Analysis

April 16, 2015

Regional Council Award – Priority Project - Marcy (Mohawk Valley Region – Oneida County) – Fort Schuyler Management Corporation – Quad C Phase 1B 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 Fort Schuyler Management Corporation – Quad C Phase 1B Capital – Regional Council Capital Grant (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 Three Million One Hundred Thousand Dollars (\$3,100,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver

any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

\* \* \*

FOR CONSIDERATION

April 16, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Aurelius (Central New York Region – Cayuga County) – Cayuga Marketing 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; Determination of No Significant Effect on the Environment

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General Project Plan

I. Project Summary

Grantee: Cayuga Marketing, LLC (“CM” or “Cayuga Marketing”)

Beneficiary  
Company: Cayuga Milk Ingredients, LLC (“CMI” or the “Company”)

ESD\* Investment: A grant of up to \$2,500,000 to be used for a portion of the cost of purchase of machinery and equipment.

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

Project Location: Cayuga County Industrial Development Agency Business Park, 15 Eagle Drive, Aurelius, Cayuga County

Proposed Project: Purchase of real estate, construction of a new dairy processing facility, and purchase of machinery and equipment

Project Type: Business expansion involving job creation.

Regional Council: The project is consistent with the Central New York Regional Economic Development Council's plan to support value-added agricultural and manufacturing products to broader markets, and to strengthen targeted industry to compete in the global economy.

Employment: Initial employment (at time of ESD Incentive Proposal): 0  
 Current employment level: 55  
 Minimum employment on January 1, 2015: 52

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Real Estate Acquisition	290,000
Construction/Renovation	55,821,178
Infrastructure/Site Work	3,883,218
Machinery and Equipment	35,356,589
Furniture and Fixtures	1,125,000
Contractual Services	<u>4,639,118</u>

Total Project Costs \$101,115,103

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant	2,500,000	2%	
Farm Credit East	66,000,000	66%	4.4%/7yrs/first lien on RE
Company Equity	<u>32,615,103</u>	<u>32%</u>	
Total Project Financing	<u>\$101,115,103</u>	<u>100%</u>	

III. Project Description

A. Company

Industry: Dairy ingredients processing

Company History: Cayuga Marketing, LLC, formed in November 1999, is an association of dairy producers located in Central New York. CM has 26 members working together to collectively bargain for high milk prices and low farm input prices. The member farms are predominately located within Cayuga County, as well as Tompkins, Onondaga, and Wayne counties. In April 2012, CM created Cayuga Milk Ingredients for the construction of a new 109,000-square-foot milk processing facility in the Town of Aurelius.

Ownership: CM is a limited liability company.

Size: All facilities located in Aurelius, NY.

Market: The Company's major customers include: Kraft; HP Hood; Land 'O Lakes; and Ben and Jerry's. Major competitors by product segmentation include: North America - OATKA, Agrimark, and Dietrich; the European Union - Friesland Campina, Glanbia and Ingredia; Oceania – Fonterra, Westland, and Tatura.

ESD Involvement: For years local farmers in Central New York searched for a way to fight for higher milk prices while reducing the milk hauling costs. The solution was the construction of a locally based processing plant that uses milk from farms within 30 miles of the processing facility. In order to secure financing for the project, the Company approached ESD for financial assistance. As a result of the Governor's Regional Economic Development Council Initiative, in February 2012, ESD awarded CM a \$2,500,000 capital grant through Round 1 of the Consolidated Funding Application process to help with the financing of the project.

Competition: N/A

Past ESD Support: This is the Company's first project with ESD. The Company was awarded up to \$1,500,000 in Excelsior Jobs Program tax credits.

B. The Project

Completion: June 2014

Activity: Cayuga Milk Ingredients, LLC has completed construction of a new 109,000-square-foot processing facility capable of processing 1,800,000 pounds of whole raw milk per day. The processing facility is located in close proximity to the member farms in an effort to minimize milk transport costs. The primary products sold by segmentation include 42% pasteurized cream, milk protein concentrates, milk protein isolates, non-fat dry milk, skim milk powder, and milk permeate. The products will not only displace foreign imports of dairy ingredients, but will be exported to new emerging markets in Europe, Oceania and Asia. The plant has been operating at full capacity since January 2015.

Results: The Company has already created 55 new jobs, exceeding its employment commitment.

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 \$4,457,951;
- Fiscal cost to NYS government is estimated at \$2,500,000;
- Project cost to NYS government per direct job is \$75,027;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$33,927;
- Ratio of project fiscal benefits to costs to NYS government is 1.78:1;
- Fiscal benefits to all governments (state and local) are estimated at \$7,558,722;
- Fiscal cost to all governments is \$2,500,000;
- All government cost per direct job is \$75,027;
- All government cost per total job is \$33,927;
- The fiscal benefit to cost ratio for all governments is 3.02:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$40,310,801, or \$547,044 per job (direct and indirect);
- The economic benefit to cost ratio is 16.12:1;
- Project construction cost is \$33,082,921, which is expected to generate 307 direct job years and 199 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.22 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

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

Grantee

Kevin Ellis, Chief Operation Officer  
2498 Angling Road  
Aurora, NY 13206  
Phone: (315) 364-0070

Beneficiary Contact: Kevin Ellis, Chief Executive Officer  
15 Eagle Drive  
Aurelius, NY 13201  
Phone: (315) 612-3224

ESD Project No.: X698

Project Team:	Origination	Jason Chiesa
	Project Management	Javier Roman-Morales
	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 \$2,500,000 capital grant (\$25,000) 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 \$2,500,000 will be disbursed to the Grantee in two installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$1,250,000) upon documentation of real estate acquisition, construction and purchase of new

machinery and equipment project costs totaling approximately \$101,115,103, and documentation of the employment of at least 26 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 (\$1,250,000) will be disbursed upon documentation of the employment of at least 52 Full-time Permanent Employees at the Project Location (Employment Increment of 26), 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 November 1, 2011, 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 \$2,500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

The Grantee's number of Full-time Permanent Employees shall be deemed to be the

greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	0
<b>A</b>	<b>B</b>
Reporting Date	Employment Goals
February 1, 2016	0+X+Y
February 1, 2017	0+X+Y

X = Grantee's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section C.5 above (i.e. X=26, and Employment Goals shall equal  $[0 + X = 26]$  if the First Disbursement is made, in the year such disbursement is made and for each year thereafter). If the First Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. Y=26, and Employment Goals shall equal  $[0 + X + Y = 52]$  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 2011-2012 New York State budget and reappropriated in the 2012-2013, 2013-2014, 2014-2015, and 2015-2016 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

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

to the total value of ESD's funding.

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

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

VIII. Additional Submissions to Directors

Resolutions

New York State Map

Project Photographs

Project Finance Memorandum

Benefit-Cost Analysis

April 16, 2015

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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Cayuga Marketing 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 Cayuga Marketing, LLC a grant for a total amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver

any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

\* \* \*

April 16, 2015

Regional Council Award – Aurelius (Central New York Region – Cayuga County) –  
Cayuga Marketing 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 Cayuga Marketing Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

FOR CONSIDERATION

April 16, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award –Priority Project—Corning (Southern Tier Region – Steuben County) –Corning Museum of Glass Capital – Regional Council Capital Fund (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: The Corning Museum of Glass (“CMOG” or the “Museum”)

ESD\* Investment: A grant of up to \$1,500,000 to be used for a portion of the cost of a facility expansion

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

Project Locations: One Museum Way, Corning, Steuben County\*  
One Riverfront Plaza, Corning, Steuben County  
\*Project activity site; other is job creation and retention site.

Proposed Project: Museum facility expansion to promote international visitors and inter-regional travel throughout New York State

Project Type: Facility expansion involving job retention and creation

Regional Council: The project is consistent with the Southern Tier Regional Economic Development Council’s (“STREDC”) Strategic Plan to maximize opportunities for growth in international tourism. By expanding its

facility, the Corning Museum of Glass will position itself as a primary international tourism destination in New York State that will directly benefit compatible industries and support regional initiatives that are tailored to create and sustain job opportunities.

The President of Corning Enterprise, a subsidiary of Corning Incorporated, is Co-Chair of the 36 member Southern Tier Regional Economic Development Council. In conformance with the State's policy, this individual has recused himself on votes recommending this project. The Council includes 14 additional, ex-officio members who are elected officials but cannot vote on individual project recommendations.

Employment:	Initial employment at time of ESD Incentive Proposal	169*
	Current employment level:	174
	Minimum employment on January 1, 2017:	184**

\*144 jobs employed by CMOG and 25 jobs employed by Corning Incorporated  
 \*\*151 jobs employed by CMOG and 33 jobs employed by Corning Incorporated.  
 Grantee agrees to work with Corning Incorporated to achieve the employment commitment of 33 Full-Time Permanent Employees, without condition, at the Project Location.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Furniture & Fixtures	\$1,500,000	
Construction/Renovation	<u>49,300,000</u>	
 Total Project Costs	 <u>\$50,800,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$1,500,000	3%
Grantee Equity	<u>49,300,000</u>	<u>97%</u>
 Total Project Financing	 <u>\$50,800,000</u>	 <u>100%</u>

III. Project Description

A. Grantee

Industry: Tourism

Grantee History: Founded in 1950 by Corning Glass Works (now Corning Incorporated), the Museum was established to preserve and expand the world's understanding of glass. When the Museum opened to the public in 1951, it contained a significant collection of glass and glass-related books and

documents. The Museum was a part of the for-profit Corning Glass Center complex, which also included an auditorium for the community, a Hall of Science showcasing the technology of glass, and a windowed wall behind which guests could watch glassworking in the Steuben factory.

More than 60 years later, the Museum has grown into a collecting, exhibiting, teaching, and research facility. The Museum is now home to the world's largest collection of glass, containing nearly 50,000 objects representing 3,500 years of glass history. The Museum and library actively acquire materials, curate special exhibitions and conduct extensive research. Currently, the facility welcomes approximately 440,000 visitors annually from around the globe.

- Ownership: Corning Museum of Glass is a not-for-profit organization.
- Size: All facilities located in Corning, NY.
- Market: CMOG serves the New York State and international tourism markets.
- ESD Involvement: Over the past decade, CMOG collections, programs, and global impact have grown significantly. As a result, the Museum's has been increasingly taxed to provide the appropriate space and services necessary to meet the demands of these initiatives and future goals. At the beginning of 2012, the Museum announced an expansion project in partnership with Corning Incorporated to expand contemporary gallery and Hot Glass Show space. The Contemporary Art and Design Wing ("North Wing") expansion has created the need for upgrades to the facility to accommodate transportation access for large scale international tourists/visitors who travel to the Museum regularly throughout the year. During Round 3 of the Consolidated Funding Application ("CFA") process, CMOG applied for financial assistance to support the construction of a new international motor coach entrance at the North Wing. In December 2013, the project was awarded a \$1.5 million CFA which was accepted in August 2014.
- Competition: N/A
- Past ESD Support: This is the Grantee's first project with ESD.

B. The Project

- Completion: March 2015
- Activity: The project includes the construction of a 100,000-square-foot expansion that will create a new international motor coach entrance. The entrance

will have an indoor/outdoor reception area equipped with bathrooms, exterior signage, video monitors, a large New York State map, and regional wayfindings designed to orient international visitors to the Museum and encourage inter-regional travel throughout New York State.

Results: The project will retain 169 jobs and create 15 new jobs.

Economic Growth  
Investment

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

- Fiscal benefits to NYS government from the project are estimated at \$2,906,361;
- Fiscal cost to NYS government is estimated at \$1,500,000;
- Ratio of project fiscal benefits to costs to NYS government is 1.94:1;
- Fiscal benefits to all governments (state and local) are estimated at \$5,059,144;
- Fiscal cost to all governments is \$1,500,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 3.37:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$36,823,488;
- The economic benefit to cost ratio is 24.55:1;
- Project construction cost is \$49,300,000 which is expected to generate 499 direct job years and 198 indirect job years of employment;
- The payback period for NYS costs is one year.

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

Grantee Contact: Elizabeth Duane, Director, Marketing and Community Relations  
One Museum Way  
Corning, NY 14830

Phone: 607-438-5223

ESD Project No.: Z076

Project Team:	Origination	Joe Roman
	Project Management	Omar Sanders
	Contractor & Supplier Diversity	Denise Ross
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the 1,500,000 capital grant (\$15,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Grantee must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's (or Corning Incorporated'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 (or Corning Incorporated) to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's (or Corning Incorporated'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 (or Corning Incorporated's) to other employees with comparable rank and duties.
5. The Grantee will be responsible for obtaining documentation suitable for verifying the number of Full-time Permanent Employees of Corning Incorporated at the Project Location. Such documentation may include, at minimum, NYS 45-ATT forms, multiple worksite reports (where applicable) and/or an HR report detailing the Full-time/Part-time status of each employee. The Grantee shall provide all such documentation to

ESD, together with an annual report of employment, by no later than February 1<sup>st</sup> of each year for the term of the Grant Disbursement Agreement.

6. Up to \$1,500,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant up to (\$750,000) will be disbursed to Grantee upon completion of the project substantially as described in these materials, including documentation of total project expenditures of approximately \$50,800,000, including documentation of construction costs totaling approximately \$49,300,000, a Certificate of Occupancy or other documentation verifying project completion as ESD may require, employment of at least 174 Full-time Permanent Employees (including 147 Full-Time Permanent Employees employed by the Corning Museum of Glass and 27 Full-Time Permanent Employees employed by Corning Incorporated) at the Project Locations (Employment Increment of 5), 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 (\$375,000) will be disbursed upon documentation of the employment of at least 179 Full-time Permanent Employees (including 149 Full-Time Permanent Employees employed by the Corning Museum of Glass and 30 Full-Time Permanent Employees employed by Corning Incorporated) at the Project Locations (Employment Increment of 5), provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to 25% of the grant (\$375,000) will be disbursed upon documentation of the employment of at least 184 Full-Time Permanent Employees (including 151 Full-Time Permanent Employees employed by the Corning Museum of Glass and 33 Full-Time Permanent Employees employed by Corning Incorporated) at the Project Locations (Employment Increment of 5), provided Grantee is otherwise in compliance with program requirements.

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

7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
8. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below

is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

Baseline Employment	169
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A	B
Reporting Date	Employment Goals
February 1, 2016	169+X+Y+Z
February 1, 2017	169+X+Y+Z
February 1, 2018	169+X+Y+Z

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=5, and Employment Goals shall equal [169 + X = 174] if the Disbursement is made, in the year such disbursement is made and for each year thereafter). If the 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 [169 + X + Y = 179] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.

Z = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Z=5, and Employment Goals shall equal [169 + X + Y + Z = 184] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Z=0.

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

The project was authorized in the 2013-2014 New York State budget and reappropriated in the 2014-2015 and 2015-2016 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Environmental Review

The City of Corning Planning and Zoning Commission, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on February 3, 2012. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

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

ESD's Non-discrimination & Contractor and Supplier Diversity policy will apply to the Project. CMOG shall be required to use good faith efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") participation goal of 26%, Minority Business Enterprise ("MBE") participation goal of 10% and a Women Business Enterprise ("WBE") participation goal of 16% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

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

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

#### VIII. Additional Submissions to Directors

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

April 16, 2015

Regional Council Award – Priority Project — Corning (Southern Tier Region – Steuben County) – Corning Museum of Glass 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 Corning Museum of Glass Capital -- Regional Council Capital Fund Capital Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to The Corning Museum of Glass a grant for a total amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver

any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

\* \* \*

April 16, 2015

Regional Council Award – Priority Project—Corning (Southern Tier Region –Steuben County) – Corning Museum of Glass 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 Corning Museum of Glass Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

FOR CONSIDERATION

April 16, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Hempstead (Long Island Region – Nassau County) – Hofstra University Labs Capital I & II – Regional Council Capital Fund (Capital Grants)

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: Hofstra University (“Hofstra” or the “University”)

ESD\* Investment: Two grants totaling up to \$2,000,000 to be used for a portion of the cost of construction, renovations and the purchase of machinery and equipment.

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

Project Location: Hofstra University, Adams Hall, Hempstead, Nassau County

Proposed Project: Expansion of Hofstra University’s School of Engineering and Applied Science to create new laboratories and classrooms focusing on Big Data and Robotics curriculum

Project Type: Business expansion involving job retention and creation

Regional Council: This is a priority project for the Long Island Region Economic Development Council (“LIREDC”). The project addresses LIREDC’s plan to transform Long Island’s economy through identifying skill gaps and

creating career pathways for various groups of individuals. Stuart Rabinowitz, President of Hofstra University, is Co- Chair of the 24 person LIREDC. In conformance with the State's policy, this individual has recused himself on votes recommending this project. The Council includes 7 additional, ex-officio members who are elected officials but cannot vote on individual project recommendations.

Employment: Initial employment at time of ESD Incentive Proposal: 1,773\*  
 Current employment level: 1,776  
 Minimum employment on January 1, 2016: 6\*\*  
 \* Full-time Permanent Employees at Hofstra University  
 \*\*New Full-time Permanent Employees at the School of Engineering and Applied Science

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Facility Renovation	\$3,000,000	
Equipment Acquisition	1,000,000	
Personnel and Start Up Costs	<u>1,000,000</u>	
 Total Project Costs	 <u>\$5,000,000</u>	
 <u>Financing Sources</u>	 <u>Amount</u>	
ESD-Grant	\$2,000,000	40%
Company Equity	<u>3,000,000</u>	<u>60%</u>
 Total Project Financing	 <u>\$5,000,000</u>	 <u>100%</u>

III. Project Description

A. Grantee

Industry: Higher education

Grantee History: Founded in 1935, Hofstra University is a private, nonsectarian, coeducational institution of higher learning located in Hempstead, Long Island. The University offers approximately 145 undergraduate and approximately 160 graduate programs of study. Hofstra University's Department of Engineering in the School of Engineering and Applied Science offers degree programs in biomedical, civil, electrical, industrial and mechanical engineering as well as degree programs in computer science.

Ownership: The University is a private educational institution.

**Size:** The University consists of 115 buildings located on a 240-acre campus. Approximately 1,150 faculty members work at the University with a total enrollment of approximately 11,000 students.

**Market:** Hofstra University’s School of Engineering and Applied Science is committed to educating students who wish to pursue careers in the fields of bioengineering, civil engineering, computer science, computer engineering, industrial engineering, and electrical engineering.

**ESD Involvement:** Long Island is in the midst of a severe shortage of trained professionals in the Science, Technology Engineering and Mathematics (“STEM”) fields, specifically in engineering and computer science. To address this, Hofstra committed to expanding and improving its bioengineering laboratory facilities. Given the importance of this project and the costs involved, Hofstra submitted a proposal under the Consolidated Funding Application (“CFA”) to assist with the purchase and installation of equipment for its Robotics, Automation and Advanced Manufacturing and Big Data laboratories. As a result of the Governor’s Regional Economic Development Council Initiative, Hofstra was awarded \$2,000,000 through the CFA to assist with this priority project.

**Competition:** N/A

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

<b>Program</b>	<b>Project #</b>	<b>Amount</b>	<b>Date Start (ESD Directors’ Approval date)</b>	<b>Date End (Project Completion: Contract Expiration or Job Requirement)</b>	<b>Purpose</b>
Community Enhancement Facilities Assistance Program	W205	\$12,500,000	May 2011	December 2015	Capital Grant
New York State Economic Development Assistance Program	W269	\$12,500,000	October 2009	June 2013	Capital Grant
Regional Council Capital Fund	X562	\$1,000,000	January 2014	December 2017	Capital Grant
Entrepreneurial Assistance Program	X145	\$73,500	August 2010	July 2011	Working Capital Grant
	X415	\$73,500	September 2011	September 2012	
	X844	\$99,593	November 2012	October 2013	
	Y529	\$74,207	November 2013	December 2014	
	Z219	\$88,000	May 2014	May 2015	

## B. The Project

Completion: February 2015

Activity: Hofstra will renovate and equip 21,400 square feet in an existing campus building creating new laboratories and classrooms. The renovated space will support the expansion of Hofstra University's School of Engineering and Applied Science including new laboratories and classrooms in emerging technologies in the areas of Big Data and Robotics. The Big Data laboratory contains powerful and highly sophisticated workstations and servers. The Robotics laboratory will address several new technologies such as artificial intelligence, robotics, and 3-D printing. The renovated space will be utilized both for teaching and research.

Results: Create 6 new jobs in the School of Engineering and Applied Science.

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 typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

- Fiscal benefits to NYS government from the project are estimated at \$385,944;
- Fiscal cost to NYS government is estimated at \$2,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.19:1;
- Fiscal benefits to all governments (state and local) are estimated at \$720,905;
- Fiscal cost to all governments is \$2,000,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.36:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$4,799,950;
- The economic benefit to cost ratio is 2.40:1;
- Project construction cost is \$3,000,000 which is expected to generate 21 direct job years and 14 indirect job years of employment;
- The payback period for NYS costs is not calculated.

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

Grantee Contact: Dr. Herman A. Berliner  
Provost and Senior Vice President for Academic Affairs  
200 West Library Wing  
Hempstead, NY 11549  
Phone: (516) 463-5402

ESD Project No.'s: Y834 & Y835

Project Team:	Origination	Barry Greenspan
	Project Management	Wilfredo Florentino
	Contractor & Supplier Diversity	Vikas Gera
	Finance	John Bozek
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$2,000,000 (\$20,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to closing/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. Prior to disbursement, the Grantee must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

5. Up to \$2,000,000 will be disbursed to the Grantee in two installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$1,000,000) upon completion of the project substantially as described in these materials, upon documentation of project costs totaling \$5,000,000 on Big Data and Robotics labs and classrooms, including \$3,000,000 in renovation expenses and \$1,000,000 in engineering lab equipment, documentation of the employment of at least 3 Full-time Permanent Employees at the School of Engineering and Applied Science (Employment Increment of 3), a Certificate of Occupancy or other documentation verifying project completion as ESD may require, and evidence that the School of Engineering and Applied Science has commenced a curriculum programs in Big Data and Robotics engineering studies, 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 (\$1,000,000) will be disbursed upon documentation of the employment of at least 6 Full-time Permanent Employees at the School of Engineering and Applied Science (Employment Increment of 3) and evidence that the School of Engineering and Applied Science continues to offer curriculum programs in Big Data and Robotics engineering studies provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after February 11, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2018.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

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

Baseline Employment	0
<b>A</b>	<b>B</b>
Reporting Date	Employment Goals
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=3, and Employment Goals shall equal  $[0 + X = 3]$  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=3, and Employment Goals shall equal  $[0 + X + Y = 6]$  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 and reappropriated in the 2014-2015 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Environmental Review

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

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The 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 40%. The overall goal shall include a Minority Business Enterprise Participation Goal of 25% and a Women Business Enterprise Participation Goal of 15% related to the total value of ESD's funding.

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

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

VIII. Additional Submissions to Directors

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

April 16, 2015

Regional Council Award – Priority Project - Hempstead (Long Island Region – Nassau County) – Hofstra University Labs Capital I & II – Regional Council Capital Fund – (Capital Grants) – 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 Hofstra University Labs Capital I & II -- Regional Council Capital Fund – (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 Hofstra University a grant for a total amount not to exceed two million Dollars (\$2,000,000) from the Regional Council Capital Fund – (Capital Grant) , 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, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project - Dexter (North Country Region – Jefferson County) – Watertown Airport Business Center Capital – Regional Council Capital Fund (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: Jefferson County (the “County”)

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

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

Project Location: Route 12F, Dexter, Jefferson County

Proposed Project: Construction of a 5,000-square-foot business center at the Watertown International Airport (“Airport”)

Project Type: Municipal facility construction

Regional Council: The project is consistent with the North Country Regional Economic Development Council’s (“NCREDC”) plan to support activity leading to new business development, tourism, transportation and improvement of the quality of life in North Country communities.

## II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction	\$1,072,000	
Design & Engineering	<u>128,000</u>	
Total Project Costs	<u>\$1,200,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$1,000,000	84%
Grantee Equity	<u>200,000</u>	<u>16%</u>
Total Project Financing	<u>\$1,200,000</u>	<u>100%</u>

## III. Project Description

### A. Grantee

Industry: Local Government

Grantee History: Jefferson County is in northern New York and borders the St. Lawrence River and Canada to the north and Lake Ontario to the west. Since 2006, Jefferson County has owned and operated the Airport located in the nearby Town of Dexter. The origins of the Airport go back to 1929 along with a terminal building that was constructed in 1948. Under a federal subsidy program for rural airports, American Eagle provides direct flights to the Philadelphia hub with airline connections nationwide.

Ownership: Municipality

Market: The Airport serves the greater Jefferson County area and competes with Canadian airports for air transportation business.

ESD Involvement: In an effort to modernize and expand the Watertown International Airport facility and buildings, the County sought ESD assistance to finance the Airport improvement project and further develop this regional asset. The County applied for funding assistance through the Consolidated Funding Application ("CFA") and was awarded \$1,000,000. Without the ESD funding assistance, the County would not have a modern or adequate facility suitable for current and future business users of air transportation. This important building construction project would not be possible without ESD assistance.

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

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
Regional Council Capital Fund	Y668	\$1,500,000	June 2014	December 2015	Capital Grant Airport hangar construction

**B. The Project**

Completion: December 2014

Activity: Jefferson County has planned, designed, and constructed a new 5,000-square-foot business center consisting of leasable commercial space, office space, conference and staff training rooms. The new facility provides a more extensive and modern facility for Airport business operations and new space for business use and traveler comfort. The new facility will also provide adequate and safe space for passengers to connect with local transportation.

Results: The new building is part of a larger plan to develop and expand Airport facilities and services for use by business travelers and to create adequate offices for Airport administrative operations. The project provides visitor comfort and safety as well as a regional economic development asset for the Watertown-North Country region. The earlier expansion of the Airport runway has led to use by larger planes with more regular and connecting flights, resulting in flight schedules which are more convenient for residents, business users, vacationers and Fort Drum visitors, soldiers and families.

**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 \$82,277;
- Fiscal cost to NYS government is estimated at \$1,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.08:1;
- Fiscal benefits to all governments (state and local) are estimated at \$138,806;
- Fiscal cost to all governments is \$1,000,000;
- The fiscal benefit to cost ratio for all governments is 0.14:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$398,621;
- The economic benefit to cost ratio is 0.70:1;
- Project construction cost is \$1,200,000, which is expected to generate 14 direct job years and eight indirect job years of employment;
- The payback period for NYS costs is 1 year.

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

Grantee Contact: Robert Hagemann  
County Administrator  
195 Arsenal Street  
Watertown NY 13601  
Phone: (315) 785-3075

ESD Project No.: Y164

Project Team:	Origination	John Vandelloo
	Project Management	John Vandelloo
	Contractor & Supplier Diversity	Denise Ross
	Finance	John Bozek
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$1,000,000 capital grant (\$10,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$1,000,000 will be disbursed in a lump sum to Grantee upon documentation of construction project costs totaling \$1,200,000, upon completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after April 22, 2013 to be considered eligible project costs. All disbursements must be requested by April 1, 2016.
5. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
  - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
  - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
  - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
  - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
  - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

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

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

#### V. Environmental Review

The County of Jefferson, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act

("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on November 12, 2012. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor Diversity policy will apply to the Project. The Company shall be required to use "good faith efforts" (pursuant to NYCRR § 142.8) 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 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 Photograph  
Project Finance Memorandum  
Benefit-Cost Analysis

April 16, 2015

Regional Council Award – Priority Project – Dexter (North Country Region – Jefferson County) – Watertown Airport Business 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 Watertown Airport Business 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 Designate 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 a grant to Jefferson County for a total amount not to exceed One Million Dollars (\$1,000,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

April 16, 2015

Regional Council Award – Priority Project – Dexter (North Country Region – Jefferson County) – Watertown Airport Business 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 Watertown Airport Business Center Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*



FOR CONSIDERATION

April 16, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Watertown (North Country Region – Jefferson County) – Watertown Wastewater Improvements 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: City of Watertown (the "City")

ESD\* Investment: A grant of up to \$500,000 to be used for a portion of the cost of construction/renovation and architectural/engineering.

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

Project Location: 700 William T. Field Drive, Watertown, Jefferson County

Proposed Project: Construction of wastewater disinfection facility improvements

Project Type: Municipal infrastructure improvements

Regional Council: The project is consistent with the North Country Regional Economic Development Council's "NCREDC") plan to support new and existing business development by upgrading infrastructure in North Country communities.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction	\$5,037,536	
Engineering	<u>333,000</u>	
Total Project Costs	<u>\$5,370,536</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$500,000	10%
City Equity	<u>4,870,536</u>	<u>90%</u>
Total Project Financing	<u>\$5,370,536</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: Local Government

Grantee History: Incorporated in 1872, the City of Watertown is in Jefferson County and is located 70 miles north of Syracuse and 30 miles south of Ontario, Canada. The City is in the Lake Ontario-St. Lawrence River-1000 Islands region of Upstate NY.

Ownership: Municipality

ESD Involvement: The City needed to upgrade its wastewater disinfection facility since the system was in need of repair and was inadequate for the needs of the growing City. The NCREDC established a specific infrastructure fund to assist North Country communities with municipal infrastructure projects. The City applied for funding assistance through the Consolidated Funding Application ("CFA") process and was awarded \$500,000 from the NCREDC. Without ESD assistance the infrastructure project would not be possible.

Past ESD Support: Since 2008, the City has received awards totaling \$5,556,147 for four projects. All projects have been successfully completed.

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

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Restore New York	V014	\$1,550,000	May 2008	December 2011	Franklin Building Renovation
Restore New York	W073	\$1,006,147	May 2008	December, 2011	Riverview Plaza Renovation
Restore New York	W847	\$2,500,000	July 2013	December 2016	Woolworth Building Renovation

**B. The Project**

**Completion:** December 2014

**Activity:** The City planned, designed and installed upgrades and improvements to its wastewater disinfection system. The project consists of a new disinfection facility at William T Field Drive in Watertown.

**Results:** The project provides for enhanced quality of life for the community with an improved wastewater system for health and safety and provides for future growth opportunities.

**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 \$350,072;
- Fiscal cost to NYS government is estimated at \$500,000
- Ratio of project fiscal benefits to costs to NYS government is 0.70:1;
- Fiscal benefits to all governments (state and local) are estimated at \$590,589;

- Fiscal cost to all governments is \$500,000;
- The fiscal benefit to cost ratio for all governments is 1.18:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$2,972,487;
- The economic benefit to cost ratio is 5.94:1;
- Project construction cost is \$5,370,536 which is expected to generate 61 direct job years and 24 indirect job years of employment;
- The payback period for NYS costs is 1 year.

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

Grantee Contact: Sharon Addison  
 245 Washington Street  
 Watertown NY 13601  
 Phone: (315) 785 7757

ESD Project No.: Y619

Project Team:	Origination	John Vandelloo
	Project Management	John Vandelloo
	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 \$500,000 capital grant (\$5,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will 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 after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$500,000 will be disbursed to Grantee upon documentation of project costs totaling \$5,370,536 and upon completion of the project substantially as described in these materials, as evidenced by attainment of certificate of completion, 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 September 4, 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 \$500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
  - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
  - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
  - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
  - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
  - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

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

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

#### V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination & Contractor, and Supplier Diversity policy will apply to the Project. The City shall be required to use good faith efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") participation goal of 23%, Minority Business Enterprise ("MBE") participation goal of 13% and a Women Business Enterprise ("WBE") participation goal of 10% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

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

April 16, 2015

Regional Council Award - Clayton (North Country Region – Jefferson County) – Watertown Wastewater Improvements 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 Watertown Wastewater Improvements – Regional Council Capital Fund Capital Project (Capital Project), ('the Project') the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer Designate 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 Designate 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 Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to City of Watertown a grant for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate 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 Designate 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 Designate 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, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Clayton (North Country Region – Jefferson County) – Clayton Pump Station Improvements 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: Village of Clayton (“Clayton “ or “the Village”)

ESD\* Investment: A grant of up to \$500,000 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: Riverside Drive, Village of Clayton, Jefferson County

Proposed Project: Installation of a new pump station and related sewer system improvements

Project Type: Municipal infrastructure improvements

Regional Council: The project is consistent with the North Country Regional Economic Development Council’s (“NCREDC”) plan to support new and existing business development by upgrading infrastructure in North Country communities.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction	\$4,010,000
Engineering	<u>602,000</u>
Total Project Costs	<u>\$4,612,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant	\$500,000	11%	
NYS Environmental Facilities Loan	3,142,000	70%	0%/30 yrs./first lien on RE
U.S. Dept. of Agriculture Grant	470,000	8%	
Village Equity	<u>500,000</u>	<u>11%</u>	
Total Project Financing	<u>\$4,612,000</u>	<u>100%</u>	

III. Project Description

A. Grantee

Industry: Local Government

Grantee History: Incorporated in 1872, the Village of Clayton has a population of approximately 2,000 residents and is located in Jefferson County. The Village has seasonal activity from tourism and outdoor recreation. The Village is in the Lake Ontario-St. Lawrence River-1000 Islands region of Upstate NY.

Ownership: Municipality

ESD Involvement: The Village needed to upgrade its wastewater pump and pipes since the aged system was in need of repair and was inadequate for future growth. Additionally the aged system could not support the growing needs of the Village of Clayton. The NCREDC established a specific infrastructure fund to assist North Country communities with municipal infrastructure projects. The Village applied for funding assistance through the Consolidated Funding Application ("CFA") process and was awarded \$500,000 from the NCREDC. Without ESD assistance the infrastructure project would not be possible.

Past ESD Support: Since 2007, Clayton has received awards totaling \$1,478,354 for two projects.

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

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Restore New York	W820	\$1,203,354	January 2010	December 2011	Clayton Riverwalk construction

B. The Project

Completion: December 2014

Activity: The Village planned, designed and installed upgrades and improvements to its wastewater system. The project consisted of a new pump station with a stand by generator and replacement of the main sewer line at Riverside Drive in downtown Clayton.

Results: The project provides for enhanced quality of life for the community with an improved wastewater system for health and safety and provides for future business growth and job creation.

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 \$308,587;
- Fiscal cost to NYS government is estimated at \$500,000;
- Ratio of project fiscal benefits to costs to NYS government is 062:1;
- Fiscal benefits to all governments (state and local) are estimated at \$520,602;
- Fiscal cost to all governments is \$500,000;

- The ratio of fiscal benefit to cost ratio for all governments is 1.04:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$2,620,235;
- The economic benefit to cost ratio is 5.24:1;
- Project construction cost is \$4,612,000 which is expected to generate 53 direct job years and 21 indirect job years of employment;
- The payback period for NYS costs is 1 year.

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

Grantee Contact: Norma Zimmer, Mayor  
425 Mary Street  
Clayton NY 13624  
Phone: (315) 686-5552

ESD Project No.: Y632

Project Team:	Origination	Rosemary Redmond
	Project Management	John Vandeloo
	Contractor & Supplier Diversity	Denise Ross
	Finance	John Bozek
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$500,000 capital grant (\$5,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will 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 after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$500,000 will be disbursed to Grantee in a lump sum upon documentation of project costs totaling \$4,612,000, upon completion of the project substantially as described in these materials, as evidenced by attainment of certificate of completion,

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 23, 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 \$500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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

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

#### V. Environmental Review

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

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

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

#### VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

Benefit-Cost Analysis

April 16, 2015

Regional Council Award - Clayton (North Country Region – Jefferson County) – Clayton Pump Station Improvements 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 Clayton Pump Station Improvements – 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 Designate 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 Designate 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 Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Village of Clayton a grant for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate 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 Designate 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 Designate 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, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Henrietta (Finger Lakes Region – Monroe County) – Rochester Institute of Technology Dry Room Capital – Economic Development Purposes 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: Rochester Institute of Technology ("RIT")

ESD\* Investment: A grant of up to \$400,000 to be used for a portion of the cost of construction and the purchase of machinery and equipment.

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

Project Location: One Lomb Memorial Drive, Henrietta, Monroe County

Proposed Project: Construct and equip a low humidity "dry room" for development of new battery prototypes.

Project Type: University-industry partnership

Regional Council: The project is consistent with the Finger Lakes Regional Economic Development Council's ("FLREDC") Plan to support a battery and energy storage technology cluster at the Eastman Business Park ("EBP"). Development of EBP is designated as FLREDC's single highest priority

project. It is noted that the original award was made to a battery technology company named NOHMs to enable them to move to EBP. NOHMs subsequently designated RIT as a subcontractor for the dry room component. However, in 2014, the award was formally split among NOHMs and RIT, and separate incentive proposals were issued.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Dry Room and Related Construction/Installation	\$701,447	
Dry Room and Battery Production Equipment	<u>590,943</u>	
Total Project Costs	<u>\$1,292,390</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$400,000	31%
NYSERDA-Grant (sub-award via NY-BEST)*	730,000	56%
Grantee Equity	<u>162,390</u>	<u>13%</u>
Total Project Financing	<u>\$1,292,390</u>	<u>100%</u>

\* NYSERDA = New York State Energy Research and Development Authority;  
 NY-BEST = New York Battery and Energy Storage Technology Consortium, Inc.

III. Project Description

A. Organization

Industry: Higher education

Grantee History: Founded in 1829, RIT is a privately endowed, coeducational university with nine colleges emphasizing career education and experiential learning. RIT has the fourth-oldest and one of the largest cooperative education programs in the world, annually placing more than 4,100 students in more than 6,100 co-op assignments with more than 2,100 employers across the United States and overseas.

Ownership: The Grantee is a private university.

Size: RIT has approximately 15,000 undergraduate and 3,000 graduate students. The campus occupies 1,300 acres in suburban Rochester. RIT also has international campuses in Eastern Europe and Dubai.

**ESD Involvement:** In 2012, ESD provided incentives for the NY-BEST to locate in New York State. Comprised of over 120 members representing all facets of the energy storage industries, NY-BEST set up operations at EBP. RIT partnered with NY-BEST and with NYSERDA to establish a dry room where battery prototypes can be developed and produced to help emerging companies in this growing market. The prototypes would be further refined and tested at NY-BEST's EBP facility as part of the commercialization process. In 2012, through Round 2 of the Regional Economic Development Council Consolidated Funding Application ("CFA") process, an award was made to NOHMs, a battery technology company relocating to EBP. NOHMs subsequently designated RIT as a subcontractor for the dry room component. However, due to different timelines, the award was formally split among NOHMs and RIT, and separate incentive proposals ("IP") were issued. Under its IP, RIT was awarded a \$400,000 grant to fill a financing gap that allowed the project to move forward. RIT also obtained NYSERDA funds of \$730,000 as part of a sub-award from NY-BEST to RIT. ESD's and NYSERDA's assistance were critical to the project.

**Competition:** N/A

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

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Economic Development Purposes Fund	Y455	\$100,000	June 27, 2013	2015 completion; \$97,218 disbursed	Working capital for Path Through History tourism initiative

**B. The Project**

**Completion:** March 2015

**Activity:** RIT has renovated and equipped a 2,000-square-foot laboratory on the 4<sup>th</sup> floor of Institute Hall as the Battery Prototyping Center (the "Center"). This laboratory includes a 1,000-square-foot dry room that keeps moisture below a -40 °C dew point and relative humidity below 0.5%. Equipment includes seven machines that operate as a lithium ion battery prototyping and pilot production line for pouch cell (phone size) batteries. The other 1,000 square feet will be used for research and initial testing related to the prototyping process. Equipment purchased includes a pouch cell blister formation machine, two electrode punching machines, a Z-fold stacking machine, an ultrasonic welder, trim cutter,

pouch sealing machines, electrolyte filling/degassing machines, formation cyclers, environmental chamber, and vacuum drying ovens.

**Results:** RIT's Center supports the battery prototyping needs of over 120 active members of the NY-BEST consortium, and future customer demand for the production of new battery and energy storage devices. The Center is strategically located on the RIT campus to maintain access to RIT's facilities and expertise.

#### Economic Growth

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

- Fiscal benefits to NYS government from the project are estimated at \$43,004;
- Fiscal cost to NYS government is estimated at \$400,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.11:1;
- Fiscal benefits to all governments (state and local) are estimated at \$75,318;
- Fiscal cost to all governments is \$400,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.19:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$561,945;
- The economic benefit to cost ratio is 1.40:1;
- Project construction cost is \$701,447 which is expected to generate six direct job years and four indirect job years of employment;
- The payback period for NYS costs is not calculated.

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

**Grantee Contact:** Dr. Ryne P. Raffaele, Vice President for Research & Assistant Provost  
One Lomb Memorial Drive  
Rochester, NY 146231  
Phone: (585) 475-2053

ESD Project No.: Z465

Project Team:	Origination	Kevin Hurley
	Project Management	Edward Muszynski
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$400,000 capital grant (\$4,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after ESD's announcement of the project. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$400,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and documentation of construction and machinery/equipment project costs totaling approximately \$1,292,390, 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 17, 2013, the date of the original IP issued to NOHMs, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$400,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Economic Development Purposes Fund

The project was authorized in the 2013-2014 New York State budget and reappropriated in the 2014-2015 and 2015-2016 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

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

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, 2015

Regional Council Award - Henrietta (Finger Lakes Region – Monroe County) – Rochester Institute of Technology Dry Room 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 Rochester Institute of Technology Dry Room 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

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 Designate 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 Designate 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 Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Rochester Institute of Technology a grant for a total amount not to exceed Four Hundred Thousand Dollars (\$400,000) 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 Designate 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 Designate 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 Designate 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, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Market NY Grant Program – Regional Tourism Marketing Competition – Market New York Program (Working Capital Grant)

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

I. Project Summary

Schedule	Project #	Grantee	Project Name	Grant Amount
A	Z146	The Geva Theatre Center	Historic Armory Front Center Campaign Working Capital	\$25,000

ESD\* Investment: Up to a total of \$25,000 of \$10,000,000 in Market NY Regional Tourism grant assistance to be used for tourism marketing throughout various regions of New York State

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

Project Locations: Statewide - See Schedule A attached

Proposed Projects: See Schedule A attached

Regional Council: Each respective Regional Economic Development Council has been made aware of, and has endorsed, the relevant proposed projects.

Anticipated Appropriation

Source(s): Market New York Program

II. Project Cost and Financing Sources

See Schedule A attached.

III. Project Description

A. Background

Round 3 of the Regional Council Consolidating Funding Application included, up to \$10 million for *Market NY*, a program that will support regionally themed New York focused projects. *Market NY* will help to bolster tourism growth by promoting tourism destinations, attractions, and special events. Additionally, Market New York will support capital grant funding for tourism facilities in New York. The Market New York program and each funded proposal will work to support the Regional Council’s long term strategic plans for economic growth in the regions, as well as to attract visitors to New York State.

Funding is available for projects intended to create or retain jobs and/or increase tourism in a community or region. Grant funding will be allocated among the ten regions, each represented by a Regional Council, based on each Regional Council’s development and implementation of a five-year strategic plan that sets out a comprehensive vision for economic development and specific strategies to implement that vision. Funding will be allocated to projects, including priority projects identified by the regional councils, identified as significant, regionally supported and capable of stimulating economic investment through attraction of tourists to the dedicated area.

B. The Project

ESD will make available a total of \$25,000 to fund one (1) Regional Marketing Tourism project. The grantee has identified and prioritized Regional Marketing Tourism a project that supports the Regional Economic Development Council’s strategic plans for tourism and will coordinate with New York State’s “I LOVE NEW YORK” tourism division to maximize the overall program impact statewide. The Market NY Grantee will carry out its Regional Marketing Tourism projects as described in the individual project descriptions as set forth in Schedule A attached.

ESD Project No’s.: See Table Above

Project Team:	Project Management	See schedule A attached
	Contractor & Supplier Diversity	Vikas Gera
	Environmental	Soo Kang

C. Financial Terms and Conditions

ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$25,000 collectively for these projects, if ESD determines that reallocation of the

assistance would better serve the needs of the Grantees 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 – Market New York Program

The project was authorized in the 2014-2015 New York State budget and reappropriated in the 2015-2016 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

Unless otherwise noted on a project summary attached as Schedule A, ESD staff has determined that the projects described in Schedule A either constitute Type II actions or do not constitute actions 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 projects.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination and Contractor Diversity policies will apply to the projects. Each Grantee shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal, each project has been assigned an individual goal by the Office of Contractor & Supplier Diversity based on the elements of the individual project and 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 these projects 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. Requested Actions

The Directors are requested to: (1) make the findings and determination required by Section 10(g) of the UDC Act; and (2) authorize the making of the grants which are the subject of these materials.

X. Recommendation

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

XI. Additional Submissions to Directors

Resolutions  
Schedule A (A)

April 16, 2015

Statewide – Market NY Grant Program – Regional Tourism Marketing Competition –  
Market New York (Working Capital Grant) – Findings and Determinations Pursuant to  
Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Market NY Grant Program- Regional Tourism Marketing Competition (the “Project”) – Market New York Program and Economic Development Purposes Fund (Working Capital Grants), 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 areas of the Projects; and be it further

RESOLVED, that the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant for up to a total amount not to exceed (\$25,000) from the Market New York 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 Designate 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 Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized, subsequent to the making of the grants, 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 Designate 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. Historic Armory Front Center Campaign Working Capital (Z146)**

April 16, 2015

- Grantee:** The Geva Theatre Center (“GTC” or the “Organization”)
- ESD Investment:** A grant of up to \$25,000 to be used for regional tourism marketing.
- Project Location:** Monroe County
- Proposed Project:** Creation and implementation of a marketing plan that focuses on attracting an increased audience to the GTC and the surrounding area
- Regional Council:** The Finger Lakes Regional Economic Development Council has been made aware of this project. The Incentive Offer was accepted in December 2014. The project is consistent with the Regional Plan to promote tourism.

**Background:**

Organization History – The Geva Theatre Center is an organization that has a mission to create and produce professional theatre productions, programs and services of a national standard. GTC has approximately 10,000 season ticket holders, more than any other performing arts, entertainment or sporting venue in Rochester. GTC is located in an historic building, over 140 years old, steeped in local and regional history.

Ownership – The Geva Theatre Center is a not-for-profit organization.

ESD Involvement – A \$25,000 grant from the Market NY Grant Program.

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

Program	Project #	Amount	Date Start (ESD Director’s Approval Date)	Date End (Project Completion Contract Expiration)	Purpose
Regional Council Capital Fund	Y221	\$100,000	July 18,2013	August 2014	Capital grant for facility improvements

**The Project:**

Completion date – July 2015

Activity – The Organization will create and initiate a marketing plan to promote and brand the GTC and its productions, as well as promoting the surrounding area as a tourism and arts destination.

Results – The GTC seeks to increase its audience and supporters, as well as to use the Organization’s increased visibility in the Finger Lakes Region to expand the tourism economy, and attract new visitors and residents who seek cultural enrichment.

**Historic Armory Front Center Campaign Working Capital (Z146)**

April 16, 2015

<b>Financing Uses</b>	<b>Amount</b>	<b>Financing Sources</b>	<b>Amount</b>	<b>Percent</b>
Multi-media Advertising	\$25,000	ESD Grant	\$25,000	100%
Total Project Costs	\$25,000	Total Project Financing	\$25,000	100%

**Grantee Contact:** Thomas Parrish, Executive Director  
The Geva Theatre Center  
75 Woodbury Boulevard  
Rochester, NY 114607  
Phone: (585) 420-2036

**Project Team:** Project Management Kelly Rabideau-Baquerizo  
Contractor & Supplier Diversity Vikas Gera  
Environmental Soo Kang

**Financial Terms and Conditions:**

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
2. Up to \$25,000 will be disbursed to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 11, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2017.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$25,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors

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

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

**Historic Armory Front Center Campaign Working Capital (Z146)**

April 16, 2015

**Statutory Basis – Market New York Program:**

The project was authorized in the 2014-2015 New York State budget and reappropriated in the 2015-2016 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 Grant Recipient has provided ESD with the required Disclosure and Accountability Certifications. Grant Recipient's certifications indicate that Grant Recipient has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grant Recipient as described in these materials.

FOR CONSIDERATION

April 16, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Non-Discretionary Projects

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

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

	Project Name	Proj #	Grantee	Assistance up to
	<b>Special Appropriation Nano Utica (Executive )</b>			
A	Fort Schuyler Management Corporation – Quad C Phase 1B Capital	Y729	Fort Schuyler Management Corporation	\$180,000,000
	<b>Local Assistance (Senate)</b>			
B	SCIDA – Finger Lakes Technologies Capital	Y041	Seneca County Industrial Development Agency	300,000
	<b>TOTAL NON-DISCRETIONARY – 2 PROJECTS</b>		<b>TOTAL</b>	<b>\$180,300,000</b>

I. Statutory Basis

The project was sponsored by the Executive, Assembly or Senate, and was authorized or reappropriated in the 2015-2016 New York State budget. No residential relocation is required as there are no families or individuals residing on the site(s).

## II. Environmental Review

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

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

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

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

## IV. ESD Employment Enforcement Policy

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

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

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

## VI. Additional Requirements

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

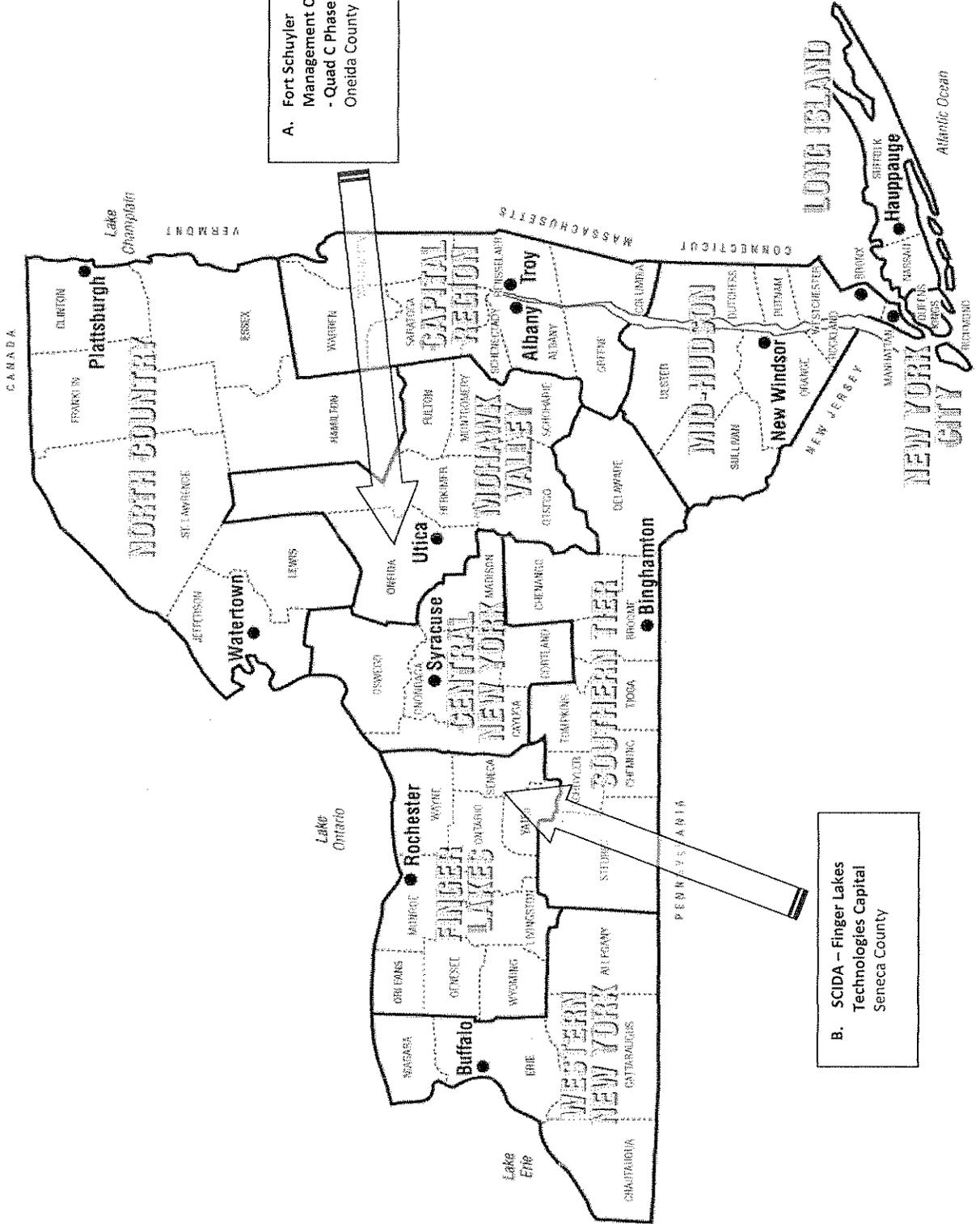
Due diligence has been exercised by ESD staff in reviewing information and documentation received from grantees/borrowers and other sources, in preparation for bringing projects to the ESD Directors for approval. The due diligence process also involves coordination with a number of external constituents,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

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

VII. Additional Submissions to Directors

New York State Map  
Resolutions  
Project Summary

Non-Discretionary Project Map



A. Fort Schuyler  
Management Corporation  
- Quad C Phase 1B Capital  
Oneida County

B. SCIDA - Finger Lakes  
Technologies Capital  
Seneca County

April 16, 2015

Nano Utica - Findings and Determinations Pursuant to Section 10 (g) of the Act;  
Authorization to Adopt the Proposed General Project Plan; Authorization to Make  
Grants and to Take Related Actions

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

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

Nano Utica – Executive - Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	Fort Schuyler Management Corporation – Quad C Phase 1B Capital	Y729	Fort Schuyler Management Corporation	\$180,000,000
			<b>TOTAL</b>	<b>\$180,000,000</b>

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

\* \* \*

April 16, 2015

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

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

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

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

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

Local Assistance – Senate – Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
	<b>Local Assistance</b>			
B	SCIDA – Finger Lakes Technologies Capital	Y041	Seneca County Industrial Development Agency	300,000
			<b>TOTAL</b>	<b>\$300,000</b>

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

\* \* \*



**A. Fort Schuyler Management Corporation - Quad C Phase 1B Capital (Y729)**

April 16, 2014

General Project Plan

- Grantee:** Fort Schuyler Management Corporation ("FSMC" or the "Grantee")
- ESD Investment:** A grant of up to \$180,000,000 to be used for a portion of the cost to purchase and install new advanced technology semiconductor packaging equipment and construction of the Computer Chip Commercialization Center ("Quad C") at the State University of New York Institute of Technology ("SUNYIT") campus in Marcy, Oneida County and fit-out and tooling for prospective tenant(s) at the Quad C.
- Project Location:** 100 Seymour Road, Marcy, Oneida County
- Proposed Project:** Purchase and install new advanced technology semiconductor packaging equipment and construct the Quad C, a 253,000-square-foot facility containing flex space including clean rooms, laboratories, offices, lecture center and related utilities and fit-out and tooling for prospective tenant(s) at the Quad C.
- Project Type:** Advanced technology semiconductor manufacturing, packaging and research and development
- Regional Council:** The Mohawk Valley Regional Council has been made aware of this item. The project is consistent with the Regional Plan to build a diverse, integrated and dynamic economy that leverages technology and innovation.

**Background:**

Industry - Real Estate Development

Grantee History - Authorized by Chapter 530 of the Laws of 2010, the Fort Schuyler Management Corporation was formed as an affiliated corporation of the State University of New York. FSMC was allowed to procure a ground lease from SUNYIT that led to the existing public private partnership with the College of Nanoscale Science and Engineering ("CNSE"). Through this partnership, FSMC is authorized to purchase, construct, develop and manage facilities co-located with the SUNYIT educational campus at the SUNYIT Marcy Technology Complex as well as ground sub-lease the property west of Edic Road constituting the Marcy Nanocenter project to Mohawk Valley Economic Development Growth Enterprises ("EDGE") to attract nanomanufacturing operations by a commercial partner.

**Fort Schuyler Management Corporation - Quad C Phase 1B Capital (Y729)**

April 16, 2015

Ownership - Fort Schuyler Management Corporation is a 501 (c) 3 not-for-profit organization.

Market - Worldwide nanotechnology and semiconductor industries

ESD Involvement – A \$180,000,000 appropriation was included in the FY 2014-2015 New York State budget.

Competition - Worldwide

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

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
Local Assistance	V062	\$2,250,000	October 22, 2009 (\$4M was originally awarded to EDGE on May 17,2007)	May 5, 2011	Working Capital Grant – Advanced rent payment to FSMC for the 15-year ground lease of the Marcy Nanocenter site by EDGE.
New York State Economic Development Assistance Program	W277	\$1,300,000	November 19, 2009 (\$10M was originally awarded to EDGE on September 19, 2008)	March 31, 2013	Capital Grant – \$1.3 M for design and construction of the 300mm wafer clean room for the Quad C.
Economic Transformation Program	X812	\$15,000,000	November 18, 2013	December 31, 2014	Capital Grant – Construction of the first phase of Quad C.
State and Municipal Facilities Program	Y728	\$20,000,000	January 16, 2014	December 31, 2021	Capital Grant – Construction of the first phase of Quad C.

**Fort Schuyler Management Corporation - Quad C Phase 1B Capital (Y729)**  
 April 16, 2015

**The Project:**

Completion - December 2015

Activity - In November 2013, the ESD Directors approved \$15 million towards the construction of the building envelope and non-clean room areas of the Quad C ("Phase 1A"), a 253,000-square-foot facility that will contain flex space, clean rooms, laboratories, offices, a lecture center and related utilities. Phase 1A, approximately \$51.9M, started in June 2013 and was completed in December 2014.

This project scope, Phase 1B, involves continued construction of the non-clean room areas and the construction of the remainder of the building envelope of the state-of-the-art Quad C that will house over 50,000 square feet of Class 1,000 and Class 10,000 adaptive cleanroom, integrated utility and mechanical systems, 4,000 square feet of advanced labs, a 75 seat state-of-the-art SMART tiered lecture auditorium, over 40,000 square feet of offices, collaborative academic lecture, laboratories, integrated offices, atrium lobby, and corporate meeting space to be owned and operated by FSMC on behalf of the CNSE & SUNYIT partnership.

Phase 1B also includes the purchase and installation of new advanced technology semiconductor packaging equipment. The equipment and tooling include standard metallization, etch, patterning equipment, as well as wafer thinning and die/wafer bonding and tooling for dicing, over-and-under mold, joining to laminates, wire bond and test.

Results - Quad C will enable the attraction of high tech partners seeking to integrate and commercialize advanced technology devices and products, in partnership with global computer chip equipment, material, and chemical suppliers and contractors. Quad C will serve as a magnet to attract global computer chip equipment, material, and chemical suppliers and contractors to Upstate New York. It will also serve as one of the newest models in corporate partnerships with academic research that is resulting in strong workforce and economic development efforts throughout New York State.

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction/Renovation	\$52,616,000	ESD Grant (Y729)	\$42,600,000	58%
Infrastructure/Site Work	1,104,000	ESD Grant (Z054)	3,100,000	4%
Furniture, Fixtures & Equipment	4,393,000	ESD Grant (Y728)*	20,000,000	28%
Construction Management	14,887,000	Grantee Equity	7,300,000	10%
<b>Total Project Costs</b>	<b>\$73,000,000</b>	<b>Total Project Financing</b>	<b>\$73,000,000</b>	<b>100%</b>

\* Approved by the Directors on January 16, 2014

**Fort Schuyler Management Corporation - Quad C Phase 1B Capital (Y729)**  
April 16, 2015

Grantee Contact - Scott Bateman  
100 Seymour Road  
Utica, NY 13502  
Phone: (315) 792-7306

<u>Project Team</u> -	Project Management	Glendon McLeary
	Contractor & Supplier Diversity	Denise Ross
	Design & Construction	Scott Renzi
	Environmental	Soo Kang

**Financial Terms and Conditions:**

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$180,000,000 will be disbursed to the Grantee as follows:

Up to \$20,000,000 will be disbursed in a lump sum advance to Grantee upon receipt of the executed Grant Disbursement Agreement and such documentation as ESD may reasonably require, assuming all project approvals have been completed and funds are available, and provided the Grantee is otherwise in compliance with Design and Construction ("D&C") requirements and the terms and conditions of this Agreement. Payment will be made upon presentation to ESD of a Payment Requisition, in the form attached to this Agreement as Exhibit F. Subsequent advances will be made upon submission of such documentation as ESD may reasonably require, assuming all project approvals have been completed and funds are available. Expenses paid with the advance must be incurred on or after April 1, 2014 to be considered eligible project costs.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$180,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

**Fort Schuyler Management Corporation - Quad C Phase 1B Capital (Y729)**

April 16, 2015

**Design and Construction:**

The Design and Construction Department (“D&C”) will review the plans and cost estimates for conformity to the scope of work. D&C will inspect the work and will approve and recommend payment of invoices based upon the inspections.

**Environmental Review:**

Pursuant to the State Environmental Quality Review Act (“SEQRA”), Article 8 of the Environmental Conservation Law and its implementing regulations (6 NYCRR Part 617), and in connection with the approval of funding for the proposed project, the Directors made a Determination of No Significant Effect on the Environment at their meeting of November 18, 2013. This determination addressed all aspects of the proposed project. Therefore, no further environmental review is required in connection with this action.

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

ESD’s Non-discrimination & Contractor and Supplier Diversity policy will apply to the Project. The Grantee shall be required to use good faith efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise (“MWBE”) participation goal of 30%, 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 and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project

**Statutory Basis – Special Appropriations Nano Utica:**

The project was authorized in the 2014-2015 New York State budget and reappropriated in the 2015-2016 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. SCIDA – Finger Lakes Technologies Capital (Y041)**

April 16, 2015

General Project Plan

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

**Beneficiary Company:** Finger Lakes Technologies Real Estate Holdings, LLC

**ESD Investment:** A grant of up to \$300,000 to be used for a portion of the cost of building renovations, infrastructure upgrades and equipment.

**Project Location:** Former Seneca Army Depot, Varick, Seneca County

**Proposed Project:** Building renovations and infrastructure upgrades

**Project Type:** Infrastructure upgrades at the former Army Depot

**Regional Council:** The Finger Lakes Regional Economic Development Council has been made aware of this item.

**Background:**

Industry – The Grantee is an economic development organization. The Beneficiary Company serves the telecommunications/data storage sector.

Organizational History – The Seneca County Industrial Development Agency was created by State legislation in 1973. SCIDA's mission is to promote economic development in Seneca County.

Finger Lakes Technologies Real Estate Holdings, LLC is the real estate arm of Finger Lakes Technologies Group ("FLTG"), an affiliate of The Ontario & Trumansburg Telephone Companies ("OTTC") and a Cisco premier certified partner. OTTC has operated for over 100 years. FLTG was formed in 1996.

Ownership – SCIDA is a public benefit corporation. FLTG is privately owned.

Size – FLTG and its affiliates have eight offices in Upstate New York.

Market – FLTG's parent, OTTC, is a telecommunications company providing a full range of telecom services to over 15,000 residential and business customers. FLTG specializes in high-speed broadband and secure data storage and backup.

ESD Involvement - A \$300,000 appropriation was included in the FY 2014-2015 New

**SCIDA – Finger Lakes Technologies Capital (Y041)**

April 16, 2015

York State budget.

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

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Local Assistance	V116	\$22,800	August 18, 2010	Disbursed May 12, 2011	Working Capital – feasibility study.
	X551	\$125,000	February 16, 2012	Disbursement in process	Capital improvements at former Seneca Army Depot ("Depot")
	Y546	\$600,000	August 22, 2013	Disbursed April 9, 2014	Capital improvements at Depot

**The Project:**

Completion – December 2015

Activity – The project will increase electrical power inside the secure data-storage bunkers to address FLTG's power needs as it grows its customer base. The project also involves repair of existing, unpredictable power lines. FLTG will purchase equipment for power backup and to insure customer data security.

Results – The project began in February 2014 and will be completed by the end of 2015. The project will allow FLTG to expand its facility's capacity, meet increasing customer demand and maintain 18 jobs including retaining two jobs that would have been lost.

Financing Uses	Amount	Financing Sources	Amount	Percent
Building Renovations, Electrical Infrastructure Upgrades and Equipment	\$300,000	ESD Grant	\$300,000	100%
Total Project Costs	\$300,000	Total Project Financing	\$300,000	100%

**SCIDA – Finger Lakes Technologies Capital (Y041)**

April 16, 2015

Grantee Contact - Pat Jones, Deputy Director  
One DiPronio Drive  
Waterloo, NY 13165  
Phone: (315) 539-1725

Beneficiary Contact - Sean Socha, Chief Financial Officer  
4902 McGrane Road  
Romulus, NY 14541  
(585) 433-6666

<u>Project Team</u> -	Project Management	Edward Muszynski
	Contractor & Supplier Diversity	Vikas Gera
	Environmental	Soo Kang

**Financial Terms and Conditions:**

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee and Beneficiary will be obligated to advise ESD of any materially adverse changes in their financial conditions prior to disbursement.
3. Up to \$300,000 will be disbursed to Grantee in a lump sum upon documentation of building renovations and infrastructure project costs totaling \$300,000 and completion of the project substantially as described in these materials, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must have been incurred after April 1, 2014, the date that the New York State budget, in which the project is authorized, was passed.
4. 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 Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The 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

**SCIDA – Finger Lakes Technologies Capital (Y041)**

April 16, 2015

Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of ESD's funding.

**Statutory Basis – Local Assistance:**

The project is authorized in the 2014-2015 New York State budget and reappropriated in the 2015-2016 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, 2015

TO: The Directors

FROM: Howard Zemsky

SUBJECT: New York State Innovation Venture Capital Fund (NYSIVCF)

REQUEST FOR: Authorization of an investment of NYSIVCF funds in Paper Battery Company

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Project Summary

Awardees: Paper Battery Company (the "Company")

Amount: Up to \$600,000 in Preferred Equity

Project Location: Troy, NY

Anticipated  
Funding Source: The liquid assets held by ESD for NYSIVCF.

ESD Project No.: Z939

Project Team:	Origination	Brian Keil
	Project Management	Brian Keil
	Legal	Richard Dorado
	Contractor & Supplier Diversity	Vikas Gera
	Environmental	Soo Kang

Background

Pursuant to the Authorizing Legislation, the New York State Innovation Venture Capital Fund may invest up to \$50 million in eligible seed and early stage small businesses located in, or that in writing agree to be located in, New York State that (i) have the potential to generate additional economic activity in the State and (ii) are working in an emerging technology fields or are achieving, or have the potential to achieve, technological advances, innovation, transformation or development. The target portfolio companies demonstrate a potential for

substantial growth and job development, and have the potential to generate additional economic activity in the State.

NYSIVCF also provides funding for the Technology Commercialization fund of funds supporting the pre-seed investment opportunities throughout the State. The NYSIVCF is part of a larger equity investment strategy that includes the Innovate NY Fund, a \$45 million fund of funds that invests in seed stage equity opportunities.

#### Past State Support for Paper Battery Co.

To date, the only government monies that Paper Battery has received is \$1.8M in grant funding from NYSERDA. The company is also in conversations with Rensselaer Polytechnic Institute (RPI) to apply for Start-up NY program qualification.

#### Project Status

The Paper Battery Company, headquartered in the Troy, NY area, is a developer and manufacturer of electronic components (super-capacitors) that address key pain points for battery run-time and form factor in mobile devices, consumer electronics and server boards. The company was started in 2009 as a technology spinout from Rensselaer Polytechnic Institute. Paper Battery uses proprietary materials processing techniques to deliver the industry's thinnest super-capacitor devices with high energy and power density. The Company possesses a strong portfolio of patents (and trade secrets hard to reverse engineer) on materials and applications.

The unique form factor and performance characteristics of Paper Battery's super-capacitors allow them to be configured to meet a wide range of energy storage requirements either in combination with a battery or as a replacement. The result is an energy storage solution that delivers peak power pulses where required, reducing battery peak draw and allowing more efficient energy storage.

The company had developed two product lines to target different types of applications in the marketplace:

- **PowerResponder** for battery replacement or complement applications where fast charging with moderate energy storage are the priority
- **PowerWrapper** for battery complement and capacitor replacement applications where peak power, extending battery run-time and reducing components are the main priority

The Company's target markets include smartphones, mobile computing devices, wearables and various other consumer electronics where its products are used to extend battery life, enhance product designs and improve overall device performance. Paper Battery's PowerResponder product is also recognized as a unique solution to reduce component costs and manage strategic energy needs onboard the next generation of computer servers being deployed at corporate data centers.

To build out the management team the CEO, an experienced entrepreneur himself, has brought aboard a VP of Engineering to scale manufacturing and an Applications Director to work with customers to develop products and identify market opportunities.

Evaluation samples of both product lines are being shipped to leading electronics OEM companies for testing and qualification. The PowerResponder product line is in the final stages of the qualification process with design wins nearing completion. Production of the PowerResponder will be scaled up through contract manufacturer relationships.

In order to fund its activities over the next 12 months, the Company is raising \$2.5M in Preferred Equity. The NYSIVCF will invest up to \$0.6M into the round with the balance being provided by private sector investors.

As part of the due diligence process, NYSIVCF staff and an external Investment Review Committee (IRC) evaluated the Company's business plan, growth prospects as well as the terms of the investment. As a result of that analysis, NYSIVCF and the IRC both agree that the growth potential offered by this upstate New York company warrants an investment by the Fund and recommend its approval.

#### Statutory Basis

In order to attract private sector investment in new research, translate research into marketable products, strengthen university/industry connections, and prepare New York businesses to compete for private-sector venture investment, Laws of New York 2013 Chapter 59 Part JJ (the "Authorizing Legislation") authorized the New York State Urban Development Corporation d/b/a Empire State Development ("ESD" or the "Corporation") to establish and administer the New York State Innovation Venture Capital Fund (the "Fund") in order to provide critical seed-stage and early-stage funding to incentivize new business formation and growth in the State of New York and facilitate the transition from ideas and research to marketable products.

#### 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 ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the authorization.

#### 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 or required.

Additional Submissions to Directors

Schedule A – Summary of Description of Paper Battery Co..

Schedule B – Summary of the Investment Terms

April 16, 2015

New York State Innovation Venture Capital Fund - Authorization of an investment of NYSIVCF funds in Paper Battery Company.

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials"), relating to the New York State Innovation Venture Capital Fund (the "Fund"), the Corporation is authorized to make an investment, in an amount not to exceed \$600,000, in Paper Battery Company (the "Company") and to enter into agreements and related documentation with the Company and the investment entities named in the Materials in order to effect such investment; 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 investment, and each of them hereby is, authorized to take such actions, including modifying the terms of the investment and entering into additional agreements with the Company and others, as he or she may deem necessary or appropriate in the administration of the Corporation's investments in the Company; and be it further

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

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

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**Schedule A**  
**New York State Innovation Venture Capital Fund:**  
**Summary Description of Paper Battery Company**  
**Board of Directors Meeting**  
**April 16, 2015**

**Paper Battery Company.**

The Paper Battery Co., headquartered in the Troy, NY area, is a developer and manufacturer of electronic components (super-capacitors) that address key pain points for battery run-time and form factor in mobile devices, consumer electronics and server boards. The company was started in 2009 as a technology spinout from Rensselaer Polytechnic Institute. Paper Battery uses proprietary materials processing to deliver the industry's thinnest super-capacitor devices with high energy and power density. The Company's products can either replace current generation batteries and super-capacitors, or to improve performance by working in tandem with batteries.

The Paper Battery Company has two super-capacitor product lines with game changing ultrathin form factors and industry-leading performance. Super-capacitors can replace batteries or enable companies to use smaller batteries without compromising energy storage or peak performance. The Company's patented form factor solution also allows for revolutionary innovations in the design of mobile electronics, wearable devices and accessories.

The company's innovative business model and technology have garnered multiple awards, including the 2015 CES Innovation Award for embedded technology and multiple competitive awards from the NY State Energy and Research Development Authority.

**Schedule B**  
**New York State Innovation Venture Capital Fund:**  
**Paper Battery Co. Investment**  
**Summary of Series A-5 Preferred Financing Terms**  
**Board of Directors Meeting**  
**April 16, 2015**

The Paper Battery Company Inc.

Series A-5 Preferred Financing

Summary of Terms

January, 2015

<p><u>Securities:</u></p>	<p>A new class of Preferred Stock, the Series A-5 Preferred Stock, which will join the four existing subseries, Series A-1 Preferred, Series A-2 Preferred, Series A-3 Preferred, and Series A-4 Preferred (collectively, the "<b>Series A Preferred</b>").</p> <p>The Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock, Series A-4 Preferred Stock and Series A-5 Preferred Stock shall vote together as a single class. The Company may also raise up to an additional \$1.25 million in value through the issuance of Series A-5 Preferred Stock. The Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock, Series A-4 Preferred Stock and Series A-5 Preferred Stock shall rank <i>pari passu</i> on any liquidation or sale of the Company.</p> <p>New investment for new shares of series A-5 Preferred Stock will be made at an effective price of \$4.88 per share, at an effective pre-money valuation of [\$15.5 million].</p>
<p><u>Investment Amount:</u> <u>Use of Proceeds:</u></p>	<p>The proceeds of the financing will be used for expansion of product development, manufacturing scale up equipment and operations and working capital.</p>
<p><u>Principal Terms of the Series A-5 Preferred:</u></p>	<p>The Series A-5 Preferred will contain these terms:</p> <ul style="list-style-type: none"> <li>• <u>Dividend:</u> 8% cumulative dividend, payable only on acquisition. Dividends will be forfeited on a conversion of the Series A-5 Preferred into Common Stock.</li> <li>• <u>Anti-Dilution Protection:</u> "<i>broad-based weighted-average</i>" anti-dilution protection, subject to existing and customary exceptions for the Company's stock option plan, securities (including warrants) issued in connection with any joint venture, technology collaboration, strategic partnership, bank or venture debt financing, or other arrangements approved by the Board of Directors.</li> <li>• <u>Liquidation Preference:</u> upon any acquisition or liquidation, receives the greater of (i) the original issue price per share plus the 8% cumulative dividend, <i>or</i> (ii) what a share of Series A-5 Preferred Stock would receive had the holder converted into Common Stock.</li> <li>• <u>Voting Rights:</u> the Series A-1, Series A-2, Series A-3, Series A-4, and Series A-5 Preferred Stock vote together as a single class, and also vote with</li> </ul>

	Common Stock on an “as converted” basis.
<u>Protective Provisions</u>	Separate vote of the holders of a majority of the shares of Series A-5 Preferred for certain fundamental corporate actions: (1) altering or amending the preferences of the Series A Preferred; (2) authorizing, creating or issuing debt senior or on a parity with the Series A Preferred, except for commercial lines of credit for working capital, subordinated debt or term loans for capital equipment, as approved by the Board; (3) merging with or acquiring another entity or selling substantially all of the assets or stock of the Company, unless the acquisition or sale price per share to the holders of the Series A Preferred equals or exceeds \$20 million in enterprise value; (4) paying cash dividends on or making other distributions with respect to any equity securities; or (5) repurchasing or redeeming any securities except for required redemptions of Preferred Stock and repurchases under restricted stock agreements or stock option agreements with employees, advisors, stockholders, consultants and others and other arrangements approved by the Board.
<u>Information Rights:</u>	Subject to obligations of confidentiality, the Company will provide investors with annual and quarterly unaudited financial statements, an annual budget and business plan, and quarterly comparisons to the annual budget, and a semi-annual update on the business.
<u>Registration Rights:</u>	Piggy-Back registration rights, with all registration expenses paid for by the Company, <u>other than</u> direct selling expenses such as commissions of the underwriters.
<u>Rights of First Refusal</u>	Standard and customary pre-emptive rights and rights of first refusal (with over subscription rights).
<u>Amendments of the Series A Preferred:</u>	Any proposed amendment, modification or waiver of the terms of the Series A-5 Preferred Stock which impacts and adversely affects the Series A-5 Preferred Stock in a manner different and distinct than the Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock and Series A-4 Preferred Stock shall require the consent, waiver or approval of the holders of a majority of the outstanding shares of Series A-5 Preferred Stock. Any proposed amendment, modification or waiver of the terms of the Series A Preferred Stock which impacts the Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock, Series A-4 Preferred Stock and Series A-5 Preferred Stock in a substantially similar and nondiscriminatory manner shall require the consent, waiver or approval of the holders of a majority of the outstanding shares of Series A Preferred Stock, voting together as a single class on an as converted basis.

FOR CONSIDERATION

April 16, 2015

TO: The Directors

FROM: Howard Zemsky

SUBJECT: Downstate NY Regions – NYS Innovation Venture Capital Fund’s  
Technology Commercialization and Pre-Seed Company Investment  
Program

REQUEST FOR: Authorization to Enter into Agreements for Program Funding;  
Authorization to Disburse Funds; and Authorization to Take Related  
Actions

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Project Summary

Awardees: The proposed Investment Entities were selected as the result of a competitive Request for Proposals (“RFP”) process and are set forth on attached Schedule A (“the Investment Entities”).

Allocations: Allocations are as set forth for each of the awardees on Schedule A.

Project Location: The following Downstate NY Regions: Mid-Hudson Valley, Long Island and New York City

Project Numbers: Z948; Z949

Anticipated  
Funding Source: The allocations will be funded by the NYS Innovation Venture Capital Fund.

Project Team:

Origination	Brian Keil
Project Management	Sharon Rutter
Legal	Richard Dorado
Contractor & Supplier Diversity	Vikas Gera
Environmental	Soo Kang

## Background

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

To satisfy the NYSIVC Fund’s Technology Commercialization segment, this Request for Allocation is to authorize funding of the Investment Entities that have been chosen by a competitive RFP process in order for such Investment Entities (or their affiliates) make equity investments with Program monies into new pre-seed companies commercializing technologies originating in NYS universities, incubators and research facilities, make equity or equity-like investments in these companies, and manage the resulting investment portfolio. The selection process was conducted by a review committee that scored of each RFP submissions in terms of the applicant’s qualifications, track record and proposed investment strategy.

Investment of Program funds by each Investment Entity in each such beneficiary company shall be leveraged with matching private sector investment capital at a ratio of at least 1:1. Investments in funding rounds occurring prior to the date of the initial investment of Program funds shall not count toward satisfying this matching requirement. In order to be eligible to receive funding, a beneficiary company must agree in writing to be located in New York State.

Each Investment Entity shall not invest Program funds in a beneficiary company in an amount greater than one hundred thousand dollars (\$100,000) in any single transaction, unless the beneficiary company and the Investment Entity can demonstrate to ESD that such additional investment significantly improves the potential of the investment for substantially greater growth, job development, and additional economic activity in the State.

Although the initial RFP was released (July 2014) with the expectation of responses from entities that would cover all regions of the State, the RFP review process only identified qualified Investment Entities that have the experience and resources covering the following regions: Western New York, Finger Lakes, Southern Tier, Central NY, Mohawk Valley, North Country and Capital District. In December 2014, the Corporation approved \$5 million to be distributed among three investment entries to cover these regions. These Upstate Awardees are Excell Partners, LLC, SCP Buffalo Incubator/Z80 Labs LLC, and Grants for Growth.

In December 2014, a separate RFP to identify qualified Investment Entities to develop technology commercialization opportunities in the Mid-Hudson Valley, New York City and Long Island regions was released.

### Statutory Basis

The NYSIVC Fund is authorized by Chapter 59 Part jj of the Laws of 2013 and regulations authorized and adopted by the ESDC Board on December 19, 2013.

### 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.

### Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, the Corporation recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and-women-owned business enterprises ("MWBEs") in the performance of the Corporation's contracts. The Corporation's Office of Contractor and Supplier Diversity has determined that it is not practical or feasible to assign MWBE contract goals to expenditures made under this program.

### Additional Submissions to Directors

Resolutions

Schedule A –Summaries of selected investment entities (2)

April 16, 2015

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

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

RESOLVED that the disbursement of Program funding for this set of awards covering the Downstate NY Regions shall not to exceed in aggregate \$3,000,000; 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, to take such actions and make such modifications to the terms for such agreements and documentation as he or she may deem necessary or appropriate; and be it further

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

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

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**Schedule A**  
**NYS Innovation Venture Capital Fund: Downstate Investment Entities**  
**Board of Directors Meeting – April 16, 2015**

**Accelerate Long Island (“Accelerate LI”)**

Accelerate Long Island, created in 2011 by the Presidents of Long Island’s world class research institutions, is a unique collaboration among these institutions and the region’s business community to commercialize research and build an entrepreneurial ecosystem. Accelerate LI currently operates three distinct programs: *Accelerate Funding*, where Accelerate LI oversees the first seed fund ever established on Long Island; *Accelerate Assist*, an entrepreneur-in-resident and internship program; and *Accelerate Ecosystem*, a series of instructional and networking events to create and support the region’s entrepreneurial ecosystem. Accelerate LI has a successful history of technology commercialization and funding startup companies. As part of this endeavor, Accelerate LI has established alliances with Topspin Partners and Broad State Ventures (an affiliate of the SUNY Research Foundation) who will provide matching capital commitments and contribute deal flow.

The Corporation is proposing an allocation of \$1.5 million in NYS Innovation Venture Capital funds for Accelerate Long Island (or its affiliates) to commercialize research and technologies and invest in pre-seed stage businesses, including those focused on life sciences, energy, software, and consumer products located in the Mid-Hudson Valley and Long Island regions.

**New York City Innovest/ The City University of New York (“CUNY”)**

CUNY will create New York City Innovest (“NYCIF”), a newly-formed pre-and-seed stage fund to build upon its success in commercializing cutting-edge scientific research. Over the past decade, CUNY has invested heavily into many areas crucial to innovation by hiring new STEM faculty, purchasing new research equipment and building new science facilities on several campuses. The CUNY Technology Commercialization Office has also been expanded to support faculty-led entrepreneurial activities. NYCIF will leverage these enhanced resources to commercialize technologies and pursue investment opportunities associated with the CUNY system as well as the broader NYC venture ecosystem and business community. CUNY has identified \$12 million in potential matching funds to invest alongside this new fund.

The Corporation is proposing an allocation of \$1.5 million in NYS Innovation Venture Capital funds for New York City Innovest/CUNY (or its affiliates) to commercialize research and technologies and invest in pre-seed stage businesses, including those focused on physical and life sciences, energy, and information technology located in the greater New York City region.



**FOR CONSIDERATION**

April 16, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Procurement of Environmental Consulting Services

REQUEST FOR: Authorization to Amend the Contract with STV Incorporated to Provide Environmental Consulting Services in Connection with Disposition of Two Non-Contiguous Parcels of Undeveloped Land Within the Brooklyn Developmental Center in Brooklyn, NY and to Take Related Actions

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**I. Contract Summary**

Consultant: STV Incorporated. ("STV" or the "Consultant")

Scope of Services: Preparation of an Environmental Impact Statement ("EIS") to be prepared for ESD in compliance with the State Environmental Quality Review Act ("SEQRA") in connection with the Project. The contract amendment is needed due to the expanded scope of services since the Developer's initial proposal submission.

Contract Amount: \$996,600.00

Funding Source: It is expected that the contract would be funded in its entirety from an imprest account to be funded by the project developer and to be maintained at and by ESD.

**II. Project Background**

New York State is in the process of disposing of surplus State owned properties, including mental health facilities and correctional facilities. At the request of the Governor's Office, an ad hoc committee of agency heads and staff from the NYS Office of General Services, the Division of Budget, and Empire State Development ("ESD" or the "Corporation") have

engaged in discussions focused on disposition of these large institutional properties. These deliberations verified that many of the facilities require creative approaches in order to transfer them from State ownership and to avoid the continued carrying costs and potential liabilities associated with depreciating properties. Some of the facilities can be sold in the private marketplace while others can be dedicated to economic development purposes consistent with ESD's mission and the needs of the surrounding community. Among other projects, ESD currently is assisting in the potential disposition of the Fountain Avenue Property, two vacant parcels that are currently part of the Brooklyn Development Center (the "Property"), which is currently under the jurisdiction of the NYS Office for People with Developmental Disabilities ("OPWDD") and owned by the Dormitory Authority. Continued use of Environmental Consultant is necessary to complete the sale.

### **III. Selection Process**

In January 2014 ESD staff solicited three bids from the Corporation's Pre-Qualified List of Real Estate Development and Planning Related Consultants to prepare an environmental assessment on its behalf. While all three proposals were of a high quality, STV was selected over the two other firms due to STV's demonstrated understanding of the scope of required services, their relevant prior work experience for similar projects, assignment of the appropriate level of professional staff to tasks, their competitive bid price and their commitment to M/WBE participation by subconsultants.

### **IV. Scope of Work**

The Consultant proposes to prepare an Environmental Impact Statement addressing all relevant technical areas and to provide the following supportive services:

- Preparation of Environmental Assessment Form
- Preparation of Draft Scoping Document
- Scoping Hearing Attendance and Presentation
- Final Scoping Document
- Attendance at Draft EIS Hearing
- Compilation of comments received from public review of Draft EIS
- Preparation of Final EIS

### **IV. Contract – Need for Amendment, Price and Funding**

#### **A. Prior Contract & Need for Amendment**

ESD retained the Consultant in May 2014 through a Purchase Order in the amount of \$30,460 based on the selection process described above. The original scope of work was based on the project developer's plan to construct an as-of-right project based on the criteria outlined in the RFP. In February 2015, the Developer submitted a revised proposal for the two parcels (the "Revised Proposal") that increased the number of units to approximately 863 units to be

developed consistent with an adjacent zoning designation. This increase in unit count requires that an EIS be prepared to adequately address the potential for significant adverse impacts suggested by the change in Project density.

To accommodate these changes, ESD requested STV to submit a proposed scope of work and budget to prepare the EIS. Due to STV's familiarity with the site and given the substantial amount of existing conditions work they have already completed for the Initial Proposal's SEQRA assessment, it was determined that it would not be cost or time effective to re-bid the EIS services.

The Consultant has prepared the Initial Proposal's assessment to ESD's complete satisfaction and has demonstrated a comprehensive understanding of the issues to be addressed in the expanded scope of services. Furthermore, the Consultant received a very high ranking in the evaluation process for inclusion on ESD's Pre-Qualified Consultant list in the category of environmental review.

**B. Contract Price and Funding**

For the reasons stated above, an amendment in the amount of \$966,140 is requested to complete the above-mentioned work. As stated, the original contract amount was \$30,460 and the requested amendment amount is \$966,140. Therefore, the revised contract total amount would be \$996,600. The amended contract will continue to be funded, in its entirety, from the imprest account funded by the Developer.

**IV. Environmental Review**

ESD staff has determined that the proposed contract amendment constitutes a Type II action as defined by SEQRA and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the requested contract amendment.

**V. Non-Discrimination and Contractor & Supplier Diversity Requirements**

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

**VI. Requested Actions**

The Directors are requested to authorize ESD to amend the contract with the Consultant, by increasing the compensation permitted under the Contract to a new total not to exceed \$996,600, for work as described in these materials.

**VII. Recommendation**

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

**Attachment**  
Resolutions

April 16, 2015

New York (Kings County) – Authorization to Amend the Contract with STV Incorporated to Provide Environmental Consulting Services in Connection with Disposition of Two Non-Contiguous Parcels of Undeveloped Land Within the Brooklyn Developmental Center in Brooklyn, NY and to Take Related Actions

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RESOLVED, that based upon the materials presented at this meeting and ordered filed with the records of the Corporation, the Corporation be, and hereby is, authorized to amend its existing contract with STV, Inc. to provide additional environmental consulting services in connection with the disposition of two non-contiguous parcels of undeveloped land within the Brooklyn Developmental Center; and be it further

RESOLVED, that the Corporation is hereby authorized to amend a contract with STV, Inc. in a total amount not to exceed \$996,600, for the purposes and services, and substantially on the terms and conditions, as set forth in the Materials; and be it further

RESOLVED, that the President and Chief Executive Officer and his designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all such actions as may be necessary or appropriate to effectuate the foregoing. Any actions previously taken by the Corporation or Counsel consistent with this authorization are hereby ratified and affirmed.

\* \* \*

FOR CONSIDERATION

April 16, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: NYSTEC

REQUEST FOR: Authorization to Enter into a Contract with the New York State Technology Enterprise Corporation (NYSTEC) to Provide Industry Expertise to Assist the Broadband Program Office with Project Management and Technical Assistance for a Number of Broadband Related Projects

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CONTRACT NEED AND JUSTIFICATION

I. CONTRACT SUMMARY

Consultant: NYSTEC (“Consultant”)

Scope of Services: Consultant would provide industry expertise to assist the BPO with the project management and technical assistance for a number of broadband related projects. The type, detail and specification on NYSTEC’s support will vary based on the actual projects. The nature of support can be organized into the following areas: procurement assistance, business analysis, infrastructure, project management, quality assurance and network support.

Contract Amount: Not to exceed \$541,137, inclusive of all contingencies and expenses. NYSTEC’s effort is based upon their most favored rates as provided to OGS Contract CMR524A authorized users.

Funding Source: The contract will be funded with Fiscal Year 15-16 New York State Capital Appropriations

## **II. BACKGROUND**

The services provided by NYSTEC are an essential component of Governor Cuomo's broadband program. The Broadband Program Office currently does not have the technical expertise and necessary staff to perform the tasks assigned to NYSTEC. If this request were to be denied, our Agency would not be able to perform the duties necessary to complete this proposal and support the Governor's vision for Universal Broadband access.

## **III. SCOPE OF WORK**

Consultant would utilize industry expertise to assist the Broadband Program Office with the project management and technical assistance for a number of broadband related projects. The type, detail and specification of NYSTEC's support will vary based on the actual projects. The nature of support can be organized into the following areas: procurement assistance, business analysis, infrastructure, project management, quality assurance and network support. Specific projects to be addressed by this proposal include, but may not be limited to:

- Validation of Broadband Modeling: NYSTEC will utilize industry expertise to assist the BPO with the review and validation of the existing NYS Broadband Model
- Broadband Initiative Assistance: NYSTEC will work to gather additional detail by incorporating feedback from the ten economic development regions, as well as other public and private entities
- Project Support: NYSTEC will support the BPO's initiative to increase economic and social opportunities through universal broadband deployment by assisting with other subtasks referenced by the BPO. The team will assist with the project management, administration, and technical expertise on these tasks as requested. As additional information is provided, it will be documented, and the BPO will be provided with a Task Order with agreed upon scope, estimated resources and subtask duration. Miscellaneous subtasks may include, but are not limited to: FCC Rural Experiments Data Consolidation; Data Analytics/Data Collection; Adoption Portal
- Project Management and Project Administration: On all projects, NYSTEC will assign a Project Director to work closely with the Project Manager on administration of the NYSTEC contract. The Project Director provides additional oversight on the project and exercises overall responsibility for the success of the NYSTEC contract. The NYSTEC Project Manager will be responsible for directing the work of NYSTEC's staff members.

## **IV. CONSULTANT SELECTION PROCESS**

NYSTEC's effort is based upon NYSTEC's most favored rates as provided to OGS Contract CMR524A authorized users.

**V. CONTRACT PRICE AND FUNDING**

The term of the contract will be for 18 months. The maximum amount of the contract will be \$541,137. As noted above, the source of funding will be Fiscal Year 15-16 NYS Capital Appropriations.

**VI. RESPONSIBLE PARTY**

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

**VII. ENVIRONMENTAL REVIEW**

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

**VIII. NON-DISCRIMINATION AND CONTRACTOR & SUPPLIER DIVERSITY**

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned businesses (MWBES) in the performance of ESD projects and procurements. The ESD Office of Contractor and Supplier Diversity has reviewed the project and determined that there exists no potential for MWBE participation. As such, participation goals will not be established or required for this procurement; however, the Contractor shall adhere to ESD's Non-discrimination and Equal Employment Opportunity policy.

**IX. REQUESTED ACTIONS**

The Directors are asked to: (1) make a determination of responsibility with respect to Consultant; and (2) authorize ESD to retain Consultant as industry consultant for such services as are described in these materials, for a maximum amount of \$541,137 on a time and materials basis.

**X. RECOMMENDATION**

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

XI. ATTACHMENT

Resolution

April 16, 2015

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT - Authorization to Enter Into a Contract with NYSTEC to Provide Industry Expertise to Assist the Broadband Program Office with Project Management and Technical Assistance for a Number of Broadband Related Projects

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

RESOLVED, that the Corporation is hereby authorized to enter into a contract with NYSTEC in an amount not to exceed \$541,137, for the purposes and services, and substantially on the terms and conditions, as set forth in the Materials; and be it further

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

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