

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

June 27, 2013 – 9:30 a.m.

REVISED AGENDA*

FOR CONSIDERATION

I. CORPORATE ACTION

- A. Approval of Minutes of the May 16, 2013 Directors' Meeting

II. DISCRETIONARY PROJECTS

CAPITAL REGION

- A. Schenectady (Capital Region - Schenectady County) – GEMx Technologies Capital – JOBS Now 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

LONG ISLAND REGION

- B. North Amityville (Long Island Region – Suffolk County) – NBTY Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) - Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

*Revision – Change of wording to match memorandum regarding item V.A. – 121 West 125th Street -

II. **DISCRETIONARY PROJECTS - Continued**

FINGER LAKES REGION

- C. Rochester and Greece (Finger Lakes Region – Monroe County) – RED Rochester Capital - Urban and Community Development Program (Capital Loan) and Economic Development Purposes Fund (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 Loan and a Grant and to Take Related Actions; Authorization to Enter into a Contract and to Take Related Actions; Determination of No Significant Effect on the Environment

DISCRETIONARY PROJECTS CONSENT CALENDAR

- D. Discretionary Projects Consent Calendar – Findings and Determinations Pursuant to Sections 10 (g), 5 (4) and 16-d of the Act; Authorization to Make Grants and to Take Related Actions; Determination of no Significant Effect on the Environment

Urban and Community Development

- A. Long Beach LDC - \$100,000

Urban and Community Technical Assistance

- B. New York State Economic Development Council - \$100,000

STATEWIDE - PATH THROUGH HISTORY HERITAGE TOURISM GRANT PROGRAM

- E. Statewide – Path Through History Heritage Tourism Grant Program – Economic Development Purposes Fund (Working Capital Grants) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make Grants and to Take Related Actions

Economic Development Purposes Fund

1. CenterState Corporation for Economic Opportunity (Central New York Region) - \$100,000
2. Thousand Islands Regional Tourism Development Corporation (North Country Region) - \$100,000
3. WSKG Public Broadcasting (Southern Tier Region) - \$100,000
4. New York Landmarks Conservancy (New York City Region) - \$100,000
5. Workforce Investment Board of H-M-O (Mohawk Valley Region) - \$100,000
6. Rochester Institute of Technology (Finger Lakes Region) - \$100,000
7. Arts Services Initiative of Western New York, Inc. (Western New York Region) - \$100,000

II. DISCRETIONARY PROJECTS - Continued

STATEWIDE - PATH THROUGH HISTORY HERITAGE TOURISM GRANT PROGRAM

Economic Development Purposes Fund

8. The Community Foundation for the Greater Capital Region (Capital Region) - \$100,000
9. Hudson Valley Tourism (Mid-Hudson Region)- \$100,000
10. Suffolk County Department of Economic Development and Planning, Office of Film and Cultural Affairs (Long Island Region) - \$100,000

III. REGIONAL COUNCIL AWARDS

CENTRAL NEW YORK REGION

- A. Regional Council Award – Priority Project - Cazenovia (Central New York Region - Madison County) – Oweria Vineyards Capital - Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and Take Related Actions; Determination of No Significant Effect on the Environment

NORTH COUNTRY REGION

- B. Regional Council Award (North Country Region - Franklin and Hamilton Counties) – Slic Network Solutions Capital - Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and Take Related Actions; Determination of No Significant Effect on the Environment

LONG ISLAND REGION

- C. Regional Council Award – Priority Project - Various Locations (Long Island Region – Nassau and Suffolk Counties) – Long Island Business and Workforce Investment Project – Economic Development Purposes Fund (Working Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and Take Related Actions

NEW YORK CITY REGION

- D. Regional Council Award – Priority Project – Brooklyn (New York City Region – Kings County) – NYC Seedstart Working Capital – Economic Development Purposes Fund (Working Capital) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and Take Related Actions

IV. NON-DISCRETIONARY PROJECTS

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

Community Capital Assistance Program (Senate)

1. Town of Hadley – Senior Community Center Construction Capital (Saratoga County) - \$50,000

Local Assistance Senate

2. Monroe County – Economic Development and Workforce Training (Monroe County) - \$290,000

New York State Economic Development Assistance Program Senate

3. Agudath Israel of America – Security System Capital (New York County) - \$1,000,000

V. LAND USE AND/OR CIVIC PROJECTS

- A. New York City (New York County) – 121 West 125th Street (Urban League Empowerment Center) Land Use Improvement and Civic Project – Land Use Improvement and Civic Project Findings; Adoption of General Project Plan (“GPP”); Determination that No Supplemental Environmental Impact Statement Needed; Adoption of Findings Pursuant to Article 8 of the Environmental Conservation Law, the State Environmental Quality Review Act and its Implementing Regulations; Approval of Lease; Authorization to Hold a Public Hearing; Authorization to Acquire and Dispose of Real Property in Accordance with the Applicable Provisions of the Public Authorities Law; and Authorization to Take Related Actions

VI. ADMINISTRATIVE ACTIONS

- A. Annual Financial Reports – Approval of Certain Annual Financial Reports and Authorization to Take Related Actions
- B. Mission Statement, Related Performance Measurements, and FY 2013-2013 Performance Measurement Report – Reexamination of Mission Statement and Related Performance Measurements, and Acceptance of FY 2012-2013 Performance Measurement Report
- C. Procurement for Consulting Services - Episcopal Church Home – Authorization to Enter into a Contract for Consulting Services relating to Episcopal Church Home; and Authorization to Take Related Actions
- D. Procurement of Legal Services – Authorization to Enter into an Amended Contract with Foley & Lardner LLP

VI. ADMINISTRATIVE ACTIONS – Continued

- E. Indian Lake (Hamilton County) – Adirondack Challenge - Authorization to Enter into a Contract for Services in Connection with the Adirondack Challenge, and to Take Related Actions

VII. INFORMATION

- A. Quarterly Report on Procurement Commitments to Certified Minority and Women Business Enterprises (MWBES) – Final Quarter of Fiscal Year 2012-2013
- B. Annual Report on M/WBE Utilization and Procurement Commitments to Certified M/WBEs – Fiscal Year 2012-2013
- C. Annual Review of Contracts for Services of More Than One Year
- D. Budget Variance Reports for the Fiscal Year ended March 31, 2013
- E. President's Report (Oral)

DRAFT – SUBJECT TO REVIEW AND REVISION

NEW YORK STATE URBAN DEVELOPMENT CORPORATION

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

and

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

May 16, 2013

MINUTES

In Attendance

Directors:

Kenneth Adams (Acting Chair)
Derrick D. Cephas
Paul F. Ciminelli
Robert Dyson
Joyce Miller
Anthony Albanese – Designee for Superintendent – Department
of Financial Services

Present for ESD:

Maria Cassidy, Deputy General Counsel
Robert Godley, Treasurer
Laurence Jacobs, Executive Vice President – Legal and
General Counsel
Edwin Lee, Assistant Vice President – Discretionary Projects
Eileen McEvoy, Corporate Secretary
Glendon McLeary, Senior Project Manager
Susan Shaffer, Vice President – Loans and Grants
Frances A. Walton, Chief Financial and Administrative Officer

DRAFT – SUBJECT TO REVIEW AND REVISION

Also Present: Steve Gawlik, Senior Counsel – Western New York Regional Office
Barry Greenspan, ED Program Administrator – Long Island
Regional Office
Christina Orsi, Director – Western New York Regional Office
David J. Wright, Assistant Commissioner, Albany

Also Present: The Press
The Media

The meeting of the Directors of the New York State Urban Development Corporation (“UDC”) d/b/a Empire State Development (“ESD” or the “Corporation”) was called to order at 9:35 a.m. by Acting Chair Adams. It was noted for the record that the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

Next, Acting Chair Adams set forth the guidelines regarding comments by the public on matters on the Agenda.

Acting Chair Adams then asked the Director’s to approve the Minutes of the April 26, 2013 Directors’ meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE APRIL 26, 2013
MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT
CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on April 26, 2013, as presented to this meeting, are hereby approved and all actions taken by the Directors

DRAFT – SUBJECT TO REVIEW AND REVISION

presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

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

Mr. Lee noted that the Directors will be asked to approve two discretionary items including one Economic Development Purposes Fund grant in the amount of \$2,020,000 and one Downstate Revitalization Fund in the amount of \$500,000.

Mr. Lee further noted that these two projects will leverage over \$4.7 million in additional investments and will assist in retaining 197 jobs and in creating approximately 47 jobs in New York State.

Following Mr. Lee's full report, the Acting Chair asked Ms. Orsi, the Director of ESD's Western New York Regional Office, to present the Richardson Center Corporation Economic Development Purposes Fund grant item for the Directors' consideration.

Ms. Orsi explained that the Directors were being asked to approve a \$ 2,020,000 working capital grant to the Richardson Center Corporation for the reimbursement of operating

DRAFT – SUBJECT TO REVIEW AND REVISION

expenditures associated with the stabilization and renovation of the Richardson Olmsted Complex.

Ms. Orsi noted that this grant will provide approximately three years of operating capital with completion by December of 2016.

During that three year time period, Ms. Orsi continued, it is expected that several redevelopment projects will be completed at the complex including a boutique, hotel, news conference center and event space, a Buffalo Architecture Center and Visitors Center in the iconic Towers Administration Building.

Ms. Orsi added that after that time, it is also expected that Richardson will be self sustaining and no longer need operating support from the State.

Following the full presentation, the Acting Chair called for questions or comments. Director Dyson asked if there was a Master Plan indicating which buildings would be eliminated and if there will be a phased approach to the redevelopment.

Mr. Ciminelli stated that all of the buildings are on the National Register of Historic Places and therefore, there are no plans to eliminate any of the buildings.

Mr. Ciminelli added that a phased approach is planned and that certain of the buildings

DRAFT – SUBJECT TO REVIEW AND REVISION

will be moth balled and will be developed based upon where Richardson is in the market place following the redevelopment of the initial buildings.

A further discussion ensued and Director Dyson spoke at length regarding his belief that the project would be more marketable if the main building is the only one renovated and that the remaining buildings be taken down and the site landscaped.

Mr. Hoyt offered several points including the fact that the National Register of Historic Places designation came about as the result of a lawsuit filed against the State of New York claiming that the State has the responsibility of maintaining its historic structures.

Director Miller then expressed her concern regarding marketability of the project if, as planned, only the towers building and two adjacent buildings will be redeveloped and the remainder of the buildings will be vacant.

Mr. Ciminelli stated that substantial funds have already been spent on these buildings to stabilize them and Richardson has received considerable community support in their attempt to redevelop the complex.

The Acting Chair noted that Mr. Ciminelli's comments were made as an observer who is familiar with the project. Acting Chair Adams further noted that Mr. Ciminelli will be recusing himself from the vote on this item.

DRAFT – SUBJECT TO REVIEW AND REVISION

The Acting Chair then asked Ms. Orsi to give an overview of the project in terms of the present status of the project and how much funding is left of the original 2006 long-term funding commitment.

Ms. Orsi stated that the initial commitment consisted of \$76.5 million in appropriations to complete the core project. To date, she continued, approximately \$62 million has been allocated to a number of projects that are underway. Ms. Orsi added that there is a balance remaining of approximately \$12 million.

Acting Chair Adams then asked if there is any possibility that funding will be sought from the Governor's Buffalo Billion for this project.

Ms. Orsi said that that has not been discussed given the amount of resources that have been appropriated for this project. She added that the project does, however, tie in very well with the types of projects that will be considered for funding under the Buffalo Billion Initiative.

Mr. Ciminelli stated that Richardson will be leveraging New Market and Historic Rehabilitation Tax Credits. He added that there are other pockets of money as well.

Director Dyson expressed further concern with regard to the present plan. Further discussion was had with regard to the planning of the project and Mr. Ciminelli stated that he

DRAFT – SUBJECT TO REVIEW AND REVISION

will pass all of the comments on to the Richardson Board to consider in moving forward with the project.

There being no further questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted (It was noted for the record that Director Ciminelli recused himself with regard to the vote on the following resolution.):

Buffalo (Western New York Region – Erie County) – Richardson Center Corporation Working Capital – Economic Development Purposes Fund (Working Capital Grant) – Findings and Determinations Pursuant to Sections 16-m 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 Richardson Center Corporation Working Capital – Economic Development Purposes Fund (Working Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Richardson Center Corporation a grant for a total amount not to exceed Two Million Twenty Thousand Dollars (\$2,020,000) from the Economic Development Purposes Fund for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

DRAFT – SUBJECT TO REVIEW AND REVISION

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

* * *

Next, Mr. Greenspan asked the Directors to authorize ESD to make a \$500,000 Downstate Revitalization Fund grant to Bren-Tronics, Inc. for a portion of the cost of leasehold improvements and the purchase and installation of machinery and equipment.

Mr. Greenspan explained that the Company was founded in 1977 and is located in a 35,000 square foot Commack plant in Suffolk County. Mr. Greenspan noted that the Company also has a second small 6,000 square foot plant in Delaware, New York.

Bren-Tronics, Mr. Greenspan went on to note, designs and manufactures portable power sources used to power transportable electronics and cell phones which are used by combat troops.

Mr. Greenspan further noted that as a result of the project, the Company will retain 197 jobs and create 47 jobs. Mr. Greenspan added that the Company has already created 19 jobs.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked why the Company was not offered a loan instead of a grant. Mr. Greenspan explained that at the time the Company approached ESD in 2009, they were

DRAFT – SUBJECT TO REVIEW AND REVISION

considering establishing a lithium ion battery cell manufacturing plant in Florida where they would have bought an existing building. Because the Company would be moving approximately 200 jobs to Florida, Mr. Greenspan continued, ESD put together the most aggressive package possible to compete with Florida’s offer and keep Bren-Tronics in New York State.

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

Commack (Long Island Region – Suffolk County) – Bren-Tronics DRF Capital – Downstate Revitalization Fund – Business Investment (Capital Grant) – Findings and Determinations Pursuant to Sections 16-r and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Bren-Tronics DRF Capital – Downstate Revitalization Fund – Business Investment (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 Bren-Tronics, Inc., a grant for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) from the Downstate Revitalization Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of

DRAFT – SUBJECT TO REVIEW AND REVISION

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

* * *

Next, Mr. McLeary presented the Non-Discretionary Projects Consent Calendar for the Directors' consideration. Mr. McLeary noted that there was one item for consideration – a \$5,300,000 Upstate City-by-City grant to the City of Buffalo for the benefit of Statler City LLC.

Mr. McLeary explained that the project involves the redevelopment of a vacant historical structure into a hospitality center with office and retail space. He added that the grant will be used for a portion of the cost of building renovations.

The Acting Chair then called for questions or comments. Director Miller noted that the lower floors and the public rooms were reopened in 2011 and asked if they have been in use since the initial opening.

Ms. Orsi stated that since the opening, there have been a number of ballrooms and

DRAFT – SUBJECT TO REVIEW AND REVISION

restaurants added and that those establishments have become the premier venue to host events such as weddings and those types of events.

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

Upstate City-by-City – Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c) and 10 (g) of the Act; Authorization to Adopt the General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the 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:

Land Use Improvement Project

- 1) That the area in which the project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest the sound growth and development of the municipality;
- 2) That the project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto;
- 3) That the plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole;
- 4) That the proposed facilities or project is consistent with any existing local or regional comprehensive plan; and

DRAFT – SUBJECT TO REVIEW AND REVISION

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

and be it further

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

Upstate City-by-City – Executive - Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
A	City of Buffalo – Statler Upstate City-by-City Capital	X834	The City of Buffalo	5,300,000
			TOTAL	\$5,300,000

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

* * *

Next, Mr. Gawlik asked the Directors to authorize ESD to enter into a sublease of space at 95 Perry Street in Buffalo, New York to the Erie County Industrial Development Agency.

DRAFT – SUBJECT TO REVIEW AND REVISION

Mr. Gawlik provided the relevant background information with regard to this request noting, in part, that ESD currently leases two floors at 95 Perry Street. He went on to note that ESD and the Erie Canal Harbor Development Corporation occupy the fifth floor of the building and that the fourth floor is divided up into multiple spaces with various State agencies renting a portion of the space.

Mr. Gawlik further explained that an agreement has been reached whereby the Erie County IDA will leave their current space and lease approximately 8,600 square feet of space. Mr. Gawlik added that the Erie Canal IDA owns the building that they presently operate from.

Mr. Gawlik further noted that a sub-tenant of the IDA, the Buffalo Urban Development Corporation, will also move to 95 Perry Street.

Mr. Gawlik continued and explained that the IDA will be paying for approximately 10,000 square feet of space made up of 8,600 square feet that they will occupy plus a proportionate share of the common space.

The Acting Chair stated that, among other things, that because the Erie County IDA is ESD's ongoing partner in economic development work, it is the perfect tenant.

Director Ciminelli stated his belief that symbolically it is great for the community in

DRAFT – SUBJECT TO REVIEW AND REVISION

that it offers one stop shopping for economic development.

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

Director Miller asked what will happen to the space that the IDA is leaving.

Mr. Gawlik stated that the IDA is going to market the space for sale. He added that the IDA has sold off part of the building and that that portion of the building currently houses a charter school.

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

City of Buffalo (Erie County) – Sublease of Space- 95 Perry Street - Authorization to Enter into a Sublease and Take Related Actions.

RESOLVED, that based on the materials presented to this meeting and ordered filed with the records of the New York State Urban Development Corporation d/b/a Empire State Development (the “Corporation”) relating to the sublease of space at 95 Perry Street, Buffalo New York, the Corporation be and hereby is authorized to enter into a sublease with the Erie County Industrial Development Agency and to take all related actions substantially on the terms and conditions set forth in these materials; and be it further

RESOLVED, that on the basis of the materials submitted to the Directors, the Directors hereby find that there is no reasonable alternative to the proposed below market transfer that would achieve the same purpose of such transfer, and be it further

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

* * *

DRAFT – SUBJECT TO REVIEW AND REVISION

Following the approval of the foregoing resolution, Acting Chair Adams thanked Mr. Gawlik for all of his efforts on behalf of ESD, particularly for all of his successful work on the Buffalo Bills lease.

Ms. Orsi then asked the Directors to authorize ESD to enter into a contract with the Research Foundation for SUNY on behalf of the University at Buffalo to provide full service project management services in connection with the Buffalo Development Strategy.

Ms. Orsi provided the background information relevant to this request including the process involved in selecting this entity to perform these services.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller then commented with regard to the potential agenda for an ESD Directors meeting to be held in Buffalo – this suggestion having been made earlier in the meeting. Director Miller stated that it would be very helpful to learn something about how these individual pieces of work reinforce each other.

Acting Chair Adams stated that an overview of the many projects underway in Buffalo will be provided.

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 STATE URBAN DEVELOPMENT CORPORATION – Authorization to Enter into a Contract for Consultant Services relating to the Buffalo Strategy Implementation Support Services; and Authorization to Take Related Actions

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds 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 Nine Hundred Ninety Nine Thousand Four Hundred Sixty Dollars (\$999,460) 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.

* * *

There being no further business, the meeting was adjourned at 10:48 a.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary



FOR CONSIDERATION

June 27, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Schenectady (Capital Region – Schenectady County) – GEMx Technologies Capital – JOBS Now Program (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

General Project Plan

I. Project Summary

Grantee: GEMx Technologies LLC (“GEMx” or the “Company”)

ESD* Investment: A grant of up to \$12,500,000 to be used for a portion of the cost of renovations, site work and fit-up of a 200,000-square-foot facility in Schenectady.

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

Project Location: One River Road, Schenectady

Proposed Project: Facility renovations and the purchase and installation of machinery and equipment to establish a sodium metal chloride battery manufacturing facility at General Electric’s 639-acre campus located in the City of Schenectady.

Project Type: Renovate a vacant facility and create over 300 jobs at the site.

Regional Council: The Capital Regional Council has been made aware of this project. The Incentive Offer was accepted in April 2009, predating the Regional Council Initiative. The project is consistent with the Regional Plan representing a significant investment in the core technology of advanced manufacturing and producing new jobs. Victor Abate, Vice President – Renewables at GE Wind Energy, is a member of the 21-person Capital Regional Council (“Regional Council”). However, because ESD’s assistance was not offered through the Regional Council/Consolidated Funding Application process, Mr. Abate was not involved in the evaluation of the project for assistance nor in the recommendation of the co-chairs.

Employment:	Initial employment at time of ESD Incentive Offer:	0
	Current employment level:	378
	Minimum employment on January 1, 2017:	350

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Renovations	\$41,210,000	
Machinery and Equipment	<u>58,790,000</u>	
Total Project Costs	<u>\$100,000,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$12,500,000	12.5%
Schenectady Metroplex-Grant	5,000,000	5.0%
Company Equity	<u>82,500,000</u>	<u>82.5%</u>
Total Project Financing	<u>\$100,000,000</u>	<u>100.0%</u>

III. Project Description

A. Company

Industry: GEMx manufactures sodium metal chloride batteries.

Company History: GEMx was established by the General Electric Company (“GE”) in April 2009 and originated from efforts to pursue better power sources for hybrid locomotive engines that power rail cars. The Company uses a proprietary process that is a culmination of intellectual property from internal GE programs and external licenses, including the 2007 acquisition by GE of Beta R&D, a United Kingdom-based company that had demonstrated the technical feasibility and performance of sodium metal chloride batteries in the 1980s. GEMx is managed by GE Transportation, a division of GE.

Ownership: GEMx is a wholly owned subsidiary of GE, a publicly held company that was started by Thomas Edison in the City of Schenectady in 1886. GE's Schenectady campus is the world headquarters for GE's renewable energy business and its power and water divisions. The campus produces large steam turbines and generators and includes a recently upgraded Steam Turbine Testing Laboratory. The campus also provides turbine engineering and product development support. GE employs over 4,000 individuals in the City of Schenectady. GE Global Research, which is located nearby in the Town of Niskayuna, employs approximately 2,000 additional individuals.

Size: GE has approximately 8,000 employees in New York State with operations in 14 locations across multiple product lines including energy, aviation, healthcare, transportation, home and business solutions, and global research. GE has over 300,000 employees worldwide.

Market: GEMx's Durathon™ Battery systems are the only sodium metal chloride based batteries manufactured in the U.S. The product outperforms lead acid, lithium ion and nickel metal hydride batteries that are largely produced in India, China, Korea, and Japan. Primary markets include grid and telecommunications industries, where the Durathon™ Battery system can serve as the primary source of power or as back-up, providing an uninterruptable power supply in either remote or high density areas such as urban centers.

ESD Involvement: After determining the technical and economical feasibility of the Durathon™ Battery technology, GE considered a number of potential sites to establish its first sodium metal chloride battery manufacturing facility. The Schenectady GE campus was considered due to its close proximity to the GE Global Research Center. However, due to higher costs associated with doing business in New York State, states in other regions of the U.S. were considered, particularly in the southeast. To encourage the Company to carry out the project in New York, ESD provide a financial incentive to the Company in March 2009. In April 2009, the Company accepted ESD's offer of a \$12.5 million JOBS Now capital grant to support a \$100 million investment that would create 350 jobs.

Competition: GE considered locating the sodium metal chloride battery manufacturing facility in Virginia or Georgia.

Past ESD Support: In 1998, GE Silicones, a former operation of GE, was awarded a \$500,000 grant for an expansion project in Albany County. GE Silicones did not meet its employment goals from 2001 to 2004; it repaid a portion of the grant, and job requirements were subsequently reduced. The project was successfully completed under the new terms. GE Silicones was sold

in August of 2007 and is no longer a GE operation.

Since 2000, ESD has made five accepted grant offers, totaling \$28,000,000 to or for the benefit of GE or GE-affiliated companies, this being the sixth. The five offers include a variety of attraction and retention projects projected to create 938 jobs and retain 474 jobs throughout New York State.

ESD's financial support to GE or GE-affiliated companies in the last five years is summarized in the chart below.

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
JOBS Now	V819	\$5,000,000	December 2009	December 2013	Capital Grant
Empire State Economic Development Fund	T231	\$222,500	June 2010	December 2015	Capital Grant
	W789	\$6,350,000	August 2011	December 2021	Training Grant

B. The Project

Completion: July 2012

Activity: The project includes the renovation, fit-up and equipping of Building #66, a 200,000-square-foot facility at the GE's Schenectady Campus. Building #66 was constructed in 1966 and had previously been used as an assembly area for GE's generator manufacturing operation. The project involves both interior and exterior renovations and the purchase and installation of an extensive array of battery manufacturing equipment.

Renovations and upgrades began in the spring of 2010 and were designed to comply with LEED standards to ensure that building-oriented conservation and greenhouse gas reduction strategies were employed. Equipment procurement, which requires long lead times, also began in early 2010. Laboratories were constructed by the end of 2010, followed by equipment delivery, fit-up, and validation. The project also includes the reconstruction of a parking lot and the addition of new loading docks.

Production began in September 2011, and the first battery cell was produced at the end of 2011. The Company celebrated its grand opening in July 2012.

The new battery manufacturing facility has the capacity to produce 830 MWH of power each year and will support the growing worldwide demand for cost-efficient, flexible energy solutions.

Results: The Company has already created 378 new jobs, exceeding its goal by 28 jobs.

Business Investment
Project:

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

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

- Fiscal benefits to NYS government from the project are estimated at \$14,008,886;
- Fiscal cost to NYS government is estimated at \$12,500,000;
- Project cost to NYS government per direct job is \$66,137;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$31,763;
- Ratio of project fiscal benefits to costs to NYS government is 1.12:1;
- Fiscal benefits to all governments (state and local) are estimated at \$23,352,698;
- Fiscal cost to all governments is \$13,000,000;
- All government cost per direct job is \$68,783;
- All government cost per total job is \$33,034;
- The fiscal benefit to cost ratio for all governments is 1.80:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$129,645,072, or \$329,436 per job (direct and indirect);
- The economic benefit to cost ratio is 9.97:1;
- Project construction cost is \$41,210,000, which is expected to generate 376 direct job years and 211 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.09 indirect jobs are anticipated in the state's economy;

- The payback period for NYS costs is six years.

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

Grantee Contact: Tim Baechle, Global Supply Chain Leader
1 River Road
Schenectady, NY 12345
Phone: (518) 385-0471 Fax: (518) 935-9388

ESD Project No.: W601

Project Team:	Origination	Mike Morse
	Project Management	Linda Dillon
	Contractor & Supplier Diversity	Diane Kinnicutt
	Finance	Ross Freeman
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall 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. General Electric Company will guarantee the grant repayment obligation of its subsidiary, GEMx Technologies LLC, in the event of an Employment Shortfall or other default, as defined in these materials or the Grant Disbursement Agreement.
4. Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
5. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less

than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

6. Up to \$12,500,000 will be disbursed in arrears in three installments;
 - a) an Initial Disbursement of an amount equal to 40% of the grant (\$5,000,000) will be disbursed to Grantee upon completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy, documentation of machinery and equipment project costs totaling \$40 million, and documentation of the employment of at least 200 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 30% of the grant (\$3,750,000) will be disbursed to Grantee upon documentation of the employment of at least 275 Full-time Permanent Employees at the Project Location (employment increase of 75), assuming that all project approvals have been completed and funds are available.
 - c) a Third Disbursement of an amount equal to 30% of the grant (\$3,750,000) will be disbursed to Grantee upon documentation of the employment of at least 350 Full-time Permanent Employees at the Project Location (employment increase of 75), and submission of documentation verifying total project expenditures of \$100,000 million, 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 29, 2009, to be considered eligible project costs. Disbursements may be requested simultaneously. All disbursements must be requested by April 1, 2015.

7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$12,500,000, 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.
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, 2014	0+X+Y+Z
February 1, 2015	0+X+Y+Z
February 1, 2016	0+X+Y+Z
February 1, 2017	0+X+Y+Z

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=200, and Employment Goals shall equal $[0 + X = 200]$ 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=75, and Employment Goals shall equal $[0 + X + Y = 275]$ 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=75, and Employment Goals shall equal $[0 + X + Y + Z = 350]$ 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

The project meets the statutory requirement of a JOBS Now Program because the Company will create at least 300 new full-time permanent private sector jobs. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

The New York State Department of Environmental Conservation (“NYSDEC”), as lead agency, has completed an environmental review of the project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of NYSDEC. This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on February 17, 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 is encouraged to use best efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation goal of not less than 10% of the total dollar value of ESD’s funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

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

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

VIII. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

Benefit-Cost Analysis

Project photographs (2)

Schenectady (Capital Region – Schenectady County) – GEMx Technologies Capital – JOBS Now Program (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to GEMx Technologies LLC a grant for a total amount not to exceed Twelve Million Five Hundred Thousand Dollars (\$12,500,000) from the JOBS Now Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

June 27, 2013

Schenectady (Capital Region – Schenectady County) – GEMx Technologies Capital – JOBS Now Program (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

Project Summary Benefit-Cost Evaluation¹

GEMx Technologies LLC – Business Investment

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

Initial Jobs:	0	Construction Job Years (Direct):	376
New Jobs:	350 over five years	Construction Job Years (Indirect):	211

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks ²	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs³	\$12,500,000	\$794,250	\$13,000,000	\$1,020,500
Fiscal Benefits⁴	\$14,008,886	\$2,085,600	\$23,352,698	\$4,271,980
Fiscal Cost /Direct Job	\$66,137	\$3,000	\$68,783	\$4,110
Fiscal Cost/Total Jobs	\$31,763	\$1,424	\$33,034	\$1,964
Fiscal B/C Ratio	1.12	7.00	1.80	10.60
	Project Results	Benchmarks		
Economic Benefits⁵	\$129,645,072	\$119,468,000		
Econ. Benefits/Total Jobs	\$329,436	\$147,600		
Economic B/C Ratio	9.97	50.00		

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

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

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

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

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



FOR CONSIDERATION

June 27, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: North Amityville (Long Island Region – Suffolk County) – NBTY 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 General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

Grantee: NBTY, Inc. (“NBTY” or the “Company”)

ESD* Investment: A grant of up to \$750,000 to be used for a portion of the cost of 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 Locations: 7000 New Horizons Boulevard, N. Amityville, Suffolk County**
60, 90, 105, 110 & 115 Orville Drive, Bohemia
815 Grundy Avenue, Holbrook
4320 Veterans Highway, Holbrook
2100 Smithtown Avenue, Ronkonkoma
10 & 35 Vitamin Drive, Bayport
5100 New Horizons Boulevard, N. Amityville
2060 & 2145 9th Ave, Ronkonkoma

** Project activity site; other locations are job retention and creation sites

Proposed Project: Renovate a 60,000-square-foot building and acquire new machinery and equipment to expand the business

Project Type: Business expansion involving job retention and creation

Regional Council: The Long Island Regional Council has been made aware of this item. The Incentive Offer was accepted in March 2011, predating the Regional Council Initiative. The project is consistent with the Regional Plan to reinvigorate manufacturing on Long Island. Mr. Harvey Kamil, Vice Chairman of NBTY, Inc., is a member of the 23-person Long Island Regional Economic Development Council. ESD’s assistance was not offered through the Regional Council/Consolidated Funding Application process, and Mr. Kamil was not involved in evaluation of the project for assistance.

Employment: Initial employment at time of ESD Incentive Offer: 2,400
 Current employment level: 2,608
 Minimum employment through January 1, 2018: 2,600*

*New employees cannot be transferred from other NYS locations

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction	\$13,000,000	
Equipment	18,600,000	
Indirect/Soft Costs	<u>500,000</u>	
Total Project Costs	<u>\$32,100,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$750,000	2%
Company Equity	<u>31,350,000</u>	<u>98%</u>
Total Project Financing	<u>\$32,100,000</u>	<u>100%</u>

III. Project Description

A. Company

Industry: The Company manufactures and distributes vitamins and nutritional supplements.

Company History: The Company was founded as Nature’s Bounty by Arthur Rudolph in 1971 in Plainview, New York. In 1972, the Company expanded into the direct response business with the creation of Puritan’s Pride direct mail

catalog. In 1975, retail establishments were added to the Company's portfolio. The name of the Company changed to NBTY in 1995. Today, the Company is one of the largest nutritional supplement manufacturer and distributors in the country.

- Ownership:** The Company is privately held but is subject to public bonds.
- Size:** The Company has over 2,600 non-retail employees in 14 locations in New York State and over 13,000 employees worldwide. In addition to the corporate headquarters campus in Long Island, the Company has manufacturing, packaging, warehouse, distribution and administration facilities throughout the United States and Canada. The Company also maintains overseas facilities in the United Kingdom, China, the Netherlands, Spain, South Africa and New Zealand.
- Market:** The Company serves the international nutrition and supplement market. Its brands include Nature's Bounty, Met-Rx, Balance Bar, and Pure Protein. Its major competitors include Pharmavite and Perrigos.
- ESD Involvement:** In mid-2010, the Company met with ESD to explore the expansion of its nutrition bar manufacturing operation. The Company had historically outsourced its nutrition bar manufacturing, but in 2008 it began manufacturing the nutrition bars in-house. The Company had outgrown its space and needed to expand operations to increase profitability and remain competitive. The Company was considering Long Island, NY and another site in Hazelton, PA, where NBTY has an existing facility, for this expansion. In order to induce the Company to expand in New York, ESD offered the Company a \$750,000 grant in March of 2011 to renovate an existing facility and create 200 new jobs on Long Island. Without ESD's assistance, it is likely that the Company would have completed its expansion outside of New York.
- Competition:** The Company considered expanding operations at its site in Hazelton, PA.
- Past ESD Support:** ESD's financial support to the Company began in 1996. Since then, total financial support to the Company, including loans and grants, has been \$650,000 for two projects. The funds were fully disbursed, and the terms were fulfilled.

The Company is Empire Zone certified in the Suffolk County Empire Zone, effective on December 16, 2008.

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
JOBS NOW	S459	\$250,000	February 2007	November 2008	Construction of a 37,000 square-foot addition to manufacturing plant and purchase machinery and equipment
Empire Zone Benefits	N/A	\$2,986,378	December 2008	December 2018	Wage tax credit, EZ ITC/EIC, QEZE Real Property Tax Credit, QEZE Tax Reduction Tax Credit, QEZE sales tax exemption

B. The Project

Completion: October 2012

Activity: The Company has renovated an existing 60,000-square-foot warehouse in North Amityville to manufacture its nutrition bars. It has also purchased and installed \$18,600,000 of new equipment for the project. The facility supports production, quality control, administrative and supervisory positions, all of which are directly tied to the manufacturing process of nutrition bars.

Results: Retain 2,400 employees and create 200 new jobs. The Company has already exceeded that goal and has created 208 jobs.

Grantee Contact: Nancy G. Shores, Vice President – Real Estate
90 Orville Drive
Bohemia, NY 11716
Phone: (631) 200-4427

ESD Project No.: X190

Project Team:	Origination	Barry Greenspan
	Project Management	Jared Walkowitz
	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 \$750,000 capital grant (\$7,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. 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.
3. 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.
4. Up to \$750,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$375,000) upon documentation of project expenditures of at least \$20,000,000, including at least \$15,000,000 in machinery and equipment and employment of at least 2,500 Full-time Permanent Employees at the Project Locations (Employment Increment of 100), assuming that all project approvals have been completed and funds are available and;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$187,500) will be disbursed upon documentation of the employment of at least 2,550 Full-time Permanent Employees at the Project locations (Employment Increment of 50), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$187,500) will be disbursed upon documentation of the employment of at least 2,600 Full-time Permanent Employees at the Project locations (Employment Increment of 50), 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 March 28, 2011, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$750,000, 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.
6. 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	2,400
---------------------	-------

A	B
Reporting Date	Employment Goals
February 1, 2014	2,400+X+Y+Z
February 1, 2015	2,400+X+Y+Z
February 1, 2016	2,400+X+Y+Z
February 1, 2017	2,400+X+Y+Z
February 1, 2018	2,400+X+Y+Z

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=100, and Employment Goals shall equal [2,400 + X = 2,500] 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=50, and Employment Goals shall equal [2,400 + X + Y = 2,550] 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=50, and Employment Goals shall equal [2,400 + X + Y + Z = 2,600] 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

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 2,400 and create 200 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 Hazelton, PA. 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 \$8,379,847;
- Fiscal cost to NYS government is estimated at \$769,492;
- Project cost to NYS government per direct job is \$5,663;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$2,205;
- Ratio of project fiscal benefits to costs to NYS government is 10.89:1;
- Fiscal benefits to all governments (state and local) are estimated at \$15,122,868;
- Fiscal cost to all governments is \$1,361,294;
- All government cost per direct job is \$10,018;
- All government cost per total job is \$3,900;
- The fiscal benefit to cost ratio for all governments is 11.11:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$69,702,451, or \$199,692 per job (direct and indirect);
- The economic benefit to cost ratio is 51.20:1;
- Project construction cost is \$13,500,000, which is expected to generate 99 direct job years and 63 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.64 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

ESD staff has determined that, although the funding of this project by ESD may constitute an "action" as defined by the State Environmental Quality Review Act ("SEQRA"), the project itself has been previously completed. ESD's action in the funding decision will not alter the adverse environmental impacts, if any, of the project as completed. ESD staff accordingly believes that funding the completed project will not have any significant adverse impacts on the environment. Therefore, 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 Company 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 15%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 10% and a Women Business Enterprise ("WBE") Participation Goal of 5% 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 Finance Memorandum
Benefit-Cost Analysis

June 27, 2013

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

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the NBTY 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 NBTY, Inc. a grant for a total amount not to exceed Seven Hundred Fifty Thousand Dollars (\$750,000) 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.

* * *

June 27, 2013

North Amityville (Long Island Region – Suffolk County) – NBTY Capital – Empire State
Economic Development Fund – General Development Financing (Capital Grant) –
Determination of No Significant Effect on the Environment

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

* * *

Project Type: Unique business infrastructure involving multiple company job retention

Regional Council: The Finger Lakes Regional Council (“FLREDC”) has been made aware of and is fully supportive of this item. The Incentive Offer was accepted in June 2013. The Project is consistent with the Regional Plan, supporting virtually all key industry clusters in the region, and is designated as the FLREDC’s single highest priority project.

Employment: Initial employment at time of ESD Incentive Offer: 105*
 Current employment level: 105*
 Minimum employment on January 1, 2016, and continuing for the 20-year term of the Loan: 70**

* These employees are under contract to transfer from Kodak or DTE (the boiler operator) to RED-Rochester upon closing of the Project.

** The Project contemplates replacement of coal with gas turbines by January 2017 to reduce net rates to all EBP customers. Such conversion will require fewer employees.

Loan Financing: The Loan will provide permanent financing for a 20-year term at an annual interest rate of 6%.

Security: First-priority liens on facilities and machinery and equipment. Extent of liens to be determined by third-party independent appraisal acceptable to ESD. Liens shall apply to both The Loan and The Grant and proceeds.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Acquisition of the Facilities, M&E and Fuel	\$12,400,000
Construction & Renovations for Infrastructure Upgrades	5,500,000
Working Capital Costs	<u>5,100,000</u>
Total Project Costs	<u>\$23,000,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Loan (Y495)	\$3,500,000	15%	6%/20 yrs./1 st liens on The Facilities and M&E
ESD-Grant (Y494)	3,600,000	15%	
Company Equity	<u>\$15,900,000</u>	<u>70%</u>	
Total Project Financing	<u>\$23,000,000</u>	<u>100%</u>	

III. Project Description

A. Company

- Industry:** RED develops, owns, and manages energy recycling facilities. These facilities take normally wasted energy and convert it into electricity and thermal power for manufacturers, universities, hospitals, and other large institutions. Energy recycling is considered a form of “decentralized” energy because it takes place on site rather than at large, remote power plants that serve entire regions. RED’s mission is to profitably reduce greenhouse-gas emissions.
- RED is optimistic about the growing market for cogeneration and supply-side efficiency. In 2012, President Obama signed an Executive Order calling for a 50 percent increase in the use of combined heat and power (“CHP”) by 2020, or 40 gigawatts of new capacity. CHP takes the heat from a boiler or an industrial process and uses it to keep buildings warm or generate electricity. Affordable natural gas has made it more cost-effective for industrial plants to draw their heat and electricity from gas-burning boilers.
- Company History:** The Company, headquartered in Westmont, IL, was founded in 2006 by its chairman, Tom Casten and CEO Sean Casten. Tom has developed roughly 250 decentralized energy recycling projects over the past 38 years. He was founder, president and CEO of Trigen Energy Corporation from 1977 through 2000 and then founded and was chair and CEO of Primary Energy until 2006. He has also served as president and head of international energy and clean power organizations. RED’s president and CEO, Sean Casten, was previously president and CEO of Turbosteam Corporation, a company focused on small-scale applications of energy recycling, which is an affiliate of RED.
- Ownership:** The Company is privately held.
- Size:** In addition to acquiring a large portfolio of California-based biomass power plants which produce over 120 megawatts of electric power, in which it now retains a 12% interest, RED has built a portfolio of smaller gas-fired cogeneration projects that remain wholly owned by RED Investment, LLC. Projects built or acquired and enhanced include a gas-turbine CHP project co-located at a National Gypsum wallboard mill in New Jersey, and gas-engine CHP projects co-located at Dean Foods dairies in Massachusetts and California.
- Market:** RED has few direct competitors, although its energy outsourcing to industrial companies compete with companies’ desire to keep this in house.
- ESD Involvement:** Eastman Business Park (“EBP” or the “Park”) is a site formerly used as

Kodak's primary film manufacturing location. EBP consists of 118 buildings and 17 million square feet of manufacturing operations on a 1,300-acre campus. The Park is home to a number of industrial and technology companies. Occupants include Kodak, LiDestri Foods (one of the nation's largest producers of tomato sauces and salsas), ITT Exelis (manufacturer of satellite technology), Carestream Health (medical and dental imaging), and approximately 30 other businesses. Currently there are over 8,000 employees at EBP, split between Kodak (3,000) and other companies (5,200). About 950 acres are owned by Kodak, and 350 acres are owned by companies that have purchased property from Kodak. All companies, whether they own or rent from Kodak, purchase all utilities (electric, steam, water, and sewer) from Kodak. New York State's (the "State") primary interest is to assure there are no business interruptions at the Park resulting from Kodak's currently pending Chapter 11 bankruptcy case.

The concerns of current tenants (and potential occupants) are that they not be left without a stable utility provider. The sale of the utilities to RED furthers the State's interest in keeping the Park, one of the largest industrial parks in the U.S., in a stable operating mode.

Competition: According to ESD's analysis, if the utility business were to shut down, it would be a significant contributor to the loss of 7,200 direct jobs associated with the manufacturing operations at EBP and up to an additional 18,000 jobs placed at risk in the Greater Rochester region.

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

B. The Project

Completion: January 1, 2017 (Phase I)

Activity: RED and Kodak have negotiated final contracts covering the sale of assets that provide 14 utility services, including steam and water, to tenants of EBP, and a 20-year contract to supply all Kodak's utility requirements. RED also will provide utility services via direct billing to 11 non-Kodak customers and provide services to approximately 23 other firms who are their lessees.

RED Rochester, a newly created SPE, will own and operate EBP's utility generating assets and associated land and buildings. Kodak will grant a blanket easement and associated access to RED Rochester. EBP's existing CHP plant burns coal to produce high-pressure steam, which is then reduced through a series of steam turbines throughout the Park in order to extract mechanical energy for compressed air and chilled water production and to drive over 140 MW of electrical generators. Lower pressure steam exiting the steam turbines provides energy for heating and industrial thermal loads

throughout EBP. This configuration allows the overall EBP utility plant to operate at approximately 65% fuel efficiency, using roughly half the fuel per unit of useful energy as offered by Rochester's public utility. RED Rochester will replace these coal boilers with gas turbines sized to EBP's thermal load, inclusive of utility loads. This arrangement will enable RED Rochester to fully utilize the existing infrastructure, comply with pending air emissions regulations, and generate additional revenue via the additional electricity production. As a result, the already-high fuel efficiency of the assets will increase to nearly 85% and help to ensure the long-term provision of competitive utility services at EBP.

At present, RED Rochester does not anticipate retiring or replacing any of the existing assets, though it intends to invest in several smaller-scale, near-term efficiency measures in order to increase the productivity of utility services. It has not yet made final decisions about whether to use new or used M&E for the various upgrades contemplated, but the decision will be based on minimizing total capital and operating cost yet ensuring that the reliability of utility services meets or exceeds historic levels.

Timeline: Phase 1 (closing date of purchase through January 1, 2017): RED Rochester will continue to run the existing coal-boilers, but immediately initiate efficiency investments. Preliminary investigations have identified multiple investments that will be ranked and evaluated for capital allocation based on detailed post-closing engineering.

These investments represent plans with either minimally required engineering or build on plans already pre-engineered by Kodak. Parallel with these efforts, RED Rochester will initiate plans to install one of the three gas turbine/heat recovery steam generators to displace some of the less efficient coal-fired steam production. There is insufficient natural gas supply at present to fully retire the coal, but this first stage investment is expected to lower tenant rates. To completely retire the coal will require a gas turbine and gas boiler investment of \$110 to \$120 million, plus the costs of the associated natural gas pipeline.

Phase 2 (2017 and beyond): RED Rochester will switch completely to gas turbine power for cleaner emissions.

Results: Assure a stable utility provider at Eastman Business Park, saving over 25,000 direct and indirect jobs that would be lost in the Greater Rochester region. Additionally, RED Rochester will retain 70 jobs after gas conversion of the EBP utilities.

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 \$6,899,833;
- Fiscal cost to NYS government is estimated at \$7,100,000;
- Project cost to NYS government per direct job is \$169,451;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$71,233;
- Ratio of project fiscal benefits to costs to NYS government is 0.97:1;
- Fiscal benefits to all governments (state and local) are estimated at \$9,243,209;
- Fiscal cost to all governments is \$7,100,000;
- All government cost per direct job is \$169,451;
- All government cost per total job is \$71,233;
- The fiscal benefit to cost ratio for all governments is 1.30:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$35,659,185, or \$357,764 per job (direct and indirect);
- The economic benefit to cost ratio is 5.02:1;
- Project construction cost is \$5,500,000, which is expected to generate 48 direct job years and 34 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.38 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is two years.

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

Borrower/

Grantee Contact:

Aaron Walters, CFO
640 Quail Ridge Drive
Westmont, IL 60559
Phone: (630) 590-6038 Fax: (630) 590-6037

ESD Project Nos.: Y495 (Loan), Y494 (Grant)

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

C. Financial Terms and Conditions (Loan – Y495)

1. The Borrower shall pay a closing fee of 1% of the \$3,500,000 Loan (\$35,000). 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 be obligated to advise ESD of any materially adverse changes in its financial condition or, if so requested, to demonstrate no materially adverse changes in its financial condition prior to closing.
3. The Borrower will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$3,500,000 will be disbursed to the Borrower upon documentation verifying project expenditures of \$16,400,000 (\$12,400,000 for purchase of assets, including the Facilities, M&E, fuel, fees, collateral, inventory, permits, closing costs and other soft costs, and at least \$4,000,000 in capital improvements), evidence of attainment of all titles, deeds and easements associated with the utility acquisition, documentation verifying approval of the sale to RED Rochester by the New York State Public Service Commission, documentation proving contractual agreements with no less than eighty percent of the EBP tenants, and other documentation ESD may require, assuming that all project approvals have been completed and funds are available. Should the asset purchase come to less than \$12,400,000, this would not prevent disbursement as long as RED-Rochester has satisfied all obligations necessary to close on the Project and ESD makes a finding in writing that this does not represent a material change in the Project's scope. There is no change, however, to the capital improvements requirement. Borrower's Resource Conservation and Recovery Act ("RCRA") costs may be considered as project soft costs at ESD's discretion. Expenses reimbursed by the Loan must be incurred on or after June 14, 2013, to be considered eligible project costs. Disbursement of the Loan 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 \$3,500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Borrower and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. Rate/Term: 20-year term at an annual interest rate of 6%.
7. Repayment Terms: Fully amortizing.
8. Job-Related Interest Rate Adjustment: In consideration for the making of The Loan, Borrower will achieve the Employment Goal of retention of 70 full-time employees at the Project Location for the 20-year term of The Loan. If the Full-time Permanent Employee Count for the year prior to the annual reporting date of February 1 of each calendar year is less than eighty-five percent (85%) of the Employment Goal (an "Employment Shortfall"), then ESD may increase the interest rate to 8%.
9. Upon any abandonment, closure or shutdown of the Facilities and M&E that supply 14 utilities to multiple tenants at the Eastman Business Park, ESD shall have the right to request from RED Rochester the immediate repayment of any outstanding balance due on the Loan.
10. ESD shall have the right to request The Borrower to submit updated financial statements prior to closing. Generally, such updated statements will be requested only if closing takes place more than six months after ESD Directors' approval. ESD shall also have the right to require financial disclosure as necessary throughout the term of the grant for the purposes of assuring that adequate working capital reserves are in place.
11. Financial Disclosure/Bank Reference Check: Updated financial disclosure on Borrower acceptable to ESD and bank reference check acceptable to ESD must be provided prior to closing.
12. Lien/Collateral: First liens on the Facilities and M&E acquired with the proceeds of the Loan with a cost of \$3,500,000 but with a replacement value of at least \$60 million. The Borrower will submit collateral review and appraisals acceptable to ESD prior to closing.
13. Due Diligence: Appraisals, and engineering and environmental reviews acceptable to ESD, must be provided prior to closing.

D. Financial Terms and Conditions (Grant – Y494)

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$3,600,000 Grant (\$36,000) 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 or, if so requested, to 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 Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$3,600,000 will be disbursed to Grantee upon verification of project expenditures of approximately \$12,400,000 for purchase of assets, including the Facilities, M&E, fuel, fees, collateral, inventory, permits, closing costs and other soft costs, evidence of attainment of all titles, deeds and easements associated with the utility acquisition, documentation verifying approval of the sale to RED Rochester by the New York State Public Service Commission, documentation proving contractual agreements with no less than eighty percent of the EBP tenants, and other documentation ESD may require, assuming that all project approvals have been completed and funds are available. Should the asset purchase come to less than \$12,400,000, this would not prevent disbursement as long as RED-Rochester has satisfied all obligations necessary to close on the Project and ESD makes a finding in writing that this does not represent a material change in the Project's scope. There is no change, however, to the capital improvements requirement. Grantee's Resource Conservation and Recovery Act ("RCRA") costs may be considered as project soft costs at ESD's discretion. 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 14, 2013, to be considered eligible project costs. Disbursement of the Grant 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 \$3,600,000, for the 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, defined as any of the Facilities or M&E purchased by RED Rochester at EBP, is sold to an unrelated party 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.

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 second full calendar year after the disbursement was made;
- (ii) 100% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
- (iii) 100% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (iv) 100% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.
- (v) 100% 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	105
---------------------	-----

A	B
Reporting Date*	Employment Goals
February 1, 2014	70
February 1, 2015	70
February 1, 2016	70
February 1, 2017	70
February 1, 2018	70

*These reporting dates are for The Grant. Employment reporting for The Loan continues for the 20-year term, as stated in Section C, Financial Terms and Conditions (Loan).

8. Upon any abandonment, closure or shutdown of the Facilities and M&E that supply 14 utilities to multiple tenants at the Eastman Business Park, if occurring within the period governed by recapture provisions of the Grant as stated above, ESD shall have the right to request from RED Rochester the immediate repayment of the Grant. After the fifth full calendar year after the disbursement of the Grant, this provision shall not apply to the Grant.
9. As security for the payment of any Recapture Amount that may become due and prior to the disbursement of any Grant funds, Borrower shall deliver a collateral first-priority liens to ESD to secure Borrower’s obligation to pay any of the Recapture Amount that may become due.

IV. Statutory Basis

Economic Development Purposes Fund: The Project was authorized in the 2012-2013 New York State budget.

Urban and Community Development Program: The Project is authorized under Sections 5(4) and 16-d of the New York State Urban Development Corporation Act (the “Act”) and satisfies the eligibility criteria for a Urban and Community Project Development Assistance loan as set forth in the Act and the rules and regulations for the Urban and Community Development Program.

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

V. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination & Contractor and Supplier Diversity policy will apply to the Project. The Borrower/Grantee shall be required to solicit and utilize New York State certified Minority-owned and Women-owned Business Enterprises (MWBEs) for any contractual opportunities generated in connection with the Project and to use good faith efforts to achieve an overall MWBE Participation Goal of 20%. The overall MWBE participation goals shall consist of a Minority Business Enterprise (“MBE”) Participation goal of 10% and a Women Business Enterprise (“WBE”) Participation goal of

10% related to the total value of ESD's funding. MBE participation requirements may not be substituted for WBE participation, or the reverse.

VI. 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.

B. Kodak Contract Terms

As set forth above, the State's primary interest is to assure there are no business interruptions at the Park resulting from Kodak's currently pending Chapter 11 bankruptcy case. Accordingly, in connection with the Project, ESD also has entered into a contract with Kodak and the New York State Department of Environmental Conservation ("DEC") pursuant to which DEC agrees to provide Kodak with a Covenant Not to Sue Kodak in connection with pre-existing EBP environmental liabilities and ESD agrees to take actions to support consummation of the Project, in return for which Kodak will: (a) fund an environmental trust to be managed by DEC and used to provide ongoing environmental remediation at the Park; (b) commit to maintain a critical mass of Kodak operations at the Park; and (c) permit ESD certain approval rights over a purchase contract for the Park and over potential future successor owners/operators of the Park, such approval rights to be exercised by the President and Chief Executive Officer of the Corporation or his designee(s).

C. Environmental Review

Pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation, ESD staff performed an uncoordinated review of the General Project Plan and the requested authorizations. This review determined that these actions, which are Unlisted Actions as defined in SEQRA, would not have a significant effect on the environment. Therefore, it is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Additionally, the New York State Public Service Commission has completed its own environmental review of the proposed transfer of utility assets at the Eastman Business Park from Eastman Kodak Company to RED Rochester, and the certification of RED Rochester to provide utility services to customers located at the Park, pursuant to the requirements of SEQRA. This review found those approvals constitute an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on May 30, 2013.

The future conversion to gas turbines is currently under study and is not being considered for funding, authorization or approval by ESD. At such time that any future conversion to gas turbines is proposed, it will be subject to further environmental review.

Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

Benefit-Cost Analysis

June 27, 2013

Rochester and Greece (Finger Lakes Region – Monroe County) – RED Rochester Capital – Urban and Community Development Program (Capital Loan) and Economic Development Purposes Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) and 16(d) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and a Grant and to Take Related Actions; Authorization to Enter into a Contract and to Take Related Actions

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, relating to the RED Rochester Capital – Urban and Community Development Program (Capital Loan) and 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 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 RED Rochester, LLC a loan for a total amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) from the Urban and Community Development Program and a grant for a total amount not to exceed Three Million Six Hundred Thousand Dollars (\$3,600,000) 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 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, the Directors authorize the Corporation to enter into the ESD, DEC, Kodak contract described in Part B of the Materials; 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.

* * *

June 27, 2013

Rochester and Greece (Finger Lakes Region – Monroe County) – RED Rochester Capital – Urban and Community Development Program (Capital Loan) and Economic Development Purposes Fund (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the RED Rochester Capital – Urban and Community Development Program (Capital Loan) and Economic Development Purposes Fund (Capital Grant) Project, the Corporation hereby determines that the proposed actions will not have a significant effect on the environment.

* * *

A. Long Beach LDC Working Capital (Y422)

June 27, 2013

- Grantee:** Long Beach Local Development Corporation (“LBLDC” or the “Organization”)
- ESD Investment:** A grant of up to \$100,000 to be used for a portion of the cost of marketing expenses for the Summer 2013 “Long Beach Open for Business” campaign.
- Project Location:** 1 West Chester Street, Long Beach, Nassau County
- Proposed Project:** The Long Beach Local Development Corporation will implement a regional marketing campaign to promote seasonal tourism, support local businesses, and provide a significant boost to the local economy of Long Beach following Superstorm Sandy.
- Project Type:** Working Capital
- Regional Council:** The Long Island Regional Council has been made aware of this project. The project is consistent with the Long Island Regional Council’s Strategic Plan to leverage and protect Long Island’s natural assets, such as beaches, which are substantial income generators and boost revenues for business, government, and individuals.

Background:

Industry – LBLDC is a not-for-profit corporation.

Organization History – The Long Beach Local Development Corporation was created in February 2012 by the City of Long Beach. The LBLDC is tasked with the development of sustainable economic development principles, modeled after those articulated in the United Nations 2005 World Summit Outcome Document “defining sustainable development as economic development, social development, and environmental protection.” Although the LBLDC is in its infancy stages, Superstorm Sandy has put it on the fast track to develop an aggressive economic development plan for the City of Long Beach. The immediate need for economic recovery following the storm underscores the need for the services of the LBLDC.

Ownership – LBLDC is a not-for-profit, quasi governmental corporation established by the City of Long Beach.

Size – All facilities located in Long Beach, NY.

A. Long Beach LDC Working Capital (Y422)

June 27, 2013

ESD Involvement – Following Superstorm Sandy, the City of Long Beach City, which was devastated by the storm, requested ESD support in order to promote tourism for their summer season, which is vital to local businesses. ESD’s grant funds would be used to secure a qualified Regional Marketing and Advertising firm to spearhead and aggressively promote the “Long Beach is Open for Business” campaign. ESD responded with a financial assistance proposal, which the LBLDC accepted in April 2013 and will match with other funds it has raised.

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

The Project:

Completion – December 2013

Activity – In the wake of Superstorm Sandy, the LBLDC is developing a citywide economic development plan that includes a large scale, regional marketing campaign to promote “Long Beach is Open for Business.” The campaign is geared to encourage seasonal tourism, support local businesses, and provide a significant boost to the local economy. A wide variety of advertising outlets will encompass this campaign including television, radio, billboards, web/social media, and print media. The City of Long Beach issued a Request for Proposal (“RFP”) and has selected two qualified local marketing and advertising firms to oversee the campaign. The two firms are Creative Advertising Concepts and Zimmerman/Edelson Inc.

Results – Many Long Beach businesses rely on the summer season to meet their economic goals. The focus of the project is to increase seasonal tourism and boost the local economy. Discouraged by the aftermath of Superstorm Sandy, many residents and businesses have not returned to Long Beach. To encourage their return and regain economic stability, the campaign will aggressively promote Long Beach as renewed community and a vibrant destination. Upon completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.

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

A. Long Beach LDC Working Capital (Y422)

June 27, 2013

Financing Uses	Amount	Financing Sources	Amount	Percent
Outdoor Advertising	\$55,000	ESD Grant	\$100,000	50%
Internet Advertising	\$10,000	Organization Equity*	\$100,000	50%
Print Newspapers	\$15,000			
Agency Retainer	\$40,000			
Television Production	\$64,000			
General Administration Costs	\$16,000			
Total Project Costs	\$200,000	Total Project Financing	\$200,000	100%

* Organization Equity consists of a \$50,000 grant from the Bethpage Federal Credit Union and a \$50,000 grant from Citl Group.

Grantee Contact - Jack Schnirman, City Manager
 1 West Chester Street
 Long Beach, NY 11561
 Phone: (516) 431-1001 Fax: (516) 431-1389

Project Team - Origination Andrea Lohneiss
 Project Management Glenda Wenerski
 Contractor & Supplier Diversity Vikas Gera
 Environmental Soo Kang

Financial Terms and Conditions:

1. The Organization will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Organization will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Organization's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Organization or by investors, and should be auditable through Organization financial statements or Organization accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
3. Up to \$100,000 will be disbursed to the Grantee in arrears, no more frequently than quarterly, based on eligible project costs, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must be incurred on or after April 19, 2013, to be considered eligible project costs. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks have been completed to ESD's satisfaction.

A. Long Beach LDC Working Capital (Y422)

June 27, 2013

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

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

Statutory Basis – Urban and Community Development Program:

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

B. NYSEDC Working Capital (Y562)

June 27, 2013

- Grantee:** The New York State Economic Development Council (“NYSEDC” or the “Organization”)
- ESD Investment:** A grant of up to \$100,000 to be used for a portion of the cost of preparing and issuing a Request for Proposal (“RFP”) and of selecting and monitoring an independent consultant (the “Firm”) to design and execute a targeted international marketing campaign.
- Project Location:** 111 Washington Avenue, Albany, Alban County
- Proposed Project:** Preparation and issuance of an RFP, selection and monitoring of a qualified marketing firm or professional, and the design and execution of a direct international marketing campaign.
- Project Type:** Working Capital
- Regional Council:** The Capital District Regional Council has been made aware of this item. The project is consistent with the Capital Region Economic Development Council Strategic Plan to launch and grow new businesses, nurture existing businesses to grow and become more competitive, attract businesses from outside the Region, leverage public and private investments to expand and diversify the economic base, enriching an already excellent quality of life.

Background:

Industry – The New York State Economic Development Council is New York State's principal organization representing economic development professionals. The purpose of NYSEDC is to promote the economic development of the state and its communities, to encourage sound practices in the conduct of regional and statewide development programs, and to develop education programs that enhance the professional development skills of NYSEDC members.

Company History – NYSEDC has been serving New York's economic development professionals for more than 30 years. NYSEDC has 900 members, including the leadership of Industrial Development Agencies, Local Development Corporations, commercial and investment banks, underwriters, bond counsels, utilities, chambers of commerce and private corporations.

Ownership – NYSEDC is a not-for-profit organization led by its members and a Board of Directors.

B. NYSEDC Working Capital (Y562)

June 27, 2013

Size – All facilities located in Albany, NY.

Market – NYSEDC works with professionals to promote economic development throughout New York State.

ESD Involvement – ESD is a member of NYSEDC along with other New York State industrial development agencies, local development corporations, commercial and investment banks, underwriters, bond counsels, utilities, chambers of commerce, and private corporations. Bringing new investment and jobs to New York State is the common interest of all economic development agencies. These organizations collaborate to achieve this goal in a manner that is effective and efficient. By pooling resources, ESD’s grant funds will be matched by a \$100,000 contribution from other key NYSEDC members to successfully support the economic development marketing project. Working through the auspices of NYSEDC, the project will attract businesses from the other 49 states and Canada to create jobs within New York State.

Past ESD Support – ESD funding to NYSEDC over the past five years is summarized as follows:

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
Empire State Economic Development Fund	V926	\$150,000	March 2008	June 2009	Working Capital - Cooperative Marketing
	X037	\$120,000	June 2010	December 2011	Working Capital - Business Marketing

The Project:

Completion – July 2014

Activity – NYSEDC and ESD have released an RFP and will collaborate to select a Firm to implement a direct marketing campaign to targeted businesses outside New York State. The Firm will design and execute an outreach strategy to generate “qualified leads” for business attraction. A qualified lead is a business with a prospective project that is being considered in New York State. Additionally, the Firm will market New York State opportunities to the qualified leads and provide operational support for NYSEDC in industry-related activities and promotions.

Results – The Firm will provide the following:

B. NYSEDC Working Capital (Y562)

June 27, 2013

- A minimum of 56 appointments with “qualified leads” and a target goal of seven appointments in eight target-industry clusters.
- Confirmed appointments, with company profiles that include:
 1. Revenues, number of employees, areas of operation, major suppliers and competitors;
 2. Key company personnel, including contact information;
 3. Project details, including expected job creation, project timeframe and geographic location(s) being considered;
 4. Summary of financial stability and capacity to expand;
 5. Name and title of executives interviewed and synopsis of interviews.
- Tracking of lead activity in customer relationship management (CRM) software.
- Monthly activity reports detailing activities and accomplishments within 30 days of the month covered by the report. The reports will include discussions that demonstrate how the following objectives were met:
 1. Identification of potential “qualified leads” within target industries;
 2. Detailed information regarding project identification information culled from target list prospects;
 3. Status of completed or scheduled appointments with “qualified leads”; and
 4. Status update on CRM software updates, additions, and changes.
- A marketing and outreach plan.

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

Financing Uses	Amount	Financing Sources	Amount	Percent
Business Marketing Activities	\$200,000	ESD Grant	\$100,000	50%
		Organization Equity*	100,000	50%
Total Project Costs	\$200,000	Total Project Financing	\$200,000	100%

*Organization Equity is from NYSEDC members.

Grantee Contact – Brian McMahon, Executive Director
 111 Washington Avenue
 Albany, NY 12210
 Phone: (518) 426-4058 x3 Fax: (518) 426-4059

Project Team –

Originator	Jeff Janiszewski
Project Management	Glenda Wenerski
Contractor & Supplier Diversity	Diane Kinnicutt

B. NYSEDC Working Capital (Y562)

June 27, 2013

Financial Terms and Conditions:

1. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. Up to \$100,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 33% of the grant (\$33,000) will be disbursed to the Grantee as an advance upon documentation of the execution of a contract between NYSEDC and the Firm related to the project as described in these materials, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 33% of the grant (\$33,000) will be disbursed to the Grantee upon documentation of paid invoices for project costs totaling at least \$66,000 by NYSEDC to the Firm;
 - c) a Third Disbursement of an amount equal to 34% of the grant (\$34,000) will be disbursed to the Grantee upon documentation of additional paid invoices for project costs totaling at least \$134,000 (\$200,000 cumulatively) by NYSEDC to the Firm.

Payments will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require assuming that all project approvals have been completed and funds are available. All project expenditures must have been incurred on or after August 1, 2013, to be considered eligible project costs.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned businesses ("MWBEs") in the performance of ESD contracts. As such, ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply. The funding recipient shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the Project. Further, the funding recipient has agreed to identify and provide a quantitative scoring factor for Project offerers that are MWBEs.

B. NYSEDC Working Capital (Y562)

June 27, 2013

Statutory Basis – Urban and Community Development Program:

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

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

June 27, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Discretionary Projects Consent Calendar

REQUEST FOR: Findings and Determinations Pursuant to Sections 10(g), 5(4), and 16-d of the Act; Authorization to Make Grants and to Take Related Actions; Determination of No Significant Effect on the Environment

Attached is a summary of discretionary projects requesting ESDC assistance of up to \$100,000 in the following category:

Urban and Community Development Program

	Project Name	Proj #	Grantee	Assistance up to
	Urban and Community Development Assistance			
A.	Long Beach LDC Working Capital	Y422	Long Beach Local Development Corporation	\$100,000
	Urban and Community Technical Assistance			
B.	NYSEDC Working Capital	Y562	The New York State Economic Development Council	100,000
			TOTAL	\$200,000

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

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

Environmental Review

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

Office of Contractor and Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Supplier Diversity policy will apply to the projects. In the case of training, global export market service and productivity improvement projects, the grantees and/or the beneficiary companies, as applicable, shall use their good faith efforts to provide for the meaningful participation of minorities and women in any job or training opportunities created by the projects and to solicit and utilize minority and women-owned businesses for any contractual opportunities generated in connection with the project.

For all other projects, unless otherwise specified in the project summary, grantees shall use their good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 23% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 13% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantee shall use good faith efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the Projects.

Reallocation of Funds

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

ESD Employment Enforcement Policy

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

Statutory Basis – Urban and Community Development Program

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

Attachments

New York State Map

Resolutions

Project Summaries (2)

June 27, 2013

Urban and Community Development Program - Findings and Determinations Pursuant to Sections 10(g), 5(4) and 16-d of the Act; Authorization to Make Grants and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the 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(s); and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from the Urban and Community Development Program, for the purposes, and substantially on the terms and conditions, set forth in the Materials, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, 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;

Urban and Community Development Program

	Project Name	Proj #	Grantee	Assistance up to
	Urban and Community Development Assistance			
A.	Long Beach LDC Working Capital	Y422	Long Beach Local Development Corporation	\$100,000
	Urban and Community Technical Assistance			
B.	NYSEDC Working Capital	Y562	The New York State Economic Development Council	100,000
			TOTAL	\$200,000

and be it further

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

* * *

10. Long Island - Path Through History Working Capital (Y466)

June 27, 2013

- Grantee:** Suffolk County Department of Economic Development and Planning, Office of Film & Cultural Affairs (“SCDEDP” or the “Organization”)
- ESD Investment:** A grant of up to \$100,000 to be used for tourism marketing and administrative expenses.
- Project Location:** Long Island
- Proposed Project:** Development of a Web site, video vignettes and press and media branding for Long Island.
- Regional Council:** The Long Island Regional Economic Development Council (“LIREDC”) has been made aware and has endorsed this item. The Incentive Offer was accepted in May 2013. The project is consistent with the Regional Plan to promote tourism in the Long Island Region.

Background:

Organization History – The Suffolk County Department of Economic Development and Planning works with businesses to help facilitate job growth and retention and private capital investment in Suffolk County. The department also receives various grants that encourage tourism and downtown revitalization.

Ownership – The Organization is a government agency.

ESD Involvement – A \$100,000 grant from the Economic Development Purposes Fund.

Past ESD Support – Since 1992, the Organization has received financial support totaling \$16,207,986 for a variety of projects.

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
Base Retention Working Capital	Y056	\$126,686	3/20/13	May 2013	To prepare a Military Sustainability Plan, an economic impact plan and public relations for military base retention.

Long Island - Path Through History Working Capital (Y466)

June 27, 2013

The Project:

Completion date – May 2014

Activity – The Organization will develop a communications strategy including Web, press, traditional, social and other forms of media to market its tourist attractions and hire a public relations firm, through a Request for Proposal, to lead press outreach activities. SCDEDP will begin development of its Web site, DiscoverLongIsland.com (“Site”), in January 2014 and launch the Site by April 2014. The Site will include six video vignettes that will be uploaded by May 2014.

SCDEDP will create a strategic partnership with the Long Island Convention and Visitors Bureau to promote Long Island through traditional and social media. The Organization will also create printed material to be distributed at New York State Welcome Centers (“Centers”) to highlight the new Web site.

Results – The project is anticipated to increase visitors to Long Island by employing an integrated marketing approach to attract domestic leisure travelers. The project will also generate awareness about the history of Long Island while engaging its potential visitors through videos and outreach. Additionally, the printed material distributed at the Centers will better prepare visitors to Long Island locate destinations of interest.

During the course of the project, SCDEDP will furnish quarterly reports describing the impact and effectiveness of the project. The progress, success, expenditures, and benefits of the project will be monitored by the LIREDC Tourism Workgroup (the “Workgroup”), which will present periodic updates to the LIREDC. Any changes to the project will be reported by SCDEDP to the Workgroup. Upon completion of the project, SCDEDP will furnish a final report describing the impact and effectiveness of the project.

Financing Uses	Amount	Financing Sources	Amount	Percent
Web site Development	\$35,000	ESD Grant	\$100,000	100%
Video Vignettes (6)	\$35,000			
Public Relations	\$15,000			
Rack Cards	\$5,000			
Administrative Costs	\$10,000			
Total Project Costs	\$100,000	Total Project Financing	\$100,000	100%

Grantee Contact: Michelle Isabelle-Stark, Director
100 Veterans Highway, 11th Floor, Hauppauge, NY 11788
Phone: (631) 853-4834 Fax: (631) 853-4767

Long Island - Path Through History Working Capital (Y466)

June 27, 2013

Project Team:	Project Management	Jared Walkowitz
	Contractor & Supplier Diversity	Diane Kinnicutt
	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 \$100,000 will be disbursed to the Grantee in three installments as follows:

First 10% - Advance

Upon the execution of a Grant Disbursement Agreement (“Agreement”) and presentation to ESD of an invoice by Grantee, 10% of the funds (\$10,000) shall be disbursed as an advance against Eligible Expenses in connection with endorsed Priority Implementation Projects.

Next 80% - Reimbursement during course of project

Up to 80% of funds (\$80,000), cumulative, will be disbursed in arrears, no more frequently than monthly, as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including documentation verifying Grantee’s disbursement of the \$10,000 advance and required program reports.

Final 10% - Reimbursement after Project Completion

The final 10% of funds (\$10,000) shall be disbursed in arrears upon project completion as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including required program reports documenting verifying that all project tasks have been completed to ESD's satisfaction.

Expenses must be incurred on or after May 10, 2013 to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2014.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Long Island - Path Through History Working Capital (Y466)

June 27, 2013

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor and Supplier Diversity policy will apply. The Grantee shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 20% related to the total value of ESD's funding. Grantee shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the projects.

Statutory Basis – Economic Development Purposes Fund:

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

Disclosure and Accountability Certifications:

The Grantee has provided ESD with the required Disclosure and Accountability Certifications. The Grantee has no conflict of interest and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.

I. Central New York – Path Through History Capital (Y450)

June 27, 2013

- Grantee:** CenterState Corporation for Economic Opportunity (“CenterState CEO” or the “Organization”)
- ESD Investment:** A grant of up to \$100,000 to be used for tourism marketing and administrative expenses.
- Project Location:** Central New York
- Proposed Project:** Conduct four heritage tourism implementation projects within the Path Through History (“PTH”) Project, to connect historic and cultural attractions throughout the Central New York Region (the “Region”) and promote tourism and economic development.
- Regional Council:** The Central New York Regional Economic Development Council (“CNY REDC”) has been made aware and has endorsed this item. The Incentive Offer was accepted in May 2013. The project is consistent with the Regional Plan to support the tourism industry which is critical to the Region’s development and transformation.

Background:

Sponsor History – In 2010, members of the Metropolitan Development Association of Syracuse and Central New York, Inc. (“MDA”), and the Greater Syracuse Chamber of Commerce partnered to form the CenterState Corporation for Economic Opportunity to serve as the primary economic, community and business development catalyst in the Region. CenterState CEO is a regional business leadership organization, chamber of commerce, and economic development strategist that represents 2,000 members of all sizes and serves as the primary business resource and catalyst for development in a twelve-county area. The Syracuse Convention and Visitors Bureau is the CenterState CEO affiliate completing the majority of the grant administration for the Path Through History Project, and is Onondaga County’s official and accredited destination marketing organization whose mission is to strengthen the City of Syracuse and Onondaga County as a convention and visitor destination, to increase revenues and stimulate economic development and growth for the community.

Ownership – CenterState CEO is a partnership between the Metropolitan Development Association of Syracuse and Central New York, Inc. and the Greater Syracuse Chamber of Commerce.

ESD Involvement – A \$100,000 grant from the Economic Development Purposes Fund.

Past ESD Support – Since 2005, the ESD Directors have approved over \$6 million in legislative-sponsored grants to help the MDA/CenterState CEO. The Grantee is in compliance with the terms of all previous funding.

Central New York – Path Through History Capital (Y450)

June 27, 2013

Funding for the past eight 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	T478	\$1,000,000	December 15, 2005	September 25, 2009	Essential NY Initiative
	T640	\$1,000,000	July 18, 2006	September 30, 2009	Essential NY Initiative
	U868	\$250,000	June 21, 2007	August 26, 2009	NYIEQ
	V679	\$250,000	May 21, 2009	March 20, 2012	NYIEQ
	V756	\$1,000,000	December 20, 2007	March 31, 2013	Grants for Growth
	W332	\$301,000	October 22, 2009	March 9, 2013	Essential NY Initiative
	W333	\$150,000	October 15, 2008	January 19, 2012	Community Events Fund
	W390	\$94,000	June 28, 2011	January 11, 2013	NYIEQ
	W392	\$71,000	October 20, 2011	November 11, 2011	Regional Economic Development Plan Update
	W553	\$45,000	May 21, 2009	August 25, 2011	Essential NY Initiative
W678	\$250,000	June 28, 2011	September 19, 2011	NYIEQ	
Community Projects Fund	T546	\$250,000	September 29, 2005	November 21, 2007	NYIEQ
	T933	\$1,000,000	May 17, 2007	March 24, 2012	Essential NY Initiative
	W257	\$596,853	March 4, 2009	March 31, 2014	Essential NY Initiative
	W258	\$124,312	June 28, 2011	December 31, 2014	NYIEQ
	W551	\$180,000	May 21, 2009	August 25, 2011	Capital Grant –

Central New York – Path Through History Capital (Y450)

June 27, 2013

	W680	\$71,000	September 14, 2010	December 31, 2013	Facility Upgrades Essential NY Initiative
--	------	----------	--------------------	-------------------	--

The Project:

Completion Date – June 2014

Activity – The CNYREDC Workgroup (the “ Workgroup”), which includes the Grantee, developed a Vision Statement which envisions Central New York as an innovative, sustainable year-round destination of choice where individuals and families in search of high-quality heritage tourism experiences can connect with history and experience diverse cultures and communities. The Vision Statement outlines four innovation and reform themed PTH Heritage Implementation Projects to accomplish this goal. These projects include:

- Branding with the creation and implementation of a brand building and public relations outreach plan;
- Broadcasting and media partnerships with local radio and television stations to create documentaries and television and radio spots showcasing the 84 regional attractions identified in PTH Central Region Master List;
- Interactive Tourist Assistance Portals which are a connected web of visitor information kiosks to be centered in Syracuse, and placed throughout the Region to promote the Region’s assets to over five million visitors traveling through the area; and
- The creation of a mobile touring application, which will be an interactive travel guide to the 84 identified Central New York Path Through History locations.

Results – The project is expected to increase the number of visitors, length of visitor stay and create repeat visitors to the Central New York Region to spur economic development opportunities, contribute to residents’ quality of life and preserve the Region’s irreplaceable heritage tourism sites.

During the course of the project, CenterState CEO will furnish quarterly reports describing the impact and effectiveness of the project. The progress, success, expenditures, and benefits of the project will be monitored by the Workgroup, which will present periodic updates to the WNYREDC. Any changes to the project will be reported by CenterState CEO to the Workgroup. Upon completion of the project, CenterState CEO will furnish a final report describing the impact and effectiveness of the project.

Central New York – Path Through History Capital (Y450)

June 27, 2013

Financing Uses	Amount	Financing Sources	Amount	Percent
Branding and Coordination Assistance	\$29,000	ESD Grant	\$100,000	100%
Tourist Assistance Portals	15,000			
Broadcasting and Media Initiatives	31,000			
Mobile Application Development	25,000			
Total Project Costs	\$100,000	Total Project Financing	\$100,000	100%

Grantee Contact: David Holder
President, Syracuse Convention and Visitors Bureau
572 South Salina Street
Syracuse, NY 13202
Phone: (315) 470-1800 Fax: (315) 471-8545

Project Team: Project Management Jessica Hughes
Contractor & Supplier Diversity Diane Kinnicutt
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 \$100,000 will be disbursed to the Grantee in three installments as follows:

First 10% - Advance

Upon the execution of a Grant Disbursement Agreement (“Agreement”) and presentation to ESD of an invoice by Grantee, 10% of the funds (\$10,000) shall be disbursed as an advance against Eligible Expenses in connection with endorsed Priority Implementation Projects.

Central New York – Path Through History Capital (Y450)

June 27, 2013

Next 80% - Reimbursement during course of project

Up to 80% of funds (\$80,000), cumulative, will be disbursed in arrears, no more frequently than monthly, as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including upon documentation verifying Grantee's disbursement of the \$10,000 advance and required program reports.

Final 10% - Reimbursement after Project Completion

The final 10% of funds (\$10,000) shall be disbursed in arrears upon project completion as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including required program reports verifying that all project tasks have been completed to ESD's satisfaction.

Expenses must be incurred on or after May 14, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2014.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor and Supplier Diversity policy will apply. The Grantee shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 20% related to the total value of ESD's funding. Grantee shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the projects.

Statutory Basis – Economic Development Purposes Fund

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

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.

Central New York – Path Through History Capital (Y450)

June 27, 2013

2. North Country - Path Through History Working Capital (Y451)

June 27, 2013

- Grantee:** Thousand Islands Regional Tourism Development Corporation (“TIRDC” or the “Organization”)
- ESD Investment:** A grant of up to \$100,000 to be used for tourism marketing and administrative expenses.
- Project Location:** North Country
- Proposed Project:** Creation of a map, a photo library and an online video resource library to promote and encourage tourism to historic locations in the North Country Region (“Region”).
- Regional Council:** The North Country Regional Economic Development Council (“NCREDC”) has been made aware and has endorsed this item. The Incentive Offer was accepted in April 2013. The project is consistent with the Regional Plan to retain and increase jobs in the tourism sector and foster entrepreneurial opportunities.

Background:

Organization History – Founded in 1996, the Thousand Islands Regional Tourism Development Corporation promotes the tourism industry and its associated employment base within Jefferson County (“County”). The Organization contracts as the official tourism promotion agency and receives bed tax funds from the County. The TIRDC also receives financial support from the Thousand Islands Bridge Authority and the Federal Bridge Corporation Limited of Canada. TIRDC also works with the Ontario-based Thousand Islands – St. Lawrence Seaway Marketing Partnership to coordinate international marketing efforts.

Ownership – The TIRDC is a not-for-profit organization.

ESD Involvement – A \$100,000 grant from the Economic Development Purposes Fund.

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

North Country - Path Through History Working Capital (Y451)

June 27, 2013

The Project:

Completion date - May 2014

Activity – The TIRDC plans to develop four Priority Implementation Projects which will involve creation of a regional Path Through History (“PTH”) map, organization and promotion of itineraries for the travel trade, creation of a photo library of PTH sites, and creation of a PTH Web video library. The TIRDC hopes that these four projects will build and enhance existing tourism, attract incremental support from partners and benefit heritage sites region-wide. In June 2013, TIRDC will begin creating regional PTH maps and engaging in research and development of travel trade itineraries. The Organization will also contract independent photographers and organize and distribute images for the photo library collection. TIRDC plans to distribute the PTH maps and display advertisements in travel trades magazines by May 2014.

Results –The Organization expects that this plan will encourage sustainable tourism while helping to build an innovative economy which capitalizes on the Region’s abundant natural resources.

During the course of the project, TIRDC will furnish quarterly reports describing the impact and effectiveness of the project. The progress, success, expenditures, and benefits of the project will be monitored by the NCREDC Tourism Workgroup (the “Workgroup”), which will present periodic updates to the NCREDC. Any changes to the project will be reported by TIRDC to the Workgroup. Upon completion of the project, TIRDC will furnish a final report describing the impact and effectiveness of the project.

Financing Uses	Amount	Financing Sources	Amount	Percent
MAP Highlighting PTH Sites	25,000	ESD Grant	\$100,000	100%
Photo Library Historic Sites	25,000			
Web Video Resource Library	30,000			
Historic Themed Itineraries for Travel Trades	15,000			
Administrative Costs	5,000			
Total Project Costs	\$100,000	Total Project Financing	\$100,000	100%

North Country - Path Through History Working Capital (Y451)

June 27, 2013

Grantee Contact: Gary DeYoung, Executive Director
P.O. Box 709
Wellesley Island, NY 13607
Phone: (315) 482-2520 Fax: (315) 482-5906

Project Team: Project Management Simone Bethune
Contractor & Supplier Diversity Diane Kinnicutt
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 \$100,000 will be disbursed to the Grantee in three installments as follows:

First 10% - Advance

Upon the execution of a Grant Disbursement Agreement (“Agreement”) and presentation to ESD of an invoice by Grantee, 10% of the funds (\$10,000) shall be disbursed as an advance against Eligible Expenses in connection with endorsed Priority Implementation Projects.

Next 80% - Reimbursement during course of project

Up to 80% of funds (\$80,000), cumulative, will be disbursed in arrears, no more frequently than monthly, as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including documentation verifying Grantee’s disbursement of the \$10,000 advance and required program reports.

Final 10% - Reimbursement after Project Completion

The final 10% of funds (\$10,000) shall be disbursed in arrears upon project completion as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including required program reports verifying that all project tasks have been completed to ESD's satisfaction.

Expenses must be incurred on or after April 29, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2014.

North Country - Path Through History Working Capital (Y451)

June 27, 2013

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor Diversity policy will apply to the Project. The Company shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 20%, related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project. A further explanation of the MWBE requirements is attached hereto.

Statutory Basis - Economic Development Purposes Fund:

The project was authorized in the 2012-2013 New York State budget and was reappropriated in the 2013-2014 New York State budget. No residential relocation is required because 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. The 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.

3. Southern Tier - Path Through History Working Capital (Y452)

June 27, 2013

- Grantee:** WSKG Public Broadcasting (“WSKG” or the “Organization”)
- ESD Investment:** A grant of up to \$100,000 to be used for tourism marketing and administrative expenses.
- Project Location:** Southern Tier
- Proposed Project:** Production of an original short-form video series, “Uniquely New York”.
- Regional Council:** The Southern Tier Regional Economic Development Council (“STREDC”) has been made aware and has endorsed this item.. The Incentive Offer was accepted in April 2014. The project is consistent with the Regional Plan to promote tourism, one of the industry sectors.

Background:

Organization History – WSKG Public Broadcasting provides broadcasting service to residents of the Southern Tier coverage area. To accomplish this, WSKG produce programs locally and purchase programs from Public Broadcasting Service, American Public Television, National Public Radio, American Public Media, Public Radio International and others. WSKG then promotes these programs to the public through its Web Site, the program guide GAMUT, other publications, air time, and through other media.

Ownership – WSKG Public Broadcasting is operated by WSKG Public Telecommunications Council, a not-for-profit corporation chartered by the Board of Regents of the State University of New York in association with the New York State Department of Education.

ESD Involvement – A \$100,000 grant from the Economic Development Purposes Fund.

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

The Project:

Completion date - May 2014

Activity – WSKG Public Broadcasting will collaborate with the STREDC Tourism Workgroup (the “Workgroup”), county historical societies, archivists, museums and park and recreation institutions to produce an original short-form video series, “Uniquely New York”, which will correspond to the twelve New York State Path Through History

Southern Tier - Path Through History Working Capital (Y452)

June 27, 2013

Themes and feature historically significant events and personalities of the Southern Tier region. WSKG will produce 60 to 80, one-minute videos to be used to promote heritage tourism within communities through the Southern Tier of New York.

Results – The project will increase awareness of the historically significant locations in the Southern Tier and promote visitation to these sites.

During the course of the project, WSKG will furnish quarterly reports describing the impact and effectiveness of the project. The progress, success, expenditures, and benefits of the project will be monitored by the Workgroup, which will present periodic updates to the STREDC. Any changes to the project will be reported by WSKG to the Workgroup. Upon completion of the project, WSKG will furnish a final report describing the impact and effectiveness of the project.

Financing Uses	Amount	Financing Sources	Amount	Percent
Video production (personnel, production and editing)	75,000	ESD Grant	\$100,000	100%
DVD production and distribution	3,000			
Education/curriculum guides	5,000			
Marketing/PR	7,000			
Administrative Costs	10,000			
Total Project Costs	\$100,000	Total Project Financing	\$100,000	100%

Grantee Contact: Brian Sickora, President & CEO
601 Gates Road
Vestal, New York 13850
Phone: (607) 729-0100 ext. 352 Fax: (607) 729-7328

Project Team: Project Management Contractor & Supplier Diversity Environmental
Glendon McLeary
Diane Kinnicutt
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 \$100,000 will be disbursed to the Grantee in three installments as follows:

Southern Tier - Path Through History Working Capital (Y452)

June 27, 2013

First 10% - Advance

Upon the execution of a Grant Disbursement Agreement (“Agreement”) and presentation to ESD of an invoice by Grantee, 10% of the funds (\$10,000) shall be disbursed as an advance against Eligible Expenses in connection with endorsed Priority Implementation Projects.

Next 80% - Reimbursement during course of project

Up to 80% of funds (\$80,000), cumulative, will be disbursed in arrears, no more frequently than monthly, as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including documentation verifying Grantee’s disbursement of the \$10,000 advance and required program reports.

Final 10% - Reimbursement after Project Completion

The final 10% of funds (\$10,000) shall be disbursed in arrears upon project completion as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including required program reports verifying that all project tasks have been completed to ESD's satisfaction.

Expenses must be incurred on or after April 17, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2014.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

ESD’s Non-discrimination and Contractor and Supplier Diversity policy will apply. The Grant Recipient shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 20% related to the total value of ESD’s funding. Grant Recipient shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the projects.

Southern Tier - Path Through History Working Capital (Y452)

June 27, 2013

Statutory Basis – Economic Development Purposes Fund:

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

Disclosure and Accountability Certifications:

The 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.

4. New York City - Path Through History Working Capital (Y453)
June 27, 2013

- Grant Recipient:** The New York Landmarks Conservancy (the “Conservancy” or the “Organization”)
- ESD Investment:** A grant of up to \$100,000 to be used for tourism marketing and administrative expenses.
- Project Location:** New York City
- Proposed Project:** Development of a media campaign through social and earned media to highlight hidden or unknown attractions in the five boroughs of New York City to tourists as well as local resident.
- Regional Council:** The New York City Regional Economic Development Council (“NYCREDC”) has been made aware and has endorsed this item. The Incentive Offer was accepted in May 2013. The project is consistent with the Regional Plan of creating opportunities through tourism across New York City’s five boroughs.

Background:

Organization History – Established in 1971, the Conservancy provides financial and technical expertise in the role of protecting, restoring and reusing the iconic structures and diverse neighborhoods in New York.

Ownership – The Conservancy is a not-for-profit Organization.

ESD Involvement – A \$100,000 grant from the Economic Development Purpose Fund.

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

The Project:

Completion date – June 2014

Activity – The Conservancy will hire a public relations firm during the 2013 - 2014 tourist season to establish an initial list of sites in the five boroughs and to deploy supportive social and digital media. Rather than focusing on tourism to large sites that are already iconic and heavily trafficked, the project aims to enhance awareness of and access to over 100 overlooked attractions, sites, venues, cultural communities and neighborhoods within New York City’s five boroughs. The Conservancy will target local and regional tourists, as well as New York City residents.

**New York City - Path Through History Working Capital (Y453)
June 27, 2013**

Results – By creating awareness and access to overlooked urban heritage tourism neighborhoods and individual sites, it is expected that visitor-ready attractions and sites and neighborhood restaurants, stores, and supporting industries will benefit economically from increased visitation.

During the course of the project, Conservancy will furnish quarterly reports describing the impact and effectiveness of the project. The progress, success, expenditures, and benefits of the project will be monitored by the NYCREDC Tourism Workgroup (the “Workgroup”), which will present periodic updates to the NYCREDC. Any changes to the project will be reported by Conservancy to the Workgroup. Upon completion of the project, Conservancy will furnish a final report describing the impact and effectiveness of the project.

Financing Uses	Amount	Financing Sources	Amount	Percent
Public Relation Consultant	\$90,000	ESD Grant	\$100,000	100%
Administrative Costs	10,000			
Total Project Costs	\$100,000	Total Project Financing	\$100,000	100%

Grantee Contact: Peg Breen, President
The New York Landmarks Conservancy
One Whitehall Street, 21st Floor
New York, NY 10004
Phone: (212) 995-5260 Fax: (212) 995-5268

Project Team: Project Management Javier Roman-Morales
Contractor & Supplier Diversity Diane Kinnicutt
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.

Up to \$100,000 will be disbursed to the Grantee in three installments as follows:

First 10% - Advance

Upon the execution of a Grant Disbursement Agreement (“Agreement”) and presentation to ESD of an invoice by Grantee, 10% of the funds (\$10,000) shall be disbursed as an advance against Eligible Expenses in connection with endorsed Priority Implementation Projects.

New York City - Path Through History Working Capital (Y453)

June 27, 2013

Next 80% - Reimbursement during course of project

Up to 80% of funds (\$80,000), cumulative, will be disbursed in arrears, no more frequently than monthly, as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including documentation verifying Grantee's disbursement of the \$10,000 advance and required program reports.

Final 10% - Reimbursement after Project Completion

The final 10% of funds (\$10,000) shall be disbursed in arrears upon project completion as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including required program reports verifying that all project tasks have been completed to ESD's satisfaction.

Expenses must be incurred on or after May 6, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2014.

2. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor and Supplier Diversity policy will apply. The Grant Recipient shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 20% related to the total value of ESD's funding. Grant Recipient shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the projects.

Statutory Basis – Economic Development Purposes Fund:

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

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.

5. Mohawk Valley - Path Through History Working Capital (Y454)

June 27, 2013

- Grantee:** Workforce Investment Board of H-M-O (“WIBHMO” or the “Organization”)
- ESD Investment:** A grant of up to \$100,000 to be used for tourism marketing and administrative expenses.
- Project Location:** Mohawk Valley (“Region”)
- Proposed Project:** Creation of a Web site, marketing, and branding tools to showcase the historical significance of places on the Mohawk Valley’s Revolutionary War Trail.
- Regional Council:** The Mohawk Valley Regional Economic Development Council (“MVREDC”) has been made aware and has endorsed this item. The Incentive Offer was accepted in April 2013. The project is consistent with the Regional Plan to preserve and build upon the Region’s abundant, natural, cultural and geographic resources.

Background:

Organization History – Incorporated in 1982, the WIBHMO is a collaborative effort among agencies and programs that assist job seekers and businesses in Herkimer, Madison and Oneida counties. The goal of the WIBHMO is to provide high quality services to all businesses and job seekers and to make Mohawk Valley a premier place for employment opportunities and a source of talent for businesses.

Ownership – The Organization is incorporated as a 501c (3) not for profit.

ESD Involvement – A \$100,000 grant from the Economic Development Purposes Fund.

Past ESD Support – In 2004, ESD awarded Workforce Investment Board of H-M-O a \$2,500 grant from the Community Projects Fund for the annual Mohawk Valley Construct Career Day. The funds were fully disbursed and the terms were fulfilled.

The Project:

Completion date – June 2014

Activity –The Mohawk Valley has a rich, historic legacy and represents significant opportunities to promote tourism around significant events and geographic locations in early American history. As the ancestral home of the Native American Iroquois Confederacy, it was a key area in the French and Indian War. The Region is also home to the Erie Canal, the birthplace of pioneer travel, commerce, and innovation; it also serves as the gateway to the Adirondacks.

Mohawk Valley - Path Through History Working Capital (Y454)

June 27, 2013

The WIBHMO PTH project will focus on four strategic goals: showcase the Mohawk Valley and the State's historic and cultural significance; promote tourism and economic development; engage, inform, and educate visitors; and bring history into the future with marketing and Web applications. The WIBHMO will use the Revolutionary War Trail as a tool to advance these four goals. The project will construct a cross-promotional advertising strategy between several historical destinations and community merchants in the Region to promote the historic sites and highlight local businesses. Through this strategy, the Organization hopes to attract visitors to the Region and foster connections between heritage sites and local businesses to ultimately boost the local economy.

Seven tourism promotion agencies will collaborate on the project to develop Web sites, trails, advertisements and itineraries that can be promoted around the Region. All project participants will have Web sites that cross link with the new Revolutionary War Trail in their annual travel guide publications.

Results –The Grantee expects that this plan will preserve and promote the Region's vast variety of cultural resources, and provide dynamic and educational experiences that connect the past to the present, while generating tourism revenues and developing the local economy.

During the course of the project, WIBHMO will furnish quarterly reports describing the impact and effectiveness of the project. The progress, success, expenditures, and benefits of the project will be monitored by the MVREDC Tourism Workgroup (the "Workgroup"), which will present periodic updates to the MVREDC. Any changes to the project will be reported by WIBHMO to the Workgroup. Upon completion of the project, WIBHMO will furnish a final report describing the impact and effectiveness of the project.

Financing Uses	Amount	Financing Sources	Amount	Percent
Revolutionary War Trail (Website Development & Promotion)	90,000	ESD Grant	\$100,000	100%
Administrative Costs	10,000			
Total Project Costs	\$100,000	Total Project Financing	\$100,000	100%

Grantee Contact: Alice Savino, Executive Director
209 Elizabeth Street
Utica, NY 13501
Phone: (315) 793-6037 Fax: (315) 798-5909

Mohawk Valley - Path Through History Working Capital (Y454)

June 27, 2013

Project Team:	Project Management	Simone Bethune
	Contractor & Supplier Diversity	Diane Kinnicutt
	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 \$100,000 will be disbursed to the Grantee in three installments as follows:

First 10% - Advance

Upon the execution of a Grant Disbursement Agreement (“Agreement”) and presentation to ESD of an invoice by Grantee, 10% of the funds (\$10,000) shall be disbursed as an advance against Eligible Expenses in connection with endorsed Priority Implementation Projects.

Next 80% - Reimbursement during course of project

Up to 80% of funds (\$80,000), cumulative, will be disbursed in arrears, no more frequently than monthly, as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including verifying Grantee’s disbursement of the \$10,000 advance and required program reports.

Final 10% - Reimbursement after Project Completion

The final 10% of funds (\$10,000) shall be disbursed in arrears upon project completion as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including required program reports verifying that all project tasks have been completed to ESD's satisfaction.

Expenses must be incurred on or after April 18, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2014.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Mohawk Valley - Path Through History Working Capital (Y454)

June 27, 2013

Non-Discrimination and Contractor & Supplier Diversity:

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

Statutory Basis – Economic Development Purposes Fund:

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

Disclosure and Accountability Certifications:

The Grantee has provided ESD with the required Disclosure and Accountability Certifications. The 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.

6. Finger Lakes – Path Through History Working Capital (Y455)

June 27, 2013

- Grantee:** Rochester Institute of Technology (“RIT” or the “Organization”)
- ESD Investment:** A grant of up to \$100,000 to be used for tourism marketing and administrative expenses.
- Project Location:** Finger Lakes
- Proposed Project:** Create an interactive visitor experience via a “route through historic sites” game available on mobile devices to market tourist sites.
- Regional Council:** The Finger Lakes Regional Economic Development Council (“FLREDC”) has been made aware and has endorsed this item. The Incentive Offer was accepted in May 2013. The project is consistent with the Regional Plan to support tourism, a key economic cluster. The President of RIT is a member of the 21-person FLREDC. 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.

Background:

Organization History – Formed in 1829, Rochester Institute of Technology is one of the largest private universities in the U.S. with international campuses in Croatia, Kosovo and Dubai. On-campus enrollment comprises approximately 18,000 undergraduate and graduate students. RIT’s Hospitality and Tourism Management Department originated in 1892 and currently has an enrollment of approximately 185 students in Rochester and another 200 or so in Croatia. RIT’s School of Interactive Games & Media provides bachelor’s and master’s degrees in game design and development, ranking in the top five in the U.S. according to The Princeton Review.

The Media, Arts, Games, Interaction and Creativity (“MAGIC”) Center was formed in 2013 as a deliberate effort to blur the lines between the arts and sciences, and between the creation of digital media and its impact on society and the human condition. The MAGIC Center’s hallmark is multi-disciplinary collaboration with faculty, staff and students, coupled with new and unique models of research and production.

Ownership – The Organization is an educational institution chartered by the State Board of Regents.

ESD Involvement – A \$100,000 grant from the Economic Development Purposes Fund.

Past ESD Support – Since 2004, ESD has provided RIT with four grants as summarized in the following chart:

Finger Lakes – Path Through History Working Capital (Y455)

June 27, 2013

Program	Project #	Amount	ESD Approval Date	Final Disbursement Date (project is complete unless noted)	Purpose
Empire State Economic Development Fund	I779	\$75,000	5/20/99	6/1/04	Study to examine feasibility of chip fab facility
	Q038	\$71, 550	8/15/02	4/5/04	Wired/wireless program, providing wireless Internet to an incubator
Regional Council Capital Fund	Y218 ¹	\$5 million	Not yet approved by the Directors	Not yet completed	Construction & equipping of sustainability institute
Local Assistance (RIT is one of 12 Beneficiaries)	Y153	\$25,000	Being presented at today's meeting	Not yet completed	Train workers for the food, beverage and tourism industries

¹ Year One Regional Economic Development Council Priority Project

The Project:

Completion date – May 2014

Activity – This marketing development project is intended to generate interest and awareness in historic sites located in the Finger Lakes region by creating an interactive visitor app and/or mobile Web experience.

Through the efforts of RIT's Hospitality and Tourism Departments and its MAGIC Center, the Grantee will develop an interactive digital marketing experience using game-play that can be accessed from smart devices. The game will highlight 10 to 12 key sites in the region representing five major themes: Canals and Transportation, Native Americans, Natural History, Innovation and Commerce, and Women's Rights. The game will be designed to motivate players to visit sites both virtually and physically to gather information and complete tasks in order to achieve the game's goals. Added design elements would include a player reward system, digital badging¹ and online tracking of player progress and usage. A portion of the project would include a marketing component to promote the game through digital, print and broadcast media.

(¹Digital badges are a validated indicator of accomplishment, skill, quality or interest that can be earned in various learning environments. Certain applications allow organizations to create, issue, earn and display digital badges on members' websites, social media pages, and resumes.)

Results – The project will result in an interactive visitor experience by digitally traveling through historic sites. The experience will consist of up to 12 site-specific, mobile-based "scavenger hunt style" experiences by which visitors will gain points for answering site-

Finger Lakes – Path Through History Working Capital (Y455)

June 27, 2013

specific questions and using interactive media to gain clues while learning more about the historic site. Measures of performance would include the tracking of seasonal and/or annual revenues and attendance figures from the sites as well as possible regional visitor surveys focused on heritage tourism. Due to the project, and the central Web site that is part of the experience package, there will be new opportunities to draw attention to these tourism locations.

During the course of the project, RIT will furnish quarterly reports describing the impact and effectiveness of the project. The progress, success, expenditures, and benefits of the project will be monitored by the FLREDC Tourism Workgroup (the “Workgroup”), which will present periodic updates to the FLREDC. Any changes to the project will be reported by RIT to the Workgroup. Upon completion of the project, RIT will furnish a final report describing the impact and effectiveness of the project.

Financing Uses	Amount	Financing Sources	Amount	Percent
Faculty and Student Salaries for Research, Design & Development	\$68,410	ESD Grant	\$100,000	100%
Local Travel	2,500			
Promotional Marketing Supplies & Materials	8,000			
Server Hosting	12,000			
Administrative Costs	9,090			
Total Project Costs	\$100,000	Total Project Financing	\$100,000	100%

Grantee Contact: Richard M. Lagiewski, Principal Investigator
Hospitality and Tourism Management
14 Lomb Memorial Drive
Rochester, NY 14623
Phone: (585) 475-2828 Fax: (585) 474-5099

Project Team: Project Management Edward Muszynski
Contractor & Supplier Diversity Dianne Kinnicutt
Environmental Soo Kang

Financial Terms and Conditions:

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

Finger Lakes – Path Through History Working Capital (Y455)

June 27, 2013

2. Up to \$100,000 will be disbursed to the Grantee in three installments as follows:

First 10% - Advance

Upon the execution of a Grant Disbursement Agreement (“Agreement”) and presentation to ESD of an invoice by Grantee, 10% of the funds (\$10,000) shall be disbursed as an advance against Eligible Expenses in connection with endorsed Priority Implementation Projects.

Next 80% - Reimbursement during course of project

Up to 80% of funds (\$80,000), cumulative, will be disbursed in arrears, no more frequently than monthly, as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including upon documentation verifying Grantee’s disbursement of the \$10,000 advance and required program reports.

Final 10% - Reimbursement after project completion

The final 10% of funds (\$10,000) shall be disbursed in arrears upon project completion as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including required program reports verifying that all project tasks have been completed to ESD's satisfaction.

Expenses must be incurred on or after May 8, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than July 1, 2014.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

ESD’s Non-discrimination and Contractor Diversity policy will apply to the project. The Grant Sponsor shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 20% related to the total value of ESD’s funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project.

Statutory Basis – Economic Development Purposes Fund

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

Finger Lakes – Path Through History Working Capital (Y455)

June 27, 2013

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.

7. Western New York - Pathway through History Working Capital (Y456)

June 27, 2013

- Grantee:** Arts Services Initiatives of Western New York (“ASI” or the “Organization”)
- ESD Investment:** A grant of up to \$100,000 to be used for tourism marketing and administrative expenses.
- Project Location:** Western New York
- Proposed Project:** Promotion of historical and cultural tourism, referred to as Pathway through History (“PTH”).
- Regional Council:** The Western New York Regional Economic Development Council (“WNYREDC”) has been made aware and has endorsed this item. The Incentive Proposal was accepted in April 2013. The project is consistent with the Regional Plan as it promotes tourism and is expected to increase employment.

Background:

Organization History – ASI was formed in 2011 to foster capacity building, collaboration, and advocacy for the Western New York (“WNY”) region’s cultural sector. Since inception, it has established several programs including mapping of the cultural sector’s impact; a health insurance program; Strengths, Weaknesses, Opportunities, and Threats (“SWOT”) analyses; and revisions to Erie County’s cultural funding process.

Ownership – ASI is a 501(c)3 not-for-profit organization.

ESD Involvement – A \$100,000 grant from the Economic Development Purposes Fund.

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

The Project:

Completion date - May 2014

Activity - ASI has identified themes, aligned with the statewide themes for PTH, which include Scenic Wonders – Water, Rocks and Landscapes; War and Peace: Military Sites and Stories; Waterway to the West: the Erie Canal Transforms America; WNY’s Underground Railroad: Gateway to Freedom; Industrial and Commercial Pioneering and Prominence; A Vast Architectural Museum; Arts for Everyone – A Western New York Legacy; and Region of Cultural Novelty and Authentic Americana.

ASI will identify, develop and market paths, geographic heritage hubs, historic stories and people as part of the I Love NY’s statewide marketing promotion; create digital

Western New York - Pathway through History Working Capital (Y456)

June 27, 2013

paths to mirror and promote WNY's heritage tourism paths; connect hospitality training institutions with WNY's heritage tourist attractions; link WNY's PTH to complimentary attractions, heritage areas/corridors and themes/destinations through cross-regional efforts; expand interactive tourism experiences; provide education, technical assistance and capacity building to secondary attractions; invest in strategic projects that advance the WNY goals for economic development; and update the Vision Plan annually. Marketing will consist of digital state, regional and local mobile applications; web pages; orientation videos; a digital travel guide; a compilation of high-resolution video and photos showcasing all four seasons; collaboration with regional tourism planning agencies to establish links and consistent PTH branding; and familiarity tours. eBrains (McLean, VA), a digital marketing firm, was selected due to previous experience with Visit Buffalo Niagara, and will develop the geo-targeting digital marketing campaign. ASI will work with a consultant for the remainder of the project.

These project activities will collectively be referred to as the "Telling Western New York's Story" Priority Implementation Projects.

Results – The project will connect historic and cultural attractions throughout New York State in an effort to increase heritage tourism; increase the number and quality of visitor ready sites; increase visitors' length of stay; increase coordination and collaboration between regional destination marketing organizations and cultural heritage destinations; and measure the quantitative and qualitative impact on the WNY Region. Additionally, the project is expected to provide a better appreciation of the many WNY Regional cultural and historical assets, as well as increase accessibility of information related to those assets through marketing and the creation of a database.

The project is expected to leverage funding for collaborative projects throughout the WNY Region to support common objectives, including regional wayfinding.

During the course of the project, ASI will furnish quarterly reports describing the impact and effectiveness of the project. The progress, success, expenditures, and benefits of the project will be monitored by the WNYREDC Tourism Workgroup (the "Workgroup"), which will present periodic updates to the WNYREDC. Any changes to the project will be reported by ASI to the Workgroup. Upon completion of the project, ASI will furnish a final report describing the impact and effectiveness of the project.

Financing Uses	Amount	Financing Sources	Amount	Percent
Digital Marketing Campaign	\$60,000	ESD Grant	\$100,000	100%
Mobile Applications and web page content development	\$30,000			
Administrative Costs	\$10,000			
Total Project Costs	\$100,000	Total Project Financing	\$100,000	100%

Western New York - Pathway through History Working Capital (Y456)

June 27, 2013

Grantee Contact: Tod A. Kniazuk, Executive Director
95 Perry Street, Suite 402
Buffalo, NY 14203
Phone: (716) 846-8345 Fax: (716) 846-8269

Project Team: Project Management Jean Williams
Contractor & Supplier Diversity Diane Kinnicutt
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 \$100,000 will be disbursed to the Grantee in three installments as follows:

First 10% - Advance

Upon the execution of a Grant Disbursement Agreement (“Agreement”) and presentation to ESD of an invoice by Grantee, 10% of the funds (\$10,000) shall be disbursed as an advance against Eligible Expenses in connection with endorsed Priority Implementation Projects.

Next 80% - Reimbursement during course of project

Up to 80% of funds (\$80,000), cumulative, will be disbursed in arrears, no more frequently than monthly, as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including documentation verifying Grantee’s disbursement of the \$10,000 advance and required program reports.

Final 10% - Reimbursement after Project Completion

The final 10% of funds (\$10,000) shall be disbursed in arrears upon project completion as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including required program reports verifying that all project tasks have been completed to ESD's satisfaction.

Expenses must be incurred on or after April 19, 2013 to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than June 30, 2014.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000 for this project if ESD determines that the reallocation of the

Western New York - Pathway through History Working Capital (Y456)

June 27, 2013

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 and Supplier Diversity policy will apply. The Grant Recipient shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 20% related to the total value of ESD's funding. Grant Recipient shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the projects.

Statutory Basis – Economic Development Purposes Fund:

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

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.

8. Capital - Path Through History Working Capital (Y461)

June 27, 2013

- Grantee:** The Community Foundation for the Greater Capital Region (“CFGCR” or the “Organization”)
- ESD Investment:** A grant of up to \$100,000 to be used for tourism marketing and administrative expenses.
- Project Location:** Capital
- Proposed Project:** The development and implementation of a communications and marketing plan for the Capital Region (“Region”) that will provide guidance to incorporate local themes and interpretations into statewide themes identified by the Path Through History (“PTH”) Initiative and consistent with the I Love New York branding guidelines.
- Regional Council:** The Capital Regional Economic Development Council (“CREDC”) has been made aware and has endorsed this item. The Incentive Offer was accepted in May 2013. The project is consistent with the Regional Plan of celebrating, optimizing and showcasing the Region’s beauty. The President of The Community Foundation for the Greater Capital Region is a member of the 21-person CREDC. In conformance with the State’s policy, this individual has recused herself on votes recommending this project. The Council includes 25 additional ex-officio members who are elected officials but cannot vote on individual project recommendations.

Background:

Organization History - The Community Foundation for the Greater Capital Region has worked for 43 years to improve the quality of life in the Region by promoting and facilitating effective philanthropy. Its mission is to strengthen the community by attracting charitable endowments, maximizing benefits to donors, making effective grants, and providing leadership to address community needs.

Ownership - The Community Foundation for the Greater Capital Region is a 501(c) 3 not-for-profit organization.

ESD Involvement – A \$100,000 grant from the Economic Development Purposes Fund.

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

Capital - Path Through History Working Capital (Y461)

June 27, 2013

The Project:

Completion – December 2013

Activity – The Community Foundation for the Greater Capital Region will partner with WMHT Educational Broadcasting, a not-for-profit, public broadcaster serving Eastern New York and Western New England, to develop a communications and marketing plan. Video and photographic content will be created, highlighting the Region’s heritage and cultural assets and linking regional PTH themes and sites. A virtual tool box will also be created to provide guidelines for message development, video and photo content, sample Web and social media uses and template materials for use by tourism/community groups and individuals. Outreach and training will also be provided so that potential users of the tool box can promote their own sites within the PTH framework.

Results - The project will coordinate PTH marketing efforts in the Region, create a clearinghouse for all PTH marketing materials and provide tools to expand PTH tourism opportunities within the Region. The project outputs (video, photography, etc.) will provide content for use by I Love New York and the statewide PTH program for their respective Web sites, mobile applications and other tools to be developed in the future.

During the course of the project, CFGCR will furnish quarterly reports describing the impact and effectiveness of the project. The progress, success, expenditures, and benefits of the project will be monitored by the CREDC Tourism Workgroup (the “Workgroup”), which will present periodic updates to the CREDC. Any changes to the project will be reported by CFGCR to the Workgroup. Upon completion of the project, CFGCR will furnish a final report describing the impact and effectiveness of the project.

Financing Uses	Amount	Financing Sources	Amount	Percent
Communications and Marketing Plan	\$5,000	ESD Grant	\$100,000	100%
Development of Virtual Tool Box, Video and Photographic Content	\$90,000			
Administrative Costs	\$5,000			
Total Project Costs	\$100,000	Total Project Financing	\$100,000	100%

Grantee Contact: Karen Bilowith, President
Six Tower Place
Albany, NY 12223
Phone: (518) 446-9638 Fax: (518) 446-9708

Capital - Path Through History Working Capital (Y461)

June 27, 2013

Project Team:	Project Management	Linda Dillon
	Contractor & Supplier Diversity	Diane Kinnicutt
	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 \$100,000 will be disbursed to the Grantee in three installments as follows:

First 10% - Advance

Upon the execution of a Grant Disbursement Agreement (“Agreement”) and presentation to ESD of an invoice by Grantee, 10% of the funds (\$10,000) shall be disbursed as an advance against Eligible Expenses in connection with endorsed Priority Implementation Projects.

Next 80% - Reimbursement during course of project

Up to 80% of funds (\$80,000), cumulative, will be disbursed in arrears, no more frequently than monthly, as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including documentation verifying Grantee’s disbursement of the \$10,000 advance and required program reports.

Final 10% - Reimbursement after Project Completion

The final 10% of funds (\$10,000) shall be disbursed in arrears upon project completion as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including required program reports verifying that all project tasks have been completed to ESD's satisfaction.

Expenses must be incurred on or after May 10, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2014.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Capital - Path Through History Working Capital (Y461)

June 27, 2013

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor and Supplier Diversity policy will apply. The Grantee shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 20% related to the total value of ESD's funding. Grantee shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the project.

Statutory Basis – Economic Development Purposes Fund:

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

Disclosure and Accountability Certifications:

The Grantee has provided ESD with the required Disclosure and Accountability Certifications. The 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.

9. Mid-Hudson-Path Through History Working Capital (Y462)

June 27, 2013

- Grantee:** Hudson Valley Tourism (“HVT” or the “Organization”)
- ESD Investment:** A grant of up to \$100,000 to be used for tourism marketing and administrative expenses.
- Project Location:** Mid-Hudson
- Proposed Project:** Create b-roll photography, develop social media hospitality training, and implement marketing programs for Mid- Hudson Region Tale between Two Rivers.
- Regional Council:** The Mid-Hudson Regional Economic Development Council (“MHREDC”) has been made aware of this item. The Incentive Offer was accepted in May 2013. It is expected that the MHREDC will endorse this item at its scheduled meeting in July 2013. The project is consistent with the Regional Plan to promote tourism in the Mid-Hudson Valley Region (“Region”).

Background:

Organization History – Hudson Valley Tourism was incorporated in 1998 to promote the Region. HVT is recognized by New York State as the official tourism promotion agency of Albany, Columbia, Dutchess, Greene, Ulster, Orange, Putnam, Westchester, Rockland and Rensselaer. HVT promotes programs for cultural, historical, recreation, agricultural educational and commercial to attract visitors and travelers to the Region.

Ownership – HVT is a not-for-profit organization.

ESD Involvement – A \$100,000 grant from the Economic Development Purposes Fund.

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

The Project:

Completion date – July 2014

Activity – Hudson Valley Tourism will release a Request for Quotation for a professional photographer to capture images of the Region to bolster its current inventory. The new imagery will be utilized in print, broadcast advertisements and digital media. It will also be used in the Mid-Hudson Regional Economic Development Council marketing materials as well as I Love NY promotions.

Mid-Hudson-Path Through History Working Capital (Y462)

June 27, 2013

Hudson Valley Tourism will hold three training sessions in the Region to include: hospitality techniques for staff at historic sites aimed to instill customer friendly attitudes and behaviors; how to increase visitations through social media outlets; and how to create unique experiences for visitors and cross-market the various attractions in the Region. HVT will also create a marketing and branding plan to promote the history of the Region.

Results – Hudson Valley Tourism anticipates a 10% increase in requests for materials created due to the high quality images, video and audio content that will be on the Hudson Valley Tourism Web site. The number of hits on the I Love NY Web site is anticipated to increase by 3% due to public outreach through advertisements, improved branding and expanded marketing. Surveys at the Parks/Historic sites will be distributed to visitors to measure the success of the hospitality trainings.

During the course of the project, HVT will furnish quarterly reports describing the impact and effectiveness of the project. The progress, success, expenditures, and benefits of the project will be monitored by the MHREDC Tourism Workgroup (the “Workgroup”), which will present periodic updates to the MHREDC. Any changes to the project will be reported by HVT to the Workgroup. Upon completion of the project, HVT will furnish a final report describing the impact and effectiveness of the project.

Financing Uses	Amount	Financing Sources	Amount	Percent
Marketing Plan	\$40,000	ESD Grant	\$100,000	100%
Hospitality Training Workshop	\$20,000			
Release RFQ for video and photography	\$30,000			
Administrative Costs	\$10,000			
Total Project Costs	\$100,000	Total Project Financing	\$100,000	100%

Grantee Contact: Mary Kay Vrba, President
3 Neptune Road, Poughkeepsie, New York 12601
Phone: (845) 463-5445 Fax: (845) 463-5401

Project Team: Project Management Jared Walkowitz
Contractor & Supplier Diversity Diane Kinnicutt
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.

Mid-Hudson-Path Through History Working Capital (Y462)

June 27, 2013

2. Up to \$100,000 will be disbursed to the Grantee in three installments as follows:

First 10% - Advance

Upon the execution of a Grant Disbursement Agreement (“Agreement”) and presentation to ESD of an invoice by Grantee, 10% of the funds (\$10,000) shall be disbursed as an advance against Eligible Expenses in connection with endorsed Priority Implementation Projects.

Next 80% - Reimbursement during course of project

Up to 80% of funds (\$80,000), cumulative, will be disbursed in arrears, no more frequently than monthly, as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including documentation verifying Grantee’s disbursement of the \$10,000 advance and required program reports.

Final 10% - Reimbursement after Project Completion

The final 10% of funds (\$10,000) shall be disbursed in arrears upon project completion as reimbursement for Eligible Expenses. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including required program reports verifying that all project tasks have been completed to ESD's satisfaction.

Expenses must be incurred on or after May 23, 2013 to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2014.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

ESD’s Non-discrimination and Contractor and Supplier Diversity policy will apply. The Grantee shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 20% related to the total value of ESD’s funding. Grantee shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the projects.

Mid-Hudson-Path Through History Working Capital (Y462)

June 27, 2013

Statutory Basis – Economic Development Purposes Fund:

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

Disclosure and Accountability Certifications:

The Grantee has provided ESD with the required Disclosure and Accountability Certifications. The Grantee has no conflict of interest and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.



FOR CONSIDERATION

June 27, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Statewide – Path Through History Heritage Tourism Grant Program – Economic Development Purposes Fund (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

I. Project Summary

Schedule	Project #	Grantee	Project Name	Grant Amount
1	Y450	CenterState Corporation for Economic Opportunity	Central New York - Path Through History Working Capital	\$100,000
2	Y451	Thousand Islands Regional Tourism Development Corporation	North Country - Path Through History Working Capital	100,000
3	Y452	WSKG Public Broadcasting	Southern Tier - Path Through History Working Capital	100,000
4	Y453	NEW YORK LANDMARKS CONSERVANCY	New York City - Path Through History Working Capital	100,000
5	Y454	Workforce Investment Board of H-M-O	Mohawk Valley - Path Through History Working Capital	100,000
6	Y455	Rochester Institute of Technology	Finger Lakes - Path Through History Working Capital	100,000
7	Y456	Arts Services Initiative of Western New York, Inc.	Western New York - Path Through History Working Capital	100,000
8	Y461	The Community Foundation for the Greater Capital Region	Capital - Path Through History Working Capital	100,000
9	Y462	Hudson Valley Tourism	Mid Hudson - Path Through History Working Capital	100,000
10	Y466	Suffolk County Department of Economic Development and Planning, Office of Film & Cultural Affairs	Long Island - Path Through History Working Capital	100,000

ESD* Investment: Up to a total of \$1, 000,000 in grant assistance to be used for tourism marketing throughout the ten 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.

* The Mid Hudson Regional Economic Development Council is expected to endorse its respective project at its scheduled meeting in July 2013. ESD will not execute a Grant Disbursement Agreement until receipt of the endorsement.

Anticipated
Appropriation
Source:

Economic Development Purposes Fund (“EDPF”)

II. Project Cost and Financing Sources

See Schedule A attached.

III. Project Description

A. Background

New York State has an unparalleled network of museums, historic sites, and other cultural institutions. Heritage tourism has a \$5 billion impact on New York's economy per year. Governor Andrew M. Cuomo's new “Path Through History” (“PTH”) initiative not only showcases New York State's historic and cultural significance but also promotes tourism and economic development in communities in every region of New York State.

The PTH program will connect historic and cultural attractions throughout New York State. PTH is an extension of New York's approach to economic development through the Regional Economic Development Councils, and will empower regional stakeholders through the ten regional PTH Workgroups.

The PTH program will help the state, its regions, and numerous heritage tourism stakeholders work together to tell New York's story and increase heritage tourism. The program will include PTH branded signage installed along interstates; PTH Website and Mobile App; I Love NY Marketing Campaign; and PTH Grants based on Regional Heritage Tourism Vision Plans and

Implementation Projects (which grants are the subject of these materials). The connection between these PTH components will provide the foundation for a seamless heritage tourism experience. The Implementation Projects identify region-specific themes that connect resources and sites to better tell the story of that region and to synthesize the 12 state-wide themes, which include: Arts and Culture; Canals and Transportation; Civil Rights; Colonial History; Innovation and Commerce; Native Americans; Natural History; The Revolution; Sports History; U.S. Presidents; War of 1812; and Women's Rights.

B. The Project

ESD will make available a total of \$1,000,000, equally divided into \$100,000 for each of the ten Regional Economic Development Council regions, to fund Implementation Projects based on Regional Heritage Tourism Vision Plans. Each of the ten regional PTH Workgroups within those regions have identified and prioritized Implementation projects in coordination with local tourism promotion professionals and agencies and coordinated with New York State's "I Love NY" tourism division in order to maximize program impact statewide. Each PTH Workgroup has submitted to ESD an application consisting of its PTH Heritage Tourism Vision Plan and PTH Heritage Implementation Projects, which have been endorsed by their respective Regional Economic Development Councils (or, in the case of Mid-Hudson, is expected to be endorsed). Each region, through its selected Grantee named above, will carry out its Implementation Projects during the 2013 - 2014 tourism season as set forth in Schedule A attached.

ESD Project Nos.: Y450 – Y456; Y461 – Y462; Y466

Project Team:	Project Management	See schedule A attached
	Contractor & Supplier Diversity	Diane Kinnicutt
	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 \$1,000,000 collectively for this project, 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 – Economic Development Purposes Fund

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

V. Environmental Review

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 policy will apply to the project. Each Grantee shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 20% related to the total value of ESD’s funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project.

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. 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 (1-10)

June 27, 2013

Statewide – Path Through History Heritage Tourism Grant Program – Economic Development Purposes Fund (Working Capital Grants) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make Grants and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Path Through History Heritage Tourism Grant Program – Economic Development Purposes Fund (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 grants for up to a total amount not to exceed One Million Dollars (\$1,000,000) from the Economic Development Purposes Fund for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

* * *

June 27, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Cazenovia (Central New York Region – Madison County) – Owera Vineyards Capital – Regional Council Capital Fund (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: EBAC, LLC (“the Company”)

Beneficiary
Company: Owera Vineyards, LLC (“Owera Vineyards” or “Owera”)

ESD* Investment: A grant of up to \$994,000 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: 5276 East Lake Road, Cazenovia, Madison County

Proposed Project: Construct and equip a building and barn to be used for wine production, tastings, and events.

Project Type: Business expansion involving job retention and creation.

Regional Council: This is a priority project in the Central New York Region. The project addresses the Central New York Regional Plan by leveraging unique economic assets and improving competitiveness in, and connections to, the regional, national, and global economies. The vineyard will create jobs, promote agri-tourism, and invest back into the community.

Employment: Initial employment at time of ESD Incentive Offer: 4
 Current employment level: 7
 Minimum employment on January 1, 2014: 9

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction	\$1,882,039
Infrastructure/Site Work	967,519
Machinery and Equipment	523,332
Soft Costs	403,125
Working Capital	<u>270,962</u>

Total Project Costs \$4,046,977

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Grant	\$994,000	25%	
Farm Credit East-Mortgage Loan	1,400,000	35%	3.750%/20 yrs/Real Estate
Company Equity	<u>1,652,977</u>	<u>40%</u>	

Total Project Financing \$4,046,977 100%

III. Project Description

A. Company

Industry: The Beneficiary Company produces wine and grows produce.

Grantee/Beneficiary

History: EBAC, LLC, formed in 2010, is a single purpose real estate entity with a single asset which includes the winery and farm property. EBAC, LLC, is owned 100% by Peter E. Muserlian. The property is leased to Owera Vineyards, LLC.

The Beneficiary Company, Owera Vineyards, LLC, a woman-owned business owned by Nancy Muserlian, began limited operations in 2010. It is the operating entity that will retain and create the jobs related to the project. Owera Vineyards operates a winery in Madison County and for

the past two years has operated from a temporary facility with limited wine production and warehousing capability.

- Ownership:** EBAC, LLC, is a privately owned company.
- Size:** All facilities are located in New York. EBAC, LLC is located in Syracuse and Oweria Vineyards, a family-owned winery, is located at the northeast corner of Cazenovia Lake in the historic town of Cazenovia.
- Market:** Currently, Oweria Vineyards has over a dozen wholesale clients including Liquor City, MacKinnon Liquors, and the Wine House At the local level, Oweria promotes tourism and agribusiness, and provides a unique venue for wine tasting, culinary instruction, educational classes, weddings, and public gatherings that complement rural Madison County's agricultural and heritage based tourism industry.
- ESD Involvement:** As a result of the Governor's Regional Economic Development Council Initiative, EBAC, LLC was awarded \$994,000 through the Consolidated Funding Application ("CFA").
- Competition:** Oweria's major competitors are Anyela's Vineyard located in Skaneateles and Greenwood Winery located in East Syracuse.
- Past ESD Support:** This is the Company's first project with ESD.

B. The Project

- Completion:** May 2013
- Activity:** The project consisted of the creation of a new winery and farm on 58 acres adjacent to Cazenovia Lake in the Town of Cazenovia, Madison County. The scope included construction of a combined 11,700-square-foot new winery building and barn for wine production, tastings and related events and purchase and installation of new machinery and equipment. The Company has obtained a Certificate of Occupancy for the new building. Primarily, the building will be used for wine making production as well as a retail outlet in the form of a tasting room to sell wine. In addition, a variety of events including weddings, rehearsal dinners, winemakers' dinners, private tastings, community events, musical events, meetings, and conferences.
- Results:** The Company has retained 4 jobs, will create 5 Full-time Permanent jobs, and, as a tourism destination in Madison County, will promote regional tourism and agribusiness. The winery has pre-booked 20 events for its 2013 season including private weddings, corporate events, and the

annual "Taste of Cazenovia". With a new facility and farm property, the winery expects that over 100,000 visitors from across the region and State will come to Cazenovia for a winery related event. Owera Vineyards is raising its wine production to nearly 20,000 gallons this season with plans to produce over 40,000 gallons annually in coming years. In addition, grapes, fruits and vegetable will be grown for the winery and to be donated to local food pantries.

**Business Investment
Project:**

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

- Fiscal benefits to NYS government from the project are estimated at \$753,131;
- Fiscal cost to NYS government is estimated at \$994,000;
- Project cost to NYS government per direct job is \$162,951;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$29,825;
- Ratio of project fiscal benefits to costs to NYS government is 0.76:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,256,044;
- Fiscal cost to all governments is \$994,000;
- All government cost per direct job is \$162,951;
- All government cost per total job is \$29,825;
- The fiscal benefit to cost ratio for all governments is 1.26:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$5,019,828, or \$150,622 per job (direct and indirect);
- The economic benefit to cost ratio is 5.05:1;
- Project construction cost is \$3,252,683, which is expected to generate 31 direct job years and 20 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 4.51 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is over 10 years.

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

Grantee Contact: Peter E. Muserlian, Principal Member
EBAC, LLC
Hills Building 217 Montgomery Street
Syracuse, NY 13202-1937
Phone: (315) 476-1273 Fax: (315) 476-1283

Beneficiary Contact: Nancy Muserlian, Owner
Owera Vineyards, LLC
5276 East Lake Road
Town of Cazenovia, NY 13035-9345
Phone: (315) 815-4311 Fax: (315) 476-1283

ESD Project No.: X782

Project Team:	Origination	Bonnie Palmer
	Project Management	Javier Roman-Morales
	Contractor & Supplier Diversity	Diane Kinnicutt
	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 \$994,000 (\$9,940) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. Peter E. Muserlian will guarantee the grant repayment obligation of its EBAC, LLC, in the event of an Employment Shortfall or other default, as defined in these materials or the Grant Disbursement Agreement.
3. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
5. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the

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

6. Up to \$994,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$497,000) upon documentation of construction, infrastructure/site work, purchase of machinery and equipment including furniture and fixtures project costs totaling \$3,372,890, and documentation of the employment of at least 4 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 (\$248,500) will be disbursed upon documentation of the employment of at least 7 Full-time Permanent Employees at the Project Location (Employment Increment of 3), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$248,500) will be disbursed upon documentation of the employment of at least 9 Full-time Permanent Employees at the Project Location (Employment Increment of 2), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after May 10, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2014.

7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$994,000, 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	4
A	B
Reporting Date	Employment Goals
February 1, 2014	4+X+Y
February 1, 2015	4+X+Y
February 1, 2016	4+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=3, and Employment Goals shall equal $[4 + X = 7]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee’s Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=2, and Employment Goals shall equal $[4 + X + Y = 9]$ if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

IV. Statutory Basis – Regional Council Capital Fund

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

V. Environmental Review

The Town of Cazenovia Planning Board, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of

Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on March 3, 2011. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor Diversity policy will apply to the Project. The Company shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 25%, Minority Business Enterprise ("MBE") Participation goal of 15% and a Women Business Enterprise ("WBE") Participation goal of 8% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project. A further explanation of the MWBE requirements is attached hereto.

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

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

VIII. Additional Submissions to Directors

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

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

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Owera Vineyards 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 EBAC, LLC a grant for a total amount not to exceed Nine Hundred and Ninety-Four Thousand Dollars (\$994,000) 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.

* * *

June 27, 2013

Regional Council Award – Priority Project – Cazenovia (Central New York Region
– Madison County) – Owers Vineyards Capital – Regional Council Capital Fund
(Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *



FOR CONSIDERATION

June 27, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award (North Country Region – Franklin & Hamilton Counties) – Slic Network Solutions 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

General Project Plan

I. Project Summary

Grantee: Slic Network Solutions Inc. (“Slic”) or the (“Company”)

ESD* Investment: A grant of up to \$596,000 to be used for a portion of the cost of broadband network installation from Tupper Lake to Long Lake.

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

Project Location: Tupper Lake to Long Lake, Franklin & Hamilton Counties

Proposed Project: Slic will construct 25 miles of broadband fiber infrastructure network between Tupper Lake in Franklin County and Long Lake in Hamilton County

Project Type: Install broadband infrastructure network.

Regional Council: This project is consistent with the North Country Regional Council’s (“NCREDC”) Regional Plan key strategy to retain and expand businesses. This project supports existing business entities and

creates new opportunities for Tupper Lake and Long Lake by cultivating economic development and creating new employment opportunities. The project supports NCREDC’s vision to attract and nurture entrepreneurs and cultivate innovative clusters in rural communities. The Grantee has also been awarded four additional Connect NY broadband awards totaling \$5,521,754 for projects in the North Country. Each of these projects will be presented to the Board at later dates.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction-Infrastructure	\$438,865	
Internet Service	24,000	
Engineering-Project Management	58,900	
Telecom Equipment	<u>175,993</u>	
 Total Project Costs	 <u>\$697,758</u>	
 <u>Financing Sources</u>	 <u>Amount</u>	 <u>Percent</u>
ESD-Grant	\$596,000	85%
Company Equity	<u>101,758</u>	<u>15%</u>
 Total Project Financing	 <u>\$697,758</u>	 <u>100%</u>

III. Project Description

A. Company

- Industry: Slic is an internet service provider of broadband voice and data services.
- Company History: Slic was formed in 1995 and has successfully developed, installed and managed last-mile fiber networks to provide high-speed internet voice-data service to underserved North Country communities.
- Ownership: Slic is privately owned.
- Size: Slic is located in Nicholville, NY and has 48 employees.
- Market: Slic customers include hospitals, schools, banks, government, fire departments, and police departments.
- ESD Involvement: As part of the Governor’s Regional Economic Development Council Initiative, SLIC was awarded \$596,000 through the Consolidated Funding Application process. Slic requested ESD assistance to help finance its broadband installation project in underserved North Country

communities. This project would not have been possible without ESD assistance.

Competition: Slic competes with telephone companies and cable access providers.
Past ESD Support: ESD’s financial support to Slic began in 2001. Since then, total financial support to the Company, including loans and grants, has been \$2,767,525 for four projects. Two projects were completed and funds fully disbursed. The other two projects are underway and noted in the chart below.

ESD’s financial support to the company in the last five years is summarized in the chart below. Grant Disbursement Agreements have been fully executed for each project, and the projects are underway.

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
Local Assistance – Innovation Economy	Y025	\$425,987	November 2012	December 2015	Broadband Infrastructure
	Y026	\$2,225,033			

B. The Project

Completion: August 2013

Activity: Slic will design, supply, and install 25 miles of internet fiber cable and related infrastructure network equipment between Tupper Lake in Franklin County and Long Lake in Hamilton County. For the first phase, Slic obtained the approval of the Adirondack Park Authority and other permits to proceed with the construction-installation phase of this project. Slic will complete the work with existing Slic employees and will award subcontracts for certain work elements and ensure compliance with NYS MWBE requirements for the project.

Results: Slic has expanded internet broadband service to communities that do not have broadband access or limited broadband access. Broadband access is a basic requirement of businesses, commercial and governmental operations and essential to attracting new families and entrepreneurs to the area.

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 benefit 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 30,222;
- Fiscal cost to NYS government is estimated at \$596,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.05:1;
- Fiscal benefits to all governments (state and local) are estimated at 50,979;
- Fiscal cost to all governments is \$596,000;
- The fiscal benefit to cost ratio for all governments is 0.09:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$256,679;
- The economic benefit to cost ratio is 0.43:1;
- Project construction cost is \$497,765, which is expected to generate six direct job years and two indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.38 indirect job is anticipated in the state's economy.

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

Grantee Contact: Phil Wagschal, President
3330 State Highway 11B
Nicholville, NY 12965
Phone: (315) 244-1293

ESD Project No.: X708

Project Team:	Origination	Rosemary Redmond
	Project Management	John Vandelloo
	Contractor & Supplier Diversity	Diane Kinnicutt
	Finance	Amit Nihalani
	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 \$596,000 capital grant (\$5,960) 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. Up to \$596,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 22.8% of the grant (\$136,000) upon completion and documentation of engineering, duct proofing, permitting, and make ready survey, project costs of at least \$161,865, and any other documentation as ESD may reasonably require, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 38.5% of the grant (\$229,500) will be disbursed upon completion and documentation of the installation of the first 12.5 miles of fiber optic line construction between Tupper Lake and Long Lake, including engineering, labor, materials, project management, telecommunications equipment installed at Long Lake and Tupper Lake facilities, additional project costs of \$ 265,597 (cumulative project costs of \$427,462) and any other documentation as ESD may reasonably require;
 - c) a Third Disbursement of an amount equal to 38.7% of the grant (\$230,500) will be disbursed upon completion and documentation of the installation of an additional 12.5 miles of fiber optic line construction between Tupper Lake and Long Lake, (25 miles cumulative), including all work related to construction labor, project management, materials, municipal service (phone-internet) install fiber equipment, install wireless equipment, successful completion of the final fiber acceptance testing verifying project completion, proof that IP service is operational and appropriate for this phase 1, and in compliance with project requirements additional project costs of \$270,117 (cumulative project costs of \$697,758), and any other documentation as ESD may reasonably require.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after August 7, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2014.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$596,000, 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.

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

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

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

IV. Statutory Basis – Regional Council Capital Fund

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

V. Environmental Review

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

VI. Smart Growth Public Infrastructure Review

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

VII. Non-Discrimination and Contractor & Supplier Diversity

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

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

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

June 27, 2013

Regional Council Award (North Country Region – Franklin & Hamilton Counties) – Slic Network Solutions 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

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, (“the Corporation”) relating to the Slic Network Solutions 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 Slic Network Solutions Inc. a grant for a total amount not to exceed Five Hundred Ninety-Six Thousand Dollars (\$596,000) 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

June 27, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Various Locations (Long Island Region – Nassau & Suffolk Counties) – Long Island Business and Workforce Investment Project – Economic Development Purposes Fund (Working Capital Grant)

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

I. Project Summary

Grantee: Town of Hempstead Department of Occupational Resources (“DOOR”)

ESD* Investment: A grant of up to \$427,535 to be used for a portion of the eligible costs related to assessment and skills training of 114 low-income and dislocated Long Islanders to be employed in the Long Island region.

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

Project Locations: 50 Clinton Street, Hempstead, Nassau County
303 West Old Country Road, Hicksville, Nassau County
977 Hicksville Road, Hicksville, Nassau County
North County Complex Building #17, Hauppauge, Suffolk County
160 South Ocean Avenue, Patchogue, Suffolk County

Proposed Project: The project will equip 114 low-income and dislocated Long Islanders with the skills and credentials required to support workforce demands.

Project Type: A working capital grant to fund an employment assistance program.

Regional Council: This is a priority project for the Long Island Region and was awarded as part of the first round of the Regional Council Award process. The project addresses the Long Island Regional Plan to assist in the transformation of the Long Island economy through a dual strategy of worker skill training and entrepreneurial development.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Career Counselor (temporary contracted employee)	\$80,000	
Employee Training	345,000	
Workstation Licenses	3,000	
In-Kind Administrative Cost	<u>112,000</u>	
 Total Project Costs	 <u>\$540,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$427,535	79%
Grantee Equity	<u>112,465</u>	<u>21%</u>
 Total Project Financing	 <u>\$540,000</u>	 <u>100%</u>

III. Project Description

A. Grantee

Industry: The Town of Hempstead Department of Occupational Resources is a regional economic development organization that provides assistance to job seekers and businesses through its HempsteadWorks Career Center.

Grantee History: Founded in 1978, DOOR is a leading innovator of workforce development in the Long Island Region, providing services to economically disadvantaged youth, veterans, individuals with disabilities, and older workers. In 2007, the Town of Hempstead Local Workforce Investment Board (“LWIB”) launched the Connect Long Island Partnership, a collaboration of three Local Workforce Investment Boards, the New York State Department of Labor, Empire State Development, and a variety of other stakeholders to create several initiatives to promote a positive economic transformation in the Long Island Region. Recently, a Regional Strategic Plan was created to develop a program to equip low income, unemployed, or dislocated workers and other underutilized workers with the education and training needed to achieve employment. The success of the plan will eventually increase the number of skilled workers and entrepreneurs who can earn a livable wage. The project will be

facilitated by the DOOR’s HempsteadWorks Career Center, a network of organizations that assist employers in hiring qualified workers and helps job seekers to develop their skills to secure employment.

- Ownership:** DOOR is a municipal department of the Town of Hempstead.
- Size:** All five training facilities are located in Nassau and Suffolk Counties, Long Island, NY.
- Market:** The Project targets Long Island residents who are either low income, dislocated or unemployed and who are 18 years of age and older.
- ESD Involvement:** As a result of the Governor’s Regional Economic Development Council Initiative, the Town of Hempstead Department of Occupational Resources (Workforce Development Board) was awarded \$427,535 through the Consolidated Funding Application (“CFA”) process to assist with working capital expenses related to the Program. This transformative project will foster economic development through workforce development.
- Past ESD Support:** Since 2000, The Town of Hempstead has received \$5,737,000 in ESD grant funds. ESD’s financial support to the Town of Hempstead in the last five years is summarized in the chart below.

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
Restore NY II	W095	\$2,500,000	January 15, 2009	December 2013	Capital Grant
Restore NY III	W858	\$2,412,000	December 16, 2010	December 2018	Capital Grant

B. The Project

- Completion:** May 2014
- Activity:** The goal of the project is to educate, train, and provide job development for a pool of workers to be employed by Long Island firms. To accomplish these goals, HempsteadWorks will conduct an assessment of 114 unemployed participants and develop an individual employment plan for each participant. In order to participate in the project, individuals must be a Long Island resident, 18 years of age and older, out-of-school, and either low income or a dislocated worker. The two major components of the project are targeted and general training. The targeted training will

be provided by Hofstra University and has been divided in two phases: Phase One is a Health Care Information Technology course; Phase Two is a Paralegal course. The general component will consist of a variety of training programs related to multiple occupations, including soft skills training. Training will be conducted at any of Long Island's five One-Stop Career Centers. Other services provided under the project include outreach, intake, career counseling, job development, job placement and follow-up. The project began in May 2012 and is expected to be completed by May 2014. Upon completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.

Results: As a result of the project, the Long Island Region will have a broader workforce to meet the demands of evolving industries. To date, 152 individuals have successfully completed training and 42 graduates have received employment as a result of the Program.

Economic Growth

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

Grantee Contact: Ana-Maria Hurtado, Commissioner
50 Clinton Street, Suite 400
Hempstead, New York 11550
Phone: (516) 485-5000 ext. 1105

ESD Project No.: X730

Project Team:	Origination	Barry Greenspan
	Project Management	Beverly Bobb
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Amit Nihalani
	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 \$427,535 of the working capital grant (\$4,275).
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 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 \$427,535 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$213,768) upon completion of the Project substantially as described in these materials, documentation that 38 low-income and dislocated Long Islanders have completed training, documentation that 50% of these individuals are employed, documentation verifying project expenditures of approximately \$300,000, 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 (\$106,884) will be disbursed upon documentation that an additional 38 low income and dislocated Long Islanders (76 cumulatively) have completed training, documentation that 50% of the individuals (38 cumulatively) are employed, and documentation verifying an additional \$100,000 in eligible project expenditures (total of approximately \$400,000) provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$106,883) will be disbursed upon documentation that an additional 38 low-income and dislocated Long Islanders (114 cumulatively) have completed training and documentation that 50% of the individuals (57 cumulatively) are employed, and documentation verifying project expenditures of approximately \$540,000, provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after April 24, 2012, to be considered eligible Project costs. Expenditures incurred prior to written acceptance of the Incentive Proposal cannot be reimbursed by grant funds. All disbursements require compliance with program requirements and must be requested by April 1, 2015.

5. ESD may reallocate the Project funds to another form of assistance, at an amount no greater than \$427,535, 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 Development Purposes Fund

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

V. Environmental Review

ESD staff has determined that the project does not constitute an action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

VI. Non-Discrimination and Contractor & Supplier Diversity

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

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum

June 27, 2013

Regional Council Award – Priority Project – Various Locations (Long Island Region – Nassau & Suffolk County) – Long Island Business and Workforce Investment Project – Economic Development Purposes Fund (Working Capital Grant) – Findings and Determinations Pursuant to Sections and 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 Long Island Business and Workforce Investment Project - Economic Development Purposes Fund (Working Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the Project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to «Orgn_Name_Client» a grant for a total amount not to exceed Four Hundred Twenty Seven Thousand, Five Hundred Thirty Five Dollars (427,535) from the Economic Development Purposes Funds, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

* * *

June 27, 2013

Regional Council Award – Priority Project – Various Locations (Long Island – Nassau & Suffolk County) – Long Island Business and Workforce Investment Project – Economic Development Purposes Fund – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Long Island Business and Workforce Investment Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *



FOR CONSIDERATION

June 27, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Brooklyn (New York City Region – Kings County) – NYC Seedstart Working Capital – Economic Development Purposes Fund (Working Capital)

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

I. Project Summary

Grantee: NYC Seedstart LLC (“NYC Seedstart” or the “Company”)

ESD* Investment: A grant of up to \$550,000 to be used for a portion of working capital expenses (excluding seed funding).

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

Project Location: 20 Jay Street, Brooklyn, Kings County

Proposed Project: The Company will offer a six twelve-week competitive start-up accelerator programs designed to launch new technology companies in New York focusing on advertising infrastructure, e-commerce, digital content, and mobile technology.

Project Type: Working capital investment in a technology accelerator program.

Regional Council: This is a priority project for the New York City Region addressing the NYC Regional Plan to provide specialized training and to establish a platform for entrepreneurs and start-up companies to succeed.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Seed Funding	\$1,200,000	
Salaries	300,000	
Marketing	60,000	
Travel	30,000	
Supplies	30,000	
Administrative and Event costs	<u>180,000</u>	
Total Project Costs	<u>\$1,800,000</u>	

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$550,000	31%
Company Equity	<u>1,250,000</u>	<u>69%</u>
Total Project Financing	<u>\$1,800,000</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Start-up accelerator

Company History: Founded in 2010, NYC Seedstart LLC is a partnership that provides capital and support services to seed-stage IT and digital media startups in New York City. The Company offers an intensive 12-week program (the "Program") designed to help entrepreneurs focused on the next-generation of enterprise software to launch new ventures in New York City. Prior to ESD's assistance, NYC Seedstart has graduated two classes of companies in its past programs. To date, 13 companies have completed the program. NYC Seedstart partners include venture capital firms, legal and accounting firms and traditional large corporations.

Ownership: NYC Seedstart is a partnership between Industrial Technology Assistance Corporation ("ITAC"), New York City Investment Fund, The New York State Foundation for Science, Technology and Innovation ("NYSTAR"), and New York University Polytechnic Institute.

Size: The Company headquarters and training facility is located in downtown Brooklyn.

Market: Startup accelerator program for New York City entrepreneurs focusing on advertising infrastructure, e-commerce, digital content, and mobile technology.

ESD Involvement: As a result of the Governor's Regional Economic Development Council Initiative, NYC Seedstart was awarded \$550,000 through the Consolidated Funding Application ("CFA") process to assist with working capital expenses for Company's start-up accelerator program for entrepreneurs. This Program would not have been able to continue without ESD's assistance.

Past ESD Support: This is the first ESD grant to the Company.

B. The Project

Completion: August 2014

Activity: The Program will consist of six 12-week sessions designed to help entrepreneurs launch new ventures in New York City. The Company is currently accepting applications for the first session that is scheduled to commence in summer 2013. The final session is scheduled to run through August 2014. The Program consists of intensive class time with lectures on a wide variety of start-up topics including raising private capital and business mentorship opportunities. At the end of the Program, each company will have an opportunity to present their new business ideas to investors in an effort to secure additional funding. The 10 most promising companies will be selected, and each will receive \$20,000 and office space in exchange for a 5% equity share in the business. The funds will provide an opportunity for businesses to move from concept to prototype and actually get off the ground. After the Program is over, NYC Seedstart will hold follow-up meetings and events as the companies mature.

Results: After completion of the Program, NYC Seedstart estimates 30% of the startups will move on to create successful companies and approximately 120 to 150 initial jobs will be created. After year two of the Program, NYC Seedstart estimates that 30% to 40% of the start-ups will receive additional financing from private sources. Upon completion of the Project, the Grantee will furnish a final report describing the impact and effectiveness of the Project.

Economic Growth

Investment Project: This project does not involve permanent job commitments or construction spending. While such projects generate significant long term fiscal and economic benefits, such benefits are not estimated within

the short-term period used in the benefit cost analysis. Therefore, no benefit cost analysis is provided.

Grantee Contact: Owen Davis, Managing Director
6 MetroTech Center
Brooklyn, NY 11201
Phone: (707) 469-3669

ESD Project No.: X752

Project Team:	Origination	Andrew Fletcher
	Project Management	Beverly Bobb
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$550,000 working capital grant (\$5,500).
2. The Company will demonstrate no materially adverse changes in its financial condition prior to closing.
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. Funds will be disbursed in arrears, no more frequently than quarterly (upon completion of each 12-week session) in proportion to ESD's share of funding, as described in the materials. 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 30, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2016. Expenditures incurred prior to written acceptance of the Incentive Proposal cannot be reimbursed by grant funds.
5. The Grantee will furnish quarterly reports and a final report describing the impact and effectiveness of the project. Such reports will contain information on investments, current status, leveraged funds, business revenue, job creation outcomes, and other items as determined by ESD. Once the Grantee has provided documentation verifying

disbursement of the entire \$550,000 in grant funds, the Grantee will report annually to ESD on the subsequent uses of the return investments for a period of two years.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$550,000, 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 2011-2012 New York State budget and reappropriated in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project does not constitute an action as defined by the New York State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

VI. Non-Discrimination and Contractor & Supplier Diversity

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

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions
New York State Map

June 27, 2013

Regional Council Award – Priority Project – Brooklyn (New York City Region – Kings County) – NYC Seedstart Working Capital – Economic Development Purposes Fund (Working Capital) – Findings and Determinations Pursuant to Sections 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to NYC Seedstart LLC a grant for a total amount not to exceed Five Hundred Fifty Thousand Dollars (\$550,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *



FOR CONSIDERATION

June 27, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Non-Discretionary Projects

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

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

	Project Name	Proj #	Grantee	Assistance up to
	Community Capital Assistance Program (Senate)			
1	Town of Hadley – Senior Community Center Construction Capital	V486	Town of Hadley	50,000
			Sub-total	\$50,000
	Local Assistance (Senate)			
2	Monroe County – Economic Development and Workforce Training	Y153	Monroe County	290,000
			Sub-total	\$290,000
	New York State Economic Development Assistance Program (Senate)			
3	Agudath Israel of America – Security System Capital	Y070	Community Transit Systems, LLC	1,000,000
			Sub-total	\$1,000,000
	TOTAL NON-DISCRETIONARY – 3 PROJECTS		TOTAL	\$1,340,000

I. Statutory Basis

The projects are sponsored by the Executive, Assembly or Senate, and were authorized or reappropriated in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site(s).

II. Environmental Review

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

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

III. Non-Discrimination and Contractor & Supplier Diversity

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

IV. ESD Employment Enforcement Policy

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

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

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

VI. Additional Requirements

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

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

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

VII. Additional Submissions to Directors

New York State Maps
Resolutions
Project Summaries

June 27, 2013

Community Capital Assistance Program – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Community Capital Assistance Program Project (the “Project”), in accordance with Chapter 84 of the Laws of 2002 for the Community Capital Assistance Program, the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

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

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

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

Community Capital Assistance Program – Senate - Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
1	Town of Hadley – Senior Community Center Construction Capital	V486	Town of Hadley	50,000
			TOTAL	\$50,000

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

* * *

June 27, 2013

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

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

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

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

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

Local Assistance – Senate – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
2	Monroe County – Economic Development and Workforce Training	Y153	Town of Hadley	290,000
			TOTAL	\$290,000

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

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

* * *

June 27, 2013

New York State Economic Development Assistance Program - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

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

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

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

New York State Economic Development Assistance Program - Senate - Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
3	Agudath Israel of America – Security System Capital	Y070	Community Transit Systems, LLC	1,000,000
			TOTAL	\$1,000,000

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

* * *

1. Town of Hadley – Senior Community Center Capital (V486)

June 27, 2013

General Project Plan

- Grantee:** Town of Hadley (“Hadley” or the “Town”)
- ESD Investment:** A grant of up to \$50,000 to be used for a portion of the cost of construction of a senior community center.
- Project Location:** 23 Maple Avenue, Hadley, Saratoga County
- Proposed Project:** Construction of the Hadley Senior Community Center (the "Center")
- Regional Council:** The Capital Region Regional Council has been made aware of this item, which predates the Regional Council Initiative. The project is consistent with the Regional Plan to optimize the region’s surroundings to attract new residents, visitors and businesses.

Background:

Town History – Formed in 1801, the Town of Hadley is located in the northeast corner of Saratoga County and spans 32 square miles. The Town is situated in the Adirondack Park surrounded by the Adirondack Mountains and is home to the historic Bow String Bridge over the Sacandaga River. The bridge has been on the National Historic Register since 1977 and was recently restored and reopened by Saratoga County.

Size – The Town has a population of approximately 2,048 residents.

ESD Involvement – The project was reappropriated in the 2013-2014 New York State budget.

Past ESD Support – In 1999, ESD awarded the Town a \$1,000 grant from the Community Projects Fund for rehabilitation of the Town Hall. The funds were fully disbursed and the terms were fulfilled.

The Project:

Completion – October 2009

Activity – The need for a senior community center in Hadley was first conceived by the Hadley Seniors, a group of 12 seniors in the community who wanted to connect and socialize in the Town. The group allowed participants to communicate about living conditions, share meals, and discuss health issues. Lacking a formal meeting space that could accommodate meals and arts and crafts projects, the Hadley Seniors made a

Town of Hadley – Senior Community Center Capital (V486)

June 27, 2013

proposal to the Town Board (the “Board”) to build a community center that would provide members with space for dinners, informational seminars, arts and crafts activities, as well as game and movie nights.

In November 2008, the Town residents voted to approve construction of the Hadley Senior Community Center. The Board selected Rucinski Hall Architecture to initiate all testing and surveying of the site and to complete the building design. The project broke ground in April 2008 with in-kind labor, volunteers and paid contractors. All phases of construction went through a written bid procedure. Construction was completed and a Certificate of Occupancy was issued in October 2009. The Center can occupy up to 99 individuals and has a commercial kitchen, two restrooms, a gathering room, and a full basement.

Results – In addition to fostering companionship for its elders, the Center provides services for all the Town residents. Musical performances are held during the summer under the Center’s pavilion, and the Boy Scouts and other groups hold meetings at the Center. Additionally, the Center allows Hadley’s seniors to access services that were previously located farther away, such as the Meals on Wheels program, which had required meals to be delivered from Saratoga, over 10 miles away. Today, 10 lunches are delivered to home-bound elderly in Hadley, and anyone is allowed to eat for a donation.

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction	\$67,220	ESD Grant	\$50,000	74%
Furniture, Fixtures and Equipment	280	Town equity	17,500	26%
Total Project Costs	\$67,500	Total Project Financing	\$67,500	100%

Grantee Contact – Maureen Lanfear, Town Clerk
4 Stony Creek Road
Hadley, NY 12835
Phone: (518) 696-4379 Fax: (518) 696-5401

Project Team – Project Management Contractor & Supplier Diversity Environmental Simone Betthune Diane Kinnicutt Soo Kang

Town of Hadley – Senior Community Center Capital (V486)

June 27, 2013

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$50,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and documentation of construction project costs totaling \$67,500, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must have been incurred after April 1, 2002, 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 \$50,000, 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 projects. For purposes of this project, however, goals will not be established due to the unavailability of minority and women-owned businesses for performance of this project.

Statutory Basis – Community Capital Assistance Program:

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

Disclosure and Accountability Certifications:

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

2. Monroe County – Economic Development and Workforce Training (Y153)

June 27, 2013

Grantee: Monroe County (the “County”)

ESD Investment: A grant of up to \$290,000 to be used by 12 Beneficiaries for a portion of the cost of various activities related to economic development and workforce training initiatives in Monroe County.

**Beneficiaries/Amounts
& Proposed Uses:**

Schedule	Beneficiary	Amount	Proposed Use
A	Rochester Contemporary Art Center, Inc.	\$15,000	Monthly “First Friday” gallery night
B	Arts & Cultural Council for Greater Rochester	25,000	Feasibility study of providing a shared services business center for artists/arts organizations
C	Bivona Child Advocacy Center	25,000	Expand and improve a forensic interview program to assist child abuse investigations
D	Breast Cancer Coalition of Rochester	25,000	Hiring of an outreach director, a newly created position
E	Daystar for Medically Fragile Children, Inc.	25,000	Training of new nurses and caregivers
F	Geva Theatre Center, Inc.	25,000	Hiring of an institutional giving manager, a newly created position
G	University of Rochester - Medical Center/Golisano Children’s Hospital	25,000	Support development of an autism spectrum disorders clinic
H	Rochester City Ballet	25,000	Support training and rehearsals for its apprentice program
I	Rochester Institute of Technology - New York Wine & Culinary Institute	25,000	Train workers for the food, beverage and tourism industries in New York State
J	Rochester Philharmonic Orchestra, Inc.	25,000	Hiring of a marketing manager, a newly created position
K	University of Rochester - Medical Center	25,000	Support an ALS clinic at its neuromuscular disease center
L	YWCA of Rochester & Monroe County	25,000	Career and college readiness program for young mothers
	Total	\$290,000	

Project Locations: Various sites in Monroe County and one site in Ontario County, as identified in the attached Schedules A through L.

Proposed Project: Details on each project component are provided in Schedules A through L.

Project Type: Legislative-sponsored local assistance grant to benefit 12 not-for-profit arts, educational, healthcare, and related organizations.

Monroe County – Economic Development and Workforce Training (Y153)
June 27, 2013

Regional Council: The Finger Lakes Regional Council (the “Council” or “RC”) has been made aware of this item. Although the Council had no involvement in this legislative grant, officials of the Grantee and some of the Beneficiaries are members of the Council, as follows: The Monroe County Executive is a member of the RC; the president of the University of Rochester is co-chair of the RC; and the president of Rochester Institute of Technology is a member of the RC. The project is consistent with the Regional Plan, in that the project components support key economic clusters, such as higher education, advanced healthcare, and tourism and the arts.

Background:

Grantee History – Established in 1821, Monroe County is located on the south shore of Lake Ontario. With a population of approximately 730,000, the County contains 19 towns and 10 villages, as well as the City of Rochester. The County is headed by an elected county executive and has a 29-member legislature.

ESD Involvement - A \$290,000 appropriation was included in the FY 2012-2013 New York State budget.

Past ESD Support – Since 2004, ESD has provided Monroe County with four grants as summarized in the following chart:

Program	Project #	Amount	ESD Approval Date	Final Disbursement Date (all projects are complete)	Purpose
Community Projects Fund	S679	\$1,000	10/21/04	8/18/05	Youth bureau programs
	S902	\$2,000	11/18/04	12/31/06	
Special Appropriation	U709	\$300,000	11/15/06	4/3/09	Equipment for crime lab
Local Assistance	U808	\$300,000	12/18/06	10/26/07	Landfill bioreactor to create green energy

Budget: Budget breakdowns for individual project components can be found in Schedules A through L.

Grantee Contact - Delaine George, Executive Assistant, Department of Planning and Economic Development
50 West Main Street, Suite 8100
Rochester, NY 14614
Phone: (585) 753-2006 Fax: (585) 753-2002

Monroe County – Economic Development and Workforce Training (Y153)
June 27, 2013

Beneficiary Contacts - See Schedules A through L.

<u>Project Team</u> -	Project Management	Edward Muszynski
	Contractor & Supplier Diversity	Vikas Gera
	Environmental	Soo Kang

Financial Terms and Conditions:

1. The Grantee and each Beneficiary will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$290,000 will be disbursed to Grantee upon completion and documentation thereof of each project component as described in Schedules A through L, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must have been incurred after April 1, 2012, the date that the New York State budget, in which the project is authorized, was passed. The final ten percent (10%) of the Grant for each project component shall not be disbursed by ESD until all of the tasks and reports required for that component have been completed to ESD's satisfaction.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$290,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

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

Statutory Basis – Local Assistance:

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 New York State budget. No residential relocation is required as the grant will not finance or involve any construction, displacement or alteration to any existing housing.

Monroe County – Economic Development and Workforce Training (Y153)
June 27, 2013

Disclosure and Accountability Certifications:

The Grantee and Beneficiaries have provided ESD with the required Disclosure and Accountability Certifications. Grantee's and Beneficiaries' certifications indicate that Grantee and Beneficiaries have no conflicts of interest or good standing violations.

Attachments: Schedules A through L showing details of each project component

3. Agudath Israel of America – Security System Capital (Y070)

June 27, 2013

General Project Plan

- Grantee:** Community Transit Systems LLC (“CTS”)
- Beneficiary:** Agudath Israel of America Community Services, Inc. (“AIACS”)
- ESD Investment:** A grant of up to \$1,000,000 to be used for a portion of the cost of the purchase and installation of new equipment necessary to create a wireless neighborhood security system.
- Project Location:** Brooklyn, Kings County
- Proposed Project:** The purchase and installation of equipment necessary to create a wireless neighborhood security system in the Borough Park and Midwood communities of Brooklyn.
- Project Type:** Installation of wireless neighborhood security system.
- Regional Council:** The New York City Regional Council has been made aware of this item. The project predates the Regional Council Initiative; however, it is consistent with the Regional Plan to generate improvements in the quality of life for New York City residents.

Background:

History – Community Transit Systems, LLC, was founded in 2008 to provide transportation to students attending private schools in New York State. The sole member of CTS is Agudath Israel of America Community Services, Inc. AIACS in turn is an affiliate of Agudath Israel of America (“AIA”), which was founded in 1922 and incorporated in 1939. AIA is a broad-based movement with chapters throughout the United States.

Agudath Israel of America Community Services, Inc., is a not-for-profit organization whose mission is to address a broad range of social challenges facing needy members of the community and to provide them with vital services. Some of these services include youth drug prevention programs, summer camps for the needy and advocacy and referral services for children and families with special needs. For adults, it offers career training and vocational guidance, combined with counseling and referrals for gainful employment. For seniors, it offers housing assistance, emergency food aid and constructive recreational projects.

Agudath Israel of America – Security System Capital (Y070)

June 27, 2013

Size – AIACS is headquartered in Manhattan. The majority of its members reside in the New York-New Jersey area, with active branches in Illinois, Michigan, Ohio, Maryland, Minnesota, Texas, Florida, and California.

ESD Involvement – The project was reappropriated in the 2013-2014 New York State budget.

Past ESD Support – Since 2009, the Grantee and the Beneficiary have received financial support as noted in the chart below:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
New York State Economic Development Assistance Program	W272 ¹	\$5,000,000	2009	2012	Purchase of school buses
New York State Economic Development Assistance Program	V943 ²	\$100,000	2012	2014	Technology improvements

¹ CTS

² AIACS

The Project:

Completion – July 2014

Activity – In July 2011, an eight-year-old boy, Leiby Kletzky was kidnapped and murdered within a few blocks of his home in Brooklyn's Borough Park. His body was found two days after he went missing. Due to the presence of local security cameras, the murderer was quickly apprehended. In response to this terrible tragedy, New York State Senator Dean Skelos and Assemblyman Dov Hikind collaborated on a \$1,000,000 capital grant, known as the Leiby Kletzky Security Initiative, to mount 100 security cameras in strategic places throughout the Borough Park and Midwood communities where the crime occurred.

Community Transit Systems, LLC, will administer the project and own the cameras. SecurityWatch 24 LLC will install and maintain the camera, and recorded data will be maintained for up to five years.

Agudath Israel of America – Security System Capital (Y070)

June 27, 2013

Results – It is anticipated that this security system will decrease the chance of such attacks and enhance law enforcement’s ability to solve and prevent local crimes.

Financing Uses	Amount	Financing Sources	Amount	Percent
Cameras	\$900,000	ESD Grant	\$1,000,000	100%
Camera Installation	100,000			
Total Project Costs	\$1,000,000	Total Project Financing	\$1,000,000	100%

Grantee Contact - David Tanenbaum, Executive Director
42 Broadway, 14th Floor
New York, NY 10004
Phone: (212) 422-0610

Project Team - Project Management Simone Bethune
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 will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$1,000,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and documentation of neighborhood technology installations totaling \$1,000,000, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must have been incurred on or after April 1, 2008, to be considered eligible project costs.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Agudath Israel of America – Security System Capital (Y070)

June 27, 2013

Statutory Basis – New York State Economic Development Assistance Program:

The project was authorized in the 2008 - 2009 New York State budget and reappropriated in the 2013 – 2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

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: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 40%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 25% and a Women Business Enterprise ("WBE") Participation Goal of 15% related to the total value of ESD's funding.

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

June 27, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: New York City (New York County) – 121 West 125th Street (Urban League Empowerment Center) Land Use Improvement and Civic Project

REQUEST FOR: Land Use Improvement and Civic Project Findings; Adoption of General Project Plan (“GPP”); Determination that No Supplemental Environmental Impact Statement Needed; Adoption of Findings Pursuant to Article 8 of the Environmental Conservation Law, the State Environmental Quality Review Act and its implementing regulations; Adoption of the General Project Plan; Approval of Lease; Authorization to Hold a Public Hearing; Authorization to Acquire and Dispose of Real Property in accordance with the Applicable Provisions of the Public Authorities Law;; and Authorization to Take Related Actions.

Part 1: General Project Plan

121 West 125th Street (Urban League Empowerment Center) Land Use Improvement and Civic Project

I. Project Summary

Property Location and Description: The property consists of the land, the improvements and the air space located at 121 West 125th Street in the City, County, and State of New York, an approximately 42,000 square foot lot that extends through 125th Street to 126th Street, between Adam Clayton Powell Jr. Boulevard and Lenox Avenue/Malcolm X Boulevard, east of the Adam Clayton Powell Jr. State Office Building, (Manhattan Tax Block 1910, Part of Lot 1; hereinafter collectively, the “Property”).

The fee interest in the Property is divided between a *Lower Parcel*, which includes the land and the building situated thereon, extending vertically to a horizontal plane at an elevation of 80.20 feet, and an *Upper Parcel* consisting of the air space that lies directly above the Lower Parcel, extending vertically up from an elevation of 80.20 feet.

Property Owners: Lower Parcel: The City of New York (“NYC”) has a fee interest in the Lower Parcel that will automatically revert to the State of New York, acting through the Office of General Services (“OGS”) in 2053.

Upper Parcel: OGS has the fee interest in the Upper Parcel, in addition to its reversionary right in the Lower Parcel.

Lower Parcel Lessee: New York City Economic Development Corporation (“NYCEDC”)

Conditionally Designated Developer: Urban League Empowerment Center, LLC (“ULEC” or “Developer”) c/o National Urban League, Inc. 120 Wall Street, 8th Floor New York, New York 10005

Developer Contact: Charles J. Hamilton, Jr. Windels Marx Lane & Mittendorf, LLP 156 West 56th Street, New York, New York 10019 [Tele] 212-262-1215 chamilton@windelsmarx.com

Development Partners: The Hudson Companies, Inc. (“Hudson”) and BRP Companies

Contact: David Kramer 826 Broadway, 11th Floor New York, New York 10003 [Tele] 212-777-9500 DKramer@hudsoninc.com

ESD Investment: ESD will facilitate the transfer of interests among OGS, NYC and Developer and/or entities controlled by Developer’s principals. In addition, a \$2 million Restore New York grant for demolition of this site, which ESD awarded to NYC in 2008, is available for use in the Project. NYC as grantee can sub-grant the grant proceeds to Developer. Developer is responsible for the payment of all ESD costs associated with the Project.

Proposed Project: Developer will lease the Property from ESD. Developer will demolish the existing building and construct a larger building with office, retail, cultural, community facility housing and parking uses. Among other things, the Developer would be obligated to develop the Property with certain required uses, including the headquarters of the National Urban League, and to operate and maintain the Property in accordance with

the terms of the Lease, as described herein.

Project Type: Land Use Improvement and Civic Project

Completion: 2018, subject to extension as described herein.

Employment:

Existing: NYCEDC estimates that the current use of the Property generates approximately 24 full time jobs.

Projected Construction Jobs: 767 direct; 429 indirect

Projected Permanent Jobs: 160 direct; 59 indirect

Project Team:	Origination	Alexis Offen
	Legal	Eunice Jackson
	Affirmative Action	Vikas Gera
	Environmental	Rachel Shatz

II. Project Description

A. Background

The existing building on the Property is an approximately 160,000 square foot, four-story building that includes a 304-space public parking garage, which is operated by a garage operator, and six small retail spaces that front on 125th Street. The building does not utilize the maximum building density allowable under current zoning.

In 2008, the New York City Department of City Planning (“DCP”) implemented re-zoning of portions of 125th Street, creating the Special 125th Street District to encourage greater density, growth and mixed-use development, particularly arts, retail and office uses. The re-zoning established zoning bonuses for arts, community facility and affordable housing uses, allowing greater density for buildings incorporating these uses.

In May 2012, ESD and NYCEDC (together the “Public Parties”) jointly issued the Central Harlem Mixed Use Request for Proposals (the “RFP”), seeking proposals to re-develop this underutilized parcel, in a manner consistent with the 2008 re-zoning, creating commercial office, visual and performing arts space, with some proportion of these spaces leased at below market rate rent.

On February 21, 2013, after conducting a competitive bid process that included an extensive

review of the two re-development proposals submitted in response to the RFP, the ESD Board of Directors (the “Directors” or “Board”), conditionally designated the development team of the National Urban League, Inc. (“NUL”) and the Hudson Companies (together “NUL/Hudson”), or entities controlled by one or more of their principals, as Developer of the Property and authorized ESD to enter into a Pre-Development Agreement (“PDA”), with a proposed lease as an exhibit.

On March 21, 2013, ESD and Urban League Empowerment Center, LLC (“ULEC”), a special purpose entity created by NUL and formed on behalf of NUL/Hudson to act as developer of the Project, executed the PDA. The PDA, among other things, conditions proceeding with the Project on the Directors’ adopting a GPP for the proposed re-development of the Property and a public hearing on the GPP.

B. Proposed Project

NYCEDC will terminate its lease for the Property with NYC. ESD will acquire the Property from OGS and NYC. ESD will enter into a 99-year ground lease (the “Lease”) with ULEC (“Tenant”). Tenant will redevelop the site as a mixed-use development that will include approximately 66,000 gross square feet (“gsf”) of retail, 75,000 gsf of office, 55,000 gsf of community facility, 24,000 gsf of museum, 56,000 gsf of conference center space, 114 units of residential (50 percent affordable for low and middle income) and 89,000 gsf of parking (225 spaces).

NUL will relocate its national headquarters to the office space in the Project. The move represents NUL’s return to its Harlem roots, where NUL was founded more than a century ago. The United Negro College Fund, another nationally recognized not-for-profit organization, expects to relocate its offices to the Property as well.

NUL, ULEC, or an affiliate of NUL will also develop the civil rights museum that is an integral part of the Project. The museum will be an expansion and outgrowth of the *Mobile Museum* NUL assembled in Washington D.C. in 2011 to celebrate the organization’s centennial.

The Project will include a conference center for NUL’s own use, which NUL may also make available for use by neighborhood businesses, not-for-profit organizations and others having a need for professional conference and meeting facilities.

Hudson and its minority development partner, BRP Companies, will operate the rental housing included in the Project. Approximately 114 units will be constructed, of which a minimum of 50% will be affordable to low and moderate-income families.

The significant capital investment in the Project will generate approximately 1196 construction related and 219 permanent jobs for New York City, in a community that suffers from extremely high unemployment rates. In addition, the Project is expected to generate during the construction period \$18.3 million in New York State and City tax revenue and \$16.1 million post-construction tax revenue over a seven- year analysis period.

C. Transfers of Property Interests

Subject to requisite public approvals and provided that Developer has satisfactorily completed the performance of its obligations under the PDA, OGS will convey its interest in the Property (Upper Parcel and reversionary interest in Lower Parcel) to ESD pursuant to UDC Section 13-a and NYC will convey the Lower Parcel to ESD pursuant to UDC Section 14. ESD will simultaneously lease the Property to Developer on the terms set forth herein.

ESD as owner will be obligated to manage and operate the Property during the period between the date the Lease is executed and the Lease Commencement Date (defined below). ESD will contract with NYCEDC or an affiliate of NYCEDC to operate the Property between the date of Lease execution and the Lease Commencement Date.

D. ESD and NYCEDC Economic Relationship

ESD and NYCEDC have executed a letter agreement that sets out an allocation of rent, net of any operating expenses, between ESD and NYCEDC. Rents collected from the existing tenants and garage operator during the time between the Lease signing and the Lease Commencement Date will be applied first to pay ESD's operating costs. Remaining amounts up to \$1 Million, plus CPI escalations, are payable to NYCEDC and any remaining balance paid to ESD until ESD has been paid the same amount NYCEDC receives in that lease year. After the Lease Commencement Date, rents received from Tenant will continue to be applied first to pay ESD's operating costs for the leasehold, with an allocation of the remaining balance being distributed between ESD and NYCEDC as described above. These allocations take into account the loss to NYCEDC of the rental income stream from the existing tenants and garage operator for the remaining term of its lease with NYC.

Rent receipts paid to NYCEDC will be deposited in the 125th Street Improvement Trust Fund (the "Trust"), a trust established in 1994 and modified in 2006, whose purpose is "the improvement of the 125th Street Corridor", as defined in the trust agreement. NYCEDC holds both of the two trustee positions.

E. Proposed Essential Terms of Lease

Landlord:	ESD and its successors in interest as fee owner of the Property.
Tenant:	ULEC or its permitted successors or assigns, as defined in the Lease.
Lease Execution:	Anticipated between September 30, 2013 and December 31, 2013.
Lease Term:	99-years, with the term beginning 18 months after Lease execution, subject to the Tenant sending a notice of an earlier commencement date.

Tenancies: Existing tenancies expire on or before August 14, 2015. Upon execution of the Lease, ULEC may negotiate early lease terminations with existing tenants and the parking operator at its cost and expense. The Lease gives Tenant a license to access the Property to perform pre-development work and the right to negotiate with existing tenants and the licensee for early termination of their remaining lease or license agreements. On the Lease Commencement Date ESD will transfer any leases or license agreements still in effect at that time, if any.

Option to Purchase: Beginning in lease year 95, and provided Tenant is controlled by NUL and not in default, Tenant will have the option to purchase the Property at a purchase price calculated using a valuation method that takes into account the land value at the time of exercise of the option.

Rent: Base Rent of \$1,000,000 per year, with the initial payment due on the Lease Commencement Date, and escalations beginning in the sixth lease year and continuing throughout the lease term. Tenant may be granted certain concessions, including possible temporary rent reduction and the right to terminate the Lease or delay construction commencement if vacant possession is delayed beyond August 15, 2015.

PILOT: Payment-in-Lieu-of-Real-Estate-Taxes" ("PILOT"), equivalent to the real estate taxes that would have been payable if ESD were not the owner of the Property, except to the extent any portion of the Property would have qualified for an as-of-right real estate tax exemption, abatement, credit or other reduction under applicable law if the Property were owned in condominium form by the Developer parties.

Security: Initial Security Deposit of \$1,000,000 in the form of cash deposit or combination of cash and Letter of Credit. Security deposit increases in escalation years to maintain deposit equivalent to annual rent.

Construction: Tenant is to commence construction, in accordance with the conditions set forth in detail in the Lease, by beginning demolition within thirty days after the Lease Commencement Date, subject to reasonable extension because of Unavoidable Delays, as defined in the Lease. Construction is to be completed within 36 months of commencement of construction, which can be extended to 51 months.

Required Uses: There are minimum square footage requirements for cultural, community facility or conference center space, for retail and office space as well as minimum parking garage spaces. Within these required uses, at least 5% of the square footage of the retail space is to be leased at below market rents to Local Businesses, as defined in the Lease; at

least 5% of the office space is to be leased at below market rents to non-retail commercial office users that are Local Businesses; and, at least 5% of the new building's total square footage is to be leased to NUL or a qualified substitute as museum, visual arts space.

Operations: Tenant assumes all responsibility and obligation to operate and maintain the Property beginning with the Lease Commencement Date. During the term of the Lease, Tenant is obligated to provide full replacement value property insurance and commercial liability insurance coverage naming ESD, NYCEDC, and NYC as additional insureds. .

Assignment or Transfer Tenant may not assign, sublease or transfer the Lease without ESD's consent, except as to certain permitted subleases to entities under the control of NUL or Hudson or except as to subleases of residential apartments, or small non-residential spaces.

Guaranties & Indemnifications Tenant will provide ESD and NYCEDC with guarantees of completion and performance or completion bonds, letters of credit or other form of acceptable security guaranteeing performance and completion of the construction work required by the Lease. In addition, ULEC/Hudson is also responsible for providing security for performance of the Lease obligations after substantial completion of construction satisfactory to the Public Parties.

The Lease includes an obligation on the part of Tenant to indemnify and hold harmless ESD, the City and NYCEDC against, among other things, liabilities arising from the construction of the Project and the Developer's use and occupancy of the Property.

Condominium Tenant is permitted to submit the Lease to the New York State Condominium Act and create separate tax lots and leasehold condominium units for the varied uses within the Project. Tenant may sublease or transfer the leasehold condominium units, subject to the terms of the Lease.

III. Project Costs and Financing

Developer's current budget estimates the project construction costs at \$155,055,380. Under the terms of the PDA, at least 90 days before the Lease execution date, the Developer must produce evidence of financing and equity in an amount that is sufficient to perform the construction and to fund rents due under the Lease, as well as operating expenses through completion of the construction work. The evidence of financing will be reviewed at that time

and must be reasonably satisfactory to the Public Parties.

In February 2008, ESD awarded NYC a \$2 million Restore New York Grant for demolition of the Project site. ESD will permit NYC to sub-grant the grant to Developer for use at the site. Receipt of the sub-grant is subject to review under SEQRA, ESD Director approval and a public hearing thereon, as well as PACB approval. The Directors are not asked to take any action with respect to the Restore Grant at this time. The Developer may request additional project funding from ESD or NYC in the future. Any such request for ESD funding will be brought to the ESD Board as required by law.

Tenant is responsible for the payment of all ESD and NYCEDC costs associated with the Project, including but not limited to the costs associated with the RFP, appraisals, the public approval process and third party legal or other professional fees.

IV. Statutory Basis

Staff recommends that the Directors find that the proposed Project is consistent with the requirements of the UDC Act for land use improvement projects and satisfies the findings required under UDC Act Section 10(c) as follows (statutory language underscored):

- (1) That the area in which the project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest the sound growth and development of the municipality

The current low-density uses of the site as a garage with limited retail do not maximize the full potential of the site. (See SEQRA Findings Statement, attached as Exhibit B)

- (2) That the project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area for recreational and other facilities incidental or appurtenant thereto

The proposed Project will result in a building with approximately 466,238 gsf, a density close to the allowable maximum, including FAR bonuses. The cultural, office and retail uses will transform the site into a mixed-use development that increases the vitality of 125th Street as an arts/entertainment destination and regional business district.

- (3) That the plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole

The Project will result in new development by a private developer that is consistent with the goals and objectives of the 125th Street Corridor Rezoning and the criteria set forth in the RFP, in addition to providing amenities and uses that will benefit the 125th Street Corridor and the overall community.

Staff also believes, and recommends that the Directors find that the proposed Project is

consistent with the requirements of the UDC Act for civic projects and satisfies the findings required under UDC Act Section 10(d) as follows (statutory language underscored):

- (1) That there exists in the area in which the project is to be located, a need for the educational, cultural, recreational, community, municipal, public service or other civic facility to be included in the project

Not-for-profit organizations generate substantial economic activity in New York and constitute an important sector of the State and City economies. The proposed Civil Rights Museum would bring to Harlem New York State's first Civil Rights Museum, helping to preserve this important part of U.S. history and serve as another rich cultural attraction for tourists and residents. The Museum as well as the proposed empowerment and conference center will add to the vibrant, mixed-use growth of the Harlem community.

- (2) That the project shall consist of a building or buildings or other facilities which are suitable for educational, cultural, recreational, community, municipal, public service or other civic purposes

The mixed-use building proposed for the development will include a civil rights museum, a conference center, which will be available for use by the community and an approximately 50,000 gross square foot community facility.

- (3) That such project will be leased to or owned by the State or an agency or instrumentality thereof, a municipality or an agency or instrumentality thereof, a public corporation, or any other entity which is carrying out a community, municipal, public service or other civic purpose, and that adequate provision has been, or will be, made for the payment of the cost of the acquisition, construction, operation, maintenance and upkeep of the project.

ESD would acquire ownership of the Property and simultaneously lease the Property to Tenant. Tenant will be responsible for cost of constructing the improvements as well as for the operation and maintenance of the Property, including all costs associated therewith. Tenant will provide appropriate performance and payment bonds, guarantees and security deposits for the successful completion and operation of the Property.

- (4) That the plans and specifications assure or will assure adequate light, air, sanitation and fire protection.

The Project will be designed and will be built in compliance all applicable Building Code(s), including making adequate provision for light, air, sanitation and fire protection.

The requirements of UDC Act Section 10(g) also are satisfied. No residential relocation is

required because no families or individuals reside on the Project site.

V. Environmental Review

A Final Environmental Impact Statement (“FEIS”) was issued for the 125th Street Corridor Rezoning and Related Actions in February 2008. The FEIS specifically identified the 121 West 125th Street parcel as a projected development site (“Site 10”) and analyzed a development scenario for the parcel that included two additional lots to the west of what currently constitutes the Project site. The New York City Planning Commission was the lead agency for the preparation of the FEIS.

Although the proposed Project’s development will comply with the zoning adopted as part of the 2008 rezoning, the program and building envelope now proposed for Site 10 are different from the projected development analyzed for that site in the 2008 environmental review. The proposed Project will introduce community facility, conference center, and residential uses, and would change the square footages of the arts-related, office and retail components. The proposed Project will also have a different massing due to the exclusion of the two lots described above. Since the publication of the FEIS in 2008, some changes have occurred in actual and anticipated background conditions that were not included in the FEIS analyses.

For these reasons, ESD has been re-established as lead agency for the purpose of assessing whether these changes would result in any new or substantially different significant adverse impacts than what had been described in the FEIS.

ESD has had a Technical Memorandum, attached as Exhibit A, prepared to undertake this assessment. The Technical Memorandum concludes that the differences in the proposed Project as compared to the projected development analyzed for Site 10 in the 2008 environmental review for the rezoning, as well as changes in background conditions that have arisen since that review, would not result in any significant adverse impacts not previously identified, and therefore, the Project does not result in the need for a supplemental environmental impact statement.

Since the proposed Project is part of the development anticipated to result from the 125th Street Corridor Rezoning, which was the subject of an EIS, ESD must also adopt SEQRA findings based on that EIS and the subsequent environmental review set forth in the Technical Memorandum.

The Findings Statement, attached as Exhibit B, contains the facts and conclusions in the FEIS and Technical Memorandum that will be relied upon to support the Corporation’s decision regarding adoption of the GPP, and indicates the social, economic and other factors and standards forming the basis of its decision.

The findings that the Corporation must adopt prior to its final determination with respect to the GPP are, that:

- The Corporation has given consideration to the FEIS and Technical Memorandum;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the proposed action is one that avoids or minimizes adverse environmental effects to the maximum extent practicable, including the effects disclosed in the relevant environmental impact statement;
- Consistent with social, economic and other essential considerations to the maximum extent practicable, adverse environmental effects revealed in the environmental impact statement process will be avoided or minimized to the maximum extent practicable by incorporating those mitigative measures that were identified as practicable.

ESD staff concurs with the determination that the proposed action avoids or mitigates to the maximum extent practicable all potentially significant adverse impacts. ESD staff therefore recommends that the Directors adopt the SEQRA Findings, which are supported by the Findings Statement, attached as Exhibit B. In the event that the GPP is modified, either as a result of comments received at the public hearing or otherwise, in a manner that would require an amendment to the Findings Statement, such modification would be presented to the Board for further action at a later time.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. ESD shall require: (i) the inclusion of minorities and women in any job opportunities created; (ii) solicitation and utilization of Minority and Women Owned Business Enterprise ("MWBE") for any and all contractual opportunities generated in connection with the Project; and (iii) the use of Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE participation goal of no less than 30%. ESD's office of Contractor and Supplier Diversity shall review and, where applicable, establish contract specific MWBE goals prior to the execution of any contract for construction or construction related services associated with the Project.

Part 2. Proposed Property Acquisition and Disposition

VII. Compliance with the Public Authorities Law

Pursuant to Public Authorities Law ("PAL"), ESD is required to dispose of property through a competitive bid process unless a specific statutory exception applies. ESD conducted a competitive bid process by issuing a Request For Proposals ("RFP") for the disposition and redevelopment of the Property.

Pursuant to the provisions of the Public Authorities Law, ESD may not sell, lease or otherwise alienate ESD property for less than fair market value, unless a specific statutory exception applies. ESD proposes to enter into a 99-year lease of the Property at below fair market value. The relevant exception permits such a disposition when the purpose of the transfer is within

the purpose, mission or governing statute of the public authority.

It is within ESD's governing statute or mission to:

- (i) promote a vigorous and growing economy, prevent economic stagnation and encourage the creation of new job opportunities in order to protect against the hazards of unemployment, reduce the level of public assistance to now indigent individuals and families, increase revenues to the state and its municipalities and to achieve stable and diversified local economies.
- (ii) promote the sound growth and development of our municipalities through the correction of such substandard, insanitary, blighted, deteriorated or deteriorating conditions, factors and characteristics by the clearance, re-planning, reconstruction, redevelopment, rehabilitation, restoration or conservation of such areas, and of areas reasonably accessible thereto the undertaking of public and private improvement programs related thereto, including the provision of educational, recreational and cultural facilities, and the encouragement of participation in these programs by private enterprise.
- (iii) encourage maximum participation by the private sector of the economy, including the sale or lease of the corporation's interest in projects at the earliest time deemed feasible.
- (iv) provide or obtain the capital resources necessary to acquire, construct, reconstruct, rehabilitate or improve such industrial, manufacturing, commercial, educational, recreational and cultural facilities and housing accommodations for persons and families of low income, and facilities incidental or appurtenant thereto.

The acquisition and lease of the Property will facilitate the development of a mixed-use development that will create jobs, spur private investment, and provide cultural and community space and affordable housing. The purpose of this disposition is therefore consistent with the purpose, mission and governing statute of ESD and is within the exception above. Accordingly, the conditions of the PAL for the transfer of the Property are satisfied.

Additional information required by the PAL to support the transfer at below fair market value is as follows:

- (i) A full description of the asset:

The asset that will be disposed of consists of a 99-year leasehold of the merged fee interests (each interest described in Part I, Section I) of OGS and NYC in the Property. ESD will lease the fee interest in the Property to Tenant.

- (ii) An appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the board:

In order to appraise the fair market value of the 99-year lease, the appraiser used the income method, which utilizes projected rents based on the highest and best use of all portions of the property, discounted to reflect current present value. This approach determined the fair market value (“FMV”) of the leasehold at \$63.8M

- (iii) A description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any to the communities in which the asset is situated as are required by the transfer:

As more fully described in these materials, the public benefits expected include, the creation of a community facility, a museum, a conference center, office and retail space, parking and affordable mixed-income housing. Construction and operation of the Project will generate jobs, employee compensation and tax revenues for the State and City of New York, as described herein, in Part 1, Section II (B) of the GPP.

- (iv) A statement of the value to be received compared to the fair market value:

As a result of the restricted uses in the proposed Lease, the rents ESD will receive in cash will be less than the rent that could be received based upon the highest and best use of the Property. In the first year of such a lease, the appraiser estimated a cash flow of \$3.6 million. In year thirty of this same lease, the appraiser estimates the cash flow would be \$8.5 million. Pursuant to the proposed Lease, given the use restrictions defined in the Lease, the tenant will pay ESD \$1 million in base rent in the first year. In the thirtieth year of the Lease tenant will pay ESD \$1.5 million in base rent. The disparity between the actual annual lease payments received by ESD versus the potential payments per the appraised assessment of value will continue to increase over the remaining lease term.

- (v) The names of any private parties participating in the transfer and if different than the statement required by (iv), a statement of the value of the private party:

The NUL together with Hudson and its MWBE development partner, BRP Companies serve as the developers.

- (vi) The names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used:

A team consisting of Grid Properties, Gotham Organization and Harlem Commonwealth Council proposed a project with retail, office and arts/cultural uses for a 99-year ground lease at an annual base rent of \$850,000, subject to periodic escalation.

The goal of the transfer of the Property is to have the Property redeveloped as a mixed-use development that meets the goals of the NYC 2008 re-zoning as described in the materials, in order to further the economic development interests of the State, NYC and the local community. As described in these materials, the Property currently underutilizes the allowable development under existing zoning rules. The jobs that will be created and the affordable housing units included in the Project will strengthen the economic stability of the Harlem community. ESD and NYCEDC in their joint RFP sought a development proposal for the Property that best met the RFP's stated goals of a development with office, retail and cultural space, including below market rate rents for 5% of the office and retail uses, all targeted uses of the 2008 re-zoning. The bid prices in the responses to the RFP represent actual, arm's length valuations of the Property with the restricted uses. These arm's length bids offer a more precise assessment of the fair market value of the Property, developed in accordance with the RFP than an appraisal of "highest and best use". Of the bids received, only the ULEC proposal included co-developers that will also be anchor tenants, insuring that the commercial and cultural space will be occupied immediately upon construction completion for uses consistent with goals of the RFP and 125th Street re-zoning. For these reasons, ESD staff recommends that the Directors find that there is no reasonable alternative to the below fair market disposition that would achieve the same purpose of such transfer.

VIII. Requested Actions

The Directors are requested to: 1) make UDC Act Sections 10(c), 10(d) and 10(g) findings in connection with the proposed Project; 2) determine that no Supplemental Environmental Impact Statement is needed; 3) adopt Findings Pursuant to Article 8 of the Environmental Conservation Law, the State Environmental Quality Review Act and its implementing regulations; 4) adopt the General Project Plan 5) approve the essential terms of the Lease; 6) determine pursuant to Public Authorities Law Section 2897 that there is no reasonable alternative to the proposed fair market value disposition by Lease; 7) authorize the holding of a public hearing; 8) authorize the acquisition and disposition of the real property constituting the Project site in accordance with applicable provisions of the Public Authorities Law; 9) authorize the taking of actions related to the foregoing.

IX. Attachments

Resolutions

Exhibit A: Technical Memorandum

Exhibit B: Findings Statement

June 27, 2013

New York City (New York County) –121 West 125th Street (Urban League Empowerment Center) Land Use Improvement and Civic Project – Land Use Improvement and Civic Project Findings; Determination that No Supplemental Environmental Impact Statement Needed; Adoption of Findings Pursuant to Article 8 of the Environmental Conservation Law, the State Environmental Quality Review Act and its implementing regulations; Adoption of General Project Plan; Approval of Lease; Authorization to Hold a Public Hearing; Authorization to Acquire and Dispose of Real Property in accordance with Applicable Provisions of the Public Authorities Law; and Authorization to Take Related Actions.

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 relating to the 121 West 125th Street (Urban League Empowerment Center) Land Use Improvement and Civic Project (the “Project”), the Corporation hereby determines and finds pursuant to Section 10(c) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that:

- (1) That the area in which the project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest the sound growth and development of the municipality;
- (2) That the project consists of a plan or undertaking for the clearance, re-planning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto;
- (3) That the plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole;

and be it further

RESOLVED, that, on the basis of the Materials, the Corporation hereby determines and finds pursuant to Section 10(d) of the Act, that:

- (1) there exists in the area in which the project is to be located, a need for the educational, cultural, recreational, community, municipal, public service or other civic facility to be included in the project;
- (2) the project shall consist of a building or buildings or facilities which are suitable for educational, cultural, recreational, community, municipal, public service or other civic purposes;

- (3) such project will be leased to or owned by the state or an agency or instrumentality thereof, a municipality or an agency or instrumentality thereof, a public corporation, or any other entity which is carrying out a community, municipal, public service or other civic purpose, and that adequate provision has been or will be, made for the payment of the cost of acquisition, construction, operation, maintenance and upkeep of the project;
- (4) the plans and specifications assure or will assure adequate light, air, sanitation and fire protection; and be it further

RESOLVED, that, on the basis of the Materials, the Corporation hereby determines and finds pursuant to Section 10(g) of the Act that there are no families or individuals to be displaced from the Project area; and be it further

RESOLVED, having reviewed the Technical Memorandum, the Corporation hereby determines that no Supplemental Environmental Impact Statement is needed in connection with adoption of the General Project Plan for the Project (the "GPP"); and be it further

RESOLVED, that with respect to the Project, the Corporation hereby makes and adopts pursuant to the State Environmental Quality Review Act ("SEQRA") the following findings and determinations, which findings and determinations are made after full consideration of the Findings Statement attached as Exhibit B hereto, which Exhibit B is hereby adopted by the Corporation and copies of which document are hereby filed with the records of the Corporation.

- The Corporation has given consideration to the Draft and Final Environmental Impact Statement prepared for the Project;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the Project is one that avoids or minimizes adverse environmental effects to the maximum extent practicable, including the effects disclosed in the relevant environmental impact statement;
- Consistent with social, economic and other essential considerations, , adverse environmental effects revealed in the environmental impact statement process will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigative measures which were identified as practicable.

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

RESOLVED, that subject to Section 16 of the Act, the Corporation does hereby adopt the proposed GPP as presented 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, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that the Corporation hereby finds that the Lease is in conformity with the GPP and does hereby approve, subject to Section 6 of the Act, the Lease substantially on the terms set forth in the Materials; and be it further

RESOLVED, that on the basis of the Materials, the Directors hereby find that there is no reasonable alternative to the proposed below fair market value transfer that would achieve the same purpose of such transfer; and be it further

RESOLVED, that the proper officers of the Corporation are hereby authorized and directed to hold a public hearing on the GPP and the Lease and the transactions contemplated thereby in accordance with the requirements of the Act; and be it further

RESOLVED, that upon a written finding of the Chief Executive Officer of the Corporation that no substantive negative testimony or comment has been received at such public hearing, the GPP shall be deemed effective as of the conclusion of the public hearing; and be it further

RESOLVED, that upon the effectiveness of the GPP, the Corporation is authorized to acquire real property from the State of New York, the City of New York and/or the New York City Economic Development Corporation as may be needed to assemble the Project site, and to dispose of the same by the execution and delivery of the Lease, all as substantially set forth in the GPP;

RESOLVED, that approvals set forth herein are expressly contingent upon: (1) approval of the Public Authorities Control Board, as applicable; and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer or authorized designee(s) 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 such documents and to take all such related actions as may be necessary or appropriate to effectuate the foregoing resolutions.



FOR CONSIDERATION

June 27, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Annual Financial Reports

REQUEST FOR: Approval of Certain Annual Financial Reports and Authorization to
Take Related Actions

I. Background

The Public Authorities Law (the Law) requires annual approval by the Corporation and certifications by the Chief Executive Officer and Chief Financial Officer of certain financial reports (the Reports). The Reports consist of financial information set forth in the independent audit required by the Law. The independent audit (the Audit), entitled New York State Urban Development Corporation and Subsidiaries Consolidated Financial Statements and Independent Auditors' Report March 31, 2013 and 2012 (Consolidated Financial Statements), which contains the required information, is attached hereto.

II. The Report

The Report includes the following:

1. Independent Auditors' Report;
 - In this section the independent audit firm renders its opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation and its subsidiaries, and the results of its operations and cash flows for the current fiscal year, in conformity with accounting principles generally accepted in the U.S.A.

The Independent Auditors' Report included in the Consolidated Financial Statements contains an unqualified (clean) opinion reflecting that the consolidated financial statements present

fairly, in all material respects, the financial position, results of operations and cash flows of the Corporation and its subsidiaries.

2. Management's Discussion and Analysis;
 - This is not a required part of the basic financial statements, but is supplementary information required by Government Accounting Standards Board (GASB). It is required to precede the basic financial statements, discuss current-year results in comparison with the prior year and contain condensed financial information derived from the basic consolidated financial statements.
3. Consolidated Financial Statements include;
 - Consolidated Statements of Net Position
 - Consolidated Statements of Revenue, Expenses and Changes in Net Position
 - Consolidated Statements of Cash Flows
 - Notes to Consolidated Financial Statements; and
4. Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards;
 - This letter addressed to the Board of Directors defines the potential weaknesses in internal control and identifies if the audit firm has discovered any such deficiencies. In addition, it discusses the Corporation's compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters, non-compliance with which could have a direct and material effect on the determination of the financial statements amounts.

The Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters included in the Consolidated Financial Statements contains no findings of material weaknesses in internal control and no issues of non-compliance.

5. Independent Auditors' Report on Investment Compliance

The Independent Auditors' Report on Investment Compliance included in the Consolidated Financial Statements reflects that the Corporation and its subsidiaries complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on its investment program.

III. Audit Committee

The Audit Committee of the Corporation has reviewed the Report and recommends approval by the Board of Directors.

IV. Related Filing Requirements

As required under the Law certain annual reports, including various reports not of a financial nature but including the Reports, will be submitted to the Governor, the Chairman and ranking minority member of the Senate Finance Committee, the Chairman and ranking minority member of the Assembly Ways and Means Committee and the State Comptroller, within ninety (90) days after the end of the Corporation's fiscal year.

As also required by the Law, the Audit will be submitted to the Governor, Chairman and ranking minority member of the Senate Finance Committee, Chairman and ranking minority member of the Assembly Ways and Means Committee and the State Comptroller, within thirty (30) days after receipt thereof by the Corporation.

V. Certifications

The Report has been certified in writing by the Chief Executive Officer and the Chief Financial Officer of the Corporation that based on the officer's knowledge (a) the information provided therein is accurate, correct and does not contain any untrue statement of material fact; (b) does not omit any material fact which, if omitted, would cause the Report to be misleading in light of the circumstances under which such statements are made; and (c) fairly presents in all material respects the financial condition and results of the operations of the Corporation as of, and for, the periods presented in the Report.

Attachments

Resolutions

Certifications

Audited Consolidated Financial Statements

June 27, 2013

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE
DEVELOPMENT CORPORATION – (the “Corporation”) Approval of Certain Annual
Financial Reports and Authorization to take Related Actions

WHEREAS, the Corporation wishes to comply with §2800 of the Public Authorities Law (the Law) which mandates that public benefit corporations annually prepare certain financial reports (the Reports) which for the Corporation consists of the independent audit;

WHEREAS, an independent audit is required by §2802 of the Law;

WHEREAS, §2800 of said Law also requires the annual approval by the Board and certifications by the Chief Executive Officer and Chief Financial Officer of the Report;

WHEREAS, an independent audit has been prepared for the fiscal year ended March 31, 2013;

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

NOW, THEREFORE, based on the materials submitted herewith, IT IS HEREBY RESOLVED that the Reports are hereby approved; and it is further

RESOLVED, that the President and Chief Executive Officer, the Chief Financial and Administrative Officer, the Treasurer or their designees be, and each of them hereby is, authorized and empowered to submit said Reports, 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 and approval of the Reports and to take related actions.

* * *

FOR CONSIDERATION

June 27, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Mission Statement, Related Performance Measurements, and FY 2012-2013 Performance Measurement Report

REQUEST FOR: Reexamination of Mission Statement and Related Performance Measurements, and Acceptance of FY 2012-2013 Performance Measurement Report

I. Background

In accordance with the requirements of the Public Authorities Law (the "PAL"), the Corporation adopted the following Mission Statement and related performance measurements to assist the Corporation in determining how well it is carrying out its mission. Further, pursuant to the PAL, the Corporation must reexamine its Mission Statement and related performance measurements annually to ensure that its mission has not changed, and the performance measurements continue to support the Corporation's mission. To assist you in your review, the Mission Statement and related performance measurements are set forth below.

Mission Statement

The New York State Urban Development Corporation, now doing business as Empire State Development ("ESD"), was formed by legislative act in 1968 to address conditions of unemployment, underemployment and blight which impede the economic and physical development of municipalities, increase the burdens on the State and adversely affect the welfare and prosperity of the State's citizens. ESD seeks to promote a vigorous and growing economy, prevent economic stagnation, encourage the creation of new job opportunities, increase revenues to the State and its municipalities and achieve stable and diversified local economies. In furtherance of these goals, ESD leverages private investment with loans, grants, tax credits and other forms of financial assistance; assists with site assemblage; and provides targeted relief from legal and regulatory requirements through its participation in projects, programs and other initiatives. ESD's performance of its economic development services is driven by core values that include efficiency, accountability, transparency and collaboration

with other public and private sector partners. Its success is measured by the number of jobs created and retained for New Yorkers, the degree to which its public resources leverage new private investment in the State and the number of businesses served, including minority, women-owned and other small businesses. Empire State Development works to promote business investment and growth that leads to job creation and prosperous communities across New York State.

Performance Measurements

- Customers served: number and types (private, public, not-for-profit); size of entity by number of employees; MWB status
- Financing provided and leveraged: amounts of ESD support, other public support, private investment
- Jobs projected to be retained and created
- Regional and industry breakdowns of assistance, jobs retained and created, and leveraged investment
- Capital investment made in New York State (both total and private leveraged with public assistance)

Upon these measurements, the Corporation may evaluate its performance and the achievement of its goals.

II. FY 2012-2013 Performance Measurement Report

Attached is a report on the assistance provided by the Corporation during FY 2012-2013, using the performance measurements set forth above. In summary, the Corporation accomplished the following:

- a total of 201 companies and organizations were assisted;
- a total of \$1.93 billion total capital investment was made in NYS (including ESD investment of \$209 million);
- this assistance will result in the creation of 2,424 jobs and the retention of 12,355 jobs; and
- \$1.58 billion in private capital funds were leveraged with public assistance (ESD and non-ESD).

The attached report provides additional detail on the assistance provided by the Corporation, broken down by major program categories, regions, and industry.

V. Requested Action

The Directors are requested to confirm their reexamination of the Mission Statement and related performance measurements, and to accept the FY 2012-2013 Performance Measurement Report in accordance with the Public Authorities Law.

VI. Recommendation

Based upon the foregoing, I recommend approval of the requested action.

VII. Attachments

FY 2012-2013 Performance Measurement Report

June 27, 2013

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Reexamination of Mission Statement and Related Performance Measurements, and Acceptance of FY 2012-2013 Performance Measurement Report

WHEREAS, New York State Public Authorities Law § 2824-a requires each authority to reexamine its mission statement and performance measurements annually, therefore

BE IT RESOLVED, that the Directors hereby confirm that they have reexamined the mission statement and related performance measurements as previously adopted and recommend no further amendments; and be it further

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is order filed with the records of the Corporation (the “Materials”), the FY 2012-2013 Performance Measurement Report is hereby accepted.



FOR CONSIDERATION

June 27, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Procurement of Legal Services

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

CONTRACT NEED AND JUSTIFICATION

I. Contract Summary

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

Scope of Services: Advice and counsel in connection with negotiations concerning the Ralph Wilson Jr. Stadium f/k/a Rich Stadium

Contract Term: One year

Contract Amount: Original Contract Amount: \$200,000
Increase in Contract Amount: \$100,000
Total Contract Amount not to exceed: \$300,000

Funding Source: Corporate funds or other source to be determined

II. Background

In December of 1998, New York State Urban Development Corporation, now doing business as Empire State Development ("ESD"), through its subsidiary the Erie County Stadium Corporation ("Stadium Corp"), together with the County of Erie ("County") and the Buffalo Bills, Inc. (the "Bills") agreed to a plan for the renovation of Ralph Wilson Jr. Stadium, f/k/a Rich Stadium (the "Stadium") and for a new 15-year lease. Under the these agreements, the County leases the

Stadium to Stadium Corp, which in turn subleases it to the Bills. The current lease is set to expire on July 31, 2013. Discussions have begun regarding a lease extension.

Because of the complexity of the transaction and the specialized nature of the negotiations, the advice and assistance of outside counsel is required. In consultation with the Office of the Governor and pursuant to approval of the ESD Board at its August meeting, a contract with Foley & Lardner LLP was entered into for an amount not to exceed \$50,000. That amount was increased to \$200,000 upon approval of the Board in December. As the lease negotiations continued through May, ESD staff recommends that the retainer amount be increased to a total contract amount of \$300,000 which will allow Foley & Lardner, LLP to be paid for the work completed on the entire deal.

III. Proposed Contractor and Contractor Selection Process

Founded in 1842, Foley & Lardner LLP (“F&L” or the “Firm”) is a national firm with approximately 900 attorneys in 21 offices. Among its many practice areas, the firm specializes in the Sports industry. Mr. Irwin Raji, a partner with the Firm, is co-chair of the Firm’s Sports Industry Team.

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

Mr. Raji's experience includes leading the team that represented Guggenheim Baseball Management in the recent acquisition of the Los Angeles Dodgers, the single largest transaction ever for a professional sports franchise. He also represented Rangers Baseball Express in its acquisition of the Texas Rangers. Mr. Raji was appointed by the Commissioner of Major League Baseball to serve on a three-person committee to determine feasibility of developing a new stadium for the Oakland A's in Northern California, represented MLB in the relocation of the Montreal Expos, now the Washington Nationals, to Washington, D.C., and acted as MLB's counsel in its successful efforts to facilitate the negotiation and approval of new stadiums for the Miami Marlins and the Washington Nationals. Mr. Raji also has provided counsel to the Miami Dolphins in their efforts to renovate Sun Life Stadium and has worked with private developers regarding in the creation of stadium development concepts throughout the country.

Mr. Raji role will be to provide ESD with targeted, strategic advice through the course of lease negotiations.

A Contract Reporter exemption for this contract was granted based on the Mr. Raji’s and the Firm’s particular expertise in negotiations involving professional sports teams and stadiums.

Pursuant to State Finance Law Section 139-j and 139-k and the Corporation's policy related thereto, staff has; a) considered proposed contractor's ability to perform the services provided for in the proposed contract; and b) consulted the list of offerers determined to be non-responsible bidders and debarred offerers maintained by the New York State Office of General Services. Based on the foregoing, staff considers the proposed contractor to be responsible.

IV. Scope of Work

Strategic advice and counsel in connection with Ralph Wilson Jr. Stadium lease negotiations.

V. Contract Term, Price and Funding

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

VI. Non-Discrimination and Contractor and Supplier Diversity

Because of the specialized nature of the services to be rendered by the Firm, the contract will not contain Minority- and Women-Owned Business Enterprise participation goals.

VII. Environmental Review

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

VIII. Requested Action

The Directors are requested to (1) make a determination of responsibility with respect to the proposed contractor; (2) authorize the Corporation to enter into a contract with Foley & Lardner LLP for an amended amount not to exceed \$300,000 on the terms set forth above, including a partner rate of \$495/hr.

IX. Recommendation

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

X. Attachments

Resolution

June 27, 2013

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

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

RESOLVED, that the Corporation is hereby authorized to enter into an amended contract with Foley & Lardner LLP in an amount not to exceed Three Hundred Thousand Dollars (\$300,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

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

* * *

FOR INFORMATION

June 27, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Quarterly Report on Procurement Commitments to Certified Minority and Women Business Enterprises (MWBEs) – Final Quarter of Fiscal Year 2012-13

COMMITMENTS TO CERTIFIED MWBEs DURING THIRD QUARTER OF FISCAL YEAR 2012-2013:

For the fourth and final quarter of fiscal year 2012-2013, ESD and its subsidiaries executed a total of \$59.9M in eligible procurements and amendments, of which \$6.7M or 11.20% has been committed to MWBEs by ESDC, its subsidiaries and primes. Of the total MWBE commitments, direct commitments by ESD to certified MWBE vendors accounted for approximately \$6,096,110 and the remaining balance of \$614,607 was committed by prime contractors to certified sub-contractors.

In total, during FY 2012-2013, ESD and its prime contractors have committed \$40.8M or 14.36% of ESD's total qualifying expenditures (\$284.2M) to certified Minority and Women Owned Business Enterprises.

FOR INFORMATION

June 27, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Annual Report on M/WBE Utilization and Procurement Commitments to
Certified M/WBEs - Fiscal Year 2012-2013

UTILIZATION OF CERTIFIED M/WBE FIRMS – FISCAL YEAR 2012-2013:

During the fiscal year 2012-2013, ESD's total disbursements were \$369.1 million, of which, \$117.75 million related to contracts and amendments executed prior to April 1, 2012.

ESD has exceeded its M/WBE Utilization Goal for the Fiscal Year 2012-2013, achieving M/WBE participation of 26.6% (\$98.2 million of disbursements totaling \$369.1 million). This represents a substantial increase over the 2010-2011 and 2011-2012 Fiscal Years when the agency achieved M/WBE participation of 21.3% and 16.7%, respectively.

COMMITMENTS TO CERTIFIED M/WBE FIRMS – FISCAL YEAR 2012-2013:

For the Fiscal Year 2012-2013 ESD and its subsidiaries executed a total of \$284.2M in eligible procurements, of which \$40.8M, or 14.36%, has been committed to M/WBE firms by ESD, its subsidiaries and primes. This represents a slight decrease in commitments compared to the prior fiscal year, when M/WBE firms received commitments totaling 16.97%.



FOR INFORMATION

June 27, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Annual Review of Contracts for Services of More Than One Year

According to Public Authorities Law 2879(3)(b)(ii), the board shall annually review contracts involving services to be rendered over a period in excess of one year. In addition to ensuring appropriate disclosure to the Board of Directors, this requirement also allows for an annual review as to whether savings can be achieved by deferring, eliminating or reducing these contracts, and/or by using in house resources.

On an annual basis the ESD Contract Administration Department circulates to ESD Department Heads a list of active service contracts for their review and justification for the continuance of service contracts needed for the proper functioning of the Corporation.

Attached for your information is an Annual Report of Contracts for Services to be rendered over a period in excess of one year as provided by the ESD Department Heads who administer the contracts and have determined that the service contracts need to be continued. The attached list is limited to the Corporation's service contracts. ESD Subsidiaries provide their respective Boards with a similar list for review on an annual basis.

FOR INFORMATION

June 27, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Budget Variance Reports for the fiscal year ended March 31, 2013

In accordance with applicable law, attached are the variance reports for the department operating budgets, as well as subsidiary operating and capital budgets, for the fiscal year ended March 31, 2013.

The Corporation ended fiscal year 2012-2013 under budget by \$7.2 million, or 14% in comparison to the \$49.4 million budget approved by the Empire State Development (ESD) Board of Directors in March 2012. Both personal and non-personal services expenses were under the approved budget by \$1.7 million, or 6% and \$5.5 million, or 26%, respectively. This is primarily attributable to the existence of budgeted staff positions that remained vacant, including associated fringe benefits. In addition, as of the fiscal year end, ESD had not been required by the Division of the Budget to remit its assessed cost recovery payment of approximately \$3.7 million. Efforts also continued to monitor and reduce spending wherever possible.

Total subsidiary spending for operations, excluding HCDC Weatherization and LMDC, was approximately \$4.8 million, or 94% of the total budget of \$5.1 million. Spending for HCDC's Weatherization Program and LMDC is shown separately as both are federally funded.

Total subsidiary spending for capital work was approximately \$154 million, or 61% of all subsidiaries' capital budgets totaling \$251 million. The variance is attributable to construction delays across several subsidiaries and over budgeting of capital expenditures.