

**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/or 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  
August 22, 2013 – 9:30 a.m.

**PROPOSED AGENDA**

**FOR CONSIDERATION**

**I. CORPORATE ACTION**

- A. Approval of Minutes of the July 18, 2013 Directors' Meeting

**II. REGIONAL COUNCIL AWARDS**

**FINGER LAKES REGION**

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

**II. REGIONAL COUNCIL AWARDS – Continued**

**NORTH COUNTRY REGION**

- C. Regional Council Award – Canton and Village of Rensselaer Falls (North Country Region – St. Lawrence County) – DANC Broadband Capital – Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

**NEW YORK CITY REGION**

- D. Regional Council Award – Priority Project - Brooklyn (New York City Region – Kings County) – Brooklyn Navy Yard/Macro Sea New Lab Capital – Port Authority Regional bank (Capital Grant) and Urban and Community Development Program – Urban and Community Project Development Assistance (Capital Grant) - Findings and Determinations Pursuant to Sections 10 (g) and 16 (d) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

**DISCRETIONARY PROJECT**

**NEW YORK CITY REGION**

- E. Regional Council Award – Priority Project – Staten Island (New York City Region – Richmond County) – New York Container Terminal Capital – New York Works Program (Capital Grant) - Affirmation of the Directors July 18, 2013 Findings and Determinations Pursuant to Section 10 (g) of the Act; Affirmation of the General Project Plan

**II. REGIONAL COUNCIL AWARDS – Continued**

**CENTRAL NEW YORK REGION**

- F. Regional Council Award – Priority Project - Manlius (Central New York Region – Onondaga County) – 3Gi CNYIP Capital – Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment
- G. Regional Council Award – Priority Project – East Syracuse (Central New York Region – Onondaga County) – U.S. Optical Capital – Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

**II. REGIONAL COUNCIL AWARDS – Continued**

**MID-HUDSON REGION**

- H. Regional Council Award – Priority Project – Yonkers (Mid-Hudson Region – Westchester County) – Rising Development Yonkers Mill/Main Capital – Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

**III. NON-DISCRETIONARY PROJECTS**

**NON-DISCRETIONARY PROJECTS CONSENT CALENDAR**

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

Empire Opportunity Fund (Executive)

- A. Museum of American Armor EOF Capital (Nassau County) - \$0

Local Assistance (Senate)

- B. SCIDA-Former Seneca Army Depot Capital (Seneca County) - \$600,000  
C. Long Island Regional Planning Council - \$250,000

Capital Projects Fund/Economic Development/Other (Senate)

- D. Utica Memorial Auditorium Facility Improvement Capital (Oneida County) - \$2,000,000

**LOCAL ASSISTANCE – HURRICANE IRENE – TROPICAL STORM LEE FLOOD MITIGATION**

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

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

- A. Franklin County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital (Franklin County) - \$473,000  
B. Greene County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital (Greene County) - \$878,222  
C. Warren County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital (Warren County) - \$339,062

**IV. ADMINISTRATIVE ACTIONS**

- A. Establishment of Pre-Qualified Real Estate Development and Planning Related Consultant List – Approval of Pre-Qualified Real Estate Development and Planning Related Consultant
- B. City of Buffalo (Erie County) – Sublease of Space – 95 Perry Street - Authorization to Enter into a Sublease and Take Related Actions
- C. Procurement for Event Planning and Management Consulting Services – 2013 Statewide MWBE Forum – Authorization to Enter into a Contract for Consultant’s Services Relating to the 2013 Statewide MWBE Forum and Authorization to Take Related Actions
- D. At Rest Legislation Economic Impact Study – Authorization to Enter into a Contract for Economic Impact Analysis Services; Authorization to Take Related Actions

**V. INFORMATION**

- A. Budget Variance Reports for the Quarter Ended June 20, 2013

**DRAFT – SUBJECT TO REVIEW AND REVISION**

**NEW YORK STATE URBAN DEVELOPMENT CORPORATION**

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

and

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

July 18, 2013

**MINUTES**

**In Attendance**

**Directors:**

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

**Present for ESD:**

Richard Dorado, Senior Counsel  
Robert Godley, Treasurer  
Eunice Jackson, Senior Counsel  
Lawrence Jacobs, Executive Vice President – Legal and General  
Counsel  
Kerri Jew, Senior Counsel  
Edwin Lee, Assistant Vice President – Discretionary Projects  
Eileen McEvoy, Corporate Secretary  
Glendon McLeary, Senior Project Manager  
Kathleen Mize, Deputy CFO and Controller  
Mehul Patel, Chief of Staff  
Ray Salaberrios, Senior Director – Economic Revitalization  
Susan Shaffer, Vice President – Loans and Grants  
Robin Stout, Senior Counsel

**DRAFT – SUBJECT TO REVIEW AND REVISION**

**For Western New York:** Christina Orsi, Director – Western New York Regional Office

**Also Present:** Curtis Archer, President – Harlem Community Development Corporation  
Michael Evans, Acting President – Moynihan Station Development Corporation  
Kevin Hurley, Finger Lakes Region  
Ed Muszynski, Area Director-Finger Lakes Regional Office  
Regina Myer, President – Brooklyn Bridge Park Development Corporation  
Arnie Will, Economic Development Program Administrator  
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 9:43 a.m. by Acting Chair Adams. It was noted for the record that the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

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

Acting Chair Adams then asked the Directors to approve the Minutes of the June 27, 2013 Directors’ meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

**DRAFT – SUBJECT TO REVIEW AND REVISION**

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE JUNE 27, 2013  
MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT  
CORPORATION

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RESOLVED, that the Minutes of the meeting of the Corporation held on June 27, 2013, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

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

Mr. Lee noted that the Directors will be asked to consider funding for 15 discretionary projects including one Buffalo Regional Innovation Cluster Grant of \$1,500,000; one Downtown Revitalization Grant for \$650,000 ; six Economic Development Purposes Fund Grants totaling \$1,974,175; four Economic Development Fund Grants totaling \$1,278,000; one Minority and Women-Owned Business Development and Lending Grant for \$480,000; one New York Works Grant for \$3,000,000 and one Restore New York Grant for \$2.5 million.

Mr. Lee added that funding will also be requested for seven Regional Council Award Grants including four Capital Funds Grants totaling \$2,547,500 and three Economic Development Purposes Fund Grants totaling \$713,565.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Lee added that these 22 projects will leverage over \$121 million in additional investments and will assist in retaining 1,074 jobs and in creating approximately 166 jobs in New York State.

Following Mr. Lee's full report, the Acting Chair asked Ms. Vargas, the Director of the Mid-Hudson Regional Office, to present the Mediacom Economic Development Fund Capital Grant item for the Directors' consideration.

Ms. Vargas explained that this \$1,000,000 grant to Mediacom Communications Corporation will be used for a portion of the construction costs for a new 110,000 square foot headquarters for the Company in Orange County.

Ms. Vargas further explained that prior to commencing this Project, Mediacom had evaluated the option of moving their office space to Northern New Jersey from Middletown in Orange County. As a result of this grant, Ms. Vargas stated, ESD was able to retain 250 jobs in Orange County.

Ms. Vargas continued and noted that the State further supported Mediacom's expansion by providing \$6.5 million in Excelsior Tax Credits which they will begin utilizing this year and with this additional incentive, the Company will create 140 net new jobs.

Following the full presentation, the Acting Chair commented favorably with regard to

**DRAFT – SUBJECT TO REVIEW AND REVISION**

the project and noted that the threat that the Company would move to New Jersey was very real. Acting Chair Adams then called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Mediacom 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 Mediacom Communications Corporation a grant for a total amount not to exceed One

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Million Dollars (\$1,000,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Blooming Grove (Mid Hudson Region – Orange County) – Mediacom Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

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

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Mr. Patel then presented the New York Container Terminal (“NYCT”) New York Works Program Project for the Directors’ consideration.

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

noting, in part, that NYCT and the Port Authority will shortly announce that it has entered into an extension of their lease of approximately 153 acres in Hallenbrook on Staten Island’s western shore.

That extension, he further noted, will be through 2029. Under the terms of the extension, Mr. Patel further explained that NYCT is committing capital investment over the life of the lease to build in the \$375 million that the Port Authority has invested at Hallenbrook since 2000.

To complement the Port Authority’s commitment, Mr. Patel stated that ESD is seeking authorization to make a grant for \$15 million to assist in retaining 250 full-time permanent jobs and to enhance the competitiveness on this critical maritime shipping facility.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller commented favorably with regard to the project. There being no further questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Staten Island (New York City Region – Richmond County) – New York Container Terminal Capital – New York Works Program (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the New York Container Terminal Capital – New York Works Program (Capital Grant) Project (the “Project”), the

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to New York Container Terminal, LLC a grant for a total amount not to exceed Fifteen Million Dollars (\$15,000,000) from the New York Works Program or such other funding source as may be available to the Corporation for which the Plan is eligible, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Next, Mr. Salaberrios presented the Carver Bancorp Minority and Women-Owned Business Development and Lending Program Working Capital grant item for the Directors’

**DRAFT – SUBJECT TO REVIEW AND REVISION**

consideration.

Mr. Salaberrios explained that the Directors were being asked to authorize ESD to make a grant of up to \$480,000 to be used as loan loss reserve to support a joint initiative by Carver Bank and the MTA to improve the ability of small businesses to access loan capital. This initiative, he added, will aid small businesses in bidding on eight capital improvement projects being bid out by the MTA.

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

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

New York City (New York City Region – New York County) – Carver Bancorp Working Capital – Minority- and Women-Owned Business Development and Lending Program (Working Capital) – Findings and Determinations Pursuant to Sections 16-c and 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Carver Bancorp Working Capital – Minority- and Women-Owned Business Development and Lending Program (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 Carver Bancorp, Inc. a grant for a total amount not to exceed Four Hundred Eighty Thousand Dollars (\$480,000) from the Minority- and Women-Owned Business Development and Lending 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

State Division of the Budget; and be it further

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

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

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

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Mr. Hurley then presented a project relating to a \$250,000 grant to DichroTec Thin Films for the Directors' consideration. These funds, he stated, will be used for a portion of the costs of building renovations and the purchase of machinery and equipment.

Mr. Hurley explained that DichroTec is a wholly owned subsidiary of Syncrolite LLC and was formed to purchase the assets of a Rochester Company in bank receivership, the former Applied Coatings Group. Its products, he noted, consist of optical coatings and color filters used in lighting, energy, automotive and home industries.

Mr. Hurley further explained that DichroTec closed on the purchase in April and has hired 27 full-time employees, most of whom were employees of the previous Company.

Without ESD assistance, Mr. Hurley added, the bank would have liquidated the assets of

**DRAFT – SUBJECT TO REVIEW AND REVISION**

the former Company and all jobs would have been lost.

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

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

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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the DichroTec Thin Films Capital -- Empire State Economic Development Fund 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 DichroTec Thin Films LLC a grant for a total amount not to exceed Two Hundred Fifty Dollars (\$250,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Mr. Tompkins then presented the Northern Safety Economic Development Purposes Fund Project for the Directors' consideration.

Mr. Tompkins noted that the Directors were being asked to authorize ESD to make a \$200,000 grant to Northern Safety, Inc. to be used for a portion of the costs of renovating and purchasing machinery and equipment.

Mr. Tompkins explained that the Company produces indoor wholesale workplace safety

**DRAFT – SUBJECT TO REVIEW AND REVISION**

items and personal protective equipment. As a result of the Company’s significant growth over time, Mr. Tompkins continued, they are now doing business in several States and have more recently considered establishing operations in Nevada.

Because of ESD’s grant and a \$200,000 Excelsior Job Credits incentive, Mr. Tompkins explained, the Company has proposed \$1.17 million that will create 50 new jobs over the next few years in the Mohawk Valley in addition to the 209 jobs that will be retained.

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

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

Frankfort (Mohawk Valley Region – Herkimer County) – Northern Safety Capital – Economic Development Purposes Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 Northern Safety, Inc. a grant for a total amount not to exceed Two Hundred Thousand Dollars (\$200,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Next, Ms. Lohneiss presented the Calverton Enterprise Park Downtown Revitalization Fund project for the Directors' consideration.

Among other things, Ms. Lohneiss explained that the Directors were being asked to authorize the Corporation to make a \$650,000 grant to the Town of Riverhead Community Development Agency to be used for a portion of the cost of rehabilitating a rail spur at the Calverton Enterprise Park.

Ms. Lohneiss continued and explained that a \$4.8 million federal stimulus grant and

**DRAFT – SUBJECT TO REVIEW AND REVISION**

ESD’s \$650,000 grant contributed to the rehabilitation which will serve new businesses in the industrial park and support congestion mitigation efforts by increasing the transport of freight by rail and reducing truck usage on metropolitan New York roadways. Ms. Lohneiss further explained that the construction has been completed and the spur is operational.

Following the full presentation, the Acting Chair asked Ms. Lohneiss what types of businesses will be served by the rail spur. Ms. Lohneiss stated that the immediate user with 150 jobs is Eastern Fence, which transports its materials in by rail. She added that one rail car equals four tractor trailers so the cost savings is significant and the environmental benefits are compelling. Other users who have expressed interest, Ms. Lohneiss noted, have to do with construction products that are transported by rail.

There was a brief discussion on the various funding sources for this project. Director Miller asked which entity took the lead on this complicated financial structure and Ms. Lohneiss stated that it was the Town Community Development Agency that led the project. Director Miller stated that they should be commended for their work. The Acting Chair then called for further questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Calverton (Long Island Region – Suffolk County) – Calverton Enterprise Park DRF Capital – Downstate Revitalization Fund – Infrastructure 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Calverton Enterprise Park DRF Capital - Downstate Revitalization Fund – Infrastructure 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 Town of Riverhead Community Development Agency a grant for a total amount not to exceed Six Hundred and Fifty Thousand Dollars (\$650,000) from the Downstate Revitalization Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Mr. Will then asked the Directors to approve a \$250,000 capital systems grant to

**DRAFT – SUBJECT TO REVIEW AND REVISION**

the Tech Valley Communications (“TVC”) Albany Economic Development Purposes Fund project.

Mr. Will explained that the funds will be used for a portion of the cost of purchasing new machinery and equipment. Mr. Will further explained that the project, which also includes 15,800 square feet of renovations to a multi-tenant building in downtown Albany, is complete and that employment has increased to 89.

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

Albany (Capital Region – Albany County) – TVC Albany Capital – Economic Development Purpose Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the TVC Albany Capital - Economic Development Purpose 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 TVC Albany, Inc. a grant for a total amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) from the Economic Development Purpose Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Next, Mr. McLaughlin provided the relevant background information with regard to a request for authorization for ESD to make a \$400,000 grant to National Pipe & Plastic to be used for a portion of the cost of the purchase of machinery and equipment.

Mr. McLaughlin added that National Pipe and Plastics is a manufacturer of PVC pipe for residential, agricultural, commercial, municipal and export markets. It is, he stated, one of the largest producers of PVC pipes in North America.

Mr. McLaughlin further stated that the Company considered moving its headquarters to

**DRAFT – SUBJECT TO REVIEW AND REVISION**

several other locations in the U.S. and Canada.

The ESD incentive, Mr. McLaughlin explained, convinced the Company to remain in New York State, moving its headquarters from Vestal across the river to Endicott, New York. The grant, he added will allow the Company to expand its product line and keep 170 jobs in New York State.

Following the full presentation, the Acting Chair noted that Mr. McLaughlin will be leaving ESD in the very near future and that this was most likely Mr. McLaughlin’s last appearance at an ESD Directors’ meeting. Acting Chair Adams thanked Mr. McLaughlin for his service to the State and wished him the best in his new endeavors. The Acting Chair then called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolutions were unanimously adopted:

Endicott (Southern Tier Region – Broome County) – National Pipe & Plastic Capital – Economic Development Purposes Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Endicott (Southern Tier Region – Broome County) – National Pipe & Plastic Capital – Economic Development Purposes Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 National Pipe & Plastic a grant for a total amount not to exceed Four Hundred Thousand Dollars (\$400,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Endicott (Southern Tier Region – Broome County) – National Pipe & Plastic Capital – Economic Development Purposes Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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

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**DRAFT – SUBJECT TO REVIEW AND REVISION**

Ms. Orsi, the Director of ESD’s Western New York Regional Office, then presented the Rand Machine Products, Inc. EDF Project for consideration.

Ms. Orsi explained that the Directors were being asked to authorize ESD to make a \$150,000 grant to the Company to be used for a portion of the costs associated with the purchase and installation of new machinery and equipment.

Ms. Orsi further explained that in addition to the grant, the Company was offered and accepted Excelsior Tax Credits allowing the Company to expand their current facilities and retain 92 jobs and create 10 new jobs in New York State.

At the time of ESD’s offer, Ms. Orsi continued, Rand had been approached by one of their major customers offering to buy them and move these jobs out of State. ESD’s offer, she noted, allowed the Company to stay and grow in Chautauqua County.

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

Falconer (Western New York Region – Chautauqua County) – Rand Machine Products 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Rand Machine Products 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 Rand Machine Products, Inc. a grant for a total amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000) 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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

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Falconer (Western New York Region – Chautauqua County) – Rand Machine Products Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

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

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Before proceeding with the next two requests, Ms. Orsi provided background information with regard to the funding source for these projects as they are both Buffalo Billion related allocations.

In that regard, Ms. Orsi outlined the various steps that have been taken to develop a strategic plan for the utilization of these funds.

Mr. Orsi then asked the Directors to authorize ESD to make a \$1,500,000 grant to the New York State Office of Parks, Recreation and Historic Preservation to be used for design costs related to the reconstruction of the Robert Moses Parkway and Entry Road to Niagara Falls

**DRAFT – SUBJECT TO REVIEW AND REVISION**

State Park.

Ms. Orsi explained that this park currently attracts over eight million visitors a year as the gateway to Niagara Falls. Ms. Orsi noted that these visitors, however, do not spend sufficient time or money in this location and therefore, a plan is underway to reconstruct South Robert Moses Parkway to reconnect the downtown and the City to the Waterfront, opening up that access to visitors.

It was noted that the present \$1.5 million request is for the necessary design work related to this infrastructure reconfiguration.

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

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

Buffalo Billion Initiative – Niagara Falls (Western New York Region – Niagara County) – Robert Moses Parkway – South Riverway – Buffalo Regional Innovation Cluster (Capital Grant) Project – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 NYS Office of Parks, Recreation & Historic Preservation a grant for a total amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) from the Buffalo Regional Innovation Cluster Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Lastly, Ms. Orsi presented the Edison Welding Buffalo Billion Initiative for the Directors’ consideration.

Mr. Orsi explained that the grant will be used for a portion of the cost of planning activities by Edison Welding (“EWI”) an Ohio based non-profit organization in connection with

**DRAFT – SUBJECT TO REVIEW AND REVISION**

the development of a business plan to establish the Buffalo Niagara Institute for Manufacturing Competitiveness.

Following the full presentation, the Acting Chair asked if a location has been decided on for the institution and Ms. Orsi stated that staff is currently exploring a number of locations in Buffalo.

Director Miller asked if this will only be available in Buffalo or if it will be made available to all of New York State.

Ms. Orsi stated that EWI is building the technology around the specific industry needs in Western New York but since those needs are probably not that different in other locations, she envisions making the services available to other parts of the State.

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

Buffalo Billion Initiative – Various Locations (Western New York Region – Allegany, Cattaraugus, Chautauqua, Erie, Niagara Counties) – Edison Welding Institute 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 to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Edison Welding Institute Working Capital – Economic Development Purposes Fund (Working Capital) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York

**DRAFT – SUBJECT TO REVIEW AND REVISION**

State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Edison Welding Institute, Inc. a grant for a total amount not to exceed Three Hundred Sixteen Thousand Six Hundred Five Dollars (\$316,605) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Mr. Lee then presented the July Discretionary Projects Consent Calendar for the Directors’ consideration.

Mr. Lee explained that there were two items for consideration. Mr. Lee described the first project as an \$80,000 capital grant to R.B. Woodcraft, Inc. to be used for a portion of the costs associated with purchasing and installing new machinery and equipment.

Mr. Lee noted that the second project involves a \$48,000 capital grant to the Mohawk

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Fabric Company to be used for apportion of the costs of machinery and equipment.

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

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

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

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

1. The Projects 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 Projects would be unlikely to take place in New York State without the requested assistance.
3. The Projects are reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
4. There are no families or individuals to be displaced from the project area(s); and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s), that no substantive negative testimony or comment has been

**DRAFT – SUBJECT TO REVIEW AND REVISION**

received at the public hearings held on the Plan, such Plan shall be effective at the conclusion of such hearings, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

**Empire State Economic Development Fund**

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
	<b>General Development Financing Projects</b>			
A	R.B. Woodcraft Capital	X179	R.B. Woodcraft, Inc.	\$80,000
B	Mohawk Fabric Capital	X300	Mohawk Fabric Company	48,000
			<b>TOTAL</b>	<b>\$128,000</b>

and be it further

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

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Mr. Lee then presented the Restore New York Consent Calendar for the Director’s consideration.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Lee explained that the Directors were being asked to approve a \$2,500,000 Restore Grant to the City of Watertown to rehabilitate the former vacant Woolworth building into a mixed-use facility. With the assistance of ESD’s grant, Mr. Lee explained, the building will be rehabilitated and contain commercial space on the basement and ground floors and residential space on the five upper floors.

Among other things, Mr. Lee explained, the project will revitalize and ease demand for affordable housing in the City of Watertown. The total project costs, he further noted, are approximately \$16.2 million and the project is expected to be completed in December of 2014.

Following the full presentation, the Acting Chair called for questions or comments. Director Cephas inquired with regard to the size of Watertown’s population and was informed that it was roughly 27,000.

Director Ciminelli then asked for the name of the Developer on this project and was informed that the Developer is Georgica Green Ventures LLC.

The Acting Chair asked Mr. Lee to verify that ESD provides these funds to the municipality who has its own relationship with the Developer and Mr. Lee stated that that was correct.

There being no further questions or comments, and upon motion duly made and

**DRAFT – SUBJECT TO REVIEW AND REVISION**

seconded, the following resolution was unanimously adopted:

Statewide – Restore NY Communities – Capital Grant – Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c), 10 (g) and 16-n of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Restore NY Communities Capital Grant Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-n and 10 of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

1. 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 sound growth and development of the municipality.
2. 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. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.
4. There are no families or individuals displaced from the Project area; and be it further

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

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

Restore NY Communities – Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
	<b>Restore NY Communities Projects</b>			
A	Watertown – RESTORE III – Woolworth Building	W847	City of Watertown	\$2,500,000
			<b>TOTAL</b>	<b>\$2,500,000</b>

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

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Watertown (North Country Region – Jefferson County) – Watertown – RESTORE III – Woolworth Hotel – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Watertown - Restore NY III - Woolworth Hotel Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

Next, Mr. Filler presented the Cornell Extension Working Capital Economic Development Purposes Fund item for the Directors’ consideration.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Filler explained that the Directors were being asked to authorize ESD to make a \$557,570 grant to Cornell Cooperative Extension of Oneida County (“CCEOC”).

Mr. Filler further explained that the CCEOC will lead an 18 month concerted statewide effort to maximize agriculture and food exports. This project, he added, will help to develop exports of unique, differentiated New York State products, including both fresh and processed products that are going to be directed to consumers in China.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked if there was prior experience with exporting products to China. The Acting Chair noted that there is an international division at ESD and there are several individuals at ESD who focus on providing export assistance to New York companies.

Mr. Filler added that China has issues with food safety and has a growing interest in safe food and New York State is world renown, for its food safety measures and the quality of its agriculture products.

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

Oriskany (Mohawk Valley Region – Mohawk County) – Cornell Cooperative Extension 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 to Take Related Actions

**DRAFT – SUBJECT TO REVIEW AND REVISION**

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Cornell Cooperative Extension Working Capital – Economic Development Purposes Fund – Bbusiness Marketing and Exports (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 Cornell Cooperative Extension of Oneida County a grant for a total amount not to exceed Five Hundred Fifty Seven Thousand Five Hundred and Seventy Dollars (\$557,570) 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.

\* \* \*

Next, Mr. Muszynski asked the Directors to authorize ESD to make a \$300,000 working capital grant in connection with the High Blood Pressure Collaborative Regional Council Capital Fund item.

Mr. Muszynski explained that the funds will be provided to the Finger Lakes Health

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Systems Agency for a program that provides individualized health counseling to people with high blood pressure.

Mr. Muszynski further noted that these funds will be used for a portion of the costs of the Project’s working capital expenditures including salaries, benefits, rent, insurance, utilities, travel and meeting expenses.

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

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

Rochester (Finger Lakes Region – Monroe County) – High Blood Pressure Collaborative 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 to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the High Blood Pressure Collaborative 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 Finger Lakes Health Systems Agency a grant for a total amount not to exceed Three Hundred Thousand Dollars (\$300,000) 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 or his designee(s) be, subsequent to

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

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

\* \* \*

Mr. Hurley then asked the Directors to authorize ESD to make a grant of \$2,000,000 in connection with the PathStone Corporation Revolving Loan Fund item.

Mr. Hurley noted that the grant will be used for a portion of the costs of a loan fund for microenterprises and small businesses throughout the Finger Lakes Region to be administered by the PathStone Corporation.

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

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

Regional Council Award – Priority Project – Various Counties (Finger Lakes Region) – PathStone Corporation Revolving Loan Fund Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

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

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

\* \* \*

Mr. Tompkins then presented the Griffiss Local Development Corporation (“GLDC”)

Regional Council Capital Award Project. Mr. Tompkins asked the Directors to approve a

**DRAFT – SUBJECT TO REVIEW AND REVISION**

\$397,500 grant to GLDC to be used for a portion of the cost of machinery and equipment.

Mr. Tompkins added, among other things, that the total project cost is \$838,000 and the Regional Council cited this as vital to supporting, cultivating, retaining and growing the region’s cyber assets.

Following the full presentation, the Acting Chair called for questions or comments. Director Ciminelli asked if there is capacity for more development there and Mr. Tompkins explained that because the GLDC has been very successful in creating a very diverse population, there is not a great deal of development property left.

Director Ciminelli asked if a lot of the buildings are now on the tax roll and he was informed that many are covered by PILOT agreements but eventually will be on the tax roll.

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

Rome (Mohawk Valley Region – Oneida County) – Griffiss Local Development Corporation Fiber Connectivity Hub Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Griffiss Local Development Corporation Fiber Connectivity Hub Capital - Regional Council Capital Fund Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 Griffiss Local Development Corporation a grant for a total amount not to exceed Three Hundred Ninety-Seven Thousand Five Hundred Dollars (\$397,500) from the Regional Council Capital Fund for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Mr. Lohneiss then asked the Directors to authorize ESD to make a \$320,000 Regional Council Capital Award grant to the Brookhaven Science Associates, LLC to be used for salary, website production and maintenance and marketing costs related to the STEM Hub facility.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Among other things, Ms. Lohneiss explained that through a regional partnership among industry, academia and not-for-profit organizations, the program focuses on increasing the number of Long Island students interested in and prepared for careers in technology and high technology fields.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked if this funding will supplement or pay salaries for a period of three years and Ms. Lohneiss stated that that was the expectation.

Director Miller then asked how the operating costs will be covered after that time period and Ms. Lohneiss stated that Stony Brook and Brookhaven National Lab have extended this STEM Hub to include a number of partners making it apparent that they expect to be self sustaining at that point.

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

Regional Council Award – Upton & Garden City (Long Island Region – Nassau and Suffolk Counties) – Brookhaven Science Associates Long Island STEM Hub 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 to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Brookhaven Science Associates Long Island STEM Hub Working Capital - Economic Development Purposes Fund (Working Capital) Project (the “Project”), the Corporation hereby determines pursuant to

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 Brookhaven Science Associates, LLC a grant for a total amount not to exceed Three Hundred Twenty Thousand Dollars (\$320,000) 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.

\* \* \*

Mr. Lee then presented the Regional Council Awards Consent Calendar for the Directors’ consideration.

Mr. Lee explained that there are three projects on this month’s Regional Council Awards consent calendar and he went on to explain each in detail.

Mr. Lee stated that the first project involves a \$100,000 grant to Geva Theatre Center,

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Inc. in Rochester. Mr. Lee noted that the funds will be used to fund a portion of the cost of installing a new heating ventilation and air conditioning system to replace the current system that was installed over 30 years ago.

The second project, Mr. Lee noted, involves a \$93,565 working capital grant to New York Launch. With ESD funding, Mr. Lee continued, New York Launch will identify approximately 50 high potential start-up businesses in the region of Western New York, Finger Lakes, Central New York and the Southern Tier and provide these businesses with training programs and management services in an effort to accelerate entrepreneurship and economic development.

Mr. Lee explained that the third project involves a \$50,000 grant to the Herkimer County Industrial Development Agency.

This grant, he continued, will be used for a revolving loan and grant program for small business capital projects located in Herkimer County.

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

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

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

**Regional Council Capital Fund**

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	Geva Theatre Center Capital	Y221	Geva Theatre Center, Inc.	\$100,000
			<b>TOTAL</b>	<b>\$100,000</b>

**Economic Development Purposes Fund**

**DRAFT – SUBJECT TO REVIEW AND REVISION**

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
B	Launch New York Working Capital	X693	Launch New York	\$93,565
C	HCIDA Revolving Loan and Grant Fund	Y374	Herkimer County Industrial Development Agency	50,000
			<b>TOTAL</b>	<b>\$143,565</b>

and be it further

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

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Next, Mr. McLeary presented the July Non-Discretionary Consent Calendar for approval.

Mr. McLeary noted that the Directors were being asked to approve one Executive sponsored project for \$749,766 and one Senate sponsored project for \$65,000 in assistance authorized or re-appropriated in the fiscal year 2012-2013 New York State Budget.

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

Mr. McLeary noted that the first project involves a \$749,766 grant to Constitution Island, Inc. for the purchase and renovation of 107-09 Main Street, Cold Spring, in Putnam County for a new visitor and education center.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. McLeary explained that the second project relates to a \$65,000 grant to the Bay Ridge Center, Inc. for the purchase of a handicapped equipped van to transport senior in Southwest Brooklyn.

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

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

Community Projects Fund - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Community Capital Assistance Program Project (the “Project”), 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 grants to the parties 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

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

Community Projects Fund – Executive – Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
	<b>Community Projects Fund (Executive)</b>			
A	Constitution Island Education Center Capital	U443	Constitution Island Association, Inc.	\$749,766

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

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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Community Capital Assistance Program Project (the “Project”), 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 grants to the parties 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 grants as he or she may deem necessary or appropriate in the administration of the grants; and be it further

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

Community Capital Assistance Program – Senate - Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
	<b>Community Capital Assistance Program (Senate)</b>			
B	Bay Ridge Center Capital	X943	Bay Ridge Center, Inc.	\$65,000

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.

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Cold Spring (Mid-Hudson Region – Putnam County) – Constitution Island Education Center Capital – Community Projects 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 Constitution Island Educational Center Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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Mr. McLeary then presented the Flood Mitigation item for the Directors' consideration.

He noted that the project being presented at today's meeting involves a grant of \$370,000 to Chemung County for 11 flood mitigation and flood control projects in the county.

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

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

unanimously adopted:

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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearings held on the Plan, such Plan shall be effective at the conclusion of such hearings, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation and/or the New York State Division of Homeland Security and Emergency Services, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	Chemung County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X896	Chemung County	\$370,000
			<b>TOTAL</b>	<b>\$370,000</b>

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

\* \* \*

Mr. Archer, the President of the Harlem Community Development Corporation, then presented the Victoria Theatre Redevelopment Land Use Improvement and Civic Project for the Directors’ consideration.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Among other things, Mr. Archer outlined the various actions that the Directors were being asked to consider in connection with this project including affirming the General Project Plan and authorizing the override of the New York City Zoning Resolution and the New York City Uniform Land Use Review Procedure.

In addition, Mr. Archer provided the relevant background information with regard to the status of this project thus far.

Following the full presentation, the Acting Chair called for questions or comments. Director Cephas asked if it is anticipated that at the end of this process, the Developer will exercise the option to make the purchase and Mr. Archer stated that that is presently the expectation.

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

NEW YORK (NEW YORK COUNTY)-VICTORIA THEATRE REDEVELOPMENT PROJECT – Affirmation of Land Use Improvement and Civic Project Findings pursuant to Section 10 of the UDC Act, as amended; Affirmation of the General Project Plan as Modified (the MGPP”); Approval of a Lease with Option to Purchase and Related Documents for the Project; Adoption of Findings Pursuant to the State Environmental Quality Review Act; Adoption of Finding Pursuant to Section 2879-b of the Public Authorities Law; Override of the New York City Zoning Resolution and Other Local Laws Inclusive of the New York City Uniform Land Use Review Procedure; and Authorization to Take Related Actions

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RESOLVED, that, on the basis of the materials presented to this meeting and previously

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

presented to the Directors, a copy of which is hereby ordered filed with the records of the Corporation (the “Materials”), relating to the Victoria Theater Redevelopment Land Use Improvement and Civic Project (the “Project”), the Corporation hereby affirms the Land Use Improvement and Civic Project Findings made by the Directors on July 18, 2012 pursuant to Section 10 of the New York State Urban Development Corporation Act, as amended (the “Act”), including all related findings, resolutions, determinations and authorizations made by the Harlem CDC board on July 13, 2012 with respect to the Project; and be it further

RESOLVED, that on the basis of the Materials, pursuant to Sections 16(2) and (3) of the Act and after due consideration of: (1) the testimony given at the public hearing held by Harlem Community Development Corporation and ESD on December 10, 2012 at the New York State Office building, 163 West 125<sup>th</sup> Street, New York, NY on the General Project Plan dated July 18, 2012 for the Project; (2) the entire record of such hearing; (3) the Final Environmental Impact Statement dated February 2013 adopted by the ESD Directors on April 26, 2013; (4) all written comments received on the Plan, copies of all of which were presented to this meeting and are ordered filed with the records of the Corporation, and substantially on the terms and conditions described in the Materials, the Corporation does hereby affirm the proposed Modified General Project Plan for the Project submitted to this meeting, together with such changes therein as the Presidents of the Corporation or of Harlem CDC or their designee(s) may deem appropriate (the “Plan”), a copy of which Plan, together with such changes, is hereby ordered filed with the record of the Corporation; and be it further

RESOLVED, that on the basis of the Materials, and substantially on the terms and conditions described in the Materials, the Corporation does hereby find that the proposed ground lease with option to purchase as set forth in the Materials is consistent with and will serve to further the Plan; and be it further

RESOLVED, that the proposed lease be and hereby is approved; and be it further

RESOLVED, that the Plan shall not be final until action is taken by the Directors of Harlem CDC and ESD as provided in the UDC Act and until such time as all requirements of the UDC Act and other applicable law in connection therewith have been satisfied; and be it further

RESOLVED, that, with respect to the Project, ESD, as the lead agency for the Project’s environmental review, 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 ESD SEQRA Findings Statement attached to the Project’s General Project Plan, which Findings Statement is hereby accepted by the Corporation, and copies of which Findings Statement are hereby ordered filed with the records of the Corporation relating to the Project:

- ESD has given consideration to the Draft and Final Environmental Impact Statements (“DEIS” and “FEIS”, respectively) prepared for the Project;
- The requirements of the SEQRA process, including the implementing regulations of the New

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 will avoid or minimize significant adverse environmental effects to the maximum extent practicable, including the effects disclosed in the FEIS and the Findings Statement by incorporating as conditions to the decision those mitigation measures described in the FEIS and the Findings Statement; and
- The Project is in compliance with Section 14.09 of the State Historic Preservation Act; and be it further

RESOLVED, that in connection with the Project, the Corporation hereby finds, pursuant to Section 16(3) of the UDC Act, that it is not feasible or practicable for the Project to be in conformity with the requirements of the New York City Zoning Resolution (“City Zoning”) and, with respect to any disposition of City-owned property, the Uniform Land Use Review Procedure of the New York City Charter (“ULURP”), and other local zoning law, and accordingly, ESD hereby overrides City Zoning and ULURP and other local zoning law for the specified purposes of the Project; and be it further

RESOLVED, that on the basis of the Materials, the Corporation hereby finds, pursuant to New York State Public Authorities Law Section 2879-b, that the Project would not be able to go forward if a labor peace agreement were required and hereby waives such requirement in connection with the Project; and be it further

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

\* \* \*

Mr. Dorado then asked the Directors to approve a modification to the Modified General Project Plan for the Brooklyn Bridge Civic and Land Use Improvement Project.

Mr. Dorado provided the Directors with the specifics of this modification request and Ms. Myer, the President of the Brooklyn Bridge Park Development Corporation, addressed the Directors with regard to the Project.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

Brooklyn (Kings County) - Brooklyn Bridge Park Civic and Land Use Improvement Project; Adoption of a Modification to the Modified General Project Plan; and Authorization to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation relating to the Brooklyn Bridge Park Civic and Land Use Improvement Project (the “Project”) the proposed modification to the Modified General Project Plan for the Project is hereby adopted; and be it further

RESOLVED, that the President and Chief Executive Officer, or his designee, is hereby authorized to take such action as he or she deems necessary or appropriate, including without limitation, the providing, filing or making available of copies of the modified plan, and/or digests thereof, and other actions respecting the modified plan; and be it further

RESOLVED, that the President or his designees(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. Evans asked the Directors to approve a contract in connection with the Moynihan Station Development Corporation.

First Mr. Evans provided a brief update on the status of the project. He then asked the Directors to authorize ESD to enter into a contract with the Skylight Group to provide Events Management Services in connection with the Farley Building.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Evans explained that beginning in the Spring of 2012, MSDC focused on developing and executing a strategy to activate the Farley Building and the focus is on both generating revenue and generating public interest in the Project.

Since that time, Mr. Evans continued, MSDC has hosted more than 20 separate events in the building generating over \$1,000,000 in revenue.

Based on this success, Mr. Evans added, staff believes the number and the quality of the events can be increased and in view of that, ESD and MSDC issued a solicitation for an exclusive events broker and manager.

Mr. Evans further explained the selection process involved in choosing the Skylight Group to provide these services. He also explained certain terms of the contract.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked if it was correct that the proceeds from the events cover operating expenses and Mr. Evans stated that the proceeds are used to cover operating expenses, along with Postal Service rent. Any extra funds, he added, are used to make some investments and to do early action work for phase two of the Project.

There being no further questions or comments, and upon motion duly made and

**DRAFT – SUBJECT TO REVIEW AND REVISION**

seconded, the following resolution was unanimously adopted:

NEW YORK CITY (NEW YORK COUNTY) – Moynihan Station Civic and Land Use Improvement Project – Authorization to Enter into a Contract for Farley Building Events Management with the Skylight Group; and Authorization to Take Related Actions

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

RESOLVED, that in accordance with the Materials, the Corporation is hereby authorized to enter into a contract with the Skylight Group for the purposes and services, and substantially on the terms and conditions, as set forth in the Materials; and be it further

RESOLVED, that the President, or other Officer of the Corporation, or his or her designee(s) be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing Resolutions.

\* \* \*

Mr. Heilbrunn then asked the Directors to approve ESD’s Investment Guidelines and Investment Report in accordance with the Public Authorities Law.

Mr. Heilbrunn explained that Investment Guidelines include the annual audit and ESD’s Investment Performance for fiscal year 2012-2013.

Mr. Heilbrunn further stated that there are no recommended changes to the Investment Guidelines and that the auditors did not identify any deficiencies in internal control over investment compliance.

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Director Miller noted that there are three criteria for the investments, the second one is liquidity and the third one is return. She asked why liquidity has priority over returns and Mr. Heilbrunn explained the reasoning behind this to Director Miller’s satisfaction.

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT – (the “Corporation”) Approval of the Investment Guidelines and Investment Report and Authorization to Take Related Actions

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WHEREAS, the Corporation wishes to comply with Section 2925 of the Public Authorities Law ("Law") which mandates that public benefit corporations annually prepare and approve an Investment Report (“Report”) which includes, among other things, the Corporation's Investment Guidelines (“Guidelines”) and

WHEREAS, said Law also requires the annual review and approval of its Guidelines; and

WHEREAS, the Corporation has prepared the Report for the fiscal year ended March 31, 2013; and

WHEREAS, the Corporation adopted Guidelines in 1984 which have been amended and were most recently approved by the Corporation on July 18, 2012; and

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

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Guidelines as amended are hereby approved and it is further

RESOLVED, that the Report is hereby approved; and it is further

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

\* \* \*

Mr. Stout then asked the Directors to authorize ESD to enter into a contract in connection with the Radisson Community.

Mr. Stout explained that the Directors were being asked to authorize ESD to enter into a contract for demolition services with Peak Environmental LLC in an amount not to exceed \$348,700.

Mr. Stout provided the background information including the selection process utilized in the connection with this request.

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

Lysander (Onondaga County) – Radisson Community – Authorization to Enter into a Contract for Demolition Services with Peak Environmental, LLC; and Authorization to Take Related Actions

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

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Contractor in an amount not to exceed \$348,700 for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

\* \* \*

The Acting Chair then provided the President’s Report on the most recent activities of the Corporation.

There being no further business, the meeting was adjourned at 11:57 a.m.

Respectfully submitted,

Eileen McEvoy  
Corporate Secretary

FOR CONSIDERATION

August 22, 2013

TO: The Directors

FROM: Kenneth Adams

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

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General Project Plan

I. Project Summary

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

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

ESD\* Investment: A loan of up to \$1,725,001 and a grant of up to \$300,000, to be used for a portion of the cost of land acquisition and associated closing and other soft costs.

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

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

Proposed Project: Purchase land to create a mega-site for advanced technology manufacturing.

Project Type: New industrial park development

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

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

Security: First mortgage on the parcels of the project’s real estate purchased with loans proceeds.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Land Acquisition	\$4,603,000
Planning, Closing & Other Soft Costs	<u>524,401</u>
Total Project Costs	<u>\$5,127,101</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Loan (Y621)	\$1,725,001	34%	see below*/1 <sup>st</sup> Lien on RE
ESD – Grant (Y628) <sup>1</sup>	300,000	6%	1 <sup>st</sup> Lien on RE
ESD – Loan (Y627) <sup>2</sup>	1,000,000	19%	see below*/1 <sup>st</sup> Lien on RE
ESD – Loan (Y089) <sup>3</sup>	1,100,000	21%	see below*/1 <sup>st</sup> Lien on RE
ESD – Grant (Y263) <sup>3</sup>	500,000	10%	1 <sup>st</sup> Lien on RE
ESD – Grant (X544) <sup>4</sup>	392,100	8%	
Borrower/Grantee Equity <sup>5</sup>	<u>110,000</u>	<u>2%</u>	
Total Project Financing	<u>\$5,127,101</u>	<u>100%</u>	

<sup>1</sup> Represents \$300,000 repurposed from another project that did not go forward.

<sup>2</sup> This loan (Y627) from the Upstate Regional Blueprint Fund will be presented to the Directors of the Upstate Empire State Development Corporation at its August 27, 2013 meeting. This amount represents a loan previously awarded to the same Borrower for another project that did not go forward.

<sup>3</sup> This loan (Y089) was approved by the ESD Directors on March 20, 2013.

<sup>4</sup> This amount will come from a portion of a \$2 million Senate-sponsored grant (X544) used for land acquisition and

approved by the Directors on April 17, 2012.

<sup>5</sup>The 10% equity from the Grantee is waived for this project, owing to the scope and significance of the project and the urgency of acquiring the needed land. Since most of this assistance is in the form of loans, Borrowers' future repayments are considered in lieu of upfront equity. The Borrower has already expended all its available internal funds toward the project, going back many years when planning and outreach first began.

\*Each loan shall have a 10-year term at an annual interest rate of 0% in Years 1 through 5, and up to 3% in Years 6 through 10. A balloon payment of \$2,825,001 million will come due at the end of the fifth year. ESD may defer this payment or exercise other forms of forbearance as described in Loan Financial Terms and Conditions #8.

### III. Project Description

#### A. Borrower

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

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

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

**Ownership/Size:** GCEDC and GGLDC have similar officers and board members. GCEDC and GGLDC currently own 143 acres (90 of which were purchased with bridge financing after ESD’s December 2012 incentive proposal) and have options on an additional 907 acres for the STAMP project. With the additional loans and grant, GCEDC and GGLDC will own a total of 853 acres (including 364 acres purchased since ESD’s December 2012 incentive proposal) of the STAMP site’s approximately 1,250 acres.

**ESD Involvement:** As a result of the Governor’s Regional Economic Development Council initiative, the Borrower/Grantee was awarded \$500,000 through the Consolidated Funding Application (“CFA”) process. Subsequently, in order to make possible the purchase of additional land when purchase options were due to expire, ESD offered an additional \$1,100,000 in the form of loan for this project and has recently increased its offer by another \$2,725,001 in loans and \$300,000 in grants, a portion of which is repurposed from other Finger Lakes projects that are not moving forward. The project will position Western NYS as a hub for advanced technology manufacturing and spur significant regional economic growth.

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

**Past ESD Support:** In addition to the Financing Sources listed in Section II above, ESD has also provided the STAMP project with funds as summarized in the following chart:

<b>Program</b>	<b>Project #</b>	<b>Amount</b>	<b>ESD Approval Date</b>	<b>Final Disbursement Date (project is complete unless noted)</b>	<b>Purpose</b>
Local Assistance	W579	\$1,000,000	May 19, 2009	May 4, 2012	Working Capital Grant – Planning, engineering, economic analysis, and marketing for first phases of STAMP project.
	X544	\$2,000,000	April 26, 2012	Not yet completed	Capital Grant – Next phase of STAMP, including land acquisition, infrastructure engineering, design, construction and environmental permitting.

## B. The Project

Completion: Land purchase (710 acres) is expected to be completed by the end of 2013.

Activity: Continuing the land acquisition activity, an additional 710 acres of open land and two houses will be purchased. All design, engineering and construction for the initial park (initial infrastructure) is targeted to be completed by the end of 2015, subject to funding appropriations enabling such activities.

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

### Infrastructure Investment

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

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

- Fiscal benefits to NYS government from the project are estimated at \$143,208;
- Fiscal cost to NYS government is estimated at \$3,621,470;
- Ratio of project fiscal benefits to costs to NYS government is 0.04:1;
- Fiscal benefits to all governments (state and local) are estimated at \$242,293;
- Fiscal cost to all governments is \$3,621,470;
- The fiscal benefit to cost ratio for all governments is 0.07:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$1,287,970;
- The economic benefit to cost ratio is 0.36:1;
- Project construction cost is \$2,091,501, which is expected to generate 19 direct job years and 13 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.72 indirect job is anticipated in the state's economy.

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

Borrower/Grantee

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

ESD Project Nos.: Y621 (loan) and Y628 (grant)

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

C. Financial Terms and Conditions (Grant)

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project. Prior to disbursement, the Grantee shall pay a commitment fee of 1% of the \$300,000 capital grant (\$3,000).
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. Up to \$300,000 will be disbursed to Grantee upon documentation of real estate purchase and associated soft project costs totaling at least \$1,600,000, 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. Expenses must be incurred on or after December 1, 2012, when initial land acquisition for the project began, to be considered eligible project costs. Disbursement of the grant must be requested by April 1, 2014.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$300,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
5. For five years from the date of the initial disbursement of Grant funds, Grantee shall take the following actions prior to any sale, in whole or in part, with respect to the project site: Obtain ESD's written approval that the intended uses for the parcel(s) to be sold are consistent with the goals of the STAMP project. Upon ESD's written approval, ESD shall release a prorata share of its mortgage. In the event that ESD does not approve such a sale or transfer, which then does occur within a five-year period, as defined below, the Grantee shall pay to ESD, promptly upon ESD's written demand therefor, the applicable amount

indicated below.

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

- (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
  - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
  - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
  - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
  - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.
6. As security for the payment of any Recapture Amount that may become due and within 30 days following disbursement of any Grant funds, Borrower shall deliver a collateral mortgage to ESD to secure Borrower's obligation to pay any of the Recapture Amount that may become due (the "Mortgage").

D. Financial Terms and Conditions (Loan)

1. At the time of closing, the Borrower shall pay a commitment fee of 1% of the \$1,725,001 in loans (\$17,250). In addition, at closing, the Borrower will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Borrower will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Receipt of the corporate guarantees of GCEDC and GGLDC (the "Guarantors") in form and substance satisfactory to ESD. In the event that the Borrower decides to create a special purpose entity to own the STAMP real estate and accept the loans, there is no change to the Guarantors. The guarantees are subject to modification by the factors identified in #8 of these Terms and Conditions.
4. The Borrower will be required to contribute a minimum of 2% of the total project costs in the form of equity contributed after the Company's written acceptance of ESD's offer. The basis for the less-than-normal equity requirement is explained in a footnote in Section II, Project Cost and Financing Sources. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by

the assets in the project.

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

5. Up to \$1,725,001 will be disbursed to the Borrower in tranches upon documentation verifying property acquisition project expenditures of between \$1,600,000 and \$5,127,101, assuming that all project approvals have been completed and funds are available. ESD shall work with the Borrower to establish the number of tranches and enable multiple closings, as feasible. Expenses reimbursed by ESD's loan must be incurred on or after December 1, 2012, when initial land acquisition for the project began, to be considered eligible project costs. Disbursement of the loan must be requested by April 1, 2014.
6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,725,001, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Borrower and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. Rate/Term: 10-year term at an annual interest rate of 0% in Years 1 through 5, and up to 3% in Years 6 through 10.
8. Repayment Terms and Factors Governing Modification: The loans will be at 0% interest rate with no principal payment due for the first five years (60 months). At the end of the fifth year, a balloon payment of \$1,725,001 million will come due. Notwithstanding the foregoing, no less than six months prior to the due date for the principal payment set forth in the prior sentence, upon the Borrowers' request and submission of sufficient documentation as to the status of the potential sale, funding and development of the project, ESD will make a reasonable determination as to whether to: (1) require the \$1,725,001 million balloon payment; (2) waive the obligation to repay the loans; or (3) extend the loans for another five-year period, with payment terms to be determined in consultation with the Borrower but determined by ESD in its sole discretion which payment terms may range from those similar to what is being offered during the first five-year term of the loans (i.e., 0% interest and a balloon payment of the entire principal balance payable at the end of the tenth year ), to a fully amortizing loans with equal monthly payments at annual rate of interest not to exceed 3%. In evaluating the repayment terms, ESD will consider a number of key factors, including but not limited to, whether or not a contract for sale to a prospective buyer or future tenant appears imminent, the capacity of the Borrower to repay the loans and the overall status of the STAMP development plan. There is no prepayment penalty. If the Borrower has to sell the land to repay ESD's loans, ESD will grant some consideration if the net sale proceeds are less than the remaining loans balance. Moreover, ESD will make a reasonable determination whether to modify the level of the corporate guarantees if it is shown that such guarantees

will have a materially adverse impact on the Guarantors' liquidity, ability to obtain credit or equity financing, or materially impair their ability to undertake significant economic development projects. The corporate guarantees are also subject to modification if GCEDC and/or GGLDC and the State of New York jointly create a special purpose entity for the project.

9. The Borrower will submit to ESD annual reviewed financial statements and quarterly internal financial statements certified by an officer of the Borrower.
10. Financial Disclosure: Updated financial disclosure on Borrower and all guarantors acceptable to ESD must be provided prior to closing.
11. Lien/Collateral: First mortgage on property acquired with the proceeds of the loans.
12. Due Diligence: Appraisals, and engineering and environmental reviews acceptable to ESD, including a Phase I Environmental Site Assessment covering all parcels purchased with loans and grant, must be provided prior to closing.

#### IV. Statutory Basis - Economic Development Purposes Fund and 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.

The requirements of Section 10(g) of the Act concerning residential relocation are satisfied as follows: Residential Relocation will be required. However, there is a feasible method for the relocation of families and individuals displaced from the project area into decent, safe and sanitary dwellings, which are or will be provided in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities, at rents or prices within the financial means of such families or individuals, and reasonably accessible to their places of employment. Insofar as is feasible, the Corporation shall offer housing accommodations to such families and individuals in residential projects of the corporation.

The Corporation may render to business and commercial tenants and to families or other persons displaced from the project area, such assistance as it may deem necessary to enable them to relocate.

#### V. Environmental Review

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

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

VI. Smart Growth Public Infrastructure Review

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

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the project. The Borrower/Grantee shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 5% related to the total value of ESD's grants (Y263 and Y628) and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project. MWBE participation on the loans (Y089, Y621 and Y627) may be utilized toward the goals established for the grant.

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

Resolutions

New York State Map

STAMP Site and Location Maps

Project Finance Memorandum

Benefit-Cost Analysis

August 22, 2013

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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the GCEDC-GGLDC – Western New York Science, Technology and Advanced Manufacturing Park Capital – Economic Development Purposes Fund (Capital Loan) and 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 is a feasible method for relocating families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center and Genesee Gateway Local Development Corporation a loan for a total amount not to exceed One Million Seven Hundred Twenty-Five Thousand One Dollars (\$1,725,001) from the Economic Development Purposes Fund and a grant for a total amount not to exceed Three Hundred Thousand Dollars (\$300,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer 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 loans and grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the loans or grant or collateral securing the loans as he or she may deem necessary or appropriate in the administration of the loans and grant; and be it further

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

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

\* \* \*

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

**Western New York Science, Technology, & Advanced Manufacturing Plant (STAMP)\*  
Infrastructure 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 reported in the table below typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the table typically reflects only construction-related activity. Benchmarks for each type of project are noted in the footnotes.

**Construction Job Years (Direct): 19**

**Construction Job Years (Indirect): 13**

<b>Evaluation Statistics</b>	<b>Project Result NYS Govt.</b>	<b>NYS Govt. Benchmarks for ESD Projects<sup>2</sup></b>	<b>Project Results State &amp; Local Governments</b>	<b>State &amp; Local Government Benchmarks for ESD Projects</b>
<b>Fiscal Costs<sup>3</sup></b>	\$3,621,470	\$794,250	\$3,621,470	\$1,020,500
<b>Fiscal Benefits<sup>4</sup></b>	\$143,208	\$2,085,600	\$242,293	\$4,271,980
<b>Fiscal B/C Ratio</b>	0.04	3.00	0.07	10.60
	<b>Project Results</b>	<b>Benchmarks for ESD Projects</b>		
<b>Economic Benefits<sup>5</sup></b>	\$1,287,970	\$119,468,000		
<b>Economic B/C Ratio</b>	0.36	20.00		

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

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

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

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

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



FOR CONSIDERATION

August 22, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Gainesville (Finger Lakes Region – Wyoming County) – Drasgow Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: Drasgow, Inc. ("Drasgow" or the "Company")

ESD\* Investment: A grant of up to \$125,000 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: 4150 Poplar Tree Road, Gainesville, Wyoming County

Proposed Project: Expansion of existing facilities and purchase new production equipment

Project Type: Business expansion involving job creation

Regional Council: The project is consistent with the Regional Plan's key goals to support advanced manufacturing, which depends on precision machining companies like Drasgow, to optimize business creation, retention and expansion, and to address the critical issue of urban and rural poverty in the region. Wyoming County is a highly distressed rural area.

Employment:	Initial employment at time of ESD Incentive Offer:	16
	Current employment level:	20
	Minimum employment on January 1, 2015:	26

## II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Building Construction/Renovation	\$568,000
Machinery & Equipment Acquisition	<u>352,000</u>

Total Project Costs \$920,000

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Grant	\$125,000	14%	
The Bank of Castile – Loan	216,000	23%	4.25% / 7 yrs / 1 <sup>st</sup> on M&E
The Bank of Castile – Loan	319,000	35%	4.25% / 20 yrs / 1 <sup>st</sup> on RE
Wyoming County IDA (“IDA”) – Loan	150,000	16%	5.25% / 20 years / 2 <sup>nd</sup> on RE
Company Equity	<u>110,000</u>	<u>12%</u>	
Total Project Financing	<u>\$920,000</u>	<u>100%</u>	

## III. Project Description

### A. Company

Industry: Drasgow, Inc., is a production machine shop that manufactures parts for assembly, specializing in semi-hardened materials and castings. Products include precision turned parts for mechanical locking fasteners, castings used in assemblies for starters and alternators, inserts for molding companies, and tool and die rework. In 2012, Drasgow became a registered ISO 9001:2008 company, which allows it to supply parts directly to Tier 1 automotive suppliers.

Company History: Incorporated in 2003 in the town of Sheldon, Drasgow outgrew its Sheldon facility in 2007 and constructed a 6,570-square-foot building at its current location in Gainesville.

Ownership: The Company is privately held and owned 100% by Karl Drasgow.

Size: All facilities are located in Gainesville, NY.

Market: The Company is a supplier to the automotive, truck, utility and plastic industries. Major end users include Toyota (KY), Chrysler (MI), and Navistar International Truck (IL).

**ESD Involvement:** The Company had outgrown its current facility and had been seeking to build an addition for almost a year. Due to its rapid growth, the Company did not have sufficient funds to proceed with an expansion project or the purchase of new machinery. The Company secured bank and IDA financing for its project. ESD's assistance was needed to fill the remaining funding gap to allow the project to proceed. As a result of the Governor's Regional Economic Development Council Initiative, Drasgow applied for and was awarded \$125,000 through the Consolidated Funding Application Round 2 process. The Incentive Proposal was accepted in February 2013.

**Competition:** Without ESD assistance, the Company would not be able to increase its capacity to meet the growing demand for its products among Tier 1 suppliers in the automotive industry.

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

**B. The Project**

**Completion:** July 2013 (building expansion phase)

**Activity:** The Company has completed a 9,216-square-foot expansion and renovation of its current facility in Gainesville. Drasgow is in the process of acquiring equipment including an electrical discharge machine with temperature controlled environment, four multi-spindle screw machines, and a big bore CNC lathe. The increased floor space will improve the Company's ability to serve a larger market share by enabling it to produce a higher volume of parts. Additionally, it expects the renovations to result in increased employee productivity due to improved material flow.

**Results:** The Company will retain 16 jobs and create 10 new jobs, four of which have already been created. This project will spur economic development in Wyoming County, a highly distressed community.

**Grantee Contact:** Karl Drasgow, President  
4150 Poplar Tree Road  
Gainesville, NY 14066  
Phone: (585) 786-3603

**ESD Project No.:** Y102

<b>Project Team:</b>	Origination	Kevin Hurley
	Project Management	Edward Muszynski
	Contractor & Supplier Diversity	Vikas Gera

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$125,000 capital grant (\$1,250) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$125,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$62,500) upon completion of the building expansion totaling approximately \$568,000, including a Certificate of Occupancy and documentation verifying employment of at least 16 Full-time Permanent Employees, 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 (\$31,250) upon completion and documentation verifying purchase and installation of an additional \$130,000 in machine and equipment (\$698,000 in aggregate project costs), and employment of at least 21 Full-time Permanent Employees (Employment increment of 5), provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to 25% of the grant (\$31,250) upon completion and documentation verifying purchase and installation of an additional \$100,000 in machine and equipment (\$798,000 in aggregate project costs), and

employment of at least 26 Full-time Permanent Employees (Employment increment of 5), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after February 21, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$125,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

Baseline Employment	16
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A	B
Reporting Date	Employment Goals
February 1, 2014	16+X+Y
February 1, 2015	16+X+Y
February 1, 2016	16+X+Y
February 1, 2017	16+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=5, and Employment Goals shall equal  $[16 + X = 21]$  if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=5, and Employment Goals shall equal  $[16 + X + Y = 26]$  if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

#### IV. Statutory Basis

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

As a result of this project, the Company will maintain its 16 employees and create 10 new jobs, four of which have already been created.

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

Without ESD assistance, the Company would not be able to capitalize on the growing demand for its products from Tier 1 automotive suppliers.

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

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

- Fiscal benefits to NYS government from the project are estimated at \$242,420;
- Fiscal cost to NYS government is estimated at \$125,000;
- Project cost to NYS government per direct job is \$25,362;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$13,803;
- Ratio of project fiscal benefits to costs to NYS government is 1.94:1;
- Fiscal benefits to all governments (state and local) are estimated at \$407,864;
- Fiscal cost to all governments is \$125,000;

- All government cost per direct job is \$25,362;
- All government cost per total job is \$13,803;
- The fiscal benefit to cost ratio for all governments is 3.26:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$1,970,981, or \$217,644 per job (direct and indirect);
- The economic benefit to cost ratio is 15.77:1;
- Project construction cost is \$568,000, which is expected to generate five direct job years and three indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.84 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is five years.

(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 Grantee shall be required to: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize Minority and Women Business Enterprises ("MWBE") 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 MWBE Participation Goal of 20% 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

Benefit-Cost Analysis

August 22, 2013

Regional Council Award – Gainesville (Finger Lakes Region – Wyoming County) – Drasgow Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Drasgow 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 Drasgow, Inc a grant for a total amount not to exceed One Hundred Twenty Five Thousand Dollars (\$125,000) 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.

\* \* \*

August 22, 2013

Regional Council Award – Gainesville (Finger Lakes Region – Wyoming County) –  
Drasgow Capital – Empire State Economic Development Fund – General Development  
Financing (Capital Grant) – Determination of No Significant Effect on the Environment

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

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

### Dragow, Inc. – 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.

<b>Initial Jobs:</b>	<b>16</b>	<b>Construction Job Years (Direct):</b>	<b>5</b>
<b>New Jobs:</b>	<b>10 over three years</b>	<b>Construction Job Years (Indirect):</b>	<b>3</b>

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks <sup>2</sup>	Project Results State & Local Government	State & Local Government Benchmarks
<b>Fiscal Costs<sup>3</sup></b>	\$125,000	\$794,250	\$125,000	\$1,020,500
<b>Fiscal Benefits<sup>4</sup></b>	\$242,420	\$2,085,600	\$407,864	\$4,271,980
<b>Fiscal Cost /Direct Job</b>	\$25,362	\$3,000	\$25,362	\$4,110
<b>Fiscal Cost/Total Jobs</b>	\$13,803	\$1,424	\$13,803	\$1,964
<b>Fiscal B/C Ratio</b>	1.94	7.00	3.26	10.60
	Project Results	Benchmarks		
<b>Economic Benefits<sup>5</sup></b>	\$1,970,981	\$119,468,000		
<b>Econ. Benefits/Total Jobs</b>	\$217,644	\$147,600		
<b>Economic B/C Ratio</b>	15.77	50.00		

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

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

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

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

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



FOR CONSIDERATION

August 22, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Canton and Village of Rensselaer Falls (North Country Region – St. Lawrence County) – DANC Broadband Capital – Regional Council Capital Fund (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: Development Authority of the North Country (“DANC”)

ESD\* Investment: A grant of up to \$250,000 to be used for a portion of the cost of broadband network installation in St. Lawrence County.

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

Project Locations: Canton and Village of Rensselaer Falls in St. Lawrence County.

Proposed Project: DANC will extend broadband service in Canton and the Village of Rensselaer Falls in St. Lawrence County.

Project Type: Installation of a broadband infrastructure network.

Regional Council: This project is consistent with the North Country Regional Council’s (“NCREDC”) Regional Plan and key development strategies to support affordable broadband access throughout the North Country Region and to foster development of small business and entrepreneurial activities. These broadband projects “fill gaps in the broadband backbone of the

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

North Country, helping to retain jobs, encourage entrepreneurs and

inspire young people with new opportunities. James Wright, Executive Director of The Development Authority of the North Country, is a member of the North Country Regional Economic Development Council. In conformance with the State’s policy, this individual has recused himself on votes recommending this project. The Council includes additional, ex-officio members who are elected officials but cannot vote on individual project recommendations.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Broadband Construction	\$278,864	
Equipment	3,500	
Planning	13,900	
Design & Engineering	<u>9,780</u>	
 Total Project Costs	 <u>\$306,044</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$250,000	82%
DANC Equity	<u>56,044</u>	<u>18%</u>
 Total Project Financing	 <u>\$306,044</u>	 <u>100%</u>

III. Project Description

A. Company

Industry: Public Authority

Company History: DANC was formed in 1985 and provides management, services and financing assistance for North Country regional economic development. DANC owns and operates the solid waste facility, water and wastewater system, and broadband telecommunications system and assists with planning and financing for housing and other economic development.

Ownership: DANC is a New York State public benefit corporation with a 13-member board of directors appointed by the Governor.

Size: DANC employs 54 people

Market: DANC provides services in the Jefferson, St. Lawrence, and Lewis Counties.

ESD Involvement: As part of the Governor’s Regional Economic Development initiative, DANC was awarded \$250,000 through the Consolidated Funding

Application process. DANC requested ESD assistance to help finance its broadband installation project in underserved North Country Communities. This broadband project would not be possible without ESD assistance.

Past ESD Support: From 1990 to 2007, the Development Authority of the North Country received \$11,677,500 in ESD grants for 32 projects in the North Country Region.

## B. The Project

Completion: December 2013

Activity: DANC will design and install an additional six miles of internet fiber cable and related broadband infrastructure network service in Canton and to the Village of Rensselaer Falls in St. Lawrence County. DANC will complete the work with their own employees and obtain subcontractors for certain work elements of the project. Broadband access is a basic requirement of business, commercial and government for effective and efficient communication operations.

Results: DANC will expand broadband service in St. Lawrence County for business users that do not have adequate broadband access. This DANC project will increase the internet bandwidth to the Corning Inc. facility, which is critical to retaining its 197 executive, technical, and manufacturing jobs in the rural North Country. This DANC project will assist Corning to better access and compete in the global marketplace for suppliers and customers. This project will also allow for expanded broadband connectivity locally and in the entire North Country Region.

### 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 \$19,039;
- Fiscal cost to NYS government is estimated at \$250,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.08:1;
- Fiscal benefits to all governments (state and local) are estimated at \$32,120;
- Fiscal cost to all governments is \$250,000;
- The fiscal benefit to cost ratio for all governments is 0.13:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$161,663;
- The economic benefit to cost ratio is 0.65:1;
- Project construction cost is \$302,544, which is expected to generate four direct job years and one indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.25 indirect job is anticipated in the state's economy;

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

Grantee Contact: James Wright, Executive Director  
 317 Washington Street  
 Watertown NY 13601  
 Phone: (315) 661-3200

ESD Project No.: X666

Project Team:	Origination	John Vandelloo
	Project Management	John Vandelloo
	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 Grantee shall pay a commitment fee of 1% of the \$250,000 capital grant (\$2,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so

requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Up to \$250,000 will be disbursed to Grantee upon documentation of broadband project costs totaling \$306,044, documentation of final testing acceptance and upon completion of the project substantially as described in these materials, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after March 28, 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 \$250,000, 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. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
  - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
  - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
  - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
  - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
  - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

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

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 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 Grantee shall be required to use "good faith efforts" to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 5%, related to the total value of ESD's 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  
Benefit-Cost Analysis

August 22, 2013

Regional Council Award – Canton and Village of Rensselaer Falls (North Country Region – St. Lawrence County) – DANC Broadband Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the Development Authority of the North Country a grant for a total amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*



FOR CONSIDERATION

August 22, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Brooklyn (New York City Region – Kings County) – Brooklyn Navy Yard/Macro Sea New Lab Capital – Port Authority Regional Bank (Capital Grant) and Urban and Community Development Program – Urban and Community Project Development Assistance (Capital Grant)

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

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General Project Plan

I. Project Summary

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

Beneficiary Company: Macro Sea, Inc. (“Beneficiary”)

ESD\* Investment: A grant of up to \$3,250,000 to be used for a pro-rata share of the cost of design and construction.

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

Project Locations: 63 Flushing Avenue, Building 128, Brooklyn, Kings County\*  
161 6<sup>th</sup> Avenue, 13<sup>th</sup> Floor, New York, New York County

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

Proposed Project: Design, renovations, and fit out of 84,000 square feet of space into a high-tech design and prototyping center

Project Type: Business expansion involving job retention and creation

Regional Council: This is a priority project for the New York City region and was awarded as part of the second round of the Regional Council Award process. The project addresses the New York City Regional Plan goals of growing businesses that are high-tech, innovative and provide incubators for business growth. The project is located within an opportunity zone that was designated by the New York City Regional Council. The project is located within the Green Manufacturing Building, which is also a Regional Council priority project.

Employment: Initial employment at time of ESD Incentive Offer: 5  
Current employment level: 5  
Minimum employment on January 1, 2016: 13

## II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Architecture & Engineering	\$4,401,058
Construction/Renovation	14,352,793
Furniture, Fixtures & Equipment	601,952
Rent Deposit	<u>500,000</u>

Total Project Costs \$19,855,803

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Grant (Y232)	\$1,250,000	6%	
ESD – Grant (Y622)	\$2,000,000	10%	
NYC Council – Grant	5,500,000	28%	
EB-5 – Loan	9,105,803	46%	*See below
Beneficiary Equity	<u>2,000,000</u>	<u>10%</u>	
Total Project Financing	<u>\$19,855,803</u>	<u>100%</u>	

\*New Lab will receive a 4.75% Interest only EB-5 loan from the New York City Regional Center, maturing after 60 months, with an option to extend for an additional 60 months. The leasehold on building 128 serves as collateral on the loan.

## III. Project Description

### A. Company

Industry: BNYDC leases the 300-acre Brooklyn Navy Yard from the City of New York and subleases to various light industrial tenants. The Brooklyn Navy Yard currently has more than 250 tenants that employ approximately 5,800

people.

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

**Ownership:** BNYDC is a not-for-profit local development corporation.

**Size:** BNYDC’s four million square feet of leasable space has been at full capacity for more than five years. BNYDC is in the midst of an eight-building redevelopment that will generate over 1.5 million square feet of new light-industrial space.

**Market:** BNYDC operates the Brooklyn Navy Yard as a modern industrial park.

**ESD Involvement:** As a result of the Governor’s Regional Economic Development Council Initiative, BNYDC and Macro Sea were awarded \$1,250,000 through the Consolidated Funding Application (“CFA”) to establish a high-tech and prototyping center. An additional \$2,000,000 has been awarded from Port Authority funds to close a financing gap.

**Past ESD Support:** Between 1992 and 1997, ESD disbursed approximately \$300,000 to BNYDC for four studies.

In addition, ESD is currently administering \$6 million in grants and \$12 million in New Markets Tax Credits to BNYDC for the overall redevelopment of 215,000 square feet of Buildings 28, 123 and 128 into the Green Manufacturing Center at the Brooklyn Navy Yard. No grant funds have been disbursed to date.

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

<b>Program</b>	<b>Project #</b>	<b>Amount</b>	<b>Date Start (ESD Directors’ Approval date)</b>	<b>Date End (Project Completion: Contract Expiration)</b>	<b>Purpose</b>
Downstate Revitalization Fund	W932	\$1,000,000	March 2011	December 2014	Capital Grant
Port Authority Transportation, Economic Development and Infrastructure Renewal	X771	\$5,000,000	August 2012	December 2014	Capital Grant

## B. The Project

Completion: December 2015 (estimated)

Activity: BNYDC is currently performing a \$58 million renovation of the shell of Buildings 28, 123 and 128 to turn the 215,000 square feet of space into the Green Manufacturing Center to be used by light industrial tenants. Macro Sea is one of the anchor tenants and will renovate and fit out 84,000 square feet of space into New Lab, a high-tech design and prototyping center.

Macro Sea is a real estate and design firm based in New York. Macro Sea was established in 2008 and is privately owned. It currently leases 6,000 square feet in the Brooklyn Navy Yard. Macro Sea has developed a diverse portfolio of projects in the past, including educational, arts, retail, and residential buildings and campuses.

New Lab will offer a fabrication shop with state-of-the-art 3D printers and prototyping machinery as well as traditional shop equipment. Macro Sea will sublease the space to universities, design firms and small manufacturing businesses and will create co-working collaborative work space and event/gallery space.

Results: New Lab will encourage the collaboration between design and fabrication by hosting a dynamic mix of designers, digital manufacturers, architects, graduate research facilities, and others in a hive of sustainable design and innovation. Working at the forefront of green technology advances, New Lab has received strong interest from a number of universities and companies. Macro Sea will retain 5 jobs and create 8 new jobs. In addition, it is anticipated that tenants will support approximately 300 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



Contractor & Supplier Diversity	Vikas Gera
Finance	Jonevan Hornsby
Design & Construction	Joe Burkard
Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee/Beneficiary shall pay a commitment fee of 1% of the \$3,250,000 capital grant (\$32,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee/Beneficiary will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's/Beneficiary's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee/Beneficiary or by investors, and should be auditable through Grantee/Beneficiary financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Beneficiary must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Beneficiary's payroll, who has worked at the Project Locations for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Beneficiary to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Beneficiary's payroll, who have worked at the Project Locations for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Beneficiary to other employees with comparable rank and duties.
5. Up to \$3,250,000 will be disbursed to the Grantee in installments as follows:
  - a) Up to \$2,437,500 will be disbursed to Grantee during the course of the design and/or construction no more frequently than quarterly, in compliance with ESD's Design and Construction requirements and in proportion to ESD's funding share, upon documentation of the employment of at least 5 Full-time Permanent Employees by the Beneficiary at the Project Locations and documentation of project expenditures, assuming that all project approvals have been completed and funds are available; and
  - b) a Final Disbursement of an amount equal to 25% of the grant (\$812,500) will be disbursed upon project completion, as evidenced by a certificate of occupancy,

documentation of architecture & engineering, construction/renovation, and furniture, fixture and equipment expenditure project costs totaling \$19,855,803, and documentation of the employment of at least 13 Full-time Permanent Employees at the Project Locations by the Beneficiary (Employment Increment of 8), provided Grantee/Beneficiary are 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 22, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$3,250,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Beneficiary will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee/Beneficiary shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

Baseline Employment	5
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A	B
Reporting Date	Employment Goals
February 1, 2014	5+X
February 1, 2015	5+X
February 1, 2016	5+X
February 1, 2017	5+X
February 1, 2018	5+X

X = Beneficiary's Employment Increment that will be the basis of the Final Disbursement of the Grant as described in section C.5 above (i.e. X=8, and Employment Goals shall equal [5 + X = 13] if the Final Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Final Disbursement has not yet been made then X=0.

8. Grantee agrees to impose the employment commitment, without condition, on the Beneficiary through documentation to be submitted to, and found acceptable by, ESD. Both the Grantee and Beneficiary will be identified as signatories to any forthcoming Grant Disbursement Agreement.

IV. Statutory Basis – Urban and Community Development Program

This project is authorized under Sections 5(4) and 16-d of the New York State Urban Development Corporation Act (the “Act”) and satisfies the eligibility criteria for an Urban and Community Project 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.

V. Design and Construction

The architects, Rogers Marvel Architects of New York City, are known to D&C and are qualified to perform the project.

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

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

## VI. Environmental Review

Pursuant to the State Environmental Quality Review Act (“SEQRA”), Article 8 of the Environmental Conservation Law and its implementing regulations (6 NYCRR Part 617), and in connection with the previous approval of funding for development of the Green Manufacturing Center, the ESD Directors made a Determination of No Significant Effect on the Environment at their meeting of March 23, 2011. Therefore, no further environmental review is required in connection with this action.

Due to the Brooklyn Navy Yard’s eligibility for inclusion in the New York State and National Registers of Historic Places, ESD has confirmed that the Project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”) pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. No further consultation is needed.

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

ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (“MWBEs”) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 40%. The overall goal shall include a Minority Business Enterprise (“MBE”) Participation Goal of 28% and a Women Business Enterprise (“WBE”) Participation Goal of 12% related to the total value of ESD’s funding.

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

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

## IX. Additional Submissions to Directors

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

August 22, 2013

Brooklyn (New York City Region – Kings County) – Brooklyn Navy Yard/Macro Sea New Lab Capital – Port Authority Regional Bank (Capital Grant) and Urban and Community Development Program – Urban and Community Project Development Assistance (Capital Grant) – Findings and Determinations Pursuant to Sections 10 (g) and 16 (d) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Brooklyn Navy Yard Development Corporation a grant for a total amount not to exceed Three Million Two Hundred and Fifty Thousand Dollars (\$3,250,000) from the Urban and Community Development Program and Port Authority 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.

\* \* \*



FOR CONSIDERATION

August 22, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Staten Island (New York City Region – Richmond County) – New York Container Terminal Capital – New York Works Program (Capital Grant)

REQUEST FOR: Affirmation of the Directors July 18, 2013 Findings and Determinations Pursuant to Section 10(g) of the Act; Affirmation of the General Project Plan

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I. Background

At their meeting on July 18, 2013, the ESD Directors made findings and determinations authorizing a \$15,000,000 grant to New York Container Terminal, LLC (“NYCT”) for a portion of the project cost of \$47,195,774 for lease expenses that are required as part of the lease extension that NYCT has executed with the Port Authority of New York and New Jersey (“PANYNJ”) that ensures that NYCT will stay at their Staten Island facility through 2029 (the “Project”).

A public hearing for the Project was held at St. George Library Center on Thursday, August 15, 2013, from 1:00 to 2:00 p.m. to consider the General Project Plan (“GPP”). ESD arranged the public hearing in accordance with all statutory requirements and applicable ESD policy. Specifically, a legal notice was published in the *New York Post* on August 4, 2013. The GPP was available at the office of the Richmond County Clerk, the New York City Clerk of the Council and the principal office of the Corporation. A transcript of the hearing is attached herewith.

No one spoke at the public hearing. However, in advance of the public hearing, ESD received a letter from the North Shore Waterfront Conservancy of Staten Island, Inc. (“NSWC”) with negative comments. These comments centered on the following issues: ESD did not conduct an environmental review and an objection to the timing and location of the public hearing. A copy of the letter sent by NSWC is included as an exhibit in the public hearing transcript.

## II. Negative Testimony and ESD Response

**Environmental Review:** NSWC commented that they object to the fact that ESD and NYCT are not conducting an environmental review on the Project and they request a copy of ESD's staff determination.

**Response:** The Project entails the first five years of lease payments that NYCT will make to PANYNJ under a recent lease extension between NYCT and PANYNJ. NYCT is an existing tenant. The proposed future use by NYCT does not directly include any change or expansion of NYCT's operations. Thus, ESD staff had 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. In addition, ESD staff had determined that no further environmental review was required in connection with the Project.

**Timing and Location of Public Hearing:** NSWC commented that it objects to the time of day that the public hearing was held and believes that interested residents would not be able to attend and participate in the public hearing in a meaningful way. In addition, NSWC objected that the public hearing was not being held closer to the location of the Project so residents from the impacted community could more easily participate. Lastly, NSWC requested that the public hearing be rescheduled to a different time and location.

**Response:** ESD arranged for the public hearing in accordance with all statutory requirements and applicable ESD policy. The hearing was publicly advertised, appropriate notice was given to local officials and the hearing was held during normal business hours. The public hearing was held in St. George, which is located within the jurisdiction of the same New York City community board, borough and county as the project. In addition, the public hearing location is easily accessible via public transportation. Further, ESD would have taken any written comments received by the close of the public hearing into consideration. Given the above response, ESD does not feel it is appropriate to reschedule the public hearing.

## III. Summary

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

## IV. Requested Action

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

Additional Submissions to Directors

Resolution

ESD Directors' Materials dated July 18, 2013

Transcript of the Public Hearing, dated August 15, 2013

August 22, 2013

Staten Island (New York City Region – Richmond County) – New York Container Terminal Capital – New York Works Program (Capital Grant) – Affirmation of the Directors’ July 18, 2013 Findings and Determinations Pursuant to Section 10(g) of the Act; Affirmation of the General Project Plan

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WHEREAS, as part of the public hearing held on the Plan ESD received negative comments from one interested party regarding environmental review of the Project, and the timing and location of the hearing; and

WHEREAS, ESD staff has addressed the negative comments as set forth in the attached materials; and it is hereby

RESOLVED, that on the basis of such materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the New York Container Terminal Capital – New York Works 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 ESD staff has adequately addressed the negative testimony presented as part of the hearing process and the Corporation hereby affirms such Plan shall be effective at the conclusion of such hearing; 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 New York Container Terminal, LLC a grant for a total amount not to exceed Fifteen Million Dollars (\$15,000,000) from the New York Works Program or such other funding source as may be available to the Corporation for which the Plan is eligible, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

FOR CONSIDERATION

August 22, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Manlius (Central New York Region – Onondaga County) – 3Gi CNYIP Capital – Regional Council Capital Fund (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: 3Gi CNYIP, Inc. (the “Grantee” or “3Gi CNYIP”)

ESD\* Investment: A grant of up to \$420,000 to be used for a portion of land acquisition costs.

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

Project Location: Kirkville & Girden Roads, Manlius, Onondaga County

Proposed Project: Implement phase one of a project to establish the Central New York Inland Port.

Project Type: Land acquisition to develop a multi-modal cargo transport center.

Regional Council: The project is a priority project for the Central New York Region and is consistent with the Central New York Strategic Plan’s priority goal to improve competitiveness in, and connections to, the regional, national and global economies by improving the Region’s physical infrastructure,

including air service, port access, road and rail infrastructure, and broadband connectivity, in order to get regional goods to national and global markets. The Incentive Proposal was accepted in May 2013.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Land Purchase	\$1,400,000	
Other Project Costs*	<u>670,000</u>	
<b>Total Project Costs</b>	<b><u>\$2,070,000</u></b>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$420,000	20%
Company Equity	<u>1,650,000</u>	<u>80%</u>
<b>Total Project Financing</b>	<b><u>\$2,070,000</u></b>	<b><u>100%</u></b>

\* May include market evaluation, SEQR/Environmental, engineering and design, permitting and town approvals, wetland mitigation planning, legal and miscellaneous transactional, and development fees.

III. Project Description

A. Company

**Industry:** 3Gi Terminals, LLC (“3Gi”), is a logistic transportation infrastructure company.

**Company History:** 3Gi, formed in 2012, is a partnership between Mohawk Global Logistics, a national third party logistics provider headquartered in Syracuse, NY, and fellow Syracuse companies Synapse Partners, LLC, a comprehensive environmental and business risk and insurance specialist firm, and real estate development firm Brang Commercial Real Estate Companies. 3Gi was created to develop the Central New York Inland Port project (“CNYIP”) and other projects to support the 3Gi transportation model, which is underway in response to the widening of the Panama Canal in 2015, and subsequent shifts in shipping and distribution patterns. The third generation intermodal services model is a new generation of intermodal models and operations that address emerging trade and transportation issues, specifically created by the Panama Canal expansion.

**Ownership:** The Company is privately owned. 3Gi Terminals, LLC, created an affiliate company, 3Gi CNYIP, Inc. (“3Gi CNYIP”), to serve as the grantee specifically for the Central New York Inland Port project.

Size: All facilities are located in Onondaga County, NY.

Market: Once developed, CNYIP will be a 115-acre cargo logistics park with the potential to operate 2 million square feet to support import, export and distribution to the United States and international markets. It will be positioned adjacent to CSX Dewitt Yard, operating on the CSX Main Line, centrally located in the Central New York Region, giving manufacturing and distribution companies and the region’s agricultural market a competitive advantage by providing cost efficient access to the U.S. and global marketplace. It is also strategically located geographically, locally and regionally adjacent to the Syracuse Hancock International Airport and four major interstate highways.

ESD Involvement: As a result of the Governor’s Regional Economic Development Council Initiative and the Grantee’s efforts in incorporating the 3Gi transportation model in Central New York, 3Gi CNYIP was awarded \$420,000 through the Consolidated Funding Application (“CFA”) process to complete Phase I of the multi-phase project. The overall project will be completed in phases, with the first phase to include site acquisition and planning and development soft costs to support future development phases of a multi-modal cargo transport center. Without the requested funding, the project would likely not take place.

Competition: N/A

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

B. The Project

Completion: May 2014

Activity: Based on the Panama Canal expansion project and the resulting increase in imports to the East Coast of the United States, 3Gi Terminals, LLC, will complete a multi-phase project to build the CNYIP, a transportation and distribution hub in Onondaga County, where import and export cargo containers will be transferred by rail to and from surrounding ports, including the Port Authority of New York/New Jersey. The project will also offer regional businesses a central location for cargo distribution serviced by rail and an opportunity for container pools, where empty containers can be logistically managed and offer a cost saving exporting opportunity currently not available to many businesses in the region.

This first phase of the overall project consists of the purchase of 90 acres of land located next to the CSX Dewitt rail yard and activities to make the site shovel-ready, which include project costs for market evaluation and

feasibility studies, engineering, design and development fees, permits and Town approvals, wetlands mitigation planning and environmental costs.

**Results:** The Project will provide immediate benefit to local businesses in the form of cost-efficient export opportunities, reduced shipping costs and access to the global marketplace. The creation of the CNYIP will reduce transportation costs and increase distribution opportunity for importers and exporters in Central New York and throughout New York State.

#### 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 \$43,773;
- Fiscal cost to NYS government is estimated at \$420,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.10:1;
- Fiscal benefits to all governments (state and local) are estimated at \$74,615;
- Fiscal cost to all governments is \$420,000;
- The fiscal benefit to cost ratio for all governments is 0.18:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$390,891;
- The economic benefit to cost ratio is 0.93:1;
- Project construction cost is \$670,000, which is expected to generate six direct job years and four indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.65 indirect job is anticipated in the state's economy;

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

Grantee Contact: Rich Roche, Executive Director  
3Gi Terminals LLC  
360 Erie Boulevard East  
Syracuse, NY 13202  
Phone: (315) 552-5480

ESD Project No.: Y334

Project Team:	Origination	Ray Lawrence
	Project Management	Jessica Hughes
	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 Grantee shall pay a commitment fee of 1% of the \$420,000 capital grant (\$4,200) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. Synapse Partners will guarantee the grant repayment obligation of its subsidiary, 3Gi CNYIP, Inc., in the event of a default, as defined in these materials or the Grant Disbursement Agreement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$420,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 60% of the grant (\$252,000) will be disbursed upon documentation of real estate acquisition project costs totaling \$1.4 million and documentation verifying the land purchase;
  - b) a Second Disbursement of 20% of an amount equal to the grant (\$84,000) will be disbursed, upon documentation of an additional \$300,000 in Other Project Costs as described in Sections II and III above;
  - c) a Third Disbursement of 20% of an amount equal to the grant (\$84,000) will be disbursed, upon documentation of an additional \$370,000 in Other Project Costs as described in Sections II and III above, upon completion of the project substantially as described in these materials, and assuming that all project approvals have been completed and funds are available.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 19, 2012, to be considered eligible project costs. 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 \$420,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
  - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
  - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
  - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
  - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
  - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

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

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 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 approval of funding to be used for a portion of the cost of land acquisition and related soft costs for the proposed CNYIP project constitutes a Type II action as defined in the New York State Environmental Quality Review Act ("SEQRA"), and therefore no environmental review is required in connection with the authorization. The development of the proposed CNYIP site is subject to review pursuant to SEQRA, which will be undertaken by a lead agency once it is established.

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 15% related to the total value of ESD's funding, and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

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

August 22, 2013

Regional Council Award – Priority Project – Manlius (Central New York Region – Onondaga County) – 3Gi CNYIP Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the 3Gi CNYIP Capital – Regional Council Capital Fund Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to 3Gi CNYIP, Inc. a grant for a total amount not to exceed Four Hundred twenty Thousand Dollars (\$420,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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

\* \* \*



## FINANCE MEMORANDUM

**TO:** Frances Walton  
**CC:** Rob Kwon  
**FROM:** Ross Freeman  
**DATE:** July 12, 2013  
**RE:** 3Gi CNYIP

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### Grantee

- Name: 3Gi CNYIP
- Corporate Location: Syracuse, NY
- Corporate Form: LLC
- Ownership: A partnership between Mohawk Global Logistics and Synapse Partners.
- Nature of Business: Transportation Infrastructure Company.
  - Major Customers: Cargo container companies
  - Major Competitors: N/A

### Guarantor

- Name: Synapse Partners, LLC

### Financial Information

- Information provided for: Synapse Partners, LLC
- Industry: Process, Physical Distribution & Consulting Services
- NAICS Code: 541614
- ESD credit rating (score): Satisfactory (3)
  - Profitability:
    - Sales: Increasing over 3 year historical period.
    - Profit Margin: Below industry median in most recent year.
    - EBITDA: Positive and increasing over 3 year period.
    - Net Income: Increasing over 3 year historical period.
  - Liquidity:
    - Current ratio: Below the industry median in most recent year and below 1.
  - Solvency:
    - Total debt/total assets: Below the industry median in most recent year and less than 65%.
    - EBITDA/Debt Service: Adequate

- Other:
  - Age of financial statements: over 6 months
  - Audit status: financial information compiled

**Synapse Partners, LLC**  
**Years Ending December 31**

	Industry Median	2010	2011	2012
Net Sales		6,976,190	9,944,290	11,180,167
EBITDA		12,732	248,476	368,966
Pre-tax Profit		(3,069)	214,035	164,072
Pre-tax profit/net sales	4.40%	-0.04%	2.15%	1.00%
Net Income		(3,069)	214,035	164,072
Current Assets		5,507,764	7,745,274	12,263,128
Current Liabilities		5,614,565	7,994,557	12,486,350
Current Ratio	2.20	0.98	0.97	0.98
Total Assets		5,565,826	9,194,748	13,733,798
Long-term Debt		210,510	1,417,393	1,515,164
Total Debt		210,510	1,622,893	1,727,164
Total Liabilities		5,614,565	9,334,680	13,858,301
Net Worth		(48,739)	(139,932)	(124,503)
Total debt/total assets	0.14	0.04	0.18	0.13
EBITDA/Debt Service		0.08	2.64	1.70

Additional Information

- The current ratio is below one because the Company is receiving payment for its services faster than it is required to make payments to its creditors.

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

**3Gi CNYIP, Inc. -Infrastructure 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 benefit not captured in the period of analysis and may involve no permanent job commitments, the table typically reflects only construction-related activity. Benchmarks for each type of project are noted in the footnotes.

**Construction Job Years (Direct): 6**

**Construction Job Years (Indirect): 4**

<b>Evaluation Statistics</b>	<b>Project Result NYS Govt.</b>	<b>NYS Govt. Benchmarks for ESD Projects<sup>2</sup></b>	<b>Project Results State &amp; Local Governments</b>	<b>State &amp; Local Government Benchmarks for ESD Projects</b>
<b>Fiscal Costs<sup>3</sup></b>	\$420,000	\$794,250	\$420,000	\$1,020,500
<b>Fiscal Benefits<sup>4</sup></b>	\$43,773	\$2,085,600	\$74,615	\$4,271,980
<b>Fiscal B/C Ratio</b>	0.10	3.00	0.18	10.60
	<b>Project Results</b>	<b>Benchmarks for ESD Projects</b>		
<b>Economic Benefits<sup>5</sup></b>	\$390,891	\$119,468,000		
<b>Economic B/C Ratio</b>	0.93	20.00		

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

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

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

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

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

FOR CONSIDERATION

August 22, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – East Syracuse (Central New York Region – Onondaga County) – U.S. Optical Capital – Regional Council Capital Fund (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: U.S. Optical, LLC (the “U.S. Optical” or the “Company”)

ESD\* Investment: A grant of up to \$225,000 to be used for a portion of the cost to purchase and install machinery and equipment.

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

Project Location: 6848 Ellicott Drive, East Syracuse, Onondaga County

Proposed Project: U.S. Optical will construct a 7,500-square-foot addition to its existing facility and purchase and install new machinery and equipment to expand its manufacturing capacity.

Project Type: Business expansion involving job retention and creation.

Regional Council: This is a priority project of the Central New York Regional Council. The Incentive Offer was accepted in January 2013. The project is consistent with the Central New York Regional Plan to support continued investment in advanced manufacturing and to invest in existing infrastructure assets continuing to develop industrial parks and existing advanced manufacturing sites.

Employment:	Initial employment at time of ESD Incentive Offer:	80
	Current employment level:	87
	Minimum employment on January 1, 2015:	96

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	\$985,000
Machinery and Equipment	<u>1,406,000</u>

Total Project Costs \$2,391,000

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Grant	\$225,000	9%	
First Niagara Bank – Line of Credit	739,075	31%	3.25%/12 mos./none
Company Equity	<u>1,426,925</u>	<u>60%</u>	

Total Project Financing \$2,391,000 100%

III. Project Description

A. Company

Industry: U.S. Optical is a wholesale optical lab that manufactures eyeglass lens prescriptions with a process known as freeform or digital manufacturing, using state-of-the-art digitized grinding equipment. The Company specializes in 24-hour service on in-house, freeform progressives lenses with anti-reflective coatings.

Company History: Ron, Robert and Ralph Cotran, each with over 20 years of experience in the optical industry, founded U.S. Optical in 2007. U.S. Optical specializes in freeform lens technology and manufacturing. Freeform lenses place the complete design of a progressive lens with a patient’s prescription on the back surface of a lens, unlike the common method of transcribing it on the front of the lens, making the lenses more accurate because the prescription is molded on the back of the lens and closer to the eye. Satisloh, based in Switzerland, developed freeform technology in 2006 and U.S. Optical was one of the first companies in the United States to manufacture lenses using this technology. Along with freeform lenses, U.S. Optical also manufactures traditional progressive lenses, polarized, trifocals, bifocals, single-vision, and transition lenses. Today, U.S. Optical delivers the newest technology in freeform/digitized progressive lenses such as the Seiko Succeed lens coated with anti-reflective coating and other progressive lenses including the Zeiss GT2, Kodak, Hoya and Shamir Autograph lenses.

Ownership: The Company is privately owned.

Size: All facilities located in East Syracuse, NY.

Market: U.S. Optical’s major customers include the Edward Beiner Group (Miami, FL), Luxury Optical Holdings (Las Vegas, NV), and Focal Point Opticians (Berkley, CA). Its major competitors include Essilor (Paris, France), the Carl Zeiss Group (Oberkochen, Germany), and Hoya Corporation (Tokyo, Japan).

ESD Involvement: U.S. Optical has been expanding rapidly since its creation in 2007. The Company has a state-of-the-art facility that competes globally as the only wholesale optical lab with 24-hour service for manufacturing prescription lenses with anti-reflective coating. To further expand its products and services, the Company sought to install a Crizal lab as a part of an expansion project and have the opportunity to work with thousands of doctors that only use Crizal. Crizal is a process that uses sophisticated nanotechnology to integrate and fuse the multiple anti-reflective, scratch-resistant and anti-particulate coating layers into one before it is applied to the lens and cut and mounted into the frame. Crizal coatings ensure perfectly clear vision. With a Crizal lab, the Company will be able to deliver high quality, highly technical eyeglass lenses to large companies such as Oakley, Nike, and Liberty Frames which is essential to its continued success. The expansion project will allow U.S. Optical to export products not only outside of New York State and throughout the country, but also in the global marketplace. As a result of the Governor’s Regional Economic Development Council Initiative, U.S. Optical was awarded \$225,000 through the Consolidated Funding Application (“CFA”) process to close an evidenced funding gap and go forward with the project. Without the requested funding, the project would likely not take place.

Competition: N/A

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

## B. The Project

Completion: December 2013

Activity: The Company has constructed a 7,500-square-foot addition to its existing facility to expand manufacturing capacity. It has constructed and equipped, within the addition, a new 3,500-square-foot clean room Crizal coating center as part of its new manufacturing process. The project also included renovations to portions of the existing facility to expand its customer service area, and the purchase and installation of an MEI edger which will cut and edge 50 pairs of eyeglass lenses per hour.

Results: The project will result in the retention of 80 existing jobs and the creation of 16 new jobs. The company has already created 7 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 \$460,399;
- Fiscal cost to NYS government is estimated at \$225,000;
- Project cost to NYS government per direct job is \$21,000;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$10,852;
- Ratio of project fiscal benefits to costs to NYS government is 2.05:1;
- Fiscal benefits to all governments (state and local) are estimated at \$772,230;
- Fiscal cost to all governments is \$225,000;
- All government cost per direct job is \$21,000;
- All government cost per total job is \$10,852;
- The fiscal benefit to cost ratio for all governments is 3.43:1;

- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$3,360,084, or \$162,056 per job (direct and indirect);
- The economic benefit to cost ratio is 14.93:1;
- Project construction cost is \$985,000, which is expected to generate nine direct job years and six indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.94 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is three years.

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

Grantee Contact: Ralph Cotran, Vice President  
6848 Ellicott Drive  
East Syracuse, NY 13057  
Phone: (315) 463-4800

ESD Project No.: Y160

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

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$225,000 capital grant (\$2,250) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a

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

5. Up to \$225,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$112,500) upon completion of construction/renovation as described in these materials, a Certificate of Occupancy or other documentation verifying completion of construction as ESD may require, documentation of the employment of at least 80 Full-time Permanent Employees at the Project Location, and project expenditures of at least \$2 million, 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 (\$56,250) will be disbursed upon completion of the project substantially as described in these materials, including documentation verifying purchase and installation of a total of at least \$1.4 million of machinery and equipment, documentation of the employment of at least 88 Full-time Permanent Employees at the Project Location (Employment Increment of 8), and project expenditures totaling approximately \$2.391 million (cumulative project costs), provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to 25% of the grant (\$56,250) will be disbursed upon documentation of the employment of at least 96 Full-time Permanent Employees at the Project Location (Employment Increment of 8), 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 August 1, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$225,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B

(an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

Baseline Employment	80
<b>A</b>	<b>B</b>
Reporting Date	Employment Goals
February 1, 2014	80+X+Y
February 1, 2015	80+X+Y
February 1, 2016	80+X+Y
February 1, 2017	80+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=8, and Employment Goals shall equal  $[80 + X = 88]$  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=8, and Employment Goals shall equal  $[80 + X + Y = 96]$  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

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

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

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

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

VIII. Additional Submissions to Directors

Resolutions  
New York State Map  
Benefit-Cost Analysis

August 22, 2013

Regional Council Award – Priority Project – East Syracuse (Central New York Region – Onondaga County) – U.S. Optical Capital – Regional Council Capital Fund (Capital Project) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to U.S. Optical, LLC a grant for a total amount not to exceed Two Hundred Twenty Five Thousand Dollars (\$225,000) 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.

\* \* \*

August 22, 2013

Regional Council Award – Priority Project – East Syracuse (Central New York Region – Onondaga County) – U.S. Optical Capital – Regional Council Capital Fund (Capital Project) – Determination of No Significant Effect on the Environment

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

\* \* \*



FOR CONSIDERATION

August 22, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Yonkers (Mid-Hudson Region – Westchester County) – Rising Development Yonkers Mill/Main Capital – Regional Council Capital Fund – (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: Rising Development Yonkers – Mill/Main, LLC (“Rising Development Yonkers Mill/Main” or the “Company”)

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

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

Project Locations: 2 Mill Street, Yonkers, Westchester County  
13 Main Street, Yonkers, Westchester County  
27 Main Street, Yonkers, Westchester County  
36 Main Street, Yonkers, Westchester County  
38 Main Street, Yonkers, Westchester County

Proposed Project: Renovation of five vacant buildings into a mixed-use development.

Project Type: Real estate development

Regional Council: The Mid-Hudson Regional Council designated this as a Priority Project to promote two of the Regional Council’s core strategies including: expanding natural resource related sectors by contributing to the daylighting of the Saw Mill River in downtown Yonkers; and revitalizing the region’s infrastructure by supporting the urban center of the City of Yonkers. It also spurs investment in what is currently a distressed area, and will contribute to the economic growth of downtown Yonkers.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Renovation/Construction	\$7,176,270
Contingency	232,153
Permits and Contractor Fees	764,708
Soft Costs	2,321,532
Developer Fee	923,552
Operating Loss Reserve	<u>150,000</u>
<b>Total Project Costs</b>	<b><u>\$11,568,215</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Grant	\$2,000,000	17%	
M&T Bank – Loan	5,316,389	46%	4%/25 yrs/first lien on RE
Yonkers IDA Sales Tax Waiver	313,640	3%	
NMTC Equity	2,750,000	24%	
Company Equity	<u>1,188,186</u>	<u>10%</u>	
<b>Total Project Financing</b>	<b><u>\$11,568,215</u></b>	<b><u>100%</u></b>	

III. Project Description

A. Company

Industry: Rising Development Yonkers - Mill/Main, LLC was established to redevelop the Project Locations.

Company History: Rising Development Yonkers, LLC was created in 2006 and controls approximately 15 parcels in downtown Yonkers. Affiliated entities currently own and operate approximately 15 commercial properties, all but 1 in New York City, containing 1 million-square-feet and a number of multi-family residential buildings in New York City and Yonkers.

Ownership: Rising Development Yonkers Mill/Main is privately-owned and is owned

by Rising Development Yonkers, LLC. Nicholas Sprayregen is the managing member of both entities.

Size: Rising Development Yonkers Mill/Main has one office in Yonkers.

Market: Real estate development project in downtown Yonkers.

ESD Involvement: As a result of the Governor's Regional Economic Development Council Initiative, Rising Development Yonkers, LLC was awarded \$2,000,000 through the Consolidated Funding Application ("CFA").

Competition: N/A

Past ESD Support: This is ESD's first project with Rising Development Yonkers Mill/Main.

### B. The Project

Completion: September 2015

Activity: The project involves the redevelopment and adaptive reuse of five vacant properties in downtown Yonkers that are owned by Rising Development Yonkers. The Company will create approximately 32 live/work lofts that will be designed to attract creative and high-tech entrepreneurs looking for an affordable urban lifestyle. In addition, over 17,000 square feet of cafes, restaurants and retail shopping will be created.

Results: This project is vital to realizing the vision for the City of Yonkers Mill Street courtyard and Saw Mill River daylighting. As a component to the public investment that is occurring in these projects, this project is an important private investment in close vicinity to these projects that will leverage the momentum of these investments and transform downtown Yonkers. This project will result in a much needed mix of retail, restaurant and live/work spaces, located one block from the Yonkers train station, making this a true transit oriented development initiative.

### 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 \$519,259;
- Fiscal cost to NYS government is estimated at \$2,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.26:1;
- Fiscal benefits to all governments (state and local) are estimated at \$901,211;
- Fiscal cost to all governments is \$2,000,000;
- The fiscal benefit to cost ratio for all governments is 0.45:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$5,007,654;
- The economic benefit to cost ratio is 2.50:1;
- Project construction cost is \$9,729,955, which is expected to generate 67 direct job years and 35 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.52 indirect job is anticipated in the state's economy.

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

Grantee Contact: Nick Sprayregen, Principal  
945 Summit Avenue  
Bronx, NY 10452  
Phone: (212) 368-1410

ESD Project No.: Y291

Project Team:	Origination	Monique Le Gendre
	Project Management	Brendan Healey
	Legal	Richard Dorado
	Contractor & Supplier Diversity	Denise Ross
	Finance	Jonevan Hornsby
	Design & Construction	Paul Palazzo
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$2,000,000 capital grant (\$20,000) and reimburse ESD

for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. Rising Development Yonkers, LLC will guarantee the grant repayment obligation of its subsidiary, Rising Development Yonkers – Mill/Main, LLC, in the event of a default, as defined in these materials or the Grant Disbursement Agreement.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after 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. Up to \$2,000,000 will be disbursed to Grantee according to one of the two following structures:
  - (i) If the New Markets Tax Credit financing structure is used, \$2,000,000 will be disbursed in a lump sum as an advance upon satisfaction of the requirements set forth on attached hereto as, EXHIBIT A — New Markets Tax Credit Requirements, and the following requirements:
    - (a) All project reviews, findings, authorizations and approvals have been completed and funds for the Project have been made available to ESD by the State.
    - (b) Grantee's execution and delivery to ESD of a Grant Disbursement Agreement ("GDA") and related documentation satisfactory to ESD.
    - (c) Written confirmations satisfactory to ESD that the Developer has received all necessary approvals and permits for the Project.
    - (d) Written confirmations that all equity investments and debt financing necessary to successfully complete the Project are in place and satisfactory to ESD.
  - (ii) If the New Market Tax Credit financing structure is not used, Grant Proceeds will be disbursed as reimbursement for eligible expenses during the course of construction no more frequently than quarterly, in compliance with the Design & Construction Requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facility, as evidenced by a certificate of occupancy for each property and any other documentation verifying project completion as ESD may require. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

Expenses reimbursed by ESD's grant must be incurred on or after June 28, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. Grant funds will be subject to pro rata recapture if property is sold within 5 years of disbursement of funds.

#### 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. Design and Construction

Design & Construction ("D&C") will review preliminary and final construction documents, will oversee release of funds for construction hard costs and at its option, attend construction meetings and monitor construction progress through project completion. D&C will review and approve contractor and developer requisitions and verify that all requirements have been satisfied prior to the approval and release of ESD funds from the project's imprest account.

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

#### VI. Environmental Review

The Yonkers Industrial Development Agency, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review, which was coordinated with ESD as an involved agency, found the project to be an Unlisted Action which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on July 31, 2013. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Due to the project's location within an area that is potentially eligible for listing as a historic district on the New York State and National Registers of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic

Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. No further consultation is required.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor Diversity policy will apply to the Project. Rising Development Yonkers shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 30%, Minority Business Enterprise ("MBE") Participation goal of 20% and a Women Business Enterprise ("WBE") Participation goal of 10% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

Resolutions  
Exhibit A – New Markets Tax Credits Requirements  
New York State Map  
Project Finance Memorandum  
Benefit-Cost Analysis

August 22, 2013

Yonkers (Mid-Hudson Region – Westchester County) – Rising Development Yonkers Mill/Main Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Rising Development Yonkers - Mill/Main, LLC a grant for a total amount not to exceed Two Million Dollars (\$2,000,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

August 22, 2013

Yonkers (Mid-Hudson Region – Westchester County) – Rising Development Yonkers Mill/Main Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Rising Development Yonkers Mill/Main Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

**EXHIBIT A**  
**New Markets Tax Credit Requirements**

Any term used in this Exhibit A and not defined therein shall have the meaning given in the General Project Plan or Incentive Proposal.

If a New Markets Tax Credit (“NMTC”) financing structure (requiring ESD to disburse the \$2,000,000 grant Grant Proceeds (“Grant Proceeds”) in a single lump sum disbursement)) is used for the Project, the structure of and all documentation for such financing that affect any use of the Grant Proceeds shall be satisfactory to ESD and shall provide for, among other things,

- (A) appropriate disbursement to the entity (the “Upper Tier Lender”) aggregating the Project’s Qualified Equity Investment (“QEI”) of the Grant Proceeds (as a portion of the QEI) simultaneously with the all of the contributions from the other Project investors so that the aggregate QEI is not less than that necessary for the successful completion the Project,
- (B) appropriate identification and segregation of the Grant Proceeds so that they are held for the benefit of ESD in an appropriate escrow or trust arrangement with the Upper Tier Lender,
- (C) the loan (the “Upper Tier Loan”) to the Project’s Community Development Entity (the “CDE”) by the Upper Tier Lender of the QEI proceeds pursuant to documentation that provides for appropriate identification and segregation of the Grant Proceeds so that such proceeds, inclusive of any Second Tier Loan (as defined below) documentation related to the Grant Proceeds, are held by the CDE for the benefit of ESD in an appropriate escrow or trust arrangement with the CDE,
- (D) the loans (collectively the “Second Tier Loans” and individually a “Second Tier Loan”) to the Developer by the CDE of the QEI monies, shall be structured so that the Grant Proceeds shall be identified and segregated and lent to the Developer pursuant to and as evidenced by a separate note/loan document and mortgage that shall,
  - (I) reflect the disbursement requirements set forth in the GDA, (including among other requirements the GDA’s Design & Construction requirements),
  - (II) incorporate the all of the requirements with respect to the eligible uses of the Grant Proceeds as set forth in the GDA,
  - (III) provide,
    - (a) for only quarterly disbursements,
    - (b) for the final 10% of the grant proceeds to be withheld and disbursed only upon completion of the project, as evidenced by certificates of

occupancy for each property and any other documentation verifying project completion satisfactory to ESD,

(c) that expenditures incurred prior to the date of the Grantee's written acceptance of ESD Incentive Proposal letter cannot be reimbursed by using the Grant Proceeds, and

(d) ESD Grant Proceeds will be subject to pro rata recapture from the Developer if any project real property is sold within 5 years of the date of disbursement to the Upper Tier Lender by ESD of the Grant Proceeds.

(IV) be subordinate in priority only to the Second Tier Loan with respect to the proceeds of primary lender's loan to the Upper Tier Lender for the QEI,

(V) have priority, pursuant to a subordination agreement signed by the CDE and all QIE investors, other than the primary lender in its capacity as the Project's primary lender, subordinating the Second Tier Loans relating to such investors' QEI contributions to the Second Tier Loan relating to the ESD Grant Proceeds,

(E) each of the Upper Tier Lender, the CDE, and the Developer shall in a written undertaking agree that for the benefit of ESD,

(I) the Developer shall only use the Grant Proceeds for the eligible uses of the Grant Proceeds set forth in the GDA, and the Grant Proceeds shall be disbursed only in accordance and compliance with the GDA (including its Design & Construction requirements) for reimbursement to the Developer of GDA eligible expenses incurred during the course of the Project's design and/or construction,

(II) that with respect to the Grant Proceeds, the aggregate disbursements of Second Tier Loans proceeds shall be disbursed to the Developer in the proportion that the amount of ESD's QEI investment of the Grant Proceeds bears to the amount of the QEI investments of the other QEI investors,

(III) 10% of the Grant Proceeds, shall be withheld by the CDE and disbursed to the Developer only upon completion of the Project, as evidenced by certificates of occupancy for each property and any other documentation verifying project completion satisfactory to ESD,

(IV) the CDE shall not release the Second Tier Loan funds related to the Grant Proceeds until (a) ESD receives the documentation required pursuant to the GDA, including invoices and such other documentation as ESD may reasonably require, and (b) ESD has given its written approval of such release,

- (V) during the periods that Grant Funds are held by each of the Upper Tier Lender (prior to disbursement to the CDE) and the CDE (prior to disbursement to the Developer) the Grant Proceeds shall be invested in accordance with ESD's Investment Regulations in investments that produce the highest rates available to the holder for funds held by the holder for such periods, and all amounts received on such investments shall be paid quarterly to ESD, and the CDE shall provide to ESD, promptly after receipt thereof copies of all account statements, and reports in accordance with reporting requirements satisfactory to ESD.
- (VI) prior to any disbursement on the Second Tier Loans, the Developer shall furnish to the CDE and ESD a bond for the payment of all lawful claims of subcontractors, materialmen, and workmen arising out of performance of the Project work and also a bond for the full performance and completion of the Project, and each such bond shall be in a form and signed by a surety satisfactory to ESD.
- (VII) no documentation affecting the ESD Grant Proceeds shall be modified or supplemented without ESD's prior written consent, and
- (VIII) in the event that the Project is not completed or is terminated, the CDE must promptly notify ESD, and the CDE shall have 2 months from the date of such non-completion or termination to propose to ESD the redeployment to another program eligible NMTC project located in New York State of the remaining Grant Proceeds, and if such project is satisfactory to ESD, then the proposed application of such Grant Proceed to such project shall be subject to all requirements that ESD determines to be applicable to such a project, including, among other requirements, environmental, historic preservation, and smart growth reviews, equal opportunity and participation of MBEs and WBEs, public hearings, appropriate actions, findings, and authorizations by the ESD Directors, and review and approval by the Public Authorities Control Board and other government officials.

# Empire State Development

FOR CONSIDERATION

August 22, 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
	<b>Empire Opportunity Fund (Executive)</b>			
A	Museum of American Armor EOF Capital	U377	Museum of American Armor	\$0*
	* This grant was approved by the ESD Directors on December 18, 2006 and an amendment was approved on February 16, 2012. The subject request is to reallocate the remaining grant to a new grantee and project location, and does not involve new funding.			
	<b>Local Assistance (Senate)</b>			
B	SCIDA – Former Seneca Army Depot Capital	Y546	Seneca County Industrial Development Agency	600,000
C	Long Island Regional Planning Council Working Capital	Y555	Long Island Regional Planning Council	250,000
	<b>Capital Projects Fund/Economic Development/Other (Senate)</b>			
D	Utica Memorial Auditorium Facility Improvement Capital	Y625	Upper Mohawk Valley Memorial Auditorium Authority	2,000,000
	<b>TOTAL NON-DISCRETIONARY – 4 PROJECTS</b>		<b>TOTAL</b>	<b>\$2,850,000</b>

I. Statutory Basis

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

II. Environmental Review

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

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

III. Non-Discrimination and Contractor & Supplier Diversity

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

IV. ESD Employment Enforcement Policy

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

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

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

## VI. Additional Requirements

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

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

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

## VII. Additional Submissions to Directors

New York State Maps  
Resolutions  
Project Summaries

August 22, 2013

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

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

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

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

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

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

Empire Opportunity Fund – Executive - Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	Museum of American Armor EOF Capital	U377	Museum of American Armor	0*
	* This grant was approved by the ESD Directors on December 18, 2006 and an amendment was approved on February 16, 2012. The subject request is to reallocate the remaining grant to a new grantee and project location, and does not involve new funding.			
			<b>TOTAL</b>	<b>\$0</b>

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

\* \* \*

August 22, 2013

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

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

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

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

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

Local Assistance – Senate – Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
B	SCIDA – Former Seneca Army Depot Capital	Y546	Seneca County Industrial Development Agency	\$600,000
C	Long Island Regional Planning Council Working Capital	Y555	Long Island Regional Planning Council	250,000
			<b>TOTAL</b>	<b>\$850,000</b>

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

\* \* \*

August 22, 2013

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

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

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

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

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

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

Capital Projects Fund – Senate – Project Summary Table

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
D	Utica Memorial Auditorium Facility Improvement Capital	Y625	Upper Mohawk Valley Memorial Auditorium Authority	2,000,000
			<b>TOTAL</b>	<b>\$2,000,000</b>

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

\* \* \*

August 22, 2013

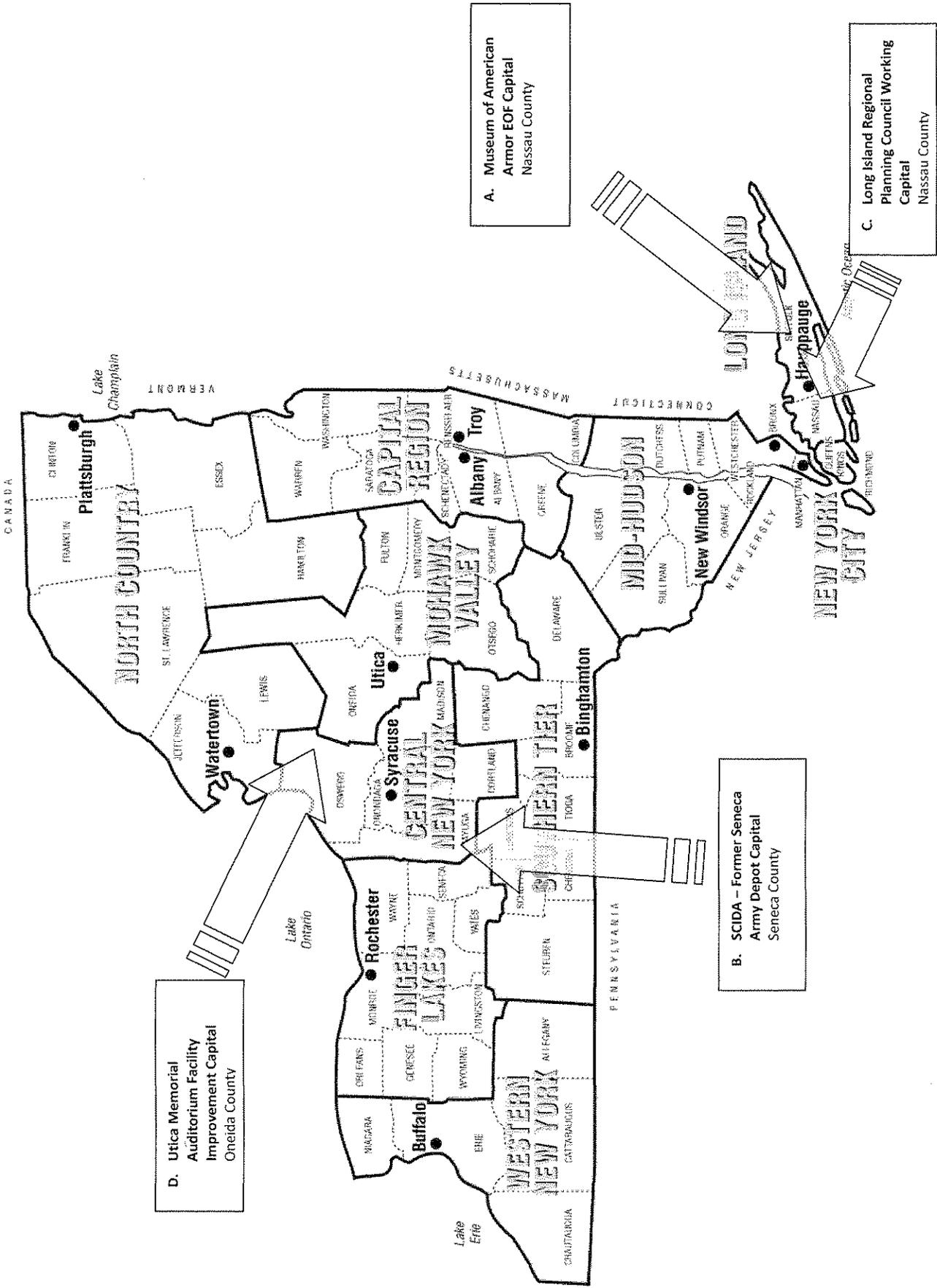
Old Bethpage (Long Island Region – Nassau County) – Museum of American Armor EOF  
Capital – Empire Opportunity Fund - Capital Grant – Determination of No Significant  
Effect on the Environment

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

\* \* \*

**Empire Opportunity Fund, Local Assistance and  
Capital Projects Fund/Economic Development-Other**





**A. Museum of American Armor EOF Capital (U377)**

August 22, 2013

Authorization to Amend the General Project Plan

- Original Grantee:** American Airpower Museum (“AAM”)
- New Grantee:** Museum of American Armor (“MOAA”)
- ESD Investment:** \$1,000,000 approved on December 18, 2006 (Empire Opportunity Fund). As of August 2013, there is a remaining balance of \$980,141.
- Original Project Location:** 1230 New Highway, East Farmingdale, Nassau County (“Republic Airport”)
- New Project Location:** 1303 Round Swamp Road, Old Bethpage, Nassau County
- Proposed Amendment:** Reallocation of the remaining grant funds from American Airpower Museum to Museum of American Armor to construct a facility (the “Museum”) at the New Project Location.
- Project Type:** Construction of the 25,000-square-foot Museum that will exhibit military vehicles.
- Regional Council:** The Long Island Regional Council has been made aware of this item. The project pre-dates the Regional Council Initiative. The project is consistent with the Regional Council Plan to foster investments in tourism.
- Background:**

Organizational History – The Museum of American Armor was founded in 2013 by Lawrence Kadish for the construction of the new Museum that will showcase historic military vehicles and working World War II armor. The Museum will be located in Old Bethpage Village Restoration in Nassau County. The MOAA will complement the American Airpower Museum by adding a depth of understanding of American military history, while creating additional New York heritage and tourism synergy and honoring American G.I.s.

Ownership – The Grantee is a not-for-profit, 501 (c) 3 organization.

Size – The MOAA has one full-time director, a part-time marketing and administrative assistant, and 36 volunteers.

## Museum of American Armor EOF Capital (U377)

August 22, 2013

Industry – Education/Historic Tourism

ESD Involvement – These materials refer to and include, in their entirety, the attached materials presented to and approved by the Directors on December 18, 2006 (the “Materials”), which were modified on February 16, 2012 (the “Modification”). Any substantive changes to the project or terms and conditions are noted in these materials.

Past ESD Support – This is the first grant to the MOAA.

### The Project:

Completion – November 2013

Activity – As a result of a series of stalled Federal Aviation Administration (“FAA”) and Department of Transportation (“DOT”) approvals that ranged from environmental to aviation related issues, the original project as approved in December 2006 and modified in February 2012 cannot move forward.

The original project scope, approved in December 2006, involved the demolition of the AAM’s current facility (in response to FAA requests to expand runway protection zones) and the construction of a new 35,000-square-foot, state-of-the-art, energy-efficient hangar at Republic Airport that would address both expansion and security needs. However, the FAA halted plans to demolish the hangar at Republic Airport in 2011 due to a historic designation by the New York State Department of Parks, Recreation and Historic Preservation. In February 2012, the AAM requested, and ESD Directors approved, a modification to the original project scope to construct a prefabricated World War II Period “Quonset” hangar within the property lines of the Republic Airport. The Quonset hangar was to serve as an exhibit annex and to enhance the AAM’s contribution to the region’s economy and strengthening its ability to present operational World War II armor, as well as unique and historic aircraft.

Due to FAA code restrictions and the length of time to obtain FAA approvals, in addition to the difficulty of creating a museum annex that offers easy public assembly in a section of the airport that is surrounded by active taxiways, the Quonset Hangar project has become problematic and has stalled indefinitely.

The current project involves the construction of a new 25,000-square-foot facility, the Museum of American Armor, at 1303 Round Swamp Road in Old Bethpage. The new Museum will be in keeping with the spirit of the original project, which was intended to create a facility that pays tribute to the American vehicles that were used in the liberation of Europe and the Pacific during World War II.

## Museum of American Armor EOF Capital (U377)

August 22, 2013

The MOAA commenced site preparation in June 2013. Utilities, sewer and water work began in July 2013, with the foundation of the building being laid in August 2013. Construction is expected to complete in November 2013.

Results – The MOAA hopes that locating the Museum in the unique setting of vintage farmhouses and country roads will result in a virtual time machine that ensures a powerful regional, national and international destination for visitors. In addition, the ability to create an integrated marketing program between the AAM and the MOAA will generate significant tourism dollars and economic activity in both Nassau and Suffolk counties.

**The revised budget is as follows:**

### Revised Scope and Budget

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction	\$2,345,325	ESD Grant	\$980,141	38%
Soft Costs	202,990	Pratt Brothers	368,174	14%
		Donation - Lawrence Kadish, MOAA Founding Chairman	1,000,000	39%
		Nassau Suffolk Carpenters Union	200,000	8%
Total Project Costs	\$2,548,315	Total Project Financing	\$2,548,315	100%

New Grantee Contact – Gary Lewi, Vice President  
1303 Round Swamp Road  
Old Bethpage, NY 11804  
Phone: (212) 843-8010 Fax: (212) 843-9200

Project Team –

Project Management	Simone Bethune
Affirmative Action	Vikas Gera
Design & Construction	Barbara Helm
Environmental	Soo Kang

## Museum of American Armor EOF Capital (U377)

August 22, 2013

### Financial Terms and Conditions:

1. Upon execution of the Grant Disbursement Agreement, the Grantee will 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 material or adverse changes in its financial condition prior to disbursement.
3. Up to \$980,141 will be disbursed to Grantee during the course of the project no more frequently than monthly, in compliance with ESD's Design and Construction requirements, 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 1, 2004, to be considered reimbursable project costs
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$980,141, 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.

### Statutory Basis – Empire Opportunity Fund

#### Section 10 Civic Findings:

1. That there exists in the area in which the projects are to be located a need for the educational, cultural, recreational, community, municipal, public service or other civic facility to be included in the projects.  
The MOAA expects to increase the number of visitors previously enjoyed by the AAM from 45,000 to 70,000 visitors annually. The park in which the MOAA will be constructed currently entertains 115,000 visitors annually.
2. That such projects shall consist of a building or buildings which are suitable for educational, cultural, recreational, community, municipal, public service or other civic purposes.  
The MOAA will be a new state-of-the-art 25,000-square-foot facility which will be located at Old Restoration Park to allow the visiting public to safely access the collection of World War II aircraft and other exhibits.
3. That such projects 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

## Museum of American Armor EOF Capital (U377)

August 22, 2013

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 projects.

The facility will be owned and managed by the MOAA, which is a not-for-profit corporation formed for the purpose of protecting and preserving historical aircraft.

4. That the plans and specifications assure adequate light, air, sanitation and fire protection.  
MOAA will create a museum that meets and/or exceeds current state and local building codes, assuring adequate light, air, and sanitation and fire protection
5. That the proposed facilities or project is consistent with any existing local or regional comprehensive plan.  
The MOAA will be constructed on Nassau County park property.
6. 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.

### **Design and Construction:**

ESD will reimburse for architectural and engineering fees, site preparation and construction for the new museum facility. The construction documents will be reviewed and payments will be made when Design & Construction requirements have been met.

### **Environmental Review:**

The Nassau County Planning Commission, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on May 2, 2013. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

### **Affirmative Action:**

ESD's Non-Discrimination and Affirmative Action policy will apply. The Grantee is encouraged to use its best efforts to achieve a Minority Business Enterprise participation goal of 10% and a Women Business Enterprise participation goal of 5% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the construction work related to the project and to include minorities and women in any job opportunities created by the project.

**Museum of American Armor EOF Capital (U377)**

August 22, 2013

**Disclosure and Accountability Certifications:**

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

**Attachments:** ESD Directors' Materials dated December 18, 2006. ESD Directors Modification dated February 16, 2012.

**Empire Opportunity Fund**  
**American Airpower Museum Capital (U377)**  
December 18, 2006

General Project Plan

**Grantee:** American Airpower Museum at Republic (“AAMR” or the “Museum”)  
**Address:** 1230 New Highway  
East Farmingdale, NY 11735  
**Contact:** Gary Lewi, Esq.  
Phone: (212) 843-8010

**Project Location:** Republic Airport, East Farmingdale, Nassau County

**NYS Empire Zone (or equivalent):** N/A

**Economic Impact of Project:**

Increased Economic Activity: The project will act as an economic catalyst for the area by bringing an estimated 45,000 visitors annually to the Museum.

**ESD Investment:** A grant of up to \$1,000,000 to be used for a portion of the cost of engineering and architectural fees, environmental site studies, foundation preparation, and construction.

<b>Project Team:</b>	Project Management	Andrew T. Fletcher
	Affirmative Action	Laverne Poole
	Design & Construction	Edouard Decatrel
	Environmental	Soo Kang

**Project Completion:** December 2007

**Project Description:**

Background

AAMR is located at the Republic Airport in Farmingdale, New York. Branded as a “living aviation museum,” the historical tourist destination has been operating out of a sixty-six-year-old structure since arriving at Republic Airport in 1999. This structure, which has attracted an average of 45,000 people annually for each of the past six years, has been marked for demolition by the Federal Aviation Administration (“FAA”) as the FAA has been order by the federal government to create broader runway protection zones. In addition to the Museum’s permanent display of working World War II fighter planes, it hosts many visiting historic and current military aircraft. Since 2000, ESD has approved and disbursed grants totaling \$1,050,000 to AAMR.

**Empire Opportunity Fund  
American Airpower Museum Capital (U377)  
December 18, 2006**

The Project

With the FAA requiring demolition of the Museum's current facility to create broader runway protection zones, the Museum will construct a new 35,000-square-foot, state-of-the-art, energy-efficient hangar at Republic Airport that will address both the expansion and security needs. The new AAMR will be constructed on a five-acre site adjacent to the airport and is scheduled to be completed by the end of 2007. ESD's funds will be used to cover the cost of engineering and architectural fees, environmental site studies, foundation preparation, and construction.

Financing Uses	Amount	Financing Sources	Amount	Percent
Site Preparation	\$200,000	ESD Grant	\$1,000,000	20%
Fees	75,000	Federal Aviation Administration & Fundraising	4,000,000	80%
Construction	4,725,000			
Total Project Costs	\$5,000,000	Total Project Financing	\$5,000,000	100%

**Financial Terms and Conditions:**

1. At the time of disbursement, ESD will be reimbursed for all out-of-pocket expenses incurred in connection with the project.
2. The Museum will be obligated to advise ESD of a materially adverse change in financial condition prior to disbursement.
3. Upon receipt of the executed Grant Disbursement Agreement and satisfaction of the conditions set forth in the Agreement, ESD shall disburse to the Grantee \$1,000,000.

For these funds, Grantee will establish the account at a bank mutually acceptable to ESD and the Grantee. All such monies deposited in the account shall be invested in or collateralized by United States Treasury Securities or other investments authorized by ESD and the Grantee.

By December 31 of each year, until ESD funds are expended and total project costs have reached \$5,000,000, Grantee will provide to ESD a report of the use of funds for the year, with invoices and proof of payment for all funds spent. Grantee will provide ESD with a Final Report assessing the success of the project. Expenses must be incurred after April 1, 2004, to be considered eligible project costs.

4. ESD may reallocate the project funds to another form of assistance, at an amount no

**Empire Opportunity Fund**  
**American Airpower Museum Capital (U377)**  
December 18, 2006

greater than \$1,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

**Environmental Review:**

The New York State Department of Transportation, 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 would not have a significant effect on the environment. ESD staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

**Design & Construction:**

Design & Construction ('D&C') staff will review the design and construction documents, addendums, cost estimates, and monitor the bid /contract award process. D&C staff will attend construction meetings, monitor the construction, review and approve change orders, contractor requisitions and verify that all its requirements have been satisfied prior to construction completion and final payment.

**Statutory Basis – Empire Opportunity Fund:**

Section 10 Civic Findings:

1. That there exists in the area in which the projects are to be located a need for the educational, cultural, recreational, community, municipal, public service or other civic facility to be included in the projects. The Museum at its current location draws 45,000 visitors each year but due to the federal government ordering the FAA to create broader runway protection zones, a new museum is needed.
2. That such projects shall consist of a building or buildings which are suitable for educational, cultural, recreational, community, municipal, public service or other civic purposes. The Museum's, new state-of-the-art 35,000-square-foot energy-efficient hangar at Republic Airport will allow the visiting public to safely access the collection of World War II aircraft and other exhibits.
3. That such projects 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 projects. The facility will be owned and managed by the AAMR, which is a not-for-profit corporation formed for the purpose of protecting and preserving historical aircraft.

**Empire Opportunity Fund**  
**American Airpower Museum Capital (U377)**  
December 18, 2006

4. That the plans and specifications assure adequate light, air, sanitation and fire protection. AAMR will create a museum that meets and/or exceeds current state and local building codes, assuring adequate light, air, and sanitation and fire protection.
5. That the proposed facilities or project is consistent with any existing local or regional comprehensive plan. The AAMR project involves state and local governments, and is consistent with the FAA's plan to create broader runway protection zones.
6. 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.

Empire Opportunity Fund Determinations

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

December 18, 2006

East Farmingdale (Nassau County) – American Airpower Museum Capital – Empire Opportunity Fund - Determination of No Significant Effect on the Environment

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

\* \* \*



## B. American Airpower Museum EOF Capital (U377)

February 16, 2012

### Authorization to Amend the General Project Plan

- Grantee:** American Airpower Museum (“AAM” or the “Museum”)
- ESD Investment:** \$1,000,000 approved on December 18, 2006 (Empire Opportunity Fund)
- Project Location:** 1230 New Highway, East Farmingdale, Nassau County
- Proposed Project:** The Museum has requested that ESD modify its project scope and budget to focus on the acquisition of a prefabricated World War II Period “Quonset” hangar.
- Project Type:** Expansion of facilities through the acquisition of a “Quonset” hangar.
- Regional Council:** The Long Island Regional Council has been made aware of this item. The project pre-dates the Regional Council Initiative.

### **Background:**

Industry - AAM is located at the Republic Airport in Farmingdale, New York. Branded as a “living aviation museum,” the historical tourist destination has been operating out of an authentic World War II structure since arriving at Republic Airport in 1999.

Market – The Museum attracts an average of 45,000 people annually. In addition to its permanent display of working World War II fighter planes, it hosts many visiting historic and current military aircraft.

ESD Involvement – These materials refer to and include, in their entirety, the attached materials presented to and approved by the Directors on December 18, 2006 (the “Materials”). Any substantive changes to the project or terms and conditions are noted in these materials.

Past ESD Support – Since 2000, the ESD Directors have approved \$1.1 million in funding to the Museum for a variety of projects, including the acquisition of aircraft, exhibits and restoration. All projects have been successfully completed, and funds fully disbursed.

## American Airpower Museum EOF Capital (U377)

February 16, 2012

### The Project:

Completion – December 31, 2012

Activity – The current structure has been marked for demolition by the Federal Aviation Administration (“FAA”), as the FAA has been ordered by the federal government to create broader runway protection zones.

Subsequent to ESD Directors’ approval in December 2006, an historic designation by the New York State Department of Parks, Recreation and Historic Preservation has required the FAA halt all plans to demolish the Museum’s hangar at Republic Airport.

In recent news, the AAM has established a lucrative educational partnership with York College (“York”) / CUNY Aviation Institute. This partnership, notably the collaboration on developing the Tuskegee Airmen Exhibit at York College, is also beneficial to a wide array of college curricula not limited to aviation management, but to those of history, marketing and to York’s K-12 partners as well. Additional funding from AAM’s long-time supporters, such as the Stop & Shop Supermarket Company, has strengthened this project.

Revised Scope and Budget - The Museum has requested that ESD modify its scope and budget to focus on the acquisition of a prefabricated World War II Period “Quonset” hangar.

Results - The Quonset hangar would serve as a museum exhibit annex and thereby enhance the Museum’s contribution to the region’s economy by strengthening its ability to present operational WWII armor, as well as unique and historic aircraft.

It is anticipated that construction on the project will start in the winter of 2012 and be complete by the end of the year.

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction	\$1,529,336	ESD Grant	\$1,000,000	48%
Architectural and Engineering Fees	200,000	York College/ CUNY Aviation Institute	899,336	43%
Site Preparation	360,000	Local 138 IUOE - In Kind	150,000	7%
		Stop & Shop Contribution	40,000	2%
Total Project Costs	\$2,089,336	Total Project Financing	\$2,089,336	100%

**American Airpower Museum EOF Capital (U377)**

February 16, 2012

<u>Project Team</u> -	Project Management	Genevieve Carr
	Affirmative Action	Gowshihan Sriharan
	Design & Construction	Barbara Helm
	Environmental	Soo Kang

**Financial Terms and Conditions:**

1. Upon execution of the Grant Disbursement Agreement, the Grantee will 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 material or adverse changes in its financial condition prior to disbursement.
3. Grantee will continue to maintain an account at a bank mutually acceptable to ESD and the Grantee. All such monies deposited in the account shall be invested as per ESD's Directors approved investment guidelines. The Grantee may, no more frequently than monthly, seek authorization from ESD to draw down funds for eligible costs from the imprest account in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. Any and all requests to draw down funds will be made upon presentation to ESD of an invoice and other such documentation as ESD may reasonably require.
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.

**Design and Construction:**

ESD will reimburse \$ 1 million for architectural and engineering fees, site preparation and construction for the Quonset hangar. The construction documents will be reviewed and payments will be made when Design & Construction requirements have been met.

**Environmental Review:**

ESD staff has determined that the project as modified 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 project.

**American Airpower Museum EOF Capital (U377)**

February 16, 2012

Due to the project's location within a historic district, eligible for listing in the National Register of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. No further consultation is required.

**Affirmative Action:**

ESD's Non-Discrimination and Affirmative Action policy will apply. The Grantee is encouraged to use its best efforts to achieve a Minority Business Enterprise participation goal of 10% and a Women Business Enterprise participation goal of 5% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the construction work related to the project and to include minorities and women in any job opportunities created by the project.

**Disclosure and Accountability Certifications:**

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

**Attachments:** ESD Directors' Materials dated December 18, 2006



## B. SCIDA – Former Seneca Army Depot Capital (Y546)

August 22, 2013

### General Project Plan

- Grantee:** Seneca County Industrial Development Agency (“SCIDA”)
- Beneficiary Company:** New York State Electric and Gas Corporation (“NYSEG”)
- ESD Investment:** A grant of up to \$600,000 to be used for a portion of the cost of electrical infrastructure upgrades.
- Project Location:** 5786 State Route 96, Romulus, Seneca County
- Proposed Project:** Funding for electrical improvements to assist in the redevelopment of the former Seneca Army Depot (the “Depot”).
- Project Type:** Infrastructure improvements
- Regional Council:** The Finger Lakes Regional Council has been made aware of this item. The project predates the Regional Council Initiative. The project is consistent with the Regional Plan as it aids in the attraction of industry to the region and to the Depot specifically. Additionally, a critical issue and specific goal of the Regional Council is to address aging and obsolete infrastructure.

### **Background:**

Industry – Seneca County Industrial Development Agency and its sister agency Seneca County Economic Development Corporation (“SCEDC”) promote economic development in Seneca County (the “County”). The primary purpose of the two organizations is to promote private sector commercial and industrial development, and advance the job opportunities and economic welfare of the people of the County. The Depot, a 10,000-acre former military installation, is one of the largest development sites in New York State. Civilian uses targeted at the Depot include institutional, industrial, commercial, warehousing, technology and green energy.

Organization History – SCIDA was created in 1973 by an act of the New York State Legislature. In the past 25 years, SCIDA has helped bring more than 5,000 new jobs to the County. SCIDA has helped to recruit and expand more than 100 companies.

NYSEG serves 877,000 electricity customers and 261,000 natural gas customers across more than 40% of upstate New York. NYSEG was acquired by Iberdrola USA in 2007. Iberdrola USA is an energy services and delivery company with more than 2.4 million

## SCIDA – Former Seneca Army Depot Capital (Y546)

August 22, 2013

customers in upstate New York and New England.

Ownership – SCIDA is a public benefit corporation. NYSEG is a public utility. The Depot is owned by SCIDA and managed by SCEDC.

ESD Involvement – On September 14, 2010, ESD’s Directors approved a \$752,000 Senate-sponsored grant to SCEDC for electric infrastructure to assist companies at the Depot. Of the grant, \$127,499 was disbursed. A \$600,000 appropriation was included in the FY 2013-2014 New York State budget to replace the portion of the previous grant which was inadvertently not reappropriated.

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

Program	Project #	Amount	ESD Approval Date	Final Disbursement Date	Purpose
Local Assistance (Senate)	V116	22,800	11/18/10	04/28/11	Funding for general economic development aid - Essential NY
Local Assistance (Senate)	T203	100,000	10/22/09	08/19/10	Facility improvements and purchase of a phone system at Hillside Children’s Center Varick campus.
Community Project (Senate)	T462	100,000	4/17/08	08/20/09	Renovation of Building 752 at Hillside Varick Campus
Base Redevelopment	R859	100,000	6/16/04	08/29/06	Facility improvements, airfield feasibility study, utility capacity study, and development of a Website and marketing materials.

### The Project:

Completion – December 2013

Activity – The project involves the upgrade of electrical infrastructure at the Depot. NYSEG will upgrade a nearby substation and increase the system capacity of approximately two miles of electrical feed by a factor of 2.6 (a voltage increase from 4.8 kV to 12.5 kV). The project is largely completed, with the balance expected to be finished by the end of 2013.

## SCIDA – Former Seneca Army Depot Capital (Y546)

August 22, 2013

Results – The upgrades to the electrical infrastructure will permit at least two facilities owned by Seneca BioEnergy, LLC to have the electrical capacity needed for growth over the next several years. The electrical upgrades will also aid participant businesses of the new Seneca AgBio Green Energy Park. The improvements will make the Depot a more attractive site to other companies considering relocation.

Financing Uses	Amount	Financing Sources	Amount	Percent
Depot Electrical Improvements	\$1,477,499	ESD Grant (Y546)	\$600,000	40%
		ESD Grant (W531)*	\$127,499	9%
		ESD Restore NY II Grant (W056)**	\$750,000	51%
Total Project Costs	\$1,477,499	Total Project Financing	\$1,477,499	100%

\* ESD Grant (W531) for \$752,000 was appropriated by the legislature in 2008, of which only \$127,499 was disbursed.

\*\* A portion of the 2.5M Restore NY grant awarded to the Town of Romulus is designated for this component.

Grantee Contact - Patricia Jones, Deputy Director  
One DiPronio Drive  
Waterloo, NY 13165  
Phone: (315) 539-1725 Fax: (315) 539-4340

Beneficiary Contact - Jeffrey Rosenbloom, Managing Attorney & Assistant Secretary  
89 East Avenue  
Rochester, NY 14649  
Phone: (585) 724-8273 Fax: (585) 724-8668

Project Team - Project Management Ed Muszynski  
Contractor & Supplier Diversity Vikas Geras  
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 \$600,000 will be disbursed to Grantee upon documentation of project costs totaling \$1,477,499, 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

## SCIDA – Former Seneca Army Depot Capital (Y546)

August 22, 2013

must have been incurred after April 1, 2008, the date that the New York State budget, in which the original project was authorized, was passed. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks and reports required have been completed to ESD's satisfaction.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$600,000, 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.

### **Environmental Review:**

Pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), and in connection with the approval of funding for the redevelopment of Seneca Army Depot, the Directors made a Determination of No Significant Effect on the Environment at their meeting of April 17, 2008. This determination addressed all aspects of the proposed project. Therefore, no further environmental review is required in connection with this action.

### **Statutory Basis – Local Assistance:**

The project was authorized in the 2006-2007 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

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

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



**C. Long Island Regional Planning Council Working Capital  
(Y555)**

August 22, 2013

- Grantee:** Long Island Regional Planning Council (“LIRPC” or the “Grantee”)
- ESD Investment:** A grant of up to \$250,000 to be used for a portion of the cost of personnel services, payroll, travel, supplies and consultant services.
- Project Location:** 1864 Muttontown Road, Syosset, Nassau County
- Proposed Project:** Education, research and planning on issues affecting the physical, economic, social health and overall quality of life for the Long Island region and its residents.
- Project Type:** Working capital for business operation.
- Regional Council:** The Long Island Regional Council has been made aware of this item. The project is consistent with the Regional Plan to pursue strategies that make Long Island economically stable. The strategies specifically include innovation, industry clusters, infrastructure, natural assets, workforce and education. The LIRPC researches these issues and through their work, can educate the public and advocate for economic development strategies in Long Island.

**Background:**

Organizational History – The LIRPC was established in 2008 pursuant to New York State General Municipal Law in Nassau and Suffolk Counties. Since 2008, it has worked closely with stakeholders in Long Island to collect information and develop a plan for long-range goals and strategies.

Size – The Grantee has two full-time employees.

ESD Involvement - A \$250,000 appropriation was included in the FY 2013-2014 New York State budget.

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

**The Project:**

Completion – June 2014

Activity – The Grantee will undertake activities to educate the public about the LI2035 Regional Comprehensive Sustainability Plan (“Plan”). This Plan was created to identify

**Long Island Regional Planning Council Working Capital  
(Y555)  
August 22, 2013**

the issues, assets, challenges and opportunities facing Long Island and potential solutions for a sustainable Long Island. The Plan has 39 strategies that the Grantee is pursuing. The Grantee will educate the public through a new Web site, public meetings and strategic partnerships. Key strategies that the Grantee will focus on include the “Buy Long Island First” initiative, the Suffolk Food Policy Council and the Education Working Group.

Results – The project will foster public education and awareness of the critical issues challenging the region’s sustainability and advance the implementation of the Regional Comprehensive Sustainability Plan.

Financing Uses	Amount	Financing Sources	Amount	Percent
Personnel Services	\$300,000	ESD Grant	\$250,000	40%
Office Equipment	10,000	Grantee Equity	367,500	60%
Office Supplies	7,800			
Consultants for Grant Related Programs	150,000			
Web site	5,000			
Council Meeting expenses	1,000			
Special Projects	7,500			
Payroll Services	1,000			
Travel Expenses	3,000			
Fringe Benefits	132,200			
<b>Total Project Costs</b>	<b>\$617,500</b>	<b>Total Project Financing</b>	<b>\$617,500</b>	<b>100%</b>

Grantee Contact - Cara Longworth, Executive Director  
1864 Muttontown Road  
Syosset, NY 11791  
Phone: (516) 571-7613 Fax: (516) 571-7604

Project Team - Project Management Jared Walkowitz  
Contractor & Supplier Diversity Vikas Gera  
Environmental Soo Kang

**Financial Terms and Conditions:**

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

**Long Island Regional Planning Council Working Capital  
(Y555)**

August 22, 2013

2. Up to \$250,000 will be disbursed to Grantee, no more frequently than monthly, upon documentation of eligible project costs, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after April 1, 2013 to be considered eligible for project costs.
  
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$250,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project.

The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 23% related to the eligible categories totaling approximately \$185,000. As such, the goal MWBE utilization shall be no less than \$42,000.

**Statutory Basis – Local Assistance:**

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.

**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.



Utica Memorial Auditorium Facility Improvement Capital (Y625)  
August 22, 2013

General Project Plan

- Grantee:** Upper Mohawk Valley Memorial Auditorium Authority (the "Authority")
- ESD Investment:** A grant of up to \$2,000,000 to be used for a portion of the cost of renovations to the Utica Memorial Auditorium ("UMA").
- Project Location:** 400 Oriskany Street West, Utica, Oneida County
- Proposed Project:** Renovations to Utica Memorial Auditorium's locker rooms, sound system and concession area.
- Project Type:** Infrastructure Improvement.
- Regional Council:** The Mohawk Valley Regional Council has been made aware of this item. The project is consistent with the Regional Plan to preserve and build upon the region's abundant cultural and geographical resources. Enhancing and improving the UMA will help to promote cultural tourism, create jobs for Mohawk Valley residents and preserve the Auditorium as an historic landmark and an asset for sporting, entertainment and community events.

**Background:**

Industry – Sporting, entertainment and community events.

Organizational History – The Upper Mohawk Valley Memorial Auditorium Authority was formed in 1993 as a New York State public authority for the transfer of ownership of the Utica Memorial Auditorium from the City of Utica via State legislation. The Authority determines policy and oversees the operation of the UMA. Day-to-day operations of the UMA are carried out by Venue Services, Inc. The UMA was built by the City of Utica in 1959 on land donated by New York State on the site of the old Erie Canal. Originally serving as a memorial to veterans in the region, the UMA was a state-of-the-art facility that was one of only three arenas worldwide that did not feature supporting pillars, allowing unobstructed views of the arena. The UMA inspired the design of New York City's Madison Square Garden and is currently a premiere entertainment venue that features concerts, sporting events, family shows, and local, state, and national programming to the residents of Mohawk Valley and visitors to the region.

Ownership – New York State Public Authority.

**D. Utica Memorial Auditorium Facility Improvement Capital (Y625)**  
 August 22, 2013

Size – All facilities located in Utica, NY.

ESD Involvement – A \$2,000,000 appropriation was included in the FY 2013-2014 New York State budget.

Past ESD Support

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
Community Enhancement Facilities Assistance Program	G459	\$300,000	1998	2000	Renovations to Utica Memorial Auditorium

**The Project:**

Completion – October 2013

Activity – The project involves construction of new locker rooms for the American Hockey League, reconfiguration of the UMA's video and sound system, and upgrades to the UMA's concessions area, kitchen, and retail spaces.

Results – The American Hockey League will play 40 games annually at the UMA with a forecasted attendance of 3,000 people per game. The Authority anticipates that the games will attract increased visitation to the region, yield new sales tax revenues, and improve the purchase of regional commodities.

Financing Uses	Amount	Financing Sources	Amount	Percent
Renovations	\$1,018,000	ESD Grant	\$2,000,000	100%
Machinery & Equipment	832,000			
Soft Costs	150,000			
Total Project Costs	\$2,000,000	Total Project Financing	\$2,000,000	100%

Grantee Contact - Patrick Donovan, Treasurer  
 400 Oriskany Street West  
 Utica, NY 13502  
 Phone: (315) 527-7622 Fax: (315) 527-7623

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

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 \$2,000,000 will be disbursed to Grantee upon completion of the project and documentation of renovation, machinery and equipment related project costs totaling \$2,000,000, assuming all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must have been incurred after April 1, 2013, the date that the New York State budget, in which the project is authorized, was passed.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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

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

**Statutory Basis – Special Legislative Appropriation – Capital Projects Fund – Economic Development/Other:**

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

**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.

**C. Warren County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital  
(X915 and Y490)  
August 22, 2013**

General Project Plan

- Grantee:** Warren County (the “County”)
- ESD Investment:** A grant of up to \$339,062 to be used for a portion of the cost of flood mitigation and flood control projects within the County.
- Project Locations:** Towns of Thurman and Bolton, Warren County
- Project Type:** The project will entail flood mitigation activities to reduce future flooding at the Project Locations.
- Regional Council:** The Capital District Regional Council has been made aware of this item. The project will help to protect the natural beauty and resources of the region, enabling it to create a vibrant future by promoting and sustaining a diverse, integrated and dynamic economy that capitalizes on technology and innovation to drive collaboration, inclusiveness and efficiency in all endeavors.

**Background:**

History – The County was originally part of Albany County, but was split apart in 1813. It was named after General Joseph Warren, who fought in the Revolutionary War.

Size – The three proposed projects are known sites where erosion is damaging properties in Warren County.

ESD Involvement – A \$339,062 appropriation was included in the 2013-2014 New York State budget. The funding award was made in conjunction with the New York State Department of Environmental Conservation.

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

**The Project:**

Completion – November 2013

Activity – Warren County will undertake the following flood mitigation and/or flood control projects:

River Road Culvert Replacement: This project involves two eight foot diameter culvert

**Warren County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital  
(X915 and Y490)**

August 22, 2013

pipes being replaced by a pipe arch bridge on River Road and Patterson brook crossing.

Indian Brook Culvert Replacement: This project involves an existing undersized 36 inch culvert being replaced with a 4’x8’ concrete box culvert.

Dippikill Road: This project involves the construction of a bridge in place of culverts that will alter stream flow away from a cut-bank and also allow for more unimpeded flows under the roadway.

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

Financing Uses	Amount	Financing Sources	Amount	Percent
Flood Mitigation Projects	\$471,050	ESD Grant	\$339,062	72%
		Local Funding	131,988	28%
Total Project Costs	\$471,050	Total Project Financing	\$471,050	100%

Grantee Contact - Wayne E. LaMothe, Assistant Planning Director  
1340 State Route 9  
Lake George, NY 12814  
Phone: (518) 761-6410 Fax: (518) 761-6411

Project Team - Project Management Jared Walkowitz  
Contractor & Supplier Diversity Diane Kinnicutt  
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 uncured 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 \$339,062 will be disbursed to the Grantee as follows:

River Road Culvert Replacement: Up to \$261,000 will be disbursed to the Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$318,300.

Indian Brook Culvert Replacement: Up to \$63,500 will be disbursed to the Grantee

**Warren County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital  
(X915 and Y490)  
August 22, 2013**

upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$94,500.

Dippikill Road: Up to \$14,562 will be disbursed to the Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$58,250.

Disbursement shall be made assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after July 13, 2012 to be considered eligible project costs.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$339,062, 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 15%, Minority Business Enterprise ("MBE") Participation goal of 5% and a Women Business Enterprise ("WBE") Participation goal of 5% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

**Statutory Basis – Local Assistance:**

The project was authorized via two appropriations. The Hurricane Irene-Tropical Storm Lee Flood Recovery Grant Program was authorized in the 2011-2012 New York State budget and reappropriated in the 2013-2014 New York State budget. The Division of Homeland Security and Emergency Services Disaster Assistance Program was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals being displaced by the project.

**Disclosure and Accountability Certifications:**

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

**B. Greene County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital  
(X904 and Y481)  
August 22, 2013**

General Project Plan

- Grantee:** Greene County (the “County”)
- Beneficiary  
Organization:** Greene County Soil and Water Conservation District (“GCSWCD”)
- ESD Investment:** A grant of up to \$878,222 to be used for a portion of the cost of flood mitigation and flood control projects within the County.
- Project Locations:** Towns of Catskill, Lexington, Ashland, Jewett, Halcott, Windham and Village of Hunter; Greene County
- Project Type:** The project will entail bank stabilization and flood mitigation activities to reduce future flooding in the Project Locations.
- Regional Council:** The Capital District Regional Council has been made aware of this item. The project will help to protect the natural beauty and resources of the region, enabling it to create a vibrant future by promoting and sustaining a diverse, integrated and dynamic economy that capitalizes on technology and innovation to drive collaboration, inclusiveness and efficiency in all endeavors.

**Background:**

History – Greene County is located in the Capital District region. The County was formed in 1800 when it was partitioned from Albany and Ulster County. Its name is to honor the American Revolutionary War general Nathanael Greene.

Size – The 12 proposed projects are drawn from known sites where erosion is damaging properties in Greene County.

ESD Involvement – a \$878,222 appropriation was included in the 2013-2014 New York State budget. The funding award was made in conjunction with the New York State Department of Environmental Conservation.

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

**The Project:**

Completion – November 2013

**Greene County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital  
(X904 and Y481)  
August 22, 2013**

Activity – Greene County will undertake the following 12 projects included in the application for Greene County. The projects commenced in the fall of 2012 and will conclude in the fall of 2013.

**Kaaterskill Creek:** This project involves the stabilization of the banks of the Kaaterskill Creek along both Katterskill Avenue and Mill Road to provide long term protection from erosion.

**Ashland Well Head Protection:** This project involves restoring the Batavia Kill to pre flood characteristics and stabilization of the eroded stream by using a flood plain bench, rock rip rap and bioengineering.

**CR6:** This project involves stabilizing the West Kill Creek and adjacent slope along CR6 to prevent future slope failures.

**Glen Avenue:** This project involves replacing the undersized Glen Avenue culvert to provide stream stability, provide aquatic organism passage. and mitigate future damage to Glen Avenue

**Garage/Well Head - 2<sup>nd</sup> Well:** This project involves bank stabilization along 310' of the Batavia Kill Creek, as well as provides protection for the municipal town well heads.

**Mill Hollow Road Bridge/County Route 17:** This project involves 50' of rock rip rap to protect the northeast abutment of the Mill Hollow Bridge.

**#2 Mills Road - Bank:** This project involves the stabilization of 220' of the Kaaterskill Creek adjacent to Mills Road for long term road protection.

**Site 1 – Route 3:** This project involves the construction of three hardened riffles to provide stream stabilization stability along Vly Creek.

**Site 2 – Route 3:** This project involves the installation of 275' of rock rip rap to provide toe protection along County Route 3.

**Turk Hollow:** This project involves 100' of rock rip rap to be installed for long term stability of Turk Hollow Road.

**Town of Halcott County Route 3 South of Elk Creek Bridge:** This project involves bank stabilization along County Route 3 by installing 100' of stacked and pinned rock rip rap.

**Greene County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital  
(X904 and Y481)  
August 22, 2013**

John McLaughlin/CR6: This project involves the installation of 85’ of stacked rock wall and 100’ of reinforced concrete wall to provide stream stability of a Batavia Kill tributary.

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

Financing Uses	Amount	Financing Sources	Amount	Percent
Flood Mitigation Projects	\$3,068,116	ESD Grant	\$878,222	29%
		Local Funding	2,189,894	71%
Total Project Costs	\$3,068,116	Total Project Financing	\$3,068,116	100%

Grantee/Beneficiary

Contact -

Jeff Flack, Executive Director  
Greene County SWCD  
Cairo, NY 12413  
Phone: (518) 622-3620      Fax: (518) 622-0344

Project Team -

Project Management                      Jared Walkowitz  
Contractor & Supplier Diversity      Diane Kinnicutt  
Environmental                                Soo Kang

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 \$878,222 will be disbursed to Grantee as follows:

Disbursements shall be made assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after August 15, 2012 to be considered eligible project costs.

Kaaterskill Creek: Up to \$94,060 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$332,827.

Ashland Well Head Protection: Up to \$230,696 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of

**Greene County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital  
(X904 and Y481)**

August 22, 2013

documentation verifying project costs of at least \$922,786.

CR6: Up to \$313,457 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$1,038,239.

Glen Avenue: Up to \$86,925 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$161,925.

Garage/Well Head: Up to \$27,629 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$110,516.

Mill Hollow Road Bridge/County Route 17: Up to \$12,564 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$50,256.

#2 Mills Road: Up to \$26,578 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$106,312.80.

Site 1-Route 3: Up to \$16,909 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$67,636.

Site 2-Route 3: Up to \$24,488.75 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$97,955.

Turk Hollow: Up to \$14,387.75 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$57,551.

Town of Halcott County Route 3 South of Elk Creek Bridge: Up to \$10,101 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$40,402.50.

John McLaughlin/CR63: Up to \$20,428 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of

**Greene County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital  
(X904 and Y481)  
August 22, 2013**

documentation verifying project costs of at least \$81,710.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$878,222, 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%, Minority Business Enterprise ("MBE") Participation goal of 10% and a Women Business Enterprise ("WBE") Participation goal of 10% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

**Statutory Basis – Local Assistance:**

The project was authorized via two appropriations. The Hurricane Irene-Tropical Storm Lee Flood Recovery Grant Program was authorized in the 2011-2012 New York State budget and reappropriated in the 2013-2014 New York State Budget. The Division of Homeland Security and Emergency Services Disaster Assistance Program was authorized in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals being displaced by the project.

**Disclosure and Accountability Certifications:**

The Grantee and Beneficiary has 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**

August 22, 2013

TO: The Directors

FROM: Kenneth Adams

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

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

**I. Project Summary**

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
	<b>Local Assistance – Hurricane Irene-Tropical Storm Lee Flood Mitigation (Executive)</b>			
A	Franklin County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X903	Franklin County	\$473,000
B	Greene County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X904, Y481	Greene County	878,222
C	Warren County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X915, Y490	Warren County	339,062
	<b>TOTAL HURRICANE IRENE-TROPICAL STORM LEE FLOOD MITIGATION – 3 PROJECT</b>		<b>TOTAL</b>	<b>\$1,690,284</b>

## II. Program Description

### A. Background

Hurricane Irene made landfall in New York on August 28, 2011. Shortly thereafter, Tropical Storm Lee struck New York on September 7, 2011. Both storms caused extensive flooding and substantial damage across New York. Following the aftermath of Hurricane Irene and Tropical Storm Lee, President Obama issued a state of emergency declaration for New York State, which allowed affected New Yorkers access to federal disaster relief funds. In an effort to provide additional flood disaster related relief aid, Governor Cuomo and the legislature created the Hurricane Irene - Tropical Storm Lee Flood Recovery Grant Program and appropriated \$50 million for assistance to businesses and communities that suffered losses as a result of these disasters. The enabling legislation designated \$9 million of the appropriation to be used for the Hurricane Irene – Tropical Storm Lee Flood Mitigation Grant Program (the “Program”), for grants to counties for flood mitigation or flood control projects in creeks, streams and brooks, and authorizes and empowers ESD, in consultation with the Department of Environmental Conservation (“NYSDEC”), to establish guidelines and such additional eligibility criteria as it deems necessary to effectuate the administration of this allocation for the benefit of counties included in the federal disaster declaration. An additional \$7 million from a New York State Department of Homeland Security and Emergency Services (“Homeland Security”) appropriation has been allocated for flood mitigation or flood control projects in creeks, streams and brooks.

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

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

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

- (1) Removal of flood debris located in stream channels and/or floodways within Eligible Areas;
- (2) Removal of gravel in or directly around bridges, culverts and other infrastructure that threatens public and private infrastructure integrity or that significantly constrains the

conveyance of water flows and by not removing such material(s) would likely exacerbate flooding from future high flow events;

(3) Installation or repair of stream bank stabilization measures;

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

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

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

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

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

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

## B. The Projects

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

Each county's grant award(s) will be presented to the ESD Directors' for approval as each

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

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

### III. Statutory Basis

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

### IV. 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")

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

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the 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 20% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 10% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantees shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the projects and to include minorities and women in any job opportunities created by the projects.

### VI. 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.

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

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

VIII. Additional Submissions to Directors

New York State Maps  
Resolutions  
Project Summaries

August 22, 2013

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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment have been received at the public hearings held on the Plans, such Plans shall be effective at the conclusion of such hearings, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make grants to the parties and for the amounts listed below from Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation and/or the New York State Division of Homeland Security and Emergency Services, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

	<b>Project Name</b>	<b>Project #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	Franklin County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X903	Franklin County	\$473,000
B	Greene County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X904, Y481	Greene County	878,222
C	Warren County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X915, Y490	Warren County	339,062
			<b>TOTAL</b>	<b>\$1,690,284</b>

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

\* \* \*

**A. Franklin County – Hurricane Irene-Tropical Storm Lee Flood Mitigation Capital  
(X903)**

August 22, 2013

General Project Plan

- Grantee:** Franklin County (The “County”)
- ESD Investment:** A grant of up to \$473,000 to be used for the cost of the flood mitigation and flood control project within the County.
- Project Location:** Town of Bellmont, Franklin County
- Project Type:** The project will entail flood mitigation activities to reduce future flooding in the Project Location.
- Regional Council:** The North Country Regional Council has been made aware of this item. The project will help to protect the natural beauty and resources of the region, enabling it to create a vibrant future by promoting and sustaining a diverse, integrated and dynamic economy that capitalizes on technology and innovation to drive collaboration, inclusiveness and efficiency in all endeavors.

**Background:**

History – Franklin County was created in 1808 when it split from Clinton County. The earliest industry is potash production, which was how the County disposed of the large amount of timber from the building of farms, roads and houses.

Size – The proposed project was drawn from a total of two known sites where erosion is damaging properties in Franklin County.

ESD Involvement – A \$473,000 appropriation was included in the 2013-2014 New York State budget. The funding award was made in conjunction with the New York State Department of Environmental Conservation.

Past ESD Support – Since 1993, the Grantee has received financial support totaling \$1,954,442 for nine projects.

There have been no grants awarded to the Grantee in the past five years.

**The Project:**

Completion – November 2013

**Franklin County – Hurricane Irene-Tropical Storm Lee Flood Mitigation Capital  
(X903)**

August 22, 2013

Activity – Franklin County will undertake the following flood mitigation and/or flood control project:

Ingraham Stream: This project involves the replacement of a four-culvert system with a single span bridge over Ingraham Stream within the Town of Bellmont. This will protect the structural integrity of the road and further reduce stream bank erosion in the immediate vicinity of the road crossing.

Results – The project will remediate, mitigate and reduce future flooding in the selected area affected by Hurricane Irene and Tropical Storm Lee.

Financing Uses	Amount	Financing Sources	Amount	Percent
Flood Mitigation Projects	\$473,000	ESD Grant	\$473,000	100%
Total Project Costs	\$473,000	Total Project Financing	\$473,000	100%

Grantee Contact - Jonathan Hutchins, Highway Superintendent  
355 West Main Street  
Malone, NY 12953  
Phone: 518-483-1140 Fax: 518-483-6645

Project Team - Project Management Jared Walkowitz  
Contractor & Supplier Diversity Diane Kinnicutt  
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 \$473,000 will be disbursed to the Grantee as follows:

Ingraham Stream: Up to \$473,000 will be disbursed to the Grantee upon completion for the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$473,000.

Disbursement shall be made assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be

**Franklin County – Hurricane Irene-Tropical Storm Lee Flood Mitigation Capital  
(X903)**

August 22, 2013

incurred on or after July 19, 2012 to be considered eligible project costs.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$473,000, 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 & Supply 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%, Minority Business Enterprise ("MBE") Participation goal of 5% and a Women Business Enterprise ("WBE") Participation goal of 5% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

**Statutory Basis – Local Assistance:**

The project was authorized in the 2011-2012 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.



FOR CONSIDERATION

August 22, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: City of Buffalo (Erie County) – Sublease of Space - 95 Perry Street

REQUEST FOR: Authorization to Enter into a Sublease and Take Related Actions

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I. Background

In March of 2008, ESD entered into a lease with Michigan Street Development, LLC for the lease of two floors consisting of 30,610 square feet of space in a newly renovated warehouse located on 95 Perry Street, Buffalo, New York. ESD took possession of the premises on October 1, 2008. The leased premises currently houses staff of ESD and its subsidiary, the Erie Canal Harbor Development Corporation. The lease is for a ten year term with rent at a rate of \$15 per square foot per annum for years 1 through 3, \$15.5 per square foot per annum for years 4 through 7 and \$16 per square foot per annum for years 8 through 10. In addition, ESD is required to pay utilities (gas and electric) for the lease premises.

II. Proposed Transaction

The Arts Service Initiative of Western New York (“ASI”) is a not-for-profit corporation whose corporate purpose is to foster capacity building, advocacy and collaboration with the cultural section of Western New York. As cultural institutions are a tourism focus and have a strong positive economic impact in Western New York, the location for ASI on the Property will further the concept of a one-stop economic development shop at ESD’s Buffalo location.

It is expected that the ASI will lease approximately 1,445 square feet of space on the fourth floor. In addition, the ASI will share common space on the floor with other tenants. Currently, the New York State Power Authority subleases space and additional fourth floor tenants will include the Erie County Industrial Development Agency (“ECIDA”) and the Buffalo Urban Development Corporation (“BUDC”). In April of this year, the Board of Directors authorized the sublease of space to the ECIDA and BUDC and they are expected to move into the space in the fall of this year.

The terms of the sublease will require the ASI pay an annual rate of \$11.75 per square foot of space occupied and for its proportionate share of common space. The rent will increase to \$12.25 per square foot in October of 2015 upon ESD's next scheduled rent escalation. The ASI will pay for its utility use based on its proportionate share of space occupied and will pay for any build-out required. The term of the sublease will coincide with ESD's remaining term of the leased premises. In addition, the ASI will be permitted to use of any surplus furniture present on the fourth floor that is not currently being used by ESD.

### III. Compliance with the Public Authorities Law

Pursuant to the provisions of the Public Authorities Law ("PAL"), ESD is required to dispose of property through a competitive bid process unless a specific statutory exception applies. For negotiated transactions, the relevant exceptions include situations when the purpose of the transfer is within the purpose, mission or governing statute of the public authority.

ESD's mission includes:

- (i) promote a vigorous and growing economy, to prevent economic stagnation and to 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) 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.
- (iii) 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 sublease of space to the ASI, a not-for-profit corporation, that services the arts and tourism sector of Western New York will permit collaboration between the ASI and ESD furthering the missions of both entities, namely, supporting cultural attractions, tourism that provide economic development opportunities in Western New York. Accordingly, the conditions of the PAL for the sublease of the premises to ASI are satisfied.

Additional information required by the PAL to support the proposed below fair market transfer without bids is as follows:

- (i) A full description of the asset: Office building located at 95 Perry Street, Buffalo New York. ESD leases two floors of the building comprising 15,305 square feet per floor.
- (ii) An appraisal of the fair market value of the asset: Pursuant to independent appraisal completed by ESD, the fair market rent for the space is \$12.50 per square foot per year.
- (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 a 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 benefit expected includes the creation of a one stop economic develop facility that will better serve the public.
- (iv) A statement of the value to be received compared to the fair market value: The ASI will pay \$11.75 per square foot of space which will increase to \$12.25 per square foot in October of 2015. The fair market value of the lease premises is estimated at \$12.50 per square foot based on an independent appraisal.
- (v) The names of the private parties participating in the transfer: ESD's landlord will be required to approve the sublease between ESD and the ASI. No other private parties are participating in the transaction.
- (vi) The names of the 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: ESD has received no offers for the sublease of the space.

The goal of the sublease is to better serve the Western New York region by creating a one-stop shop for economic development. With the inclusion of ASI, ESD will be better positioned to serve the cultural and tourism industry. The terms of the lease were negotiated to allow ESD to maximize the amount payable for the space but allow ASI to afford the space. As described in these materials, there is no reasonable alternative to the negotiated transfer that would achieve the same purpose of such transfer.

#### IV. Environmental Review

ESD staff has determined that the action, which involves the transfer (i.e., subletting) of a portion of an existing office lease with no material change in the scope of the office use, constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the action.

V. Requested Action

The Directors are requested to: (1) authorize the corporation to enter into a sublease with the Arts Service Initiative of Western New York; and (2) authorize the corporation to take all related actions.

VI. Recommendation

Based on the foregoing, I recommend approval of the attached resolution.

Attachment

Resolution

August 22, 2013

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

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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 Arts Service Initiative of Western New York 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.

\* \* \*

FOR INFORMATION

August 22, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Budget Variance Reports for the Quarter Ended June 30, 2013

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In accordance with applicable law, attached are the variance reports for the first quarter of fiscal year 2013-14 for the department operating budgets, as well as subsidiary operating and capital budgets.

During the first three months of fiscal year 2013-14, total departmental spending was approximately \$8.7 million (17%) of the total budget of approximately \$50.4 million. Current projections indicate that the Corporation will end the current fiscal year within the approved budget based on projected spending trends and anticipated fixed expenses.

Total subsidiary spending for operations, excluding HCDC Weatherization and LMDC, was approximately \$869 thousand (21%) of the total budget of \$4.2 million. Operating spending as compared to the budget was on target for the quarter and is expected to end the current fiscal year within budget. Spending for HCDC's Weatherization Program and LMDC is shown separately as both are federally funded.

Total subsidiary spending for capital work was approximately \$22 million, or 7%, of the total of all subsidiaries' capital budgets of \$315 million. The level of spending is expected to increase later in the fiscal year as construction progresses across all subsidiaries.



Departmental Budget Variance Report  
June 30, 2013

	Admin Services	CFO	Controller	Corporate	Business Marketing	Contract Admin	Design & Construction	Community Economic Development	Executive Office	Human Resources	Internal Audit	Intergov./ Legis. Affairs	International
<b>ANNUAL BUDGET</b>													
Personal Services (incl. Benefits)	\$ 414,956	\$ 349,790	\$ 1,340,811	\$ 9,704,120	\$ 475,700	\$ 1,072,160	\$ 1,180,815	\$ 1,576,185	\$ 2,239,556	\$ 582,939	\$ 313,186	\$ 413,950	\$ 339,500
Occupancy Expenses	-	-	-	7,276,000	-	-	-	-	-	-	-	-	-
Government Assessment Fee	-	-	-	3,735,645	-	-	-	-	-	-	-	-	-
Repairs / Maint / Prop Mgmt / Other Outside Serv / Computers, Software & Telephone	45,500	1,300	38,000	294,000	28,450	800	1,500	6,100	4,300	38,100	75	1,500	1,000
Legal / Consulting / Accounting Fees	135,000	2,600	2,500	105,000	4,000	3,500	8,300	5,500	12,500	4,800	2,400	4,500	2,800
Office Supplies / Printing / Advertising	35,000	2,600	3,100	28,400	2,200	3,500	2,600	7,000	4,500	1,000	-	2,700	2,600
Insurance	-	-	-	270,000	-	-	-	-	-	-	-	-	-
Travel & Meals	9,000	4,500	1,000	6,000	6,000	1,000	20,000	12,000	80,000	500	1,325	3,500	2,200
On-Line Services, Dues & Subscriptions	-	1,500	900	3,000	-	-	3,500	5,400	4,000	2,400	1,425	1,500	-
Other Post Employment Cost	-	-	-	4,100,000	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 639,456</b>	<b>\$ 362,290</b>	<b>\$ 1,530,311</b>	<b>\$ 25,536,165</b>	<b>\$ 522,350</b>	<b>\$ 1,080,960</b>	<b>\$ 1,216,715</b>	<b>\$ 1,612,185</b>	<b>\$ 2,344,856</b>	<b>\$ 632,339</b>	<b>\$ 320,511</b>	<b>\$ 427,650</b>	<b>\$ 348,100</b>

	Admin Services	CFO	Controller	Corporate	Business Marketing	Contract Admin	Design & Construction	Community Economic Development	Executive Office	Human Resources	Internal Audit	Intergov./ Legis. Affairs	International
<b>YTD BUDGET</b>													
Personal Services (incl. Benefits)	\$ 103,737	\$ 87,447	\$ 335,199	\$ 2,426,028	\$ 118,923	\$ 268,038	\$ 295,203	\$ 394,044	\$ 559,887	\$ 145,728	\$ 78,294	\$ 103,485	\$ 84,873
Occupancy Expenses	-	-	-	1,818,996	-	-	-	-	-	-	-	-	-
Government Assessment Fee	-	-	-	833,909	-	-	-	-	-	-	-	-	-
Repairs / Maint / Prop Mgmt / Other Outside Serv / Computers, Software & Telephone	11,367	321	9,489	73,485	7,107	195	369	1,521	1,068	9,510	18	372	243
Legal / Consulting / Accounting Fees	33,747	648	621	26,245	999	873	2,073	1,371	3,123	1,200	597	1,122	696
Office Supplies / Printing / Advertising	8,748	648	774	4,998	1,500	873	648	1,746	1,122	249	525	672	648
Insurance	-	-	-	67,500	-	-	-	-	-	-	-	-	-
Travel & Meals	2,238	1,119	246	1,488	1,488	246	4,982	2,982	19,983	123	324	861	543
On-Line Services, Dues & Subscriptions	-	372	222	750	-	-	870	1,344	996	597	354	369	-
Other Post Employment Cost	-	-	-	1,024,998	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 159,837</b>	<b>\$ 90,555</b>	<b>\$ 382,548</b>	<b>\$ 6,384,004</b>	<b>\$ 130,566</b>	<b>\$ 270,225</b>	<b>\$ 304,155</b>	<b>\$ 403,008</b>	<b>\$ 586,179</b>	<b>\$ 158,055</b>	<b>\$ 80,112</b>	<b>\$ 106,881</b>	<b>\$ 87,003</b>

	Admin Services	CFO	Controller	Corporate	Business Marketing	Contract Admin	Design & Construction	Community Economic Development	Executive Office	Human Resources	Internal Audit	Intergov./ Legis. Affairs	International
<b>ACTUAL TO DATE</b>													
Personal Services (incl. Benefits)	\$ 98,234	\$ 85,391	\$ 313,383	\$ 1,133,959	\$ 115,054	\$ 246,922	\$ 286,732	\$ 337,100	\$ 361,933	\$ 126,927	\$ 77,009	\$ 86,344	\$ 55,865
Occupancy Expenses	-	-	-	2,369,221	-	-	-	-	-	-	-	-	-
Government Assessment Fee	-	-	-	782,300	-	-	-	-	-	-	-	-	-
Repairs / Maint / Prop Mgmt / Other Outside Serv / Computers, Software & Telephone	13,368	9	5,597	7,823	14,881	10	288	1,006	563	576	-	-	-
Legal / Consulting / Accounting Fees	24,431	370	507	9,432	1,051	428	1,198	(539)	2,293	379	1,187	214	101
Office Supplies / Printing / Advertising	20,188	-	124,000	(0)	7,500	579	-	38	38	-	-	-	-
Insurance	-	-	52	869	641	-	-	-	-	-	-	-	-
Travel & Meals	1,517	3	340	741	1,675	5	1,941	2,420	8,103	40	210	27	1,162
On-Line Services, Dues & Subscriptions	-	-	-	280	-	-	-	-	90	239	-	-	-
Other Post Employment Cost	-	-	-	1,024,998	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 157,747</b>	<b>\$ 85,773</b>	<b>\$ 443,879</b>	<b>\$ 3,580,411</b>	<b>\$ 140,802</b>	<b>\$ 247,844</b>	<b>\$ 290,150</b>	<b>\$ 340,025</b>	<b>\$ 373,020</b>	<b>\$ 128,162</b>	<b>\$ 78,406</b>	<b>\$ 86,585</b>	<b>\$ 57,128</b>

	Admin Services	CFO	Controller	Corporate	Business Marketing	Contract Admin	Design & Construction	Community Economic Development	Executive Office	Human Resources	Internal Audit	Intergov./ Legis. Affairs	International
<b>YTD OVERVIEW</b>													
Personal Services (incl. Benefits)	\$ 5,503	\$ 2,056	\$ 21,816	\$ 1,292,069	\$ 3,869	\$ 21,216	\$ 8,471	\$ 56,944	\$ 197,954	\$ 18,801	\$ 1,285	\$ 17,141	\$ 29,008
Occupancy Expenses	-	-	-	(550,225)	-	-	-	-	-	-	-	-	-
Government Assessment Fee	-	-	-	933,909	-	-	-	-	-	-	-	-	-
Repairs / Maint / Prop Mgmt / Other Outside Serv / Computers, Software & Telephone	(2,001)	312	3,892	65,662	(7,774)	185	81	515	505	8,934	18	372	243
Legal / Consulting / Accounting Fees	9,316	278	114	16,813	(52)	445	875	1,910	830	821	(590)	908	595
Office Supplies / Printing / Advertising	(11,450)	646	722	4,998	(6,000)	294	648	1,708	1,084	249	525	672	648
Insurance	-	-	-	9,413	-	-	-	-	-	-	-	-	-
Travel & Meals	721	1,116	(94)	(741)	(187)	241	3,051	562	11,880	83	114	834	(619)
On-Line Services, Dues & Subscriptions	-	372	222	470	-	-	870	1,344	906	358	354	369	-
Other Post Employment Cost	-	-	-	1,024,998	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 2,090</b>	<b>\$ 4,782</b>	<b>\$ (61,331)</b>	<b>\$ 2,803,533</b>	<b>\$ (10,236)</b>	<b>\$ 22,381</b>	<b>\$ 13,995</b>	<b>\$ 62,983</b>	<b>\$ 215,159</b>	<b>\$ 29,893</b>	<b>\$ 1,706</b>	<b>\$ 20,296</b>	<b>\$ 29,875</b>
% of YTD Budget Used	99%	95%	116%	56%	108%	92%	95%	84%	64%	81%	98%	81%	66%

	Admin Services	CFO	Controller	Corporate	Business Marketing	Contract Admin	Design & Construction	Community Economic Development	Executive Office	Human Resources	Internal Audit	Intergov./ Legis. Affairs	International
<b>OVERVIEW</b>													
Annual Budget	\$ 639,456	\$ 362,290	\$ 1,530,311	\$ 25,536,165	\$ 522,350	\$ 1,080,960	\$ 1,216,715	\$ 1,612,185	\$ 2,344,856	\$ 632,339	\$ 320,511	\$ 427,650	\$ 348,100
Actual to Date	\$ 157,747	\$ 85,773	\$ 443,879	\$ 3,580,411	\$ 140,802	\$ 247,844	\$ 290,150	\$ 340,025	\$ 373,020	\$ 128,162	\$ 78,406	\$ 86,585	\$ 57,128
Balance Remaining	\$ 481,709	\$ 276,517	\$ 1,086,432	\$ 21,955,754	\$ 381,548	\$ 833,116	\$ 926,565	\$ 1,272,160	\$ 1,971,836	\$ 504,177	\$ 242,105	\$ 341,065	\$ 290,972
% of Annual Budget Used	25%	24%	29%	14%	27%	23%	24%	21%	16%	20%	24%	20%	16%

Departmental Budget Variance Report  
41,455.00

	Legal	Loans & Grants	NY Works	WIS Motion Pictures & TV	Policy & Research	Portfolio Mgt	Public Affairs	Regional Councils	Regional Offices	Strategic Business Development	Treasury	Total of Departments
<b>ANNUAL BUDGET</b>												
Personal Services (incl. Benefits)	\$ 2,093,809	\$ 1,130,708	\$ 254,678	\$ 1,184,157	\$ 53,000	\$ 876,854	\$ 541,880	\$ 1,115,775	\$ 2,237,770	\$ 660,781	\$ 667,935	\$ 31,161,000
Occupancy Expenses	-	-	-	-	-	-	-	-	470,000	-	-	7,746,000
Government Assessment Fee	-	-	-	-	-	-	-	-	-	-	-	3,795,645
Repairs / Maint / Prop Mgmt / Other Outside Serv / Computers, Software & Telephone	30,000	6,000	23,300	48,750	100	22,800	600	82,000	21,000	1,700	5,000	702,275
Legal / Consulting / Accounting Fees	11,000	1,100	14,000	372,000	2,600	2,200	7,500	4,500	75,400	62,500	700	854,400
Office Supplies / Printing / Advertising	345,000	2,000	650,000	-	-	-	-	-	5,000	-	-	1,173,000
Insurance	10,500	3,000	13,000	4,500	100	3,700	2,500	19,400	12,200	2,500	4,000	176,300
Travel & Meals	10,000	2,000	40,022	3,000	1,000	3,500	6,000	54,650	21,000	14,000	500	279,500
On-Line Services, Dues & Subscriptions	60,500	400	5,000	1,000	1,000	2,000	10,000	50	5,000	300	26,000	299,697
Other Post Employment Cost	-	-	-	-	-	-	-	-	-	-	-	133,875
<b>Total</b>	<b>\$ 2,560,809</b>	<b>\$ 1,145,208</b>	<b>\$ 1,000,000</b>	<b>\$ 1,612,407</b>	<b>\$ 61,700</b>	<b>\$ 911,054</b>	<b>\$ 568,480</b>	<b>\$ 1,276,375</b>	<b>\$ 2,856,870</b>	<b>\$ 741,781</b>	<b>\$ 704,135</b>	<b>\$ 50,361,692</b>
<b>YTD BUDGET</b>												
Personal Services (incl. Benefits)	\$ 523,449	\$ 282,672	\$ 63,667	\$ 296,034	\$ 84,993	\$ 219,210	\$ 135,468	\$ 278,944	\$ 559,440	\$ 165,192	\$ 166,983	\$ 7,790,186
Occupancy Expenses	-	-	-	-	-	-	-	-	117,498	-	-	1,956,494
Government Assessment Fee	-	-	-	-	-	-	-	-	-	-	-	933,909
Repairs / Maint / Prop Mgmt / Other Outside Serv / Computers, Software & Telephone	7,491	1,494	5,823	12,177	24	5,691	147	20,499	5,235	423	1,245	175,413
Legal / Consulting / Accounting Fees	2,742	273	3,498	92,997	648	1,872	1,872	1,125	18,846	15,621	174	213,552
Office Supplies / Printing / Advertising	86,250	750	162,498	-	498	924	624	4,848	3,048	621	999	293,238
Insurance	2,622	750	3,246	1,125	24	924	624	-	2,373	-	-	69,873
Travel & Meals	2,487	492	9,999	741	249	864	1,482	13,644	5,235	3,483	120	74,682
On-Line Services, Dues & Subscriptions	15,123	96	1,248	-	249	495	2,499	12	1,248	72	6,498	33,414
Other Post Employment Cost	-	-	-	-	-	-	-	-	-	-	-	1,024,998
<b>Total</b>	<b>\$ 640,164</b>	<b>\$ 286,275</b>	<b>\$ 249,979</b>	<b>\$ 403,074</b>	<b>\$ 87,228</b>	<b>\$ 227,733</b>	<b>\$ 142,092</b>	<b>\$ 319,072</b>	<b>\$ 714,171</b>	<b>\$ 185,412</b>	<b>\$ 176,019</b>	<b>\$ 12,589,764</b>
<b>ACTUAL TO DATE</b>												
Personal Services (incl. Benefits)	\$ 484,607	\$ 231,571	\$ 49,804	\$ 250,784	\$ 79,904	\$ 192,082	\$ 96,140	\$ 149,697	\$ 506,586	\$ 146,549	\$ 164,052	\$ 5,689,130
Occupancy Expenses	-	-	-	-	-	-	-	-	76,118	-	-	2,445,340
Government Assessment Fee	-	-	-	-	-	-	-	-	-	-	-	-
Repairs / Maint / Prop Mgmt / Other Outside Serv / Computers, Software & Telephone	5,632	1,418	329	2,013	126	3,837	-	50,162	2,301	30	603	110,574
Legal / Consulting / Accounting Fees	2,107	141	141	52,260	344	350	1,014	671	17,458	60,214	107	175,716
Office Supplies / Printing / Advertising	12,863	94	20,688	-	-	-	-	-	663	-	-	165,145
Insurance	2,543	-	1,527	-	-	(507)	164	5,272	663	42	757	32,876
Travel & Meals	1,702	17	71	161	25	545	765	3,278	3,085	1,416	-	58,087
On-Line Services, Dues & Subscriptions	6,812	60	360	-	105	-	636	-	20	-	6,375	29,283
Other Post Employment Cost	-	-	-	-	-	-	-	-	-	-	-	14,977
<b>Total</b>	<b>\$ 516,768</b>	<b>\$ 233,301</b>	<b>\$ 72,419</b>	<b>\$ 305,578</b>	<b>\$ 12,625</b>	<b>\$ 196,412</b>	<b>\$ 98,718</b>	<b>\$ 209,079</b>	<b>\$ 606,231</b>	<b>\$ 208,251</b>	<b>\$ 171,895</b>	<b>\$ 8,721,128</b>
<b>YTD OVERVIEW</b>												
Personal Services (incl. Benefits)	\$ 38,842	\$ 51,101	\$ 13,863	\$ 45,250	\$ 5,089	\$ 27,128	\$ 39,228	\$ 129,247	\$ 52,854	\$ 18,643	\$ 2,931	\$ 2,101,056
Occupancy Expenses	-	-	-	-	-	-	-	-	41,380	-	-	(508,846)
Government Assessment Fee	-	-	-	-	-	-	-	-	-	-	-	933,909
Repairs / Maint / Prop Mgmt / Other Outside Serv / Computers, Software & Telephone	1,859	76	5,494	10,164	24	1,854	147	(29,663)	2,934	393	642	64,839
Legal / Consulting / Accounting Fees	635	132	3,498	40,737	304	1,99	858	454	1,388	(44,593)	67	37,815
Office Supplies / Printing / Advertising	73,387	404	141,810	-	-	-	-	-	1,248	-	-	128,093
Insurance	79	750	1,719	1,125	24	1,431	460	(424)	2,385	579	242	11,149
Travel & Meals	785	475	9,928	580	224	319	717	10,366	2,150	2,067	120	11,786
On-Line Services, Dues & Subscriptions	8,311	36	1,248	(360)	249	390	1,863	12	1,228	72	123	45,399
Other Post Employment Cost	-	-	-	-	-	-	-	-	-	-	-	18,437
<b>Total</b>	<b>\$ 123,896</b>	<b>\$ 52,974</b>	<b>\$ 177,560</b>	<b>\$ 97,496</b>	<b>\$ 2,792</b>	<b>\$ 31,321</b>	<b>\$ 43,374</b>	<b>\$ 109,993</b>	<b>\$ 107,940</b>	<b>\$ (27,839)</b>	<b>\$ 4,124</b>	<b>\$ 3,868,656</b>
% of YTD Budget Used	81%	81%	29%	76%	92%	86%	69%	66%	85%	112%	98%	69%
<b>OVERVIEW</b>												
Annual Budget	\$ 2,560,809	\$ 1,145,208	\$ 1,000,000	\$ 1,612,407	\$ 61,700	\$ 911,054	\$ 568,480	\$ 1,276,375	\$ 2,856,870	\$ 741,781	\$ 704,135	\$ 50,361,692
Actual to Date	\$ 516,768	\$ 233,301	\$ 72,419	\$ 305,578	\$ 12,625	\$ 196,412	\$ 98,718	\$ 209,079	\$ 606,231	\$ 208,251	\$ 171,895	\$ 8,721,128
Balance Remaining	\$ 2,044,041	\$ 911,907	\$ 927,581	\$ 1,306,829	\$ 268,575	\$ 714,642	\$ 469,762	\$ 1,067,296	\$ 2,250,639	\$ 533,530	\$ 532,240	\$ 41,640,564
% of Annual Budget Used	20%	20%	7%	19%	20%	22%	17%	16%	21%	28%	24%	17%

Subsidiary Operating Budget Summary Variance Report  
June 30, 2013

	Convention Center	Empire State New Market Corp	Erie Canal Harbor	Empowerment Zone	HCDC	Moynihan Station	Queens West	USA Niagara	Total	HCDC Weatherization	LMDC
<b>ANNUAL BUDGET</b>											
Personal Services (Incl. Benefits)	181,949	0	703,866	343,734	999,431	319,420	141,346	522,414	3,152,160	658,924	0
Occupancy Expenses	35,500	0	50,000	0	34,200	0	19,000	65,895	204,595	0	0
Government Assessment Fee	0	0	0	0	0	0	0	0	0	0	0
Repairs / Maint / Prop Mgmt / Other Outside Serv / Expen	20,400	6,000	93,000	1,370	42,718	9,000	5,900	7,750	186,138	778,962	0
Computers, Software & Telephone	1,500	0	14,000	150	15,000	33,000	5,060	21,000	89,710	3,000	0
Legal / Consulting / Accounting Fees	40,000	72,000	3,000	23,000	77,500	0	0	0	215,500	9,500	0
Office Supplies / Printing / Advertising	2,600	0	19,000	1,500	29,000	35,500	4,425	5,250	97,275	9,500	0
Insurance	22,403	10,920	48,540	11,552	52,303	23,929	23,347	24,478	217,472	13,208	0
Travel & Meals	3,500	5,000	4,000	355	6,500	1,000	0	700	21,055	8,000	0
On-Line Services, Dues & Subscriptions	500	1,200	3,500	0	8,600	1,500	0	3,250	18,550	3,000	0
Other Post Employment Cost	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$308,352</b>	<b>\$95,120</b>	<b>\$938,906</b>	<b>\$381,661</b>	<b>\$1,205,252</b>	<b>\$423,349</b>	<b>\$199,078</b>	<b>\$650,737</b>	<b>\$4,202,455</b>	<b>\$1,484,094</b>	<b>\$0</b>

	Convention Center	Empire State New Market Corp	Erie Canal Harbor	Empowerment Zone	HCDC	Moynihan Station	Queens West	USA Niagara	Total	HCDC Weatherization	LMDC
<b>YTD BUDGET</b>											
Personal Services (Incl. Benefits)	45,486	0	175,965	85,829	234,855	79,851	35,334	130,589	788,019	164,730	0
Occupancy Expenses	8,874	0	12,498	0	8,550	0	4,749	16,473	51,444	0	0
Government Assessment Fee	0	0	0	0	0	0	0	0	0	0	0
Repairs/Maint/Prop Mgmt/Other Outside Serv/Expenses	5,097	1,500	23,247	339	10,677	2,244	1,473	1,935	46,512	194,733	0
Computers, Software & Telephone	375	0	3,498	36	3,747	8,250	1,263	5,247	22,416	747	0
Legal / Consulting / Accounting Fees	40,000	27,000	750	23,000	32,497	0	0	0	123,247	9,500	0
Office Supplies / Printing / Advertising	648	0	4,746	375	7,248	8,871	1,101	1,311	24,300	2,373	0
Insurance	5,598	2,790	12,135	2,886	13,074	5,982	5,835	6,117	54,357	3,900	0
Travel & Meals	873	1,248	999	87	1,623	249	174	1,898	5,253	1,998	0
On-Line Services, Dues & Subscriptions	123	300	870	0	2,148	372	0	810	4,623	747	0
Other Post Employment Cost	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$107,074</b>	<b>\$32,778</b>	<b>\$234,708</b>	<b>\$112,652</b>	<b>\$314,419</b>	<b>\$105,819</b>	<b>\$49,735</b>	<b>\$162,666</b>	<b>\$1,119,871</b>	<b>\$378,128</b>	<b>\$0</b>

	Convention Center	Empire State New Market Corp	Erie Canal Harbor	Empowerment Zone	HCDC	Moynihan Station	Queens West	USA Niagara	Total	HCDC Weatherization	LMDC
<b>ACTUAL TO DATE</b>											
Personal Services (Incl. Benefits)	39,483	0	154,658	72,173	203,982	70,213	28,918	109,008	678,434	0	445,715
Occupancy Expenses	8,654	0	10,223	0	4,900	0	4,961	23,875	52,612	0	238,584
Government Assessment Fee	0	0	0	0	0	0	0	0	0	0	0
Repairs/Maint/Prop Mgmt/Other Outside Serv/Expenses	200	3,000	13,849	0	6,614	697	280	1,187	25,827	24,033	24,033
Computers, Software & Telephone	93	0	1,780	0	3,796	6,298	(142)	3,505	15,331	0	7,245
Legal / Consulting / Accounting Fees	27,000	0	1,500	5,750	21,065	0	403	0	48,153	13,500	(837,650)
Office Supplies / Printing / Advertising	2,078	0	2,673	2,100	8,904	2,239	2,292	2,421	24,738	0	2,577
Insurance	2,078	0	0	0	662	(583)	0	0	79	0	391,057
Travel & Meals	9	0	234	0	44	0	0	872	1,159	0	479
On-Line Services, Dues & Subscriptions	0	0	0	0	0	0	0	0	0	0	3,041
Other Post Employment Cost	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$77,518</b>	<b>\$5,030</b>	<b>\$185,195</b>	<b>\$80,023</b>	<b>\$263,466</b>	<b>\$78,865</b>	<b>\$37,753</b>	<b>\$141,583</b>	<b>\$869,432</b>	<b>\$13,500</b>	<b>\$275,080</b>

	Convention Center	Empire State New Market Corp	Erie Canal Harbor	Empowerment Zone	HCDC	Moynihan Station	Queens West	USA Niagara	Total	HCDC Weatherization	LMDC
<b>YTD OVERVIEW</b>											
Personal Services (Incl. Benefits)	\$6,003	\$0	\$21,307	\$13,756	\$30,873	\$9,638	\$6,416	\$21,591	\$109,585	\$164,730	(\$445,715)
Occupancy Expenses	\$220	\$0	\$2,275	\$0	\$3,650	\$0	(\$212)	(\$7,402)	(\$1,468)	\$0	(\$238,584)
Government Assessment Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repairs/Maint/Prop Mgmt/Other Outside Serv/Expenses	\$4,897	(\$1,500)	\$9,398	\$339	\$4,063	\$1,547	\$1,193	\$748	\$20,685	\$194,733	(\$24,033)
Computers, Software & Telephone	\$282	\$0	\$1,718	\$36	\$1,952	\$1,982	(\$403)	\$1,742	\$7,085	\$747	(\$7,245)
Legal / Consulting / Accounting Fees	\$13,000	\$0	\$77,000	\$17,250	\$18,997	\$0	(\$403)	\$0	\$75,094	(\$4,000)	\$837,650
Office Supplies / Printing / Advertising	\$648	\$0	\$4,468	\$375	(\$13,817)	\$8,871	\$59	\$595	\$1,199	\$2,373	(\$2,577)
Insurance	\$3,520	\$700	\$9,462	\$786	\$4,170	\$3,743	\$3,543	\$3,696	\$29,619	\$3,900	(\$391,057)
Travel & Meals	\$873	\$1,248	\$999	\$87	\$1,623	\$249	\$174	\$1,74	\$1,998	\$747	(\$479)
On-Line Services, Dues & Subscriptions	\$114	\$300	\$636	\$0	\$2,104	\$372	\$0	(\$62)	\$3,464	\$0	(\$3,041)
Other Post Employment Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$29,556</b>	<b>\$27,748</b>	<b>\$49,513</b>	<b>\$32,629</b>	<b>\$50,953</b>	<b>\$26,954</b>	<b>\$12,002</b>	<b>\$21,083</b>	<b>\$250,439</b>	<b>\$384,628</b>	<b>(\$275,080)</b>
<b>% of YTD Budget Used</b>	<b>72.40%</b>	<b>15.35%</b>	<b>78.90%</b>	<b>71.04%</b>	<b>83.79%</b>	<b>74.53%</b>	<b>75.88%</b>	<b>87.04%</b>	<b>77.64%</b>	<b>3.57%</b>	<b>0.00%</b>

	Convention Center	Empire State New Market Corp	Erie Canal Harbor	Empowerment Zone	HCDC	Moynihan Station	Queens West	USA Niagara	Total	HCDC Weatherization	LMDC
<b>OVERVIEW</b>											
Annual Budget	\$308,352	\$95,120	\$938,906	\$381,661	\$1,205,252	\$423,349	\$199,078	\$650,737	\$4,202,455	\$1,484,094	\$0
Actual to Date	\$77,518	\$5,030	\$185,195	\$80,023	\$263,466	\$78,865	\$37,753	\$141,583	\$869,432	\$13,500	\$275,080
Balance Remaining	\$230,834	\$90,090	\$753,711	\$301,638	\$941,786	\$344,484	\$161,325	\$509,154	\$3,333,023	\$1,470,594	(\$275,080)
% of Annual Budget Used	25.14%	5.29%	19.72%	20.97%	21.86%	18.63%	18.96%	21.76%	20.69%	0.91%	0.00%

Subsidiary Capital Budget Summary Variance Report  
June 30, 2013

	Convention Center	Erie Canal Harbor	HCDC	Harriman	Moyhnan Station	Farley	Queens West	USA Niagara	Total All Subsidiaries
<b>YTD BUDGET</b>									
Acquisition Costs	0	2,499,999	0	0	0	124,998	0	0	2,624,997
Design & Other Soft Costs	1,125,000	2,499,999	0	0	1,187,499	12,498	17,625	21,999	4,864,620
Legal Costs	12,498	112,500	37,500	0	12,498	118,749	87,498	0	381,243
Property Management/Maintenance Costs	0	849,999	0	0	0	1,200,000	47,721	362,499	2,460,219
Insurance	0	17,500	0	0	37,500	187,500	0	0	242,500
Demolition & Site Clearance	0	300,000	0	0	0	0	0	0	300,000
Construction Costs	33,750,000	11,250,000	0	0	18,937,500	150,000	1,231,146	1,298,631	66,617,277
Other Misc. Costs	0	124,998	0	0	156,249	0	0	975,000	1,256,247
<b>Total</b>	<b>34,887,498</b>	<b>17,654,995</b>	<b>37,500</b>	<b>0</b>	<b>20,174,997</b>	<b>1,949,994</b>	<b>1,383,990</b>	<b>2,658,129</b>	<b>78,747,103</b>

	Convention Center	Erie Canal Harbor	HCDC	Harriman	Moyhnan Station	Farley	Queens West	USA Niagara	Total All Subsidiaries
<b>YTD ACTUALS</b>									
Acquisition Costs	0	0	0	0	0	0	0	0	0
Design & Other Soft Costs	555,451	1,040,931	0	0	1,536,353	19,613	6,861	6,078	3,165,287
Legal Costs	13,155	88,899	15,310	0	31,954	171,882	179	388,225	321,199
Property Management/Maintenance Costs	0	657,791	0	0	0	0	0	0	1,046,195
Insurance	0	18,715	0	0	41,223	194,069	0	0	254,007
Demolition & Site Clearance	0	0	0	0	0	0	0	0	90,051
Construction Costs	5,761,262	3,130,832	0	0	8,318,173	0	0	115,984	17,326,252
Other Misc. Costs	0	14,887	0	0	0	0	0	0	14,887
<b>Total</b>	<b>6,329,868</b>	<b>4,952,054</b>	<b>15,310</b>	<b>0</b>	<b>9,895,749</b>	<b>245,636</b>	<b>268,973</b>	<b>510,287</b>	<b>22,217,877</b>

	Convention Center	Erie Canal Harbor	HCDC	Harriman	Moyhnan Station	Farley	Queens West	USA Niagara	Total All Subsidiaries
<b>YTD VARIANCE</b>									
Acquisition Costs	0	2,499,999	0	0	0	124,998	0	0	2,624,997
Design & Other Soft Costs	569,549	1,459,068	0	0	(348,854)	(7,115)	10,764	15,922	1,699,333
Legal Costs	(657)	23,601	22,190	0	12,498	86,795	(84,384)	0	60,044
Property Management/Maintenance Costs	0	192,209	0	0	0	1,200,000	47,542	(25,726)	1,414,024
Insurance	0	(1,215)	0	0	(3,723)	(6,569)	0	0	(11,507)
Demolition & Site Clearance	0	300,000	0	0	0	0	(90,051)	0	209,949
Construction Costs	27,988,738	8,119,168	0	0	10,619,327	150,000	1,231,146	1,182,647	49,291,025
Other Misc. Costs	0	110,111	0	0	156,249	0	0	975,000	1,241,360
<b>Total</b>	<b>28,557,630</b>	<b>12,702,941</b>	<b>22,190</b>	<b>0</b>	<b>10,279,248</b>	<b>1,704,358</b>	<b>1,115,017</b>	<b>2,147,842</b>	<b>56,529,226</b>

<b>YEAR TO DATE OVERVIEW</b>									
Budget to Date	34,887,498	17,654,995	37,500	0	20,174,997	1,949,994	1,383,990	2,658,129	78,747,103
Spent to Date	6,329,868	4,952,054	15,310	0	9,895,749	245,636	268,973	510,287	22,217,877
% of Budget Used	18.14%	28.05%	40.83%	0.00%	49.05%	12.60%	19.43%	19.20%	28.21%
Balance Remaining	28,557,630	12,702,941	22,190	0	10,279,248	1,704,358	1,115,017	2,147,842	56,529,226

<b>ANNUAL BUDGET</b>									
Acquisition Costs	0	10,000,000	0	0	0	500,000	0	0	10,500,000
Design & Other Soft Costs	4,500,000	10,000,000	0	0	4,750,000	50,000	70,500	88,000	19,458,500
Legal Costs	50,000	450,000	150,000	0	50,000	475,000	350,000	0	1,525,000
Property Management/Maintenance Costs	0	3,400,000	0	0	0	4,800,000	190,888	1,450,000	9,840,888
Insurance	0	70,000	0	0	150,000	750,000	0	0	970,000
Demolition & Site Clearance	0	1,200,000	0	0	0	0	0	0	1,200,000
Construction Costs	135,000,000	45,000,000	0	0	75,750,000	600,000	4,924,592	5,194,529	266,469,121
Other Misc. Costs	0	500,000	0	0	625,000	0	0	3,900,000	5,025,000
<b>Total</b>	<b>139,550,000</b>	<b>70,620,000</b>	<b>150,000</b>	<b>0</b>	<b>80,700,000</b>	<b>7,800,000</b>	<b>5,535,980</b>	<b>10,632,529</b>	<b>314,988,509</b>

<b>ANNUAL OVERVIEW</b>									
Annual Budget	139,550,000	70,620,000	150,000	0	80,700,000	7,800,000	5,535,980	10,632,529	314,988,509
Spent to Date	6,329,868	4,952,054	15,310	0	9,895,749	245,636	268,973	510,287	22,217,877
% of Budget Used	4.54%	7.01%	10.21%	0.00%	12.26%	3.15%	4.86%	4.80%	7.05%
Balance Remaining	133,220,132	65,667,946	134,690	0	70,804,251	7,554,364	5,267,007	10,122,242	292,770,632