

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

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

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

Meeting of the Directors  
Thursday  
September 18, 2014 – 9:30 a.m.

**PROPOSED AGENDA**

**FOR CONSIDERATION**

**I. CORPORATE ACTION**

- A. Approval of Minutes of the August 27, 2014 Directors' Meeting

**II. DISCRETIONARY PROJECTS**

**NEW YORK CITY REGION**

- A. New York City – The Bridge to Success Loan Program – 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

- A. Carver Bancorp – Bridge to Success (New York County) - \$562,500

**WESTERN NEW YORK REGION**

- B. Buffalo Billion Initiative – Buffalo (Western New York Region - Erie County) – Northland Capital - Buffalo Regional Innovation Cluster (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions ; Determination of No Significant Effect on the Environment .....

### III. REGIONAL COUNCIL AWARDS

#### CENTRAL NEW YORK REGION

- A. Regional Council Award – Priority Project- Syracuse (Central New York Region - Onondaga County) – Syracuse University Connective Corridor Façade Improvement Program Capital – Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

#### NORTH COUNTRY REGION

- B. Regional Council Award – Priority Project – Lyons Falls (North Country Region – Lewis County) – Lewis County Development Corporation Lyons Falls 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

#### LONG ISLAND REGION

- C. Regional Council Award – Stony Brook (Long Island Region – Suffolk County) – Stony Brook University Small Business Development Center Capital - Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

#### SOUTHERN TIER REGION

- D. Regional Council Award – Priority Project Corning (Southern Tier Region - Steuben County) – Arbor Housing and Development Capital – Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

#### WESTERN NEW YORK REGION

- E. Regional Council Award – Buffalo (Western New York Region – Erie County) – Buffalo Zoo Arctic Edge Capital – New York Works (Capital Grant) - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

III. **REGIONAL COUNCIL AWARDS – Continued**

**REGIONAL COUNCIL AWARD PROJECTS CONSENT CALENDAR**

- F. Regional Council Award Projects Consent Calendar - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make a Grant and to Take Related Actions

Regional Council Capital Fund

- A. Strand Theatre Digital Conversion Capital (Herkimer County) - \$25,000

**NY WORKS AND REGIONAL COUNCIL CAPITAL FUND-CONNECT NY BROADBAND PROGRAM CONSENT CALENDAR**

- G. NY Works and Regional Council Capital Fund – Connect NY Broadband Program Consent Calendar – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plans; and Authorization to Make Grants and to Take Related Actions

Regional Council Capital Fund

- A. MTC Wireless Broadband Expansion Project Phase II (Schoharie and Delaware Counties) - \$320,520

NY Works

- B. Ovid and Romulus Broadband Project (Seneca and Schuyler Counties) - \$114,015

IV. **NON-DISCRETIONARY PROJECTS**

**STATEWIDE - NEW YORK STATE NEW FARMERS GRANT FUND – LOCAL ASSISTANCE**

- A. Statewide – New York State New Farmers Grant Fund – Local Assistance – (Capital Grants for Beginning Farmers) – Authorization to Adopt Guidelines; Authorization to Make Grants; Delegation of Authority; Authorization to Take Related Actions

**NON-DISCRETIONARY PROJECTS CONSENT CALENDAR**

- B. Non-Discretionary Projects Consent Calendar – Authorization to Adopt the General Project Plan; Authorization to Make Grants and to Take Related Actions

Local Assistance (Senate)

- A. GLDC - Griffiss Air Force Base Redevelopment Capital (Oneida County) - \$0

V. ADMINISTRATIVE ACTIONS

- A. Land Bank – Approval of Land Bank Application and Authorization to Take All Related Actions
- B. “New York is Open for Business”: Amendment to Contract with Full Service Advertising, Marketing, Branding, Media and Communications Agency for Continuation of Business Marketing Campaign – Authorization to Amend Contract with BBDO USA LLC; Authorization to Take Related Actions

VI. INFORMATION

- A. Quarterly Report on Utilization of Certified Minority and Women Business Enterprises (MWBES) and Procurement Commitments to MWBEs for the First Quarter of Fiscal Year 2014-2015

VII. EXECUTIVE SESSION

- A. Procurement of Legal Services – Authorization to Enter into a Contract for Legal Services in Connection with Pending and Threatened **Litigation – Resolution will be available after the meeting**



FOR CONSIDERATION

September 18, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: New York City – The Bridge to Success Loan Program – Minority- and Women-Owned Business Development and Lending Program (Working Capital)

REQUEST FOR: 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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I. Project Summary

	Project Name	Proj #	Grantee	Assistance up to
A	Carver Bancorp - Bridge to Success	Z403	Carver Bancorp, Inc.	\$562,500
			<b>TOTAL</b>	<b>\$562,500</b>

II. Program Description

A. Background

In November 2013, Governor Andrew M. Cuomo announced the creation of the Bridge to Success Loan Program (“Bridge to Success”) which will invest at least \$15 million to expand access to short-term bridge loans for New York State Minority and Women-Owned Business Enterprises (“MWBEs”). The purpose of Bridge to Success is to provide lending support to MWBE contractors who need the working capital necessary to execute on a State contract. State contract payment cycles frequently take longer than what is financially feasible for these firms. The delay in the payment cycle poses a significant barrier to these firms securing State contracts.

Governor Cuomo has encourage businesses, in particular MWBEs, to explore the more than \$1 billion in contracting opportunities that are available for firms looking to do business with New York State. Many of these contract opportunities have been identified in the State of New York Statewide Capital Plan. Economic opportunity has been a priority for the Governor and he has been committed to increasing the utilization of MWBEs in NYS contracting; last fiscal year the

state reached 21.06% utilization, more than doubling the utilization rate from when the Governor took office. The Governor and ESD remain committed to breaking down barriers for MWBEs, and this program addresses the challenges for smaller firms in securing short term working capital.

At the February 20, 2014, the Directors approved up to \$2.25 million in loan loss reserves to support the \$15 million in short-term mobilization loans to four participating lenders. The mobilization loans will typically be under \$200,000 with terms under two years and would support \$100 million in State contracts. ESD is partnering with these lenders, who have agreed to provide short term working capital loans to NYS Certified MWBE contractors. ESD and the lenders will continue to negotiate the size of the loan fund designated for MWBEs bridge loan recipients. The loan loss reserve rate will be 15% of the agreed upon lender's loan pool. The loan loss reserve pool will be made available to the lender in an agreed, upon series of payments.

There will be loan targets associated with the Bridge to Success loan program, to be agreed upon by the lender and ESD. New York State funds will be first loss. The loan loss reserve funds can be accessed by the lenders to cover 100% of any losses, up to the maximum available in the loan loss reserve account. For example, if the lender makes a \$100,000 loan and all \$100,000 is written off, the lender can access all \$100,000 of the State funds to cover its losses, provided there is at least \$100,000 available in the loan loss reserve account. Loans would typically be from \$75,000 to \$200,000, but other loan amounts could be considered. Loan size based on average MWBEs business loan sizes typical of other similar programs.

The loan term would be short, typically a bridge loans from 8 to 18 months. The duration of the contract period is based on the borrowers who are actually performing the work which is generally under eighteen months. Participating lenders could determine interest rates and applicable fees, to be approved by ESD. ESD is making this loan loss reserve fund available to lenders to incentivize them to take on the increased risk of such loans and stimulate increased lending in this target area.

Today, the Directors are requested to add Carver Bancorp, Inc. ("Carver") as an additional lender to the Bridge-to-Success pool. Carver has been designated by the U.S. Treasury Department as a Community Development Financial Institutions (CDFI) because of its community-focused banking services and dedication to the economic viability and revitalization of underserved neighborhoods. Carver will focus its lending activities in the five boroughs of New York City.

B. The Project

See attached Consent materials.

### III. Statutory Basis

The New York State Minority and Women-Owned Business Development and Lending Program is authorized pursuant to Section 16-c of the New York State Urban Development Corporation Act (the "Act"). No residential relocation is required as there are no families or individuals residing on the site.

### IV. Environmental Review

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

### 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 projects. For purposes of this project, however, goals will not be established due to the unavailability of certified MWBEs for performance of this Contract.

### VI. ESD Employment Enforcement Policy

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

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

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

### VIII. Additional Submissions to Directors

Resolutions  
Project Map  
Project Summary

September 18, 2014

New York City – The Bridge to Success Loan Program – 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 Bridge to Success Lending Program – 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 a grant to the party and for the amounts listed below from the NY Works and Regional Council Capital Fund funds, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the 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

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	Carver Bancorp - Bridge to Success	Z403	Carver Bancorp, Inc.	\$562,500
			<b>TOTAL</b>	<b>\$562,500</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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## A. Carver Bancorp - Bridge to Success (Z403)

September 18, 2014

- Grantee:** Carver Bancorp, Inc. ("Carver" or the "Organization")
- ESD Investment:** A grant of \$562,500 to establish a loan loss reserve
- Project Location:** New York City
- Proposed Project:** Funding of a loan loss reserve to Bridge to Success lenders, which will facilitate the process for Minority and Women-Owned Business Enterprises ("MWBEs") to access much needed short term loan capital.
- Project Type:** Working capital to fund a Loan Loss Reserve
- Regional Council:** The New York City Regional Council has been made aware of this item. The NYS Regional Councils have identified legislative and regulatory actions in a number of different areas that it believes would support the achievement of their planned objectives, particularly in relation to the elimination of barriers to job creation, business development and private investment. Priority action recommendations of the council will include Business Development and Support assistance for Minority and Women-Owned Businesses.

### Background:

History – Founded in 1948, Carver has grown into the largest African American and Caribbean-American led bank in the United States. Carver's mission is rooted in expanding wealth enhancing opportunities in the communities it serves, by expanding access to capital as well as financial advice to its customers. Over 80% of Carver Bank's deposits are reinvested in the communities it serves. Carver Bank has been designated by the U.S. Treasury Department as a Community Development Financial Institution ("CDFI").

ESD Involvement – ESD has identified a pressing issue affecting many NYS certified MWBE contractors. Many MWBEs lack the short term working capital necessary to execute on state contracts, and banks are reluctant to provide credit to these firms given the short term nature of the capital need and the size and experience of many of these companies. The purpose of the Bridge to Success Loan program is to provide access to loan mobilization funds to NYS MWBE contractors who need the working capital necessary to execute on a NYS contract. State contract payment cycles frequently take longer than what is financially feasible for these firms. This poses a significant barrier to these firms securing NYS contracts.

Past ESD Support – On July 18, 2013, ESD Board approved funding for Carver in the amount of \$480,000 to support a joint initiative with MTA designed to improve small businesses' access to loan capital.

**A. Carver Bancorp - Bridge to Success (Z403)**

September 18, 2014

**The Project:**

Completion – March 2016

Activity –Carver has agreed that the loan loss reserve will incentivize them to take on the increased risk of short term working capital loans and stimulate increased lending in the New York City Region. The loan loss reserve for Carver will be up to \$562,500 and will leverage up to \$3,750,000 of loan capital that they have agreed to allocate in their targeted region.

Results – Approval of the request would provide qualified MWBEs the short-term working capital they need to hire staff, buy materials, or purchase equipment giving them a better chance to secure and perform on the up to \$1 billion that is currently available in state contracting opportunities.

Financing Uses	Amount	Financing Sources	Amount	Percent
Loan Loss Reserves	\$562,500	ESD Grant	\$562,500	100%
Total Project Costs	\$562,500	Total Project Financing	\$562,500	100%

Grantee Contact – Niles Stewart  
Carver Bancorp, Inc.  
75 West 125<sup>th</sup> Street  
New York, NY 10027  
Phone: (212) 360-8882

Project Team –

Origination	Rafael Salaberrios
Project Management	Rafael Salaberrios/Marion Samuels
Legal	Antovk Pidedjian
Contractor & Supplier Diversity	Vikas Gera
Finance	Maxwell Padden
Environmental	Soo Kang

**Financial Terms and Conditions:**

1. ESD will provide up to \$2,812,500 towards a loan loss reserve through the utilization of the Minority and Women Business Development Lending Program (“MWBDLP”). This reserve would be tapped based upon principal losses by the Grantees due to loans made as part of Bridge to Success Loan Program. Under the parameters of the program, each grantees exposure would be no more than \$3,750,000. In the event of a default, each grantee will submit to ESD a reserve funding request, together with supporting documentation of loan loss reserve expenses actually incurred to date.
2. The Bridge to Success Loan Program’s loan loss reserve is viewed as an important part of that commitment. Typical loan sizes would be from \$75,000-\$200,000. Selected contractors normally will be awarded contracts that would be completed within 18 months.

**A. Carver Bancorp - Bridge to Success (Z403)**

September 18, 2014

3. The total reserve level of \$2,812,500 for the Program has been calculated to leverage up to \$18.5 Million in private loan capital. Each grantee has committed to providing up to \$3,750,000 of capital. The loan loss reserve would be up to 15% of the capital committed.
4. Up to \$562,500 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 35% of the grant (\$196,875) as an advance, assuming that all project approvals have been completed and funds are available;
  - b) a Second Disbursement of an amount equal to 35% of the grant (\$196,875) will be disbursed upon documentation that the Grantee has reached a loan volume of \$1,250,000, provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to 30% of the grant (\$168,750) will be disbursed upon documentation that the Grantee has reached an additional loan volume of \$2,500,000 (cumulatively \$3,750,000), provided Grantee is otherwise in compliance with program requirements.
5. Grantees shall apply the Grant to the loan loss reserve in support of the Bridge to Success Loan program within eighteen months of the date of the second disbursement of the Grant (the "Usage Period"). Any portion of the Grant that has not been applied by the Grantee to the loan loss reserve in support of the Bridge to Success Loan Program shall be returned to ESD upon the expiration of the Usage Period.
6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,812,500 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.

**Statutory Basis**

The New York State Minority and Women-Owned Business Development and Lending Program is authorized pursuant to Section 16-c of the New York State Urban Development Corporation Act (the "Act"). No residential relocation is required as there are no families or individuals residing on the site.

**Environmental Review**

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

**A. Carver Bancorp - Bridge to Success (Z403)**

September 18, 2014

**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 projects. For purposes of this project, however, goals will not be established due to the unavailability of certified MWBEs for performance of this Contract.



FOR CONSIDERATION

September 18, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Northland Capital – Buffalo Regional Innovation Cluster (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: Buffalo Urban Development Corporation (“BUDC”)

ESD\* Investment: A grant of up to \$6.7 million to be used for reimbursement for acquisition of vacant and underutilized properties, planning, environmental investigation, and site review of properties.

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

Project Locations: Northland Avenue Belt Line Corridor, Buffalo, Erie County, including

Phase 1 Property Acquisitions:  
537 E. Delavan Avenue, Buffalo NY 14211  
767 Northland Avenue, Buffalo, NY 14211  
683 Northland Avenue, Buffalo, NY 14211  
631 Northland Avenue, Buffalo, NY 14211  
741 Northland Avenue, Buffalo, NY 14211  
777 Northland Avenue, Buffalo, NY 14211

690 Northland Avenue, Buffalo, NY 14211  
644 Northland Avenue, Buffalo, NY 14211  
664 Northland Avenue, Buffalo, NY 14211  
688 Northland Avenue, Buffalo, NY 14211  
128 Dutton Avenue, Buffalo, NY 14211  
126 Dutton Avenue, Buffalo, NY 14211

Phase 2 Property Acquisitions to be determined within the boundaries of E. Delavan Avenue, Fillmore Avenue, Grider Street and the Belt Line Railroad.

Proposed Project: Acquire and remediate vacant or underutilized industrial land.

Project Type: Economic growth investment

Regional Council: This is a signature initiative of the Buffalo Billion Investment Development Plan and is consistent with the Western New York (“WNY”) Regional Economic Development Council (“REDC”) Regional Plan to promote smart growth, and economic development.

## II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Real Estate Acquisition – Phase 1:	\$4,665,000
Real Estate Acquisition – Phase 2:	1,485,000
Planning/design/soft costs	<u>550,000</u>
<b>Total Project Costs</b>	<b><u>\$6,700,000</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	<u>\$6,700,000</u>	<u>100%</u>
<b>Total Project Financing</b>	<b><u>\$6,700,000</u></b>	<b><u>100%</u></b>

## III. Project Description

### A. Company

Industry: BUDC is a not-for-profit local development agency and an affiliate of the Erie County Industrial Development Agency (the “ECIDA”). Its mission is to create a dynamic and responsive project development process and team, capable of meeting the special needs and challenges associated with urban and high-impact project development in Erie County. BUDC currently focuses on redeveloping brownfields and other challenged properties in the City of Buffalo (“City”). BUDC facilitates partnerships with the private sector, primarily through the preparation of shovel

ready sites, strategic planning and as a pass-through for public and private funding for adaptive re-use and redevelopment projects.

**History:** BUDC was established in 1978 under the name Development Downtown, Inc. to act as a financing vehicle for downtown Buffalo development projects using Urban Development Action Grants. In 2004, Development Downtown, Inc. became BUDC, reclaiming distressed land and buildings for future development.

**Ownership:** BUDC is a not-for-profit agency.

**Size:** BUDC is managed by an eighteen-member board of directors which are made up of public and private sector individuals that serve on four committees to assist BUDC in conducting day-to-day business. BUDC has two employees; the ECIDA has 18 employees.

**ESD Involvement:** The Northland Avenue Belt Line Corridor (“Corridor”) is an industrial/commercial/residential neighborhood, and one of the most extensive industrial areas in terms of size and density on Buffalo’s east side. It was historically developed as a center for manufacturing at the intersection of several major rail corridors, including the New York Central “Beltline.” Throughout the 20<sup>th</sup> century, facilities along these corridors produced airplanes, automobiles, furniture, mechanical parts, fuel components, food products and heavy machinery. Today, much of the residential and commercial foundation of this area remains in close proximity to abandoned industrial plants, posing environmental and remediation challenges, and have added to the neighborhood’s high vacancy rates and reduced economic vitality.

Despite this decline, the area has significant geographic, industrial, and community assets making it a prime site to redevelop. The Corridor is located in close proximity to the Erie County Medical Center, Buffalo Niagara Medical Campus, downtown Buffalo, the Larkin District, and 4.5 miles from the new RiverBend project. An accessible labor force, established road and utility infrastructure, the potential for land assembly, and potential rail access make this an ideal location for the City’s next manufacturing center.

Past ESD Support: Over the past five years, ESD has provided \$2,440,000 in funding to the Grantee as follows:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Upstate Regional Blueprint Fund	W968	\$2,400,000	November 18, 2010	September 1, 2012	Capital Grant- Buffalo Lakeside Commerce Park

B. The Project

Completion: July 2016

Activity: The \$6.7 million project will include the acquisition of vacant and underutilized industrial properties to establish a commerce center to attract new companies and employment opportunities to an economically disadvantaged neighborhood in the City of Buffalo. The properties are located in an area bounded by E. Delavan Ave., Fillmore Ave., Grider Street and the Belt Line Railroad, which is a historical industrial area that has experienced tremendous vacancies and disinvestment over the past 30-40 years. The properties to be acquired total approximately 700,000-square-feet of industrial space on approximately 50 acres of land. The project will also include engineering, environmental investigations and real estate feasibility studies to determine the condition of the properties, their highest-and-best use, environmental remediation plans, if necessary, renovation strategies, infrastructure improvements and a long-term redevelopment plan for the entire group of properties.

Results: As a result of this project, the repurposing of this former industrial land combined with the City of Buffalo's potential to invest in existing assets and infrastructure such as streetscape improvements along Northland, Winchester, and East Delavan Avenues, housing stabilization projects, and park improvements will increase density in the City's core, encourage walkability and multi-modal transportation, connect disadvantaged communities with employment clusters, and attract private investment creating a vibrant, sustainable community in line with the Region's established smart growth principles.

Economic Growth

Investment Project: Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs

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

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

- Fiscal benefits to NYS government from the project are estimated at \$33,547;
- Fiscal cost to NYS government is estimated at \$6,700,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.01:1;
- Fiscal benefits to all governments (state and local) are estimated at \$58,653;
- Fiscal cost to all governments is \$6,700,000;
- The fiscal benefit to cost ratio for all governments is 0.01:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$442,319;
- The economic benefit to cost ratio is 0.07:1;
- Project construction cost is \$550,000, which is expected to generate five direct job years and three indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.07 indirect job is anticipated in the state's economy.

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

Grantee Contact: Mr. Peter Cammarata, President  
95 Perry Street, Suite 404  
Buffalo, New York 14203  
Phone: (716) 362-8361

ESD Project No.: Z336

Project Team:	Origination	Christina Orsi
	Project Management	Jean Williams
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Ross Freeman
	Environmental	Soo Kang

### C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$6.7 million capital grant (\$67,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. Up to \$6.7 million will be disbursed to the Grantee as follows:
  - a) An Initial Disbursement of \$4.65 million will be made upon presentation of an invoice, and other documentation as ESD may require, documenting the costs of real estate acquisition for the Project Locations defined as Phase I. The disbursement will be made by check or wire at the time of closing, assuming that all project approvals have been completed and funds are available, at a time and place agreed to by ESD; and
  - b) A Second Disbursement in an amount of up to \$550,000 will be disbursed in a lump sum upon project completion, as described in these materials, and/or other documentation verifying project completion as ESD may require, and upon documentation verifying project expenditures of approximately \$550,000; and
  - c) A Final Disbursement in the amount of \$1.5 million upon presentation of an invoice and other documentation as ESD may require documenting the costs of real estate acquisition for the Phase 2 Project Locations. The disbursement will be made by check or wire at the time of closing, assuming that all project approvals have been completed and funds are available, at a time and place agreed to by ESD.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures reimbursed by ESD's grant must be incurred on or after June 1, 2014, to be considered eligible project costs. All disbursements must be requested by December 1, 2017.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$6.7 million 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.
5. Grant funds will be subject to *pro rata* recapture if any project locations are sold within 5 years of disbursement of funds without prior approval of ESD. 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.

In addition, the following requirements must be met:

- All tenants and/or leases and/or sale of properties for the Project Locations must be approved by ESD in advance of execution;
- Proceeds from future sales of any of these properties (acquired with State grant) must remain with BUDC for future redevelopment activities & administrative support for such;
- BUDC will make available the former CNB Building (683 Northland Avenue) for ESD (or other designated entity by ESD) for a workforce training center and other economic development uses at ESD's discretion at no cost other than direct operating costs unless otherwise agreed to by ESD;
- ESD must approve future property acquisitions in defined area; no City owned properties are to be acquired with ESD funds.

#### IV. Statutory Basis – Buffalo Regional Innovation Cluster

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

#### V. Environmental Review

ESD, as lead agency, has completed an environmental review of the requested grant for acquiring properties at the Northland –Beltline Commerce Center pursuant to the requirements of the State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation. This review, which ESD determined to be an Unlisted Action, found that the activities to be made possible by the grant would not result in significant adverse impacts on the environment. The requested grant, in addition to property acquisition, will allow for site assessment, building conditions and feasibility studies of the properties and the preparation of a redevelopment plan. At such time as the redevelopment plan is drafted, the necessary environmental review for its implementation will be undertaken. Therefore, ESD staff recommends that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 25% related to the eligible categories totaling approximately \$550,000. As such, the overall MWBE utilization goal shall be no less than \$137,500.

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

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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Buffalo Urban Development Corporation a grant for a total amount not to exceed Six Million Seven Hundred Thousand Dollars (\$6,700,000) 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.

\* \* \*

September 18, 2014

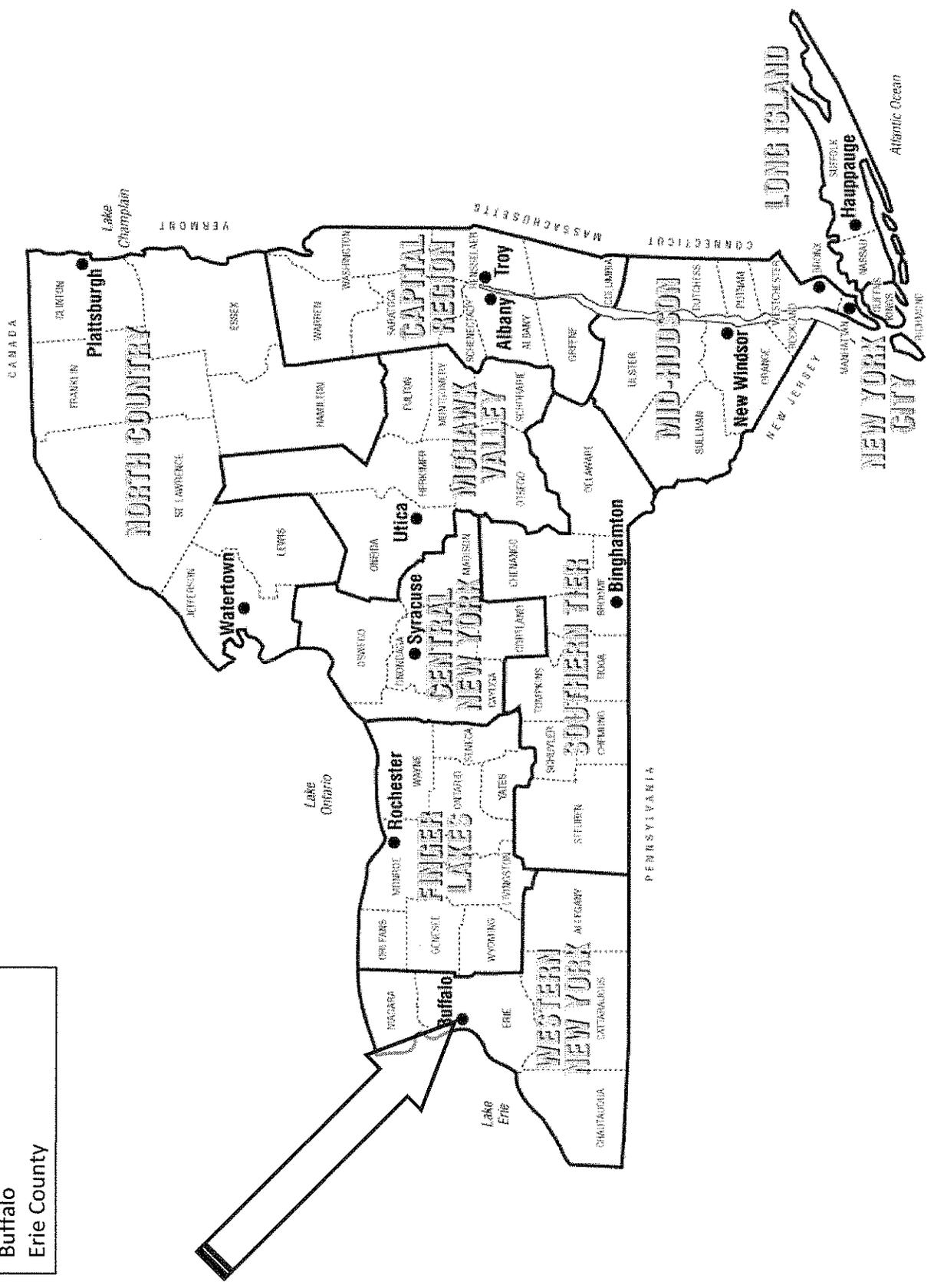
Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Northland  
Capital – Buffalo Regional Innovation Cluster - Capital Grant) – Determination of No  
Significant Effect on the Environment

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

\* \* \*

Northland Capital  
 Buffalo  
 Erie County



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

**BUDC-Northland Avenue Belt Line Corridor – Economic Growth Investment**

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

**Construction Job Years (Direct): 5**

**Construction Job Years (Indirect): 3**

<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>	\$6,700,000	\$794,250	\$6,700,000	\$1,020,500
<b>Fiscal Benefits<sup>4</sup></b>	\$33,547	\$2,085,600	\$58,653	\$4,271,980
<b>Fiscal B/C Ratio</b>	0.01	3.00	0.01	10.60
	<b>Project Results</b>	<b>Benchmarks for ESD Projects</b>		
<b>Economic Benefits<sup>5</sup></b>	\$442,319	\$119,468,000		
<b>Economic B/C Ratio</b>	0.07	30.00		

<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 30.00 (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

September 18, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Syracuse (Central New York Region – Onondaga County) – Syracuse University Connective Corridor Façade Improvement Program Capital – Regional Council Capital Fund (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: Syracuse University (“SU” or the “Grantee”)

ESD\* Investment: Grants totaling up to \$450,000 as follows:

A grant of up to \$250,000 (Y225) to be used for a portion of the cost to fund Round 2 of the Connective Corridor Façade Improvement Program (“FIP” or the “Program”), and

A grant of up to \$200,000 (Y809) to be used for a portion of the cost to fund Round 3 of the Program.

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

Project Location: Connective Corridor Overlay District and adjacent area, Syracuse, Onondaga County

Proposed Project: The Connective Corridor Façade Improvement Program will provide grants of up to \$25,000 to individual businesses to improve the physical and aesthetic conditions of building façades located within the

Connective Corridor Overlay District and adjacent areas in the City of Syracuse.

Project Type: Downtown façade improvement program

Regional Council: This project is a priority project for the Central New York region because it advances one of three priority goals identified by the Central New York Regional Economic Development Council (“CNY REDC”) in its Five-Year Strategic Plan, to revitalize the region’s urban cores, main streets and neighborhoods.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Façade Improvement Program	<u>\$500,000</u>	
Total Project Costs	<u>\$500,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant (Y225)	\$250,000	50%
ESD – Grant (Y809)	200,000	40%
Grantee Equity	<u>50,000</u>	<u>10%</u>
Total Project Financing	<u>\$500,000</u>	<u>100%</u>

III. Project Description

A. Organization

Industry: Syracuse University is a private university founded in 1870. Today, it has a total undergraduate enrollment of 14,798 on a 708 acre campus. The Connective Corridor is a civic engagement initiative which incorporates cutting-edge urban development, architecture and design, and brings together the major social, cultural and economic assets in the City of Syracuse (the “City”). The goal of the Connective Corridor is to create a higher education community engagement model that reinforces SU’s core mission of teaching and research, and builds on the vision for a more vital, creative community.

History: In May 2007, a Brookings Institute Report entitled *Restoring Prosperity*, identified the many economic and social challenges in the City, and called for an action plan from state leaders to pull existing assets and resources together as a foundation for urban renewal and growth. In line with the report’s recommendations, the Connective Corridor involves developing a signature landscape along with transit system improvements which are

federally funded and managed by the City, connecting the major educational and medical institutions with the arts and cultural organizations and businesses downtown. It joins over \$400 million in new capital investment occurring on University Hill with over \$200 million in new and future investment in downtown. The program encourages the development of a distinct identity for the Connective Corridor in a way that respects and preserves the unique or historical character of individual properties, while including design elements that mark the route, and create opportunities for business development.

- Ownership:** SU is a private university.
- Size:** All facilities located in Syracuse, NY.
- Market:** The FIP has three main areas located within the four-mile area that comprises the Connective Corridor. Any commercial, industrial, mixed-use, and both for-profit and nonprofit properties located directly or adjacent to the Connective Corridor is eligible for the Program. Other properties may be considered if they are iconic historic buildings that are highly visible from the Corridor and fit with program criteria.
- ESD Involvement:** In 2009, SU received a \$10 million City-by-City capital grant for costs associated with the implementation of different elements of the Connective Corridor, which included \$1.5 million for programming costs and \$625,000 specifically allocated to fund Round 1 of the Façade Improvement Program. Based on the successful completion of 41 façade improvement projects by Connective Corridor businesses, SU sought to continue and expand the Program with two additional funding rounds, applying to the applying for and awarded another \$250,000 and \$200,000 in the second and third rounds, respectively, of the Consolidated Funding Application process. To date, SU has worked with property owners to efficiently complete 56 façade improvement projects.
- Past ESD Support:** Since 2000, ESD has provided SU with \$30,199,598 of funding. Projects have included \$424,893 to the Syracuse University Entrepreneurial Assistance Program Center for basic training and technical assistance grants, \$17,565,498 in capital and working capital assistance for Syracuse Center of Excellence in Environmental and Energy Systems project support, \$3 million for the construction of the School of Management, \$375,000 to the SU College of Law to fund the Technology Commercialization Clinic Network, and \$10 million in capital and working capital assistance for the implementation of the Syracuse Connective Corridor.

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

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Upstate City-by-City	V916	\$10,000,000	January 15, 2009	June 30, 2016	Capital Grant - Syracuse Connective Corridor
Local Assistance COE	W612	\$1,155,666	June 23, 2009	August 13, 2010	Working Capital Grant – Operating costs at the Syracuse Center of Excellence
	W880	\$815,666	October 21, 2010	June 23, 2011	
Entrepreneurial Assistance Program	W658	\$73,500	August 19, 2009	August 31, 2010	Syracuse University EAP Center - Business Training and Technical Assistance Grants
	X157	\$73,500	August 16, 2010	August 15, 2011	
	X425	\$73,500	September 15, 2011	July 31, 2012	
	X854	\$99,593	November 15, 2012	October 1, 2013	
	Y540	\$74,207	November 18, 2013	December 31, 2014	
Regional Council Capital Fund	X766	\$3,000,000	November 15, 2012	December 31, 2017	Capital Grant – Fit-out of lab space at the SU Center of Excellence and for the creation of a multimodal transportation center.

**B. The Project**

Completion: September 2016

Activity: ESD funding is being used to fund Rounds 2 and 3 of the Connective Corridor Façade Improvement Program, which provides “mini-grants” of up to \$25,000 to eligible Connective Corridor businesses for capital improvements to a building’s physical exterior, features or items that increase social activity, and/or landscaping to enhance curb appeal.

The FIP encourages redevelopment of urban core properties by businesses and nonprofit organizations in ways that open them up to higher usage, while preserving and highlighting the unique or historical character of individual properties. The Program will enhance the urban experience of living, working and enjoying the various cultural and social opportunities in University Hill and downtown Syracuse. In addition, the

Program encourages the development of a distinct identity for the Connective Corridor by including design elements that mark the route and create opportunities for business development.

Results: The Connective Corridor is the largest public works project in Syracuse in 30 years. The FIP highlights the Connective Corridor as a streetscape improvement district that encourages arts and culture, tourism, business and residential development, and external investment through capital improvements, creating both curb appeal of and enhanced economic and social activity, and fostering a high level of maintenance of properties and storefronts along the route. The Program is instrumental in illuminating the Corridor's distinctive character and abundance of attributes appealing to a younger, more diversified population regenerating the community and economy.

Economic Growth

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

Grantee Contact: Linda Dickerson-Hartsock  
Director, Office of Community Engagement and Economic Development  
The Warehouse  
350 West Fayette Street, Suite 405  
Syracuse, New York 13202-1202  
Phone: (315) 443-4137

ESD Project Nos.: Y225, Y809

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

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
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 financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Y225 - Up to \$250,000, will be disbursed to Grantee in a lump sum upon project completion evidenced by signed grant agreements totaling at \$250,000 between Recipient and eligible businesses located within the Project Location, upon signed authorization for all proposed work by affected building owners, documentation verifying completion of each of the funded façade grant projects, documentation of the disbursement of funds to Program awardees as ESD may require, documentation of required 10% equity contribution, and Recipient compliance with program requirements. Expenses must be incurred on or after March 7, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

Y809 - Up to \$200,000, will be disbursed to Grantee in a lump sum upon project completion evidenced by signed grant agreements totaling at \$250,000 between Recipient and eligible businesses located within the Project Location, upon signed authorization for all proposed work by affected building owners, documentation verifying completion of each of the funded façade grant projects, documentation of the disbursement of funds to Program awardees as ESD may require, documentation of required 10% equity contribution, and Recipient compliance with program requirements. Expenses must be incurred on or after March 27, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

ESD must approve the Program's grant application, marketing material and project sourcing strategies, due diligence process, grant approval guidelines, project monitoring processes and goals.

ESD, via the Central New York Regional Office, will approve all funding recommendations. ESD funds shall be allocated as grants. No single investment of ESD funds may exceed \$25,000 without written consent of ESD, via the Central New York Regional Office.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$450,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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

The project was authorized in the 2012-2013 New York State budget and reappropriated in the

2013-2014 and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the sites.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

Project Y225 shall not be subject MWBE participation requirements.

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to Project Y809. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprises (MWBEs) for any contractual opportunities generated in connection with this Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 20% related to project Y809. As such, the MWBE participation in this project shall be no less than \$40,000.

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions  
New York State Map  
Project Photographs

September 18, 2014

Syracuse (Central New York Region – Onondaga County) – Syracuse University Connective Corridor Façade Improvement Program Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Syracuse University a grant for a total amount not to exceed Four Hundred Fifty Thousand Dollars (\$450,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

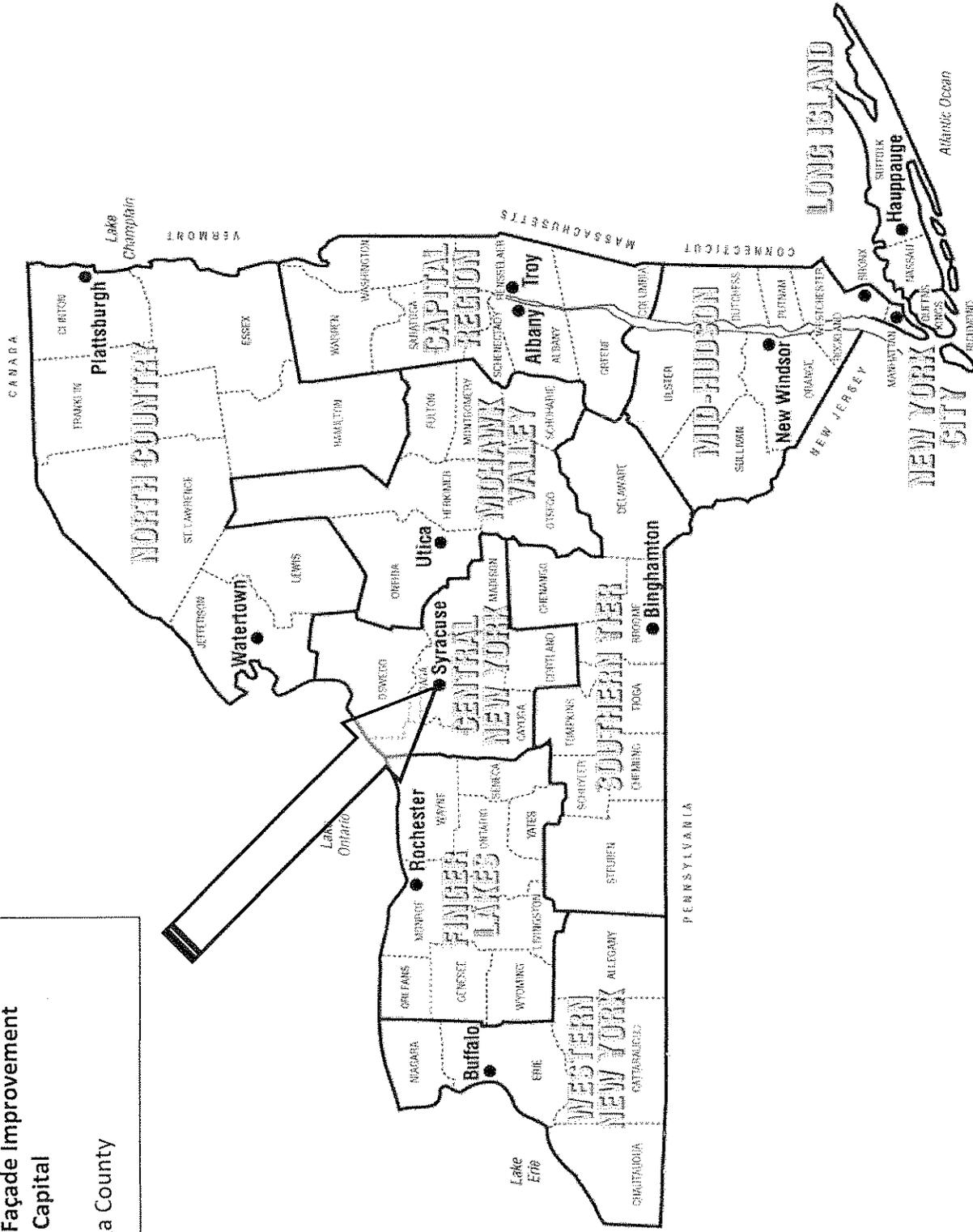
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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.

\* \* \*

**Syracuse University Connective  
 Corridor Façade Improvement  
 Program Capital  
 Syracuse  
 Onondaga County**









FOR CONSIDERATION

September 18, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Lyons Falls (North Country Region – Lewis County) – Lewis County Development Corporation Lyons Falls Capital.– Regional Council Capital Fund (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: Lewis County Development Corporation (“LCDC” or the “Organization”)

ESD\* Investment: A grant of up to \$330,000, to be used for a portion of environmental survey, engineering, permitting and redevelopment planning costs.

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

Project Location: 1 Center Street, Lyons Falls, Lewis County

Proposed Project: Pre-construction costs to redevelop a 9.4 acre brownfield site

Project Type: Brownfield site redevelopment

Regional Council: The project is consistent with the North Country Regional Economic Development Council plan to attract additional private investment, create jobs and expand economic development in North Country communities.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Environmental survey-testing	\$240,000
Engineering-permits-planning	<u>255,000</u>
<b>Total Project Costs</b>	<b><u>\$495,000</u></b>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$330,000	66%
Organization Equity	<u>165,000</u>	<u>34%</u>
<b>Total Project Financing</b>	<b><u>\$495,000</u></b>	<b><u>100%</u></b>

III. Project Description

A. Organization

Industry: Economic development

Organization History: Lewis County Development Corporation was formed in 2003 to expand economic development activity in Lewis County.

Ownership: The Organization is a not-for-profit corporation.

Market: The Organization serves Lewis County.

ESD Involvement: The LCDC sought ESD assistance to finance its Lyons Falls brownfield redevelopment project to create an economic development asset. The LCDC applied for funding assistance through the Consolidated Funding Application (“CFA”) and was awarded \$330,000. Without the ESD funding assistance the project would not be possible.

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

B. The Project

Completion: June 2014

Activity: The LCDC has completed the preparation of a 9.4 acre industrial brownfield site for future use a modern commercial industrial park. An environmental survey work has been completed, engineering plans have been prepared, and required permits have been obtained. The site is

now ready for the safe demolition of existing derelict industrial mill buildings.

Results: The project has created a shovel ready greenfield site to expand economic activity in Lewis County.

#### 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 \$30,890;
- Fiscal cost to NYS government is estimated at \$330,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.09:1;
- Fiscal benefits to all governments (state and local) are estimated at \$54,104;
- Fiscal cost to all governments is \$330,000;
- The fiscal benefit to cost ratio for all governments is 0.16:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$382,416;
- The economic benefit to cost ratio is 1.16:1;
- Project construction cost is \$495,000, which is expected to generate five direct job years and three indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.35 indirect job is anticipated in the state's economy.

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

Grantee Contact: Eric Virkler, Corporate Secretary  
Box 704  
Lyons Falls, NY 13368  
Phone: (315) 376-5425

ESD Project No.: X669

Project Team:	Origination	John Vandeloo
	Project Management	John Vandeloo
	Contractor & Supplier Diversity	Denise Ross
	Finance	Jon Hornsby
	Environmental	Soo Kang

### C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Organization shall pay a commitment fee of 1% of the \$330,000 (\$3,300) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Organization will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Organization will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Organization's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Organization or by investors, and should be auditable through the Organization's financial statements or Organization accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$330,000 will be disbursed to Grantee upon documentation of construction project costs totaling \$495,000, 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 12, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$330,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Regional Council Capital Fund

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

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination and Contractor Diversity policy will apply to the Project. The Grantee shall be required to use “good faith efforts” to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation goal of 20%, a Minority Business Enterprise (“MWBE”) 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.

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

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

September 18, 2014

Regional Council Award – Priority Project – Lyons Falls (North Country Region – Lewis County) – Lewis County Development Corporation Lyons Falls Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Sections 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Lewis County Development Corporation Lyons Falls Capital – Regional Council Capital Fund (Capital Grant) (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 Lewis County Development Corporation a grant for a total amount not to exceed Three Hundred Thirty Thousand Dollars (\$330,000) 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.

\* \* \*



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

**Lewis County Development Corporation Brownfield Redevelopment  
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 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): 5**

**Construction Job Years (Indirect): 3**

Evaluation Statistics	Project Result NYS Govt.	NYS Govt. Benchmarks for ESD Projects <sup>2</sup>	Project Results State & Local Governments	State & Local Government Benchmarks for ESD Projects
Fiscal Costs <sup>3</sup>	\$330,000	\$794,250	\$330,000	\$1,020,500
Fiscal Benefits <sup>4</sup>	\$30,890	\$2,085,600	\$54,104	\$4,271,980
Fiscal B/C Ratio	0.09	3.00	0.16	10.60
	<b>Project Results</b>	<b>Benchmarks for ESD Projects</b>		
Economic Benefits <sup>5</sup>	\$382,416	\$119,468,000		
Economic B/C Ratio	1.16	30.00		

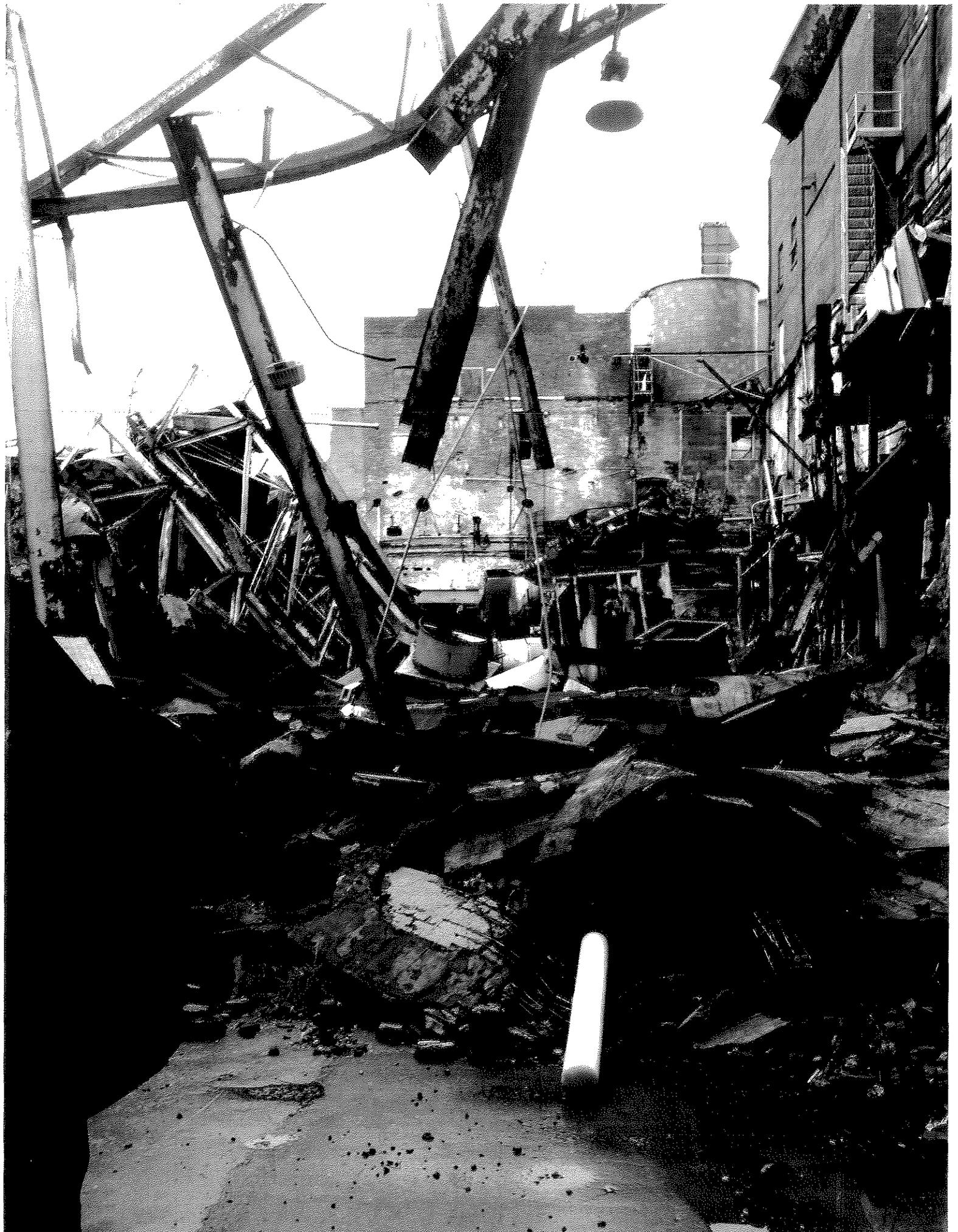
<sup>1</sup> Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

<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 30.00 (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

September 18, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Stony Brook (Long Island Region – Suffolk County) – Stony Brook University Small Business Development Center Capital – Regional Council Capital Fund (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: The Research Foundation of State University of New York (“Grantee” or the “Research Foundation”)

ESD\* Investment: A grant of up to \$1,500,000 to be used for a portion of the cost to establish a regional grant program.

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

Project Location: Stony Brook University Small Business Development Center  
109 Building 17, Stony Brook, Suffolk County

Proposed Project: The Grantee will establish a regional grant program to provide matching grants for laboratory equipment to successful Federal Small Business Innovation Grant recipients.

Project Type: Regional Grant Program

Regional Council: The project is consistent with the Long Island Regional Plan to leverage research institutions to commercialize new technologies. The President of Stony Brook University is a member of the 22-person Long Island

Regional Economic Development Council. In conformance with the State's policy, this individual has recused himself on votes recommending this project.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Laboratory Equipment and Related Fixtures Acquisition	<u>\$7,500,000</u>	
Total Project Costs	<u>\$7,500,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$1,500,000	20%
Grantee Equity*	<u>6,000,000</u>	<u>80%</u>
Total Project Financing	<u>\$7,500,000</u>	<u>100%</u>

\* The recipients of the matching grants will provide the equity for the project.

III. Project Description

A. Grantee

**Industry:** The Research Foundation of SUNY is a private, 501(c)(3), not-for-profit, educational organization that administers externally funded contracts and grants for, and on behalf of, the State University of New York ("SUNY"). Its mission is to lead, initiate, foster, and manage the transfer of technologies from the research laboratory to the marketplace. The Research Foundation is affiliated with commercial, educational, scientific, and national defense industry partners.

**Grantee History:** The Research Foundation provides the administrative flexibility to respond quickly to the special demands of externally funded contracts and grants in a manner that facilitates their scientific or technical execution. As a separate, not-for-profit corporation, The Research Foundation is not supported by state appropriated tax dollars, nor does it receive support services provided to New York State agencies. The Research Foundation established and oversees the operation of 16 affiliate corporations to facilitate university-industry-government partnerships and accelerate the growth of sponsored programs and applied research opportunities at SUNY. By managing the day-to-day administration of sponsored programs, the Research Foundation allows principal investigators to devote more time to their research.

Ownership: The Grantee is a not-for-profit organization

Size: All facilities are located in Stony Brook, NY.

ESD Involvement: Financing for early stage technology development is scarce and federal resources are underutilized in Long Island. The Grantee applied through the Consolidated Funding Application to fund a two-year matching grant program to supplement Long Island companies that receive federal awards with competitive grants. Many companies run out of funding during the time that it completes the early testing of its product and sufficient testing of the product. Before sufficient testing of the product, most investors will not invest with the company due to risk. The two-year matching grant will make it possible for these companies to stay in business between these two critical steps and attract private investment in the future. Without ESD funding, this program would not be in a position to help as many early stage technology companies bridge the funding gaps.

Past ESD Support: The Research Foundation has received five previous grants totaling \$4,650,740. All projects were completed and funds have almost been fully disbursed.

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

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Local Assistance	W690	\$1,179,166	October 22, 2009	March 1, 2011	Working Capital – Operating expenses
	W878	1,155,666	June 26, 2012	May 17, 2014	
	W879	\$815,666	June 26, 2012	December 31, 2014	

B. The Project

Completion: April 2016

Activity: The Research Foundation has established a matching grant program for technology companies in Long Island that receive Federal Small Business Innovation Research ("SBIR") Grants. The SBIR Matching Grants Program will reimburse up to 20% of the cost for laboratory equipment purchases up to a maximum of \$50,000. The remaining 80% of project costs will be provided by the recipients of the matching grants. The overall goal of the SBIR Matching Grants Program is to fund developing technology companies.

Results: The SBIR Matching Grants Program will be established.

Economic Growth

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

Grantee Contact: Jeffrey Saelens, Director  
109 Building 17  
Stony Brook, NY 11794  
Phone: (631) 632-9174

ESD Project No.: Y951

Project Team:	Origination	Barry Greenspan
	Project Management	Jared Walkowitz
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Ross Freeman
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$1,500,000 will be disbursed to the Grantee in four installments as follows:
  - a) an Initial Disbursement of an amount equal to 30% of the grant (\$450,000) as an advance upon execution of a Grant Disbursement Agreement and receipt of required documentation;
  - b) a Second Disbursement of an amount equal to 30% of the grant (\$450,000) will be disbursed upon documentation verifying disbursement of at least 75% of the first advance (\$337,500) and compliance with program reports and requirements,

- including meeting expected goals;
- c) a Third Disbursement of an amount equal to 30% of the grant (\$450,000) will be disbursed upon documentation verifying disbursement of 100% of the first advance and at least 75% of the second advance (\$787,500 cumulative) and compliance with program reports and requirements, including meeting expected goals;
  - d) a Fourth Disbursement of an amount equal to 10% of the grant (\$150,000) will be disbursed upon documentation verifying disbursement of 100% of the first and second advances and at least 75% of the third advance (\$1,237,500 cumulative) and compliance with program reports and requirements, including meeting expected goals.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after May 2, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2018.

ESD must approve the Program's grant application, marketing materials, company evaluation strategies, due diligence process, grant approval guidelines, monitoring processes and goals.

ESD, via the Long Island Regional Office, will approve all funding recommendations. No single investment of ESD funds may exceed \$50,000 without written consent of ESD, via the Long Island Regional Office.

- 5. ESD funds will be deposited in an account (the "Imprest Account") at a bank mutually acceptable to ESD (as set forth in writing by ESD) and the Grantee. Funds in the Imprest Account, from the time of deposit and until disbursed from such account in accordance with terms to be approved by the ESD Directors, will be invested in accordance with ESD's Investment Guidelines. ESD shall be provided with copies of all account statements, and reports in accordance with reporting requirements. All returns on ESD investments shall be kept in the same Imprest Account and shall be used exclusively for subsequent Program grants.
- 6. Recipient will report semi-annually on grants and related Program activity. Such reports will contain information on outreach efforts, grants, current status of SBIR research activity, job creation outcomes, verification of the location of all laboratory equipment and companies and other items as determined by ESD. Once the Research Foundation has provided documentation verifying disbursement of the entire \$1,500,000 of grant funds, the Research Foundation will report annually on Program activity for a term to be noted in the final Grant Disbursement Agreement.
- 7. Businesses receiving laboratory equipment funds agree to remain in New York State for at least five years after funds have been provided, and any relocation will result in immediate repayment of grant. ESD shall have the ability to waive such repayment based upon individual circumstances. Equipment may not be moved to another

location without ESD permission. Should equipment no longer be needed, such equipment will be sold with proceeds being returned to the Imprest Account. An alternative, with ESD written approval, will allow the equipment to be offered to universities, colleges or local school district science education programs at no cost.

8. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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

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

#### V. Environmental Review

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

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

ESD’s Non-Discrimination and Contractor & Supplier Diversity 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 20% related to the total value of ESD’s funding.

#### VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

September 18, 2014

Regional Council Award – Stony Brook (Long Island Region – Suffolk County) – Stony Brook University Small Business Development Center Capital – Regional Council Capital Fund (Capital) – 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 Stony Brook University Small Business Development Center Capital - Regional Council Capital Fund Capital Project (the "Project"); the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

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

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

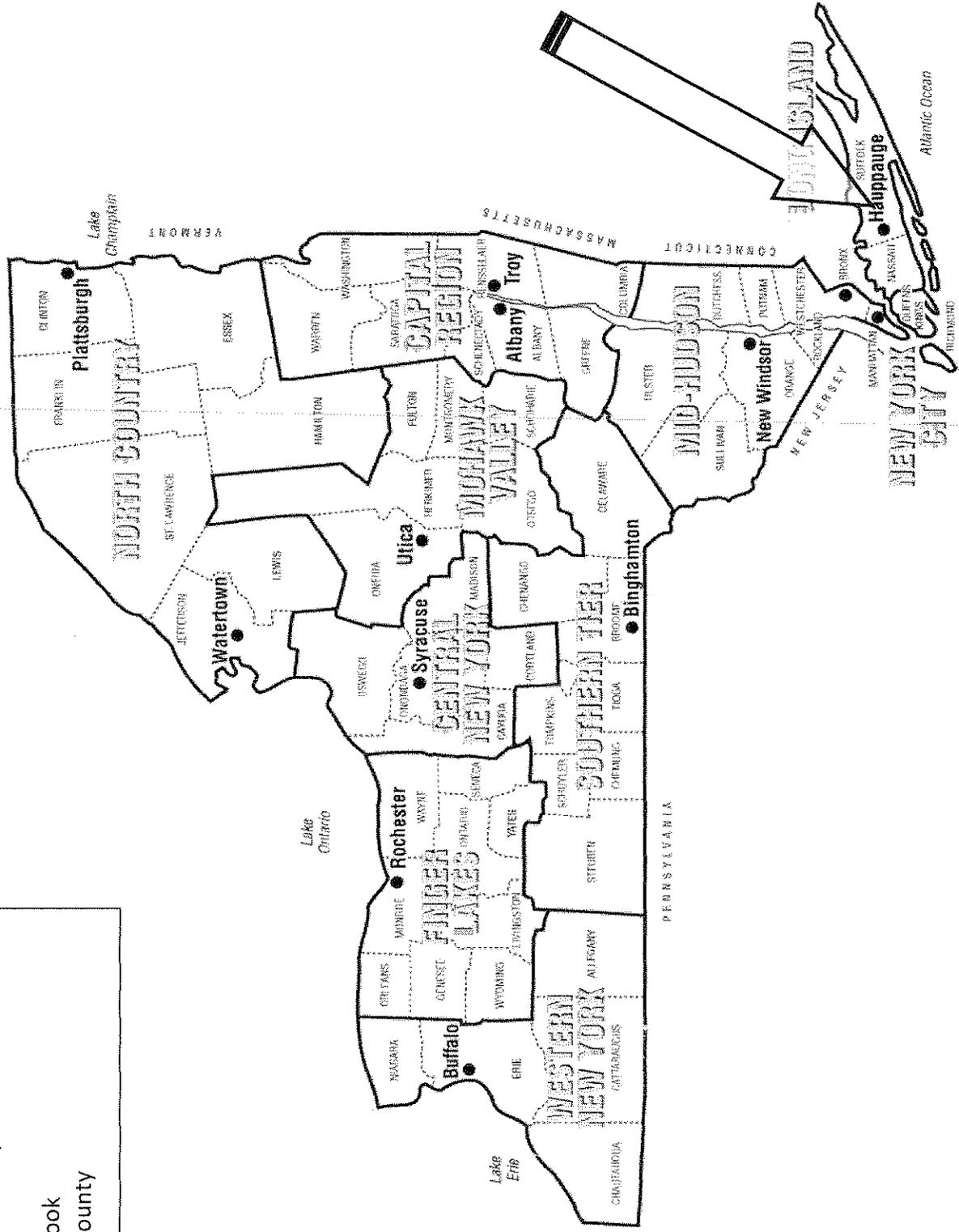
RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in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

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

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

\* \* \*

**Stony Brook University Small  
 Business Development Center**  
 Capital  
 Stony Brook  
 Suffolk County



# Empire State Development

FOR CONSIDERATION

September 18, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Corning (Southern Tier Region – Steuben County) – Arbor Housing and Development 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: Steuben Churchpeople Against Poverty d/b/a Arbor Housing and Development (“Arbor” or the “Organization”)

ESD\* Investment: A grant of up to \$450,000 to be used for a portion of the cost of renovations to a vacant building

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

Project Location: 26-32 Bridge Street, Corning, Steuben County

Proposed Project: Arbor Housing and Development will acquire and renovate a vacant and blighted retail structure of approximately 17,000 square feet in the City of Corning to create additional office space for Arbor and commercial space for prospective tenants who Arbor will select.

Project Type: Real estate redevelopment including job creation

Regional Council: The project is consistent with the Southern Tier Regional Plan to strengthen economic development in the Southern Tier Region using private sector investment to revitalize neighborhoods and renovate deteriorating and vacant commercial space.

Employment: Initial employment at time of ESD Incentive Proposal: 0  
 Current employment level: 6  
 Minimum employment through January 1, 2019: 8

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Property Acquisition	\$955,126
Construction and Renovation	<u>2,440,235</u>
 Total Project Costs	 <u>\$3,395,361</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Grant	\$450,000	13%	
Community Bank NA – Loan	1,390,235	41%	4.5%/20 yrs/first lien on RE
Corning Enterprises – Grant	100,000	3%	
Rural Area Revitalization Program	150,000	5%	
STREDC Loan	250,000	7%	1%/20 yrs/2 <sup>nd</sup> lien on RE
Grantee Equity	<u>1,055,126</u>	<u>31%</u>	
 Total Project Financing	 <u>\$3,395,361</u>	 <u>100%</u>	

III. Project Description

A. Grantee

Industry: Arbor Housing and Development is a broad-based housing and human service organization that provides a wide continuum of services to almost 2,000 low-income and moderate income households across several counties.

Grantee History: Founded in 1969, Arbor is a progressive, non-profit, 501(c)(3) corporation, creating housing options for underserved populations primarily in the Southern Tier of New York and North Central Pennsylvania. The Organization was founded during the "war on poverty" and was originally known as Steuben Churchpeople Against Poverty, Inc. Today, it has grown from 8 part-time volunteers dedicated to self-help housing, to 100 full-time employees. Arbor offers a variety of services that promote community revitalization, homebuyer education, home ownership and financial counseling, and homebuyer grants along with residential behavioral health and domestic violence advice that help people overcome challenges and achieve independent living. The Organization has expertise in affordable housing development, new construction, rehabilitation, historic restoration and adaptive reuse.

While the Organization offers life skills development which includes employment skills preparation through its Behavioral Health, OMH licensed, Medicaid funded programs; as well as similar skill development through its Housing Choice Voucher (Section 8) Family Self-Sufficiency program.

Arbor's affordable housing developments, depending on the funding source, target applicants who are 60% below the median income in the Region if tax credits are a part of the funding. If tax credits are not part of the funding, Arbor provides affordable housing for those who are 30% below the median income of the Region. The Organization is a chartered member of NeighborWorks America®, a Community Housing Development Organization (CHDO), a NYS HCR-certified Rural Preservation Corporation and a HUD Approved Housing Counseling Organization.

- Ownership:** Arbor is a 501(c)(3) not-for-profit organization
- Size:** Arbor has 100 employees and operates two additional offices in Allegany and Livingston. The Organization also has an office in Wellsboro, Pennsylvania.
- Market:** Arbor assists both renters and home-buyers, and develops, rehabilitates, and manages quality residential sites that provide opportunities for people to live within their means in communities of their choice
- ESD Involvement:** In 2011, after merging with the former Tri-county Housing Council, Arbor recognized its expanding role as a key provider of housing in the Southern Tier Region. The Organization identified a building on Bridge Street in Corning, NY that had been vacant for 7 years, and considered renovating it as additional office and commercial development rental space. Arbor saw the building as an opportunity to fill a distinctive niche by converting a vacant eyesore into a vibrant neighborhood commercial space as well as supplementing the limited commercial rentals available in the Corning area. Additionally, the project would allow Arbor to combine its two existing offices into one hub office with room for growth as it continued to collaborate with other similar organizations in Western New York.

The Organization identified funding needed to develop the space, but fell short of the total financing required. In 2012, it applied under Round 2 of the Regional Council Consolidated Funding Application to close the funding gap in their budget. In August 2013, ESD made the Organization an offer of assistance, which it accepted that same month. Without ESD's assistance the project could not have taken place.

Competition: N/A

Past ESD Support: The Organization received part of its funding for this project through an April 2012, STREDC, low interest, sub-loan program whose purpose was to provide loans to qualified projects in the Southern Tier that sought to revitalize downtown, rural and neighborhood centers.

B. The Project

Completion: September 2014

Activity: The project includes the acquisition and renovation of the former Harley Davidson dealership, a 17,000 square-foot building. Arbor acquired the building in May 2013, and began demolition in October; renovations commenced January 2014. The building was entirely gut rehabilitated, and portions of the roof replaced, along with a new façade, HVAC, electric and plumbing. To date, Arbor's offices are completely renovated and comprise 17,000 square feet of the total space, with approximately 4,400 square-feet remaining to be inhabited.

Arbor created a separate, for-profit corporation: 26-32 Bridge Street, LLC to manage the new facility and commercial spaces which are expected to be complete by September. The Organization has already begun negotiations with a potential commercial tenant, a company expanding into Corning from Elmira.

Results: The Organization has already created 6 of the 8 jobs to which it has committed.

Economic Growth

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

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

- Fiscal benefits to NYS government from the project are estimated at \$467,090;
- Fiscal cost to NYS government is estimated at \$707,500;
- Project cost to NYS government per direct job is \$131,019;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$107,687;
- Ratio of project fiscal benefits to costs to NYS government is 0.66:1;
- Fiscal benefits to all governments (state and local) are estimated at \$674,608;
- Fiscal cost to all governments is \$707,500;
- All government cost per direct job is \$131,019;
- All government cost per total job is \$107,687;
- The fiscal benefit to cost ratio for all governments is 0.95:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$2,910,757 or \$443,038 per job (direct and indirect);
- The economic benefit to cost ratio is 4.11:1;
- Project construction cost is \$2,440,235 which is expected to generate 24 direct job years and nine indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.21 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is fifteen years.

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

Grantee Contact: Jeffrey Eaton, Chief Executive Officer  
 26 Bridge Street  
 Corning, NY 14830  
 Phone: (607) 654-7487 x. 2027

ESD Project No.: Y421

Project Team:	Origination	Kevin McLaughlin
	Project Management	Simone Bethune
	Contractor & Supplier Diversity	Denise Ross
	Finance	Ross Freeman
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$450,000 capital grant (\$4,500) 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 will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Grantee must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$450,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$225,000) upon completion of the project substantially as described in these materials, and documentation verifying total project expenditures including construction, renovation and building acquisition of approximately \$3,395,361, and a Certificate of Occupancy or other documentation verifying project completion as ESD may require, 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 (\$112,500) will be disbursed upon documentation of the employment of at least 4 Full-time Permanent Employees at the Project Location (Employment Increment of 4), provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to 25% of the grant (\$112,500) will be disbursed upon documentation of the employment of at least 8 Full-time Permanent Employees at the Project Location (Employment Increment of 4), 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 29, 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 \$450,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

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

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=4, and Employment Goals shall equal  $[0 + X = 4]$  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=4, and Employment Goals shall equal  $[0 + X + Y = 8]$  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 2013-2014 New York State budget and reappropriated in the 2014-2015 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Environmental Review

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

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

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

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

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

#### VIII. Additional Submissions to Directors

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

September 18, 2014

Corning (Southern Tier Region – Steuben County) – Arbor Housing and Development 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 Arbor Housing and Development 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 Steuben Churchpeople Against Poverty d/b/a Arbor Housing and Development a grant for a total amount not to exceed Four Hundred and Fifty Thousand Dollars (\$450,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

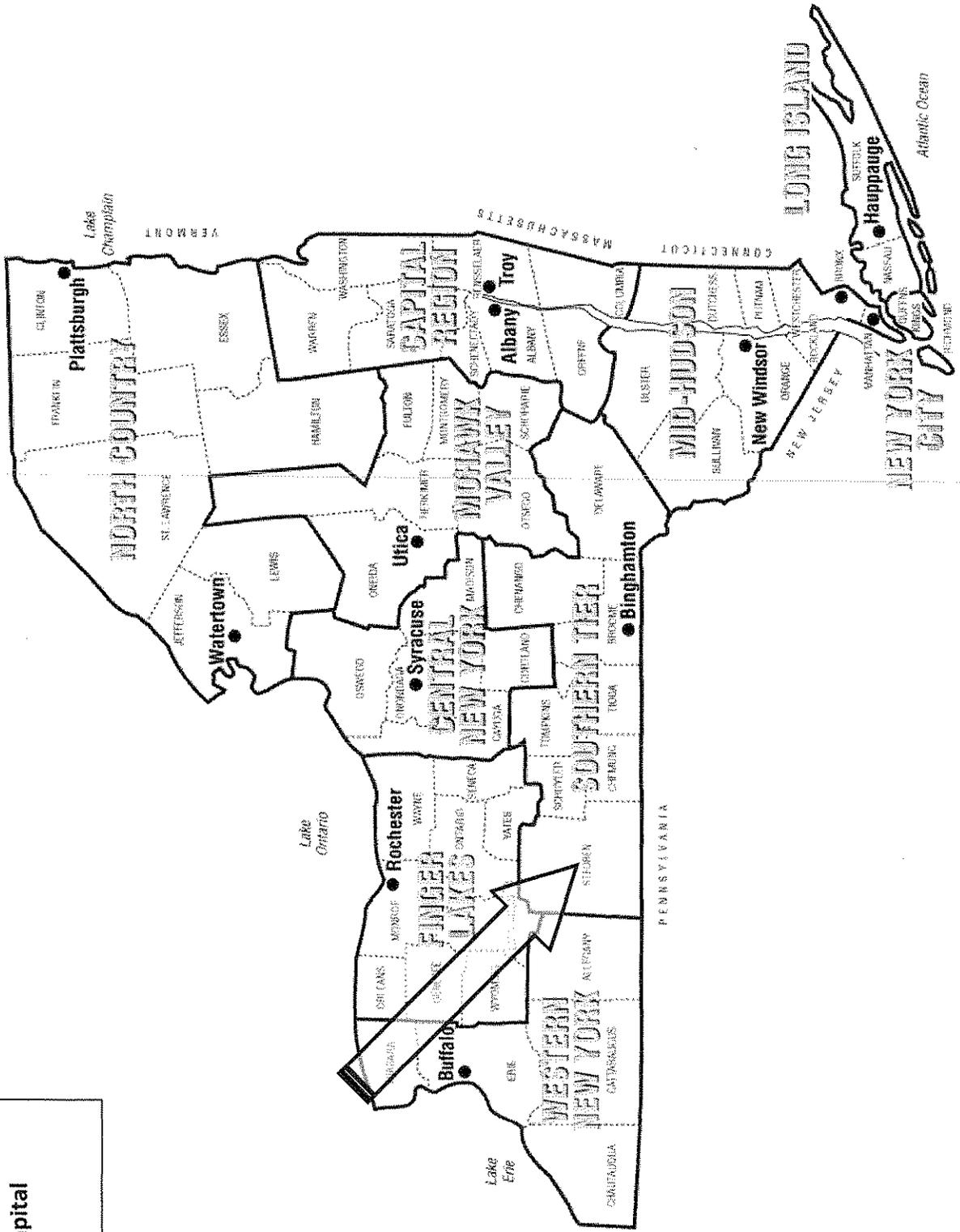
RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion

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

\* \* \*

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**Arbor Housing and  
Development Capital  
Corning  
Steuben County**



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

### Arbor Housing and Development- Economic Growth Investment

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

<b>Initial Jobs:</b>	<b>0</b>	<b>Construction Job Years (Direct):</b>	<b>24</b>
<b>New Jobs:</b>	<b>8</b>	<b>Construction Job Years (Indirect):</b>	<b>9</b>

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks <sup>2</sup>	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs <sup>3</sup>	\$707,500	\$794,250	\$707,500	\$1,020,500
Fiscal Benefits <sup>4</sup>	\$467,090	\$2,085,600	\$674,608	\$4,271,980
Fiscal Cost /Direct Job	\$131,019	\$3,000	\$131,019	\$4,110
Fiscal Cost/Total Jobs	\$107,687	\$1,424	\$107,687	\$1,964
Fiscal B/C Ratio	0.66	3.00	0.95	10.60
	Project Results	Benchmarks		
Economic Benefits <sup>5</sup>	\$2,910,757	\$119,468,000		
Econ. Benefits/Total Jobs	\$443,038	\$147,600		
Economic B/C Ratio	4.11	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.

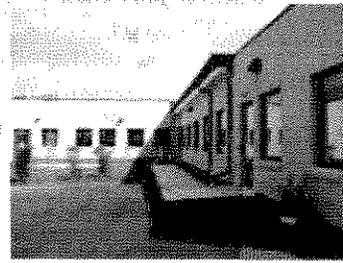
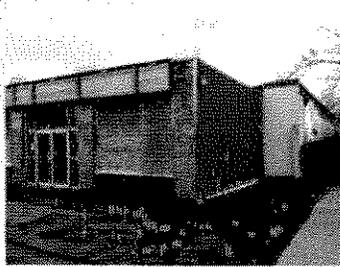
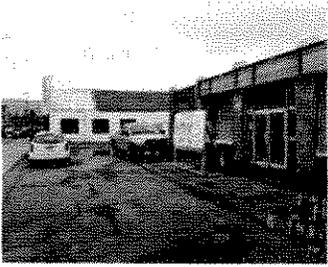
<sup>2</sup> The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Business Investment project benchmarks are 7.00 (Fiscal) and 50.00 (Economic). Infrastructure Investment (or Economic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

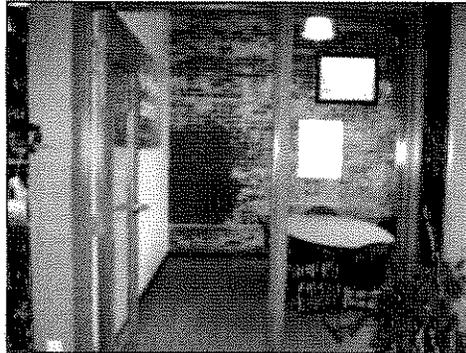
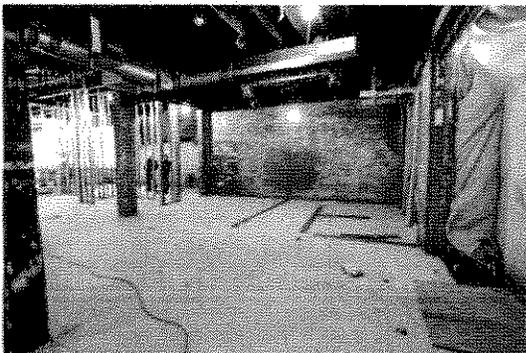
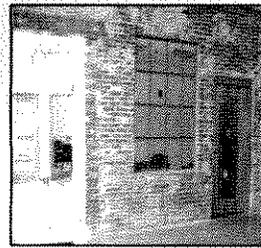
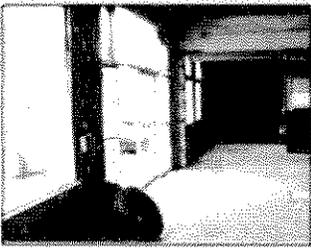
<sup>4</sup> Fiscal benefits are the loan repayments and tax revenues to New York State and Local governments generated by project activity. This includes estimated taxes on personal incomes from project direct and indirect employment, corporate and business incomes, excise and user taxes, property taxes,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

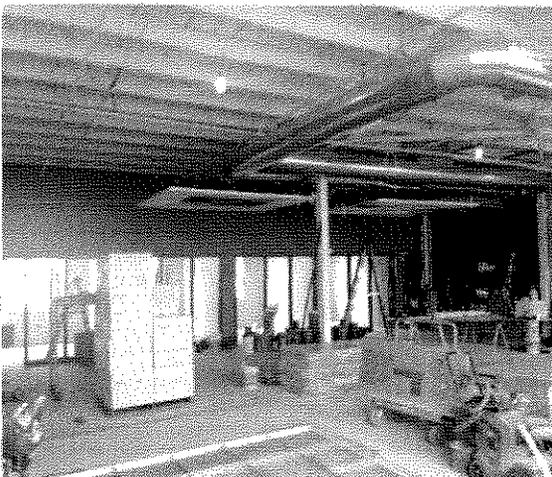
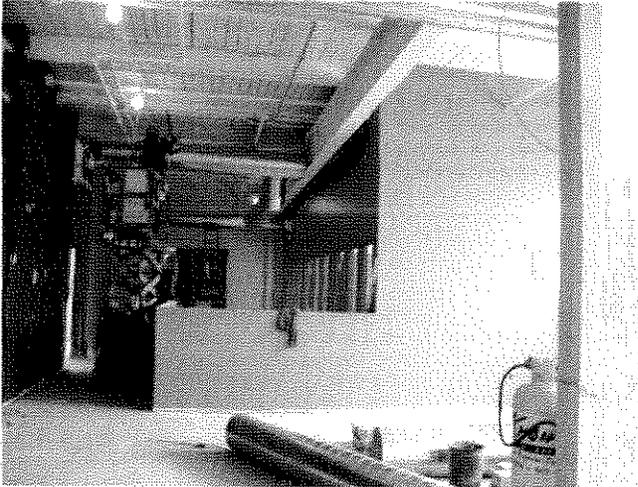
### Bridge Street Before and After Exterior Photos



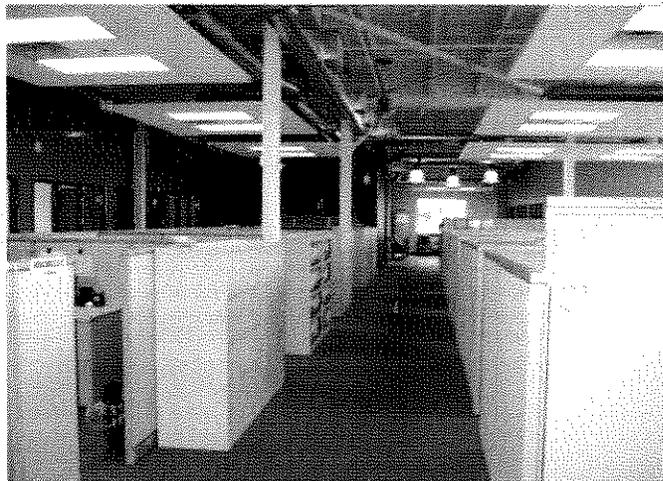
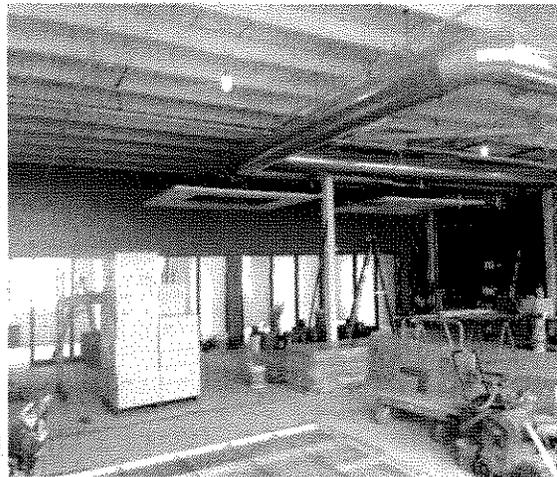
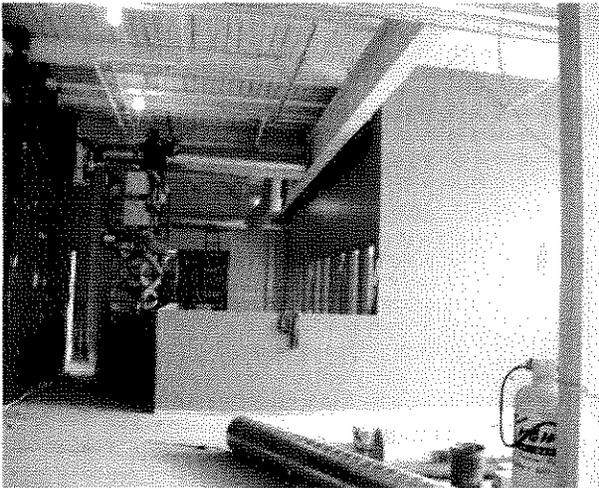
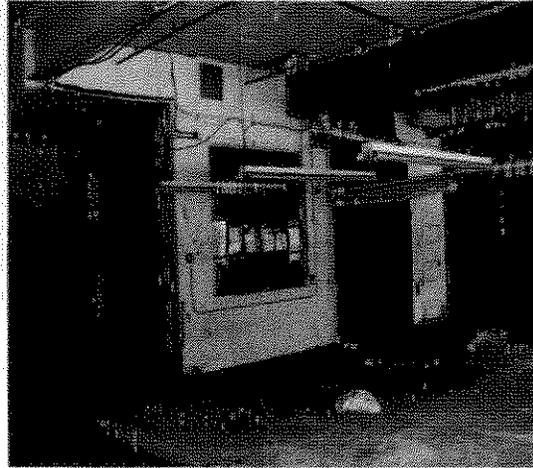
### Interior Before and After Lobby



Offices Before and After Photos



# Offices Before and After Photos



FOR CONSIDERATION

September 18, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award - Buffalo (Western New York Region – Erie County) – Buffalo Zoo Arctic Edge Capital – New York Works (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: Zoological Society of Buffalo, Inc. d/b/a Buffalo Zoo (the “Society”)

ESD\* Investment: A grant of up to \$750,000 to be used as reimbursement for a portion of construction and renovation costs.

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

Project Location: 300 Parkside Avenue, Buffalo, Erie County

Proposed Project: Construction of a state-of-the-art Arctic Edge Exhibit at the Buffalo Zoo (the “Zoo”) including an Arctic Conservation Center (the “Center”)

Project Type: Infrastructure improvements to increase area tourism

Regional Council: The project is consistent with the Western New York Regional Plan as it aligns with tourism and smart growth initiatives.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction and Renovations	<u>\$11,600,000</u>

Total Project Costs \$11,600,000

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$750,000	6%
City of Buffalo – Grant	1,732,883	15%
NYS Legislature – Grant	800,000	7%
NYS Dormitory Authority – Grant	150,000	1%
NYS Environmental Protection Fund – Grant	776,000	7%
Erie County – Grant	3,000,000	26%
Grantee Equity	<u>4,391,117</u>	<u>38%</u>
Total Project Financing	<u>\$11,600,000</u>	<u>100%</u>

III. Project Description

A. Grantee

**Industry:** The Zoo is the most visited tourist attraction in Erie County, offering year-round exhibits of approximately 1,000 endangered and domestic animals, fund-raising events, and educational programming.

**History:** The Zoo, founded in 1875, is the oldest in New York State and the third oldest in the United States. Over the last decade, the Society has invested over \$32 million to upgrade and establish new exhibits and amenities.

**Ownership:** The Zoo is owned by the City of Buffalo and managed by the Society, a 501(c)(3) not-for-profit corporation.

**Size:** Located on 23.5 acres of Fredrick Law Olmsted’s Delaware Park in North Buffalo, the Zoo welcomes over 450,000 visitors annually, 35% of which are from outside Erie County. The wildlife exhibits are complemented by concession stands, gift shops, a children’s playground,, a carousel, train ride, and a family-friendly petting zoo filled with domestic animals.

**Market:** The Zoo’s programming and exhibits are geared toward children and adults of all ages in order to gain a better understanding and appreciation for plants and animals in their native habitats.

ESD Involvement: In 2011, the Zoo's existing polar bear pits, constructed in the 1890's, failed to meet current husbandry standards adopted by the Association of Zoos and Aquariums ("AZA"), the Zoo's professional accrediting body, and the Zoo was forced to transfer its adult polar bear population to other zoos, with the exception of Anana, a polar bear that was pregnant. In November 2012, Anana gave birth to Luna and Anana was subsequently transferred to another zoo. In May 2013, the Zoo was granted temporary custody of a similarly aged cub, Kali, from Alaska. Kali and Luna are being hand-reared by Zoo staff; however their long-term future at the Zoo was being threatened due to the existing polar bear exhibit's failure to meet modern AZA standards. To avoid the permanent loss of polar bears, one of the Zoo's most popular species, the Society had begun fundraising efforts to construct the Arctic Edge Exhibit, a state-of-the-art exhibit for polar bears and other Arctic animals. The Society applied for multiple avenues of funding in the first two rounds of Governor Cuomo's Consolidated Funding Application process, and was granted a combined total of \$776,000 funds administered by New York State Parks, Recreation, and Historic Preservation, yet a finance gap remained. In November 2013, Governor Cuomo announced a \$750,000 award through New York Works, allowing the project to break ground in February 2014. Without ESD funding, the project would not likely have been completed in time to keep Kali and Luna in Buffalo.

Past ESD Support: Since 2000, ESD Directors have approved \$8,387,500 for upgrades to and creation of new and exciting Zoo exhibits, including \$37,500 for garden studies and consulting; \$350,000 for the Vanishing Animals Exhibit; \$1,250,000 for the Sea Lion and River Otters Exhibits; and \$6,750,000 for construction of the South American Rain Forest Exhibit.

B. The Project

Completion: June 2015

Activity: The \$11.6 million project involves demolition of the existing polar bear pits and construction of the new state-of-the-art 60,000-square-foot Arctic Edge Exhibit with two large salt-water pools, natural boulders and landscapes, and underwater viewing areas. The Arctic Edge Exhibit will replicate the snowy, frozen climate of the Arctic Circle and include two large enclosures for polar bears and three smaller enclosures to house Arctic wolf, Canadian lynx, and bald eagles, illustrating the diversity of species that have adapted to life in this harsh climate. A sophisticated water filtration system, will be installed and utilized to maintain the highest water quality and conserve and reduce the current use of municipal water.

The Arctic Edge Exhibit will lead visitors into the newly created Center, which will contain educational graphics and displays to focus on climate change and the positive measures that one can take to lower one's carbon footprint.

Results:

The state-of-the-art Arctic Edge Exhibit and Center will have the capacity to properly care for and showcase some of the world's most beautiful Arctic creatures, rarely seen in the wild by humans, in a naturalistic environment that is both entertaining and educational. By ensuring safe and naturalistic habitats for the wildlife, the Zoo will maintain and expand its visitor base and contributed income, and increase local, national, and worldwide exposure as a tourist destination. The project is expected to maintain the Zoo's employment and training opportunities for local unskilled workers. The project will ensure the long-term exhibition of polar bears and other Arctic species in Buffalo.

Economic Growth

Investment Project:

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

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

- Fiscal benefits to NYS government from the project are estimated at \$689,405;
- Fiscal cost to NYS government is estimated at \$2,476,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.28:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,205,365;
- Fiscal cost to all governments is \$7,198,723;
- The fiscal benefit to cost ratio for all governments is 0.17:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$9,089,960;
- The economic benefit to cost ratio is 1.26:1;

- Project construction cost is \$11,600,000, which is expected to generate 104 direct job years and 66 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.57 indirect job is anticipated in the state's economy.

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

Grantee Contact: Dr. Donna Fernandes, President and CEO  
 300 Parkside Avenue  
 Buffalo, NY 14214  
 Phone: (716) 995-6144

ESD Project No.: Z356

Project Team:	Origination	Michael Ball
	Project Management	Jean Williams
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Ross Freeman
	Design & Construction	Dennis Conroy
	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 \$750,000 capital grant (\$7,500) 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 will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$750,000 will be disbursed to Grantee, no more frequently than monthly, in compliance with the Design & 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. The final 10% of the grant will be disbursed upon completion of the project, as evidenced by a certificate of occupancy. Expenditures must be incurred on or after November 10, 2013, to be considered eligible project costs. All

disbursements must be requested by April 1, 2017.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$750,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

#### IV. Statutory Basis – NY Works Program

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

#### V. Design and Construction

Design & Construction staff will review project plans, scope, budget and schedule. Design & Construction will visit the site at its option, review requisitions and recommend payment when its requirements have been met.

#### VI. Environmental Review

Pursuant to the State Environmental Quality Review Act (“SEQRA”), Article 8 of the Environmental Conservation Law and its implementing regulations (6 NYCRR Part 617), and in connection with the approval of funding for the construction of the South American Rain Forest Exhibit, the Directors made a Determination of No Significant Effect on the Environment at their meeting of August 14, 2006. This determination addressed all aspects of the proposed project. Therefore, no further environmental review is required in connection with this action.

Due to the site’s inclusion on 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 (“OPRHP”) pursuant to the requirements of Section 14.09 of the 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 & 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 35%. The overall goal shall include a Minority Business Enterprise (“MBE”) Participation Goal of 20% and a Women Business Enterprise (“WBE”) Participation Goal of 15% related to the total value of ESD’s funding.

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

Resolutions

New York State Map

Project Photographs and Renderings

Project Finance Memorandum

Benefit-Cost Analysis

September 18, 2014

Buffalo (Western New York Region – Erie County) – Buffalo Zoo Arctic Edge Capital – New York Works (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 Buffalo Zoo Arctic Edge Capital – New York Works 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 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 Zoological Society of Buffalo, Inc. a grant for a total amount not to exceed Seven Hundred Fifty Thousand Dollars (\$750,000) from the New York Works Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

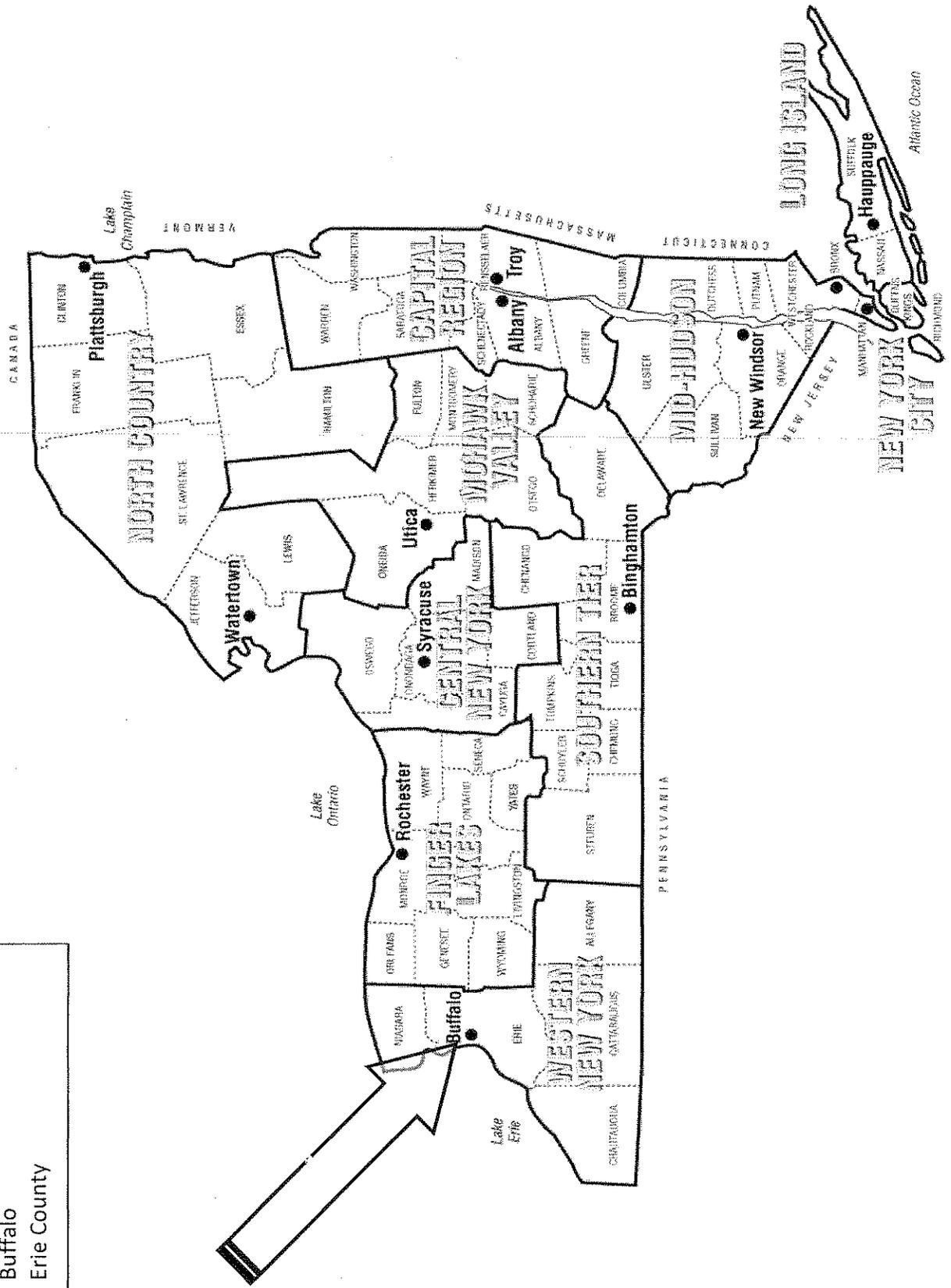
RESOLVED, that the President and Chief Executive Officer or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration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

\* \* \*

**Buffalo Zoo Arctic Edge Capital**  
Buffalo  
Erie County



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

**Buffalo Zoo Arctic Edge Exhibit –Economic Growth Investment**

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

**Construction Job Years (Direct): 104**

**Construction Job Years (Indirect): 66**

Evaluation Statistics	Project Result NYS Govt.	NYS Govt.		Project Results State & Local Governments	State & Local Government Benchmarks for ESD Projects
		Benchmarks for ESD Projects <sup>2</sup>			
Fiscal Costs <sup>3</sup>	\$2,476,000	\$794,250		\$7,198,723	\$1,020,500
Fiscal Benefits <sup>4</sup>	\$689,405	\$2,085,600		\$1,205,365	\$4,271,980
Fiscal B/C Ratio	0.28	3.00		0.17	10.60
		Benchmarks			
	Project Results	for ESD Projects			
Economic Benefits <sup>5</sup>	\$9,089,960	\$119,468,000			
Economic B/C Ratio	1.26	30.00			

<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 30.00 (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.



Project area circled in red



Original bear exhibit showing one of five "dump and fill" pools and polar bear





Underwater Viewing Area Rendering



Construction Underway

# Empire State Development

## FOR CONSIDERATION

September 18, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award Projects Consent Calendar

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

### Regional Council Capital Fund

	Project Name	Proj #	Grantee	Assistance up to
A	Strand Theatre Digital Conversion Capital	Y120	Strand Theatre of Old Forge, Inc.	\$25,000
			<b>TOTAL</b>	<b>\$25,000</b>

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

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

### Environmental Review

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

### Office of Contractor and Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's

Non-discrimination and Supplier Diversity policy will apply to the projects. In the case of training, global export market service and productivity improvement projects, the grantees and/or the beneficiary companies, as applicable, shall use their good faith efforts to provide for the meaningful participation of minorities and women in any job or training opportunities created by the projects and to solicit and utilize minority and women-owned businesses for any contractual opportunities generated in connection with the projects.

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

#### Reallocation of Funds

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

#### ESD Employment Enforcement Policy

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

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

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

#### Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2012-13 New York State budget and reappropriated in the 2013-2014 and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site(s).

#### Attachments

New York State Map

Resolutions

Project Summary

September 18, 2014

Regional Council Capital Fund – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a 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 Regional Council Capital Fund Project 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 Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

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

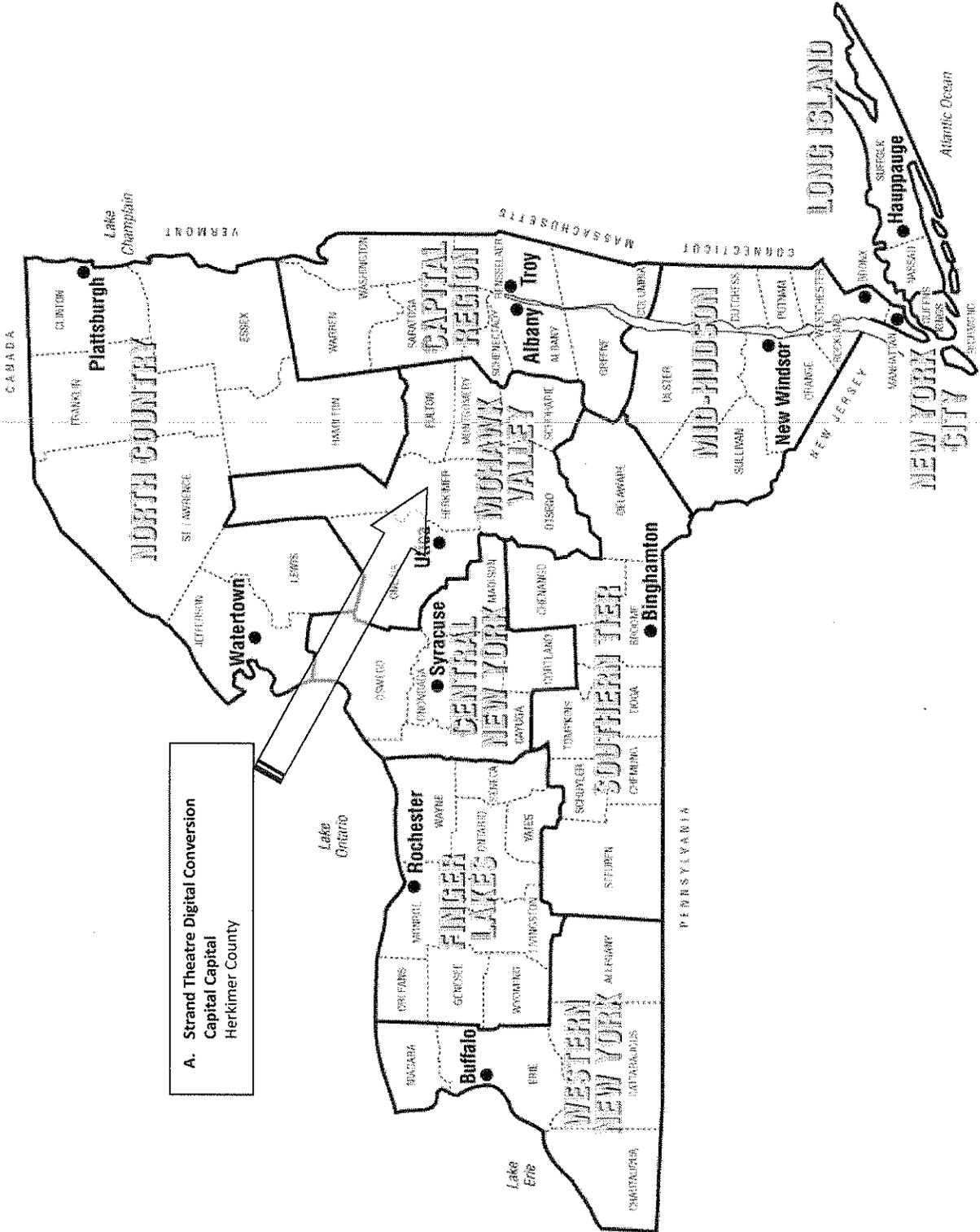
	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	Strand Theatre Digital Conversion Capital	Y120	Strand Theatre of Old Forge, Inc.	\$25,000
			<b>TOTAL</b>	<b>\$25,000</b>

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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Regional Council Capital Fund





## A. Strand Theatre Digital Conversion Capital (Y120)

September 18, 2014

### General Project Plan

- Grantee:** Strand Theatre of Old Forge, Inc. ("Grantee" or "Theatre")
- ESD Investment:** A grant of up to \$25,000 to be used for a portion of the cost of new digital projection equipment.
- Project Location:** 3093 State Route 28, Old Forge, Herkimer County
- Proposed Project:** Convert movie theater projection from 35mm film technology to digital projection technology on all four movie screens in facility.
- 
- Project Type:** Equipment upgrade
- Regional Council:** The project is consistent with the Mohawk Valley Regional Plan to invest in downtown arts, culture, and entertainment venues.

#### **Background:**

Industry – Movie theatre

Organization History – The Theatre was built in 1923 as a single screen silent film theatre that originally only operated during the summer. In November 1991, the Theatre changed ownership and renovations were made to convert it into a year round theater. In 2000, the Theatre grew to four screens.

Ownership – The Grantee is a for-profit S corporation.

Size – All facilities located in Old Forge, NY.

Market – The Theatre is one of only two movie theatres in Herkimer County.

ESD Involvement – The Grantee must convert to digital projection because all film companies are phasing out 35mm film. The Grantee has limited funds and has held fundraisers to help raise funds to convert to digital projection. The Grantee applied through the Consolidated Funding Application for additional financial assistance for the project. Without the sufficient funding, the Grantee would not have been able to continue to operate.

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

## A. Strand Theatre Digital Conversion Capital (Y120)

September 18, 2014

### The Project:

Completion – April 2014

Activity – The Grantee has acquired machinery and equipment and completed electrical upgrades to support digital film operations. This machinery and equipment will provide digital projection to all four screens in the Theatre. In addition to the visual enhancement by converting to digital, this will also provide enhanced acoustics at the Theatre.

Results – The Theatre will be able to continue year round operations as a result of the upgrades.

Financing Uses	Amount	Financing Sources	Amount	Percent
Machinery and Equipment Acquisition	\$290,000	ESD Grant	\$25,000	8%
Electrical Upgrades	10,000	Grantee Equity	275,000	92%
Total Project Costs	\$300,000	Total Project Financing	\$300,000	100%

Grantee Contact – Robert Card, President  
3093 State Route 28  
Old Forge, NY 13420  
Phone: (315) 369-2792

Project Team –

Origination	Kulczycki, Jane
Project Management	Jared Walkowitz
Contractor & Supplier Diversity	Denise Ross
Environmental	Soo Kang

### Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$25,000 capital grant (\$250) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Grantee's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so

**A. Strand Theatre Digital Conversion Capital (Y120)**

September 18, 2014

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

4. Up to \$25,000 will be disbursed to Grantee upon, 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 February 28, 2013, to be considered eligible project costs.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$25,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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

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

**Statutory Basis – Regional Council Capital Fund:**

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



FOR CONSIDERATION

September 18, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: NY Works and Regional Council Capital Fund – Connect NY Broadband Program Consent Calendar

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

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General Project Plan

I. Project Summary

Regional Council Capital Fund

	Project Name	Proj #	Grantee	Assistance up to
A	MTC Wireless Broadband Expansion Project Phase II	Z240	MTC Cable	\$320,520
			<b>TOTAL</b>	<b>\$320,520</b>

NY Works

	Project Name	Proj #	Grantee	Assistance up to
B	Ovid and Romulus Broadband Project	Y601	Trumansburg Telephone Company, Inc.	\$114,015
			<b>TOTAL</b>	<b>\$114,015</b>

## II. Program Description

### A. Background

Accelerating the availability, affordability, and utilization of broadband technologies is a high priority for the State of New York. Access to the numerous benefits of broadband access, such as e-commerce, e-government, telemedicine and distance learning will result in job creation, improved healthcare, greater educational opportunities for our students and teachers, and enhanced economic development.

Recognizing that broadband services are vital to our state's economic well-being, in September 2012, Governor Cuomo Committed \$25 million in funding to expand high-speed Internet access in rural upstate and underserved urban areas of New York through the Connect NY Broadband Grant Program. In March 2013, eighteen broadband projects were selected to receive Connect NY Broadband grants based on the support of the Regional Economic Development Councils that analyzed and ranked projects competing for the \$25 million in funding. In addition, 4 Broadband Project Sponsors received more than \$10 million from Round 3 of the Regional Economic Development Council Grants to expand broadband across New York State.

Together, these projects will bring broadband service to over 153,000 households, 8,000 businesses and 400 anchor institutions – many without any means to access the Internet, across more than 6,000 square miles of New York State. Most of the funding will be for the “last-mile” of broadband service, which means the projects will provide high speed Internet connections directly to New Yorkers. The last-mile is the most expensive portion of a broadband network, and often prevents many rural residents from receiving broadband service, even when service is available to nearby homes.

The \$25 million Connect NY awards, combined with additional funding to advance broadband technologies and services, brings the total amount of funding awarded for broadband projects during Governor Cuomo's administration to more than \$68 million, the largest statewide broadband funding commitment in the nation.

### B. The Project

See attached Consent materials.

## III. Statutory Basis

The projects were authorized in the 2012-13 New York State budget and re-appropriated in the 2013-2014 and 2014-2015 New York State Budgets. No residential relocation is required as there are no families or individuals residing on the site.

#### IV. Environmental Review

Unless otherwise noted in the consent materials, ESD staff has determined that the project described in Schedule A 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 project.

#### V. 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 approval of funding for the Connect NY Broadband projects approved by the Directors on December 19, 2013, ESD's Smart Growth Advisory Committee reviewed a Smart Growth Impact Statement ("SGIS"). This review found that the projects are consistent with the State Smart Growth Public Infrastructure Criteria ("Smart Growth Criteria"). The designee of the Chief Executive Officer of the Corporation attested that the projects, to the extent practicable, meet the relevant Smart Growth Criteria set forth in the SG Act. Therefore, no further smart growth public infrastructure review is required in connection with this action.

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

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policies will apply to the project.

#### VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the projects will not directly create or retain jobs. The purpose of the grants is to extend broadband service to unserved households. Progress will be measured in terms of households and businesses served.

#### 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  
Project Summaries

September 18, 2014

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

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

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

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

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

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

Regional Council Capital Fund

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	MTC Wireless Broadband Expansion Project, Phase II	Z240	MTC Cable	\$320,520
			<b>TOTAL</b>	<b>\$320,520</b>

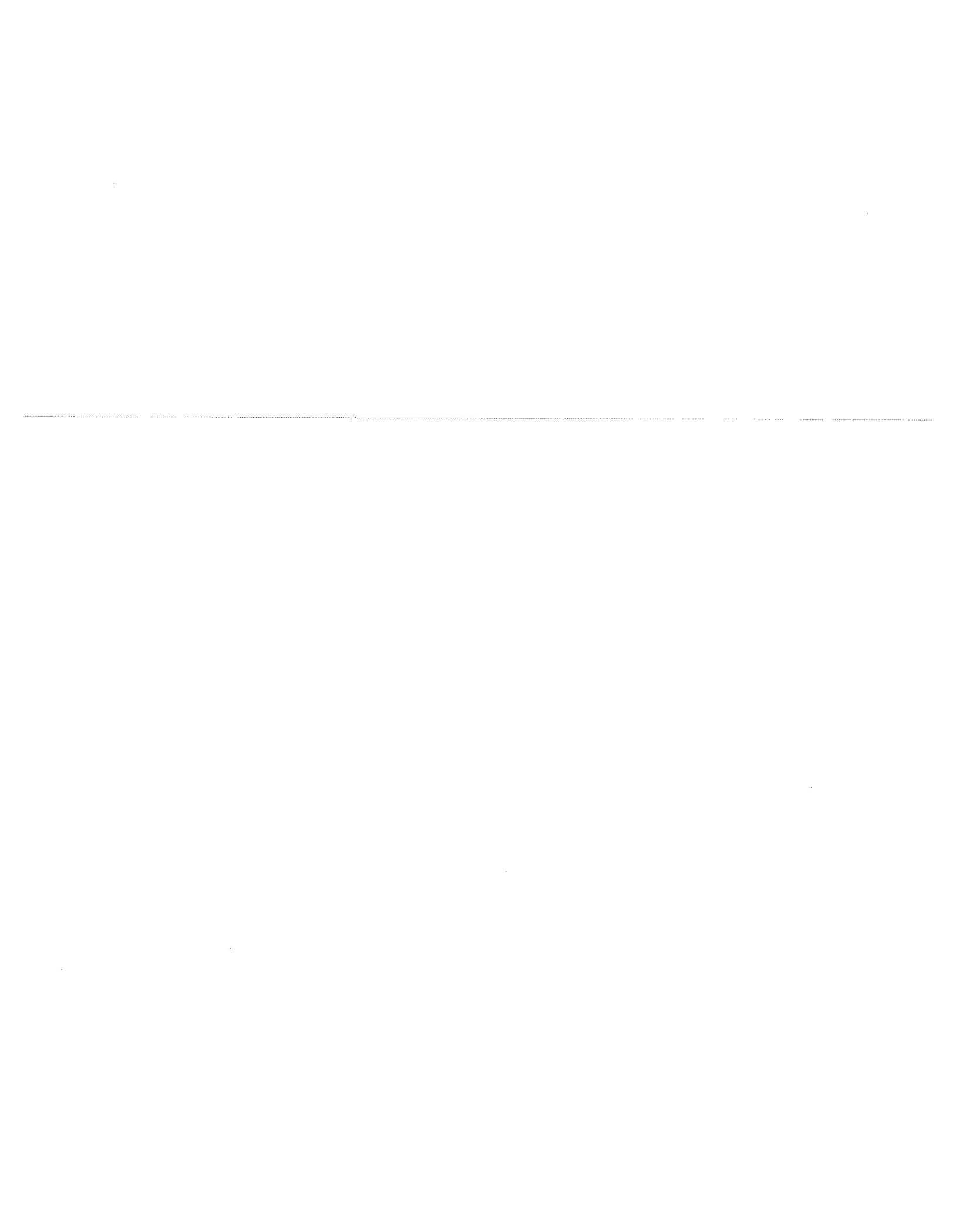
NY Works

	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
B	Ovid and Romulus Broadband Project	Y601	Trumansburg Telephone Company, Inc.	\$114,015
			<b>TOTAL</b>	<b>\$114,015</b>

and be it further

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

\* \* \*



## A. MTC Wireless Broadband Expansion Project Phase II (Z240)

September 18, 2014

### General Project Plan

**Grantee:** Heart of the Catskills Communications, Inc. d/b/a MTC Cable, a wholly owned subsidiary of the Margaretville Telephone Company ("MTC" or the "Company")

**ESD Investment:** A grant of up to \$320,520 to be used for a portion of the cost to install or upgrade existing broadband networks to expand broadband access and increase capacity.

**Project Location:** Towns of Roxbury, Stamford, Harpersfield, Conesville, and Gilboa; Schoharie and Delaware Counties; Zip Codes: 12474, 12167, 13786, and 12076

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**Proposed Project:** The MTC Wireless Broadband Project is a Phase 2 expansion of wireless underlay to extend broadband to residents and businesses in Roxbury, Stamford, and Harpersfield in Delaware County and Conesville-Gilboa in Schoharie County. This project is an extension of the MTC Broadband Build Out project awarded funding during Connect NY.

**Project Type:** Infrastructure development

**Regional Council:** The Mohawk Valley and Southern Tier Regional Councils identified this project as a priority. The Incentive Offer was accepted on July 24, 2014 and is consistent with the Regional Plan to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

#### **Background:**

Industry – The Margaretville Telephone Company serves over 6,500 business and residential customers through its telephone and cable footprint. MTC offers advanced services, including the popular triple-play of voice, video and data. High-definition programming, Video-On-Demand, and Velocity broadband packages are the latest service enhancements the Company offers its customers.

Company History – Margaretville Telephone Company was established in 1916 by John Birdsall who purchased sixteen telephone lines from the New York Telephone Company. The next few decades provided tremendous growth for MTC as neighborhood phone lines serving individual hamlets and valleys were merged together to create a larger calling "network." Continued expansion led to the installation of switchboards, along with switchboard operators to connect calls outside of the localized telephone network.

## A. MTC Wireless Broadband Expansion Project Phase II (Z240)

September 18, 2014

Over the past decade, this switching network has received numerous upgrades, and still comprises the backbone of the Margaretville Telephone network today. The addition of fiber optic cables in the 1990's dramatically improved the network trunking capacity between the central office and remote offices, enabling the addition of advanced telephone and broadband applications.

Ownership – Privately held

Size – All facilities are located in Margaretville, NY, and MTC employs a staff of approximately 22.

Market – Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. Download speeds refer to data which is received, such as accessing websites, receiving files through email, streaming video, and using cloud-based services. Upload speeds refer to data which is transmitted to another user or to a website or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

Broadband service is facilitated by either wireline or wireless technologies. Wireline services require a physical cable connection to provide connectivity, while wireless services are transmitted using antennas and wireless receivers similar to how radio transmissions are carried. Although there are a number of different wireless technologies, many wireless broadband providers use a hybrid model of providing service, as a wireline (usually fiber) connection is required at some point in the network.

In New York State, broadband service is provided by the following categories of service providers:

- Cable – 16 Providers, (Provides service to 94% of the state)
- DSL – 38 Providers, (Provides service to 92% of the state - Speeds: 768kbps – 25 mbps)
- Fiber – 26 Providers, (12 business only)
- Fixed Wireless- 12 Providers reporting coverage, (Serves 5% of the state – Speeds - 1.5 mbps – 100 mbps)
- Mobile Wireless- 6 providers (Speeds: 768 kbps – 12 mbps)
- Satellite Providers- 4 providers

ESD Involvement – In December 2013, as part of the REDC Round 3 awards, the Regional Council selected three projects to receive broadband funding and allocated \$6 million to create a broadband fund in the North Country totaling \$11 million. These projects complement the Governor's Connect NY Broadband grants program which allocated \$25

**A. MTC Wireless Broadband Expansion Project Phase II (Z240)**

September 18, 2014

million in funding to 18 broadband project sponsors. Under Governor Cuomo’s administration more than \$68 million in broadband funding has been awarded. This is the largest statewide broadband funding commitment in the nation.

Past ESD Support – In the past five years, funding to the Organization is summarized as follows:

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
NY Works – Connect NY	Y587	\$1,800,000	December 2013	October 2015	Capital Grant - Installation of fiber – optic infrastructure

**The Project:**

Completion – September 2016

Activity – MTC has partnered with the local municipalities to prioritize locations to commence the build-out of broadband facilities based on survey results to clearly identify the residents who want broadband service. MTC committed to the construction of a 112 mile fiber-optic network over the next two years which will provide advanced telecommunications services including broadband, voice and video services to the priority areas identified by municipalities down to a customer density of 5 homes per mile.

Results – Expand broadband services to 882 households, 10 businesses and 8 Community Anchor institutions. See Table A, which describes all Key Indicators.

Financing Uses	Amount	Financing Sources	Amount	Percent
Contractual Services	\$73,000	ESD Grant	\$320,520	41%
Construction	320,000	Company Equity	458,000	59%
Equipment	385,520			
Total Project Costs	\$778,520	Total Project Financing	\$778,520	100%

Grantee Contact – Glen Faulkner, General Manager  
P.O. Box 260  
50 Swart Street  
Margaretville, NY 12455-0260  
Phone: (845) 586-2288

**A. MTC Wireless Broadband Expansion Project Phase II (Z240)**

September 18, 2014

<u>Project Team</u> –	Origination	Angela Liotta
	Project Management	Angela Liotta
	Contractor & Supplier Diversity	Denise Ross
	Finance	Ross Freeman
	Environmental	Soo Kang

**Financial Terms and Conditions:**

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$320,520 (\$3,205) 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 Company will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$320,520 will be disbursed as reimbursement for eligible expenses during the course of design and/or construction and upon completion of project key indicators, in compliance with Design & Construction requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facility and upon meeting all project key indicators, as evidenced by a certificate of occupancy and supporting documentation and required Reports. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

ESD will be entitled to recoup all or part of ESD's grant if the Recipient fails to reach, to a degree acceptable to ESD milestones as agreed upon in Table A, which lists key indicators for infrastructure work, and Table B, which lists the major network build-out phases and quarterly milestones of the entire project.

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 24, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

5. Grant Funds are to be used for the following:

## A. MTC Wireless Broadband Expansion Project Phase II (Z240)

September 18, 2014

- (i) To fund the construction or improvement of all facilities required to provide broadband service.
- (ii) For installing or upgrading existing broadband facilities on a one-time, capital improvement basis in order to expand broadband access and increase capacity.
- (iii) To fund the cost of long-term leases (greater than 1 year) of facilities required to provide broadband service.
- (iv) To fund reasonable make-ready expenses incurred as a result of providing broadband service.

### 6. Eligible Expense Categories

- (i) **Network & Access Equipment Costs:** Include switches, video headends, optical equipment, digital line concentrators, digital subscriber line access multiplexers, middleware, video-on-demand equipment, radio equipment, data routing equipment, etc.
- (ii) **Outside Plant Costs:** Includes cable (aerial, buried, underground, and submarine), fiber, conduit systems, poles, network interface devices and reasonable make-ready costs.
- (iii) **Tower Costs:** Includes the cost of constructing new buildings and renovating existing buildings, as well as any site preparation costs.
- (iv) **Customer Premises Equipment:** Includes wireless subscriber units, modems, set-top boxes, and routers (if CPE will be provided at no cost to subscribers.)
- (v) **Professional Services:** Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.
- (vi) **Testing:** Includes items such as testing, network and IT systems, user devices, servers, lab furnishing and test generators.

**Other Upfront Costs:** Includes any other upfront costs not covered in the other categories, such as site preparation.

- 7. **Compliance with National Electrical Safety Code (NESC):** All pole attachments shall comply with the National Electrical Safety Code (NESC) requirements. Connect NY grant recipients shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the National Electrical Safety Code (NESC) and all applicable and current electrical and safety requirements of any State or local governmental entity.

- 8. **Broadband Mapping Program Compliance:** Recipients shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the recipient's entire

## A. MTC Wireless Broadband Expansion Project Phase II (Z240)

September 18, 2014

service area.

9. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$320,520, 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.
10. In the event Reports, Updates, Mapping, and Milestone reports are not received in the form and time periods as indicated in Section 2, ESD shall not be obligated to make any further Grant disbursements. In the event such Reports, Updates, Mapping, and Milestone reports as indicated in Section 2 are not received within 60 days in the form and time periods as indicated in Section 2, Grantee will be in default. However, no default shall be deemed to have occurred if Grantee cures such default within ten (10) days of notice of default from ESD.

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

ESD's Non-discrimination and Contractor & Supplier 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%, a Minority Business Enterprise (MBE) Participation goal of 10% and a Women Business Enterprise (WBE) Participation goal of 10%, related to the total value of ESD's funding, and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

### **Environmental Review:**

The Board of Supervisors of Delaware County, 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.

### **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.

### **Statutory Basis – New York Works:**

The project was authorized in the 2013-2014 New York State budget. No residential relocation

**A. MTC Wireless Broadband Expansion Project Phase II (Z240)**

September 18, 2014

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

**Additional Submissions to Directors:**

Table A – Key Indicators

Table B – Milestones

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**Table A: Project Description:** The following table lists the key indicators for your infrastructure project upon completion of your project. Indicators will be required to be reported cumulatively from award inception to the end of the project on a quarterly basis.

Project Description- Access and Subscriber Information	Key Indicator	Total Number Upon Completion of Project
Residential/Business – the following information is for the last-mile services to homes and businesses	Number of Households Passed	882
	Estimated Number of New Residential Subscribers	495
	Number of Business Passed	10
	Estimated Number of New Business Subscribers	5
	Speed Tiers Available / Pricing	5Mbps/384Kbps \$53.95 10Mbps/1Mbps \$59.95 5Mbps/768Kbps \$59.95
Community Anchor Institutions – the following information is for the last-mile service to Community Anchor Institutions	Number of Community Anchor Institutions Passed	8
	• Schools K-12	1
	• Colleges, Universities or other Institutions of Higher Education	0
	• Libraries	1
	• Medical/ Healthcare Providers	2
	• Public Safety Entities	2
	• Other	2
	Speed Tiers Available / Pricing	5Mbps/768Kbps \$59.95 10Mbps/2Mbps \$74.95
Infrastructure Key Indicators – the following information provides key indicators as they relate to your infrastructure project	New Network Miles Deployed	2
	Existing Network Miles Upgraded	3
	Number of Miles of New Fiber	5
	Number of New Wireless Links	2
	Number of New Towers	1
	Number of New Interconnection Points	0
	Number of Wireless Hotspots Provided	0
Impact and Adoption – the following information demonstrates how the project addresses barriers to adoption	Digital Literacy Programs and Training Programs	1
	Awareness Campaigns/Outreach Activities	3

	<ul style="list-style-type: none"> <li>• Xxx</li> <li>• Xxx</li> </ul>	
	Subsidies	0
<b>Company Employment Commitment</b>	Permanent Full- Time Employees	1
	Contractor Full-Time Employees	2

**Table B: Project Milestones:** The following table lists the major network build-out phases and milestones that can demonstrate the entire project will be substantially complete by the end of **September 2016**. The table considers project areas such as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) inside plant deployment; e) outside plan deployment; f) deployment of business & operational support systems; g) network testing; f) network operational.

Time Period	Quarter	Milestones	Narrative Explanation (if any)
<b>Year 1</b>	Qtr. 1 Oct-Dec 2014	<ul style="list-style-type: none"> <li>Delaware County to finalize Environmental Reviews. Finalize Local Municipal Review, Approvals, and Permits. Complete utility make-ready work for fiber construction to project site.</li> <li>Order long lead-time material.</li> <li>Finalize electrical contractor agreements.</li> </ul>	Delaware County to finalize Storm Water Run-Off Plan with New York City DEP. (Note: Time-line for NYC DEP approval is unknown (est. 3 months) and is a key element to starting site development work on-time). SHPO and SEQRA have been completed for project. Place Purchase Orders for fiber, conduit, electrical components, etc.
	Qtr. 2 Jan-Mar 2015	<ul style="list-style-type: none"> <li>Finalize Wireless Broadband Equipment Vendor Selection.</li> <li>Complete all pre-engineering and site development planning for erection of tower in Spring (as weather permits).</li> </ul>	
	Qtr. 3 Apr-Jun 2015	<ul style="list-style-type: none"> <li>Commence site development and access road construction.</li> <li>Installation of utility conduits along access road.</li> <li>Pour Footings for tower and concrete pads for building.</li> <li>Hold informational meeting with municipalities and public.</li> <li>Complete RFQ from wireless broadband vendors. Market Tower site to Cellular Companies.</li> <li>Submit PO for tower, generator, and equipment building</li> </ul>	Five (5) miles of fiber necessary to connect new tower site to existing network facilities.
	Qtr. 4 Jul-Sept 2015	<ul style="list-style-type: none"> <li>Erect tower - Install broadband antennas, and cabling</li> <li>Install equipment building, generator, and perimeter fence.</li> <li>Complete network testing, certification, and activation.</li> <li>Install broadband antennas and cabling at 2nd site in Stamford</li> </ul>	
<b>Year 2</b>	Qtr. 1 Oct-Dec 2015	<ul style="list-style-type: none"> <li>Complete system testing and installation to beta-sites.</li> <li>Begin initial customer installations.</li> </ul>	
	Qtr. 2 Jan-Mar 2016	<ul style="list-style-type: none"> <li>Customer Installation Activity</li> </ul>	
	Qtr. 3 Apr-Jun 2016	<ul style="list-style-type: none"> <li>Customer Installation Activity</li> </ul>	
	Qtr. 4 July-Sept 2016	<ul style="list-style-type: none"> <li>Customer Installation Activity</li> </ul>	

## B. Ovid and Romulus Broadband Project (Y601)

September 18, 2014

### General Project Plan

**Grantee:** Trumansburg Telephone Company, Inc. ("Trumansburg Telephone" or the "Company")

**ESD Investment:** A grant of up to \$114,015 to be used for a portion of the cost to install and upgrade existing broadband networks in order to expand broadband access and increase capacity.

**Project Location:** Towns of Ovid, Romulus, and Mecklenburg; in Seneca and Schuyler Counties  
Zip codes: 14521, 14541, and 14863

**Proposed Project:** The project will provide broadband to unserved areas in the towns of Ovid and Romulus, enabling 110 customers, currently without broadband services, to obtain high-speed Internet service.

**Project Type:** Infrastructure development

**Regional Council:** The project is consistent with the Finger Lakes and Southern Tier Regional Councils plans to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

#### **Background:**

Industry – The Trumansburg Telephone Company, Inc. provides services in voice, data, video, Internet, and wireless technologies.

History – The Company is a member of the Ontario and Trumansburg Telephone family of companies ("OTTC"). Purchased in the 1920's by Hovey H. Griswold, this family of companies makes up the largest independently owned telephone company in New York State. Today, Trumansburg and its subsidiaries serve more than 12,000 residential and business customers and collectively, along with its subsidiaries, remains one of the only companies in western New York that is certified to provide voice, data, video, Internet and wireless technologies.

Over the past ten years, the Company has expanded to add all levels of communication, offering network analysis, design, specification, implementation and support. Their clients include the healthcare, education, transportation, manufacturing, retail, legal, and government industries.

Ownership – Privately held

## B. Ovid and Romulus Broadband Project (Y601)

September 18, 2014

Size – The Ontario & Trumansburg Telephone companies are located in the Finger Lakes Region of New York State, and together serve an estimated 6,000 customers.

Market – Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. Download speeds refer to data, which is received such as accessing websites, receiving files through email, streaming video, and using cloud-based services. Upload speeds refer to data which is transmitted to another user or to a website or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

Broadband service is facilitated by either wireline or wireless technologies. Wireline services require a physical cable connection to provide connectivity, while wireless services are transmitted using antennas and wireless receivers similar to how radio transmissions are carried. Although there are a number of different wireless technologies, many wireless broadband providers use a hybrid model of providing service, as a wireline (usually fiber) connection is required at some point in the network.

In New York State, broadband service is provided by the following categories of service providers:

- Cable – 16 Providers, (Provides service to 94% of the state)
- DSL – 38 Providers, (Provides service to 92% of the state - Speeds: 768kbps – 25 mbps)
- Fiber – 26 Providers, (12 business only)
- Fixed Wireless- 12 Providers reporting coverage, (Serves 5% of the state – Speeds - 1.5 mbps – 100 mbps)
- Mobile Wireless- 6 providers (Speeds: 768 kbps – 12 mbps)
- Satellite Providers- 4 providers

ESD Involvement – In March 2013, eighteen broadband projects were selected to receive Connect NY Broadband grants based on the support of the Regional Economic Development Councils and technical scores awarded by a committee who analyzed and ranked projects competing for \$25 million in funding. In addition, four North Country Broadband Project Sponsors received more than \$6 million from Round 2 of the Regional Economic Development Council Grants to expand broadband in the North Country Region.

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

**B. Ovid and Romulus Broadband Project (Y601)**  
**September 18, 2014**

**The Project:**

Completion – September 2013.

Activity –The Ovid and Romulus Broadband Project will focus on the unserved areas in the towns of Ovid and Romulus, providing 110 customers, currently without broadband access, to obtain high-speed Internet services to their households. The project will also offer discounts off subscription fees, free training and provision of email addresses.

Results – Expand broadband services to 110 households. See Table A, which describes all Key Indicators.

Financing Uses	Amount	Financing Sources	Amount	Percent
Infrastructure/Site Work	\$25,924	ESD Grant	\$114,015	77%
Machinery & Equipment Acquisition	47,042	Company Equity	33,111	23%
Misc. Admin. Costs	46,764			
Other Project Costs	27,396			
<b>Total Project Costs</b>	<b>\$147,126</b>	<b>Total Project Financing</b>	<b>\$147,126</b>	<b>100%</b>

Grantee Contact – Kimberly Stewart  
 Director, Marketing & Corporate Communications  
 Trumansburg Telephone Company, Inc.  
 7890 Lehigh Crossing  
 Victor, NY 14564  
 Phone: (585) 433-6633

Project Team –

Origination	Angela Liotta
Project Management	Angela Liotta
Contractor & Supplier Diversity	Denise Ross
Environmental	Soo Kang

**Financial Terms and Conditions:**

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute at least 10% of the total project cost in the form

**B. Ovid and Romulus Broadband Project (Y601)**  
**September 18, 2014**

of equity contributed after the Grantee's written acceptance of ESD's offer and contribute at least 10% of total project costs in the form of in-kind. 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 \$114,015 will be disbursed to the Grantee no more frequently than quarterly during the course of design and/or construction and upon completion of project key indicators, and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD all required Reports, invoices and such other documentation as ESD may reasonably require.

ESD will withhold all or part of ESD's grant if the Recipient fails to reach, to a degree acceptable to ESD milestones as agreed upon in Table A, which lists key indicators for infrastructure work, and Table B, which lists the major network build-out phases and quarterly milestones of the entire project.

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 5, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

5. Grant Funds are to be used for the following:
  - (i) To fund the construction or improvement of all facilities required to provide broadband service.
  - (ii) For Installing or upgrading existing broadband facilities on a one-time, capital improvement basis in order to expand broadband access and increase capacity.
  - (iii) To fund the cost of long-term leases (greater than 1 year) of facilities required to provide broadband service.
  - (iv) To fund reasonable make-ready expenses incurred as a result of providing broadband service.

**B. Ovid and Romulus Broadband Project (Y601)**  
**September 18, 2014**

6. Eligible Expense Categories
  - (i) Network & Access Equipment Costs: Include switches, video headends, optical equipment, digital line concentrators, digital subscriber line access multiplexers, middleware, video-on-demand equipment, radio equipment, data routing equipment, etc.
  - (ii) Outside Plant Costs: Includes cable (aerial, buried, underground, and submarine), fiber, conduit systems, poles, network interface devices and reasonable make-ready costs.
  - (iii) Tower Costs: Includes the cost of constructing new buildings and renovating existing buildings, as well as any site preparation costs.
  - (iv) Customer Premises Equipment: Includes wireless subscriber units, modems, set-top boxes, and routers (if CPE will be provided at no cost to subscribers.)
  - (v) Professional Services: Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.
  - (vi) Testing: Includes items such as testing, network and IT systems, user devices, servers, lab furnishing and test generators.
  - (vii) Other Upfront Costs: Includes any other upfront costs not covered in the other categories, such as site preparation.
  
7. Grant funds will be subject to pro-rata recapture if property is sold within 5 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.
  
8. Compliance with National Electrical Safety Code (NESC): All pole attachments shall comply with the National Electrical Safety Code (NESC) requirements. Connect NY grant recipients shall ensure that the attachment of fiber and equipment is designed,

**B. Ovid and Romulus Broadband Project (Y601)**  
**September 18, 2014**

constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the National Electrical Safety Code (NESC) and all applicable and current electrical and safety requirements of any State or local governmental entity.

9. Broadband Mapping Program Compliance: Recipients shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the recipient's entire service area.
  
10. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$114,015, 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 and Supplier Diversity:**

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

**Statutory Basis – New York Works:**

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

**Additional Submissions to Directors:**

- Table A – Key Indicators
- Table B – Milestones
- Table C – Rate Card

**Table A: Project Description**

The following table lists the key indicators for your infrastructure project upon completion of your project. Indicators will be required to be reported cumulatively from award inception to the end of the project on a quarterly basis.

Project Description- Access and Subscriber Information	Key Indicator	Total Number Upon Completion of Project
Residential/Business – the following information is for the last-mile services to homes and businesses	Number of Households Passed	110
	Number of New Residential Subscribers	110
	Number of Business Passed	0
	Number of New Business Subscribers	0
	Speed Tiers Available / Pricing	See Table C
Community Anchor Institutions – the following information is for the last-mile service to Community Anchor Institutions	Number of Community Anchor Institutions Passed	0
	<ul style="list-style-type: none"> <li>• Schools K-12</li> </ul>	0
	<ul style="list-style-type: none"> <li>• Colleges, Universities or other Institutions of Higher Education</li> </ul>	0
	<ul style="list-style-type: none"> <li>• Libraries</li> </ul>	0
	<ul style="list-style-type: none"> <li>• Medical/ Healthcare Providers</li> </ul>	0
	<ul style="list-style-type: none"> <li>• Public Safety Entities</li> </ul>	0
	<ul style="list-style-type: none"> <li>• Other</li> </ul>	0
	Speed Tiers Available / Pricing	See Table C
	New Network Miles Deployed	11.5
	Infrastructure Key Indicators – the following information provides key indicators as they relate to your infrastructure project	Existing Network Miles Upgraded
Number of Miles of New Fiber		11.5
Number of New Wireless Links		0
Number of New Towers		0
Number of New Interconnection Points		3
Number of Wireless Hotspots Provided		0
Subsidies		0
Impact and Adoption – the following information demonstrates how the project addresses barriers to adoption		

	<p><b>Digital Literacy Programs and Training Programs</b></p> <ul style="list-style-type: none"> <li>• Basic computer literacy classes to be held at community centers, libraries and Trumansburg Telephone Company Offices. These classes will show how to use a computer, mouse, use the internet and applications like Word, Excel. Trumansburg Telephone Companies will provide the computers for the training.</li> <li>• Our technical support team will be available to answer any questions customers may have both by email and by phone.</li> </ul>	<p>Based on Need</p> <p>Based on Need</p>
<p><b>Company Employment Commitment</b></p>	<p>Permanent Full- Time Employees</p> <p>Contractor Full-Time Employees</p>	<p>0</p> <p>0</p>

**Table B: Project Milestones**

The following table lists the major network build-out phases and milestones that can demonstrate the entire project will be substantially complete by the end September 2013. The table considers project areas such as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) inside plant deployment; e) outside plant deployment; f) deployment of business & operational support systems; g) network testing; f) network operational.

Time Period	Quarter	Milestones	Narrative Explanation (if any)
Year 1	Qtr. 1	<ul style="list-style-type: none"> <li>• Order Materials – March 1</li> <li>• Begin Installation – March 31</li> </ul>	
	Qtr. 2	<ul style="list-style-type: none"> <li>• Continue Installations – April 15</li> <li>• Testing and implementation – June 1</li> </ul>	
	Qtr. 3	<ul style="list-style-type: none"> <li>• Begin customer turn-ups – July 1</li> <li>• Project completed – September 1</li> </ul>	
	Qtr. 4		

**Table C: Rate Card**

**Residential Bundled Packages (Local LD, & DSL)**

**Unlimited NY**

NY Light	NY Basic	NY Titanium
\$51.99	\$56.99	\$71.99
Unlimited calling in NYS	Unlimited calling in NYS	Unlimited calling in NYS
LD Calls: \$ 04/min	LD Calls: \$ 04/min	LD Calls: \$ 04/min
VoiceMail	VoiceMail	VoiceMail
Caller ID with Name	Caller ID with Name	Caller ID with Name
Call Waiting	Call Waiting	Call Waiting
Up to 5 Mbps/512 kb	Up to 10 Mbps/768 kb	Up to 15 Mbps/1 Mbps
1 Email Address	2 Email Addresses	5 Email Addresses
Webmail Portal	Webmail Portal	Webmail Portal
SPAM Filtering	SPAM Filtering	SPAM Filtering

**Unlimited USA, Canada, and Puerto Rico**

Unlimited Light	Unlimited Basic	Unlimited Titanium
\$61.99	\$66.99	\$81.99
Unlimited calling USA, Canada & PR	Unlimited calling in USA, Canada & PR	Unlimited in USA, Canada & PR
VoiceMail	VoiceMail	VoiceMail
Caller ID with Name	Caller ID with Name	Caller ID with Name
Call Waiting	Call Waiting	Call Waiting
Up to 5 Mbps/512 kb	Up to 10 Mbps/768 kb	Up to 15 Mbps/1 Mbps
1 Email Address	2 Email Addresses	5 Email Addresses
Webmail Portal	Webmail Portal	Webmail Portal
SPAM Filtering	SPAM Filtering	SPAM Filtering

**Stand Alone DSL Pricing:**

- \$29.99 – up to 1 Mbps down /256Kb up
- \$39.99 – up to 5 Mbps/512Kb
- \$49.99 – up to 10 Mbps/768 Kb
- \$59.99 – up to 15 Mbps/1 Mbps
- \$74.99 – up to 25 Mbps/1 Mbps
- \$99.99 - up to 50 Mbps/2 Mbps

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# Empire State Development

## FOR CONSIDERATION

September 18, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Statewide – New York State New Farmers Grant Fund – Local Assistance  
– (Capital Grants for Beginning Farmers)

REQUEST FOR: Authorization to Adopt Guidelines; Authorization to Make Grants;  
Delegation of Authority; Authorization to Take Related Actions

---

### I. Program Summary

Grantees: Beginning farmers, as defined in Section II, B will be eligible.

ESD\* Investment: Up to a total of \$614,000 to be used for machinery and equipment, construction or expansion of farm buildings/systems, root stock, bedding plants, seed, fertilizer and lease costs for machinery and equipment. Individual grants shall not exceed 50% of the total project cost and will range between \$15,000 and \$50,000.

Locations: Throughout New York State

Regional Council: All Regional Councils have been made aware of this item.

Eligible Costs Date: On or after individual award dates.

Anticipated  
Appropriation  
Source: Local Assistance

ESD Project No.: Z367 – New York State New Farmers Grant Fund Program

Project Team:	Project Management	Christine Costopoulos/Brendan Healey
	Legal	Lauren Axelrod
	Affirmative Action	Vikas Gera
	Environmental	Soo Kang

## II. Program Description

### A. Background

The New York State New Farmers Grant Fund Program (the "Program") is a program that will be administered by ESD in consultation with the NYS Department of Agriculture and Markets ("Ag & Markets") to provide assistance to beginning farmers and to encourage them to consider farming as a career, resulting in the growth of agribusiness within New York State and the concomitant tax revenues for New York State. The FY 2014-2015 New York State budget appropriated \$614,000 for the Program.

The enabling legislation for the Program empowers ESD to consult with Ag & Markets in order to establish guidelines and such additional eligibility criteria as it deems necessary to effectuate the use and administration of this allocation.

### B. Grant Description

The enabling legislation for the Program required that criteria shall include but not be limited to the following: (a) farmers who have not produced an "agricultural product" as defined in the agriculture and markets law for more than ten consecutive years and who will materially and substantially participate in the production of an agricultural product within a region of New York State; (b) farmers who demonstrate innovative agricultural techniques including, but not limited to, organic farming and specialty crops; and (c) farms of 150 acres or less.

ESD will establish a competitive process for the evaluation of applicants. Eligible applicants may receive grants ranging from \$15,000 to \$50,000 for up to 50% of project costs. Eligible uses of grant funds must be directly related to the production of an agricultural product grown or raised on a farm operation including, but not limited to the following: (a) machinery and equipment; (b) construction or expansion of farm buildings; (c) construction or expansion of farm systems; (d) root stock; (e) bedding plants; (f) seed; (g) fertilizer; and, (h) Lease costs for machinery and equipment.

## III. Program Guidelines

Staff has prepared guidelines for adoption by the ESD Directors ("Directors") for the implementation and administration of the Program. The guidelines set forth criteria for determining eligibility for applicants. The guidelines also set forth the various program and submission requirements and describe methods of grant disbursements as well as appeal and audit processes. A copy of the guidelines for the Program is attached hereto. It is expected that the guidelines may be amended from time to time to address specific Program needs.

#### IV. Delegation of Authority

Since the maximum grant amount is \$50,000, in the interest of implementing the legislative mandate as swiftly and effectively as possible, the Directors are asked to delegate to the President and Chief Executive Officer of the Corporation or his designee(s) the authority to do the following: 1) accept applications for grants; 2) approve grants ; 3) make any necessary findings or take any necessary action that the Corporation may be required to take under the New York State Urban Development Corporation Act and other applicable law and regulations to effectuate the Program; 4) approve project plans for the Program; 5) hold any public hearings that may be necessary pursuant to applicable law; 6) act on behalf of the Corporation to affirm, modify or withdraw any contemplated grant assistance as a result of testimony given at any such hearing, if necessary; and 7) disburse grant funds.

#### V. Statutory Basis – Local Assistance:

The Program was authorized in the FY 2014-2015 New York State budget. No residential relocation is required.

#### VI. Environmental Review

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

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

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

#### 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. Requested Actions

The Directors are requested to do the following: authorize the New York State New Farmers Grant Fund Program; adopt Program guidelines and authorize the President and Chief Executive Officer or his designee, to amend such guidelines from time to time; delegate to such officer or his designee(s) the authority to award grants to eligible entities in accordance with these materials, including but not limited to authorizing such officer to make any necessary findings or to take any necessary action that the Corporation may be required to take under the New York State Urban Development Corporation Act (the "Act") and other applicable law and regulations; and authorize the taking of all related actions necessary or appropriate to effectuate the foregoing, including without limitation the holding of any public hearings that may be necessary pursuant to applicable law and to act on behalf of the Corporation to affirm, modify or withdraw any contemplated assistance as a result of testimony given at any such hearing, if necessary.

XI. Additional Submissions to Directors

Resolutions  
Guidelines

September 18, 2014

Statewide – New York State New Farmers Grant Fund Program – Local Assistance (Capital Grants) – Authorization to Adopt Guidelines; Delegation of Authority; Authorization to Make Grants; Authorization to Take Related Actions

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RESOLVED, that the Corporation hereby authorizes the New York State New Farmers Grant Fund Program (the "Program"), described in the materials presented in this meeting (the "Materials"), a copy of which has been presented to this meeting and is ordered filed with the records of the Corporation; and be it further

RESOLVED, that the Corporation hereby adopts the guidelines for the Program, a copy of which has been presented to this meeting and is included in the Materials, and authorizes the President and Chief Executive Officer of the Corporation, or his designee(s), to amend, from time to time, such guidelines (such guidelines, as they may from time to time be amended, the "Guidelines") as he or she deems necessary or appropriate to effectuate the purposes of the Program; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) is hereby authorized to accept grant applications and award grants to eligible recipients pursuant to the Program in accordance with the Guidelines and these Materials (each such grant for the Program being hereby authorized) and to take such other actions as are necessary in order to effectuate the purposes of the Program; 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, (2) receipt of all other necessary approvals, and (3) the receipt of adequate funding for such assistance from the State of New York; 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, including without limitation, to make findings and hold public hearings that may be necessary pursuant to applicable law and to act on behalf of the Corporation to affirm, modify or withdraw any contemplated assistance as a result of testimony given at any such hearing, if necessary.

\* \* \*



Guidelines For  
Financial Assistance

**New York State  
New Farmers Grant Fund**



**State of New York**  
Andrew M. Cuomo, Governor

**Empire State Development**

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## Guidelines for the NYS New Farmers Grant Fund

### **Program**

The New York Beginning Farmers Fund was enacted in the 2014-2015 final state budget (Chapter 55 of 2014) signed by Governor Cuomo on March 31, 2014. The program takes effect on September 27, 2014, and will be known as the *New York State New Farmers Grant Fund* ("Fund"). The Fund, administered by the New York State Urban Development Corporation d/b/a Empire State Development ("ESD"), in consultation with the Department of Agriculture and Markets ("Ag & Markets"), provides grants to support beginning farmers and encourage them to consider farming as a career, resulting in the growth of agribusiness within the state and the concomitant tax revenues for the state.

New York State has allocated \$614,000 to be used to provide grants between \$15,000 and \$50,000 for up to 50% of project costs for beginning farmers who will materially and substantially participate in the production of an agricultural product within a region of the state. Beginning farmers must not have produced an agricultural product, as defined in the Ag & Markets Law, for more than ten consecutive years prior to application.

### **Eligible Applicant**

- Owns or leases a farm operation located wholly within New York State that is one hundred fifty contiguous acres or less;
- Has not produced an agricultural product for more than ten consecutive years;
- Will materially and substantially participate in the production of an agricultural product grown or raised on the farm operation;
- Demonstrates innovative agricultural techniques including, but not limited to, organic farming and specialty crops; and,
- Is a legally formed business in New York State at the time of application

### **Ineligible Applicant**

- Not-for-profits;
- Delinquent on federal, state and/or local tax obligation;
- Subject to any litigation, or litigation is threatened, which will likely have an adverse effect on the applicant's financial condition;
- In violation of federal, State or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution or operating practices; or
- Poor credit history

### **Eligible Use of Funds**

Eligible uses of grant funds must be directly related to the production of an agricultural product grown or raised on a farm operation including, but not limited to:

- Machinery and equipment
- Construction or expansion of farm buildings
- Construction or expansion of farm systems (e.g. trellis, drainage, fencing)
- Root stock
- Bedding plants

- Seed
- Fertilizer
- Lease costs for machinery and equipment

### **Ineligible Use of Funds**

Ineligible uses of grant funds include, but are not limited to:

- Costs incurred prior to the award of the funding
- Purchase or lease of land
- Processing equipment
- Processing of agricultural products
- Utility costs
- Taxes
- Debt
- Insurance premiums

### **Matching Requirements**

Grant funds may be used to cover up to 50% of the total project cost, for not less than \$15,000 and up to \$50,000. The applicant will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after acceptance of ESD's offer. Equity is defined as cash injected into the project by the applicant or by investors, and should be auditable through financial statements or accounts, if so requested.

In addition to cash equity other eligible sources of matching funds may include, but are not limited to:

- Cash
- Loans
- Federal or local grant funds

Applicants must provide documentation of sources and uses of matching funds.

### **Definitions**

Farm operation means the land and on-farm building, equipment, and practices which contribute to the production of crops and livestock as a commercial enterprise.

Agricultural Product means any agricultural livestock or product of the soil or water that has been grown or raised wholly within New York State. Such products shall include fruits, vegetables, eggs, dairy, meat, poultry, equine breeding, fish, grain, honey, maple sap, nursery plants, fiber and Christmas trees.

### **Application**

An applicant must file a completed application including all other required information. A completed application includes, but is not limited to:

- (i) an original completed and signed application form;
- (ii) a business plan including a description of the activity for which the applicant seeks funds;
- (iii) demonstration of matching funds including commitment letters;
- (iv) demonstration of financial need;
- (v) a project budget with sources and uses of funds;
- (vi) documentation of project costs including quotes;

- (vii) a photocopy of the lease or deed for the farm;
- (viii) photocopies of both sides of cancelled checks for recent rent or mortgage payment or a photocopy of a recent utility bill for the premises;
- (ix) a copy of the applicant's 2011, 2012, and 2013 federal and state tax returns;
- (x) a copy of all permits and/or approvals necessary to start the project;
- (xi) an original completed Internal Revenue Service (IRS) Form W-9 for the most recent calendar year; and,
- (xii) An original voided check for the applicant's bank account imprinted with the business name and address. NOTE: This is only required from those applicants who choose to have funds deposited electronically into this account.

ESD/Ag & Markets may require additional or alternative documentation as deemed necessary.

### **Application Review**

Preference may be given to those Eligible Applicants based on:

- Cash equity
- Secured matching funds
- Demonstrated financial need
- Project feasibility and the likelihood that the project will move forward
- Experience

### **Methods of Disbursement**

Applicants will be reimbursed for eligible costs upon substantial documentation of completion of the project and submittal of invoices, paid receipts and such other supporting documentation as may be necessary in order to verify the payment of eligible costs. Final payment will not be disbursed until the project is complete and all supporting documentation is received. Supporting documentation includes, but is not limited to, copies of invoices, proof of payment, cleared checks, credit card receipts and documentation of completion of project.

In accordance with IRS regulations all grants disbursed will be reported by ESD to the IRS and ESD shall mail a Form 1099 to the grant recipient, at the address provided in the application.

### **Grant Recapture**

ESD/Ag & Markets may require repayment of any assistance received under this program in the following events:

- (i) if an application, including any information provided therewith or thereafter, contains any material misrepresentations or is incomplete;
- (ii) if the assistance was awarded or disbursed in error and the applicant is not entitled to assistance under these guidelines;
- (iii) if the applicant received a payment and did not complete the project as approved;
- (iv) if supporting documentation is not true and complete; and,
- (v) if the applicant leaves the state or otherwise ceases farming within five years of final 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:

- 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;
- 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
- 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
- 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
- 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

In the event of any fraudulent misrepresentations by the applicant, in addition to the recapture of assistance, ESD/Ag & Markets may pursue other legal remedies and refer the matter to the appropriate governmental authorities for investigation and prosecution.

### **Audit and Control**

ESD/Ag & Markets may conduct site visits and audit applications on a random or specified basis for a period extending to six years after the final disbursement of the assistance to the applicant. ESD/Ag & Markets reserves the right to contact companies and other federal, state and local governmental agencies to confirm information included, or that should have been included, in the applications.

### **Disclosure of Information**

Each applicant must agree to allow:

- (a) the Department of Taxation and Finance to share its tax information with ESD/Ag & Markets. However, any information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law;
- (b) the Department of Labor to share its tax, employer or other information with ESD/Ag & Markets relevant to funding. However, any tax information shared as a result of this agreement shall not be available for disclosure or inspection under the state freedom of information law; and
- (c) ESD/Ag & Markets and their agents access to any and all books and records ESD/Ag & Markets may require to monitor compliance.

Except as required by applicable law or regulations, ESD/Ag & Markets will endeavor to maintain the confidentiality of tax and rent information submitted as part of the application. Notwithstanding the foregoing, such information may be made available to ESD/Ag & Markets staff and designated individuals that are processing the application and to federal, state or local officials and to auditors evaluating the program and others as ESD/Ag & Markets may deem to be required in accordance with applicable law and regulations, including judicial orders and subpoenas.

### **Availability of Funds**

The disbursement of any grant is explicitly subject to the approval of ESD /Ag & Markets and the receipt by ESD/Ag & Markets of a sufficient amount of funds from the State of New York acting by and through the New York State Division of the Budget.

### **Non-Discrimination and Contractor and Supplier Diversity**

ESS non-discrimination policy will apply. The applicant shall not unlawfully discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, sexual orientation, age, disability or marital status.

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

Please note that ESD's agency-wide MWBE utilization goal is 23%. After application approval the project may be assigned an individual contract-specific goal, which may be higher or lower than 23%. In instances where goals are set, applicant will be required to use good faith efforts to achieve the prescribed MWBE goals assigned to this project and must maintain such records and take such actions necessary to demonstrate compliance with Article 15-A of the New York State Executive Law.

### **Amendments to Guidelines**

ESD/Ag & Markets may amend these guidelines from time to time.

### **Additional Information**

The applicant can access the application form and instructions, these guidelines, any amendments to these guidelines and additional information about the program on both the ESD and Ag & Markets web sites.

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

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

Additional information can be obtained by writing:

Steve McGrattan

New York State Department of Agriculture & Markets

10B Airline Drive

Albany, NY 12235

[steve.mcgrattan@agriculture.ny.gov](mailto:steve.mcgrattan@agriculture.ny.gov)

Two copies of complete applications are required; one with an original signature. The applications and all attachments must be mailed to:

NYS New Farmers Grant Fund

Empire State Development

625 Broadway, 8<sup>th</sup> floor

Albany, NY 12245

All applications must be postmarked by January 28, 2015. Applications postmarked after such date may be rejected. Based on interest in the program and the availability of program funds the deadline for submission of applications may be extended by ESD/Ag & Markets at its discretion.

# Empire State Development

FOR CONSIDERATION

September 18, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Non-Discretionary Projects

REQUEST FOR: Authorization to Adopt the General Project Plan; 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>Local Assistance (Senate)</b>			
A	GLDC – Griffiss Air Force Base Redevelopment Capital	X641	Griffiss Local Development Corporation	0*
	* This grant was approved by the ESD Directors on May 17, 2012. The subject request is to reallocate the remaining grant and does not involve new funding.			
	<b>TOTAL NON-DISCRETIONARY – 1 PROJECT</b>		<b>TOTAL</b>	<b>\$0</b>

I. Statutory Basis

The projects are sponsored by the Executive, Assembly or Senate, and were authorized or reappropriated in the 2014-2015 New York State budget. No residential relocation is required as there are no families or individuals residing on the site(s).

## II. Environmental Review

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

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

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

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

## IV. ESD Employment Enforcement Policy

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

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

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

## VI. Additional Requirements

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

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

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

VII. Additional Submissions to Directors

New York State Map  
Resolutions  
Project Summary  
Photos of Building 240

September 18, 2014

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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the 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 proposed General Project Plan (the “Plan”) 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 Local Assistance, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

Local Assistance – Senate – Project Summary Table

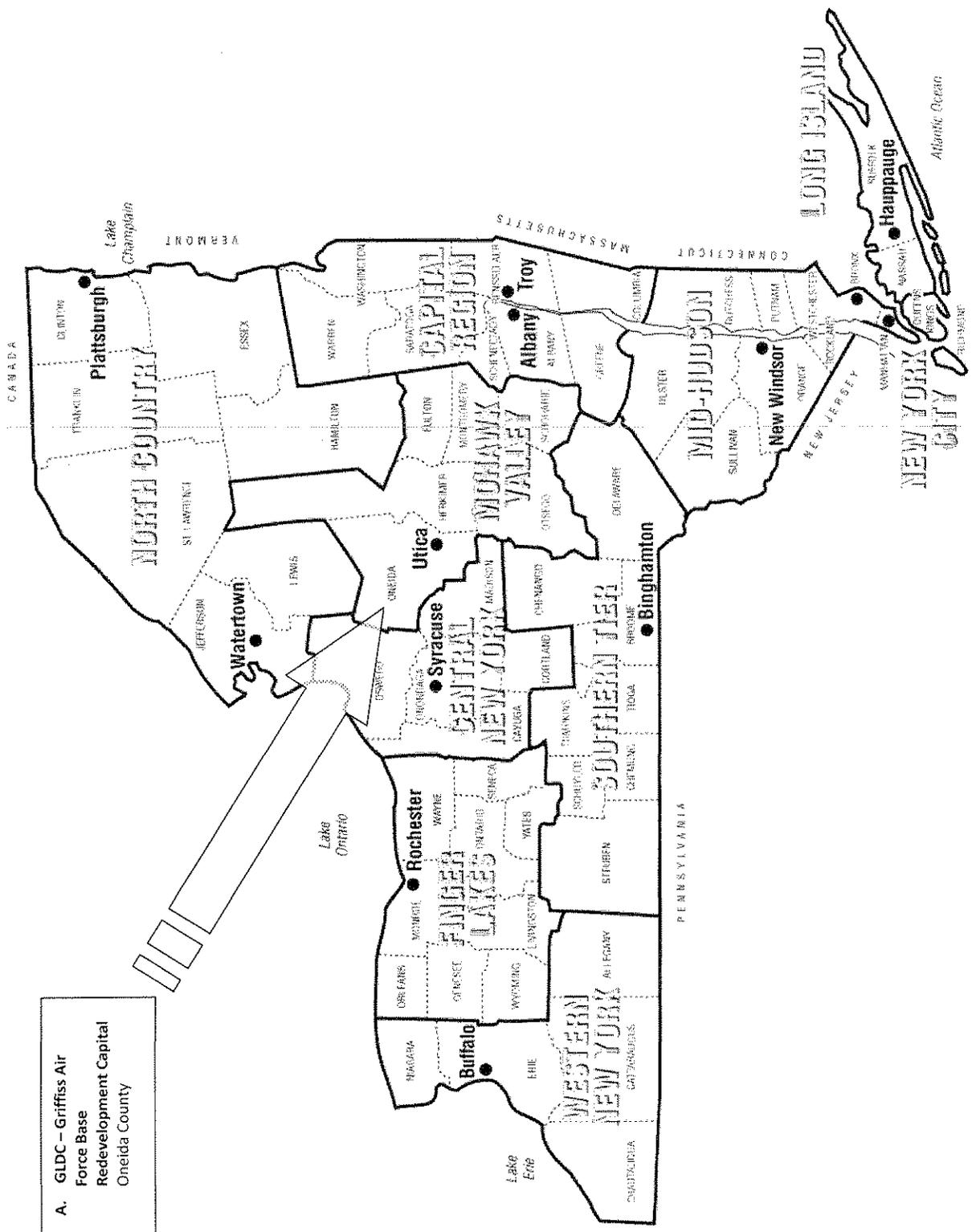
	<b>Project Name</b>	<b>Proj #</b>	<b>Grantee</b>	<b>Assistance up to</b>
A	GLDC – Griffiss Air Force Base Redevelopment Capital	X641	Griffiss Local Development Corporation	\$0*
	* This grant was approved by the ESD Directors on May 17, 2012. The subject request is to reallocate the remaining grant and does not involve new funding.			
			<b>TOTAL</b>	<b>\$0</b>

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

\* \* \*

**Local Assistance**

A. GLDC – Griffiss Air Force Base  
 Redevelopment Capital  
 Onondaga County



**A. GLDC - Griffiss Air Force Base Redevelopment Capital (X641)**

September 18, 2014

Authorization to Amend the General Project Plan

- Grantee:** Griffiss Local Development Corporation (“GLDC”)
- ESD Investment:** A grant of up to \$125,000 to be used for the cost of rehabilitation, abatement, engineering, and marketing activities was approved on May 17, 2012. As of September 2014, there is a balance of \$85,545.
- Project Location:** Griffiss Business and Technology Park, Rome, Oneida County
- Proposed Amendment:** Reallocation of the remaining grant funds to be applied to the costs of the acquisition of Building 240 located in the center of the Griffiss Business and Technology Park (“Park”).
- Project Type:** Property Acquisition
- Regional Council:** The Mohawk Valley Regional Council has been made aware of this item.

**Background:**

Industry – Redevelopment of the Griffiss Business Technology Park.

Grantee History – Formed in 1994 by New York State legislation, GLDC is a private not-for-profit corporation charged with facilitating and coordinating the redevelopment efforts of the Griffiss Business and Technology Park. The redevelopment is governed by the Master Reuse Strategy, published in 1995 and updated in 1996 with the approval of the surrounding communities and the U.S. Department of Defense (“DoD”). To date, GLDC’s efforts have resulted in approximately 6,200 jobs at the Park and approximately \$5 million in real estate and PILOT revenue into the City of Rome.

Size – All facilities located in Rome, NY.

ESD Involvement – A \$125,000 appropriation was included in the FY 2011-2012 and reappropriated in the FY 2012-2013, FY 2013-2014 and FY 2014-2015 New York State budgets.

Past ESD Support – Since 2007, the ESD Directors have approved approximately \$8.6 million in grants to GLDC for redevelopment efforts at the Park. GLDC has complied with all requirements and all the grants are fully disbursed.

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

**GLDC - Griffiss Air Force Base Redevelopment Capital (X641)**  
September 18, 2014

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
Base Redevelopment	W394	\$1,053,000	October 2008	May 2011	Capital Grant – Building construction and renovation
	W674	\$1,053,000	October 2009	February 2011	Capital Grant – Construction
Base Retention	W029	\$150,000	March 2008	December 2009	Working Capital Grant – architectural engineering, and environmental testing
	W507	\$150,000	November 2008	March 2010	Capital Grant – Building Renovation
	Y068	\$300,000	January 2013	December 2014	Capital Grant – Design and Construction
	Y626	\$1,050,000	November 2013	June 2015	Capital Grant – Building Renovation
Local Assistance	X641	\$125,000	May 2012	January 2013	Capital Grant – Building Rehab
Regional Council Capital Fund - RC 1	X643	\$397,500	April 2013	December 2013	Capital Grant – Build High Speed Network
Upstate Regional Blueprint	X081	\$1,000,000	June 2011	November 2011	Capital Grant – Construction

**The Project:**

Completion – August 2014

**GLDC - Griffiss Air Force Base Redevelopment Capital (X641)**

September 18, 2014

Activity – The original project scope included rehabilitation, abatement and engineering services at buildings 302, 770, 796, and 798 located in the Technology Heights section of the Park to accommodate existing technology companies, fit-out of the new Assured Information Security (“AIS”) building at 153 Brooks Road and marketing, through a sub-recipient arrangement with the Central New York Defense Alliance (“CNYDA”).

The project scope has been amended to include the acquisition of building 240 due to its importance to the redevelopment of the Park. Building 240 was a former Air Force Research Lab (“AFRL”) building that was deemed excess property by the Air Force. Building 240 did not go through the normal base closure process and was not transferred to GLDC through the conveyance process previously used. The Air Force auctioned the building via the General Services Administration auction process and GLDC won the right to acquire Building 240 as the high bidder. Building 240 will be secured against deterioration and vandalism while the GLDC advances a redevelopment plan.

Results – GLDC will be able to move toward its goal of redeveloping the Park and CNYDA will continue its efforts to secure the presence of the AFRL and protect the remaining military assets and approximately 2,800 associated jobs.

**The revised budget is as follows:**

Financing Uses	Amount	Financing Sources	Amount	Percent
Building Acquisition	\$85,545	ESD Grant	\$125,000	100%
Rehabilitation, Abatement & Engineering	14,455			
Marketing	25,000			
Total Project Costs	\$125,000	Total Project Financing	\$125,000	100%

Grantee Contact – Steven J. DiMeo, Authorized Representative  
584 Phoenix Drive  
Rome, NY 13441  
Phone: (315) 338-0393 Fax: (315) 338-5694

New Project Team – Project Management Jared Walkowitz  
Contractor & Supplier Diversity Denise Ross  
Design & Construction Joseph Burkard  
Environmental Soo Kang

## GLDC - Griffiss Air Force Base Redevelopment Capital (X641)

September 18, 2014

### 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 \$125,000 will be disbursed to Grantee, upon documentation of rehabilitation, abatement, building acquisition and engineering and marketing project costs, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must have been incurred after April 1, 2011, the date that the New York State budget, in which the project is authorized, was passed. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks and reports required have been completed to ESD's satisfaction.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$125,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

### Design and Construction:

The project consists of funding for architectural and engineering services for various shell renovations and electrical and mechanical improvements to four buildings (770, 796, 798 and AIS building) along with abatement and associated engineering services prior to demolition of building 302.

Design and Construction ("D&C") staff will review and approve the renovation and demolition documents, environmental reports, addendum, and cost estimates for the above. D&C will review and approve the A&E requisitions and verify that all requirements have been satisfied prior to completion and final payment.

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

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

**GLDC - Griffiss Air Force Base Redevelopment Capital (X641)**

September 18, 2014

**Statutory Basis – Local Assistance:**

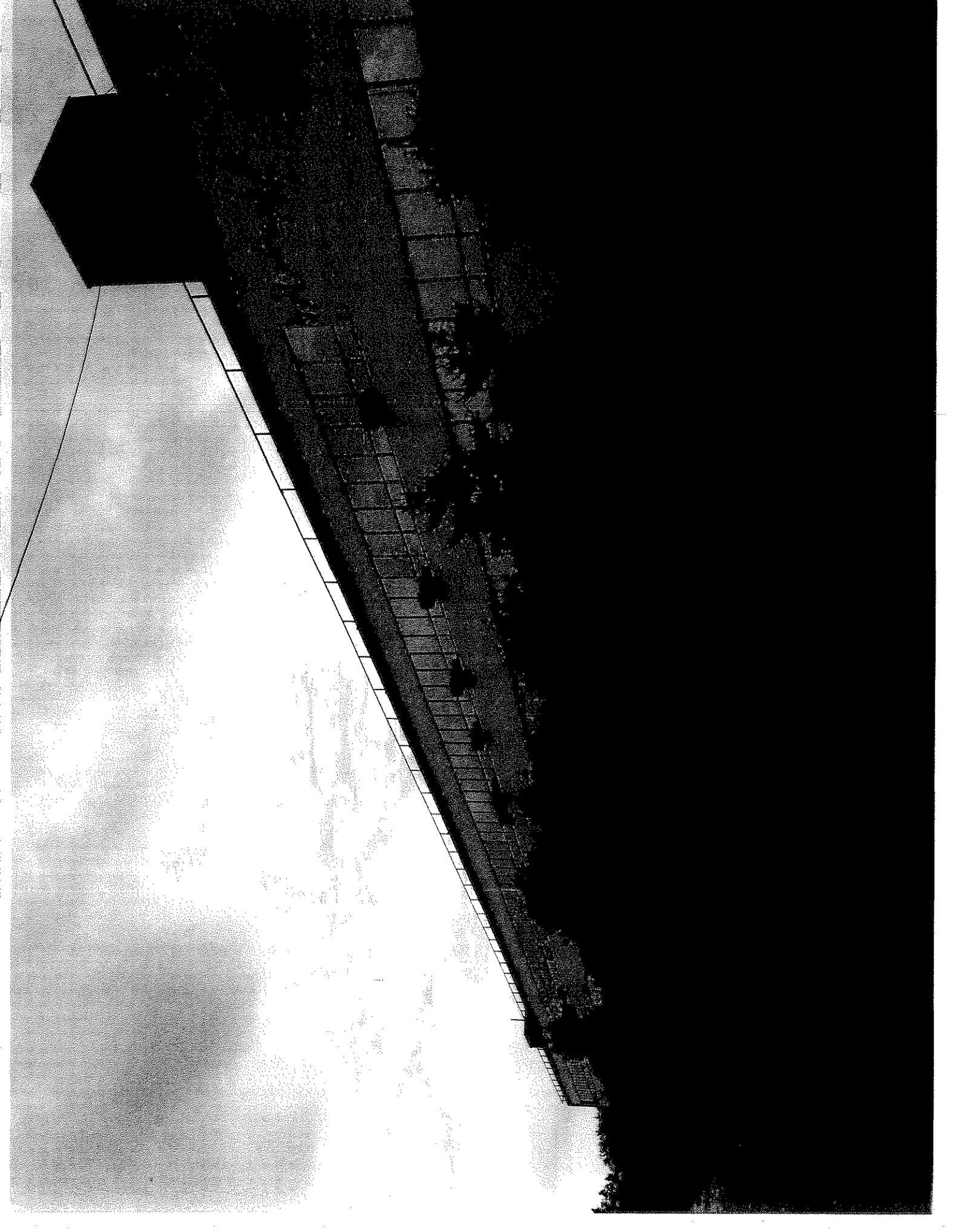
The project was authorized in the 2011-2012 New York State budget and reappropriated in the 2012-2013, 2013-2014 and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

**Disclosure and Accountability Certification:**

The Grantee has provided ESD with the required Disclosure and Accountability Certification. Grantee's certification 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.







# Empire State Development

## FOR CONSIDERATION

September 18, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Land Bank Program

REQUEST FOR: Approval of Land Bank Application and Authorization to Take All Related Actions

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### I. Background

New York State's Land Bank Program (the "Program") was established with enactment of Article 16 of the New York State Not-for-Profit Corporation Law (the "Act"). The Legislative intent of the Act found and declared that New York's communities are important to the social and economic vitality of the state and that whether urban, suburban or rural; many communities are struggling to cope with vacant, abandoned and tax delinquent properties.

In order to combat the problem of vacant and abandoned properties, the Act permits local communities on their own, or together through the execution of intergovernmental agreements, to create not-for-profit corporation land banks to be utilized to facilitate the return of vacant, abandoned and tax-delinquent properties to productive use. The primary focus of land bank operations is the acquisition of real property that is tax delinquent, tax foreclosed, vacant and/or abandoned, and to use the tools of the Act to eliminate the harms and liabilities caused by such properties.

Pursuant to Section 1603 of the Act, the creation of a land bank is conditioned upon approval of the New York State Urban Development Corporation d/b/a Empire State Development ("ESD").

### II. The Program Guidelines

ESD's role in this initiative is to approve applications from municipalities seeking to create land banks in their communities. Pursuant to the Act, the number of land banks state-wide was initially limited to ten, but has since been expanded to twenty. At its November 2011 Board

meeting, the Directors approved guidelines for the Program which set forth the application process, eligibility criteria, evaluation criteria, the approval process and other terms and conditions regarding approval of applications (the "Guidelines").

Pursuant to the Guidelines, ESD moved forward with approving applications in multiple rounds from interested municipalities. The first round of applications were received by March 30, 2012 and as a result, five applicants were approved by the ESD Board at its meeting in May of 2012. Second Round applications were received by January 30, 2013 and as a result, two additional applications were approved. Since that time, ESD has opened up the application process and has approved one additional land bank. ESD will continue to accept applications until all twenty land banks are approved.

### III. Recommendation

The Guidelines adopted by ESD cite the criteria in which ESD evaluated the applications. In general, the factors can be broken down into three categories: 1) the level of intergovernmental cooperation; 2) the need for a land bank; and 3) the likely success of the land bank as proposed. Based on staff review, it is recommended that the application submitted by Albany County be approved.

While the City of Troy is applying on its own, it does have support from local governments and has invited the local school districts to participate in the land bank. In addition, the City of Troy Local Development Corporation and the Troy Capital Resource Corporation have committed funding in the amount of \$100,000. The applicant has also demonstrated a significant problem with vacant, abandoned and tax foreclosed properties and has identified ideal properties that could be subject to land bank control. Based on the implementation plan, funding and in-kind services presented in the application, the City of Troy has made a strong case that the land bank will be successful in its community.

### IV. 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 land bank applications, the Directors made a Determination of No Significant Effect on the Environment at their meeting of May 17, 2012. This determination addressed all aspects of the proposed action. Therefore, no further environmental review is required in connection with this action.

### V. Requested Actions

The Directors are requested to: 1) pursuant to Section 1603 of the Act, approve the creation of a land bank based on the application submitted by the City of Troy; and 2) take all related actions.

VI. Recommendation

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

Attachments

Resolution

September 18, 2014

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

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

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



**FOR CONSIDERATION**

**September 18, 2014**

**TO:** The Directors

**FROM:** Kenneth Adams

**SUBJECT:** “New York is Open for Business”: Amendment to Contract with Full Service Advertising, Marketing, Branding, Media, and Communications Agency for Continuation of Business Marketing Campaign.

**REQUEST FOR:** Authorization to Amend Contract with BBDO USA LLC; Authorization to Take Related Actions

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**I Contract Amendment Summary**

**Contractor:** BBDO USA LLC (“BBDO”).

**Scope of Services:** To serve as non-exclusive, full-service advertising, marketing, branding, media, and communications agency to promote the “New York State Open for Business” program.

**Contract Term:** Contract Expires November 30, 2014, subject to extension

**Contract Amount:** The Amendment will increase the maximum contract amount from \$186,500,000 to \$211,500,000. All other contract terms remain unchanged.

**Funding Source:** Power Authority of the State of New York: \$25,000,000

**II Background**

Pursuant to authorization by the Directors on November 4, 2011, the Corporation entered into a contract with BBDO, pursuant to which BBDO is serving ESD as a non-exclusive, full-service,

advertising, marketing, branding, media, and communications agency in connection with the "Open for Business" ("OFB") program of marketing and promotion designed to market New York State as an ideal place for business to invest and create jobs. The initial term of the existing ESD-BBDO contract ran through November 30, 2013, (with an option to extend for up to two additional years) and the initial amount of the contract was not to exceed \$50,000,000. Funding for the initial \$50,000,00 contract was secured from ESDC appropriations of \$13.08MM, DED Appropriations of \$15.62M and Cost Recoveries and other funding made available by DOB of \$21.3MM.

Pursuant to December 20, 2012 Board authorization, ESD entered into an agreement with the Power Authority of the State of New York ("NYPA") pursuant to which NYPA would provide \$50,000,000 for the OFB program in order to continue this vital marketing program as the initial amount had been spent or committed at that time. NYPA's \$50,000,000 funded the First Amendment to the existing ESD-BBDO contract that increased the contract amount from \$50,000,000 up to \$100,000,000. The First Amendment also added "Schedule D-Supplemental Budget 2013," to supplement but not replace the Original Agreement.

Pursuant to Board authorization, a Second Amendment to the BBDO contract was entered into by ESD and BBDO, dated as of July 9, 2013, adding to the Scope of Services for OFB set forth in the Original Agreement, as amended: (i) marketing and advertising campaign administered by ESD to promote tourism in the Hurricane Sandy Target area (as defined in the Second Amendment); and (ii) a campaign to launch and promote the State of New York Storm Recovery Program throughout various counties that have been declared disaster areas pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.); and (iii) amending the BBDO contract to increase its amount to \$136,500,000. Funding for the additional \$36,500,000 was secured with HUD funds secured via a Community Development Block Grant Disaster Recovery Subrecipient Agreement with Housing Trust Fund Corporation.

Pursuant to Board authorization, a Third Amendment to the BBDO contract that added an additional \$50,000,000 to the contract amount was entered into by ESD and BBDO, dated as of March 28, 2014. Accordingly, the total contract amount is \$186,500,000. Funding was secured through NYPA.

### **III The NYPA Agreement**

In connection with the Open for Business and related programs, and to enhance ESD's mission to promote a vigorous and growing economy and NYPA's mission to increase the number and quality of businesses that apply for benefits under NYPA programs, NYPA transferred \$50,000,000 which was used to fund the First Amendment.

In the State fiscal year commencing April 1, 2013, the State Legislature enacted Section 17 of Part HH of Chapter 57 of the Laws of 2013, providing inter alia that NYPA was authorized and directed to make a contribution to the State Treasury to the credit of the General Fund, or as otherwise directed in writing by the Director of the Budget, in an amount of up to \$90,000,000, the proceeds of which will be utilized to support energy-related initiatives of the State or for economic purposes; and the

Director of the Budget has, by letter dated January 6, 2014, requested that NYPA transfer the sum of \$50,000,000 to the credit of ESD in furtherance of ESD's Statewide economic development initiatives, which said sum was so transferred to ESD by NYPA. This \$50,000,000 was the funding source for the Third Amendment to the BBDO contract.

In the State Fiscal year commencing April 1, 2014, the State Legislature enacted Section 19 of Part I of Chapter 55 of the Laws of 2014, providing, *inter alia*, that NYPA is authorized and directed to make a contribution of up to \$90,000,000 to the State Treasury to the credit of ESD in furtherance of ESD's Statewide economic development initiatives. No less than 60% of monies spent on advertising Start-Up NY must be used for advertising and promotion outside the State of NY. NYPA has duly contributed \$25 million to ESD. Out-of-state advertising for Start-Up NY has to date exceeded the 60% requirement imposed by the Legislature. This \$25 million is the source of funds for the present requested amendment.

#### **IV The ESD-BBDO Contract Amendment**

The upset amount of the existing ESD-BBDO contract would increase, from the current \$186,500,000 to \$211,500,000. But for this modification, the existing contract, the terms of which were authorized by the Directors on November 4, 2011, would remain unchanged. BBDO's scope of work and fee/commission/compensation arrangement would remain the same.

BBDO has performed satisfactorily in the past year and the "Open for Business" campaign has been highly visible. Much of the \$186,500,000 current contract cap amount has been either spent or committed.

#### **V Contractor Selection Process**

These services were initially competitively bid via an ESD Request for Proposal to which twelve agencies responded. Responses were reviewed, six agencies were interviewed, and the six finalists provided additional requested documentation and interviews. ESD's selection committee recommended BBDO based on its best value combination of technical score and price.

ESD staff recommends that ESD enter into an amendment of the existing contract with BBDO because: (i) ESD is satisfied with BBDO's performance under the existing contract; (ii) BBDO retains specific knowledge relevant to creation, production, financing, and dissemination of the Open for Business campaign components; (iii) BBDO generally is part of an industry-leading, world-wide, advertising firm with expertise in marketing and promotion campaigns; and (iv) BBDO agrees to continue the same fee/commission/compensation arrangement as set forth in the existing contract. BBDO also has a specific expertise in developing business-to-business campaigns, a particularly critical component of the New York State Open for Business campaign.

Further, the process of soliciting for a potential new marketing firm and then familiarizing any such firm with the details and goals of the intended New York State campaigns, and then waiting while any such firm designed, produced, and placed further advertising and marketing materials, would

produce a delay of at least many months and would distract from the focus and momentum of the existing campaigns at a time when the marketplace may be improving and the existing campaigns are otherwise ready to continue forward.

This proposed Amendment is subject to review and approval by the Office of the New York State Comptroller pursuant to Public Authorities Law s. 2879-a and its implementing regulations.

#### **VI Determination of Responsibility**

ESD staff has: (a) considered BBDO's ability to continue the requested services; (b) consulted the list of offerers determined to be non-responsive bidders and debarred offerers by the New York State Office of General Services; and (c) conducted the appropriate responsibility analysis based on BBDO's responses to the Office of State Controller mandated Responsibility Questionnaire, and verified those responses from available resources. Based on the foregoing, staff considers BBDO to be a responsible contractor based on its financial and organizational capacity, its legal authority to do business, the integrity of the firm and its principals, and its past performance on contracts, including the existing ESD-BBDO contract.

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

ESD's M/WBE Program will apply to the amended contract. BBDO has been and will be encouraged to use its best efforts to achieve a Minority Business Enterprise participation goal of 15% and a Women Business Enterprise participation goal of 5% of the total dollar value of the amended contract.

#### **VIII Environmental Review**

The requested action to amend a contract for full-service marketing 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 this action.

#### **IX Requested Action**

The Directors are asked to authorize ESD to amend the existing contract with BBDO to increase the maximum amount of the contract from \$186,500,000 to \$211,500,000; and take related actions.

#### **X Recommendation**

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

#### **XI Attachments**

Resolutions

September 18, 2014

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

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

RESOLVED, that the Corporation is hereby authorized to enter into an Amendment of the existing ESD-BBDO contract, pursuant to which the maximum contract amount would be increased from the current \$186,500,000 to \$211,500,000, and all other contract terms would remain unmodified and in full force and effect, substantially on the terms and conditions set forth in the Materials; and be it further

RESOLVED, that the ESD-BBDO contract amendment is expressly contingent upon receipts of all other necessary approvals, including without limitation approval by the Office of the State Comptroller; and be it further

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

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FOR INFORMATION

September 18, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Quarterly Report on Utilization of Certified Minority and Women Business Enterprises (MWBEs) and Procurement Commitments to MWBEs for the First Quarter of Fiscal Year 2014-2015

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Utilization of Certified MWBEs:

For the first quarter of fiscal year 2014-2015, ESD achieved MWBE participation in agency projects and procurements totaling 13.9%. During the quarter, ESD disbursed a total of \$159 million in eligible procurements to vendors, grantees and borrowers. Of the eligible procurements, \$22.2 million in payments were reported to MWBEs.

The decline was due primarily to advance lump sum disbursements of two substantial grants. ESD expects MWBE participation from these projects in the future. In addition, ESD continues to address loss of MWBE participation on one major procurement contract.

Initial Commitments to Certified MWBEs:

For the first quarter of fiscal year 2014-2015, ESD and its subsidiaries executed a total of sixty million in procurements and amendments, of which \$59.2 million were MWBE eligible procurements. Of the eligible procurements, \$1.3 million or 2.2% has been committed to MWBEs by ESD, its subsidiaries and primes.

The reason for the level of initial commitments is that one contractor has yet to submit its MWBE participation commitments.

Commitments only refer to the amount of contracts awarded initially to MWBEs and do not take into account future commitments on those contracts and disbursements over time. Utilization, reported above, represents actual payments, which are measured against the agency goal.

Empire State Development  
Report on Procurement Contracts  
Entered into During the Quarter of (04/01/2014 - 06/30/2014)

CO.	VENDOR NAME AND ADDRESS	ORIG CONT DATE	REASON FOR AWARD	CONTRACT NUMBER	INITIAL SCOPE OF SERVICES	CONTRACT AMOUNT	CURRENT STATUS	CONTRACT REPORTER	COMPETITIVE SEARCH	BASIS OF AWARD	MWBE ELIGIBLE CONTRACTS	COMMENTS
<b>EMPIRE STATE DEVELOPMENT</b>												
ESD	Cameron Engineering and Associates 45 West 36th Street 3rd Floor New York, NY 10018	4/28/2014	Need for consulting services in connection with the New York Rising Community Reconstruction Program (NYRCR).	8586	Provide consulting services to ESD with respect to certain aspects of the New York Rising Community Reconstruction (NYRCR) Program, specifically relating to the development of NYRCR plans for Herkimer, Oneida and Madison Counties.	900,000	On-going	YES	YES	Best Value	YES	
ESD	Foley & Lardner LLP 90 Park Avenue New York, NY 10016	5/16/2014	Need for legal services in connection with long term planning for the retention of the Buffalo Bills in New York.	8680	Provide legal services in relation to the long term planning for the retention of the Buffalo Bills in New York, including consideration of substantial renovation of the Ralph Wilson Jr. Stadium, or the construction of a new stadium as contemplated under the current Stadium lease.	350,000	On-going	Legally Exempt	NO	Best Value	NO	Single Source
ESD	AKRF, Inc. 34 South Broadway White Plains, NY 10601	5/16/2014	Need for consulting services in connection with the New York Rising Community Reconstruction Program (NYRCR).	8580	Provide consulting services to ESD with respect to certain aspects of the New York Rising Community Reconstruction (NYRCR) Program, specifically relating to the development of NYRCR plans for Montgomery County.	300,000	On-going	YES	YES	Best Value	YES	
ESD	Gonzalez Saggio & Harlan, LLC 292 Madison Ave 19th Fl New York, NY 10017	5/17/2014	Need for legal services in connection with the disposition of the former Arthur Kill Correctional Facility in Staten Island.	8691	Provide real estate, environmental and other related legal services in relation to the disposition of the former Arthur Kill Correctional Facility in Staten Island.	300,000	On-going	YES	YES	Best Value	YES	Certified MBE
ESD	AECOM USA Inc 125 Broad Street Suite 1500 New York, NY 10004	4/28/2014	Need for consulting services in connection with the New York Rising Community Reconstruction Program (NYRCR).	8587	Provide consulting services to ESD with respect to certain aspects of the New York Rising Community Reconstruction (NYRCR) Program, specifically relating to the development of NYRCR plans for Niagara County.	262,000	On-going	YES	YES	Best Value	YES	

Empire State Development  
Report on Procurement Contracts  
Entered into During the Quarter of (04/01/2014 - 06/30/2014)

CO.	VENDOR NAME AND ADDRESS	ORIG CONT DATE	REASON FOR AWARD	CONTRACT NUMBER	INITIAL SCOPE OF SERVICES	CONTRACT AMOUNT	CURRENT STATUS	CONTRACT REPORTER	COMPETITIVE SEARCH	BASIS OF AWARD	MWBE ELIGIBLE CONTRACTS	COMMENTS
ESD	Frank Tartaglia Inc 5867 East Molloy Road Syracuse, NY 13211	6/78/2014	Need for repair/reconstruction in connection with two (2) ESD owned railway road crossings in the Radisson Corporate Park.	8709	Provide repair/reconstruction to two Railway Road Crossings on Brundage Road and West Ferry Road in the Radisson Corporate Park to meet the Federal Railway Administration Track Safety Standards.	71,900	On-going	YES	YES	Best Value	YES	
ESD	Bloomberg LP, 731 Lexington Avenue New York, NY 10022	4/28/2014	Need for a lease of Bloomberg Terminal through 07/26/2016.	8677	Provide services to perform financial analysis and provide information.	51,600	On-going	Legally Exempt	N/A	Best Value	NO	Sole Source
<b>Eric Canal Harbor Development Corporation</b>						<b>TOTAL ESD:</b>	<b>\$2,235,500</b>					
ECHDC	Fontanese Felts Aurbrecht Ernst Architects 6095 West Quaker Street Orchard Park, NY 14127	4/29/2014	Need for consulting services in connection with the redevelopment of the southern portion of the former Memorial Auditorium Block within the Canalside project in Buffalo, NY.	8678	Provide architecture, engineering services related to the redevelopment of the southern portion of the former Memorial Auditorium Block.	2,490,000	On-going	YES	YES	Best Value	YES	
ECHDC	Global Spectrum LP 3601 South Broad Street Philadelphia, PA 19148	4/7/2014	Need for management services to ECHDC in connection with the Canalside Project in Buffalo, NY.	8672	Provide public space management services, programming and events management, and canal/ice rink operations and maintenance.	1,715,500	On-going	YES	YES	Best Value	YES	
<b>MOYNIHAN STATION DEVELOPMENT CORPORATION</b>						<b>TOTAL ECHDC:</b>	<b>\$4,205,500</b>					
MSDC	Ernst & Young 5 Times Square New York, NY 10036	5/16/2014	Need for assistance with respect to developing a financing strategy for Phase 2 of the Moynihan Station project.	8699	Provide assessments of the current proposed financing options available for Moynihan Station Phase 2 and improvements to the existing Penn Station.	973,500	On-going	YES	YES	Best Value	YES	
<b>TOTAL FOR CONTRACTS:</b>						<b>\$7,414,500</b>						
<b>TOTAL FOR AMENDMENTS:</b>						<b>\$52,580,990</b>						
<b>GRAND TOTAL:</b>						<b>\$59,995,490</b>						

**Empire State Development**  
**Report on Procurement Contracts (Amendments)**  
**Entered into During the Quarter of (04/01/2014 - 06/30/2014)**

CO.	VENDOR NAME AND ADDRESS	BEGIN DATE	AMEND. DATE	REASON FOR AWARD	CONTRACT NUMBER	ORIGINAL CONTRACT AMOUNT	AMEND AMOUNT	SCOPE OF SERVICES	REVISED CONTRACT AMOUNT	CURRENT STATUS	CONTRACT REPORTER	MWBE ELIGIBLE CONTRACTS	COMMENTS
<b>EMPIRE STATE DEVELOPMENT</b>													
ESD	BDO USA LLC 1285 Avenue of the Americas New York, NY 10019	12/5/2011	4/7/2014	Need for marketing, advertising, and branding services in connection with the NYS Open for Business Campaign.	7506	136,500,000	50,000,000	Provide all necessary services in the areas of research, marketing and advertising to create a campaign that will position New York State favorably in the global marketplace to spur investment, job creation, and income generation in New York's economic rebuilding process.	186,500,000	On-going	Yes	Yes	
ESD	STV Inc. 225 Park Avenue South New York, NY 10281	7/8/2010	5/12/2014	Need for owner's representative services in connection with the Atlantic Yards Project.	6717	2,500,000	1,250,000	Provide Owner's Representative technical services which will include monitoring construction activity, site safety, and reviewing construction and design documents as well as contractor requisitions as it relates to the Atlantic Yards Land Use Improvement and Civic Project.	3,750,000	On-going	N/A	Yes	Legally Exempt
ESD	Hemington Durham & Richardson PC 500 Seventh Avenue New York, NY 10018	6/11/2007	6/17/2014	Need for environmental consulting services in connection with the Atlantic Yards Arena and Redevelopment Project.	4869	360,000	500,000	Provide environmental monitoring including the completion of an Environment Impact Statement (EIS) for the proposed Atlantic Yards Arena and Redevelopment Project.	3,145,000	On-going	N/A	Yes	Amendment provided for in original contract
ESD	Baker Donelson, Bearman, Caldwell, & Berkowitz, PC 920 Massachusetts Ave., NW Suite 900 Washington, DC 20001	10/1/2013	5/30/2014	Need for consultant services relating to military base retention and expansion in New York.	8378	214,620	384,950	Provide assistance in identifying growth opportunities and retention strategies to keep New York State military bases as economic contributors and job generators.	599,550	On-going	Yes	No	MWBE Waiver Granted / Exempt Contract
<b>ESD TOTAL:</b>									<u>\$193,994,550</u>				
<b>ERIE CANAL HARBOR DEVELOPMENT CORPORATION</b>													
ECHDC	Perkins Eastman Company 115 Fifth Avenue New York, NY 10003	4/24/2006	6/8/2014	Need for consultant services in the area of Architectural Urban Design and Strategic Planning.	7281	5,099,109	236,000	Continue to provide design and construction documentation through the final phases and execution of the CanalSide Project.	5,335,109	On-going	Yes	Yes	MWBE SUBCONSULTANTS
ECHDC	Eric Mower and Associates 50 Fountain Plaza Suite 1000 Buffalo, NY 14202	7/30/2013	5/9/2014	Need for consulting services in order for ECHDC to create a brand narrative, visual identity, and marketing plan in connection with the development of the CanalSide in Buffalo, NY.	8300	289,000	210,000	Provide assistance to create a CanalSide brand narrative, visual identity, and marketing plan in order to help build awareness and distinguish it as a true regional destination, as well as ensure communication consistency.	499,000	On-going	Yes	Yes	
<b>ECHDC TOTAL:</b>									<u>\$5,834,109</u>				
<b>TOTAL FOR AMENDMENT CONTRACTS:</b>									<u>\$199,828,659</u>				