

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
October 17, 2013 – 9:30 a.m.

AGENDA

FOR CONSIDERATION

I. CORPORATE ACTION

- A. Approval of Minutes of the September 19, 2013 Directors' Meeting

II. DISCRETIONARY PROJECTS

LONG ISLAND REGION

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

DISCRETIONARY PROJECTS CONSENT CALENDAR

- B. Discretionary Projects Consent Calendar – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

General Development Financing Projects

- A. North American Breweries Capital (Monroe County) - \$85,000
- B. EnerPath Services Capital (Monroe County) - \$60,000

Economic Development Purposes Fund

- C. Integrated Medical Technologies Capital (Livingston County) - \$100,000

III. **REGIONAL COUNCIL AWARDS**

WESTERN NEW YORK REGION

- A. Regional Council Award – Priority Project - Buffalo (Western New York Region – Erie County) – Hauptman Woodward Medical 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
- B. Regional Council Award – Various Locations (Western New York Region – Erie, Niagara, Allegany, Cattaraugus and Chautauqua Counties) – Farm Credit 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

MOHAWK VALLEY REGION

- C. Regional Council Award – Various Locations (Mohawk Valley Region - Herkimer and Oneida Counties) – Northland Networks 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

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

REGIONAL COUNCIL AWARDS PROJECTS CONSENT CALENDAR

- E. Regional Council Awards Projects Consent Calendar – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make Grants and Take Related Actions;

Empire State Economic Development Fund

- A. OptiPro Systems Capital (Wayne County) - \$50,000

Regional Council Capital Fund

- B. Seneca BioEnergy Capital (Ontario County) - \$100,000

III. REGIONAL COUNCIL AWARDS - Continued

CENTRAL NEW YORK REGION

- F. Regional Council Award – Priority Project – Manlius (Central New York Region – Onondaga County) – 3Gi CNYIP Capital – Regional Council Capital Fund (Capital Grant) – Affirmation of Directors’ August 22, 2013 Findings and Determinations Pursuant to Section 10 (g) of the Act; Affirmation of the General Project Plan

IV. NON-DISCRETIONARY PROJECTS

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

Upstate City-by-City (Executive)

- A. City of Rochester-Midtown Redevelopment Infrastructure Capital (Monroe County) - \$11,182,331

Local Assistance (Senate)

- B. Mohawk Valley EDGE Cyber Research Institute Working Capital (Oneida County) - \$600,000

LOCAL ASSISTANCE – HURRICANE IRENE – TROPICAL STORM LEE MITIGATION

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

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

- A. Schoharie County - Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital - \$5,303,374
 B. Washington County - Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital - \$441,785

V. ATLANTIC YARDS

- A. Brooklyn (Kings County) - Atlantic Yards Land Use Improvement and Civic Project – Adoption of Modification to Project Building 4 Design Documents SK-1935, SK-1943 and SK-1944; and Authorization to Take Related Actions

VI. ADMINISTRATIVE ACTIONS

- A. Procurement of Legal Services – Authorization to Enter into a Contract for Legal Services in Connection with Correctional and Youth Facilities Bonds and to Take Related Actions
- B. Small Business Technology Investment Fund (SBTIF) – Authorization of a Follow-on Investment of SBTIF Funds in Primet Precision
- C. Procurement of Technology Services and Mentoring Resources for the Development of the New York State Small Business Mentoring Network – Authorization to Enter into a Contract for Technology Services and Mentoring Resources Relating to the Development of the New York State Small Business Mentoring Network and to Take Related Actions
- D. Open for Business: Commitment of Funds for the Continued Operation of the Statue of Liberty National Monument (“Statue of Liberty”) – Ratification of Expenditure of Funds on an Emergency Basis; Delegation of Authority to Take Continued Action on the Same Terms During the Pendency of the Federal Government Shutdown; and Authorization to Accept any Reimbursement from the Federal Government That May Be Appropriated

VII. INFORMATION

- A. Annual Report on Jobs Created and Retained on ESD Grant and Loan Programs and Status Report on UDC Loan Portfolio
- B. President’s Report (Oral)

DRAFT – SUBJECT TO REVIEW AND REVISION

NEW YORK STATE URBAN DEVELOPMENT CORPORATION

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

September 19, 2013

MINUTES

In Attendance

Directors:

Kenneth Adams (Acting Chair)
Paul Ciminelli
Robert Dyson
Joyce Miller

Present for ESD:

Lawrence Jacobs, Executive Vice President – Legal and General Counsel
Edwin Lee, Assistant Vice President – Discretionary Projects
Eileen McEvoy, Corporate Secretary
Glendon McLeary, Senior Project Manager
Kathleen Mize, Deputy CFO and Controller
Alexis Offen, Vice President – Real Estate Development
Mehul Patel, Chief of Staff
Susan Shaffer, Vice President – Loans and Grants
Frances Walton, Chief Financial and Administrative Officer

Also Present:

James Fayle, Director - Central New York Regional Office
Ed Muszynski, Area Director-Finger Lakes Regional Office
Christina Orsi, Director – Western New York Regional Office
John VanDeLoo, North Country Regional Office
David J. Wright, Assistant Commissioner - Albany

Also Present:

The Press
The Media

DRAFT – SUBJECT TO REVIEW AND REVISION

The meeting of the Directors of the New York State Urban Development Corporation (“UDC”) d/b/a Empire State Development (“ESD” or the “Corporation”) was called to order at 9:38 a.m. by Acting Chair Adams. It was noted for the record that the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

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

Acting Chair Adams then asked the Directors to approve the Minutes of the August 22, 2013 Directors’ meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE AUGUST 22,
2013 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT
CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on August 22, 2013, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

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

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Mr. Lee noted that the Directors will be asked to consider funding for six Discretionary Projects including two Economic Development Purpose Fund Grants totaling \$300,000; three Economic Development Fund Grants totaling \$3.8 million; and one small Business and Minority and Women Business Entrepreneurial Transportation Capital Assistance and Guaranteed Loan Program Loan for \$240,000.

Mr. Lee further noted that there were also eight Regional Council Award projects including one Economic Development Fund Grant for \$125,000; one Economic Transportation Program Grant for \$4.1 million; one Empire State Economic Development Fund Grant for \$50,000; five Regional Council Capital Fund Grants totaling \$6,872,780 and one Urban Community Development Program Grant for \$1.375 million.

Mr. Lee added that these projects will leverage over \$180 million in additional investments and will assist in retaining 972 jobs and in creating approximately 90 jobs in New York State.

Following Mr. Lee's full report, the Acting Chair asked Mr. Muszynski to present the General Motors Components Holdings EDF Grant item for the Directors' consideration.

Mr. Muszynski presented the specifics of this request noting, in part, that the Directors are being asked to authorize ESD to make a \$3,000,000 grant to General Motors Components

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Holdings LLC (“GMCH”) to be used for a portion of the cost of the purchase of machinery and equipment.

Among other things, Mr. Muszynski explained that GMCH is a wholly owned subsidiary of General Motors Company, Inc. formed after the parent Company’s emergence from bankruptcy. GMCH, Mr. Muszynski added, produces engine management and fuel injection systems.

Mr. Muszynski further explained that the plant was formerly the Delphi Corporation, the supplier to General Motors.

In 2010 or earlier, Mr. Muszynski noted, Delphi’s management decided to outsource Generation 5 fuel injection components for the 2014 model year GM trucks to a supplier in Ohio.

Mr. Muszynski further noted that in 2010 when Delphi became GMCH, its management proposed to its parent company that the components be insourced and brought back to Rochester.

ESD assistance, Mr. Muszynski continued, was critical to the decision to produce the Components in Rochester. Without ESD’s and the local utility’s assistance, Mr. Muszynski added, the project would have gone to Ohio eliminating 669 jobs.

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Following the full presentation, Director Dyson noted that this company is also a successor to the Rochester Carburetor Company and GM started buying carburetors from Rochester when their other supplier could not provide enough.

Director Dyson noted that eventually, GM took it over and it became known as Rochester Performance Development.

Director Ciminelli asked if GMCH qualified for lower cost power and Mr. Muszynski stated that the company did qualify and further that the company received grants to help defray the cost of Rochester Gas and Electric.

Director Miller asked if the jobs were union jobs and Mr. Muszynski said that they were. Director Miller then asked if it was correct that these were in fact good paying jobs for people in the State of New York and Mr. Muszynski said that they were good paying jobs.

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

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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the General Motors Components Holdings Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

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

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

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

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

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

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

* * *

The Acting Chair then asked Ms. Orsi, the Director of the Western New York Regional Office, to present the American Douglas Metals Inc. EDF Project.

Ms. Orsi explained that American Douglas Metals, Inc. manufactures and processes aluminum and steel products such as flat-rolled aluminum, flat-rolled steel aluminum extrusions specialty metals and window and door hardware.

The Directors are being asked, Ms. Orsi continued, to authorize ESD to make a \$200,000 grant to be used for a portion of the cost of building acquisition and renovations. This project, Ms. Orsi noted, involves a significant expansion for the Company with a cost of \$2.4 million involving the acquisition and relocation to an 83,000 square foot building from the 30,000 square foot building that they had.

Ms. Orsi further noted that the Company had outgrown its existing facility in Western New York and was considering closing that operation and relocating it to its existing facilities in Orlando or Atlanta, where up until this project, all of their growth had occurred.

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Ms. Orsi added that as a result of the project, American Douglas will add 17 new full-time jobs and retain 21 existing full-time employees.

Following the full presentation, the Acting Chair called for questions or comments. Director Dyson stated that it is not surprising that the company has other remote locations because of the shipping costs associated with the type of product that it produces. He added that he supports ESD encouraging the company to continue its efforts in New York State.

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

Buffalo (Western New York Region – Erie County) American Douglas Metals Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the American Douglas Metals Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms;
2. The project would be unlikely to take place in New York State without the requested assistance;

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3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;
4. There are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to American Douglas Metals, Inc. a grant for a total amount not to exceed Two Hundred Thousand Dollars (\$200,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Ms. Orsi then presented the Buffalo Investment Strategy Working Capital Grant item for

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the Directors' consideration.

Ms. Orsi explained that the Directors were being asked to authorize ESD to make a \$200,000 grant to the University of Buffalo Regional Institute ("UBRI").

The funds, Ms. Orsi explained, will be used for a portion of the cost of the planning process, design development and implementation for the Buffalo Investment Strategy.

Among other things, Ms. Orsi noted that UBRI has been involved in the planning process towards the overall Buffalo Billion Investment Strategy from the beginning.

Following the full presentation, the Acting Chair called for questions or comments. Director Ciminelli noted that he has worked with UBRI and that they do very good work.

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

Regional Council Award – Buffalo (Western New York Region - Erie County) – Buffalo Investment Strategy Working Capital – Economic Development Purposes Fund (Working Capital) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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 Investment Strategy Working Capital – Economic Development Purposes Fund – Regional Council Award – (Working Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended

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(the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the University at Buffalo Regional Institute a grant for a total amount not to exceed Two Hundred Thousand Dollars (\$200,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Next, Ms. Burns asked the Directors to approve the Certified Safety Products of New York Working Capital Loan Project.

Ms. Burns explained that the project involves a \$240,000 loan to Certified Safety Products to be used for working capital expenses associated with a subcontract from Concrete Applied Technologies Corporation under a New York State Department of Transportation Contract.

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Ms. Burns explained that the loan will be made under the ESD New York State Department of Transportation Capital Assets Program. Under this program, Ms. Burns continued, the Department of Transportation refers applicants who have transportation related contracts that they fund to ESD and ESD processes the loans.

Ms. Burns added that the purpose of the Program is to provide contract specific financing to qualifying minority and women contractors to ensure that they successfully complete their contract. This loan, Ms. Burns continued, is for the working capital needed by Certified Safety to perform under a Department of Transportation contract to manufacture and install permanent traffic signs along Route 33 in Buffalo.

Following the full presentation, the Acting Chair asked for further information with regard to a reference in the Directors' materials to a 2011 proposal to the company that did not seem to go forward.

Ms. Burns explained that that loan was not made but the company did complete the contract because they were able to secure financing through the prime contractor.

The Acting Chair then asked how active the Program was and what capacity it has.

Ms. Burns stated that the amount of the loan fund is \$1.2 million and that it was only ramped up again over the past two years.

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Mr. Burns went on to note that the Program has not been utilized for a while because some of the details of the process need to be worked on by staff. Ms. Burns added that that work is being undertaken at this time.

Director Ciminelli asked if the contractor uses the loan proceeds to buy the materials or if the Department of Transportation buys the materials and the contractor uses the proceeds for working capital for their own equipment and labor.

He was informed that the contractor buys the materials with the loan proceeds.

Director Ciminelli stated that this appeared to be an odd process and the Acting Chair noted that this is a special program for Certified MWBE firms so they can get access to those contracts because they are undercapitalized.

The Acting Chair then called for any questions or comments. Director Miller asked how much of the \$1.2 million has been used or committed at this point. Mr. Burns stated that it is a revolving loan fund so the money comes back in. Ms. Burns added that at this point however, all of it has gone out and right now \$800,000 needs to be committed again.

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

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Buffalo (Western New York Region – Erie County) – Certified Safety Products of New York Working Capital – Small Business and Minority-Owned and Woman-Owned Business Enterprises Transportation Capital Assistance and Guaranteed Loan Program – Empire State Development/New York State Department of Transportation Government Contractor Loan Program - (Working Capital Loan) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make a Loan and to Take Related Actions

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Certified Safety Products of New York, Inc. a loan for a total amount not to exceed Two Hundred Forty Thousand Dollars (\$240,000) from the Small Business and Minority-Owned and Woman-Owned Business Enterprises Transportation Capital Assistance and Guaranteed Loan Program – Empire State Development/New York State Department of Transportation Government Contractor Loan Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Next, Mr. Fayle asked the Directors to authorize ESD to make a \$600,000 grant to Agrana Fruit US, Inc. to be used for a portion of the cost of real estate acquisition and construction of a new 104,000 square foot fruit preparation plant.

Mr. Fayle further noted that the total project costs are \$53.6 million and will lead to an initial 60 jobs by the end of 2014 and ultimately 120 jobs within the next few years.

Mr. Fayle then explained that further assistance to this project includes \$2 million in Excelsior Grants, \$1,000,000 in power costs, investment tax credits of \$3.3 million, \$7,000,000 in assistance from NYSERDA and \$425,000 from the Local IDA in addition to PILOT.

Mr. Fayle added that this was a very competitive process and that the Company was located in multiple sites throughout the Northeast and ESD was able to find a parcel that it owned in the community of Radisson for this project.

Following the full presentation, the Acting Chair called for questions or comments. A brief discussion was held with regard to various aspects of the dairy industry in general.

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

Baldwinsville (Central NY Region – Onondaga County) – Agrana Fruit US Capital – Empire

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

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Agrana Fruit US Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Agrana Fruit US, Inc. a grant for a total amount not to exceed Six Hundred Thousand Dollars (\$600,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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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.

* * *

Baldwinsville (Central NY Region – Onondaga County) – Agrana Fruit US Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

Mr. Lee then presented the September Discretionary Projects Consent Calendar for the Director's consideration.

Mr. Lee noted that there was one item for consideration and that item involved a \$100,000 grant to American Institute of Chemical Engineers to assist with relocation expenses.

Mr. Lee explained that the Institute's headquarters had been located in midtown Manhattan but that its lease was expiring in August 2013 and it needed to expand its

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operations.

The Institute, Mr. Lee continued, considered relocating to Delaware but with ESD’s offer of financial assistance, it chose to relocate to a larger space in Lower Manhattan which it now occupies and operates from.

Mr. Lee added that as a result of this project, 59 jobs will be retained and it is expected that another 13 jobs will be created.

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

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

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

1. The Project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.
2. The Project would be unlikely to take place in New York State without the requested assistance.

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- 3. The Project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
- 4. There are no families or individuals to be displaced from the project area(s); and be it further

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

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

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

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

Empire State Economic Development Fund

| | Project Name | Proj # | Grantee | Assistance up to |
|---|--|---------------|--|-------------------------|
| | General Development Financing Project | | | |
| A | American Institute of Chemical Engineers Capital | Y053 | American Institute of Chemical Engineers | \$100,000 |
| | | | TOTAL | \$100,000 |

and be it further

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

* * *

Mr. Tompkins, the Director of ESD's Mohawk Valley Regional Office, then asked the Directors to authorize a \$4,100,000 grant in connection with the Town of Cobleskill-Route 7 Corridor Economics Transformational Program Project.

Mr. Tompkins provided the relevant background information with regard to this request noting that the grant will be used for a portion of the cost of a \$9.2 million project to construct a sanitary sewer collection system and water project.

The overall purpose of the project, Mr. Tompkins continued, is to provide public utilities along a four mile corridor and to invigorate it for future economic development and to create a number of jobs and to retain jobs at Howe Cavern, an important tourist destination.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked if the project includes taking advantage of new technology in sewer disposal and recycling.

Mr. Tompkins stated that he was not certain of that but would look into providing an answer to Director Miller.

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The Acting Chair then stated that, while it was not a direct answer to Director Miller’s question, it should be noted that the project has been reviewed by the Smart Growth Advisory Committee and found by that committee to be consistent with the State’s Smart Growth Public Infrastructure Criteria.

A brief discussion was had with regard to the funding sources for this project.

Mr. Tompkins noted that in addition to ESD, the Town of Cobleskill, the County of Schoharie and Howe Caves were also investors in the project.

Director Dyson then stated that although he was in favor of the project, he believes that projects such as this one should be put in a roster of projects done by the federal government under the Clean Water Act.

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

Regional Council Award – Priority Project - Cobleskill (Mohawk Valley Region– Schoharie County) – Town of Cobleskill – Route 7 Corridor Capital – Economic Transformation Program (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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 Town of Cobleskill - Route 7 Corridor Capital -- Economic Transformation Program Capital Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Town of Cobleskill a grant for a total amount not to exceed Four Million One Hundred Thousand Dollars (\$4,100,000) from the Economic Transformation Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Regional Council Award – Priority Project - Cobleskill (Mohawk Valley Region – Schoharie County) – Town of Cobleskill – Route 7 Corridor Capital – Economic Transformation Program (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Town of

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Cobleskill - Route 7 Corridor Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Mr. Tompkins then asked the Directors to approve the GUSC Energy, Inc. Regional Council Capital Fund Grant project. Mr. Tompkins noted that GUSC stands for the Griffiss Utility Services Corporation.

Mr. Tompkins noted with regard to Griffiss Park that there have been a number of good developments that have happened on this former Strategic Air Command Base.

The plant itself, he continued, is a legacy of Air Force times and it was used as a provider of energy delivery service on the former base which is now a business and technology campus with approximately 5,000 employees and a number of great businesses.

The campus, he added, still has a strategically important Air Force asset, the Air Force Research Laboratory, which does a considerable amount of front line fighter and cyber work.

As noted previously, the plant was a steam and electricity provider. However, it was highly inefficient as such.

Mr. Tompkins explained that the Directors were being asked to authorize ESD to make a \$1,500,000 grant to GUSC Energy, Inc. to be used for a portion of the cost to design and

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construct the Biomass Combined Heat and Power Plant that can be fueled by natural gas and oil.

A new component of that, Mr. Tompkins stated, is wood chips which has the benefit of supporting the forest industry as well as of reducing its carbon emissions profile substantially.

Mr. Tompkins further stated that the plant will also help to reduce energy costs on the Griffiss campus and further to secure the military assets that are there and that the Corporation wants to retain.

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

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

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

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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 GUSC Energy, Inc. 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 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.

* * *

Rome (Mohawk Valley Region – Oneida County) – GUSC Energy Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

Next, Mr. VanDeLoo representing ESD’s North Country Regional Office, presented the

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Madison Barracks Regional Council Capital Fund Grant item for the Directors consideration.

Mr. VanDeLoo noted that the Directors were being asked to approve a \$500,000 grant to be used for a portion of the cost of installing new water lines and fire hydrants at Madison Barracks housing project at Sackets Harbor in Jefferson County.

Mr. VanDeLoo further noted that this is one of the key strategies to support efforts to address the shortage of rental housing available for soldiers and their families in the Fort Drum area and also, to improve the quality of housing options for the community as a whole.

Following the full presentation, the Acting Chair asked for the status of the houses and Mr. VanDeLoo stated that the housing had been built and that the developer is awaiting water and fire hydrants to obtain the Certificate of Occupancy.

The Acting Chair then called for any further questions from the Directors. Director Ciminelli asked if the developer put in new roads and Mr. VanDeLoo stated that the developer will not be putting in new roads but will be improving part of the road.

Director Miller asked if this will be affordable housing and Mr. VanDeLoo stated that there are all levels of housing available in the community.

He added that this is particularly targeted to Fort Drum soldiers and their families and

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Fort Drum related support personnel so in that sense, it is affordable housing.

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

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

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Madison Barracks 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 Lawler Realty LLC a grant for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer 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

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

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

* * *

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

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

* * *

Mr. Muszynski then asked the Directors to authorize ESD to make a \$180,000 grant in connection with the Little Theatre Film Society Regional Council Award item.

Mr. Muszynski explained that the funds will be used for a portion of the cost for the purchase and installation of new digital conversion and sound processing equipment in independent film theatres to adapt to current film technologies.

Among other things, Mr. Muszynski noted that the Little Theatre has been a fixture in downtown Rochester for over 80 years showing independent, foreign, documentary and local films.

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He added that without ESD assistance to fill the financing gap, this iconic venue in downtown Rochester would have been in jeopardy. This venue, Mr. Muszynski noted, is also considered a vital economic asset to the entertainment district known as the East End of Rochester.

The ESD grant, Mr. Muszynski continued, is a little under 50 percent of the \$390,000 project. The Little Theatre Film Society, Inc., Mr. Muszynski further noted, matched the grant through a capital campaign specifically geared for that purpose.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked if it was correct that the equity for this came from voluntary charitable contributions on the part of residents of the area and Mr. Muszynski said that that was the case and Director Miller stated that that was laudable.

Director Ciminelli noted that there was a need for this type of funding in many of the small towns in Upstate New York.

A brief discussion ensued regarding the need for this funding and Ms. Shaffer noted that the Directors will be seeing more of these items in the near future.

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

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seconded, the following resolution was unanimously adopted:

Rochester (Finger Lakes Region – Monroe County) – Little Theatre Film Society Capital – 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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Little Theatre Film Society, Inc. a grant for a total amount not to exceed One Hundred Eighty Thousand Dollars (\$180,000) 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

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

* * *

Ms. Gabriel, the Director of ESD’s Capital Regional Office then asked the Directors to authorize a \$4,000,000 grant for the Smart Cities Technology Innovation Center Regional Council Award Project.

Ms. Gabriel explained that the \$10 million project will redevelop the former Kiernan Plaza, an historic landmark as a Smart Cities Technology Innovation Center.

The Center, Ms. Gabriel added, will serve as an urban catalyst for business innovation, economic vitality and educational outreach which is intended to attract companies conducting research at the College of Nanoskill Science and Engineering to downtown Albany.

Ms. Gabriel further noted that the project is expected to be completed by April 2016 and will bring over 150 jobs to downtown Albany in five years.

Following the full presentation, the Acting Chair called for questions or comments. Director Ciminelli asked if the project qualified for historic tax credits and Ms. Gabriel stated that she did not believe that it did.

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Director Ciminelli then referenced another project that did qualify but stated that that was a much bigger project so pursuing the tax credits on the instant project may not be worth the effort involved in obtaining them.

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

Albany (Capital Region – Albany County) – Smart Cities Technology Innovation Center Capital – Regional Council Capital Fund (Capital Grant) and Urban and Community Development Program (Capital Grant) – Findings and Determinations Pursuant to Sections 10 (g) and 16 (d) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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 Smart Cities Technology Innovation Center Capital – Regional Council Capital Fund (Capital Grant) and Urban and Community Development Program (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Fuller Road Management Corporation a grant for a total amount not to exceed Two Million Six Hundred Twenty Five Thousand Dollars (\$2,625,000) from the Regional Council Capital Fund and One Million Three Hundred Seventy Five Thousand Dollars (\$1,375,000) from the Urban and Community Development Program, for the purposes, and substantially on the

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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.

* * *

Albany (Capital Region – Albany County) – Smart Cities Technology Innovation Center Capital – Regional Council Capital Fund (Capital Grant) and Urban and Community Development Program (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

Ms. Gabriel then asked the Directors to authorize ESD to make a \$125,000 grant to the Center for Economic Growth to be used for a portion of legal and consultant costs and application fees associated with the preparation and submission of an EB-5 Immigrant Investors Program application.

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Ms. Gabriel explained that the proposal of the EB-5 program is to stimulate economic activity and job growth while allowing eligible aliens the opportunity to become U.S. citizens. The program allows a credit for investors of \$500,000 or more and their families, the opportunity to receive a green card and apply for citizenship after five years.

Ms. Gabriel explained that each foreign investor must create at least ten full-time U.S. based jobs as a result of their investment.

Following the full presentation, the Acting Chair called for questions or comments. Director Ciminelli stated that he believes this to be a great program. He then noted that this was the first time he has seen a non-profit own a regional center and Ms. Gabriel stated that the Center for Economic Growth (“ECG”) will not actually own the Center.

Ms. Gabriel explained that they contracted with Prime Regional Center and that that for-profit entity will actually be responsible for the Center.

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

Regional Council Award – Multiple Locations (Capital, Mohawk Valley, Southern Tier, Central New York and Finger Lakes Regions – Albany, Rensselaer, Greene, Schenectady, Saratoga, Warren, Washington, Broome, Cayuga, Chenango, Madison, Montgomery, Onondaga, Otsego, and Seneca Counties) – Center for Economic Growth Working Capital – Economic Development Purposes Fund (Working Capital) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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

RESOLVED, that President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the Center for Economic Growth a grant for a total amount not to exceed One Hundred and Twenty-Five Thousand Dollars (\$125,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Next, Ms. Orsi presented the Western Region Corporation Regional Council Award item for the Directors consideration.

Ms. Orsi explained that the request involves the approval of a \$2 million grant to the Western Region for an independent, not-for-profit local corporation that provides

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programming assistance to small businesses and entrepreneurs. This, in turn, she explained, will enable them to set up a region wide downtown revitalization of all the loan fund programs.

Ms. Orsi further explained that this will be a regionalized collaboration where this revolving loan fund would be available to private developers that are willing to purchase and rehab certain vacant and blighted buildings in Western New York’s village and town centers that have experienced population decline over the past 50 years.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked if ESD had reached out to the State Pension Fund to help fund these programs and Ms. Orsi stated that the State Pension Fund was not contacted in this regard.

A discussion ensued with regard to the need to find other government sources such as the State Pension Fund, because these funds are very much needed by small towns and villages throughout the State.

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

Regional Council Award – Priority Project – Various Locations (Western New York Region – Erie, Niagara, Allegany, Cattaraugus and Chautauqua Counties) – Western Region Corporation Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Western Region Corporation a grant for a total amount not to exceed Two Million Twelve Thousand Seven Hundred Eighty Dollars (\$2,012,780) 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.

* * *

Next, Mr. Lee presented the Regional Council Award Consent Calendar item for approval noting that there was one project on the calendar to be considered.

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Mr. Lee noted that the project involves a \$50,000 grant to Buckingham Manufacturing, Inc., a Binghamton company that designs and manufactures a wide range of climbing, fall protection and rescue equipment.

In June of 2013, Mr. Lee continued, the company completed the purchase of \$200,000 of new automated production equipment to become more efficient in the domestic and international market place. The company has retained 223 jobs and currently employs 252 people.

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

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

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

1. The Project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.
2. The Project would be unlikely to take place in New York State without the requested

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assistance.

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

4. There are no families or individuals to be displaced from the project area(s); and be it further

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

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

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

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

Empire State Economic Development Fund

| | Project Name | Proj # | Grantee | Assistance up to |
|---|--|---------------|--------------------------------|-------------------------|
| | General Development Financing Project | | | |
| A | Buckingham Manufacturing Capital | Y355 | Buckingham Manufacturing, Inc. | \$50,000 |
| | | | TOTAL | \$50,000 |

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and be it further

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

* * *

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

First, Mr. McLeary outlined the workings of the Hurricane Irene-Tropical Storm Lee Flood Mitigation Program as well as the current status of the program.

Mr. McLeary then noted that there were three grants for consideration today as follows: \$500,000 grant to Essex County, a \$341,260 grant to Renesselaer County and a \$566,768 grant to Tioga County.

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

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

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban

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

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

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

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

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

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

| | Project Name | Project # | Grantee | Assistance up to |
|---|---|------------------|-------------------|-------------------------|
| A | Essex County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital | X902 | Essex County | \$500,000 |
| B | Rensselaer County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital | X910 | Rensselaer County | 341,260 |
| C | Tioga County – Hurricane Irene – Tropical Storm Lee Flood | X913, Y488 | Tioga County | 566,768 |

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| | | | | |
|--|--------------------|--|--------------|--------------------|
| | Mitigation Capital | | | |
| | | | TOTAL | \$1,408,028 |

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

* * *

Ms. Offen then asked the Directors to approve the establishment of a pre-qualified Real Estate Development and Planning Related Consultants Lists and to approve same.

Ms. Offen explained that the purpose of the pre-qualified list is to assist ESD as it undertakes large, complex real estate related economic development projects.

Due to the size and complexity of these projects, Ms. Offen continued, ESD will be required to call on the assistance of outside sources in various areas of expertise.

Ms. Offen further noted that having a pre-qualified list of firms will allow ESD to quickly select firms to recommend to the Directors in connection with these projects.

Ms. Offen went on to outline the process used in selecting the various firms named as pre-qualified consultants on this list.

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

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unanimously adopted:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT - Approval of Pre-Qualified Real Estate and Planning Firms (historic preservation and adaptive reuse; transportation planning and traffic analysis; community outreach and engagement; environmental assessment under the State Environmental Quality Review Act; Phase 1 environmental site assessment; construction cost estimation; and civil, mechanical and structural engineering)

BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, the real estate and planning firms, listed in Attachment A to these materials, be and each hereby is, approved as a prequalified firm in the area(s) of expertise indicated on Attachment A, such approval to remain in effect until the meeting of the Directors first occurring after September 30, 2017.

* * *

Mr. Hansen then asked the Directors to authorize ESD to enter into a contract for Military Base Consulting Services. Mr. Hansen provided the relevant background information with regard to this request noting, in part, that the amount of the contract was \$984,480 with the firm of Baker Donelson.

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

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

unanimously adopted:

NEW YORK CITY (NEW YORK COUNTY) – Empire State Development Corporation – Authorization to Enter into a Contract for Military Base Consulting Services; Authorization to Take Related Actions

BE IT RESOLVED, that based on the materials presented at this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation

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hereby finds Baker Donelson to be responsible; and be it further

RESOLVED, that in accordance with the Materials, the Corporation is hereby authorized to enter into a contract for Military Base Consulting Services up to the amount of \$984,480 for a term not to exceed one base year of eight months plus two option full years substantially on the terms and conditions, as set forth in the Materials; and be it further

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

* * *

Next, Ms. Kinnicutt presented a report on Procurement Commitments for the Directors' information.

There being no further business, the meeting was adjourned at 11:26 a.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary



FOR CONSIDERATION

October 17, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Bohemia (Long Island Region – Suffolk County) – GE Aviation Systems
DRF Capital – Downstate Revitalization Fund – Business Investment
(Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: GE Aviation Systems LLC (“GE Aviation” or the “Company”)

ESD* Investment: A grant of up to \$3,650,000 to be used for a portion of the cost of new machinery and equipment, infrastructure, construction, and renovations.

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

Project Location: 1000 MacArthur Memorial Drive, Bohemia, Suffolk County

Proposed Project: GE Aviation will invest in new machinery and equipment, site upgrades, energy efficiency programs including the Employee Resource Planning (“ERP”) system.

Project Type: Business expansion involving job retention and creation.

Regional Council: The Long Island Regional Council has been made aware of this item. The project is consistent with the Long Island Regional Plan to promote and build on the successes of the region’s existing businesses,

commercialize the valuable research conducted at Long Island’s world-class research institutions, and strengthen the highly skilled and educated workforce. The Incentive Proposal was accepted in October 2009, predating the Regional Council Initiative.

| | | |
|-------------|--|------|
| Employment: | Initial employment at time of ESD Incentive Offer: | 200 |
| | Current employment level: | 258 |
| | Minimum employment on January 1, 2013: | 255* |

*Up to 15% may be Full-time Contract Employees

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> |
|----------------------------|-----------------------------|
| Construction/Renovation | \$514,911 |
| Infrastructure/Utilities | 1,253,370 |
| Machinery & Equipment | 2,058,607 |
| Salaries including fringe | 228,210,838 |
| Property Tax | 1,821,710 |
| Lease payments | 6,267,500 |
| Utilities | <u>5,083,280</u> |
| Total Project Costs | <u>\$245,462,216</u> |

| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
|-------------------------------------|-----------------------------|--------------------|
| ESD – Capital Grant (W787) | \$3,650,000 | 1% |
| ESD – Working Capital Grant (W789)* | 6,350,000 | 3% |
| Company Equity | <u>235,462,216</u> | <u>96%</u> |
| Total Project Financing | <u>\$245,462,216</u> | <u>100%</u> |

*Previously approved by the ESD Directors on August 18, 2011

III. Project Description

A. Company

Industry: The Company is a high-tech organization that designs and develops electrical and electronic products for military and commercial aircraft.

Company History: GE Aviation Systems LLC, is a subsidiary of publicly traded General Electric Company. The Company has been a supplier of military and civil aircraft power products and lighting system for over 45 years.

Ownership: Publicly traded

Size: GE Aviation Systems LLC facility is located in Bohemia, Long Island. GE Aviation Systems LLC is a subsidiary of General Electric Company a multinational conglomerate with business and employees around the world.

Market: GE Aviation is a preferred supplier to prime contractors including Boeing, Lockheed Martin, Northrop Grumman, Raytheon, Sikorsky and the US government. Major competitors include Honeywell, Hamilton Sundstrand and Esterline.

ESD Involvement: In 2009, GE Aviation approached ESD for financial assistance in order to keep operations at the Bohemia facility. The Company was considering consolidation of the Long Island operations with other existing GE Aviation facilities in the US. To retain operations in New York State, ESD offered two grants, a \$3,650,000 Downstate Revitalization Fund (“DRF”) capital grant for the acquisition of new machinery and equipment, site upgrades, energy efficiency programs including the Employee Resource Planning system, and a \$6,350,000 working capital grant for employee training. GE accepted ESD’s incentive proposal in October 2009.

Competition: The Company considered moving operations to its locations in either Ohio or Michigan.

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

| Program | Project # | Amount | Date Start (ESD Directors’ Approval date) | Date End (Project Completion: Contract Expiration) | Purpose |
|--|-----------|-------------|---|--|---|
| Empire State Economic Development Fund | W789 | \$6,350,000 | August 18, 2011 | December 31, 2021 | Working Capital - Provide in-house employee training. |

B. The Project

Completion: June 2012

Activity: GE Aviation has invested in the renovation of a portion of its 95,000-square-foot building including infrastructure/utilities and site upgrades; and acquisition and installation of new machinery and equipment and an

Employee Resource Planning System at the Bohemia facility. The \$245 million capital project began in October 2009 and was completed in June 2012.

In addition, GE Aviation will invest \$17 million per year for 10 years in working capital expenditures beginning in 2011 in order to qualify for the \$6,350,000 working capital grant, which supports worker training, previously approved by the ESD Directors. To date, the Company has requested disbursement in the amount of \$2,540,000 after investing approximately \$34 million in working capital expenditures.

At the time of project completion, total investment will be over \$245 million, of which GE Aviation will have invested over \$235 million, or 96% of the total project cost. The ESD investment will be \$10 million, or 4% of the total project cost.

Results: As a result of the project, GE Aviation has retained 200 jobs and will create 55 new Full-time Permanent jobs.

Business Investment
Project*:

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

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

- Fiscal benefits to NYS government from the project are estimated at \$12,100,699;
- Fiscal cost to NYS government is estimated at \$10,496,215;
- Project cost to NYS government per direct job is \$54,149;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$30,567;
- Ratio of project fiscal benefits to costs to NYS government is 1.15:1;
- Fiscal benefits to all governments (state and local) are estimated at \$21,964,233;
- Fiscal cost to all governments is \$10,496,215;
- All government cost per direct job is \$54,149;

- All government cost per total job is \$30,567;
- The fiscal benefit to cost ratio for all governments is 2.09:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$122,257,948, or \$356,041 per job (direct and indirect);
- The economic benefit to cost ratio is 11.65:1;
- Project construction cost is \$1,661,260, which is expected to generate 13 direct job years and eight indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.79 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is one year.

*The benefit cost results reflect the combined current \$3,650,000 capital grant plus the \$6,350,000 working capital grant approved in August 2011.

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

Grantee Contact: Robert J. Gschwind, Director, Military Contracts
 1000 Mac Arthur Memorial Highway
 Bohemia, NY 11716-0999
 Phone: (631) 337-1234

ESD Project No.: W787

| | | |
|---------------|---------------------------------|----------------------|
| Project Team: | Origination | Aida Reyes |
| | Project Management | Javier Roman-Morales |
| | Contractor & Supplier Diversity | Vikas Gera |
| | Finance | Jonevan Hornsby |
| | Design & Construction | Joseph Burkard |
| | Environmental | Soo Kang |

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of \$100,000 and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. General Electric Company will guarantee the grant repayment obligation of its subsidiary, GE Aviation Systems LLC, in the event of an Employment Shortfall or other default, as defined in these materials or the Grant Disbursement Agreement.

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

A Full-time Contract Employee is a full time private sector employee (or self-employed person) who is not on the grantee's payroll but who works exclusively for the grantee at the project location for a minimum of 35 hours per week for not less than 4 consecutive weeks, providing services that would otherwise be provided by a Full-time Permanent Employee. The position held by a Full-time Contract Employee must be a year-round position.

6. Up to \$3,650,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$1,825,000) upon documentation of facility renovations, site and infrastructure upgrades, investment into an Employee Resource Planning systems, and purchase and installation of approximately \$2,175,000 in M&E, documentation of the employment of at least 200 Full-time Permanent Employees at the Project Location, and submission of documentation verifying project costs totaling \$3.8 million, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$912,500) will be disbursed upon documentation of the employment of at least 228 Full-time Permanent Employees at the Project Location (Employment Increment of 28), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$912,500) will be disbursed upon documentation of the employment of at least 255 Full-time Permanent Employees at the Project Location (Employment Increment of 27), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other

documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after October 9, 2009, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$3,650,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
8. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

| | |
|---------------------|-----|
| Baseline Employment | 200 |
|---------------------|-----|

| A | B |
|------------------|------------------|
| Reporting Date | Employment Goals |
| February 1, 2015 | 200+X+Y |
| February 1, 2016 | 200+X+Y |
| February 1, 2017 | 200+X+Y |
| February 1, 2018 | 200+X+Y |
| February 1, 2019 | 200+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=28, and Employment Goals shall equal [200 + X = 228*] 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=27, and Employment Goals shall equal [200 + X + Y =255*] 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.

*Up to 15% may be Full-time Contract Employees

IV. Statutory Basis

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

V. Design and Construction

General Electric Aviation Systems recently completed interior renovations to their Bohemia industrial facility comprising renovations to toilet rooms along with office and work station reconfigurations. Additional work performed included electrical and HVAC infrastructure upgrades necessary to support new machinery and equipment. Exterior work scope performed included site upgrades and renovations to the parking lot.

Prior to submission of the initial payment request, ESD's Design and Construction (D&C) staff requires the grantee to provide project close-out documentation including as-built drawings, trade payment breakdowns, Payment Requisition Form, Contractor Waivers of Lien and Certificate of Occupancy and other reasonable documentation as listed in the D&C requirements.

Upon receipt of the close out documentation a site visit will be performed by D&C to confirm that the completed work complies with the submitted documents.

VI. 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.

VII. Non-Discrimination and Contractor & Supplier Diversity

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

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

October 17, 2013

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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to GE Aviation Systems LLC a grant for a total amount not to exceed Three Million Six Hundred and Fifty Thousand Dollars (\$3,650,000) from the Downstate Revitalization Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *



FOR CONSIDERATION

October 17, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Discretionary Projects Consent Calendar

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

Attached are summaries of discretionary projects requesting ESD assistance of \$100,000 and under in the following categories:

Empire State Economic Development Fund

| | Project Name | Proj # | Grantee | Assistance up to |
|---|---|---------------|--------------------------------|-------------------------|
| | General Development Financing Projects | | | |
| A | North American Breweries Capital | X557 | North American Breweries, Inc. | \$85,000 |
| B | EnerPath Services Capital | X100 | EnerPath Services, Inc. | \$60,000 |
| | | | TOTAL | \$145,000 |

Economic Development Purposes Fund

| | Project Name | Proj # | Grantee | Assistance up to |
|---|---|---------------|---------------------------------------|-------------------------|
| C | Integrated Medical Technologies Capital | Y445 | Integrated Medical Technologies, Inc. | \$100,000 |
| | | | TOTAL | \$100,000 |

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

*The New York State Urban Development Corporation doing business as 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.

Statutory Basis:

A. Empire State Economic Development Fund

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

1. Each proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.
2. Each proposed project would be unlikely to take place in New York State without the requested assistance.
3. Each proposed project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
4. The requirements of Section 10(g) of the Act are satisfied.
No residential relocation is required in connection with any project involving the acquisition, construction, reconstruction, rehabilitation, or improvement of property because no families or individuals reside on the sites.

B. Economic Development Purposes Fund

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

Attachments

New York State Map

Resolutions

Project Summaries

October 17, 2013

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

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

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

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

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

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

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

Empire State Economic Development Fund

| | Project Name | Proj # | Grantee | Assistance up to |
|---|---|---------------|--------------------------------|-------------------------|
| | General Development Financing Projects | | | |
| A | North American Breweries Capital | X557 | North American Breweries, Inc. | \$85,000 |
| B | EnerPath Services Capital | X100 | EnerPath Services, Inc. | \$60,000 |
| | | | TOTAL | \$145,000 |

and be it further

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

* * *

October 17, 2013

Economic Development Purposes 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

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

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

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

Economic Development Purposes Fund

| | Project Name | Proj # | Grantee | Assistance up to |
|---|---|---------------|---------------------------------------|-------------------------|
| C | Integrated Medical Technologies Capital | Y445 | Integrated Medical Technologies, Inc. | \$100,000 |
| | | | TOTAL | \$100,000 |

and be it further

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

* * *

A. North American Breweries Capital (X557)

October 17, 2013

General Project Plan

| | | |
|--------------------------|--|-----|
| Grantee: | North American Breweries, Inc. (“NAB” or the “Company”) | |
| ESD Investment: | A grant of up to \$85,000 to be used for a portion of the cost of building renovations and the purchase of machinery and equipment. | |
| Project Location: | 445 St. Paul Street, Rochester, Monroe County | |
| Proposed Project: | Renovations and upgrades to production equipment to modernize and to expand quality control in the brewery. | |
| Project Type: | Business expansion involving job retention and creation. | |
| Regional Council: | The Finger Lakes Regional Council has been made aware of this item. The Incentive Proposal was accepted in October 2011, predating the Regional Council Initiative. The project is consistent with the Regional Plan’s goal to increase food processing/agribusiness capacity, a key economic cluster. Additionally, recent activities at NAB such as tours and events (opening a museum and brew pub) support regional tourism activities, specifically in the High Falls area of downtown Rochester. | |
| Employment: | Initial employment at time of ESD Incentive Offer: | 479 |
| | Current employment level: | 479 |
| | Minimum employment on January 1, 2015: | 509 |

Background:

Industry - North American Breweries, Inc., is one of the largest manufacturers of beer and malt beverage products in the U. S. The Genesee Brewery in Rochester makes and distributes Genesee Beers, Dundee Ales and Lagers, Original Honey Brown Lager, and Seagram’s Escapes. In other states, the Company brews handcraft Pyramid beer, Apricot Ale, Thunderhead IPA, and Magic Hat craft beers. NAB also owns the exclusive rights to import and market the Labatt family of beers and brews under contract for other companies.

Company History – NAB was formed in 2009 and is headquartered in Rochester. The history of the Rochester brewery dates back over 135 years, when Genesee Brewing Company was formed.

Ownership - The Company is privately owned.

A. North American Breweries Capital (X557)

October 17, 2013

Size – NAB owns and operates five breweries and six retail locations in New York, Vermont, California, Oregon, and Washington.

Market - In this highly competitive market, NAB seeks to increase profitability and efficiencies of the Genesee and Seagram's brands, simplify and organize its contract manufacturing business, and increase market share of its Labatt brands. Competition includes brewing powerhouses AB-InBev (Budweiser), Molson Coors, and craft brewer Boston Brewing Company (Sam Adams).

ESD Involvement - At the time of the offer, the Company was vying with other locations to bring a production contract with Seagram's to Rochester. In order to reduce costs and make the project feasible in New York, the Company approached ESD for financial assistance. ESD offered a \$165,000 capital grant, which NAB accepted in October 2011, which was subsequently reduced to \$85,000 due to the decrease in base employment. Without ESD's assistance in financing the needed improvements in quality and capacity, the Rochester brewery would have been forced to turn down orders for this line of products.

Competition - Alternatives were NAB's brewery in Vermont for the filtration portion of the project and outsourced production facilities in California and Florida for the bottle production.

Past ESD Support - In 2007, ESD provided the Company with a \$1.5 million grant for equipment and IT upgrades at the Project Location. The project was successfully completed and funds were disbursed in 2011.

NAB's High Falls Operating Co., LLC (the Project Location) is certified in the City of Rochester Empire Zone since 2009, and has reported claims of \$5.17 million in Empire Zone tax benefits. NAB's Labatt USA Operating Co., LLC, is certified in the City of Buffalo Empire Zone since 2009, and has reported claims of \$135,125 in Empire Zone tax benefits.

The Project:

Completion - December 2012

Activity – NAB made production upgrades, including the design and installation of a nano-filtration system for clear malt base ("CMB") and the renovation of the #2 production line. CMB is used in the Seagram's line of beverages, as well as various contract manufactured beverages. Renovations targeted on the #2 Line were designed to retool the filler and labeler in order to support bulk glass/bottles. The project started

A. North American Breweries Capital (X557)

October 17, 2013

at the end of October of 2011 and was completed at the end of 2012.

Results - NAB will retain 479 existing jobs and create 30 new jobs. The project has resulted in improved productivity, efficiency and capacity, allowing for sales growth.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|----------------------|-------------|-------------------------|-------------|---------|
| Building Renovations | \$243,000 | ESD Grant | \$85,000 | 2% |
| Production Machinery | 5,095,606 | Company Equity | 5,253,606 | 98% |
| Total Project Costs | \$5,338,606 | Total Project Financing | \$5,338,606 | 100% |

Grantee Contact - John Henderson, VP, Contract Manufacturing and Regulatory Affairs
445 St. Paul Street
Rochester, NY 14605
Phone: (585) 546-1030

Project Team -

| | |
|---------------------------------|------------------|
| Origination | Kevin Hurley |
| Project Management | Edward Muszynski |
| Contractor & Supplier Diversity | Vikas Gera |
| Environmental | Soo Kang |

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$85,000 capital grant (\$850) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by

A. North American Breweries Capital (X557)

October 17, 2013

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 \$85,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$42,500) upon documentation of renovation and machinery and equipment project costs totaling \$5,338,606, and documentation of the employment of at least 479 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$21,250) will be disbursed upon documentation of the employment of at least 494 Full-time Permanent Employees at the Project Locations (Employment Increment of 15), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$21,250) will be disbursed upon documentation of the employment of at least 509 Full-time Permanent Employees at the Project Locations (Employment Increment of 15), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after October 31, 2011, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

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

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture

A. North American Breweries Capital (X557)

October 17, 2013

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 | 479 |
|---------------------|-----|

| A | B |
|------------------|------------------|
| Reporting Date | Employment Goals |
| February 1, 2015 | 479+X+Y |
| February 1, 2016 | 479+X+Y |
| February 1, 2017 | 479+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=15, and Employment Goals shall equal [479 + X = 494] 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=15, and Employment Goals shall equal [479 + X + Y = 509] 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.

Non-Discrimination and Contractor & Supplier Diversity:

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

A. North American Breweries Capital (X557)

October 17, 2013

Statutory Basis – Empire State Economic Development Fund:

1. The project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.
As a result of this project, the Company will maintain its employment level of 479 jobs and create 30 new jobs.
2. The proposed project would be unlikely to take place in New York State without the requested assistance.
Without ESD assistance, a portion of this project would likely have gone to an existing facility in Vermont, and another portion outsourced to facilities in California and Florida.
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
Evaluated over a seven-year period, project total fiscal benefits to New York State government are expected to be \$1,652,383 which exceed the cost to the State.
4. The requirements of Section 10(g) of the Act are satisfied.
See cover memo.

B. EnerPath Services Capital (X100)

October 17, 2013

General Project Plan

| | | |
|--------------------------|--|----|
| Grantee: | EnerPath Services, Inc. (“EnerPath” or the “Company”) | |
| ESD Investment: | A grant of up to \$60,000 to be used for a portion of the cost of the leasehold improvements and purchase of machinery and equipment. | |
| Project Location: | 300 Main Street, Suite 24, East Rochester, Monroe County | |
| Proposed Project: | Leasehold improvements, purchase of new machinery and equipment, recruiting and training, travel & accommodations for transition team, marketing for project and moving expenses, as part of the Company’s new location in the Finger Lakes Region | |
| Project Type: | Establish New York State operations | |
| Regional Council: | The Finger Lakes Regional Council has been made aware of this project. The Incentive Proposal was accepted in May 2010, predating the Regional Council initiative. The project is consistent with the Regional Plan’s goal to support energy innovation, one of the key economic clusters. | |
| Employment: | Initial employment at time of ESD Incentive Offer: | 0 |
| | Current employment level: | 33 |
| | Minimum employment on January 1, 2015: | 27 |

Background:

Industry – EnerPath Services, Inc., creates and manages large-scale energy efficiency (“EE”) programs and provides detailed data management for utilities and municipalities to report to state regulators. The Company provides a mobile-based software platform to manage EE programs, which may include the installation of lighting equipment and refrigeration motors at the qualifying utility customer’s business or residential premises.

Company History – The Company was founded in 1989 and is based in Redlands, California. The Company has decades of experience in providing EE measures for all types of industries including casinos, hospitals, school districts, military bases, small businesses, and homeowners. The Company has also spent many years in continual development and improvement of a software platform to manage these and other types of utility programs. The software is currently licensed to a few utilities, as well as used by its own staff. In 2009, the Company decided to expand outside of the CA marketplace and pursued contracts across the country, creating a national presence.

B. EnerPath Services Capital (X100)

October 17, 2013

Ownership – The Company is privately owned.

Size – EnerPath Services, Inc. currently has office locations in CA, TN, NY and MA. A second TN office is expected to be opened prior to the end of 2013 in Memphis, and a second NY office is being considered in a New York City suburb. The Company currently has 98 employees and is projecting growth to 142 employees by the end of 2014

Market – Enerpath serves utilities, municipalities and public authorities that wish to educate and simplify the energy conservation process for their customers. Current customers include New York State Electric & Gas (“NYSEG”), Rochester Gas & Electric (“RG&E”), City of Rochester, Con Ed of New York, Tennessee Valley Authority, Los Angeles Department of Water and Power, Riverside Public Utilities, Southern California Edison, and ComEd of Illinois.

ESD Involvement – The Company needed a Finger Lakes Region location to deliver services throughout New York State (the “State”), including to customers of NYSEG, RG&E, and the City of Rochester. In order to reduce costs and make the project feasible in New York, the Company approached ESD for financial assistance. ESD offered a \$60,000 capital grant, which EnerPath accepted in May 2010. Without ESD’s assistance, the Company would not have been able to locate its office in the Rochester area.

Competition – Without ESD assistance, the Company would not have been able to open its first office in the State. Outside of its software development team in Cambridge, MA, the Rochester office was the Company’s first attempt to expand its services outside of the state of CA and to create a national presence.

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

The Project:

Completion – The capital portion of the project was completed in September 2012. The Company’s operational and training expenses are ongoing, as its current contract to RG&E and NYSEG continues through 2015

Activity – The Company leased space, made leasehold improvements consisting of internal wiring for high speed internet access, signage, outdoor canopy, security key fob system and purchased office and mobile equipment, such as desk top computers, laptops, copiers, printers, telecom, iPads, and cell phones. In addition, the Company purchased some office furniture and moved other office furniture from CA. The project began in May 2010 and was completed in December 2012.

B. EnerPath Services Capital (X100)

October 17, 2013

Results – Since 2010, EnerPath has helped participating small business customers in the Finger Lakes Region and throughout the State in the RG&E and NYSEG service areas to reduce their energy bills, saving an aggregate of 121,130 megawatts and millions of dollars in reduced energy costs, which in turns boosts the bottom line for small businesses and the local economy. The Company has already exceeded its commitment to create 27 new jobs, having hired 33 new employees. Additionally, EnerPath utilizes nine subcontractors, retaining and creating other jobs in the State. There is also an environmental benefit when energy conservation results in utilities reducing the need for more power generation.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|--|------------|-------------------------|-----------|---------|
| Renovations - Wiring, Security upgrade, Awning | \$ 3,089 | ESD Grant | \$ 60,000 | 6% |
| Machinery & Equipment | 128,436 | Company Equity | 891,258 | 94% |
| Employee Training | 93,230 | | | |
| Soft Costs - Travel & Accommodations for Transition Team | 510,000 | | | |
| Other - Recruiting & Marketing | 216,503 | | | |
| Total Project Costs | \$ 951,258 | Total Project Financing | \$951,258 | 100% |

Grantee Contact – Janina Guthrie, Senior Vice President
1758 Orange Tree Lane
Redlands, CA 92374
Phone: (909) 335-1699

Project Team –

| | |
|---------------------------------|------------------|
| Origination | Helen Blum |
| Project Management | Edward Muszynski |
| Contractor & Supplier Diversity | Vikas Gera |
| Environmental | Soo Kang |

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$60,000 capital grant (\$600) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer.

B. EnerPath Services Capital (X100)

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Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Locations for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by 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 Locations for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$60,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$30,000) upon documentation of approximately \$130,000 in renovation, machinery and equipment costs and approximately \$631,810 in total project costs, substantially as described in these materials, and documentation of the employment of at least 15 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available; and
 - b) a Second Disbursement of an amount equal to 50% of the grant (\$30,000) will be disbursed upon documentation of the employment of at least 27 Full-time Permanent Employees at the Project Locations (Employment Increment of 12), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after May 25, 2010, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$60,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee

B. EnerPath Services Capital (X100)

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

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

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

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

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

| A | B |
|------------------|------------------|
| Reporting Date | Employment Goals |
| February 1, 2015 | 0+X+Y |
| February 1, 2016 | 0+X+Y |

X = Grantee's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section 5 above (i.e. X=15, and Employment Goals shall equal $[0 + X = 15]$ if the First Disbursement is made, in the year such disbursement is made and for each year thereafter). If the First Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section 5 above (i.e. Y=27, and Employment Goals shall equal $[0 + X + Y = 27]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.

B. EnerPath Services Capital (X100)

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Non-Discrimination and Contractor & Supplier Diversity:

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

Statutory Basis:

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms.
As a result of this project, the Company will create 27 new jobs
2. The proposed project would be unlikely to take place in New York State without the requested assistance.
Without ESD assistance to lower costs, the Company would not have been able to make the project feasible in New York.
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$675,936, which exceed the cost to the State.
4. The requirements of Section 10(g) of the Act are satisfied.
No residential relocation is required because there are no families or individuals residing on the site.

C. Integrated Medical Technologies Capital (Y445)

October 17, 2013

General Project Plan

| | | |
|--------------------------|---|----|
| Grantee: | Integrated Medical Technologies, Inc. (“IMT” or the “Company”) | |
| ESD Investment: | A grant of up to \$100,000 to be used for a portion of the cost to purchase CPAC Equipment, Inc.’s assets and additional machinery and equipment. | |
| Project Location: | 2364 Leicester Road, Leicester, Livingston County | |
| Proposed Project: | Through a stock purchase, IMT will acquire the production facility of CPAC Equipment, Inc. (“CPAC”), including land, building and existing machinery and equipment. IMT will also undertake renovations and acquire additional equipment. | |
| Project Type: | Business expansion involving job retention and creation. | |
| Regional Council: | The project is consistent with the Finger Lakes Regional Plan’s goal to promote advanced manufacturing, a key economic cluster. Additionally, the Company’s products exemplify medical innovation, one of the region’s core competencies identified in the Regional Plan. | |
| Employment: | Initial employment at time of ESD Incentive Offer: | 10 |
| | Current employment level: | 10 |
| | Minimum employment on January 1, 2016: | 28 |

Background:

Industry – Integrated Medical Technologies, Inc. designs and manufactures sterilization equipment for hospitals and ambulatory surgical centers.

Company History – IMT was incorporated in 2008 to develop patented medical sterilization systems for the healthcare industry. While the Company’s two principal scientists undertook R&D for the products, the Company remained dormant operationally until 2013 when the opportunity arose to acquire CPAC Equipment, Inc., in Leicester, NY.

Incorporated in 2004, and originally a manufacturer of silver recovery and chemical mixing equipment for the photofinishing market, CPAC Equipment, Inc. was forced to diversify into other fields when digital technology began preempting the photographic film markets. CPAC entered the dry sterilization market through the acquisition of SteriDent Dry Heat Sterilizers in 1999. This acquisition and CPAC’s expansion into other

C. Integrated Medical Technologies Capital (Y445)

October 17, 2013

related products cemented the Company's position as a primary manufacturer of dry heat sterilizers for the Dental and Ophthalmology Markets. CPAC subsequently purchased the patented line of COX Rapid Heat Sterilizers adding further recognition in these markets as a major manufacturer of dry heat and rapid heat sterilizers.

In 2010, IMT and CPAC entered into a product development agreement whereby CPAC would develop rapid heat sterilizers for IMT to serve the hospital and ambulatory surgical markets. High velocity rapid heat technology is a growth market in healthcare as hospitals and ambulatory surgery centers are using a variety of technology options to reduce the incidence rate of hospital acquired infections. The sterilization market has dynamically improved from moist heat sterilization (steam) to the progressive "dry" methods (examples are ethylene oxide, gamma radiation and low temperature gas plasma sterilization, and recent technologies like NO₂-based sterilization).

Ownership – IMT is privately owned.

Size – IMT is headquartered in Bloomington, IL.

Market – The rise in chronic diseases, increase in the number of surgeries performed, and aging population are the major drivers for the growth of this market. The governments of various countries are taking regulatory actions to fortify hospitals with essential sterilization standards and prevent infections. The market trend in the small sterilization market is toward greater efficiency and performance with shorter sterilization cycles. IMT-CPAC will offer significant improvements to the existing standards, and expects strong growth for its products. IMT-CPAC current customers include Patterson Dental, Henry Shein Medical, SterilizerUSA.com. Competitors include Dentronics and Wayne Sterilizers.

ESD Involvement – IMT signed an agreement to purchase CPAC, which was in Chapter 11 bankruptcy. In order to reduce costs and make the project feasible in New York, the Company approached ESD for financial assistance. ESD offered a \$100,000 capital grant, which was accepted in April 2013 and modified in July 2013.

Competition – Without ESD assistance, the purchase would not have been possible, and all the jobs at CPAC would have been lost.

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

The Project:

Completion – September 2013 (milestone needed for disbursement)

C. Integrated Medical Technologies Capital (Y445)

October 17, 2013

Activity – IMT closed on the CPAC asset purchase in September 2013 making CPAC a subsidiary of the Company. The Company will purchase additional equipment by the end of 2013 and undertake facility renovations (building a new retaining wall) by the end of May 2014.

Results – The Company will expand production of sterilizers to meet growth expectations for its existing products and new patent-pending sterilizer developments. IMT will retain 10 jobs at CPAC and create 18 new jobs.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|------------------------|------------|-------------------------|------------|---------|
| CPAC Building Purchase | \$ 300,000 | ESD Grant | \$ 100,000 | 13% |
| CPAC Stock Purchase | 350,000 | First Niagara Bank* | 578,000 | 77% |
| Building Renovations | 30,000 | Company Equity | 72,000 | 10% |
| Equipment Acquisition | 30,000 | | | |
| Soft Cots | 40,000 | | | |
| Total Project Costs | \$ 750,000 | Total Project Financing | \$ 750,000 | 100% |

*Loan Rate/Term/Lien: 5.19% / 10 yrs. / 1st on RE

Grantee Contact – William B. Smith, President
P.O. Box 5383
Bloomington, IL 61702
Phone: (309) 662-3614

Project Team –

| | |
|---------------------------------|------------------|
| Origination | Helen Blum |
| Project Management | Edward Muszynski |
| Contractor & Supplier Diversity | Vikas Gera |
| Environmental | Soo Kang |

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$100,000 capital grant (\$1,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute at least 5% of the cumulative project cost in the form of equity for the first disbursement and 10% of the total project cost in the

C. Integrated Medical Technologies Capital (Y445)

October 17, 2013

form of equity for the second disbursement, as specified in term and condition #5. Equity is to be contributed after the Company's written acceptance of ESD's offer, and is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

5. Up to \$100,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$50,000) upon documentation verifying purchase of \$350,000 in real estate expenditures and another \$340,000 in stock acquisition and other project-related expenditures including soft costs (\$690,000 aggregate), documentation of employment of at least 10 Full-time Permanent Employees at the Project Location, and certification of equity contribution of at least 5% of the \$690,000 aggregate project costs, 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 (\$25,000) upon documentation verifying additional project expenditures of \$60,000 (\$750,000 aggregate), employment of at least 18 Full-time Permanent Employees at the Project Location (Employment Increment of 8), and certification of equity contribution of at least 10% of the \$750,000 aggregate project costs, provided Grantee is otherwise in compliance with program requirements; and
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$25,000) upon documentation of employment of at least 28 Full-time Permanent Employees at the Project Location (Employment Increment of 10), 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 April 22, 2013 to be considered eligible project costs. All disbursements must be

C. Integrated Medical Technologies Capital (Y445)

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requested by April 1, 2016.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

C. Integrated Medical Technologies Capital (Y445)

October 17, 2013

| | |
|---------------------|----|
| Baseline Employment | 10 |
|---------------------|----|

| A | B |
|------------------|------------------|
| Reporting Date | Employment Goals |
| February 1, 2015 | 10+X+Y |
| February 1, 2016 | 10+X+Y |
| February 1, 2017 | 10+X+Y |

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section 5 above (i.e. X=8, and Employment Goals shall equal $[10 + X + Y = 18]$ 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 5 above (i.e. Y=10, and Employment Goals shall equal $[10 + X + Y = 28]$ 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.

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.

Statutory Basis – Empire State Economic Development Fund:

1. The project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.
As a result of this project, the Company will maintain its employment level of 10 and create 18 new jobs.
2. The project would be unlikely to take place in New York State without the requested assistance.
Without ESD assistance, the purchase of CPAC out of bankruptcy would not have been possible, and all the jobs at CPAC would have been lost.
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$822,070, which exceed the cost to the State.

C. Integrated Medical Technologies Capital (Y445)
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4. The requirements of Section 10(g) of the Act are satisfied.
See cover memo.

FOR CONSIDERATION

October 17, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Buffalo (Western New York Region – Erie County) – Hauptman Woodward Medical 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

General Project Plan

I. Project Summary

Grantee: Hauptman Woodward Medical Research Institute (“HWI” or the “Institute”)

ESD* Investment: A grant of up to \$500,000 to be used for a portion of the cost of infrastructure, site work, utilities and machinery and equipment (“M&E”), including a second-order nonlinear optical imaging of chiral crystals (“SONICC”) observation system.

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

Project Location: 700 Ellicott Street, Buffalo, Erie County

Proposed Project: Expansion of the High Throughput Crystallization Laboratory (“HTCL”)

Project Type: Business expansion involving job creation and retention.

Regional Council: This is a Priority Project for the Western New York Regional Economic Development Council (“WNYREDC”) and is consistent with the Regional Plan and defined strategies for stimulating job growth by acquiring equipment to provide a unique marketing advantage to attract more high-fee commercial clients in the Life Sciences industry.

| | | |
|-------------|--|----|
| Employment: | Initial employment at time of ESD Incentive Offer: | 45 |
| | Current employment level: | 45 |
| | Minimum employment on January 1, 2016: | 55 |

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> | |
|---|------------------------|--------------------|
| Infrastructure/Site Work/Utilities | \$80,000 | |
| Machinery and Equipment Acquisition | 505,503 | |
| Wages and Salaries | 654,800 | |
| Planning | 75,000 | |
| Supplies/Materials | 60,000 | |
| Travel | 90,000 | |
| Contractual Services (including IT consultant) | <u>60,000</u> | |
| Total Project Costs | <u>\$1,525,303</u> | |
| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
| ESD – Grant | \$500,000 | 33% |
| Grantee Equity* | <u>1,025,303</u> | <u>67%</u> |
| Total Project Financing | <u>\$1,525,303</u> | <u>100%</u> |

*Equity consists of income generated from programs, philanthropic donations, federal grant funding, and investment accounts.

III. Project Description

A. Company

Industry: The Institute, a biomedical research facility, is part of the world-class consortium of research, clinical and educational institutions, known as the Buffalo-Niagara Medical Campus (the “BNMC”). HWI uses structural biology to create and utilize three-dimensional models of molecules to assist in advancing drug designs.

Grantee History: HWI was originally founded in 1956 as the Medical Foundation of Buffalo, through the combined efforts of Dr. George F. Koepf, a physician and endocrinologist, who provided the vision, and one of his patients, Helen Woodward Rivas, who supplied the financial support. Dr. Koepf was a founding member of the Buffalo Medical Group, which is a physician-directed community-wide organization committed to improving the health of its patients.

HWI operated from a small North Buffalo carriage house until 1963 when it relocated to a four-story building on what is now the BNMC. In 2003, HWI, along with the University at Buffalo and Roswell Park Cancer Institute, began constructing new facilities as part of the Buffalo Center of Excellence in Bioinformatics in the heart of the BNMC. In 2005, HWI moved into its new 73,000-square-foot, three-story Structural Biology Research Center.

- Ownership:** HWI is a 501(c)3, guided by a Board of Directors and a Scientific Governance Council composed of six members of HWI's scientific staff. The officers and board of directors support HWI's scientific mission through personal philanthropy and sharing leadership skills in science, business, finance, education, communication, and other fields.
- Size:** This is the Institute's only facility.
- Market:** HWI serves biotech and pharmaceutical industry scientists working on drug discovery. The HTCL transforms protein samples into crystals which are then utilized for structural studies in rational drug design. HWI charges a nominal fee for this service.
- ESD Involvement:** As a result of the Governor's REDC Initiative, HWI was awarded \$500,000 through the Consolidated Funding Application ("CFA") process to fund a Priority Project involving a capital investment at the HTCL, which has been primarily funded for over ten years by the National Institutes of Health ("NIH"). As a not-for-profit organization, HWI did not have sufficient resources to expand and further commercialize the operations of the HTCL.
- Past ESD Support:** A \$14 million grant was approved in November 2003 to construct the Structural Biology Research Center. The project is complete and all funds have been disbursed.

B. The Project

- Completion:** December 2014
- Activity:** The project involves infrastructure improvements; the acquisition and installation of new machinery and equipment including a SONICC crystal observation system, specialized robotic laboratory equipment used to carry out crystallization; salaries and wages including a new marketing director to expand business development and new research and technical support for crystallization services; supplies and materials; planning services, including consultants for creating a business plan and market

surveys, training courses for personnel; contractual services for website development, marketing material printing; travel expenses including attendance at the “2013 Bio International Convention,” the global event for the biotechnology industry, meetings to publicize services, visits to Argonne National Laboratory for x-ray crystallography services; and miscellaneous costs associated with the expansion of lab capacity for membrane proteins and nanocrystals.

Results:

HWI will retain 45 existing jobs and create 10 new high-paying jobs by January 1, 2016. HWI typically processes approximately 100 samples per month primarily from academic scientists, however by targeting pharmaceutical, biotechnology, and drug development firms, HWI expects to expand its sample processing by 50%, and increase its income by 100% within three years, therefore providing sustainable revenue. Within five years, HWI expects revenues to exceed what its not-for-profit status permits and that it will have to create a for-profit spin-off that will also open the door to federal Small Business Innovation Research program grant opportunities. All new employees are expected to be employed at the HTCL. There are currently seven employees doing this work.

Economic

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

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 \$415,289;
- Fiscal cost to NYS government is estimated at \$500,000;
- Project cost to NYS government per direct job is \$77,778;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$48,335;
- Ratio of project fiscal benefits to costs to NYS government is 0.83:1;
- Fiscal benefits to all governments (state and local) are estimated at \$714,705;

- Fiscal cost to all governments is \$500,000;
- All government cost per direct job is \$77,778;
- All government cost per total job is \$48,335;
- The fiscal benefit to cost ratio for all governments is 1.43:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$4,423,488, or \$427,617 per job (direct and indirect);
- The economic benefit to cost ratio is 8.85:1;
- Project construction cost is \$80,000, which is expected to generate one direct job year and one indirect job year of employment;
- For every permanent direct job generated by this project, an additional 0.61 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is six years.

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

Grantee Contact: Mr. Eaton Lattman, Chief Executive Officer
 700 Ellicott Street
 Buffalo, NY 14203
 Phone: (716) 898-8612

ESD Project No.: X738

| | | |
|---------------|---------------------------------|-----------------|
| Project Team: | Origination | Diego Sirianni |
| | Project Management | Jean Williams |
| | Contractor & Supplier Diversity | Vikas Gera |
| | Finance | Jonevan Hornsby |
| | Environmental | Soo Kang |

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$500,000 capital grant (\$5,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will 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 \$500,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$250,000) upon documentation of \$750,000 in project costs including \$250,000 for the acquisition and installation of machinery and equipment and \$500,000 in other project costs; and documentation of the employment of at least 45 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 35% of the grant (\$175,000) will be disbursed upon documentation of an additional \$425,000 in project costs (cumulative total of \$1,175,000) including an additional \$175,000 (cumulative total of \$425,000) for the acquisition and installation of machinery and equipment and an additional \$250,000 (cumulative total of \$750,000) in other project costs; and documentation of the employment of at least 50 Full-time Permanent Employees at the Project Location (Employment Increment of 5), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 15% of the grant (\$75,000) will be disbursed upon completion of the project substantially as described in these materials; documentation of an additional \$300,000 in project costs (cumulative total of \$1,475,000) including an additional \$75,000 (cumulative total of \$500,000) for the purchase and installation of machinery and equipment and an additional \$225,000 (cumulative total of \$975,000) in other project costs; and the documentation of the employment of at least 55 Full-time Permanent Employees at the Project Location (Employment Increment of 5), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures reimbursed by ESD's grant must be incurred on or after November 20, 2012, 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 \$500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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

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

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

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

| | |
|---------------------|------------------|
| Baseline Employment | 45 |
| | |
| A | B |
| Reporting Date | Employment Goals |
| February 1, 2015 | 45+X+Y |
| February 1, 2016 | 45+X+Y |
| February 1, 2017 | 45+X+Y |
| February 1, 2018 | 45+X+Y |

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=5, and Employment Goals shall equal $[45 + X = 50]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=5, and Employment Goals shall equal $[45 + X + Y = 55]$ 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 2011-2012 New York State budget and re-appropriated in the 2012-2013 and 2013-2014 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

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

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

The provision of ESD financial assistance is contingent upon the availability of funds and the

approval of the State Division of the Budget.

VIII. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

Benefit-Cost Analysis

October 17, 2013

Regional Council Award – Priority Project – Buffalo (Western New York Region – Erie County) – Hauptman Woodward Medical 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

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 Hauptman Woodward Medical 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 Hauptman Woodward Medical Research Institute a grant for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

FOR CONSIDERATION

October 17, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Various Locations (Western New York Region – Erie, Niagara, Allegany, Cattaraugus and Chautauqua Counties) – Farm Credit 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

General Project Plan

I. Project Summary

Grantee: Farm Credit East, ACA (“FCE”)

Beneficiaries: Commercialized farm operations throughout the Western New York Region (the “Region”)

ESD* Investment: A grant of up to \$1,000,000 to be used to establish an Agriculture Development Program (the “Program”).

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

Project Locations: Various locations in Erie, Niagara, Allegany, Cattaraugus and Chautauqua Counties

Proposed Project: Assist Beneficiaries with grant funds to pursue value-added and/or direct to market strategies.

Project Type: Capital grant fund project

Regional Council: The project is consistent with the Western New York Regional Economic Development Council’s (“WNYREDC”) agricultural initiatives and small business enhancement strategies within the Council’s Regional Plan for economic development.

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> | |
|--------------------------|--------------------|----------------|
| Capital Project Funds | <u>\$1,000,000</u> | |
| Total Project Costs | <u>\$1,000,000</u> | |
| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
| ESD – Grant | <u>\$1,000,000</u> | <u>100%</u> |
| Total Project Financing | <u>\$1,000,000</u> | <u>100%</u> |

III. Project Description

A. Grantee

Industry: FCE is a financial service cooperative for the Northeast agriculture industry and the largest lender to agriculture in New York State providing loans to capitalize agriculture business. Its current client base is more than 13,000. It is also a leader in farm legislation and land preservation activities.

Grantee History: The Grantee was established in 1996 as part of the Farm Credit System, founded in 1916, which actively promotes the growth and prosperity of agriculture throughout the United States.

Ownership: Structured as a borrower-owned lending cooperative, FCE's clients have the benefits of ownership and have earned more than \$425 million in ownership dividends over the past seventeen years. FCE is managed by a Board of Directors, which receives input from Executive, Governance, Ag Initiative, Audit, and Compensation Committees.

Size: FCE employs 415 people at nineteen locations in the six states it serves including New Hampshire, Massachusetts, Connecticut, Rhode Island, New York, and New Jersey.

Market: FCE serves the commercial agriculture market including farmers, nursery and greenhouse operators, forest products businesses, fishermen, lobstermen, part-time growers, agribusinesses, and residents of villages with populations of 2,500 and under.

ESD Involvement: FCE completed the Consolidated Funding Application ("CFA") process in 2012 and was recommended for funding by the WNYREDC. The project was not funded as part of the initial awards, but ESD was able to

reallocate funds from other WNYREDC awards for projects that did not move forward. Without ESD assistance, FCE did not have sufficient resources to establish the Program.

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

B. The Project

Completion: March 2015

Activity: The Program created will be similar to the USDA Rural Development "Value Added Producer Grant" program but will allow grant funding for capital expenditures including the acquisition, construction and/or renovation of agricultural structures, as well as the acquisition of machinery and equipment. Up to \$50,000 may be awarded per Beneficiary project, not to exceed 50% of the total project expenditure, which is expected to leverage matching loan funding through other FCE programs or financing sources. FCE has begun marketing the Program and expects to identify 40-50 candidate farms or Beneficiaries within the next twelve months. FCE will assist each prospective Beneficiary with a business plan to analyze the proposed investment to predict financial and market viability and sustainability prior to awarding funding and if funded, it will provide loan underwriting activities necessary to secure additional project financing and grant administration including documentation of the farm investment, jobs retained/created and increased farm profitability.

Results: The Program is expected to retain and expand agricultural activity; increase access to locally-grown products; retain and create jobs; and create stronger rural communities which will benefit from agricultural economic development. According to FCE's benchmarking programs, farmers that have completed value-added or direct to market strategies have increased sales by at least 50%. Additionally, the project is directly in accordance with Article XIV, Section 4 of the New York State Constitution by conserving and protecting New York's natural resources and scenic beauty and encouraging the development and improvement of New York's agricultural lands for the production of food and other agricultural products.

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: Mr. Nathan Rudgers
Senior Vice President, Director of Business Development
4363 Federal Drive
Batavia, NY 14020
Phone: (585) 815-1900

ESD Project No.: Y504

| | | |
|---------------|---------------------------------|---------------|
| Project Team: | Origination | Michael Ball |
| | Project Management | Jean Williams |
| | Legal | Steve Gawlik |
| | 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 \$1,000,000 capital grant (\$10,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to verify and provide documentation that the Beneficiaries have contributed a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's written acceptance of ESD's Incentive Proposal. Equity is defined as cash injected into the project by the Beneficiary or by investors, and should be auditable through Beneficiary financial statements or Beneficiary accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project. Equity should be able to be verified in Quarterly and Annual Reports.
4. ESD Funds will be deposited into 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 commercial farm operations grants.

5. Funds will be deposited in the Imprest Account in four installments as follows:
 - a) An Initial Disbursement of an amount equal to 30% of the grant (\$300,000) as an advance upon execution of a Grant Disbursement Agreement and ESD approval of program guidelines, application and marketing materials, reimbursement of project fees, and receipt of required documentation, assuming that all project approvals have been completed and funds are available; and
 - b) A Second Disbursement of an amount equal to 30% of the grant (\$300,000) upon documentation verifying Grantee disbursement to Beneficiaries of at least 75% of the first advance (\$225,000) and Grantee's compliance with program reports and requirements, including submission of Grantee quarterly reports; and
 - c) A Third Disbursement of an amount equal to 30% of the grant (\$300,000) upon documentation verifying Grantee disbursement to Beneficiaries of 100% of the first advance and at least 75% of the second advance (\$525,000 cumulative) and Grantee's compliance with program reports and requirements, including submission of Grantee quarterly reports.
 - d) A Final Disbursement of an amount equal to 10% of the grant (\$100,000) upon documentation verifying disbursement to Beneficiaries of 100% of the first and second advances and at least 75% of the third advance (\$825,000 cumulative), Grantee's compliance with program reports and requirements, including submission of Grantee quarterly reports.

The Second, Third, and Final Disbursements are contingent on complete documentation supporting the previous advances. If insufficient documentation is submitted for any Beneficiary, ESD will subtract the amount of that Imprest Account disbursement from the current disbursement amount.

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 August 29, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2017. ESD will be entitled to recoup any funds that are not disbursed to Beneficiaries by April 1, 2018.

6. ESD does not require, but reserves the right, to approve all Beneficiaries.
7. Grantee will report quarterly on investments and related Program activity. Such reports will contain information on project investments, total project cost for each respective project including funding sources, job retention and/or creation, increased farm profitability, current status, confirmation of Beneficiary equity, and other items as determined by ESD. Once the Grantee has provided documentation verifying disbursement of the entire \$1,000,000 in grant funds, the Grantee will report annually on investments and related Program activity during the term of the grant (term to be noted in final Grant Disbursement Agreement).
8. ESD's funds will be used to reimburse up to a maximum of 50% of the eligible total project cost of each Beneficiary project. The average maximum grant awarded

through this program is \$50,000; however, exceptions can be made if the demonstrated scale and impact of a project necessitate a larger grant or if the project will benefit multiple farm operations. No single investment of ESD funds may exceed \$50,000 without written consent of ESD, via the Western New York Regional Office.

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

IV. Statutory Basis – Regional Council Capital Fund

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

V. Non-Discrimination and Contractor & Supplier Diversity

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

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. 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

October 17, 2013

Regional Council Award – Various Locations (Western New York Region – Erie, Niagara, Allegany, Cattaraugus and Chautauqua Counties) – Farm Credit Capital – Regional Council Capital Fund (Capital Grant)

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

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

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

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

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

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

* * *

FOR CONSIDERATION

October 17, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Various Locations (Mohawk Valley Region – Herkimer and Oneida Counties) – Northland Networks 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

General Project Plan

I. Project Summary

Grantee: Northland Networks, Ltd. (“Northland” or the “Company”)

ESD* Investment: A grant of up to \$703,500 to be used for a portion of the cost to design and install a fiber optic network in Herkimer and Oneida counties.

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

Project Locations: Various locations, Herkimer and Oneida Counties

Proposed Project: Design, install and maintain a fiber optic network extending from Herkimer (Herkimer County) to Vernon (Oneida County) to improve telecommunications services and bandwidth to businesses

Project Type: Infrastructure Investment

Regional Council: The project is a Regional Council award and is consistent with the Mohawk Valley Regional Plan to improve the Region’s infrastructure systems by expanding broadband connectivity to underserved businesses and communities.

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> | |
|--------------------------|--------------------|----------------|
| Design | \$228,663 | |
| Construction/Renovation | <u>1,286,011</u> | |
| Total Project Costs | <u>\$1,514,674</u> | |
| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
| ESD – Grant | \$703,500 | 46% |
| Company Equity | <u>811,174</u> | <u>54%</u> |
| Total Project Financing | <u>\$1,514,674</u> | <u>100%</u> |

III. Project Description

A. Company

Industry: Northland Networks, Ltd. is a communication services provider that offers telecommunications solutions to businesses of all sizes using state-of-the-art technology.

Company History: Founded in 1994, Northland developed out of the original Oneida County Telephone Company, a small operation that primarily operated as a local exchange carrier serving approximately 125 square miles of rural Oneida County. Today, the Company is a leading provider of business focused telecommunications services spanning Herkimer, Oneida, and Onondaga County.

Ownership: Northland Networks is a privately owned subsidiary of Northland Telephone.

Size: Northland has business offices in Utica and Syracuse in addition to five other leased spaces in Herkimer, Rome, and Utica that house technical staff and equipment. The Company employs roughly 100 full-time employees.

Market: Northland serves a diverse customer base representing businesses, schools, and hospitals. Their main competitors are Time Warner, Inc. Windstream Communications, and Earthlink.

ESD Involvement: In March 2012, Northland sought to build a fiber optic, telecommunications network spanning Herkimer and Oneida counties. The project, known as Mohawk Valley Broadband, was to provide reliable

telecommunication services to the Mohawk Valley Region which the Company hoped would improve connectivity options for communities and businesses that were operating with outdated infrastructure. The Company was also responding to a threefold increase in the demand for bandwidth access in the Region.

The project called for Northland to design, build and maintain a fiber optic network of approximately 60 miles in length that would utilize existing, aerial and underground cable constructions. In 2011, the Company encountered a shortfall in reaching its \$1.4 million project budget, and in December 2011, applied under Round 1 of the Regional Council CFA Awards to close the funding gap.

In February 2012, the Mohawk Valley Regional Council designated the project as Regionally Significant, and awarded Northland a \$703,500 grant from the Regional Council Capital Fund Program which the Company accepted in the same month. Without ESD's assistance the project could not have taken place.

Competition: N/A

Past ESD Support: In 2002, ESD awarded a \$100,000 grant to Northland Networks from the Empire State Economic Development Fund. The funds were never disbursed, and project was terminated in 2002 because the Company was not confident that it could meet the employment requirement.

B. The Project

Completion: August 2013

Activity: The project is complete and Northland has installed over 60 miles of fiber in over 144 business locations. Northland provided various businesses, as well as schools and healthcare facilities, increased bandwidth and communications on this network prior to its completion. The organizations are using up to 10 Gigabit per second connections between their respective locations.

Results: The Mohawk Valley Broadband project addresses a core principle of the Mohawk Valley Region's Strategic Plan to become both regionally and globally connected. Increasing bandwidth in the Region will enable Mohawk Valley to become a vibrant part of the economy by supporting existing businesses and attracting new ones. As a result of the project, Northland will have the ability to provide high speed connectivity to Griffiss Business and Technology Park, Marcy Nanocenter at SUNYIT,

Utica Business Park, Oneida County Business Park and many other business entities, in addition to schools and hospitals. The completion of the project allows for communities and businesses to access high speed internet, private data network connections with global access and cloud services.

Infrastructure
Improvement
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 \$97,811;
- Fiscal cost to NYS government is estimated at \$703,500;
- Ratio of project fiscal benefits to costs to NYS government is 0.14:1;
- Fiscal benefits to all governments (state and local) are estimated at \$165,185;
- Fiscal cost to all governments is \$703,500;
- The fiscal benefit to cost ratio for all governments is 0.23:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$824,297;
- The economic benefit to cost ratio is 1.17:1;
- Project construction cost is \$1,500,000, which is expected to generate 17 direct job years and eight indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.44 indirect job is anticipated in the state's economy.

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

Grantee Contact: Brian Healey, Senior Vice President
9560 Mains Street
Holland, Patent NY 13354
Phone: (315) 624-2222

ESD Project No.: X625

| | | |
|---------------|---------------------------------|-----------------|
| Project Team: | Origination | Jane Kulczycki |
| | Project Management | Simone Bethune |
| | Contractor & Supplier Diversity | Denise Ross |
| | Finance | Jonevan Hornsby |
| | Environmental | Soo Kang |

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$703,500 capital grant (\$7,035) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. Northland Telephone will guarantee the grant repayment obligation of its subsidiary, Northland Networks, Ltd., in the event of an Employment Shortfall or other default, as defined in these materials or the Grant Disbursement Agreement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$703,500 will be disbursed to Grantee in a lump sum upon completion of the fiber optic network project and documentation of design and installation project costs totaling \$1,514,674, 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 29, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.
6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$703,500, 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 amount of assistance approved by the Directors.
7. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds, or if the Network is sold within five years of disbursement of funds, or if Network operations are not maintained for a

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

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

IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2011-12 New York State budget and reappropriated in the 2012-2013 and 2013-14 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Smart Growth Public Infrastructure Review

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

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination and Contractor Diversity policy will apply to the Project. Northland shall be required to use good faith efforts to achieve a Minority Business Enterprise (“MBE”) Participation goal of 13% and a Women Business Enterprise (“WBE”) Participation goal of 10%

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

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

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

October 17, 2013

Regional Council Award – Various Locations (Mohawk Valley Region – Herkimer and Oneida Counties) – Northland Networks Capital – Regional Council Capital Fund (Capital Grant) Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Northland Networks 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 Northland Networks, Ltd. a grant for a total amount not to exceed Seven Hundred and Three Thousand Five Hundred Dollars (\$703,500) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer 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 Evaluation1**

Northland Networks-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): 17

Construction Job Years (Indirect): 8

| Evaluation Statistics | Project Result NYS Govt. | NYS Govt. Benchmarks for ESD Projects2 | Project Results State & Local Governments | State & Local Government Benchmarks for ESD Projects |
|---------------------------|-----------------------------|--|---|---|
| Fiscal Costs3 | \$703,500 | \$794,250 | \$703,500 | \$1,020,500 |
| Fiscal Benefits4 | \$97,811 | \$2,085,600 | \$165,185 | \$4,271,980 |
| Fiscal B/C Ratio | 0.14 | 3.00 | 0.23 | 10.60 |
| | Project Results | Benchmarks for ESD Projects | | |
| Economic Benefits5 | \$824,297 | \$119,468,000 | | |
| Economic B/C Ratio | 1.17 | 20.00 | | |

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

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

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

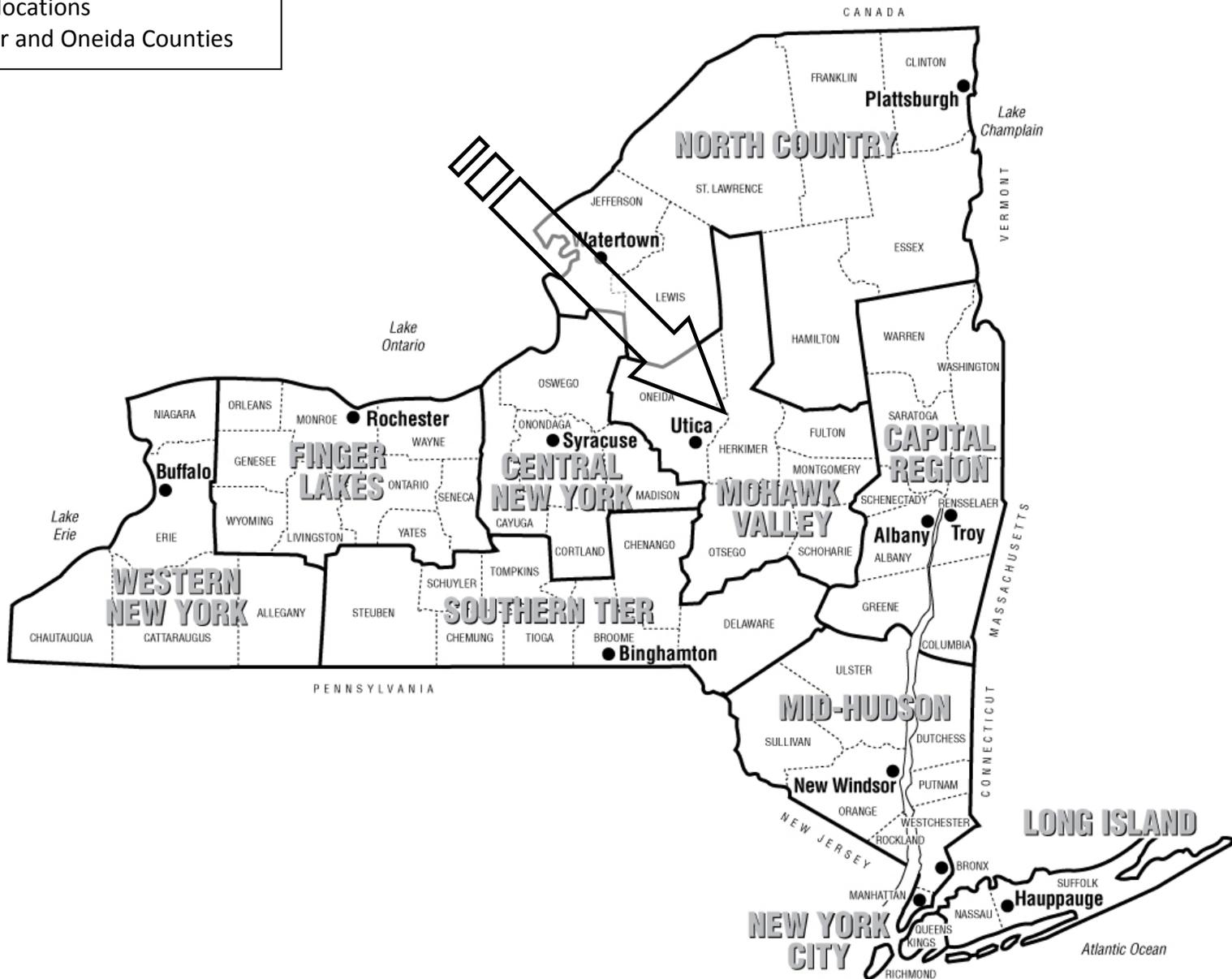
4 Fiscal benefits are the loan repayments and tax revenues to New York State and Local governments generated by project activity. This includes estimated taxes on personal incomes from project direct and indirect employment, corporate and business incomes, excise and user taxes, property taxes, and other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

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

Northland Networks Capital

Various locations

Herkimer and Oneida Counties





FOR CONSIDERATION

October 17, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Montauk (Long Island Region – Suffolk County) – Montauk Fish Dock Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Montauk Fish Dock, Inc. (the “Dock” or the “Company”)

ESD* Investment: A grant of up to \$120,000 to be used for a portion of the cost to reconstruct a commercial fishing dock.

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

Project Location: 478 West Lake Drive, Montauk, Suffolk County

Proposed Project: Purchase of machinery and equipment, new construction, and renovation relating to the reconstruction of a commercial fishing dock.

Project Type: Business investment including job creation.

Regional Council: The project is a Regional Council Award Priority Project. The project is consistent with the Long Island Regional Plan to encourage the generation of sustainable, well-paying jobs in legacy sectors such as the fishing industry while expanding export opportunities.

| | | |
|-------------|--|-----|
| Employment: | Initial employment at time of ESD Incentive Offer: | 1.5 |
| | Current employment level: | 1.5 |
| | Minimum employment through January 1, 2017: | 3 |

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> |
|-----------------------------|---------------|
| Demolition | \$12,500 |
| Construction – New Bulkhead | 173,264 |
| Machinery & Equipment | 350,000 |
| Soft Costs | <u>24,236</u> |

Total Project Costs \$560,000

| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> | <u>Rate/Term/Lien</u> |
|-------------------------------------|------------------|----------------|---------------------------------------|
| ESD – Grant | \$120,000 | 20% | |
| Long Island Development Corp – Loan | 300,000 | 54% | 5%/20 yrs/ 1 st lien on RE |
| Gold Coast Bank – Loan | 80,000 | 15% | 5%/10 yrs/ 2nd lien on RE |
| Company Equity* | <u>60,000</u> | <u>11%</u> | |
| Total Project Financing | <u>\$560,000</u> | <u>100%</u> | |

*The source of equity is the Company's holding company, Montauk East LP.

III. Project Description

A. Company

Industry: Montauk Fish Dock, Inc., is a commercial fish unloading, packing, processing and distribution facility that services the Montauk commercial fishing fleet.

Company History: Established in 1986 by licensed, commercial fisherman Paul Farnham, Montauk Fish Dock, Inc., dispenses diesel fuel to commercial fishing vessels, and stores and distributes fresh fish and shellfish to local and regional restaurants and markets, including The New Fulton Fish Market Cooperative at Hunts Point, New York. The Dock is owned by holding company Montauk East LP.

The Dock is a critical piece of the regional economy because it serves the largest commercial fishing port in New York State, with landings in excess of \$19 million for 2011 as well as a 30- to 70-foot commercial fleet that calls the Dock its home port. The fishermen are licensed and regulated by New York State and the Federal governments to prevent overfishing, and

to create and maintain sustainable levels of fish. The Dock's operation impacts the local restaurant industry, distribution companies, and marine, ice, and fuel suppliers.

- Ownership: The Dock is owned by holding company Montauk East LP.
- Size: All facilities located in Montauk, NY.
- Market: The Dock serves commercial fishing fleets, long-liners, scallopers, and day boats.
- ESD Involvement: In May 2012, an electrical fire broke out at the Dock, completely destroying the supporting bulkhead. The lack of adequate infrastructure to serve the fishing fleets limited the volume and value of fish landed at Montauk ports. The Dock sought to rebuild its facility by demolishing the remains, and constructing a new bulkhead and a new multi-purpose unit above it. Upon encountering a financial shortfall in carrying out the planned reconstruction, the Dock applied for funding in the second round of CFA awards. The project was supported by the Regional Council's Natural Assets Work Group and was deemed a priority project by the Council. The Marine Program at Cornell Cooperative of Suffolk County provided technical assistance in evaluating the project. In March 2013, the Dock accepted ESD's Incentive Proposal.
- Competition: N/A
- Past ESD Support: This is the Company's first project with ESD.

B. The Project

- Completion: December 2013
- Activity: The project involves rebuilding the Dock's bulkhead, reconstructing the 3,052-square-foot facility situated on top of the bulkhead, constructing a temperature-controlled interior for storage, processing and distribution, and developing an exterior fuel station for out-of-state transient fleet. The project will comprise two phases: reconstruction of the bulkhead and reconstruction of the facility situated on top of the bulkhead.
- Results: Once reconstructed, the Dock will resume its role as a vital part of Montauk Harbor, retaining 1.5 full-time permanent employees and creating an additional 1.5 full-time employees by January 2017. The new infrastructure will help to restore the area's commercial fishing industry which has suffered from deteriorating docks that limited access for fishing activities in recent years. The Dock will generate additional tax

revenue for local, county and state municipalities, and the improved facilities will attract vessels from other states such as Connecticut and Rhode Island.

Grantee Contact: Paul Farnham, President
478 West Lake Drive
Montauk, NY 11954
Phone: (631) 835-9355

ESD Project No.: Y121

| | | |
|---------------|---------------------------------|------------------|
| Project Team: | Origination | Aida Reyes-Kuehn |
| | Project Management | Simone Bethune |
| | Contractor & Supplier Diversity | Vikas Gera |
| | Environmental | Soo Kang |

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$120,000 capital grant (\$1,200) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

5. Up to \$120,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$60,000) upon completion of the bulkhead and documentation of bulkhead project costs totaling \$173,264, documentation by the Town of East Hampton Town Building Inspector verifying bulkhead completion, and documentation of the employment of at least 1.5 Full Time Permanent Employees (equivalent) at the Project Location, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 50% of the grant (\$60,000) will be disbursed upon completion of the fish processing, packing, and distribution facility as documented by a Certificate of Occupancy, acquisition of machinery and equipment project costs totaling \$386,736 (cumulative \$560,000), and documentation of the employment of at least 3 Full-time Permanent Employees at the Project Location (Employment Increment of 1.5), provided Grantee is otherwise in compliance with program requirements;

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after March 22, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$120,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

- (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

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

| | |
|---------------------|------------------|
| Baseline Employment | 1.5 |
| A | B |
| Reporting Date | Employment Goals |
| February 1, 2015 | 1.5+X |
| February 1, 2016 | 1.5+X |
| February 1, 2017 | 1.5+X |

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=1.5, and Employment Goals shall equal [1.5 + X = 3] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

IV. Statutory Basis

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

As a result of this project, the Company will maintain its employment level of 1.5 and create 1.5 new jobs.

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

ESD assistance is needed to fill a financing gap in the project budget.

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

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

typically reflect only construction-related activity.

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

- Fiscal benefits to NYS government from the project are estimated at \$138,416;
- Fiscal cost to NYS government is estimated at \$120,000;
- Project cost to NYS government per direct job is \$48,701;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$24,042;
- Ratio of project fiscal benefits to costs to NYS government is 1.15:1;
- Fiscal benefits to all governments (state and local) are estimated at \$250,102;
- Fiscal cost to all governments is \$120,000;
- All government cost per direct job is \$48,701;
- All government cost per total job is \$24,042;
- The fiscal benefit to cost ratio for all governments is 2.08:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$1,250,026, or \$250,442 per job (direct and indirect);
- The economic benefit to cost ratio is 10.42:1;
- Project construction cost is \$210,000, which is expected to generate two direct job years and one indirect job year of employment;
- For every permanent direct job generated by this project, an additional 1.05 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is six years.

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

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

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

V. Environmental Review

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

VI. Non-Discrimination & Contractor and 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 total value of ESD's funding.

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

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

VIII. Additional Submissions to Directors

Resolutions
New York State Map
Benefit-Cost Analysis

October 17, 2013

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

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Montauk Fish Dock Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Montauk Fish Dock, Inc. a grant for a total amount not to exceed One Hundred and Twenty Thousand Dollars (\$120,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds

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

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

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

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

* * *

Project Summary Benefit-Cost Evaluation¹

Montauk Fish Dock – Business Investment

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

| | | | |
|----------------------|------------|---|----------|
| Initial Jobs: | 1.5 | Construction Job Years (Direct): | 2 |
| New Jobs: | 1.5 | Construction Job Years (Indirect): | 1 |

| Evaluation Statistics | Project Results NYS Gov't. | NYS Gov't. Benchmarks ² | Project Results State & Local Government | State & Local Government Benchmarks |
|--------------------------------------|-------------------------------|---------------------------------------|--|---|
| Fiscal Costs³ | \$120,000 | \$794,250 | \$120,000 | \$1,020,500 |
| Fiscal Benefits⁴ | \$138,416 | \$2,085,600 | \$250,102 | \$4,271,980 |
| Fiscal Cost /Direct Job | \$48,701 | \$3,000 | \$48,701 | \$4,110 |
| Fiscal Cost/Total Jobs | \$24,042 | \$1,424 | \$24,042 | \$1,964 |
| Fiscal B/C Ratio | 1.15 | 7.00 | 2.08 | 10.60 |
| | Project Results | Benchmarks | | |
| Economic Benefits⁵ | \$1,250,026 | \$119,468,000 | | |
| Econ. Benefits/Total Jobs | \$250,442 | \$147,600 | | |
| Economic B/C Ratio | 10.42 | 50.00 | | |

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

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

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

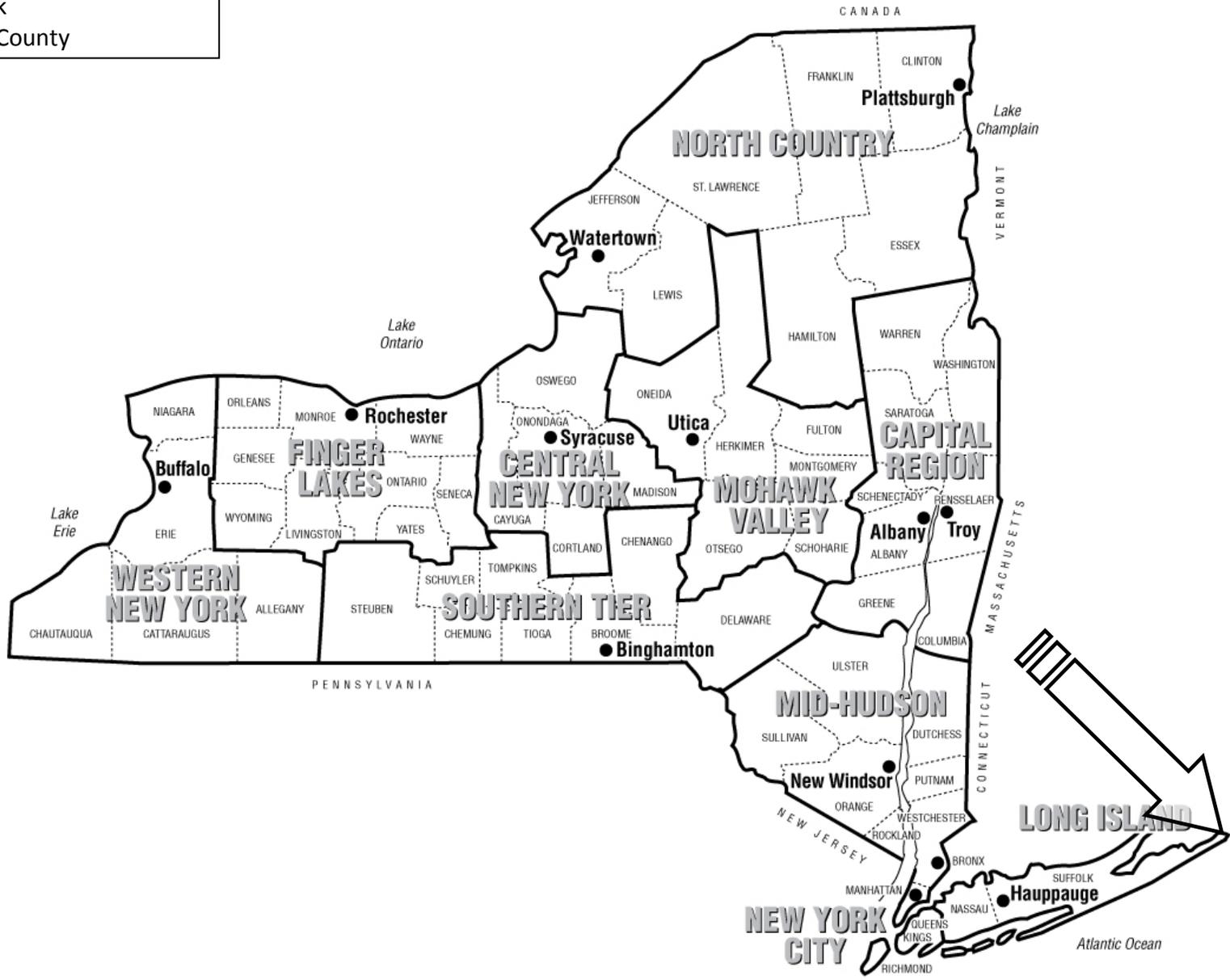
⁴ Fiscal benefits are the loan repayments and tax revenues to New York State and Local governments generated by project activity. This includes estimated taxes on personal incomes from project direct and indirect employment, corporate and business incomes, excise and user taxes, property taxes, and other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

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

Montauk Fish Dock Capital

Montauk

Suffolk County





FOR CONSIDERATION

October 17, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award Projects Consent Calendar

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

Attached are summaries of Regional Council Award projects requesting ESD assistance of \$100,000 and under in the following categories:

Empire State Economic Development Fund

| | Project Name | Proj # | Grantee | Assistance up to |
|---|-------------------------|--------|---------------------|------------------|
| A | OptiPro Systems Capital | Y107 | OptiPro Systems LLC | \$50,000 |
| | | | TOTAL | \$50,000 |

Regional Council Capital Fund

| | Project Name | Proj # | Grantee | Assistance up to |
|---|--------------------------|--------|----------------------|------------------|
| B | Seneca BioEnergy Capital | Y253 | Seneca BioEnergy LLC | \$100,000 |
| | | | TOTAL | \$100,000 |

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

* The New York State Urban Development Corporation doing business as 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.

Non-discrimination and Contractor and Supplier Diversity

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

A. Empire State Economic Development Fund

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

1. Each proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.
2. Each proposed project would be unlikely to take place in New York State without the requested assistance.
3. Each proposed project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
4. The requirements of Section 10(g) of the Act are satisfied.
No residential relocation is required in connection with any project involving the acquisition, construction, reconstruction, rehabilitation, or improvement of property because no families or individuals reside on the sites.

B. Regional Council Capital Fund and Economic Development Purposes Fund

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

Additional Submissions to Directors

New York State Map
Resolutions
Project Summaries

October 17, 2013

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

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

| | Project Name | Proj # | Grantee | Assistance up to |
|---|--------------------------|---------------|----------------------|-------------------------|
| B | Seneca BioEnergy Capital | Y253 | Seneca BioEnergy LLC | \$100,000 |
| | | | TOTAL | \$100,000 |

and be it further

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

* * *

October 17, 2013

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

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

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

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

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

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

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

Empire State Economic Development Fund

| | Project Name | Proj # | Grantee | Assistance up to |
|---|-------------------------|---------------|---------------------|-------------------------|
| A | OptiPro Systems Capital | Y107 | OptiPro Systems LLC | \$50,000 |
| | | | TOTAL | \$50,000 |

and be it further

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

* * *

A. OptiPro Systems Capital (Y107)

October 17, 2013

General Project Plan

| | | |
|--------------------------|--|----|
| Grantee: | OptiPro Systems LLC (“OptiPro” or the “Company”) | |
| ESD Investment: | A grant of up to \$50,000 to be used for a portion of the cost of materials and tooling to build a high-precision prototype machine. | |
| Project Location: | 6368 Dean Parkway, Ontario, Wayne County | |
| Proposed Project: | Construct a new demonstration and production machine designed to increase sales and competitiveness | |
| Project Type: | Business expansion involving job retention and creation. | |
| Regional Council: | The project is consistent with the Regional Plan’s goal to promote advanced manufacturing, a key economic cluster, and benefits the region’s optics/photonics cluster. | |
| Employment: | Initial employment at time of ESD Incentive Offer: | 45 |
| | Current employment level: | 64 |
| | Minimum employment on January 1, 2015: | 50 |

Background:

Industry – OptiPro Systems LLC is a global leader in the design and construction of computer controlled grinding, polishing, and measuring precision optics equipment for the military, medical, transportation, and aerospace industries.

Company History – Founded in 1982 as CNC Systems, OptiPro builds machines for the precision optics industry. The Company has grown rapidly, adding 21 jobs since 2010. It does not currently offer a centering machine, an essential piece of equipment for a precision optics production shop. Such a machine is used to properly align the optic product, such as a lens, in assembly. A centering machine would complete OptiPro’s product line and increase sales.

Ownership – The Company is privately owned.

Size – All facilities are located in Ontario, NY.

Market – OptiPro’s clients include industry leaders such as Lockheed Martin, Boeing, and Raytheon. The Company’s systems were used to fabricate the optics systems on the Mars rover, Curiosity. The only competitors are three German companies. OptiPro

A. OptiPro Systems Capital (Y107)

October 17, 2013

has grown its market share against these competitors significantly in the past few years. Current customers have requested the Company to offer a centering machine, which is the only machine they are buying from the competition.

ESD Involvement – OptiPro’s growth has reduced the availability of working capital to build a centering machine for sales demonstration and production. The Company’s competitors have an optics centering machine which reduces OptiPro’s ability to compete. In order to reduce costs and make the project feasible in New York, the Company approached ESD for financial assistance. As a result of the Governor’s Regional Economic Development Council Initiative, the Company applied for and was awarded \$50,000 through the Consolidated Funding Application Round 2 process. The Incentive Proposal was accepted in March 2013.

Competition – Without the centering machine, OptiPro risks losing market share.

Past ESD Support – OptiPro is Empire Zone certified in the Wayne County Empire Zone effective September 28, 2010 and has used \$172,000 in tax credits in 2010 and 2011.

The Project:

Completion – September 2013

Activity – The design process began in mid-2012, with construction beginning in early 2013. The project was completed at the end of September 2013, in anticipation of OptiFab 2013, the largest optics fabrication trade show in the U.S., which takes place in Rochester.

Results – A centering machine in OptiPro’s product portfolio would increase sales and profitability. The Company has already exceeded the five new jobs to be created, having hired 19 new employees. The machine would also benefit the companies in the region’s optics/photonics cluster, which are potential customers.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|--------------------------------------|-----------|-------------------------|-----------|---------|
| Construction of a Centering Machine* | \$250,000 | ESD Grant | \$50,000 | 20% |
| | | Company Equity | 200,000 | 80% |
| Total Project Costs | \$250,000 | Total Project Financing | \$250,000 | 100% |

* The \$250,000 cost of the project includes the materials portion of the machine and machine tools to produce parts for the machine. The labor portion of the machine cost is being funded entirely by OptiPro.

A. OptiPro Systems Capital (Y107)

October 17, 2013

Grantee Contact – Tim Ansaldi, Controller
6368 Dean Parkway
Ontario, NY 14519
Phone: (585) 265-0160

| | | |
|-----------------------|---------------------------------|------------------|
| <u>Project Team</u> – | Origination | Kevin Hurley |
| | Project Management | Edward Muszynski |
| | Contractor & Supplier Diversity | Vikas Gera |
| | Environmental | Soo Kang |

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$50,000 capital grant (\$500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute 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. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$50,000 will be disbursed to the Grantee in two installments as follows:
 - a) an Initial Disbursement of an amount equal to 66% of the grant (\$33,000) upon documentation of construction and machinery and equipment project costs,

A. OptiPro Systems Capital (Y107)

October 17, 2013

including materials, tooling and capital labor, totaling \$250,000, and documentation of the employment of at least 45 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;

- b) a Second Disbursement of an amount equal to 34% of the grant (\$17,000) will be disbursed upon documentation of the employment of at least 50 Full-time Permanent Employees at the Project Location (Employment Increment of 5), provided Grantee is otherwise in compliance with program requirements;

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after March 13, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

- 6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$50,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
- 7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) [if prior default, can recommend: one hundred percent (100%)] 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;

A. OptiPro Systems Capital (Y107)

October 17, 2013

- (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 | 45 |
|---------------------|----|

| A | B |
|------------------|------------------|
| Reporting Date | Employment Goals |
| February 1, 2015 | 45+X |
| February 1, 2016 | 45+X |
| February 1, 2017 | 45+X |

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section 5 above (i.e. X=5, and Employment Goals shall equal [45 + X = 50] 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.

Non-Discrimination and Contractor & Supplier Diversity:

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

Statutory Basis – Empire State Economic Development Fund:

1. The project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms. As a result of this project, the Company will maintain its employment level of 45 and create 5 new jobs.
2. The project would be unlikely to take place in New York State without the requested assistance. Without ESD assistance to fill a financing gap, the Company would not be able to add this critical component to its product line and lose market share.
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.

A. OptiPro Systems Capital (Y107)

October 17, 2013

Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$216,490, which exceed the cost to the State.

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

B. Seneca BioEnergy Capital (Y253)

October 17, 2013

General Project Plan

| | | |
|---------------------------|---|----|
| Grantee: | Seneca BioEnergy LLC (“SBE” or the “Company”) | |
| ESD Investment: | A grant of up to \$100,000 to be used for a portion of the cost of the purchase of machinery and equipment. | |
| Project Locations: | 500 Technology Farm Drive, Geneva, Ontario County 6238 Route 96, Romulus, Seneca County (former Seneca Army Depot) | |
| Proposed Project: | Purchase of machinery/equipment and engagement in business development/operations activities. | |
| Project Type: | Business expansion involving job retention and creation. | |
| Regional Council: | The project is consistent with the Regional Plan’s goal to increase food processing/agribusiness capacity and to promote advanced manufacturing, two key economic clusters. Additionally, the project promotes renewable energy and “green” jobs. | |
| Employment: | Initial employment at time of ESD Incentive Offer: | 6 |
| | Current employment level: | 6 |
| | Minimum employment on January 1, 2015: | 10 |

Background:

Industry – Seneca BioEnergy LLC is engaged in biodiesel and grape seed oil production, manure-based environmental control materials, agricultural processing, biomass combustion, and environmental waste management.

Company History – The Company was formed in 2009, acquiring its property and rehabilitating its site infrastructure over the next two years, and implementing green energy manufacturing production in 2011. Initial production activities involved purchase and operation of equipment and infrastructure for oil seed processing and biodiesel production.

Ownership – The Company is privately owned.

Size – SBE maintains its headquarters in Geneva, NY, and its production facilities in Romulus, NY.

B. Seneca BioEnergy Capital (Y253)

October 17, 2013

Market – The Company serves the renewable energy production and waste-products-to-energy processing markets. Customers for SBE’s initial product, grape seed oil, include over 75 Finger Lakes regional wineries, health food, and retail stores. Currently, there are no direct competitors of the extra virgin grape seed oil produced in Upstate NY. There are other grape seed oil products imported from Europe and wineries in the western U.S.

ESD Involvement – The Company needed to expand its operations to meet growing demand for its products. In order to reduce costs and make the project feasible in New York, the Company approached ESD for financial assistance. As a result of the Governor’s Regional Economic Development Council Initiative, SBE applied for and was awarded \$100,000 through the Consolidated Funding Application Round 2 process. The Incentive Proposal was accepted in April 2013.

Competition – Without ESD assistance, the Company would not be able to increase its capacity to meet the growing demand for its products.

Past ESD Support – This is the Company’s first project as a Grantee with ESD. Previously, the Company was a Beneficiary of a portion of a Restore NY II grant to the Town of Romulus for redevelopment of the former Seneca Army Depot. Of that \$2.5 million grant, \$750,000 was designated for facility improvements and equipment to two agribusiness buildings owed by the Company. The projects were successfully completed and funds were disbursed in 2011.

The Project:

Completion – November 2013

Activity – Upon completion of an 18-month reconstruction of facility infrastructure and installation of on-site processing equipment, SBE has implemented plant operations dedicated to the production of grape seed oils and extracts, along with the processing of soy beans and biodiesel, which are important products for local wineries and agribusinesses (grape seed oil) and regional trucking and home heating oil products (biodiesel). Purchased equipment to date includes processing units, rolling stock equipment, stainless steel storage tanks, grape seed oil presses, and biodiesel processing units.

The project takes place at the Seneca AgBio Green Energy Park (the “Park”), a 55-acre SEQR-approved zoned green energy complex where SBE has located its commercial operations. Previously, NYSEG, the region’s public utility, completed improved infrastructure for upgraded electric power and natural gas service to two former warehouse buildings with 3,500 feet of dedicated improved rail service. SBE previously

B. Seneca BioEnergy Capital (Y253)

October 17, 2013

completed a DOT-approved entrance road and installed an operating truck scale. The Park provides increased biodiesel production capacity and has attracted two additional manufacturing businesses, with a potential to create an estimated 60 new manufacturing jobs in agribusiness, renewable energy production and environmental sustainability at the three companies.

Results – SBE will retain 6 existing jobs and create 4 new jobs once the renewable energy facility is fully operational in late 2013. The Company has already created 3 new jobs during the ongoing equipment construction work. The project will result in expanded advanced manufacturing operations and has attracted two new businesses, Novera Feeds, a producer of innovative feed grain mixtures, and Upstate Oil Recyclers, which collects waste grease and restaurant oils.

Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$306,026, which exceed the cost to the State.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|---------------------------------|------------|-------------------------|------------|---------|
| Machinery & Equipment | \$ 125,000 | ESD Grant | \$ 100,000 | 36% |
| Business Development/Operations | 150,000 | Company Equity | 175,000 | 64% |
| Total Project Costs | \$ 275,000 | Total Project Financing | \$ 275,000 | 100% |

Grantee Contact – Michael Coia, CEO
500 Technology Farm Drive, Suite 12
Geneva, NY 14456
Phone: (315) 781-7315

Project Team –

| | |
|---------------------------------|------------------|
| Origination | Kevin Hurley |
| Project Management | Edward Muszynski |
| Contractor & Supplier Diversity | Vikas Gera |
| Environmental | Soo Kang |

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$100,000 capital grant (\$1,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.

B. Seneca BioEnergy Capital (Y253)

October 17, 2013

3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after ESD's announcement of the project. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$100,000 will be disbursed to the Grantee in two installments as follows:
 - a) an Initial Disbursement of an amount equal to 66% of the grant (\$66,000) upon documentation of project costs totaling approximately \$275,000, and documentation of the employment of at least 6 Full-time Permanent Employees at the Project Locations, assuming that all project approvals have been completed and funds are available; and
 - b) a Second Disbursement of an amount equal to 34% of the grant (\$34,000) will be disbursed upon documentation of the employment of at least 10 Full-time Permanent Employees at the Project Locations (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 reimbursed by ESD's grant must be incurred on or after April 20, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000, 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.

B. Seneca BioEnergy Capital (Y253)

October 17, 2013

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 | 6 |
|---------------------|---|

| A | B |
|------------------|------------------|
| Reporting Date | Employment Goals |
| February 1, 2015 | 6+X |
| February 1, 2016 | 6+X |
| February 1, 2017 | 6+X |

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 [6 + X = 10] 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.

B. Seneca BioEnergy Capital (Y253)

October 17, 2013

Non-Discrimination and Contractor & Supplier Diversity:

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

Statutory Basis – Regional Council Capital Fund:

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



FOR CONSIDERATION

October 17, 2013

TO: The Directors

FROM: Kenneth Adams

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

REQUEST FOR: Affirmation of the Directors’ August 22, 2013 Findings and Determinations Pursuant to Section 10(g) of the Act; Affirmation of the General Project Plan

I. Background

On August 22, 2013, the ESD Directors authorized the making of a \$420,000 Regional Council Capital Fund grant to 3Gi CNYIP, Inc. (“3Gi CNYIP”), subject to the public hearing requirements of Section 16(2) of the New York State Urban Development Corporation Act, as amended (the “Act”). The grant would be used to offset a total project cost of \$2,070,000 comprising land acquisition and soft costs associated with planning the future development of a multi-modal cargo transport center in Onondaga County to be known as the Central New York Inland Port (“CNYIP”). The Regional Council Capital Fund project approved by the ESD Directors consists of land acquisition and activities associated with project planning and approvals, including market evaluation, engineering and design, permitting and approvals, wetland mitigation planning and legal, development and transactional fees (the “Project”). The August 22, 2013 Directors’ Materials are attached for your reference.

A public hearing for the Project was held at the Town of Manlius Municipal Offices on Wednesday, September 11, 2013, from 10:00 to 11:00 a.m. to consider the General Project Plan (“GPP”) for the Project. A notice of hearing was published in the Post-Standard on August 27, 2013. The GPP was available in advance of the hearing at the office of the Onondaga County Clerk, the Manlius Town Clerk and the principal office of the Corporation, and copies of the GPP were available at the hearing. A transcript of the hearing is attached to these materials.

The hearing was conducted by an independent hearing officer, in accordance with ESD policy. At the hearing, ESD Project Manager Jessica Hughes presented an overview of the project. In attendance were six members of the public, as well as the Manlius Town Supervisor and a representative of the development team.

II. Hearing Comments and ESD Response

Comments regarding environmental impacts. At the hearing, comments were received regarding the potential environmental impacts of the ultimate development of the Central New York Inland Port and the status of project development. One speaker referenced the Environmental Review section of the General Project Plan. This section notes that the Project constitutes a Type II action and that no environmental review is necessary in connection with the ESD Directors' authorization of the Regional Council Capital Fund grant. This speaker questioned how flooding would be handled, the number of trucks and containers that ultimately would access the Port site and how large an area would be paved for Port development.

It was explained to the speaker that the purpose of the hearing was to provide the public with an opportunity to make comments, and was not a question and answer session. Nevertheless, this speaker's comments regarding environmental impacts were addressed by the hearing officer, the ESD Project Manager, the Manlius Town Supervisor and the development team representative. Clarification was made that the Regional Council Capital Fund Project, which was the subject of the public hearing, comprised land acquisition and preliminary planning only, and that the development project would be subject to appropriate environmental review and permitting processes at the local level.

The August 22, 2013 Directors Materials stated that the approval of funding to be used for a portion of the cost of land acquisition and related soft costs for the proposed development of the CNYIP site constitutes a Type II action as defined under the New York State Environmental Quality Review Act ("SEQRA"), and therefore no environmental review is required in connection with the authorization. The future development of the proposed CNYIP site is subject to review pursuant to SEQRA, which will be undertaken by a lead agency once it is established. ESD's action on the Regional Council Capital Fund Project meets the criteria for a Type II action, which are not subject to SEQRA review under Part 617.5(c)(26): "license, lease and permit renewals, or transfers of ownership thereof, where there will be no material change in permit conditions or the scope of permitted activities," and under Part 617.5(c)(21): "conducting concurrent environmental, engineering, economic, feasibility and other studies and preliminary planning and budgetary processes necessary to the formulation of a proposal for action, provided those activities do not commit the agency to commence, engage in or approve such action."

The future development of the CNYIP site is still in the planning stages. Thus, no development or change respecting the use on the site was considered at the time of ESD's approval. ESD's action does not authorize, fund or commit ESD or any other agency to commence, engage in or approve any development or change in the type or intensity of the use of the site.

As explained at the hearing, ESD's action is limited to the approval of funding for land acquisition, planning and related soft costs. The future development of the CNYIP site will be subject to local land use controls and environmental review under SEQRA before it is undertaken, funded or approved.

Comments regarding Project Presentation in the Directors Materials. Another speaker, representing a neighborhood association, indicated that the disclosure made in the Directors materials was insufficiently clear to provide an adequate understanding of the Project scope and status. This speaker requested to be kept informed of Project status going forward. Two speakers stated without further elaboration that they were opposed to the project.

As stated above, clarification was made at the hearing regarding the limited nature of the Regional Council Capital Fund Project grant, as preliminary to ultimate project development. In addition, the ESD Project Manager provided contact information and indicated that she would be available to answer further questions regarding the Project.

III. Summary and Recommendation

Comments received at the public hearing focused on development of the Central New York Inland Port, which is not the subject of the Regional Council Capital Fund Project grant for which final approval is sought. The Project grant will be used for property acquisition and soft costs that will permit development planning to proceed. Project development will be subject to environmental and permitting processes at the local level. Clarification of project scope and process was provided at the public hearing. ESD staff contact information was also provided. ESD staff believes that the concerns raised during the public hearing period have been adequately addressed, and that the GPP should be affirmed without modification.

IV. Requested Action

The Directors are requested to affirm the findings and determinations related to the Project, made pursuant to the New York State Urban Development Corporation Act, and to affirm the General Project Plan as presented at the August 22nd meeting of the Directors.

V. Additional Submissions to Directors

Resolutions

ESD Directors' Materials - August 22, 2013

Transcript of the Public Hearing - September 11, 2013

October 17, 2013

Regional Council Award – Priority Project – Manlius (Central New York Region – Onondaga County) – 3Gi CNYIP Capital – Regional Council Capital Fund (Capital Grant) – Affirmation of the Directors’ August 22, 2013 Findings and Determinations Pursuant to Section 10(g) of the Act; Affirmation of the General Project Plan

WHEREAS, a public hearing was held to consider the General Project Plan (the “GPP”) for the 3Gi CNYIP Regional Council Capital Fund Project (the “Project”), in accordance with the requirements of Section 16 of the New York State Urban Development Corporation Act, as amended (the “Act”); and

WHEREAS, at the public hearing ESD received negative testimony regarding the Project; and

WHEREAS, the testimony and comments received at the public hearing have been presented and addressed in the materials submitted to this meeting, a copy of which is ordered filed with the records of the Corporation (the “Materials”); and

WHEREAS, the Directors have duly considered such testimony and comment, and staff’s recommendations with respect thereto; now, therefore, it is hereby

RESOLVED, that on the basis of the Materials, the Corporation hereby determines, pursuant to Section 10 (g) of the Act, that there are no families or individuals to be displaced from the Project area; and be it further

RESOLVED, that the Corporation does hereby affirm the GPP for the Project as presented at the meeting of the Directors held August 22, 2013 and resubmitted on the date hereof, without modification; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to 3Gi CNYIP, Inc., a grant for a total amount not to exceed Four Hundred Twenty Thousand Dollars (\$420,000) from the Regional Council Capital Fund or such other funding source as may be available to the Corporation for which the Plan is eligible, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *



FOR CONSIDERATION

October 17, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Non-Discretionary Projects

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

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

| | Project Name | Proj # | Grantee | Assistance up to |
|---|---|---------------|---|-------------------------|
| | Upstate City-by-City (Executive) | | | |
| A | City of Rochester – Midtown Redevelopment Infrastructure Capital – Upstate City-by-City | X373 | City of Rochester | \$11,182,331* |
| | * This grant was approved by the ESD Directors on May 23, 2011. The subject request is to increase the grant from \$11,000,000 to \$11,182,331. | | | |
| | Local Assistance (Senate) | | | |
| B | Mohawk Valley EDGE Cyber Research Institute Working Capital | Y568 | Economic Development Growth Enterprises | 600,000 |
| | TOTAL NON-DISCRETIONARY – 2 PROJECTS | | TOTAL | \$11,782,331 |

I. Statutory Basis

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

II. Environmental Review

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

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

III. Non-Discrimination and Contractor & Supplier Diversity

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

IV. ESD Employment Enforcement Policy

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

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

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

VI. Additional Requirements

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

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

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

VII. Additional Submissions to Directors

New York State Map
Resolutions
Project Summaries

October 17, 2013

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

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

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

Land Use Improvement Project

- 1) That the area in which the project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest the sound growth and development of the municipality;
- 2) That the project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto;
- 3) That the plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole;
- 4) That the proposed facilities or project is consistent with any existing local or regional comprehensive plan; and
- 5) The requirements of Section 10(g) of the Act are satisfied.

and be it further

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

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

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

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

| | Project Name | Proj # | Grantee | Assistance up to |
|---|---|---------------|-------------------|-------------------------|
| A | City of Rochester – Midtown Redevelopment Infrastructure Capital – Upstate City-by-City | X373 | City of Rochester | 11,182,331* |
| | * This grant was approved by the ESD Directors on May 19, 2011. The subject request is to increase the grant from \$11,000,000 to \$11,182,331. | | | |
| | | | TOTAL | \$11,182,331 |

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.

* * *

October 17, 2013

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

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

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

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

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

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

Local Assistance – Senate – Project Summary Table

| | Project Name | Proj # | Grantee | Assistance up to |
|---|---|---------------|---|-------------------------|
| C | Mohawk Valley EDGE Cyber Research Institute Working Capital | Y568 | Economic Development Growth Enterprises | 600,000 |
| | | | TOTAL | \$600,000 |

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

* * *

**A. City of Rochester – Midtown Redevelopment Infrastructure Capital –
Upstate City-by-City (X373)**
October 17, 2013

Authorization to Amend the General Project Plan to Increase the Grant

| | |
|----------------------------------|--|
| Grantee: | City of Rochester (the “City”) |
| Original ESD Investment: | \$11,000,000 |
| Increased ESD Investment: | \$11,182,331, with caveats noted in the item below |
| Purpose of Amendment: | An additional grant of up to \$182,331 (the “Additional Grant”) to be used for a portion of infrastructure expenses at the former Midtown Plaza site (“Midtown”), with the stipulation that only up to \$142,962 of the Additional Grant may be part of a Grant Disbursement Agreement Amendment at this time, pending final assessment of any remaining ESD liabilities. An additional stipulation relates to the final disbursement, as stated in Financial Terms and Conditions 1(d). |
| Project Location: | 100 South Clinton Avenue, Rochester, Monroe County |
| Proposed Project: | Infrastructure to support a transformational downtown development |
| Project Type: | Infrastructure investment |
| Regional Council: | The Finger Lakes Regional Council (the “Council”) has been made aware of this item, and is highly supportive. The project predates the Regional Council Initiative. The project is consistent with the Regional Plan’s goal to transform downtown Rochester, attracting housing, industry and retail uses. |

Background:

Organizational History – Formed in 1817, the City of Rochester grew from a flour mill town on the Genesee River to a municipality of 210,565 residents, based on the 2010 census. Rochester is the third largest city in New York State (the “State”).

Rochester’s downtown, like many others, has declined considerably during the past 50 years due to the suburbanization of retail and office and other land-use factors. The redevelopment of Midtown, the first downtown enclosed shopping mall in the U.S., built in 1962, is a transformative project for downtown and for the region. To date,

**City of Rochester – Midtown Redevelopment Infrastructure Capital –
Upstate City-by-City (X373)**

May 23, 2011

New York State has spent approximately \$44 million to ready the site for development. The City spent over \$23 million for acquisition and to relocate the remaining tenants. An ongoing \$44.9 million infrastructure project will drive over \$78 million in private investment in the near term. Redevelopment of the site is a rare opportunity to redefine the heart of downtown Rochester.

During the site preparation phase of the Midtown project, ESD held five prime contracts totaling approximately \$44 million for environmental remediation, asbestos abatement, demolition, and related soft costs. These activities have been completed, and the City will be assuming any remaining contractual obligations and site responsibilities.

ESD Involvement – The impetus for the State’s funding was a proposal by the former PAETEC Holdings Corp. (“PAETEC”), a publicly traded communications company headquartered in Rochester, to construct its national headquarters at Midtown if a “shovel-ready” site could be provided. In 2007, PAETEC signed a memorandum of understanding with the City and ESD, and in December 2010, the City and PAETEC executed a property transfer agreement for the headquarters parcel. Subsequently, Windstream Corporation (“Windstream”), a publicly traded telecom company, acquired PAETEC, and agreed to locate up to 335 of its employees on a portion of the same site. The reconfigured Windstream project involved the adaptive re-use of the former Seneca Building at Midtown at a total cost of \$19 million. The Pike Development Company developed and owns the approximately 109,000-square-foot, three-story structure, with two floors now occupied by Windstream, and the third floor available for other tenants. Construction started in spring 2012 and was completed in August 2013. Separately, Morgan Management and Buckingham Properties announced plans for adaptive reuse of Midtown’s 17-story former office tower into market-rate housing, office space, and some retail. The multi-parcel Midtown site also required major investments initially estimated at \$35.7 million for basic infrastructure.

In Fiscal Year 2008-2009, the State provided a \$55 million grant for the asbestos abatement and partial demolition of Midtown. The City requested, and ESD agreed, that the unused balance (just over \$11 million) of the \$55 million Upstate City-by-City appropriation for Midtown be awarded to the City to assist with Midtown infrastructure. On May 23, 2011, ESD’s Directors’ approved \$11 million for this purpose, and a GDA was executed on February 28, 2012, of which \$1.7 million has already been disbursed. Today, the Directors’ are being requested to approve the remaining balance of \$182,331 from the original City-by-City grant.

Past ESD Support – Since 2007, in addition to the \$44 million provided for Midtown’s

**City of Rochester – Midtown Redevelopment Infrastructure Capital –
Upstate City-by-City (X373)
October 17, 2013**

site preparation, ESD has provided seven grants to the City as summarized in the following chart:

| Program | Project # | Amount | ESD Approval Date | Final Disbursement Date (project is complete unless noted) | Purpose |
|---------------------------------|-----------|-------------|-------------------|--|--|
| Restore New York | U966 | \$2,000,000 | 6/21/09 | 3/26/10 | Demolition/asbestos removal of over 100 abandoned structures |
| | U967 | \$300,000 | 4/19/07 | 6/19/09 | Rehab building for housing and office |
| | W054 | \$4,100,000 | 12/18/08 | \$2,300,000 disbursed to date | Rehab four historic buildings |
| | W055 | \$1,900,000 | 11/20/08 | 6/30/10 | Demolition removal of over 100 structures |
| | W835 | \$6,000,000 | 1/21/10 | \$5,149,089 disbursed to date | Rehab five buildings for mixed use |
| | W868 | \$3,500,000 | 6/24/10 | 6/6/11 | Demolish over 77 dilapidated structures |
| Urban and Community Development | V877 | \$900,000 | 8/13/08 | 12/31/11 | Master planning for reuse of the Midtown site |

The Project:

Updated Project Completion - October 2015

Activity – The City is undertaking an infrastructure investment, including the installation of a new street grid, restoration and modification of the underground garage, development parcel preparation, a new pedestrian tunnel to the garage for Windstream, restoration of the truck service tunnel, utilities, landscaping, open space treatment and pedestrian corridors, and work related to the adaptive reuse of the former Midtown Tower.

The City and participating developers will construct the project in five phases:

- Phase 1- Construction of the truck service tunnel, the Windstream pedestrian tunnel and other site preparation on the Windstream Project parcel (completed in March 2013);
- Phase 2 – Rehabilitation of the underground garage (commenced in spring 2013; to be completed by spring 2014);
- Phase 3 – Morgan Management/Buckingham Properties will undertake the adaptive reuse of the former Midtown Tower into approximately 180 residential apartments

**City of Rochester – Midtown Redevelopment Infrastructure Capital –
Upstate City-by-City (X373)**

October 17, 2013

and 160,000 square feet of commercial space. The rehabilitation of the Tower will start in the winter of 2013 and be completed by the fall of 2015. (Note that the City’s work on the Tower is limited. Morgan Management/Buckingham Properties will complete the Tower project for an additional \$60 million);

- Phase 4 – Installation of a new street grid, utilities and landscaping (commenced in April 2013, to be completed by November 2014); and
- Phase 5 – Completion of the site with open space and pedestrian corridors (to commence in summer 2014 and be completed by fall 2015).

Results - An economic study prepared during the preparation of the environmental impact statement suggested that over an eight-to-ten-year period, a fully redeveloped Midtown site would bring approximately 1,500* new jobs (including 335 at Windstream), 370 new residences and other projects, for a total development valued at \$185 million.

* Adjusted to account for difference in PAETEC and Windstream downtown jobs.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|-----------------------------------|--------------|-------------------------|--------------|---------|
| Architectural & Engineering Costs | \$3,790,000 | ESD Grant* | \$11,182,331 | 25% |
| Construction | 41,114,899 | City of Rochester | 33,722,568 | 72% |
| Total Project Costs | \$44,904,899 | Total Project Financing | \$44,904,899 | 100% |

* Reallocation of balance of the \$55 million appropriation for Midtown, of which \$11 million was previously reallocated.

Financial Terms and Conditions:

1. Up to \$11,142,962 will be disbursed to the Grantee in four installments as follows:
 - a) a First Disbursement of an amount equal to 15.3% of the grant (\$1,700,000) will be disbursed upon documentation of at least \$1,700,000 in eligible expenditures for soft costs and related construction related to the former Seneca Building (Windstream project). All expenditures must be in compliance with ESD’s Design & Construction requirements, assuming that all project approvals have been completed and funds are available.
 - b) a Second Disbursement of an amount equal to 8.2% of the grant (\$910,622) upon documentation of at least \$910,622 in eligible expenditures for soft costs and related construction for improvements related to the Midtown Tower (aggregate costs of \$2,610,622), including but not limited to site work, repairs to the Midtown Tower roof, freight elevator repairs, and reimbursement to Morgan Management/Buckingham Properties for construction of an elevator lobby to the

**City of Rochester – Midtown Redevelopment Infrastructure Capital –
Upstate City-by-City (X373)**

October 17, 2013

pedestrian corridor, renovation of an emergency egress structure on Parcel 7, and weatherproofing of the upper floors. All expenditures must be in compliance with ESD's Design & Construction requirements, assuming that all project approvals have been completed and funds are available.

- c) a Third Disbursement of an amount equal to 10.9% of the grant (\$1,217,510) will be disbursed upon documentation of at least \$1,217,510 in eligible soft costs and related construction for improvements related to site work on the former Seneca Building (Windstream project) and repairs to the JPMorgan Chase building resulting from removal of a skyway connection (aggregate costs of \$3,828,132). All expenditures must be in compliance with ESD's Design & Construction requirements, assuming that all project approvals have been completed and funds are available.
- d) a Fourth Disbursement, subject to a finding issued by ESD's Legal Department that an indemnity agreement has been executed with the City, of an amount equal to 65.6% of the grant (\$7,314,830), but not to exceed the actual balance or surplus remaining from the overall \$55 million Midtown Upstate City-by-City appropriation, will be disbursed upon documentation of an additional \$14,688,010 in soft costs and related construction for the Midtown garage rehabilitation (aggregate costs of \$18,516,142). All expenditures must be in compliance with ESD's Design & Construction requirements, assuming that all project approvals have been completed and funds are available. Only up to \$142,962 of the Additional Grant may be part of a Grant Disbursement Agreement ("GDA") Amendment at this time, pending final assessment of any remaining liabilities that ESD may incur. The balance, \$39,369, may only be included in a GDA Amendment upon a finding issued by ESD's Legal Department that there are no remaining overt or contingent liabilities to ESD arising from the Midtown 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 April 1, 2008, the start of the New York State fiscal year in which the Midtown Upstate City-by-City Appropriation was authorized, to be considered eligible project costs.

- 2. The City will agree to defend and indemnify ESD from all claims related to the Midtown Project.
- 3. ESD may reallocate the additional project funds to another form of assistance, at an amount no greater than \$11,182,331, 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.

**City of Rochester – Midtown Redevelopment Infrastructure Capital –
Upstate City-by-City (X373)
October 17, 2013**

Except as modified herein, all other terms and conditions shall remain unchanged.

Design and Construction:

The project calls for the phased design and redevelopment of the Midtown site.

Phase 1 includes a \$1.7 million development incentive related to the Windstream Project for site improvements. ESD's funding represents 100% of this component's total costs. This component was completed in August 2013.

Phase 1 also includes reconstruction of pedestrian and truck tunnels and additional site improvements to the former Seneca Building. ESD's funding for this work is \$1,217,510 for hard construction costs. ESD's funding represents 100% of this component's total costs. This work was completed in the spring of 2013.

Phase 2 includes rehabilitating the existing three-level, 1,800-car underground parking garage. ESD's share for construction costs is estimated to be \$7,314,830. Total costs are estimated at \$14,688,010. This work started in spring 2013 and will be completed by spring 2014.

Phase 3 includes \$910,622 for critical building systems and site improvements to the former Midtown Tower. This component will be started in winter 2013 and be completed by fall 2015. ESD's funding represents 100% of this component's total costs. (This does not include the complete fit-out and interior treatments of the Tower, which will be undertaken separately by Morgan Management/Buckingham Properties.)

Phases 4 and 5, as described in the Project section, will not involve use of ESD funds, though ESD will remain involved in monitoring the project.

LaBella Associates will perform design and construction inspection services for the majority of Phase 1 and all of Phases 2 - 5. The firm is known to Design and Construction ("D&C") and is qualified to perform the work. Bergmann Associates will design and inspect the Windstream Project components of the work. It is also known to D&C and qualified to perform the work. Both firms are headquartered in Rochester.

D&C will review the project in conjunction with its requirements and forms. D&C will attend construction meetings, monitor construction progress, review and approve all change orders/contractor requisitions, and verify that all requirements have been satisfied prior to the approval and release of ESD funds. D&C will also review the completion of construction documents, project bidding and visit the site before funds are disbursed.

**City of Rochester – Midtown Redevelopment Infrastructure Capital –
Upstate City-by-City (X373)
October 17, 2013**

Environmental Review:

As an Involved Agency, the Directors issued an Findings Statement pursuant to the State Environmental Quality Review Act (“SEQRA”) and its implementing regulations of the New York State Department of Environmental Conservation for the Midtown Redevelopment Project at their meeting of May 21, 2009. This Findings Statement was based upon the Draft and Final Generic Environmental Impact Statement (“DGEIS” AND “FGEIS”) and Findings Statement issued by the SEQRA Lead Agency, the City of Rochester Director of Zoning. These findings addressed all aspects of the proposed Midtown Redevelopment Project, including those associated with the additional programmed funding in this amendment. Therefore, no further environmental review is required in connection with this action.

Non-Discrimination and Contractor & Supplier Diversity:

ESD’s Non-Discrimination and Contractor & Supplier Diversity policy will apply. The City is encouraged to use its best efforts to achieve a Minority Business Enterprise participation goal of 7% and a Women Business Enterprise participation goal of 3% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the construction work related to the project and to include minorities and women in any job opportunities created by the project.

Statutory Basis – Upstate City-by-City Project:

The project was authorized in the 2008-2009 New York State budget and reappropriated in the 2013-2014 New York State budget.

Section 10 Findings – Land Use Improvement Project

1. The area in which the project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest sound growth and development of the municipality.
Due to its decline over several decades and high vacancy rate, the project site meets these conditions.
2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.
The project involves the clearing of the site, infrastructure development, and plans for a corporate headquarters, housing/mixed uses and other uses still to be determined.
3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.
As previously mentioned, Pike Development and Morgan Management/Buckingham Properties, all private entities, are taking the initial lead in developing the site. All capital projects will be subject to applicable building codes or other regulations.

**City of Rochester – Midtown Redevelopment Infrastructure Capital –
Upstate City-by-City (X373)
October 17, 2013**

4. That the proposed facilities or project is consistent with any existing local or regional comprehensive plan.
A master planning document has been developed expressly for the Midtown project. Furthermore, all previous local comprehensive plans have identified the Midtown site as a priority for revitalization.

5. The requirements of Section 10(g) of the Act are satisfied.
As part of the Midtown project, in 2008-2009, the City of Rochester relocated all remaining commercial and retail tenants to appropriate buildings nearby (except for several tenants who closed their businesses and did not want to be relocated). Therefore, there are no families or individuals currently on the site that would be displaced from the project areas.

Disclosure and Accountability Certifications:

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

Attachments: Directors' Materials of May 23, 2011
Site/Project Map

**B. Mohawk Valley EDGE Cyber Research Institute Working Capital
(Y568)**

October 17, 2013

- Grantee:** Economic Development Growth Enterprises Corporation dba Mohawk Valley EDGE (“MVEDGE” or the “Organization”)
- ESD Investment:** A grant of up to \$600,000 to be used for a portion of the cost of staffing, workshops and industry events, research consultants, technical assistance and support services.
- Project Location:** Griffiss Institute, Griffiss Business & Technology Park, Rome, Oneida County
- Proposed Project:** Create a linkage between the Air Force Research Laboratory (“AFRL”) and key New York State public and private universities on cyber security research.
- Project Type:** Working Capital
- Regional Council:** The Mohawk Valley Regional Economic Development Council has been made aware of this item. The project is consistent with the Mohawk Valley Regional Economic Development Council Plan to build a diverse, integrated and dynamic economy that leverages technology and innovation to stimulate business investment and growth. The President, Steven DiMeo, of Mohawk Valley EDGE, is a member of the 31-person Mohawk Valley Regional Economic Development Council. In conformance with the State’s policy, this individual has recused himself on votes recommending this project. The Council includes 11 additional, ex-officio members who are elected officials but cannot vote on individual project recommendations.

Background:

Industry – Business and Economic Development

Organizational History - Economic Development Growth Enterprises, formed in 1996, is a not-for-profit corporation that provides business and economic development assistance in Oneida and Herkimer counties. MVEDGE is the region’s primary marketing organization and works with businesses that are considering expansion opportunities in upstate New York. MVEDGE spearheaded the redevelopment of the Griffiss Business and Technology Park in Rome, which has leveraged more than \$480 million in public and private investment.

Ownership - MVEDGE is a New York State 501(c) 3 not-for-profit corporation.

**Mohawk Valley EDGE Cyber Research Institute Working Capital
(Y568)**

October 17, 2013

Size – All facilities located in Rome, NY.

ESD Involvement - A \$600,000 appropriation was included in the FY 2013-2014 New York State budget.

Past ESD Support - Since 1995, the ESD Directors has approved approximately \$21 million in loans and grants to MVEDGE for a variety of capital, training and community development projects. All projects are complete or in compliance with ESD requirements.

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

| Program | Project # | Amount | Date Start (ESD Directors' Approval date) | Date End (Project Completion: Contract Expiration or Job Requirement) | Purpose |
|---|------------------|---------------|--|--|---|
| LOCAL ASST - Base Retention 12- 13 | Y069 | \$300,000 | January 17, 2013 | December 31, 2014 | Funds for a technical study, Web site development, and other cyber security research-related start up activities. |
| Economic Transition Program – RC1 | X623 | \$5,000,000 | November 15, 2012 | December 31, 2014 | Construct approximately 8,800 linear feet of two-lane heavy duty industrial access road including bikeway, storm water swales, bioswales, utility corridor and lighting to provide a loop access service roadway to the Marcy Nanocenter at SUNYIT. |
| Economic Transition Program – RC1 | X624 | \$5,000,000 | February 21, 2013 | December 31, 2014 | Replace 9,350 feet of 24" and 30" diameter sewer collection pipe with new 36" diameter pipe, from the Marcy Nanocenter site, Edic and River Roads, Marcy to the Oneida County Sewage Treatment plant on Leland Avenue, Utica. |

**Mohawk Valley EDGE Cyber Research Institute Working Capital
(Y568)**

October 17, 2013

The Project:

Completion – June 2014

Activity – MVEDGE will use this funding to support the start-up operations of the Cyber Research Institute (“CRI”). MVEDGE will work closely with CYBER New York Alliance (“CNYA”), the Griffiss Institute, Griffiss Local Development Corporation, and AFRL to connect large and small businesses and academic institutions with cyber and information technology research and development. This will help strengthen and boost the presence of AFRL and provide stronger ties with New York State universities and colleges to help improve New York’s position as a center of excellence in cyber-related activities.

Results – As a result of the project, MVEDGE will continue to be the one-stop-shop that works with businesses, oversee global marketing and business attraction efforts, act as lead on key regional economic development initiatives and forge alliances with other key regional economic development initiatives. MVEDGE will also sponsor workshops and industry events for businesses.

Upon completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|-----------------------------------|------------------|--------------------------------|------------------|-------------|
| General Administration - Staffing | \$300,000 | ESD Grant | \$600,000 | 100% |
| Workshops & Industry Events | 50,000 | | | |
| Research Consultants | 150,000 | | | |
| Technical Assistance | 50,000 | | | |
| Support Services | 50,000 | | | |
| Total Project Costs | \$600,000 | Total Project Financing | \$600,000 | 100% |

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

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

**Mohawk Valley EDGE Cyber Research Institute Working Capital
(Y568)**

October 17, 2013

Financial Terms and Conditions:

1. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. Up to \$600,000 will be disbursed to Grantee, no more frequently than monthly, upon documentation of eligible project costs, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after April 1, 2013 to be considered eligible for project costs.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$600,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

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

Statutory Basis – Local Assistance:

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

Disclosure and Accountability Certifications:

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



FOR CONSIDERATION

October 17, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation
(Capital Grants)

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

I. Project Summary

| | Project Name | Proj # | Grantee | Assistance up to |
|---|---|---------------|-------------------|-------------------------|
| | Local Assistance – Hurricane Irene-Tropical Storm Lee Flood Mitigation (Executive) | | | |
| A | Schoharie County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital | X912, Y487 | Schoharie County | \$5,303,374 |
| B | Washington County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital | X916, Y491 | Washington County | 441,785 |
| | TOTAL HURRICANE IRENE-TROPICAL STORM LEE FLOOD MITIGATION – 2 PROJECTS | | TOTAL | \$5,745,159 |

II. Program Description

A. Background

Hurricane Irene made landfall in New York on August 28, 2011. Shortly thereafter, Tropical Storm Lee struck New York on September 7, 2011. Both storms caused extensive flooding and substantial damage across New York. Following the aftermath of Hurricane Irene and Tropical Storm Lee, President Obama issued a state of emergency declaration for New York State, which allowed affected New Yorkers access to federal disaster relief funds. In an effort to provide additional flood disaster related relief aid, Governor Cuomo and the legislature created the Hurricane Irene - Tropical Storm Lee Flood Recovery Grant Program and appropriated \$50 million for assistance to businesses and communities that suffered losses as a result of these disasters. The enabling legislation designated \$9 million of the appropriation to be used for the Hurricane Irene – Tropical Storm Lee Flood Mitigation Grant Program (the “Program”), for grants to counties for flood mitigation or flood control projects in creeks, streams and brooks, and authorizes and empowers ESD, in consultation with the Department of Environmental Conservation (“NYSDEC”), to establish guidelines and such additional eligibility criteria as it deems necessary to effectuate the administration of this allocation for the benefit of counties included in the federal disaster declaration. An additional \$7 million from a New York State Department of Homeland Security and Emergency Services (“Homeland Security”) appropriation has been allocated for flood mitigation or flood control projects in creeks, streams and brooks.

Eligible Areas: Counties subject to the federal disaster declaration include Albany, Bronx, Broome, Chemung, Chenango, Clinton, Columbia, Delaware, Dutchess, Essex, Franklin, Greene, Hamilton, Herkimer, Kings, Montgomery, Nassau, New York, Oneida, Orange, Otsego, Putnam, Queens, Rensselaer, Richmond, Rockland, Saratoga, Schenectady, Schoharie, Sullivan, Suffolk, Tioga, Tompkins, Ulster, Warren, Washington, and Westchester Counties.

Eligible counties will receive grants between \$300,000 and \$500,000 for flood mitigation or flood control projects in those creeks, streams and brooks impacted by Hurricane Irene and/or Tropical Storm Lee. ESD shall give preference to applicants that demonstrate the greatest need, based on available flood damage data provided by applicable federal agencies. Priority also may be given to remediation which, if not undertaken, may result in additional flooding. Counties may jointly apply for assistance and the amount for such joint grants may equal the sum of the amounts that would have been separately available to the individual counties making the joint application.

Projects that are eligible for grants under this Program shall include the following:

- (1) Removal of flood debris located in stream channels and/or floodways within Eligible Areas;
- (2) Removal of gravel in or directly around bridges, culverts and other infrastructure that threatens public and private infrastructure integrity or that significantly constrains the

conveyance of water flows and by not removing such material(s) would likely exacerbate flooding from future high flow events;

(3) Installation or repair of stream bank stabilization measures;

(4) Stream channel restoration to pre-flood depth, width, gradient, and where appropriate channel characteristics, and stream channel stabilization involving natural stream design techniques;

(5) Stream bank restoration involving the removal of side cast bed load material, reconnecting a stream with its flood plain, and re-grading to pre-flood elevations combined with vegetative planting and stabilization;

(6) Culvert repair or replacement with preference given to replacement of culverts with bridging infrastructure, or by upgrading the size of culverts to ensure adequate future flows; and

(7) Those projects eligible and approved by the United States Department of Agriculture Natural Resource Conservation Service's ("NRCS") Emergency Watershed Protection ("EWP") Program. Projects eligible under NRCS's EWP program include, stream debris removal, stream bank stabilization and restoration, establishing cover on critically eroding lands, and repairing conservation practices necessary to relieve the immediate hazards to life and property created by Hurricane Irene and Tropical Storm Lee.

Eligible Costs: These funds may be used for the planning, design and implementation of eligible projects. Only planning costs which are a component of a specific project, which will receive funding under this Program, will be considered eligible costs. Local or regional flood planning initiatives are not eligible under this Program. In order for a project cost to be eligible, such cost must be reasonable and necessary as determined by ESD and NYSDEC. All work must be done in compliance with all applicable federal, state and local regulations.

Staff prepared guidelines for the implementation and administration of the Program, and were approved by the Directors at its January 20, 2012 meeting. The guidelines set forth the various Program requirements, including submission requirements, necessary documentation and appeal and audit processes.

B. The Projects

Twenty-three counties accepted grant awards for Flood Mitigation projects. Seventeen counties, 15 of whom received Flood Mitigation Grant awards, accepted grant awards that are funded by the Homeland Security funding. In total, ESD is administering grants for fund mitigation activities for 25 counties.

Each county's grant award(s) will be presented to the ESD Directors' for approval as each

county nears first disbursement requirements. ESD will enter into an agreement with each Grantee that will stipulate the manner in which funds will be disbursed. One project is being presented for approval today; other project(s) will be presented at a later date.

The attached project schedule provides a more detailed description of the recommended project.

III. Statutory Basis

The projects are sponsored by the Executive, and were reappropriated in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site(s).

IV. Environmental Review

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

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

V. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the projects. Unless otherwise specified in the project summary, Grantees shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 20% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 10% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantees shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the projects and to include minorities and women in any job opportunities created by the projects.

VI. ESD Employment Enforcement Policy

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

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

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

VIII. Additional Submissions to Directors

New York State Maps
Resolutions
Project Summaries

October 17, 2013

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

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

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

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

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

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

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

| | Project Name | Project # | Grantee | Assistance up to |
|---|---|------------------|-------------------|-------------------------|
| A | Schoharie County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital | X912, Y487 | Schoharie County | \$5,303,374 |
| B | Washington County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital | X916, Y491 | Washington County | 441,785 |
| | | | TOTAL | \$5,745,159 |

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. Schoharie County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
(X912 and Y487)**

October 17, 2013

General Project Plan

- Grantee:** Schoharie County (the “County” or “Grantee”)
- ESD Investment:** A grant of up to \$5,303,374 to be used for a portion of the cost of flood mitigation and flood control projects within the County.
- Project Location:** Towns of Gilboa, Fulton, Middleburgh, Seward and Blenheim, Schoharie County
- Project Type:** The project will entail bank stabilization and flood mitigation activities to reduce future flooding in the Project Locations.
- Regional Council:** The Mohawk Valley Regional Economic Development Council has been made aware of this item. The project will help to protect the natural beauty and resources of the region, enabling it to create a vibrant future by promoting and sustaining a diverse, integrated and dynamic economy that capitalizes on technology and innovation to drive collaboration, inclusiveness and efficiency in all endeavors.

Background:

History – Schoharie County was created in 1795 when it joined portions of Otsego and Albany County. Schoharie County has traditionally had an agricultural economy with many farms and farm stands with local produce. Residents who do not work in this industry typically commute to the Capital Region. The tourist industry is now emerging to visitors seeking local landmarks, old stores, hiking trails and man-made structures.

Size – The 11 proposed projects are drawn from known sites where erosion is damaging properties in Schoharie County.

ESD Involvement - a \$5,303,374 appropriation was included in the 2013-2014 New York State budget. The funding award was made in conjunction with the New York State Department of Environmental Conservation.

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

The Project:

Completion – December 2013

**Schoharie County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
(X912 and Y487)**

October 17, 2013

Activity – Schoharie County will undertake the following 11 projects included in the application for Schoharie County. The projects commenced in the fall of 2012 and will conclude in the winter of 2013.

Line Creek: This project involves two miles of Line Creek to be cleared of debris and gravel deposits to restore flow capacity. This project will also involve the evaluation and reworking of the hard bank stabilization techniques used by emergency contractors. When restoration is complete, bioengineering techniques will be incorporated to provide soil stabilization and habitat improvement.

Armlin Road: This project involves debris removal and the establishment of a rock lined friction channel that will transition culvert flow to the stream channel and dissipate water velocity.

Reach A – NYS Route 145: This project involves removing debris and using natural stream design to establish stable stream geomorphology on 9,600 linear feet of stream.

Reach B – NYS Route 145: This project involves the stabilization of 8,600 linear feet of stream to protect NYS Route 145, local businesses and residences.

Reach C – NYS Route 145: This project involves the stabilization of approximately 6,000 linear feet of stream channel. This will protect a critical flood evacuation route for the Town of Middleburgh.

Reach D, just Below Lawton Hollow to Gridley Road: This project involves the stabilization of 6,900 linear feet of stream which will protect an identified Flood Evacuation Route that leads to an emergency shelter.

Brown Mountain Road Site 4 Gas Line: This project involves the stabilization of about 500 feet of stream, stabilizing the toe, the channel over the gas line and the slope. This will allow the Town of Gilboa to repair the road that has been closed since Hurricane Irene and has been used as a flood evacuation route.

Dave Brown Mountain Road Site 2: This project involves the stabilization of over 8,000 linear feet of stream bank and to establish a stable toe as well. This will allow the Town of Gilboa to repair a road that has been closed since Hurricane Irene.

Flat Creek Road: This project involves the stabilization of approximately one mile of the Platter Kill Creek, which will enable repairs to be made to Flat Creek Road, a flood evacuation route. This project also involves debris removal and utilizing natural stream design and bank stabilization.

**Schoharie County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
(X912 and Y487)
October 17, 2013**

Mill Valley Road Reach: This project involves the establishment of a toe to base the stream banks and reestablish the stream bed.

Below Beaver Pond at Clove and Richmondville Roads: This project involves the placement of stacked and pinned rock 10 to 12 feet high along the road side of the stream.

Results - The projects will remediate, mitigate and reduce future flooding in the selected areas affected by Hurricane Irene and Tropical Storm Lee.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|---------------------------|--------------|---|--------------|---------|
| Flood Mitigation Projects | \$23,967,679 | ESD Grant | \$5,303,374 | 22% |
| | | National Resources Conservation Service | 18,664,305 | 78% |
| Total Project Costs | \$23,967,679 | Total Project Financing | \$23,967,679 | 100% |

Grantee Contact - Alicia Terry, Director of Planning
276 Main Street
Suite 2, PO Box 396
Schoharie, NY 12157
Phone: (518) 295-8770 Fax: (518) 295-8788

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

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$5,303,374 will be disbursed to Grantee as follows:

Line Creek: Up to \$500,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$4,754,180.

**Schoharie County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
(X912 and Y487)
October 17, 2013**

Armlin Road: Up to \$7,735 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$30,939.

Reach A – NYS Route 145: Up to \$696,500 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$2,786,000.

Reach B – NYS Route 145: Up to \$902,750 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$3,611,000.

Reach C – NYS Route 145: Up to \$797,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$3,188,000.

Reach D, just Below Lawton Hollow to Gridley Road: Up to \$634,500 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$2,538,000.

Brown Mountain Road Site 4 Gas Line: Up to \$124,720 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$498,880.

Dave Brown Mountain Road Site 2: Up to \$127,500 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$510,000.

Flat Creek Road: Up to \$816,750 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$3,267,000.

Mill Valley Road Reach: Up to \$688,024 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$2,752,100.

Below Beaver Pond at Clove and Richmondville Roads: Up to \$7,895 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$31,580.

4. ESD may reallocate the project funds to another form of assistance, at an amount no

**Schoharie County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
(X912 and Y487)
October 17, 2013**

greater than \$5,303,374, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor Diversity policy will apply to the Project. The Grantee shall be required to use good faith efforts to achieve a Minority Business Enterprise ("MBE") Participation goal of 8% and a Women Business Enterprise ("WBE") Participation goal of 7% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

Statutory Basis – Local Assistance:

The project was authorized via two appropriations. The Hurricane Irene-Tropical Storm Lee Flood Recovery Grant Program was authorized in the 2011-2012 New York State budget and reappropriated in the 2013-2014 New York State Budget. The Division of Homeland Security and Emergency Services Disaster Assistance Program was authorized in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals being displaced by the project.

Disclosure and Accountability Certifications:

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

**B. Washington County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
(X916 and Y491)
October 17, 2013**

General Project Plan

- Grantee:** Washington County (the “County” or “Grantee”)
- ESD Investment:** A grant of up to \$441,785 to be used for a portion of the cost of flood mitigation and flood control projects within the County.
- Project Locations:** Villages of Granville and Salem and Town of Salem, Washington County
- Project Type:** The project will entail bank stabilization and flood mitigation activities to reduce future flooding in the Project Locations.
- Regional Council:** The Capital District Regional Economic Development Council has been made aware of this item. The project will help to protect the natural beauty and resources of the region, enabling it to create a vibrant future by promoting and sustaining a diverse, integrated and dynamic economy that capitalizes on technology and innovation to drive collaboration, inclusiveness and efficiency in all endeavors.

Background:

History – Washington County was originally part of Albany County when counties were established in New York State in 1683. In 1772, Albany County split into three parts; Albany County, Tryon County and Charlotte County. In 1784, Charlotte County changed its name to Washington County to honor George Washington, the American Revolutionary War general and President of the United States of America.

Size – The 10 proposed projects are known sites where erosion is damaging properties in Washington County.

ESD Involvement - a \$441,785 appropriation was included in the 2013-2014 New York State budget. The funding award was made in conjunction with the New York State Department of Environmental Conservation.

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

The Project:

Completion – December 2013

Activity – Washington County will undertake the following 10 projects included in the

**Washington County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
(X916 and Y491)
October 17, 2013**

application for Washington County. The projects commenced in the fall of 2012 and will conclude in the winter of 2013.

Archibald Street Bridge: This project involves the removal of the Archibald Street bridge deck, removal and re-installation of guide rails and re-arrangement of rocks in the stream bed.

Down Stream Railroad Bridge and Adjacent Farm Access Bridge: This project involves the installation of two rock vanes upstream.

Flood Control Channel: This project involves the installation of a depressed grassy swale and excavation of approximately 80 feet of Blind Buck Road to further connect the stream with its floodplain.

Protect Embankment at Inlet of Beattle Hollow Bridge: This project involves the stabilization of erosion around abutments at Beattle Bridge.

Remove Former Bridge Abutment: This project involves the removal of the bridge abutment.

Construct Meander Just Upstream of Gravel Deposits: This project involves blocking off a former meander and the re-construction of an existing meander in the main channel.

Remove Gravel Deposits: This project involves the removal of approximately 1,556 cubic yards of gravel from an approximate area of 145 feet by 200 feet by an average depth of two feet deep.

Improvements between Chambers Road Bridge and Rail Road Bridge: This project involves the removal of large stone protection on the outside of the stream bank that is 30-40 linear feet, relocation to protect adjacent railroad bridge from scour and replacement of existing large stone with NYS DOT stone fill to approximately 5 feet high and formation of a channel above the NYS DOT stone fill approximately 20 feet wide by 3 feet deep by 50 feet long.

Museum Property: This project involves bank restoration with rip rap to restore the original flow of the river on the museum property.

Well Field: This project involves the repair and restoration of a berm to prevent further contamination of this well field.

**Washington County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
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Results - The projects will remediate, mitigate and reduce future flooding in the selected areas affected by Hurricane Irene and Tropical Storm Lee.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|---------------------------|-------------|--------------------------|-------------|---------|
| Flood Mitigation Projects | \$968,842 | ESD Grant - Project Cost | \$441,785 | 43% |
| Engineering and Surveying | 55,465 | Local Funding | 582,522 | 57% |
| Total Project Costs | \$1,024,307 | Total Project Financing | \$1,024,307 | 100% |

Grantee Contact - Scott Tracy, Senior Engineer
Washington County DPW
383 Broadway
Fort Edwards, NY 12828
Phone: (518) 746-2440 Fax: (518) 746-2441

Project Team - Project Management Jared Walkowitz
Contractor & Supplier Diversity Elizabeth Gocs
Environmental Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$441,785 will be disbursed to Grantee as follows:

Archibald Street Bridge: Up to \$36,740 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$49,347.

Down Stream Railroad Bridge and Adjacent Farm Access Bridge: Up to \$21,110 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$33,717.

Flood Control Channel: Up to \$37,500 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$50,107.

**Washington County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
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Protect Embankment at Inlet of Beattle Hollow Bridge: Up to \$17,450 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$30,057.

Remove Former Bridge Abutment: Up to \$5,440 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$15,507.

Construct Meander Just Upstream of Gravel Deposits: Up to \$28,890 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$41,497.

Remove Gravel Deposits: Up to \$71,260 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$96,473.

Improvements between Chambers Road Bridge and Rail Road Bridge: Up to \$10,730 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$23,337.

Museum Property: Up to \$80,575 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$322,300.

Well Field: Up to \$76,625 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$306,500.

Administration Fee: Up to \$55,465 has been approved by the Department of Environmental Conservation for engineering and surveying for all the above projects.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$441,785, 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.

**Washington County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital
(X916 and Y491)
October 17, 2013**

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor Diversity policy will apply to the Project. The Company shall be required to use "good faith efforts" to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 20%, a Minority Business Enterprise ("MBE") Participation goal of 12% and a Women Business Enterprise ("WBE") Participation goal of 8%, related to the total value of ESD's funding, and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

Statutory Basis – Local Assistance:

The project was authorized via two appropriations. The Hurricane Irene-Tropical Storm Lee Flood Recovery Grant Program was authorized in the 2011-2012 New York State budget and reappropriated in the 2013-2014 New York State Budget. The Division of Homeland Security and Emergency Services Disaster Assistance Program was authorized in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals being displaced by the project.

Disclosure and Accountability Certifications:

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

Empire State Development

FOR CONSIDERATION

October 17, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Brooklyn (Kings County) – Atlantic Yards Land Use Improvement and Civic Project

REQUEST FOR: Adoption of Modifications to Project Building 4 Design Drawings SK-1935, SK-1943, and SK-1944; and Authorization to Take Related Actions

Summary

Developer Forest City Ratner Companies, acting through itself and various affiliates.

Project Site Generally bounded by Atlantic, Flatbush, and Vanderbilt Avenues and Dean Street. See Project Site Map attached as Exhibit A.

Project Description The Project's ~18,000 seat arena opened in September 2012. The Project also includes the development of 16 buildings for residential, office, and retail uses, and potential ancillary uses, and includes up to 6,430 units of housing, including 4,500 rental units, of which 2,250 units (50%) will be affordable to low, moderate, and middle income households; the development of a reconfigured and improved Vanderbilt train yard and subway facility improvements; and the creation of 8 acres of publicly accessible open space.

General Project Plan The Project's initial General Project Plan was affirmed, as modified, by the Directors on December 8, 2006 (the "2006 MGPP"). On September 17, 2009, the Directors affirmed a further modified General Project Plan, which amended and restated the 2006 MGPP (the "2009 MGPP").

Proposed Modifications Design Guidelines for the Project were attached to the 2006 MGPP. The same Design Guidelines, unchanged and unmodified, were attached to the 2009 MGPP. Developer is required to construct the Project in conformance with the Design Guidelines. One appendix to the Design Guidelines is a set of dimensioned architectural drawings illustrating the permissible bulk envelope for each Project building. Staff recommends

that the bulk envelope drawings relevant to Project Building 4 (“B04”), specifically SK-1935, SK-1943, and SK-1944, be modified, for the reasons set forth below, and as more fully detailed below. Copies of the current, and the proposed revised, drawings SK-1935, SK-1943, and SK-1944 are attached as Exhibit B. No other Project building design is affected.

Project Background

In 2006, the Directors accepted a Final Environmental Impact Statement (“FEIS”) for the Project and affirmed the 2006 MGPP. In 2009, the Directors approved certain further modifications to the Project by affirming the 2009 MGPP. As a result, ESD condemned certain Project properties required for Project construction, and ESD, the Developer, The City of New York, the Metropolitan Transportation Authority, and various other parties entered into Project contractual documents requiring and defining development of the Project consistent with the 2009 MGPP. The Project’s arena, with associated transportation and infrastructure improvements, opened in September 2012. Construction of the first non-arena building, a predominately residential building known as building 2 (or “B02”), has commenced (see Exhibit B, SK-1935) and is expected to be completed in 2014. Construction work is also proceeding on train yard improvements. Construction of B04 has not commenced.

Design Guidelines Background

The Design Guidelines attached to the 2009 MGPP set forth both general goals and objectives and specific requirements for Project design. General goals include: development envelopes that establish street wall presence and a unique identity for individual buildings; modulated building scale with setbacks and horizontal and vertical architectural breaks; and building façade articulation with variation in materials and window detailing. Relevant specific requirements for B04 include: Atlantic and 6th Avenue street walls; varying architectural treatments of the B04 façade (both horizontally and vertically) to define the lower, middle, and upper portions of the building; and an overall building floor area cap of 824,629 gross square feet above grade.

B04 Drawings Modification Background

Certain changed circumstances support Developer’s request to modify the B04 building design drawings. It was originally contemplated that substructure for the arena and B04 would be constructed simultaneously. Instead, the arena as completed extends into the originally contemplated B04 footprint, which precludes the installation of B04 foundations in that area. Cantilevering the upper portions of B04 over the arena is not structurally feasible given the proposed B04 construction. Accordingly, in order to maintain the expected number of housing units (including affordable housing units), a portion of the B04 building envelope must shift slightly east and south. See Exhibit B. Absent the modifications, B04 would be much smaller, would be inefficiently configured, and would contain many fewer units, including affordable housing units, than originally contemplated by the 2009 MGPP and Design Guidelines.

Proposed Modifications to B04 Drawings SK-1935, SK-1943, and SK-1944

The proposed B04 modifications would allow the southern portion of the B04 building envelope to shift approximately 30 feet eastward toward 6th Avenue and extend approximately 15 feet southward (see Exhibit B; SK-1943 Current and Proposed Revised) in order to maintain a feasible residential floor plate for the B04 upper floors. More specifically, the modifications include:

1. At grade, the B04 setback from 6th Avenue (beyond 100 feet south of Atlantic Avenue) would be reduced from 25 to 15 feet;
2. Above the B04 base, the set back in the same portion of the 6th Avenue frontage would be reduced from 15 to 5 feet;
3. Above the B04 shoulder, the set back in the same portion of the 6th Avenue frontage would be reduced from 15 to 5 feet; and
4. Above the B04 shoulder, the southern frontage setback would be reduced from 35 to 20 feet.

Along Atlantic Avenue, the B04 base, shoulder, tower, setbacks, architectural breaks, and street wall would not be modified.

The proposed modifications do not require modification of the 2009 MGPP or of the text of the Project's Design Guidelines, and are consistent with both the general goals and objectives of the Design Guidelines and with the specific Design Guideline requirements for B04. Such modifications would not increase the permitted floor area or height of B04. The overall building floor area cap of 824,629 gross square feet above grade would not change and the B04 design envelope, as modified, would not change that cap. The modifications would not change the use of B04, which would remain a residential building with a mix of market-rate and affordable units and retail at its base. The modifications would not change the sidewalk widths assumed in the FEIS. B04, with the modifications, would continue to achieve the overall design goals of the Design Guidelines, which contemplate physical setbacks and architectural treatments to provide visually interesting facades.

Environmental Review

The Project's FEIS was completed in 2006 pursuant to the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. The Directors: (a) in support of the 2006 MGPP, adopted SEQRA Findings on December 8, 2006 based on the FEIS; and (b) in support of the 2009 MGPP, also accepted a June 2009 Technical Memorandum and a December 2010 Technical Analysis. ESD currently is preparing an SEIS for the Project's Phase II.

In order to assess any new or different potential significant adverse environmental impacts from the modifications proposed in these materials, ESD staff prepared a Technical Memorandum, dated October 2013 (the "Tech Memo"). The Tech Memo concludes that such modifications: (a) would be consistent with the general goals and objectives of the Project's Design Guidelines; (b) would be consistent with the specific B04 Design Guideline requirements; (c) would not materially alter the B04 design envelope; and (d) would not result

in any new or substantially different significant adverse environmental impacts than those addressed in the FEIS. Therefore, a Supplemental Environmental Impact Statement is not needed in connection with the proposed modifications set forth in these materials, and no further environmental review is required under SEQRA in connection with such proposed modifications.

Specifically, the Tech Memo found that the proposed modifications would have no effect on most of the technical analysis set forth in the FEIS, because they would not affect the floor area or uses of B04, its location at the southwest corner of Atlantic and 6th Avenues, or the sidewalk widths assumed in the FEIS analysis. With respect to urban design, the Tech Memo found that the proposed modifications would not materially change the urban design impacts of the Project, because the changes at issue relate only to B04, and are not material, because the changes at issue are not inconsistent with the Design Guidelines. The maximum allowable floor plate of the portion of B04 above the shoulder would not be any larger than what could be developed under the current B04 design envelope. The objective of the setbacks in contributing to the variation of the eastern and southern facades of B04 would be achieved by the modified setbacks and through changes in architectural treatment both vertically and horizontally, an issue that will be examined by ESD staff prior to any staff determination as to whether a specific proposed design for B04 is consistent with the Design Guidelines. The Tech Memo also concludes that the proposed setback modifications would not materially change shadow impacts.

Affirmative Action

The Project's non-discrimination and affirmative action requirements will continue to apply to the Project.

Requested Actions

The Directors are requested to adopt the proposed modifications set forth in these materials and to authorize all actions related to the foregoing.

Attachments

Resolutions

Exhibit A – Project Site Map

Exhibit B – Project architectural renderings SK-1935, SK-1943, and SK-1944, as currently effective and as proposed to be revised

October 17, 2013

Brooklyn (Kings County) – Atlantic Yards Land Use Improvement Project and Civic Project - Adoption of Modifications to Project Building 4 Design Drawings SK-1935, SK-1943, and SK-1944; and Authorization to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the “Materials”) in connection with the Atlantic Yards Land Use Improvement and Civic Project (the “Project”), the Final Environmental Impact Statement (“FEIS”) prepared under the State Environmental Quality Review Act (“SEQRA”), and all prior SEQRA documents prepared in connection with the Project, the Corporation hereby finds: (a) the proposed modifications set forth in the Materials would not result in any new or substantially different significant adverse environmental impacts than those addressed in the FEIS; (b) therefore, no Supplemental Environmental Impact Statement is required in connection with the proposed modifications set forth in these Materials; and (c) no further environmental review is required under SEQRA in connection with such proposed modifications; and be it further

RESOLVED, that based on review of the Materials, the FEIS, and all prior SEQRA documents prepared in connection with the Project, the Corporation hereby adopts the proposed modifications set forth in the Materials, specifically being the modifications to Project Building 4 Design Drawings SK-1935, SK-1943, and SK-1944; and be it further

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

* * *

FOR CONSIDERATION

October 17, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Procurement of: Legal Services

REQUEST FOR: Authorization to Enter Into a Contract with Winston & Strawn LLP to Provide Legal Services as Bond Counsel in Connection with Correctional and Youth Facilities Bonds and to Take Related Actions

I. CONTRACT SUMMARY

Contractor: Winston & Strawn LLP

Scope of Services: Counsel will advise Corporation in transferring properties securing Correctional and Youth Facilities Bonds.

Contract Term: Three (3) years

Contract Amount: \$300,000

New Proposed Total
Contract Amount: \$300,000

Funding Source: Corporate Funds

II. BACKGROUND

In the spring of 2011, the Division of the Budget and the Legislature agreed to close several correctional and juvenile facilities around the State operated by the Department of Corrections and Community Supervision and the Office of Children and Family Services.

At the request of the Governor's Office, an ad hoc committee of agency heads, together with staff from the NYS Office of General Services, the Division of Budget and Empire State Development ("ESD" or the "Corporation") have engaged in periodic discussions focused on disposition of these large institutional properties. These deliberations verified that virtually all the facilities require creative approaches in order to transfer them from State ownership and to avoid the continued carrying costs and potential liabilities associated with depreciating properties. Some of the facilities are marketable and can be sold for some consideration while others can only be donated for economic development purposes consistent with ESD's mission and the needs of the surrounding community. Most of the facilities were constructed or renovated with the proceeds of bonds ("Bonds") issued by ESD and some are still owned by ESD as part of a bond financing lease structure.

As Bonds are paid or refunded, prison properties are no longer required to be owned by New York State Urban Development Corporation and can be transferred back to New York State Office of General Services and New York Department of Corrections and Community Supervision. In addition, as prisons are closed, an analysis of Federal tax exempt bond regulations is required prior to sale or reuse of such facilities.

Accordingly, there are both state and federal restrictions on a change in use or ownership of correctional projects previously financed by state bonds. The state restrictions emanate from the bond and lease structure and the federal restrictions emanate from federal tax law generally applicable to tax exempt financing.

A. Lease Structure.

The lease revenue structure utilized by 3 bond correctional facilities bond resolutions and a youth facilities bond resolution for bonds issued between the mid 80's and mid 90s imposes requirements and restrictions on the disposition of facilities that were funded with such bonds. Two bond resolutions were for prison facilities; one was for Attica and one was for youth detention facilities.

Even if bonds utilizing the original lease funding have been retired, the restrictions and requirements continue for the correctional facilities bonds because the original bonds have been refunded by refunding bonds under the same resolutions and such refunding bonds remain outstanding. However, such restrictions and requirements

no longer apply to the disposition of youth facilities, since there are no longer any lease revenue bonds (either original “new money” bonds or refunding bonds) outstanding under the youth facilities bond resolution.

The state leasing structure did not provide for prepayment of the correctional facilities bonds or any other event that could result in the pro rata reduction of prison facilities subject to outstanding leases. Accordingly, termination or amendment of the leases, amendments to the resolutions, analysis of the parameters of the lease (scope, value, relationship to entire issuance), bond counsel opinion and other related documents will be necessary.

B. Federal Rules Applicable to Tax Exempt Financing

In addition to the restrictions and requirements of the lease financing structure, the federal tax law imposes restrictions on the disposition of prison facilities and youth facilities that must be satisfied in order to preserve the tax-exempt status of the bonds outstanding (whether new money bonds or refunding bonds) with respect to such facilities. Federal tax law restrictions involve detailed rules applicable to dispositions that change the ownership or use of the facilities to private ownership or use, where private payments are made for such ownership or use. The tax restrictions apply to both correctional facilities and youth facilities financed with outstanding new money or refunding bonds, regardless of whether the related bonds were secured by leases with the State or by service contracts with the State.

Actual lease finance and tax restrictions applicable to a particular facility selected for disposition will vary depending on the identity of the intended recipient, the intended and actual use of proceeds and the size and value of the facility relative to the initial size of the bond issuance. For example, as stated above, youth facilities bonds, which had a parallel lease structure, do not have any bonds outstanding from the lease bond resolution such that lease termination is far simpler but federal tax law restrictions on sale and use still apply.

C. General

Specialized bond tax counsel from Winston and Strawn (“Winston”) has previously been consulted and retained under a contract that has since expired. Pursuant to the previous contract, Winston analyzed the entire ESD correctional facilities bond portfolio and prepared a thorough analysis of applicable law, the terms of the applicable bond resolutions, the facilities or portions thereof allocable to bonds under the various resolutions, the possible relevance in certain cases of the use of the facilities after sale, the different types of potential recipients, the types of sales/grants and detailed restrictions on use of sale proceeds. This research and background provides the basis for conducting the necessary analysis for each proposed transaction and helps determine the necessary individualized documents and opinions.

Winston also provided necessary opinions and other documentation and analysis on several specific transactions. Winston did not exceed the prior retainer amount but several ongoing transactions incurred time charges after the expiration of the retainer period. The authorization for a new contract is necessary to complete these ongoing matters, as well as to provide necessary legal support with respect to new prison disposals contemplated by the State initiative to transfer or sell closed correctional facilities.

III. CONTRACTOR SELECTION PROCESS

On April 23, 2012, staff placed an advertisement in the New York State Contract Reporter requesting proposals from law firms in the following areas of law: real estate and land use, environmental; construction; condemnation, bankruptcy; labor; taxation; bond financing; foreclosure and, in each case, related litigation. Proposals were due by May 17, 2012.

Sixty-six (66) firms responded to the solicitation of which Winston & Strawn was one of the respondents. The responses were evaluated by a Review Committee consisting of the Deputy General Counsel and five Senior Counsels, including the Senior Counsel primarily responsible for bond financing and Senior Counsel for environmental and litigation matters. The submissions were evaluated on the basis of, among other things: number and experience of attorneys practicing in each area of expertise; demonstrated experience in development projects similar to those in which the Corporation engages; experience in government and public/private initiatives generally; presence and size of offices(s) in New York State; the firm's current arrangement; and/or willingness to engage in future MWBE partnering or mentoring arrangements; and willingness to work within the Corporation's limitation on hourly fees. In some cases, additional information was requested in clarification of an initial submission and nine firms were selected for interviews.

On September 20, 2012 the Directors approved the establishment of a Pre-qualified Counsel List. As an approved bond counsel on the list with specific, unique expertise in the applicable bond resolutions, Winston was selected to address the issues associated with the disposition of the prison facilities.

IV. SCOPE OF WORK

Counsel will advise the Corporation in bond, tax and related areas necessary to transfer correctional and youth facilities financed or secured by ESD Bonds.

V. CONTRACT TERM, PRICE AND FUNDING

The term of the contract will be three years. Contractor will work at an hourly rate. The source of funding is Corporate funds. In certain circumstances where the facilities are sold for cash, fees will be paid from the proceeds of the sale.

VI. REQUESTED ACTION

The Directors are being asked to authorize the retention of Winston & Strawn LLP as counsel to the Corporation in an amount not to exceed \$300,000, with contract to expire in three years. Compensation will be at rates not to exceed ESD limits.

VII. RECOMMENDATION

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

VIII. ATTACHMENT

Resolution

October 17, 2013

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE
DEVELOPMENT - Authorization to Enter Into a Contract with Winston & Strawn
LLP to Provide Legal Services as Bond Counsel in Connection with Correctional
and Youth Facilities Bonds and to Take Related Actions

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Winston & Strawn, in an amount not to exceed \$300,000, for the purposes and services, and substantially on the terms and conditions set forth in the attached Materials.

FOR CONSIDERATION

October 17, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Small Business Technology Investment Fund (SBTIF)

REQUEST FOR: Authorization of a Follow-On Investment of SBTIF funds in Primet Precision Materials Inc.

Project Summary

Awardees: Primet Precision Materials Inc. (the “Company”)

Amount: \$31,755 (the Fund’s pro-rata amount) invested in a Convertible Note

Project Location: Ithaca, NY

Anticipated Funding Source: The \$3,000,000 in liquid assets held by ESD for SBTIF.

ESD Project No.: Y688

Project Team:

| | |
|---------------------------------|-----------------|
| Origination | Clayton Besch |
| Project Management | Clayton Besch |
| Legal | Richard Dorado |
| Contractor & Supplier Diversity | Diane Kinnicutt |
| Environmental | Soo Kang |

Background

The Small Business Technology Investment Fund (SBTIF or the Fund) is a state-run early-stage venture capital Fund. Established in 1982 with \$15.3 million from State and Federal sources, the Fund has invested in 142 early-stage, high-tech, New York State based companies. The SBTIF portfolio currently consists of 20 companies, as well as four publicly traded companies. It has also invested in two seed stage funds, one in Western New York and one in New York City. The Fund currently has about \$3,000,000 in liquid assets to invest in new investment opportunities and follow-on investments in current portfolio companies.

SBTIF provides early-stage, innovative technology companies throughout New York State with a source of venture capital financing. The Fund works closely with State-funded Centers of Advanced Technology and Centers of Excellence, university tech transfer offices and business incubators across the State to source deal flow and mentor potential portfolio companies. In order to leverage funds from the private investment community, the Fund also requires a co-investment by local venture capital funds and/or angel investors. The Fund has invested in companies with technologies in the areas of software, biotechnology, medical devices, optics, telecommunications, advanced materials, energy, and green technology.

SBTIF is part of a larger equity investment strategy that includes the Innovate NY Fund, a \$45 million seed stage equity fund and the new \$50 million Innovation Venture Capital Fund.

Past State Support for Primet Precision

In March of 2011 SBTIF invested \$300,000 in the Series D round when Primet Precision Materials began its project to build out its pilot production line and work with Dow Chemical as a strategic partner. Co-investors are Cayuga Ventures in Ithaca and CNY Seed, the Syracuse angel investment group.

Other funds from state and local government include a “Grant for Growth” of \$75,000 from a program managed by CentralStateCEO and funded by ESDC, a NYSERDA funded NY-BEST R&D grant of \$40,000 shared with Cornell, and a facility loan from Tompkins County Area Development for \$125,000. NYSERDA awarded Primet Precision a research contract for the development of next-generation, high-voltage electrode materials for lithium-ion batteries totaling \$890,000. Primet Precision has also enjoyed the benefit of being located in an Empire Zone.

Project Status

The Company has made progress on a number of fronts since the last round of investment. It expanded its manufacturing facility by installing a new production line in its facility in Ithaca, NY and hired a high quality team (the Ithaca area has an impressive entrepreneurial workforce).. This success arose from the Company’s refined understanding of the material and process’ strengths. The clean energy aspect of the product represents a significant value-add. The Company developed relationships with the leading battery manufacturers of the world, focusing on R&D with Samsung and Umicore and the scaling of manufacturing with BYD and INSCX. The Company also began to broaden its process for other markets such as mining and electronics materials and is generating purchase orders from those areas.

The current convertible note to raise roughly \$2,200,000 will be an insider round inviting current shareholders to invest pro-rata to the shareholders’ percentage of equity ownership, which calculates to \$31,755 for SBTIF. The convertible note performs like a loan instrument with 8% interest, compounding annually, until the next investment round is raised some time in the future. The value of the note is then converted to equity at a 30% discount to the value

paid by investors at that time. If the Company has a liquidity event before the next round, which is considered a possibility by management, then the note is repaid in full to SBTIF before any of the equity holders are paid out.

As part of the due diligence process, SBTIF staff and an external Investment Review Committee reviewed the Company and the terms, and unanimously recommends the investment. Besides preventing dilution of the Fund's investment in the Company at an opportune time, SBTIF feels that the growth shown and opportunity offered by the Company as it develops its process and its market warrants continued support through participation in this insider round.

Statutory Basis

The Small Business Technology Investment Fund was formerly under the jurisdiction of the New York State Office of Science, Technology and Academic Research which was abolished pursuant to Public Authorities Law §3157. Pursuant to Public Authorities Law §3165, Economic Development Law §360, and Executive Law §209-f, appropriations with respect to the Fund and assets and liabilities of the Fund were transferred to ESD, and administration of the Fund was transferred and assigned to, assumed by and devolved upon ESD. Fund investments, including equity and convertible debt investments, are authorized by ESD investment guidelines.

Environmental Review

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

Non- Discrimination and Contractor & Supplier Diversity

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

Additional Submissions to Directors

Schedule A – Summary Description of Primet Precision Materials Inc.

Schedule B – Summary of the Convertible Note Investment Terms

October 17, 2013

Small Business Technology Investment Fund - Authorization of a follow-on investment of SBTIF funds in Primet Precision Materials, Inc.

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials"), relating to the Small Business Technology Investment Fund (the "Fund"), the Corporation is authorized to make an additional Fund investment, in an amount not to exceed \$31,755, in Primet Precison Materials (the "Company") and to enter into agreements and related documentation with the Company and the investment entities named in the Materials in order to effect such investment; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the investment, and each of them hereby is, authorized to take such actions, including modifying the terms of the investment and entering into additional agreements with the Company and others, as he or she may deem necessary or appropriate in the administration of the Corporation's investments in the Company; and be it further

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

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

* * *

Schedule A
Small Business Technology Investment Fund:
Summary Description of Primet Precision Materials Inc.
Board of Directors Meeting
October 17, 2013

Primet Precision Materials Inc.

Primet Precision, which is based in Ithaca, NY, was founded to capitalize on breakthrough NanoScission process technology for engineering of fine particles from the sub-micron to the low nanometer range. After establishing core patents and exploring its utility in a wide range of uses, from 2009 onward the firm focused its efforts on advanced materials for lithium ion batteries, where it has an unmatched ability to optimize electrochemical performance.

Adopting Primet's technology doesn't require any changes in the design or production of batteries or vehicles. Primet's process simply makes electrode materials at large scale, at low cost, and with market required performance. Primet's water based environmentally-friendly process technology offers dramatic savings – up to 85% reductions in both capital and operating costs for electrode material production, and with lower-cost raw materials than the industry uses today. Use of Primet's technology will drive the cost of making advanced materials down to just a few \$/kg over the cost of base mineral raw material.

Products from Primet's NanoScission process has been recognized by industry and US government laboratories as a significant improvement over those from conventional process technology for the production of advanced materials. Performance of materials made by Primet has been verified by the world's leading lithium ion battery companies in commercial batteries tested for thousands of cycles.

Primet operates a process demonstration facility in Ithaca, NY capable of demonstrating production rates of 60 tons of electrode materials per year, enough to build 25 mega-Watt hours (MWh) of batteries – the equivalent of 1,200 electric vehicles such as the Nissan Leaf – and proving the industrial scale and robustness of its process.

Primet's NanoScission process technology relies on a broad portfolio of globally-filed and issued patents, as well as extensive trade secret knowledge on desirable particle features and the processes and equipment required to create them. Their intellectual property covers the entire production process for the conversion of base minerals into electrode powders, coating and doping of electrode compositions, and methods for making consistent slurries that are ready for electrode fabrication.

Schedule B
Small Business Technology Investment Fund:
Primet Precision Materials Inc. Follow-On Investment
Summary of Convertible Note Investment Terms
Board of Directors Meeting
October 17, 2013

Primet Precision Materials, Inc. (the “Company”)

Principal Terms of a Convertible Debt Term Sheet

Amount of Financing: Up to \$2,250,000, in the following tranches (with each investor funding its proportionate piece of each tranche); each tranche to be funded after approval of a majority of the outstanding convertible debt at the time of such tranche (the “Required Lenders”). If an investor who agrees to participate in this financing does not fund Tranche 2 or Tranche 3 after the Required Lenders approve such tranches then such non-funding investor will forfeit any previously funded tranche.

Tranche 1: \$750,000 on or about August 15, 2013;

Tranche 2: \$750,000;

Tranche 3: \$750,000.

Proceeds to be used in a manner consistent with a monthly revised budget provided to investors prior to close of financing. The investors want to see the Company’s monthly burn rate controlled and reduced wherever prudent and possible.

Furthermore, the Company understands and acknowledges that it is the objective of the investors to move the company to a sale as soon as possible and if that does not occur then to a financing transaction (preferably non-dilutive) from a strategic investor who has expressed bona fide interest in acquiring the Company.

Investors would enter a standard Loan Syndication Agreement. The terms of the promissory notes (the “Notes”) and Loan Syndication Agreement would provide that a vote of the Required Lenders is required to take various actions with respect to the debt and also to approve certain actions by the Company. Unless otherwise agreed to in writing by the Required Lenders, the Company would not (i) incur any indebtedness for money borrowed (other than trade credit incurred in the ordinary course of business), (ii) guarantee any indebtedness of others, (iii) pay any dividends or make any distributions to its equity owners (other than stock splits in the form of stock dividends); or (iv) subject any of the Company’s assets to a

lien (other than ordinary liens arising by operation of law).

Expected Closing: After August 15, 2013 for the first tranche, followed by the second and third tranches within approximately 8 months.

Security Interest: Except with respect to the equipment financings pursuant to the agreements with Tompkins County Area Development, the Notes will be secured by a first priority security interest in all assets of the Company, including patents, patent applications, process documentation, any other trade secrets documentation, and any other intellectual property and the Notes shall be senior (except as provided below) to any current and future outstanding indebtedness, liens or other outstanding security interests of the Company. The Company will make a representation and warranty that no liens are currently outstanding on any of the collateral stated herein (except as provided above to TCAD). For the avoidance of doubt, with respect to the security interests that exist in favor of TCAD, the Notes will have a security interest that is junior to such security interest.

Interest: 8.0 % interest, compounding annually.

Maturity: June 30, 2014 (the “Maturity Date”); provided, however, that if, on the Maturity Date, either a Qualified Financing (as defined below), a Change of Control (as defined below) or an IPO (as defined below) is Pending (as defined below), then the Maturity Date shall be extended automatically to the closing date of such Pending transaction (subject to automatic conversion in the case of a Qualified Financing) or, if such transaction is not consummated, the date on which such Qualified Financing, Change of Control or IPO is no longer Pending.

A transaction shall be deemed to be “Pending” as long as (a) in the case of the Qualified Financing or a Change of Control, the Company has signed a letter of intent (or similar document evidencing an agreement in principle) or a definitive agreement contemplating such transaction and such letter or agreement has not been terminated and such transaction has not been consummated or (b) in the case of an IPO, the Company has filed a registration statement with the US Securities and Exchange Commission contemplating such transaction and such registration statement has not been withdrawn and such transaction has not been consummated.

A “Change of Control” shall be any (i) merger, sale of outstanding shares of stock, or similar transaction in which a third party acquires majority voting power of the Company’s stock or (ii) sale or transfer of all or substantially all of the Company’s assets; provided that a Change of Control excludes any issuance and sale of new shares of stock by the Company the primary purpose of which is a financing of the Company.

An “IPO” shall mean an initial public offering of the Company’s stock to be underwritten by a nationally recognized investment bank pursuant to a registration statement filed with the US Securities and Exchange

Commission.

Payment of Principal and Interest:

Subject to earlier conversion, principal and accrued interest is due and payable in a single installment on the Maturity Date (as may be extended).

Prepayment:

None, without the consent of Required Lenders.

Conversion:

Conversion for principal amount and accrued interest:

i) In a next round of equity financing prior to the Maturity Date (as may be extended) to institutional or strategic investors at or greater than \$3 million, excluding the conversion of the Notes (the “Qualified Financing”), the Notes shall convert automatically into the same class or series of shares that are issued in the Qualified Financing and the number of shares of stock to be issued will be determined by dividing the aggregate principal amount and accrued interest on the Notes by the “Conversion Price”. The “Conversion Price” will be an amount equal to 70% of the price per share paid by the investors in the Qualified Financing.

The Note holders will become a party to the Qualified Financing transaction documents.

ii) If prior to the Maturity Date and prior to conversion pursuant to section (i) above, a Change of Control or IPO is Pending, then each investor shall have the option to convert immediately prior to the consummation of such Change of Control or IPO to the Company’s existing Series D Preferred Stock at a price of \$.60 per share. Additionally, a vote of Required Lenders can force all investors to so convert. Notwithstanding any provision of this term sheet to contrary, upon a Change of Control, should the investors elect not to so convert their Notes to Series D Preferred Stock, then they shall be entitled to, upon consummation of the Change of Control (and only a Change of Control), a payment in full satisfaction of the Company’s obligation due under their Notes equal to all accrued and unpaid interest on their Notes plus 3 times the then outstanding principal balance of their respective Notes.

iii) If neither a Qualified Financing nor a Change of Control nor IPO has actually occurred prior to the Maturity Date (as may be extended), then upon maturity the Note holders shall have the option to convert to Series D Preferred Stock. Additionally, a vote of Required Lenders can force all investors to so convert.

Reporting Requirements:

The Company shall deliver to the Note holders:

(i) reviewed (or audited if available) financial statements within one hundred and twenty (120) days after each fiscal year end,

(ii) quarterly unaudited, internally generated financial statements with comparisons to the same period in the prior fiscal year within thirty (30)

days after each quarter end,

(iii) any annual budgets approved by the Company's Board of Directors.

All of the financial reports will be provided in a form and format reasonably acceptable to the Note holders.

**Governing Law and
Legal Expenses:**

The investment documents shall be governed by NY law. The Company will pay the reasonable fees and expenses of one counsel to the investors up to a maximum of \$20,000.

Remedies:

The Notes shall contain customary events of default and remedies, including acceleration of amounts due thereunder upon an event of default.

Exclusivity

From the date of signing below and continuing for a period of 45 days thereafter neither the Company nor any of its directors, officers, employees or representatives will solicit or participate in negotiations or discussions with any person or entity with respect to any investment in or acquisition of the Company.

Non-Binding Nature

Except with respect to provision entitled "Exclusivity", which is intended to be, and is a legally binding agreement among the parties hereto, this term sheet represents only the current thinking of the parties with respect to certain of the major issues relating to the proposed private placement and does not constitute a legally binding agreement among the parties.

Expiration:

This term sheet was accepted by the Company and a majority of Investors.

FOR CONSIDERATION

October 17, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Open for Business: Commitment of Funds for the Continued Operation of the Statue of Liberty National Monument (“Statue of Liberty”)

REQUEST FOR: Ratification of the Expenditure of Funds on an Emergency Basis; Delegation of Authority to Take Continued Action on the Same Terms; and Authorization to Accept any Reimbursement from the Federal Government That May Be Appropriated

I. Background

As a result of the federal government shutdown, the U.S. Department of the Interior closed all national parks across the country as of October 1, 2013 and furloughed more than 20,000 National Park Service employees. To address, in part, the economic impacts that these park closures are having on local communities, the Department of the Interior has engaged in discussions for the reopening of parks within States that can demonstrate the ability to fully fund such reopening and continued operation.

The Statue of Liberty, on Liberty Island National Park, is located entirely within the State and has been closed since October 1. According to a National Park Service annual report, this iconic tourist destination attracted almost 4 million visitors in 2011, generating \$174 million in economic activity (including \$3.2 million in license fees alone to the City of New York) and supporting over 2,200 direct and indirect jobs. Since the shutdown, over 10,000 daily visitors have been denied access to the park. Daily ridership of the ferry that services both Liberty Island and Ellis Island National Parks is down 50-70 percent, putting 180 jobs with the ferry service alone at risk.

Tourism remains a particularly vital part of the economy of Lower Manhattan, which has not fully rebounded from the September 11 attacks. Both Liberty Island and Ellis Island, which draw these significant numbers of tourists downtown, were severely impacted by Hurricane Sandy last October. Liberty Island was closed for 8 months and Ellis Island remains closed, making visitation to Liberty Island even more critical to the local economy.

II. Expenditure of Open for Business Funds

On Friday, October 11, 2013, Governor Andrew M. Cuomo, on behalf of the State of New York (the "State"), successfully concluded an agreement with the National Park Service (the "NPS") of the Department of the Interior (the "Donation Agreement") that would make possible the continued operation of the Statue of Liberty, during the pending federal government shutdown. The Donation Agreement provides for the State to make voluntary donations to the NPS in exchange for which the NPS will re-open and operate the Statue of Liberty in accordance with its standard operating procedures.

The per-day cost of normal operation and management of the Statue of Liberty is \$61,600, which includes direct and indirect personnel costs. The State has no obligation to make any funds available under the Donation Agreement; however, the State can make voluntary contributions to NPS in the amount of \$61,600 for each day the State wishes NPS to reopen, operate and maintain the Statue of Liberty until federal appropriations for this purpose resume. Because of the cost and time required to mobilize and demobilize NPA personnel, the NPS requires a minimum donation sufficient to operate and manage the Statue of Liberty for the requested period of operation plus two calendar days (for demobilization).

The federal Anti-Deficiency Act prohibits federal agencies from incurring any obligation (including payroll expenses) for which there is no federal appropriation. Therefore, it is necessary under the Donation Agreement for the State to fully fund its voluntary contributions to NPS in advance of the requested period.

To maximize the benefit of donations made by the State under the Donation Agreement, the State sought to have the donations made in sufficient time to re-open the Island for the Columbus Day Holiday weekend, a time during which a greater than normal number of tourists can be expected to visit New York City. To accomplish this and to satisfy the requirements of the federal Anti-Deficiency Act, a transfer of funds sufficient for the desired period of operation, plus two days, needed to be made on Friday, October 11.

Because the re-opening of the Statue of Liberty is consistent with ESD's mission of assuring the economic vitality of the State, and because ESD has the flexibility to provide the funding in a timely manner, the Governor requested that ESD provide the funding for the re-opening of the Island for the Columbus Day holiday. Staff, under the direction of the Chief Executive Officer, accommodated this request and on October 11 wired a total of \$369,600 to a donation account maintained by the U.S. Treasury for this purpose. This transfer of funds enabled the Statue of Liberty to reopen on Saturday, October 12, 2013 and to remain for a total period of six days - four days of operation plus two days of demobilization - through October 17.

On Tuesday, October 15, to prevent the commencement of demobilization of the NPS workforce, ESD made an additional two-day contribution of \$123,200, which will assure the continued operation of the Statue of Liberty through October 19. To date, ESD has deposited a

total of \$492,800 into the donation account. The source of funding for these donations is ESD's Open for Business appropriation.

III. Delegation of Authority

ESD will need to make continued donations if the Statue of Liberty is to remain open during the pendency of the federal government shutdown. Staff request the Directors to delegate authority to the Chief Executive Officer of the Corporation or his designee(s) to execute future wire transfers on principally the same terms as the initial wire transfers until the earlier of the resumption of the federal appropriations for the NPS or the next Meeting of the Board of Directors. In the event such delegated authority is authorized, the Directors would be regularly updated regarding any such donations.

IV. Possible Reimbursement

Under the Donation Agreement, the NPS has no obligation to repay any of the voluntary donations made by the State which have been spent or obligated by NPS unless the U.S. Congress appropriates funds therefore and expressly directs the NPS to reimburse the State for these amounts. The Donation Agreement further provides, however, that if the government shutdown ends and Congress appropriates funds for the operation of the Statue of Liberty before the full amount of voluntary State donations have been spent or obligated, the NPS will refund to the State the unspent, unobligated balance of the State-donated funds.

V. Requested Action

The Directors are requested to: (1) ratify the electronic transfer of funds totaling \$492,800 on an emergency basis for the continued operation of the Statue of Liberty for the eight-day period from October 12, 2013 through October 19, 2013; (2) delegate authority to the Chief Executive Officer of the Corporation or his designee(s) to commit further funding on principally the same terms until the earlier of the resumption of federal appropriations for the NPS or the next Meeting of the Board of Directors; (3) authorize the Corporation to accept any reimbursement from the federal government that may be payable under the Donation Agreement; and (4) authorize the Chief Executive Officer of the Corporation or his designee to take such further action and execute such documents as may be necessary or appropriate to carry out the foregoing authorized actions.

Recommendation

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

Attachments

Resolution

October 17, 2013

New York State Urban Development Corporation d/b/a Empire State Development – Ratification of the Expenditure of Funds on an Emergency Basis; Delegation of Authority to Take Continued Action on the Same Terms; Authorization to Accept Reimbursement from the Federal Government; and Authorization to Take Related Action

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby ratifies the electronic transfer of funds totaling \$492,800 (Four Hundred Ninety Two Thousand Eight Hundred Dollars) on an emergency basis to allow for the continued operation of the Statue of Liberty for an eight-day period from October 12, 2013 through October 19, 2013; and be it further

RESOLVED, that the Corporation hereby delegates authority to the President and Chief Executive Officer of the Corporation or his designee(s) to commit additional funds and to transmit such funding by wire transfer to effectuate the continued operation of the Statue of Liberty, on principally the same terms as the initial wire transfers until the earlier of the resumption of the federal appropriations for the NPS or the next Meeting of the Board of Directors; and be it further

RESOLVED, that the Corporation is authorized to accept any reimbursement from the federal government that may be payable under the terms of the Donation Agreement or otherwise; and be it further

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

* * *

Empire State Development

FOR INFORMATION

October 17, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Annual Report on Jobs Created and Retained on ESD Grant and Loan Programs and Status Report on UDC Loan Portfolio

The Annual Report on Jobs Created and Retained details the performance of Empire State Development's ("ESD") economic development activities related to job growth and retention for the 2012 calendar year. Compliance with the employment requirements of the various loan and grant programs administered by ESD improved from 89% in 2011 to 90% in 2012.

For the calendar year ending December 31, 2012, 297 active projects, funded in 2012 and prior years, were subject to employment stipulations. Those projects had been funded with \$304,939,905 from various New York State investment sources. 266 (90%) of these projects were in compliance with the employment requirements in their financial assistance packages, which generally requires, at a minimum, that the project be within 15% of its stated employment goals. 219 of these projects met or exceeded their employment goals, while the remaining 47 projects came within 15% of their employment goals. For the 31 non-compliant projects, ESD applied repayment penalties on 20 projects, extended grant agreement terms on 9 projects, and waived penalties on 2 projects. For the 20 projects assessed penalties, ESD is seeking a combined repayment of \$3,896,401.

Since first receiving financial assistance, the companies receiving ESD program funding and which are still active have created approximately 20,759 new jobs in New York State, with their employment increasing from approximately 55,832 jobs to 76,591. The average cost per job created or retained is \$3,981.

Regions that experienced the most difficulty meeting employment goals are the Capital, North Country, and Finger Lake with non-compliance rates of 28.6%, 20% and 18.6%, respectively. The best performing region was Long Island, with a 100% compliance rate.

The UDC loan portfolio has an outstanding balance of \$149,874,857, with 111 active loans and a default rate of 6.8%. The outstanding balance of the portfolio increased by \$10,023,380, or 7.2%, since the last report to the Board of Directors.

More detailed information on the performance of ESD's economic development activities related to job growth and retention and on the UDC loan portfolio is included in the attached report.

**ANNUAL REPORT ON JOBS CREATED AND RETAINED
ON ESD GRANT AND LOAN PROGRAMS**

AND

STATUS REPORT ON ESD LOAN PORTFOLIO

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I. Annual Report on Jobs Created and Retained (State Funding)

This report details the performance of ESD's economic development activities related to job growth and retention for the 2012 calendar year.¹ ESD assisted companies in New York State performed relatively well in terms of meeting their respective employment goals. Compliance with the employment requirements of the various loan and grant programs administered by ESD improved to 90% in 2012 from 89% in 2011. The record compliance rate, coming up from a low of just 60% in 2003 is attributable to three main factors. First, the economy has stabilized from its dip into the worst recession since the Great Depression. Second, the enhanced grant disbursement policies continue to help reduce risk and exposure to defaults. Third, the application of the pro-rata recapture penalty has helped mitigate a pattern of chronic defaults by the same grantee.

a) Key Findings

The following are the key findings for 2012 with respect to the 297 active projects in the UDC commercial portfolio:

- 266 (90%) of the projects were in compliance with the employment requirements set forth in their financial assistance packages. 219 of these projects met or exceeded their employment goals, with the remaining 47 coming within 15% of their employment goals. 31 projects (10%) were not in compliance with the employment requirements set forth in their financial assistance packages. (See Attachment I)
- Since first receiving financial assistance, the companies receiving ESD program funds have created approximately 20,759 new jobs in New York State, with their employment increasing from approximately 55,832 jobs to 76,591. The average cost per job created or retained, net of two non-discretionary projects, is approximately \$3,981.²
- The worst performing sectors (with 10 or more projects), Financial Services, General Services and Technologies, had non-compliance rates of 28.6%, 22.2% and 20%, respectively. The best performing sectors (again with 10 or more

¹ All employment and grant recapture information for 2012 refers to information reported to ESD during Reporting Year 2013. Similarly, all employment and grant recapture information for 2011 refers to information reported to ESD during Reporting Year 2012.

² A separate listing detailing the two (2) non-discretionary projects for which employment is tracked is attached to this report. These two projects include the AMD/Global Foundries grant for \$650 million (U223) and one IBM project - a 300 million grant (V895) to the Research Foundation of SUNY, with International SEMATECH as the beneficiary.

projects) were the Biotech and Transportation Manufacturing Industries - both with 100% compliance. (See Attachment II).

- The regions that experienced the most difficulty meeting employment goals were the Capital, North Country, and Finger Lakes regions. The overall non-compliance rates for these regions were 28.6%, 20% and 18.6%, respectively. The best performing region was the Long Island Region with a compliance rate of 100% for 19 projects. (See Attachment III)
- Of the 31 non-compliant projects, ESD applied monetary penalties on 20 projects, extended the terms of 9 grant agreements, and waived penalties on 2 projects.

b) The Reporting and Recommendation Process

By February 1st of each year, each company with job goals is obligated to submit an Employment Report stating its quarter by quarter employment level for the previous year. Those companies that fall short of their employment goals are sent a letter in mid-March notifying them of the default. This letter provides the company with an opportunity to detail any extenuating circumstances that may have prevented the company from meeting its employment goals.

Portfolio Management staff members ("Staff") are assigned defaulted projects by geographic region. As part of the review process, Staff is expected to: 1) request a letter explaining extenuating circumstances, 2) request financial statements, if not already submitted; 3) review financial statements; 4) contact and work with the ESD Regional Office/Strategic Business Division ("ROSB") for the region in which the company is located; 5) discuss the employment and business climate with the company to gain perspective on the company's current situation and develop a better understanding going forward; and 6) make a recommendation to ESD's Workout Committee (the "Committee") based on an analysis of the above information.

c) The Workout Committee

The Committee consists of the Chief Financial & Administrative Officer, General Counsel, Controller, Vice President of Loans & Grants, and Vice President of Capital Projects & Senior Counsel. For each project, the Committee evaluates the circumstances causing the default and seeks to apply one of several existing penalty options. These penalty options include:

Maximum Penalty - The grantee is required to repay the maximum amount due according to the schedule in the grantee's Grant Disbursement Agreements ("GDA"). Factors considered include moving jobs out of New York State, job counts below starting levels, lack of a clear defense or mitigating circumstances, unwillingness to provide information, lack of cooperation, and profitability of company.

Negotiated Penalty - The grantee is required to repay an amount less than the amount stipulated in the GDA. Factors evaluated include company's ability to repay, feasibility of collection and operating status of company. A negotiated settlement is generally approved in conjunction with termination of the GDA.

Pro-Rata Penalty - The grantee is required to repay an amount less than the maximum allowable penalty under the GDA, which amount is calculated based on the amount of the employment shortfall relative to the required employment level. Once the penalty has been paid, the grantee's future employment target is lowered to reflect the number last reported or a higher figure. This penalty is most often applied in cases where circumstances causing the deficiency are beyond the owner's control (e.g., industry-wide economic deterioration, foreign competition, loss of major clients) and are unlikely to be cured in the foreseeable future.

Extend and Freeze - This penalty extends the terms of a grantee's GDA for one year and freezes the percentage of the grant ESD can recapture at the current level during the one year extension period. Determinative factors include the company's ability to reach its goals, economic climate and past history.

Multi-Year Extension ("MYE") – This penalty option was established for the 2009 year due to the effects of the severe recession on New York businesses. The option provides for an extension of the term of the GDA, for up to 3 years, and a reduction in the grantee's target to the level last reported or to the level at the time of the decision. The option was recommended at the discretion of staff, and grantees qualified for the option only if they met three of the four specific criteria which included: whether a grantee was in a distressed industry, had experienced a significant drop in sales, was located in a depressed region, and/or had unattainable employment goals.

Waiver - Due to extenuating circumstances, the Committee decides to waive all penalties for the current reporting year only. Factors include missing jobs by a small percentage, past history, and number of years remaining. A Fractional Waiver is offered to companies which are short of their respective compliance levels by less than one job.

Interest Rate Adjustments for Loans - If a borrower fails to achieve its employment target within a specified period, the interest rate on the loan may be increased up to a maximum rate of Prime+2. If the borrower subsequently achieves its employment projections, the interest rate is reduced to its original level.

d) Employment Results for 2012

For 2012, 219 (74%) projects met or exceeded their employment goals, 47 (16%) came within 15% of their targeted employment goals and 31 (10%) were not in compliance. Staff reviewed the 31 projects in default and made penalty recommendations to the Committee which resulted in the various penalties listed below.

| PENALTIES | 2012 PROJECTS | PERCENTAGE |
|--------------|---------------|-------------|
| Maximum | 6 | 19.4% |
| Negotiated | 5 | 16.1% |
| Pro-Rata | 9 | 29% |
| Extend | 9 | 29% |
| Waive | 2 | 6.5% |
| Total | 31 | 100% |

e) Grant Recapture for 2012

After reviewing Staff's recommendations and supporting documentation, the Committee decided to demand maximum recapture on six projects, negotiated a settlement on five related projects and assessed pro-rata penalties on nine projects.

The maximum recapture penalties amounts range from \$44,274 to \$400,000, while \$2.7 million represents the total negotiated amount from one company for five related projects. The pro-rata amounts ranged from \$8,484 to \$47,596. The total recapture sought from grantees that were assessed a pro-rata penalty was \$195,127, or 14% of the maximum allowable amount of \$1,430,112.

In total, ESD is seeking repayment of \$3,896,401 from companies in default of their GDAs for 2012 of which \$3 million has already been recovered. Since 2001, ESD has recaptured over \$36 million in grant monies.

f) Comparison of 2011 and 2012 Employment Results

Based on the employment data submitted for 2012, most ESD assisted projects continue to meet or exceed their stated employment goals. The compliance rate improved to 90% from 89% in the previous year. The factors contributing to increased compliance from the previous year are: the stabilization of the economy, the Loans and Grants Department's multiple disbursement policy for grants and the application of the pro-rata penalty. The total net jobs created and retained amongst all of the companies which reported for both 2011 and 2012 is 79,401 and 76,591, respectively.

The following highlights the year over year comparison for 2011 and 2012:

- For 2012, the Committee assessed monetary penalties on 20 (65%) projects in default, which is far greater, in percentage terms, than the 9 projects (23%) penalized the previous year. Extensions were granted for 9 (29%) projects for 2012, which much less than the prior year when 20 projects received extension (50%).
- For 2012, the Committee waived penalties for 2 (6.5%) projects, as compared with 2011, when 6 projects (15%) received penalty waivers.
- There were no write-offs this year compared to 4 the previous year.

| PENALTIES | 2011 PROJECTS | PERCENTAGE | 2012 PROJECTS | PERCENTAGE |
|--------------|------------------|-------------|------------------|-------------|
| Maximum | 1 | 2.5% | 6 | 19.4% |
| Negotiated | 1 | 2.5% | 5 | 16.1% |
| Pro-Rata | 7 | 17.5% | 9 | 29% |
| Extend | 20 | 50% | 9 | 29% |
| Waive | 6 | 15% | 2 | 6.5% |
| Write-Off | 4 | 10% | 0 | 0 |
| Other | 1 | 2.5% | 0 | 0 |
| Total | 40 | 100% | 31 | 100% |

g) Recapture Results for 2011

For 2011, the Committee approved recapture of \$334,128.07 of grant monies, with \$317,408.08 collected and \$16,719.99 accounted for either by promissory notes or other repayment agreements.

In total, Staff has obtained repayment of 95% of the approved recapture amounts for 2011, with another 5% to be paid to ESD pursuant to promissory notes or other repayment agreements. This represents 100% success rate for recapture of penalties assessed.

II. World Trade Center Job Creation and Retention Grants Program (Federal Funding)

Through the World Trade Center Job Creation & Retention Grants Program (“JCRP” or the “Program”), ESD offers grants to firms committing to maintain, create or attract at least 200 jobs in lower Manhattan. Many of these businesses experienced a disruption of operations as a result of 9/11. The US Department of Housing and Urban Development (“HUD”) provided \$320,000,000 in funding for the Program, which is administered by ESD.

Each JCRP grant recipient is required to sign a GDA which requires it to retain and/or create a specific number of jobs for a specified number of years – a minimum of 7 years and up to 15 years in certain cases. The monitoring and workout process is identical to that followed for ESD grant defaults discussed above.

Since their initial receipt of financial assistance, these 40 companies have created a net total of 7,517 new jobs, and total employment increased from 50,610 to 58,127 jobs. With total investment by HUD of \$226,664,524, the average cost per job created or retained is \$3,899. (See Attachment IV)

For 2012, 5 of the 40 (13%) active JCRP projects were not in compliance compared with 3 projects (7%) for the previous year. The 5 projects not in compliance include Emblem Health Services, LLC (R349), Fitch Group, Inc. (Q574), Kenyon & Kenyon, LLP (Q310), Locke Lord, LLP (R745), and Stroock & Stroock & Lavan, LLP (P775). Fitch Group, Inc. received an extension. Kenyon & Kenyon, LLP and Locke Lord, LLP were both waived. Stroock & Stroock & Laven, LLP has repaid the pro-rata sum of \$8,930. A decision on Emblem Health Services, LLC is pending.

| PENALTIES | 2012 PROJECTS | PERCENTAGE |
|----------------------|--------------------------|-------------------|
| Extension and Freeze | 1 | 20% |
| Pro-rata | 1 | 20% |
| Waive | 2 | 40% |
| Pending | 1 | 20% |
| Total | 5 | 100% |

III. Status of the New York State Urban Development Corporation's Loan Portfolio

a) Overview

Staff is responsible for monitoring employment requirements, as well as loan modifications and workouts, on UDC's Loan Portfolio.

The current outstanding balance of the UDC portfolio is \$149,874,857.36, which includes 111 loans funded from 20 different funding sources. The funding source with the highest volume of active loans, the ESD's Upstate Regional Blueprint Loan Fund, has 26 active loans, with an outstanding balance of \$15,165,624.40, or approximately 10% of the total portfolio. The 15 active loans funded from the Empire State ED Funds source have the highest outstanding principal balance of \$30,410,409.41.

In addition to the 111 active loans, Staff services and tracks repayments for companies that defaulted on their GDAs or under World Trade Center Disaster Recovery Program ("WTC") grant agreements, and were assessed a repayment penalty by the WTC Review Committee, and are repaying portions of their grants pursuant to promissory notes. Staff is currently servicing 11 UDC grantees, with \$374,207 in principal outstanding and 4 WTC grantees, with \$157,116 in principal outstanding.

15 projects in the UDC portfolio are delinquent. A loan is considered delinquent when it is more than 60 days in arrears. These delinquent loans have a current outstanding balance of \$10,164,621.63, or a delinquency rate of 6.8% (in terms of principal balance) down from 9% the previous year.

b) Recent Activity

In 2013, ESD has closed 4 new loans with total disbursements of \$1,210,000 and 2 loans have paid off a total balance of \$26,846. The four new loans were funded through the Upstate Regional Blueprint Fund

Attachment I

Empire State Development Corporation 2013 Annual Report of Employment

| Project Name | Proj# | Funding Source Type | Closing Date | Original Investment | Start Employ | 2012 | 2013 | Diff 12/13 | Required | Diff Required/13 | Retained | Created | Lost | Region | Compliance |
|---|-------|---------------------|--------------|---------------------|--------------|-------|-------|------------|----------|------------------|----------|---------|------|----------|--------------------|
| 3 Kids Corp. | S476 | ED-Fund G | 07/13/09 | 93,750 | 0 | 17 | 26 | 9 | 0 | 26 | 0 | 26 | 0 | MIDHUD | In Compliance |
| Ace Endico Corporation | P353 | ED-Fund G | 12/06/05 | 400,000 | 105 | 196 | 204 | 8 | 185 | 19 | 105 | 99 | 0 | MIDHUD | Exceeds Compliance |
| Aceto Corporation | W909 | ED-Fund G | 09/20/12 | 244,500 | 80 | 0 | 84 | 84 | 80 | 4 | 80 | 4 | 0 | LI | Exceeds Compliance |
| Active Motif, Inc. | U237 | ED-Fund G | 11/30/10 | 37,500 | 0 | 7 | 6 | (1) | 4 | 2 | 0 | 6 | 0 | NCOUNTRY | Exceeds Compliance |
| Adecco USA, Inc. | V966 | ED-Fund G | 07/07/11 | 100,000 | 13 | 121 | 96 | (25) | 100 | (4) | 13 | 83 | 0 | FNGERLKS | In 15% Range |
| ADH Health Products, Inc. | X210 | ED-Fund G | 12/14/11 | 250,000 | 58 | 74 | 73 | (1) | 58 | 15 | 58 | 15 | 0 | MIDHUD | Exceeds Compliance |
| Adirondack Cookie Company, Inc. d/b/a Corso's Cookies | T724 | ED-Fund G | 09/25/07 | 22,500 | 14 | 22 | 48 | 26 | 25 | 23 | 14 | 34 | 0 | CENTRAL | Exceeds Compliance |
| Advanced Coating Technologies | U542 | ED-Fund G | 05/11/11 | 250,000 | 35 | 93 | 88 | (5) | 35 | 53 | 35 | 53 | 0 | MIDHUD | Exceeds Compliance |
| Advanced Energy Systems, Inc. | V597 | ED-Fund G | 11/17/09 | 150,000 | 25 | 37 | 43 | 6 | 36 | 7 | 25 | 18 | 0 | LI | Exceeds Compliance |
| AERCO International, Inc. | W930 | ED-Fund G | 06/21/12 | 187,500 | 0 | 0 | 150 | 150 | 143 | 7 | 0 | 150 | 0 | MIDHUD | Exceeds Compliance |
| AFC Industries, Inc. | U538 | ED-Fund G | 03/12/08 | 281,250 | 82 | 103 | 104 | 1 | 112 | (8) | 82 | 22 | 0 | NYC | In 15% Range |
| Air Innovations, Inc. | W533 | ED-Fund G | 03/26/12 | 15,000 | 36 | 0 | 39 | 39 | 41 | (2) | 36 | 3 | 0 | CENTRAL | In 15% Range |
| Alleson of Rochester, Inc. d/b/a Alleson Athletic | T706 | ED-Fund G | 02/08/11 | 112,500 | 76 | 117 | 116 | (1) | 101 | 15 | 76 | 40 | 0 | FNGERLKS | Exceeds Compliance |
| Allred & Associates, Inc. | W777 | ED-Fund G | 02/03/11 | 17,500 | 38 | 41 | 36 | (5) | 38 | (2) | 35.5 | 0 | 2 | CENTRAL | In 15% Range |
| Alpla, Inc. | V624 | ED-Fund G | 07/09/09 | 100,000 | 0 | 56 | 49 | (7) | 30 | 19 | 0 | 49 | 0 | CENTRAL | Exceeds Compliance |
| America Customer Care, Inc. | U714 | JN-Fund G | 07/13/10 | 137,500 | 0 | 76 | 52 | (24) | 50 | 2 | 0 | 52 | 0 | STIER | Exceeds Compliance |
| American Packaging Corporation | W113 | ED-Fund G | 03/30/10 | 75,000 | 147 | 147 | 156 | 9 | 147 | 9 | 147 | 9 | 0 | FNGERLKS | Exceeds Compliance |
| An-Cor Industrial Plastics, Inc. | P743 | ED-Fund G | 04/01/08 | 85,000 | 52 | 51 | 66 | 15 | 77 | (11) | 52 | 14 | 0 | WNY | In 15% Range |
| APC-NY Paper/APC Paper Company of New York, Inc. | V038 | ED-Fund G | 07/29/08 | 500,000 | 54 | 57 | 56 | (1) | 54 | 2 | 54 | 2 | 0 | NCOUNTRY | Exceeds Compliance |
| API Heat Transfer Inc. | W156 | JN-Fund G | 09/17/09 | 1,000,000 | 370 | 430 | 455 | 25 | 370 | 85 | 370 | 85 | 0 | FNGERLKS | Exceeds Compliance |
| APS Healthcare, Inc. | V949 | JN-Fund G | 10/02/09 | 600,000 | 0 | 67 | 103 | 36 | 25 | 78 | 0 | 103 | 0 | MIDHUD | Exceeds Compliance |
| Arch Chemicals, Inc. | X034 | ED-Fund G | 07/12/12 | 50,000 | 156 | 0 | 156 | 156 | 156 | 0 | 156 | 0 | 0 | FNGERLKS | Exceeds Compliance |
| Ardagh Metal Packaging USA Inc./Impress USA | W020 | ED-Fund G | 10/20/11 | 500,000 | 0 | 52 | 48 | (4) | 50 | (2) | 0 | 48 | 0 | STIER | In 15% Range |
| Ashion Potter (USA), Ltd | U577 | ED-Fund G | 05/17/11 | 100,000 | 140 | 145 | 190 | 45 | 175 | 15 | 140 | 50 | 0 | WNY | Exceeds Compliance |
| Atlantis Energy Systems, Inc. | V769 | ED-Fund G | 11/17/09 | 37,500 | 12 | 24 | 26 | 2 | 12 | 14 | 12 | 14 | 0 | MIDHUD | Exceeds Compliance |
| Austin Mohawk and Company, Inc. | V961 | ED-Fund G | 04/14/09 | 25,000 | 49 | 58 | 49 | (9) | 51 | (2) | 49 | 0 | 0 | MOHAWK | In 15% Range |
| Avon Products, Inc. | P977 | ED-Fund G | 11/30/04 | 650,000 | 284 | 347 | 339 | (8) | 305 | 34 | 284 | 55 | 0 | MIDHUD | Exceeds Compliance |
| AXA Equitable Life Insurance Company | S338 | JN-Fund G | 08/31/10 | 625,000 | 713 | 861 | 779 | (82) | 713 | 66 | 713 | 66 | 0 | CENTRAL | Exceeds Compliance |
| BAE Systems Controls Inc. | V274 | JN-Fund G | 05/29/08 | 462,500 | 1,319 | 1,262 | 1,257 | (5) | 1,444 | (187) | 1256.75 | 0 | 62 | STIER | Not in Compliance |
| Bausch & Lomb, Incorporated | T346 | ED-Fund G | 10/23/07 | 600,000 | 1,305 | 1,293 | 1,316 | 23 | 1,505 | (189) | 1305 | 11 | 0 | FNGERLKS | In 15% Range |
| Beech-Nut Nutrition Corporation/ Hero Group, Inc. | V795 | ED-Fund G | 08/18/08 | 2,500,000 | 386 | 354 | 260 | (94) | 386 | (126) | 260 | 0 | 126 | CAPITAL | Not in Compliance |

| Project Name | Proj# | Funding Source Type | Closing Date | Original Investment | Start Employ | 2012 | 2013 | Diff 12/13 | Required | Diff Required/13 | Retained | Created | Lost | Region | Compliance |
|--|-------|---------------------|--------------|---------------------|--------------|-------|-------|------------|----------|------------------|----------|---------|------|----------|--------------------|
| Beech-Nut Nutrition Corporation/Hero Group, Inc. | V392 | JN-Fund G | 01/22/09 | 5,000,000 | 386 | 437 | 260 | (177) | 491 | (231) | 260 | 0 | 126 | MOHAWK | Not in Compliance |
| Benchmark Printing, Inc. | V937 | ED-Fund G | 01/26/11 | 90,000 | 72 | 82 | 77 | (5) | 72 | 5 | 72 | 5 | 0 | CAPITAL | Exceeds Compliance |
| Bitzer Scroll, Inc. | V378 | JN-Fund G | 08/23/11 | 700,000 | 12 | 75 | 83 | 8 | 67 | 16 | 12 | 71 | 0 | CENTRAL | Exceeds Compliance |
| BorgWarner Morse TEC Inc | V796 | ED-Fund L | 12/15/11 | 133,000 | 1,380 | 1,396 | 1,399 | 3 | 1,380 | 19 | 1,380 | 19 | 0 | STIER | Exceeds Compliance |
| BorgWarner Morse TEC Inc. | V765 | ED-Fund G | 12/15/11 | 459,540 | 1,380 | 1,396 | 1,399 | 3 | 1,380 | 19 | 1,380 | 19 | 0 | STIER | Exceeds Compliance |
| Bretton Industries, Inc. | V889 | ED-Fund G | 04/09/10 | 200,000 | 106 | 107 | 108 | 1 | 116 | (8) | 106 | 2 | 0 | MOHAWK | In 15% Range |
| Briggs & Stratton Power Products Group, LLC | V798 | ED-Fund G | 03/24/09 | 75,000 | 0 | 21 | 348 | 327 | 20 | 328 | 0 | 348 | 0 | MOHAWK | Exceeds Compliance |
| Brinkman Precision, Inc. | W453 | ED-Fund G | 11/10/11 | 250,000 | 99 | 103 | 92 | (11) | 99 | (7) | 92.5 | 0 | 7 | FNGERLKS | In 15% Range |
| Broadridge Financial Solutions | U859 | JN-Fund G | 01/20/11 | 1,000,000 | 1,606 | 1,872 | 1,924 | 52 | 1,756 | 168 | 1,606 | 318 | 0 | LI | Exceeds Compliance |
| Brunner International, Inc. | V967 | ED-Fund G | 11/16/12 | 150,000 | 265 | 0 | 394 | 394 | 315 | 79 | 265 | 129 | 0 | FNGERLKS | Exceeds Compliance |
| Buffalo Lafayette LLC | X468 | UCDPFU G | 10/09/12 | 2,000,000 | 30 | 0 | 596 | 596 | 100 | 496 | 30 | 566 | 0 | WNY | Exceeds Compliance |
| Buffalo Wire Works Co. Inc. | W239 | ED-Fund G | 06/01/11 | 500,000 | 61 | 94 | 118 | 24 | 77 | 41 | 61 | 57 | 0 | WNY | Exceeds Compliance |
| C Speed, LLC | W504 | ED-Fund G | 07/26/10 | 50,000 | 15 | 28 | 31 | 3 | 25 | 6 | 15 | 16 | 0 | CENTRAL | Exceeds Compliance |
| CAF USA, INC. | K878 | ED-Fund G | 04/17/06 | 100,000 | 0 | 71 | 148 | 77 | 80 | 68 | 0 | 148 | 0 | STIER | Exceeds Compliance |
| Campus Labs, LLC | x114 | ED-Fund G | 04/25/12 | 100,000 | 37 | 0 | 71 | 71 | 57 | 14 | 37 | 34 | 0 | WNY | Exceeds Compliance |
| Capital Management Services, Inc. | U064 | JN-Fund G | 12/20/07 | 150,000 | 820 | 567 | 542 | (25) | 567 | (25) | 542.5 | 0 | 278 | WNY | Not in Compliance |
| Cardinal Griffiss Realty | X081 | G | 02/09/12 | 1,000,000 | 86 | 0 | 143 | 143 | 120 | 23 | 86 | 57 | 0 | MOHAWK | Exceeds Compliance |
| Carestream Health, Inc. | V322 | JN-Fund G | 04/29/10 | 1,500,000 | 800 | 1,147 | 1,117 | (30) | 1,175 | (58) | 800 | 317 | 0 | FNGERLKS | In 15% Range |
| Cedar Knoll Log Homes, Inc | R724 | ED-Fund G | 07/08/05 | 50,000 | 23 | 9 | 7 | (2) | 9 | (2) | 7.25 | 0 | 16 | NCOUNTRY | Not in Compliance |
| Center One, LLC | V604 | JN-Fund G | 04/27/09 | 375,000 | 10 | 98 | 116 | 18 | 202 | (86) | 10 | 106 | 0 | WNY | Not in Compliance |
| Chautauque County IDA/ Ralston | C272 | REDS PA L | 12/12/95 | 300,000 | 250 | 334 | 331 | (3) | 262 | 69 | 250 | 81 | 0 | WNY | Exceeds Compliance |
| Chautauque IDA/Cummins Engine | B931 | REDS PA L | 01/17/96 | 227,850 | 876 | 1,306 | 1,388 | 82 | 1,016 | 372 | 876 | 512 | 0 | WNY | Exceeds Compliance |
| Citi Amherst, Inc. | U652 | JN-Fund G | 06/18/08 | 1,750,000 | 598 | 1,182 | 1,269 | 87 | 1,098 | 171 | 598 | 671 | 0 | WNY | Exceeds Compliance |
| Clives Corporation d/b/a/Viking Clives USA | W231 | ED-Fund G | 09/23/10 | 25,000 | 80 | 93 | 94 | 1 | 84 | 10 | 80 | 14 | 0 | NCOUNTRY | Exceeds Compliance |
| Cleveland BioLabs, Inc. | U712 | ED-Fund G | 05/28/08 | 220,000 | 0 | 46 | 40 | (6) | 25 | 15 | 0 | 40 | 0 | WNY | Exceeds Compliance |
| CMP Advanced Mechanical Solutions | U617 | ED-Fund G | 08/05/11 | 135,000 | 54 | 107 | 89 | (18) | 90 | (1) | 54 | 35 | 0 | STIER | In 15% Range |
| Coast Professional, Inc. | w221 | JN-Fund G | 12/07/10 | 200,000 | 0 | 80 | 110 | 30 | 100 | 10 | 0 | 110 | 0 | FNGERLKS | Exceeds Compliance |
| Cold Spring Harbor Laboratory | W229 | DS Down G | 04/10/12 | 5,000,000 | 800 | 0 | 895 | 895 | 880 | 15 | 800 | 95 | 0 | LI | Exceeds Compliance |
| Cold Spring Harbor Laboratory | V870 | ED-Fund G | 04/10/12 | 2,000,000 | 800 | 0 | 895 | 895 | 880 | 15 | 800 | 95 | 0 | LI | Exceeds Compliance |
| Complete Medical Supplies, Inc. | V141 | ED-Fund G | 05/01/08 | 175,000 | 22 | 41 | 41 | 0 | 39 | 2 | 22 | 19 | 0 | MIDHUD | Exceeds Compliance |
| Composite Panel Solutions (CAITCO) | R669 | ED-Fund G | 11/09/04 | 150,000 | 0 | 34 | 37 | 3 | 43 | (6) | 0 | 37 | 0 | WNY | In 15% Range |
| Cooper & Clement, Inc. | W179 | ED-Fund G | 02/08/10 | 55,000 | 17 | 34 | 31 | (3) | 22 | 9 | 17 | 14 | 0 | CENTRAL | Exceeds Compliance |
| Corning Incorporated | U144 | ED-Fund G | 04/01/11 | 200,000 | 375 | 622 | 604 | (18) | 475 | 129 | 375 | 229 | 0 | STIER | Exceeds Compliance |
| Corning Incorporated Diesel Ceramic Manufacturing Facility | L384 | JN-Fund G | 10/07/06 | 625,000 | 50 | 622 | 604 | (18) | 300 | 304 | 50 | 554 | 0 | STIER | Exceeds Compliance |
| Cortland Plastics International, LLC | V935 | ED-Fund G | 04/16/10 | 70,000 | 20 | 43 | 50 | 7 | 40 | 10 | 20 | 30 | 0 | CENTRAL | Exceeds Compliance |
| Cox & Company, Inc. | T639 | ED-Fund G | 11/18/09 | 432,000 | 130 | 187 | 205 | 18 | 190 | 15 | 130 | 75 | 0 | LI | Exceeds Compliance |
| Crucible Industries LLC (Loan) | W923 | ED-Fund L | 12/08/09 | 5,330,000 | 120 | 301 | 303 | 2 | 170 | 133 | 120 | 183 | 0 | CENTRAL | Exceeds Compliance |
| Crucible Industries LLC (Loan) | W894 | UB L | 02/08/10 | 2,670,000 | 120 | 301 | 303 | 2 | 170 | 133 | 120 | 183 | 0 | CENTRAL | Exceeds Compliance |

| Project Name | Proj# | Funding Source Type | Closing Date | Original Investment | Start Employ | 2012 | 2013 | Diff 12/13 | Required | Diff Required/13 | Retained | Created | Lost | Region | Compliance |
|--|-------|---------------------|--------------|---------------------|--------------|-------|-------|------------|----------|------------------|----------|---------|------|----------|--------------------|
| Crucible Industries, LLC | W903 | ED-Fund G | 09/17/10 | 1,500,000 | 120 | 301 | 303 | 2 | 170 | 133 | 120 | 183 | 0 | CENTRAL | Exceeds Compliance |
| Crystal IS, Inc. | T287 | ED-Fund G | 04/17/06 | 125,000 | 17 | 24 | 28 | 4 | 25 | 3 | 17 | 11 | 0 | CAPITAL | Exceeds Compliance |
| Cummins Inc. | W481 | ED-Fund G | 11/03/11 | 500,000 | 1,254 | 1,306 | 1,388 | 82 | 1,270 | 118 | 1,254 | 134 | 0 | WNY | Exceeds Compliance |
| Cummins, Inc. | V608 | ED-Fund G | 04/08/08 | 500,000 | 1,100 | 1,306 | 1,388 | 82 | 1,100 | 288 | 1,100 | 288 | 0 | WNY | Exceeds Compliance |
| Curran Renewable Energy, LLC | V129 | ED-Fund G | 08/09/12 | 125,000 | 50 | 0 | 100 | 100 | 75 | 25 | 50 | 50 | 0 | NCOUNTRY | Exceeds Compliance |
| CURRENT Communications Services LLC | R557 | JN-Fund G | 07/31/07 | 100,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | FNGERLKS | In Compliance |
| Curtis Screw Company, LLC | R292 | ED-Fund G | 04/05/05 | 600,000 | 272 | 174 | 178 | 4 | 190 | (12) | 178 | 0 | 94 | WNY | In 15% Range |
| CVD Equipment Corporation | V876 | ED-Fund G | 10/13/09 | 100,000 | 107 | 136 | 151 | 15 | 127 | 24 | 107 | 44 | 0 | LI | Exceeds Compliance |
| D. C. Sports, Inc. | U371 | ED-Fund G | 07/16/09 | 62,500 | 0 | 28 | 30 | 2 | 20 | 10 | 0 | 30 | 0 | CAPITAL | Exceeds Compliance |
| D4, LLC | X249 | ED-Fund G | 12/10/12 | 37,500 | 55 | 0 | 70 | 70 | 55 | 15 | 55 | 15 | 0 | FNGERLKS | Exceeds Compliance |
| D'Addario & Company, Inc. | T480 | ED-Fund G | 08/22/08 | 977,666 | 700 | 750 | 760 | 10 | 700 | 60 | 700 | 60 | 0 | LI | Exceeds Compliance |
| Dausville Properties, LLC | T247 | JN-Fund G | 05/29/08 | 375,000 | 73 | 125 | 165 | 40 | 173 | (8) | 73 | 92 | 0 | FNGERLKS | In 15% Range |
| Data Listing Services, LLC | V811 | JN-Fund G | 01/06/11 | 525,000 | 0 | 162 | 238 | 76 | 375 | (137) | 0 | 238 | 0 | WNY | Not in Compliance |
| Datrose, Inc. | W114 | MWB DL | 04/12/10 | 160,000 | 130 | 119 | 102 | (17) | 130 | (28) | 102 | 0 | 28 | FNGERLKS | Not in Compliance |
| Datrose, Inc. | W497 | ED-Fund G | 05/14/10 | 14,000 | 130 | 119 | 102 | (17) | 130 | (28) | 102 | 0 | 28 | FNGERLKS | Not in Compliance |
| DeCicco Enterprises, LLC | X089 | ED-Fund G | 10/31/11 | 165,000 | 0 | 84 | 88 | 4 | 75 | 13 | 0 | 88 | 0 | MIDHUD | Exceeds Compliance |
| Deltacraft Paper Company, LLC | T347 | ED-Fund G | 07/07/06 | 75,000 | 50 | 31 | 0 | (31) | 28 | (28) | 0 | 0 | 50 | WNY | Not in Compliance |
| DeMet's Candy Capital | W026 | ED-Fund G | 05/26/10 | 500,000 | 0 | 324 | 220 | (104) | 141 | 79 | 0 | 220 | 0 | STIER | Exceeds Compliance |
| Dresser-Rand Company | V734 | JN-Fund G | 07/23/10 | 2,000,000 | 552 | 956 | 1,129 | 173 | 672 | 457 | 552 | 577 | 0 | WNY | Exceeds Compliance |
| Dresser-Rand Group, Inc. | X136 | ED-Fund G | 09/14/12 | 500,000 | 787 | 0 | 1,129 | 1,129 | 837 | 292 | 787 | 342 | 0 | WNY | Exceeds Compliance |
| E. T. Precision Optics, Inc. | W352 | ED-Fund G | 08/07/09 | 87,500 | 64 | 48 | 44 | (4) | 64 | (20) | 44.25 | 0 | 20 | FNGERLKS | Not in Compliance |
| East Harlem Abyssinian Triangle L.P./ Pathmark Stores | D229 | MERF L | 12/15/00 | 8,822 | 0 | 146 | 130 | (16) | 125 | 5 | 0 | 130 | 0 | NYC | Exceeds Compliance |
| Eastman Machine Company | W107 | ED-Fund G | 03/25/09 | 150,000 | 98 | 107 | 116 | 9 | 103 | 13 | 98 | 18 | 0 | WNY | Exceeds Compliance |
| Eaton Corporation | U665 | ED-Fund G | 07/15/09 | 800,000 | 220 | 270 | 270 | 0 | 220 | 50 | 220 | 50 | 0 | STIER | Exceeds Compliance |
| ECR International Part II, Inc. | W581 | ED-Fund G | 04/23/10 | 600,000 | 247 | 287 | 288 | 1 | 309 | (21) | 247 | 41 | 0 | MOHAWK | In 15% Range |
| Edison Price Lighting, Inc. | T652 | ED-Fund G | 02/11/08 | 200,000 | 100 | 82 | 85 | 3 | 110 | (25) | 85 | 0 | 15 | NYC | Not in Compliance |
| Edwards Vacuum, Inc. | X195 | ED-Fund G | 11/21/12 | 500,000 | 100 | 0 | 144 | 144 | 128 | 16 | 100 | 44 | 0 | WNY | Exceeds Compliance |
| El Greco Woodworking, Inc. | T672 | ED-Fund G | 03/21/08 | 100,000 | 14 | 36 | 34 | (2) | 34 | 0 | 14 | 20 | 0 | WNY | Exceeds Compliance |
| Emerson Network Power Surge Protection, Inc. | V752 | ED-Fund G | 10/05/10 | 162,500 | 56 | 54 | 52 | (2) | 56 | (4) | 51.5 | 0 | 4 | STIER | In 15% Range |
| ENAP, Inc. | S139 | ED-Fund G | 12/07/06 | 250,000 | 75 | 53 | 56 | 3 | 62 | (6) | 56 | 0 | 19 | MIDHUD | Not in Compliance |
| EPCO Carbon Dioxide Products, Inc. | V927 | ED-Fund G | 05/23/12 | 33,500 | 0 | 0 | 8 | 8 | 5 | 3 | 0 | 8 | 0 | FNGERLKS | Exceeds Compliance |
| Epic Pharma, LLC | W220 | ED-Fund G | 10/16/09 | 300,000 | 165 | 179 | 169 | (10) | 185 | (16) | 165 | 4 | 0 | NYC | In 15% Range |
| FactSet Research System, Inc. | V325 | JN-Fund G | 07/09/08 | 200,000 | 163 | 454 | 514 | 60 | 313 | 201 | 163 | 351 | 0 | NYC | Exceeds Compliance |
| FAGE USA Dairy Industry, Inc. | S844 | ED-Fund G | 07/23/09 | 300,000 | 0 | 237 | 247 | 10 | 60 | 187 | 0 | 247 | 0 | MOHAWK | Exceeds Compliance |
| Ferris Industries/Briggs & Stratton Power Products Group LLC | U672 | ED-Fund G | 07/28/08 | 250,000 | 298 | 402 | 348 | (54) | 328 | 20 | 298 | 50 | 0 | CENTRAL | Exceeds Compliance |
| Fifty Door Partners, LLC d/b/a A & J Washroom Accessories | V917 | ED-Fund G | 10/27/08 | 183,334 | 60 | 69 | 68 | (1) | 60 | 8 | 60 | 8 | 0 | MIDHUD | Exceeds Compliance |
| First National Financial Group, Inc. | W786 | UB | 07/18/11 | 1,300,000 | 1,017 | 1,606 | 1,977 | 371 | 1,327 | 650 | 1,017 | 960 | 0 | WNY | Exceeds Compliance |
| Fluid Power Service Corporation | V969 | ED-Fund G | 04/14/09 | 33,600 | 36 | 43 | 46 | 3 | 40 | 6 | 36 | 10 | 0 | WNY | Exceeds Compliance |

| Project Name | Proj# | Funding Source Type | Closing Date | Original Investment | Start Employ | 2012 | 2013 | Diff 12/13 | Required | Diff Required/13 | Retained | Created | Lost | Region | Compliance |
|---|-------|---------------------|--------------|---------------------|--------------|-------|-------|------------|----------|------------------|----------|---------|------|----------|--------------------|
| Friendship Dairies, LLC | W235 | ED-Fund G | 11/15/12 | 200,000 | 218 | 0 | 257 | 257 | 258 | (1) | 218 | 39 | 0 | WNY | In 15% Range |
| Galvstar LLC | W539 | ED-Fund G | 08/03/12 | 100,000 | 0 | 0 | 25 | 25 | 20 | 5 | 0 | 25 | 0 | WNY | Exceeds Compliance |
| GE Aviation Systems LLC | W789 | ED-Fund L | 09/12/12 | 1,270,000 | 200 | 0 | 256 | 256 | 200 | 56 | 200 | 56 | 0 | LI | Exceeds Compliance |
| General Electric Company -GE Energy Div. | V819 | JN-Fund G | 04/29/10 | 5,000,000 | 500 | 620 | 600 | (20) | 500 | 100 | 500 | 100 | 0 | CAPITAL | Exceeds Compliance |
| Getinge Sourcing LLC | T542 | ED-Fund G | 08/24/10 | 550,000 | 265 | 275 | 258 | (17) | 265 | (7) | 258 | 0 | 7 | FNGERLKS | In 15% Range |
| GIS Information Systems, Inc. d/b/a Polaris Library Systems | W945 | ED-Fund L | 11/15/10 | 1,000,000 | 63 | 69 | 71 | 2 | 72 | (1) | 63 | 8 | 0 | CENTRAL | In 15% Range |
| Goodyear Dunlop Tires North America, LTD | F341 | ED-Fund G | 06/13/01 | 2,000,000 | 1,200 | 1,247 | 1,232 | (15) | 1,268 | (36) | 1200 | 32 | 0 | WNY | Not in Compliance |
| Gordon Companies Inc | V397 | ED-Fund G | 06/11/12 | 75,000 | 15 | 0 | 60 | 60 | 45 | 15 | 15 | 45 | 0 | WNY | Exceeds Compliance |
| Goulds Pumps Inc. | W339 | ED-Fund G | 04/09/12 | 1,350,000 | 680 | 0 | 893 | 893 | 740 | 153 | 680 | 213 | 0 | FNGERLKS | Exceeds Compliance |
| Grant Meridian Printing, Inc. d/b/a GM Printing | V185 | ED-Fund G | 06/20/11 | 44,150 | 24 | 25 | 23 | (2) | 24 | (1) | 22.75 | 0 | 1 | NYC | In 15% Range |
| Graphic Controls, LLC | V080 | ED-Fund G | 02/26/08 | 250,000 | 262 | 274 | 283 | 9 | 278 | 5 | 262 | 21 | 0 | WNY | Exceeds Compliance |
| Griffiss Hangar 101/Commodore/ Empire Aero Center | R299 | ED-Fund G | 06/22/04 | 2,000,000 | 0 | 110 | 131 | 21 | 66 | 65 | 0 | 131 | 0 | MOHAWK | Exceeds Compliance |
| Griffiss Local Development Corp | R300 | JN-Fund G | 05/18/04 | 1,000,000 | 0 | 110 | 131 | 21 | 66 | 65 | 0 | 131 | 0 | MOHAWK | Exceeds Compliance |
| H@Lofts Capital | W952 | UB L | 12/29/10 | 400,000 | 40 | 42 | 47 | 5 | 40 | 7 | 40 | 7 | 0 | WNY | Exceeds Compliance |
| Hamilton Printing Company | V143 | ED-Fund G | 03/28/11 | 100,000 | 95 | 88 | 71 | (17) | 88 | (17) | 71.25 | 0 | 24 | CAPITAL | Not in Compliance |
| Harris Corporation-RF Communications Group | W790 | ED-Fund G | 03/27/12 | 4,000,000 | 2,000 | 0 | 2,494 | 2,494 | 2,000 | 494 | 2000 | 494 | 0 | FNGERLKS | Exceeds Compliance |
| Hartford Fire Insurance Company | V809 | ED-Fund G | 03/25/10 | 435,000 | 600 | 658 | 631 | (27) | 600 | 31 | 600 | 31 | 0 | MOHAWK | Exceeds Compliance |
| Hartford Fire Insurance Company | V808 | ED-Fund G | 12/23/11 | 246,500 | 400 | 480 | 446 | (34) | 400 | 46 | 400 | 46 | 0 | CENTRAL | Exceeds Compliance |
| Healthway Home Products, Inc. | W472 | ED-Fund G | 04/01/10 | 25,000 | 22 | 29 | 34 | 5 | 22 | 12 | 22 | 12 | 0 | CENTRAL | Exceeds Compliance |
| Hero Group Inc./ Beech-Nut Nutrition Corp. | V060 | JN-Fund G | 11/17/10 | 12,567,000 | 356 | 354 | 260 | (94) | 491 | (231) | 260 | 0 | 96 | MOHAWK | Not in Compliance |
| Hero Group Inc./Beech-Nut Nutrition Corporation | V330 | ED-Fund G | 12/24/10 | 6,016,236 | 386 | 354 | 260 | (94) | 491 | (231) | 260 | 0 | 126 | MOHAWK | Not in Compliance |
| Hero Group Inc./Beech-Nut Nutrition Corporation | W136 | ED-Fund G | 11/19/10 | 5,000,000 | 386 | 437 | 260 | (177) | 491 | (231) | 260 | 0 | 126 | MOHAWK | Not in Compliance |
| High Falls Brewing Company, LLC | V176 | ED-Fund G | 05/13/08 | 1,500,000 | 331 | 519 | 513 | (6) | 421 | 92 | 331 | 182 | 0 | FNGERLKS | Exceeds Compliance |
| Hill & Markes, Inc. | X001 | UB L | 08/17/12 | 616,213 | 0 | 168 | 168 | 168 | 141 | 27 | 0 | 168 | 0 | MOHAWK | Exceeds Compliance |
| Hinspergers Poly Industries Inc. | W166 | ED-Fund G | 08/16/12 | 39,000 | 45 | 0 | 59 | 59 | 45 | 14 | 45 | 14 | 0 | FNGERLKS | Exceeds Compliance |
| Hi-Tech Pharmaceutical, Inc. | W182 | ED-Fund G | 08/28/09 | 450,000 | 240 | 327 | 357 | 30 | 290 | 67 | 240 | 117 | 0 | LI | Exceeds Compliance |
| Hope Lake Investors, LLC | T485 | JN-Fund G | 03/02/10 | 300,000 | 0 | 165 | 189 | 24 | 150 | 39 | 0 | 189 | 0 | CENTRAL | Exceeds Compliance |
| Howes Cave Development LLC | X346 | ED-Fund G | 08/24/12 | 75,000 | 0 | 0 | 44 | 44 | 37 | 7 | 0 | 44 | 0 | MOHAWK | Exceeds Compliance |
| Huhtamaki, Inc. | W908 | ED-Fund G | 11/21/12 | 500,000 | 631 | 0 | 582 | 582 | 631 | (49) | 581.5 | 0 | 49 | CENTRAL | In 15% Range |
| Hydro-Air Components, Inc. | T988 | JN-Fund G | 07/23/08 | 800,000 | 114 | 154 | 136 | (18) | 140 | (4) | 114 | 22 | 0 | WNY | In 15% Range |
| ICON Laboratories, Inc. | Q400 | ED-Fund G | 09/01/05 | 225,000 | 186 | 263 | 306 | 43 | 225 | 81 | 186 | 120 | 0 | LI | Exceeds Compliance |
| IFC, LLC | R815 | ED-Fund G | 10/28/04 | 95,000 | 0 | 38 | 31 | (7) | 38 | (7) | 0 | 31 | 0 | NCOUNTRY | Not in Compliance |
| Ingram Micro / Amherst Development Corp | C162 | REDS PA L | 08/20/97 | 300,000 | 539 | 1,360 | 1,458 | 98 | 1,139 | 319 | 539 | 919 | 0 | WNY | Exceeds Compliance |
| Inscape (NY) Inc. | X061 | ED-Fund G | 12/09/11 | 75,000 | 66 | 86 | 89 | 3 | 78 | 11 | 66 | 23 | 0 | WNY | Exceeds Compliance |
| International Paper Company/Ticonderoga Mill | V375 | ED-Fund G | 06/20/11 | 785,000 | 626 | 658 | 661 | 3 | 626 | 35 | 626 | 35 | 0 | NCOUNTRY | Exceeds Compliance |

| Project Name | Proj# | Funding Source Type | Closing Date | Original Investment | Start Employ | 2012 | 2013 | Diff 12/13 | Required | Diff Required/13 | Retained | Created | Lost | Region | Compliance |
|--|-------|---------------------|--------------|---------------------|--------------|------|------|------------|----------|------------------|----------|---------|------|----------|--------------------|
| International SEMA TECH Manufacturing Initiative | X204 | CITYBY | G 08/08/11 | 10,000,000 | 0 | 96 | 118 | 22 | 50 | 68 | 0 | 118 | 0 | CAPITAL | Exceeds Compliance |
| International SEMA TECH Manufacturing Initiative | X008 | CITYBY | G 08/08/11 | 3,750,000 | 0 | 96 | 118 | 22 | 50 | 68 | 0 | 118 | 0 | CAPITAL | Exceeds Compliance |
| International SEMA TECH Manufacturing Initiative, Inc. | W934 | JN-Fund | G 08/08/11 | 3,881,273 | 0 | 96 | 118 | 22 | 50 | 68 | 0 | 118 | 0 | CAPITAL | Exceeds Compliance |
| Intrinsicq Materials, Inc. | X065 | ED-Fund | G 11/07/12 | 1,200,000 | 0 | 0 | 8 | 8 | | 8 | 0 | 8 | 0 | FNGERLKS | Exceeds Compliance |
| INX International Inc Company | X203 | ED-Fund | G 07/24/12 | 75,000 | 50 | 0 | 56 | 56 | 53 | 3 | 50 | 6 | 0 | WNY | Exceeds Compliance |
| iQor US Inc. | T883 | ED-Fund | G 02/14/11 | 250,000 | 50 | 52 | 39 | (13) | 50 | (11) | 39.25 | 0 | 11 | WNY | Not in Compliance |
| Irving Tissue, Inc. | Y918 | ED-Fund | G 02/08/11 | 600,000 | 278 | 333 | 332 | (1) | 278 | 54 | 278 | 54 | 0 | CAPITAL | Exceeds Compliance |
| ITT Corporation | V596 | ED-Fund | G 05/29/08 | 1,000,000 | 119 | 152 | 196 | 44 | 169 | 27 | 119 | 77 | 0 | MIDHUD | Exceeds Compliance |
| Jetro Cash & Carry Enterprises, LLC | X124 | DS Down | G 10/01/12 | 500,000 | 185 | 0 | 205 | 205 | 202 | 3 | 185 | 20 | 0 | NYC | Exceeds Compliance |
| John Hassall, Inc. | U473 | ED-Fund | G 07/25/11 | 90,000 | 74 | 94 | 92 | (2) | 74 | 18 | 74 | 18 | 0 | LI | Exceeds Compliance |
| Johnson and Hoffman, LLC | V177 | ED-Fund | G 04/17/08 | 100,000 | 79 | 72 | 69 | (3) | 79 | (10) | 69 | 0 | 10 | LI | In 15% Range |
| Kaleida Health | X097 | UB | G 03/02/12 | 6,600,000 | 384 | 0 | 761 | 761 | 384 | 377 | 384 | 377 | 0 | WNY | Exceeds Compliance |
| KAS Production Center LLC | F243 | ED-Fund | L 06/25/08 | 500,000 | 28 | 51 | 51 | 0 | 28 | 23 | 28 | 23 | 0 | NYC | Exceeds Compliance |
| KAS Production Center, LLC | F241 | ED-Fund | G 10/20/09 | 450,000 | 28 | 51 | 51 | 0 | 28 | 23 | 28 | 23 | 0 | NYC | Exceeds Compliance |
| KAS Production Center, LLC(merf Loan) | F242 | ED-Fund | L 02/19/09 | 1,000,000 | 28 | 51 | 51 | 0 | 28 | 23 | 28 | 23 | 0 | NYC | Exceeds Compliance |
| Klein Steel Service, Inc. | W150 | ED-Fund | G 04/16/09 | 100,000 | 135 | 162 | 200 | 38 | 149 | 51 | 135 | 65 | 0 | FNGERLKS | Exceeds Compliance |
| Knowlton Technologies, LLC | W774 | ED-Fund | G 04/02/09 | 425,000 | 101 | 124 | 129 | 5 | 111 | 18 | 101 | 28 | 0 | NCOUNTRY | Exceeds Compliance |
| Kolmar Laboratories, Inc. | W756 | CITYBY | L 07/28/11 | 2,500,000 | 400 | 424 | 417 | (7) | 400 | 17 | 400 | 17 | 0 | MIDHUD | Exceeds Compliance |
| Kolmar Laboratories, Inc. | X305 | ED-Fund | L 07/28/11 | 250,000 | 400 | 424 | 417 | (7) | 400 | 17 | 400 | 17 | 0 | MIDHUD | Exceeds Compliance |
| Kolmar Laboratories, Inc. | X590 | ED-Fund | L 08/09/12 | 250,000 | 400 | 0 | 417 | 417 | 400 | 17 | 400 | 17 | 0 | MIDHUD | Exceeds Compliance |
| Kolmar Laboratories, Inc. | W331 | ED-Fund | L 03/25/11 | 2,000,000 | 400 | 424 | 417 | (7) | 400 | 17 | 400 | 17 | 0 | FNGERLKS | Exceeds Compliance |
| Kraft Foods Global, Inc. | W587 | ED-Fund | G 02/04/11 | 125,000 | 353 | 413 | 426 | 13 | 403 | 23 | 353 | 73 | 0 | FNGERLKS | Exceeds Compliance |
| Kristi Trailers Industries, Inc. | R554 | ED-Fund | G 09/25/06 | 75,000 | 12 | 12 | 11 | (1) | 9 | 2 | 11 | 0 | 1 | CENTRAL | Exceeds Compliance |
| L.D. McCauley, LLC | V692 | ED-Fund | G 04/29/09 | 350,000 | 154 | 155 | 175 | 20 | 154 | 21 | 154 | 21 | 0 | WNY | Exceeds Compliance |
| La Belle Farm, Inc. | U319 | ED-Fund | G 08/18/10 | 176,205 | 47 | 113 | 68 | (45) | 65 | 3 | 47 | 21 | 0 | MIDHUD | Exceeds Compliance |
| Landis Plastics, Inc./Berry Plastics | V383 | ED-Fund | G 11/18/09 | 105,750 | 145 | 144 | 126 | (18) | 145 | (19) | 125.5 | 0 | 19 | CENTRAL | In 15% Range |
| Lanovara Food Distributors | V772 | ED-Fund | G 06/24/08 | 12,500 | 33 | 30 | 34 | 4 | 33 | 1 | 33 | 1 | 0 | FNGERLKS | Exceeds Compliance |
| Lapp Insulators LLC | T801 | ED-Fund | G 04/04/07 | 300,000 | 156 | 126 | 123 | (3) | 156 | (33) | 122.625 | 0 | 33 | FNGERLKS | Not in Compliance |
| Lee Spring Company LLC | V724 | ED-Fund | G 04/02/09 | 350,000 | 95 | 92 | 82 | (10) | 95 | (13) | 82 | 0 | 13 | NYC | In 15% Range |
| Legendary Auto Interiors, Ltd | U671 | ED-Fund | G 12/08/10 | 123,750 | 60 | 59 | 58 | (1) | 69 | (11) | 58.5 | 0 | 2 | FNGERLKS | Not in Compliance |
| Life Technologies Corporation | S280 | ED-Fund | G 08/26/09 | 1,750,000 | 475 | 533 | 582 | 49 | 539 | 43 | 475 | 107 | 0 | WNY | Exceeds Compliance |
| Love and Quiches, Inc. | V366 | ED-Fund | G 04/07/09 | 175,000 | 205 | 241 | 247 | 6 | 205 | 42 | 205 | 42 | 0 | LI | Exceeds Compliance |
| LS&S, LLC | V920 | ED-Fund | G 07/23/09 | 70,000 | 0 | 17 | 17 | 0 | 0 | 17 | 0 | 17 | 0 | WNY | In Compliance |
| Luvata/Aurubis Buffalo, Inc. | V730 | ED-Fund | G 04/01/10 | 93,609 | 542 | 621 | 633 | 12 | 542 | 91 | 542 | 91 | 0 | WNY | Exceeds Compliance |
| Marquardt Switches, Inc | E386 | ED-Fund | L 05/18/99 | 500,000 | 193 | 415 | 496 | 81 | 250 | 246 | 193 | 303 | 0 | CENTRAL | Exceeds Compliance |
| Marquardt Switches, Inc. | W618 | ED-Fund | G 11/14/11 | 425,000 | 291 | 0 | 496 | 496 | 291 | 205 | 291 | 205 | 0 | CENTRAL | Exceeds Compliance |
| Marquardt Switches, Inc. | V333 | ED-Fund | G 07/23/10 | 150,000 | 267 | 415 | 496 | 81 | 291 | 205 | 267 | 229 | 0 | CENTRAL | Exceeds Compliance |
| Matrix Training Solutions, Inc. | V133 | ED-Fund | G 09/19/07 | 55,000 | 70 | 71 | 69 | (2) | 75 | (6) | 69 | 0 | 1 | WNY | In 15% Range |

| Project Name | Proj# | Funding Source | Type | Closing Date | Original Investment | Start Employ | 2012 | 2013 | Diff 12/13 | Required | Diff Required/13 | Retained | Created | Lost | Region | Compliance |
|--|-------|----------------|------|--------------|---------------------|--------------|------|------|------------|----------|------------------|----------|---------|------|----------|--------------------|
| Medline Industries, Inc. | U924 | ED-Fund | G | 06/28/11 | 250,000 | 0 | 114 | 127 | 13 | 69 | 58 | 0 | 127 | 0 | MIDHUD | Exceeds Compliance |
| Medtek Devices, Inc. d/b/a Buffalo Filter | V956 | ED-Fund | G | 12/06/11 | 125,000 | 60 | 64 | 70 | 6 | 60 | 10 | 60 | 10 | 0 | WNY | Exceeds Compliance |
| Mercury Print Productions, Inc. | X220 | ED-Fund | G | 08/01/12 | 187,500 | 210 | 0 | 222 | 222 | 230 | (8) | 210 | 12 | 0 | FNGERLKS | In 15% Range |
| Mesorah Publications, Lid | X437 | ED-Fund | G | 12/18/12 | 120,000 | 101 | 0 | 110 | 110 | 108 | 2 | 101 | 9 | 0 | NYC | Exceeds Compliance |
| Metal Solutions, Inc. | W238 | ED-Fund | G | 06/08/12 | 25,000 | 39 | 0 | 47 | 47 | 49 | (2) | 39 | 8 | 0 | MOHAWK | In 15% Range |
| Metro Door, Inc. | V357 | ED-Fund | G | 01/14/10 | 150,000 | 86 | 102 | 105 | 3 | 86 | 19 | 86 | 19 | 0 | LI | Exceeds Compliance |
| Metro Paper Industries of N.Y., Inc. | W180 | ED-Fund | G | 07/13/09 | 200,000 | 53 | 70 | 68 | (2) | 71 | (3) | 53 | 15 | 0 | NCOUNTRY | In 15% Range |
| Meyer Tool Middletown New York, Inc. | U858 | ED-Fund | G | 09/01/10 | 112,500 | 0 | 31 | 34 | 3 | 35 | (1) | 0 | 34 | 0 | MIDHUD | In 15% Range |
| MOD-PAC CORPORATION | P657 | ED-Fund | L | 01/16/04 | 200,000 | 246 | 373 | 376 | 3 | 436 | (60) | 246 | 130 | 0 | WNY | In 15% Range |
| Moldtech Incorporated | V124 | ED-Fund | G | 05/28/09 | 202,500 | 45 | 64 | 62 | (2) | 65 | (3) | 45 | 17 | 0 | WNY | In 15% Range |
| Morris Northstar Hatchery, Inc. | V432 | ED-Fund | G | 07/31/09 | 50,000 | 0 | 17 | 19 | 2 | 15 | 4 | 0 | 19 | 0 | NCOUNTRY | Exceeds Compliance |
| Mueller Services, Inc. | R792 | ED-Fund | G | 04/27/05 | 100,000 | 160 | 344 | 377 | 33 | 260 | 117 | 160 | 217 | 0 | WNY | Exceeds Compliance |
| Multisorb Technologies, Inc. | V598 | ED-Fund | G | 11/04/08 | 800,000 | 352 | 493 | 557 | 64 | 402 | 155 | 352 | 205 | 0 | WNY | Exceeds Compliance |
| MWI, Inc. | T601 | ED-Fund | G | 08/19/10 | 75,000 | 63 | 110 | 93 | (17) | 87 | 6 | 63 | 30 | 0 | FNGERLKS | Exceeds Compliance |
| Nanz Custom Hardware, Inc. | V781 | ED-Fund | G | 07/15/09 | 200,000 | 72 | 83 | 91 | 8 | 72 | 19 | 72 | 19 | 0 | LI | Exceeds Compliance |
| New Era Cap Co., Inc. | T725 | ED-Fund | G | 03/13/08 | 4,350,000 | 511 | 684 | 677 | (7) | 511 | 166 | 511 | 166 | 0 | WNY | Exceeds Compliance |
| New Era Cap Co., Inc. | X083 | UB | G | 12/10/12 | 900,000 | 511 | 0 | 677 | 677 | 536 | 141 | 511 | 166 | 0 | WNY | Exceeds Compliance |
| New York Air Brake | W165 | ED-Fund | G | 06/04/10 | 75,000 | 250 | 379 | 416 | 37 | 250 | 166 | 250 | 166 | 0 | NCOUNTRY | Exceeds Compliance |
| New York State Energy Research and Development Authority | W517 | ED-Fund | G | 05/26/11 | 600,000 | 62 | 299 | 120 | (179) | 200 | (80) | 62 | 58 | 0 | CAPITAL | Not in Compliance |
| Newton Falls Fine Paper Company, LLC | O840 | ED-Fund | G | 12/21/09 | 250,000 | 0 | 22 | 0 | (22) | 97 | (97) | 0 | 0 | 0 | NCOUNTRY | Not In Compliance |
| Niagara Ceramics Corporation | R680 | JN-Fund | G | 08/06/04 | 500,000 | 0 | 82 | 106 | 24 | 180 | (74) | 0 | 106 | 0 | WNY | Not in Compliance |
| Niagara Sheets, LLC | W115 | ED-Fund | G | 12/31/08 | 48,008 | 0 | 68 | 72 | 4 | 65 | 7 | 0 | 72 | 0 | WNY | Exceeds Compliance |
| NOCO Energy Corporation | T173 | ED-Fund | G | 10/07/09 | 300,000 | 153 | 183 | 209 | 26 | 173 | 36 | 153 | 56 | 0 | WNY | Exceeds Compliance |
| Oldcastle Retail, Inc d/b/a Bonsal American | S485 | ED-Fund | G | 04/17/08 | 25,000 | 0 | 15 | 13 | (2) | 13 | 0 | 0 | 13 | 0 | LI | Exceeds Compliance |
| Omni-ID USA, Inc. | X066 | ED-Fund | G | 11/07/12 | 500,000 | 0 | 0 | 17 | 17 | 0 | 17 | 0 | 17 | 0 | FNGERLKS | Exceeds Compliance |
| Oneida Molded Plastics, LLC | V708 | ED-Fund | G | 08/29/08 | 180,000 | 120 | 138 | 150 | 12 | 128 | 22 | 120 | 30 | 0 | CENTRAL | Exceeds Compliance |
| Oriskany Manufacturing LLC | V612 | ED-Fund | G | 08/10/11 | 200,000 | 51 | 85 | 82 | (3) | 86 | (4) | 51 | 31 | 0 | MOHAWK | In 15% Range |
| Owens-Brockway Glass Container Inc. | U370 | ED-Fund | G | 11/18/09 | 1,250,000 | 230 | 273 | 243 | (30) | 230 | 13 | 230 | 13 | 0 | CENTRAL | Exceeds Compliance |
| OXYVITA, INC | R291 | BIOMED | G | 01/11/05 | 250,000 | 0 | 6 | 5 | (1) | 1 | 4 | 0 | 5 | 0 | MIDHUD | Exceeds Compliance |
| P&G Steel Products Co., Inc | S154 | ED-Fund | G | 03/17/08 | 50,000 | 67 | 83 | 90 | 7 | 46 | 44 | 67 | 23 | 0 | WNY | Exceeds Compliance |
| Packstar Group, Inc. | V822 | ED-Fund | G | 08/09/12 | 250,000 | 65 | 0 | 126 | 126 | 105 | 21 | 65 | 61 | 0 | WNY | Exceeds Compliance |
| PAETEC Communications, Inc. | V810 | ED-Fund | G | 02/08/11 | 250,000 | 656 | 608 | 702 | 94 | 706 | (4) | 656 | 46 | 0 | FNGERLKS | In 15% Range |
| Pall Corporation | V591 | ED-Fund | G | 04/22/11 | 375,000 | 517 | 547 | 607 | 60 | 517 | 90 | 517 | 90 | 0 | LI | Exceeds Compliance |
| PCB Piezotronics, Inc. | X069 | ED-Fund | G | 02/27/12 | 500,000 | 513 | 0 | 616 | 616 | 563 | 53 | 513 | 103 | 0 | WNY | Exceeds Compliance |
| PCS Technologies, Lid | U366 | ED-Fund | G | 05/05/09 | 30,000 | 14 | 14 | 19 | 5 | 14 | 5 | 14 | 5 | 0 | NCOUNTRY | Exceeds Compliance |
| Pentagroup Financial, LLC | U050 | JN-Fund | G | 04/03/08 | 270,000 | 0 | 30 | 130 | 100 | 135 | (5) | 0 | 130 | 0 | WNY | In 15% Range |
| Pestech Exterminating, Inc. | T659 | ED-Fund | G | 07/09/08 | 52,900 | 17 | 27 | 29 | 2 | 27 | 2 | 17 | 12 | 0 | MIDHUD | Exceeds Compliance |
| Phyljohn Distributors, Inc D/B/A Gillette Creamery | W899 | ED-Fund | G | 09/22/11 | 600,000 | 72 | 78 | 81 | 3 | 79 | 2 | 72 | 9 | 0 | MIDHUD | Exceeds Compliance |
| Pliant, LLC | W477 | ED-Fund | G | 12/21/12 | 40,000 | 518 | 0 | 551 | 551 | 530 | 21 | 518 | 33 | 0 | FNGERLKS | Exceeds Compliance |

| Project Name | Proj# | Funding Source | Type | Closing Date | Original Investment | Start Employ | 2012 | 2013 | Diff 12/13 | Required | Diff Required/13 | Retained | Created | Lost | Region | Compliance |
|---|-------|----------------|------|--------------|---------------------|--------------|-------|-------|------------|----------|------------------|----------|---------|------|----------|--------------------|
| Polymer Conversions, Inc. | V737 | ED-Fund | G | 04/17/09 | 375,000 | 75 | 86 | 87 | 1 | 75 | 12 | 75 | 12 | 0 | WNY | Exceeds Compliance |
| Potsdam Specialty Paper, Inc. | W512 | ED-Fund | G | 10/09/09 | 250,000 | 79 | 84 | 84 | 0 | 79 | 5 | 79 | 5 | 0 | NCOUNTRY | Exceeds Compliance |
| Precisionmatics Co., Inc. | X328 | ED-Fund | G | 12/12/12 | 100,000 | 47 | 0 | 68 | 68 | 52 | 16 | 47 | 21 | 0 | MOHAWK | Exceeds Compliance |
| President Container, Inc. | w240 | ED-Fund | G | 08/19/11 | 500,000 | 0 | 0 | 237 | 237 | 115 | 122 | 0 | 237 | 0 | MIDHUD | Exceeds Compliance |
| Primet Precision Materials, Inc. | R514 | ED-Fund | G | 09/21/06 | 75,000 | 0 | 32 | 26 | (6) | 30 | (4) | 0 | 26 | 0 | STIER | In 15% Range |
| Prism Solar Technologies, Inc. | U288 | JN-Fund | G | 02/25/10 | 300,000 | 0 | 19 | 16 | (3) | 20 | (4) | 0 | 16 | 0 | MIDHUD | Not in Compliance |
| Protective Industries, Inc. d/b/a Caplugs | R994 | ED-Fund | G | 08/01/06 | 300,000 | 256 | 267 | 294 | 27 | 272 | 22 | 256 | 38 | 0 | WNY | Exceeds Compliance |
| Quad Graphics Inc. | T469 | ED-Fund | G | 09/14/07 | 250,000 | 940 | 745 | 736 | (9) | 775 | (39) | 736 | 0 | 204 | CAPITAL | In 15% Range |
| Quintel USA, Inc. | X067 | ED-Fund | G | 11/07/12 | 1,300,000 | 0 | 0 | 17 | 17 | 63 | 7 | 0 | 17 | 0 | FNGERLKS | Exceeds Compliance |
| Regeneron Pharmaceuticals, Inc. | T903 | ED-Fund | G | 08/09/12 | 2,000,000 | 565 | 0 | 1,329 | 1,329 | 565 | 764 | 565 | 764 | 0 | MIDHUD | Exceeds Compliance |
| Remington Arms Company, Inc. | X070 | ED-Fund | G | 02/09/12 | 1,655,000 | 892 | 0 | 1,276 | 1,276 | 970 | 306 | 892 | 384 | 0 | MOHAWK | Exceeds Compliance |
| Remington Arms Company, Inc. | W173 | JN-Fund | G | 07/03/09 | 1,500,000 | 600 | 1,071 | 1,350 | 279 | 700 | 650 | 600 | 750 | 0 | MOHAWK | Exceeds Compliance |
| Rem-ironics, Inc. | W171 | ED-Fund | G | 12/01/11 | 75,000 | 56 | 67 | 70 | 3 | 63 | 7 | 56 | 14 | 0 | WNY | Exceeds Compliance |
| Richardson Brands Company | W615 | ED-Fund | G | 08/25/11 | 500,000 | 128 | 158 | 208 | 50 | 143 | 65 | 128 | 80 | 0 | MOHAWK | Exceeds Compliance |
| RNN News LLC | W609 | ED-Fund | G | 02/04/11 | 200,000 | 0 | 85 | 86 | 1 | 45 | 41 | 0 | 86 | 0 | MIDHUD | Exceeds Compliance |
| Roundabout Theatre Company | V814 | ED-Fund | G | 03/25/10 | 250,000 | 0 | 97 | 49 | (48) | 103 | (54) | 0 | 49 | 0 | NYC | Not in Compliance |
| Roycroft Campus Corporation | U293 | ED-Fund | G | 08/27/10 | 1,500,000 | 97 | 104 | 114 | 10 | 110 | 4 | 97 | 17 | 0 | WNY | Exceeds Compliance |
| S.J. McCullagh, Inc. | X134 | ED-Fund | G | 12/01/11 | 40,000 | 42 | 40 | 36 | (4) | 42 | (6) | 36 | 0 | 6 | WNY | In 15% Range |
| S.R. Sloan, Inc. | T649 | ED-Fund | G | 04/14/09 | 87,500 | 55 | 50 | 52 | 2 | 60 | (8) | 51.5 | 0 | 3 | MOHAWK | In 15% Range |
| San-Mar Laboratories, Inc. | W530 | JN-Fund | G | 12/02/10 | 250,000 | 199 | 236 | 0 | (236) | 244 | (244) | 0 | 0 | 199 | MIDHUD | Not in Compliance |
| Seal & Design Inc. | U903 | ED-Fund | G | 03/10/08 | 50,000 | 57 | 76 | 79 | 3 | 62 | 17 | 57 | 22 | 0 | WNY | Exceeds Compliance |
| Sealing Devices, Inc. | V779 | ED-Fund | L | 08/25/11 | 47,240 | 127 | 161 | 151 | (10) | 147 | 4 | 127 | 24 | 0 | WNY | Exceeds Compliance |
| Seneca Market I, LLC | U620 | ED-Fund | G | 05/02/11 | 135,000 | 0 | 94 | 84 | (10) | 30 | 54 | 0 | 84 | 0 | STIER | Exceeds Compliance |
| Sitel Operating Corporation | V275 | JN-Fund | G | 08/09/12 | 750,000 | 0 | 0 | 349 | 349 | 300 | 49 | 0 | 349 | 0 | STIER | Exceeds Compliance |
| SKF Aeroengine (SKF USA Inc.) | V434 | ED-Fund | G | 04/23/09 | 275,000 | 395 | 620 | 630 | 10 | 395 | 235 | 395 | 235 | 0 | WNY | Exceeds Compliance |
| SKF USA Inc. d/b/a SKF Aeroengine North America | W768 | ED-Fund | G | 12/12/12 | 687,500 | 600 | 0 | 630 | 630 | 600 | 30 | 600 | 30 | 0 | WNY | Exceeds Compliance |
| SKF USA Inc. d/b/a SKF Aeroengine North America | W769 | UB | G | 12/12/12 | 687,500 | 600 | 0 | 630 | 630 | 600 | 30 | 600 | 30 | 0 | WNY | Exceeds Compliance |
| Sleepy's, LLC | U294 | JN-Fund | G | 04/01/10 | 1,500,000 | 401 | 612 | 658 | 46 | 551 | 107 | 401 | 257 | 0 | LI | Exceeds Compliance |
| SMG Hair-Son, LLC | U624 | ED-Fund | G | 12/06/07 | 50,000 | 15 | 19 | 20 | 1 | 21 | (1) | 15 | 5 | 0 | WNY | In 15% Range |
| Snyder Transportation, LLC | W916 | UCDPFU | L | 04/29/11 | 500,000 | 80 | 87 | 72 | (15) | 80 | (8) | 72.25 | 0 | 8 | WNY | In 15% Range |
| SolEpoxy, Inc. | X194 | ED-Fund | G | 07/24/12 | 400,000 | 40 | 0 | 53 | 53 | 49 | 4 | 40 | 13 | 0 | WNY | Exceeds Compliance |
| Sorrento Lactalis, Inc. | W159 | ED-Fund | G | 08/29/11 | 500,000 | 510 | 524 | 554 | 30 | 510 | 44 | 510 | 44 | 0 | WNY | Exceeds Compliance |
| Southern Tier Forest Products, Inc. | W187 | ED-Fund | G | 05/22/12 | 20,000 | 23 | 0 | 23 | 23 | 23 | 0 | 23 | 0 | 0 | WNY | Exceeds Compliance |
| Special Metals Corp. | V623 | ED-Fund | G | 09/25/07 | 172,538 | 499 | 353 | 356 | 3 | 499 | (143) | 355.75 | 0 | 143 | WNY | Not in Compliance |
| St. Gobain ADFORS | W200 | ED-Fund | G | 08/21/12 | 65,000 | 152 | 0 | 179 | 179 | 172 | 7 | 152 | 27 | 0 | FNGERLKS | Exceeds Compliance |
| Steel & O'Brien Manufacturing, Inc. | X072 | ED-Fund | G | 08/16/11 | 100,000 | 47 | 74 | 79 | 5 | 57 | 22 | 47 | 32 | 0 | FNGERLKS | Exceeds Compliance |
| Steuben Foods, Inc. | X129 | ED-Fund | G | 08/01/12 | 1,650,000 | 426 | 0 | 508 | 508 | 426 | 82 | 426 | 82 | 0 | WNY | Exceeds Compliance |
| Stuart Mill Acquisition, Inc. d/b/a The Page Seed Co., Inc. | V712 | ED-Fund | G | 10/08/08 | 100,000 | 23 | 38 | 28 | (10) | 23 | 5 | 23 | 5 | 0 | STIER | Exceeds Compliance |

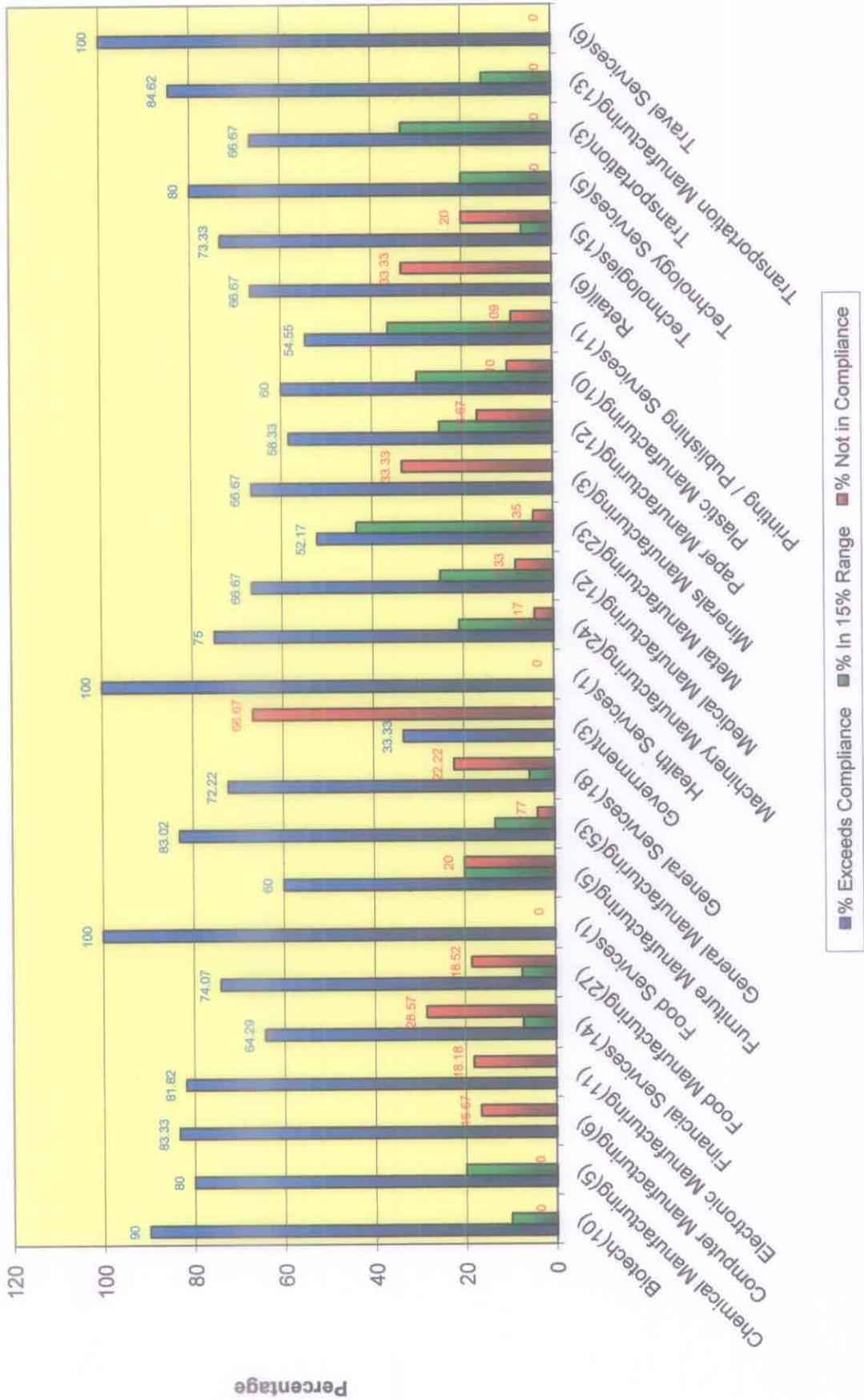
| Project Name | Proj# | Funding Source Type | Closing Date | Original Investment | Start Employ | 2012 | 2013 | Diff 12/13 | Required | Diff Required/13 | Retained | Created | Lost | Region | Compliance |
|--|-------|---------------------|--------------|---------------------|--------------|-------|-------|------------|----------|------------------|----------|---------|------|----------|--------------------|
| StudentVoice LLC | T436 | ED-Fund G | 01/15/08 | 75,000 | 8 | 59 | 71 | 12 | 37 | 34 | 8 | 63 | 0 | WNY | Exceeds Compliance |
| Sutherland Global Services Inc. | X303 | ED-Fund L | 01/12/12 | 300,000 | 2,199 | 0 | 3,216 | 3,216 | 2,599 | 617 | 2,199 | 1,017 | 0 | FNGERLKS | Exceeds Compliance |
| Synergy Tooling Systems, Inc. | T646 | ED-Fund G | 10/15/08 | 75,000 | 26 | 24 | 28 | 4 | 26 | 2 | 26 | 2 | 0 | WNY | Exceeds Compliance |
| Synacuse Label Company, Inc. | X358 | ED-Fund G | 02/14/12 | 150,000 | 80 | 0 | 82 | 82 | 80 | 2 | 80 | 2 | 0 | CENTRAL | Exceeds Compliance |
| Taconic Farms, Inc. | U440 | ED-Fund G | 05/24/10 | 105,468 | 28 | 36 | 48 | 12 | 44 | 4 | 28 | 20 | 0 | CAPITAL | Exceeds Compliance |
| TAM Ceramics Group of NY, LLC | X047 | ED-Fund G | 02/03/11 | 300,000 | 50 | 58 | 71 | 13 | 50 | 21 | 50 | 21 | 0 | WNY | Exceeds Compliance |
| Taylor Biomass Energy, LLC | W873 | DS Down L | 04/13/12 | 2,000,000 | 21 | 0 | 44 | 44 | 40 | 4 | 21 | 23 | 0 | MIDHUD | Exceeds Compliance |
| Tessy Plastics Corporation | X003 | UB L | 04/11/11 | 1,300,000 | 593 | 725 | 683 | (42) | 623 | 60 | 593 | 90 | 0 | CENTRAL | Exceeds Compliance |
| The Brooklyn Brewery Corporation | W928 | DS Down G | 07/27/11 | 800,000 | 27 | 40 | 50 | 10 | 36 | 14 | 27 | 23 | 0 | NYC | Exceeds Compliance |
| The Eastern Company d/b/a Frazer & Jones Company | X028 | UCDPFU G | 12/22/11 | 214,500 | 120 | 187 | 225 | 38 | 120 | 105 | 120 | 105 | 0 | CENTRAL | Exceeds Compliance |
| The Raymond Corporation | W972 | UB G | 04/09/12 | 2,250,000 | 741 | 0 | 1,084 | 1,084 | 791 | 293 | 741 | 343 | 0 | STIER | Exceeds Compliance |
| The Research Foundation of SUNY/College of Nanoscale Science | X772 | SP-APPR G | 07/10/12 | 95,000,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | CAPITAL | In Compliance |
| Thermold Corporation | W423 | ED-Fund G | 11/10/11 | 25,000 | 35 | 65 | 95 | 30 | 40 | 55 | 35 | 60 | 0 | CENTRAL | Exceeds Compliance |
| Top Quality Hay Processors, LLC | V726 | ED-Fund G | 10/05/09 | 75,000 | 0 | 13 | 2 | (11) | 19 | (17) | 0 | 2 | 0 | FNGERLKS | Not in Compliance |
| Tops Markets, LLC | W005 | JN-Fund G | 11/18/09 | 1,200,000 | 145 | 307 | 321 | 14 | 285 | 36 | 145 | 176 | 0 | WNY | Exceeds Compliance |
| Towers Watson Pennsylvania Inc | W785 | ED-Fund G | 10/16/12 | 250,000 | 140 | 0 | 141 | 141 | 140 | 1 | 140 | 1 | 0 | MIDHUD | Exceeds Compliance |
| Town of Norwich Water & Sewer Industries) | C584 | REDS PA L | 03/05/02 | 168,753 | 265 | 329 | 334 | 5 | 334 | 334 | 265 | 69 | 0 | STIER | Exceeds Compliance |
| Trayer Products, Inc. | S285 | ED-Fund G | 11/24/06 | 200,000 | 200 | 121 | 116 | (5) | 108 | 8 | 116.25 | 0 | 84 | STIER | Exceeds Compliance |
| Turbo Machined Products, LLC | W475 | ED-Fund G | 04/16/12 | 35,000 | 28 | 0 | 41 | 41 | 43 | (2) | 28 | 13 | 0 | MOHAWK | In 15% Range |
| Twin Marquis, Inc | X038 | ED-Fund G | 05/04/12 | 33,000 | 170 | 0 | 258 | 258 | 170 | 88 | 170 | 88 | 0 | NYC | Exceeds Compliance |
| Ultra-Flex Packaging Corp. | V179 | ED-Fund G | 04/16/09 | 373,000 | 200 | 225 | 222 | (3) | 240 | (18) | 200 | 22 | 0 | NYC | In 15% Range |
| UniQuest Delaware, LLC | V785 | COMMU G | 11/05/09 | 4,914,000 | 0 | 112 | 122 | 10 | 70 | 52 | 0 | 122 | 0 | WNY | Exceeds Compliance |
| UniQuest Delaware, LLC | V806 | ED-Fund G | 11/06/96 | 1,886,000 | 0 | 112 | 122 | 10 | 70 | 52 | 0 | 122 | 0 | WNY | Exceeds Compliance |
| UniQuest Delaware, LLC | V784 | ED-Fund G | 11/05/09 | 4,200,000 | 0 | 210 | 211 | 1 | 140 | 71 | 0 | 211 | 0 | WNY | Exceeds Compliance |
| Upstate Niagara Cooperative, Inc. | V335 | ED-Fund G | 05/11/09 | 350,000 | 146 | 168 | 168 | 0 | 146 | 22 | 146 | 22 | 0 | WNY | Exceeds Compliance |
| US Optical LLC | V716 | ED-Fund G | 12/18/09 | 100,000 | 0 | 67 | 74 | 7 | 35 | 39 | 0 | 74 | 0 | CENTRAL | Exceeds Compliance |
| Village of Canastota | D854 | ED-Fund L | 04/08/02 | 250,000 | 253 | 346 | 0 | (346) | 0 | 0 | 0 | 0 | 253 | CENTRAL | In Compliance |
| Voss Manufacturing Inc. | V697 | ED-Fund G | 07/23/09 | 225,000 | 78 | 83 | 90 | 7 | 83 | 7 | 78 | 12 | 0 | WNY | Exceeds Compliance |
| Wagner Nineveh, Inc. | V722 | ED-Fund G | 11/07/08 | 100,000 | 27 | 46 | 50 | 4 | 37 | 13 | 27 | 23 | 0 | STIER | Exceeds Compliance |
| Ward's Natural Science | J615 | ED-Fund G | 02/06/03 | 300,000 | 275 | 336 | 276 | (60) | 318 | (42) | 275 | 1 | 0 | FNGERLKS | Not in Compliance |
| Washington/Walton Real Estate Company Inc. | W137 | UCDPFU G | 09/14/11 | 1,000,000 | 0 | 376 | 418 | 42 | 300 | 118 | 0 | 418 | 0 | CENTRAL | Exceeds Compliance |
| Washington/Walton Real Estate Company, Inc. | W106 | UCDPFU L | 05/24/12 | 2,000,000 | 0 | 0 | 418 | 418 | 300 | 118 | 0 | 418 | 0 | CENTRAL | Exceeds Compliance |
| Watkins Glen International Racetrack | W965 | ED-Fund G | 05/04/12 | 250,000 | 69 | 0 | 73 | 73 | 69 | 4 | 69 | 4 | 0 | FNGERLKS | Exceeds Compliance |
| Welch Allyn, Inc. | V950 | ED-Fund G | 03/24/11 | 240,000 | 1,125 | 1,136 | 1,130 | (6) | 1,300 | (170) | 1125 | 5 | 0 | CENTRAL | In 15% Range |
| Westinghouse Air Brake Technologies Corp. d/b/a WABTEC | V119 | ED-Fund G | 11/09/11 | 200,000 | 45 | 68 | 84 | 16 | 65 | 19 | 45 | 39 | 0 | NCOUNTRY | Exceeds Compliance |
| Windham Professionals, Inc. | W663 | ED-Fund G | 12/28/11 | 210,000 | 60 | 174 | 168 | (6) | 160 | 8 | 60 | 108 | 0 | WNY | Exceeds Compliance |

| Project Name | Proj# | Funding Source Type | Closing Date | Original Investment | Start Employ | 2012 | 2013 | Diff 12/13 | Required | Diff Required/13 | Retained | Created | Lost | Region | Compliance |
|---------------------------------|---------------------------------|---------------------|--------------|---------------------|--------------|--------|--------|------------|----------|------------------|----------|---------|-------|----------|--------------------|
| World Kitchen, LLC | X112 | UB | 10/01/12 | 1,500,000 | 452 | 0 | 632 | 632 | 511 | 121 | 452 | 180 | 0 | STIER | Exceeds Compliance |
| Z-AXIS, Inc. | U739 | ED-Fund | 03/31/08 | 60,000 | 36 | 79 | 74 | (5) | 66 | 8 | 36 | 38 | 0 | FNGERLKS | Exceeds Compliance |
| Zeller Corporation | W151 | ED-Fund | 02/04/11 | 350,000 | 63 | 146 | 145 | (1) | 113 | 32 | 63 | 82 | 0 | FNGERLKS | Exceeds Compliance |
| Zotos International Inc. | V931 | ED-Fund | 05/27/10 | 229,500 | 394 | 339 | 368 | 29 | 394 | (26) | 368 | 0 | 26 | FNGERLKS | In 15% Range |
| Non Duplicated Total 272 | Grand Total 297 Projects | | | 304,939,905 | 55,832 | 51,381 | 76,591 | 25,210 | 65,821 | 10,770 | 54,014 | 22,577 | 1,818 | | |

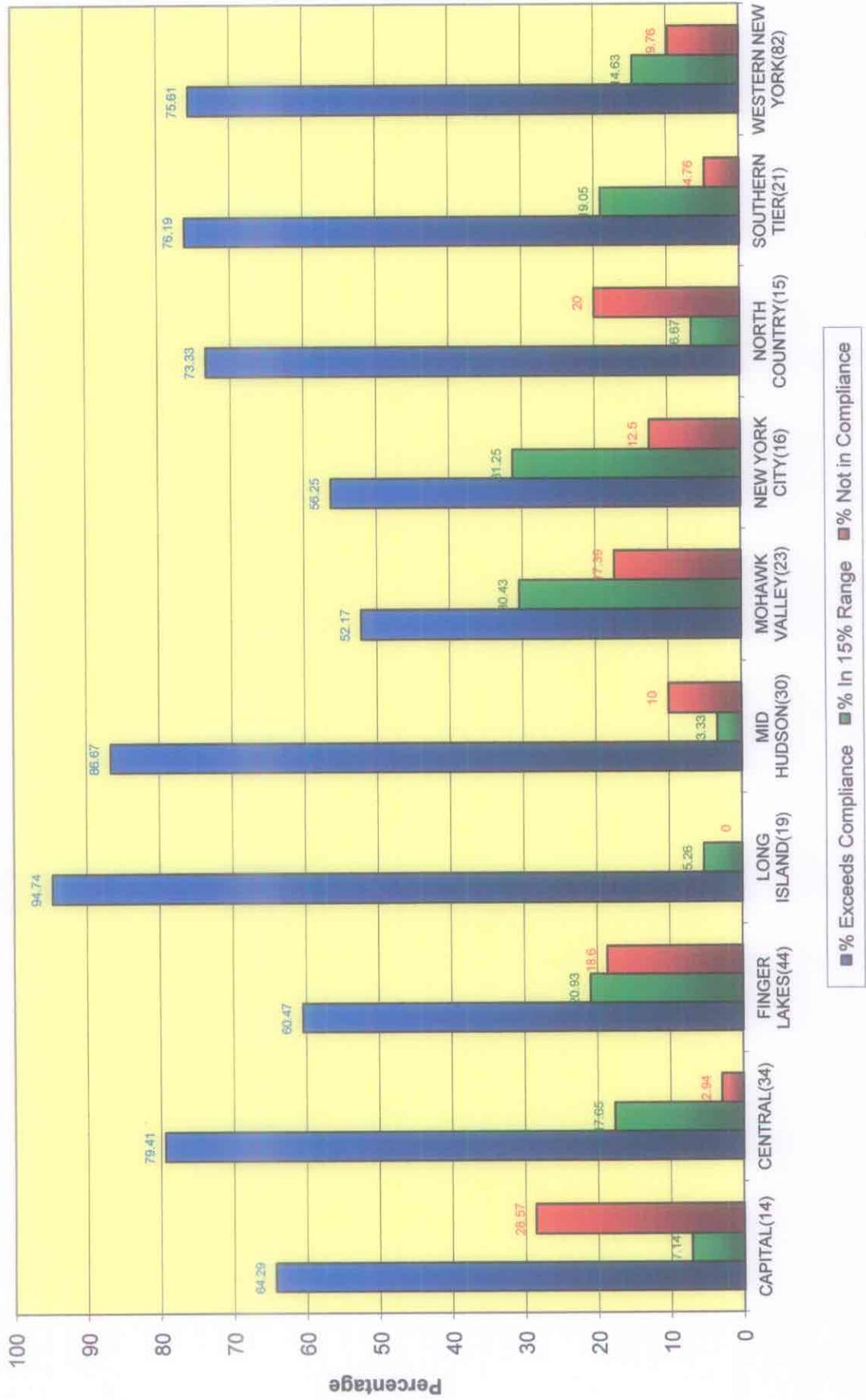
Empire State Development Corporation 2013 Annual Report of Employment

| Project Name | Proj# | Funding Source Type | Closing Date | Original Investment | Start Employ | 2012 | 2013 | Diff 12/13 | Required | Diff Required/13 | Retained | Created | Lost | Region | Compliance |
|-------------------------------|-------------------------------|---------------------|--------------|---------------------|--------------|-------|-------|------------|----------|------------------|----------|---------|------|---------|--------------------|
| Advanced Micro Devices, Inc. | U223 | SLA | G 03/16/10 | 650,124,484 | 0 | 1,061 | 1,900 | 839 | 0 | 1,900 | 0 | 1,900 | 0 | CAPITAL | In Compliance |
| International SEMATECH | V895 | SLA | G 05/19/08 | 300,000,000 | 250 | 700 | 700 | 0 | 700 | 0 | 250 | 450 | 0 | CAPITAL | Exceeds Compliance |
| Non Duplicated Total 2 | Grand Total 2 Projects | | | 950,124,484 | 250 | 1,761 | 2,600 | 839 | 700 | 1,900 | 250 | 2,350 | 0 | | |

Attachment II - Industry Performance



Attachment III -Region Performance



Attachment IV Empire State Development Corporation 2013 Annual Report of Employment

| Project Name | Proj# | Funding Source Type | Closing Date | Original Investment | Start Employ | 2012 | 2013 | Diff 12/13 | Required | Diff Required/13 | Retained | Created | Lost | Region | Compliance |
|---|-------|---------------------|--------------|---------------------|--------------|-------|-------|------------|----------|------------------|----------|---------|------|--------|--------------------|
| American Express Company | Q223 | WTCJC | G 02/10/03 | 25,000,000 | 3,653 | 4,233 | 4,502 | 269 | 3,653 | 849 | 3653 | 849 | 0 | NYC | Exceeds Compliance |
| American Federation of Teachers d/b/a United Fed of Teacher | Q224 | WTCJC | G 10/10/03 | 1,700,000 | 477 | 513 | 513 | 0 | 477 | 36 | 477 | 36 | 0 | NYC | Exceeds Compliance |
| AON Service Corporation | Q362 | WTCJC | G 03/19/04 | 4,235,000 | 619 | 872 | 859 | (13) | 855 | 4 | 619 | 240 | 0 | NYC | In 15% Range |
| Bank of New York (NYC) | Q029 | WTCJC | G 12/30/02 | 40,000,000 | 7,700 | 6,597 | 6,979 | 382 | 7,700 | (721) | 6979 | 0 | 721 | NYC | In 15% Range |
| Beth Israel Medical Center/LICH, St. LRHC | R572 | WTCJC | G 04/27/04 | 2,403,000 | 462 | 588 | 510 | (78) | 500 | 10 | 462 | 48 | 0 | NYC | Exceeds Compliance |
| Brown Brothers Harriman & Co. | Q790 | WTCJC | G 03/24/05 | 1,600,000 | 750 | 818 | 830 | 12 | 750 | 80 | 750 | 80 | 0 | NYC | Exceeds Compliance |
| Cadwalader, Wickersham & Taft LLP | R590 | WTCJC | G 05/21/04 | 5,789,000 | 757 | 670 | 653 | (17) | 757 | (104) | 653 | 0 | 104 | NYC | In 15% Range |
| Cahill Gordon & Reindel, LLP | P810 | WTCJC | G 03/14/03 | 1,500,000 | 517 | 502 | 525 | 23 | 502 | 23 | 517 | 8 | 0 | NYC | Exceeds Compliance |
| Cantor Fitzgerald Group of Companies | R289 | WTCJC | G 03/10/04 | 6,800,000 | 393 | 538 | 599 | 61 | 449 | 150 | 393 | 206 | 0 | NYC | Exceeds Compliance |
| CDL (New York) d/b/a Millennium Hilton Hotel | R285 | WTCJC | G 08/26/04 | 300,000 | 200 | 269 | 273 | 4 | 300 | (27) | 200 | 73 | 0 | NYC | In 15% Range |
| Cleary, Gottlieb, Steen & Hamilton | P858 | WTCJC | G 02/28/03 | 1,617,204 | 989 | 1,227 | 1,235 | 8 | 1,123 | 112 | 989 | 246 | 0 | NYC | Exceeds Compliance |
| Computer Generated Solutions Inc. | R853 | WTCJC | G 04/22/05 | 1,175,369 | 205 | 162 | 164 | 2 | 158 | 6 | 164 | 0 | 41 | NYC | Exceeds Compliance |
| Deloitte & Touche LLP | P879 | WTCJC | G 06/03/03 | 13,000,000 | 3,082 | 3,207 | 3,432 | 225 | 2,768 | 664 | 3082 | 350 | 0 | NYC | Exceeds Compliance |
| Deloitte Consulting, L.P. | Q205 | WTCJC | G 09/25/03 | 1,000,000 | 203 | 1,041 | 1,168 | 127 | 308 | 860 | 203 | 965 | 0 | NYC | Exceeds Compliance |
| Dow Jones & Company, Inc. | P834 | WTCJC | G 06/09/04 | 1,402,250 | 404 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 404 | NYC | In Compliance |
| EmblemHealth Services LLC/Health Insurance Plan of GNY, Inc | R349 | WTCJC | G 03/22/04 | 11,129,700 | 2,692 | 2,373 | 2,262 | (111) | 2,692 | (430) | 2262 | 0 | 430 | NYC | Not in Compliance |
| Fitch Group, Inc & Subsidiaries (Fimalac, Inc. & Subsidiaries | Q574 | WTCJC | G 07/01/04 | 1,923,000 | 523 | 667 | 612 | (55) | 750 | (138) | 523 | 89 | 0 | NYC | Not in Compliance |
| GFI Group Inc. | R210 | WTCJC | G 07/14/05 | 2,000,000 | 375 | 543 | 533 | (10) | 504 | 29 | 375 | 158 | 0 | NYC | Exceeds Compliance |
| Goldman Sachs Group, Inc. | T177 | WTCJC | G 01/02/07 | 23,000,000 | 8,100 | 8,484 | 8,437 | (47) | 8,900 | (463) | 8100 | 337 | 0 | NYC | In 15% Range |
| Interactive Data Corporation | W537 | WTCJC | L 02/11/10 | 945,000 | 485 | 475 | 509 | 34 | 515 | (6) | 485 | 24 | 0 | NYC | In 15% Range |
| Kenyon & Kenyon | Q310 | WTCJC | G 09/12/03 | 465,000 | 376 | 348 | 343 | (5) | 406 | (63) | 343 | 0 | 33 | NYC | Not in Compliance |
| Locke Lord | R745 | WTCJC | G 11/09/04 | 1,533,000 | 219 | 86 | 83 | (3) | 86 | (3) | 83 | 0 | 136 | NYC | Not in Compliance |
| Milbank, Tweed, Hadley & McCloy LLP | P836 | WTCJC | G 01/15/03 | 778,000 | 640 | 675 | 659 | (16) | 668 | (9) | 640 | 19 | 0 | NYC | In 15% Range |
| Moody's Corporation | R049 | WTCJC | G 11/13/03 | 2,600,000 | 967 | 1,838 | 1,971 | 133 | 967 | 1,004 | 967 | 1,004 | 0 | NYC | Exceeds Compliance |
| Morgan Stanley | T448 | WTCJC | L 05/25/06 | 16,000,000 | 2,697 | 3,383 | 3,228 | (155) | 3,275 | (47) | 2697 | 531 | 0 | NYC | In 15% Range |
| New York Law School | Q881 | WTCJC | G 01/30/04 | 200,000 | 226 | 249 | 239 | (10) | 226 | 13 | 226 | 13 | 0 | NYC | Exceeds Compliance |
| NYSARC, Inc d/b/a AHRC | T233 | WTCJC | G 11/17/05 | 575,000 | 0 | 614 | 650 | 36 | 331 | 319 | 0 | 650 | 0 | NYC | Exceeds Compliance |
| Oppenheimer Funds, Inc. | Q685 | WTCJC | G 01/02/04 | 4,030,000 | 553 | 632 | 657 | 25 | 553 | 104 | 553 | 104 | 0 | NYC | Exceeds Compliance |
| Royal Bank of Canada One Liberty Plaza Branch | P776 | WTCJC | G 09/13/05 | 3,000,000 | 480 | 2,025 | 2,092 | 67 | 480 | 1,612 | 480 | 1,612 | 0 | NYC | Exceeds Compliance |
| RR Donnelley/Bowne & Co. | T195 | WTCJC | G 02/22/08 | 957,375 | 440 | 161 | 346 | 185 | 331 | 15 | 346 | 0 | 94 | NYC | Exceeds Compliance |
| Standard Chartered Bank | P622 | WTCJC | G 03/28/03 | 1,500,000 | 102 | 405 | 405 | 0 | 350 | 55 | 102 | 303 | 0 | NYC | Exceeds Compliance |
| Stroock & Stroock & Lavan, LLP | P775 | WTCJC | G 06/03/03 | 700,000 | 582 | 500 | 483 | (17) | 582 | (99) | 483 | 0 | 99 | NYC | Not in Compliance |

| Project Name | Proj# | Funding Source | Type | Closing Date | Original Investment | Start Employ | 2012 | 2013 | Diff 12/13 | Required | Diff Required/13 | Retained | Created | Lost | Region | Compliance |
|---|--------------------------------|----------------|------|--------------|---------------------|--------------|--------|--------|------------|----------|------------------|----------|---------|-------|--------|--------------------|
| Sullivan & Cromwell | Q222 | WTCJC | G | 02/24/03 | 1,200,000 | 1,362 | 1,453 | 1,438 | (15) | 1,362 | 76 | 1362 | 76 | 0 | NYC | Exceeds Compliance |
| Taurus Corporation and Deutsche Bank/Americas Holding Corp. | R205 | WTCJC | G | 07/21/03 | 34,500,000 | 5,500 | 5,874 | 5,674 | (200) | 5,500 | 174 | 5500 | 174 | 0 | NYC | In 15% Range |
| The McGraw-Hill Companies, Inc. | Q015 | WTCJC | G | 08/25/03 | 4,000,000 | 2,275 | 3,099 | 3,119 | 20 | 2,378 | 741 | 2275 | 844 | 0 | NYC | Exceeds Compliance |
| The New York Mercantile Exchange, Inc. | P755 | WTCJC | G | 12/30/02 | 5,000,000 | 470 | 401 | 416 | 15 | 470 | (54) | 416 | 0 | 54 | NYC | In 15% Range |
| Topps Company, Inc. | Q244 | WTCJC | G | 02/11/03 | 250,000 | 202 | 133 | 139 | 6 | 123 | 16 | 139 | 0 | 63 | NYC | Exceeds Compliance |
| Tradition (North America), Inc. | P992 | WTCJC | G | 06/03/03 | 350,000 | 361 | 537 | 370 | (167) | | 370 | 361 | 9 | 0 | NYC | Exceeds Compliance |
| Willis North America Inc. | Q795 | WTCJC | G | 05/05/03 | 906,626 | 102 | 703 | 699 | (4) | 567 | 132 | 102 | 597 | 0 | NYC | Exceeds Compliance |
| Zurich American Insurance Company | R074 | WTCJC | G | 04/07/05 | 1,600,000 | 470 | 542 | 521 | (21) | 470 | 51 | 470 | 51 | 0 | NYC | Exceeds Compliance |
| Non Duplicated Total 40 | Grand Total 40 Projects | | | | 226,664,524 | 50,610 | 57,437 | 58,127 | 690 | 52,284 | 5,843 | 48,431 | 9,696 | 2,179 | | |