

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

December 17, 2015 – 9:30 a.m.

PROPOSED AGENDA

FOR CONSIDERATION

I. CORPORATE ACTION

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

II. REPORTS – Oral

- A. President's Report
- B. Presentation by the Director of ESD's New York City Regional Office
- C. Loans and Grants – Summary of Projects

III. PROJECTS

NEW YORK CITY REGION

- A. Bronx (New York City Region – Bronx County) – Kingsbridge Armory Capital – Transformative Investment Program (Capital Loan) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions; Adoption of Findings Pursuant to the State Environmental Quality Review Act

III. PROJECTS

NEW YORK CITY REGION

- B. Brooklyn (New York City Region – Kings County) – ABC Capital – New York Works and 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 Grants and to Take Related Actions
- C. New York (New York City Region – New York County) – Paperless Post JCRP – World Trade Center Job Retention and Creation Program (Working Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and Take Related Actions

NORTH COUNTRY REGION

- D. Massena (North Country Region – St. Lawrence County) – ALCOA Massena Working Capital – New York Power Authority (Working Capital Grant) – Findings and Determination Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions Grant

MID-HUDSON REGION

- E. Warwick (Mid-Hudson Region - Orange County) – Warwick Valley Office & Tech Park 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

MOHAWK VALLEY REGION

- F. Johnstown (Mohawk Valley Region - Fulton County) – FAGE USA 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 GPP; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

III. **PROJECTS** - Continued

MOHAWK VALLEY REGION - Continued

- G. Regional Council Award – Priority Project - Westmoreland (Mohawk Valley Region - Oneida County) – Westmoreland Ambulatory Surgery Center Capital - Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

- H. Regional Council Award – Priority Project – Verona (Mohawk Valley Region – Oneida County) – Verona Sewer System Capital - Empire State Economic Development Fund – General Development Financing (Working Capital Grant) - Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

CENTRAL NEW YORK REGION

- I. Cortland (Central New York Region - Cortland County) – C’Ville Yoghurt Capital – Economic Development Purposes Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Fund; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

- J. Syracuse (Central New York Region - Onondaga County) – NUAIR Working Capital - - Empire State Economic Development Fund – General Development Financing (Working Capital Grant) - Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

- K. Lysander (Central New York Region – Onondaga County) – Radisson Community – Authorization to Sell Land to Baldwinsville Central School District; and Authorization to Take Related Actions

FINGER LAKES REGION

- L. Regional Council Award – Priority Project – Chili (Finger Lakes Region – Monroe County) – Roberts Wesleyan College Capital II – Regional Council Capital Fund – (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and Take Related Actions

IV. NON-DISCRETIONARY PROJECTS

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

Assembly (Local Assistance)

- A. Northeast UAS Airspace Integration Research Alliance Working Capital (Oneida County) - \$1,000,000

V. ADMINISTRATIVE ACTION

- A. Minority and Woman-Owned Business Investment Fund – Authorization to Adopt Program Guidelines

VI. FOR INFORMATION

- A. Quarterly Report on Utilization of Certified Minority and Women Business Enterprise (MWBEs) and Procurement Commitments to MWBEs for the Second Quarter of Fiscal Year 2015-2016

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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

November 19, 2015

MINUTES

**In Attendance
Directors:**

Howard A. Zemsky (Acting Chair)
Peter J. Beshar
Derrick Cephas
Joyce Miller
Mark Silver – Designee, Acting Superintendent (New York
State Department of Financial Services)

Hilda Rosario Escher (Telephone)

Present for ESD:

Lindsey Boylan, Chief of Staff
Maria Cassidy, Deputy General Counsel
Thomas Conoscenti, Director – Real Estate Development and
Planning
Samuel Filler, Director – Industry Development
Elizabeth Fine, Executive Vice President, Legal and General
Counsel
Robert Godley, Treasurer
Brendan Healey, Assistant Vice President – Economic Incentives
Brian Keil, Managing Director – NYS Innovation Capital Fund
Benson Martin, Director of Compliance
Eileen McEvoy, Corporate Secretary
Glendon McLeary, Assistant Vice President – Economic Incentives
-Loans and Grants
Kathleen Mize, Controller
Richard Newman, Executive Vice President – State Marketing
Strategy
Jeffrey Nordhaus, Executive Vice President – Innovation &
Broadband

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Marion Phillips, III, Senior Vice President – Community Relations
Debbie Royce, Assistant Corporate Secretary
Joseph Tazewell, Regional Director – New York City Regional
Office
Ralph Volcy, Director – Portfolio Management
Kay Wright, Executive Vice President – Public Affairs
Kevin Younis, Executive Vice President – Public Policy

Also Present: Robin Alpaugh, Deputy Director – Southern Tier Regional Office
Kelly Baquerizo, Finger Lakes Regional Office
Vincent Esposito, Director – Finger Lakes Regional Office
James Fayle, Director – Central New York Regional Office
Kenneth Tompkins, Director – Mohawk Valley Regional Office
Arnold Will – Capital Region

Also Present: The Press
The Media
The Public

The meeting of the Directors of the New York State Urban Development Corporation (“UDC”) d/b/a Empire State Development (“ESD” or the “Corporation”) was called to order at 2:07 p.m. by Acting Chair Zemsky. It was noted for the record that the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

Next, the Acting Chair set forth the guidelines regarding comments by the public on matters on the Agenda as well as with regard to any conflicts of interest the Directors may have regarding items on the Agenda. No conflicts were noted.

Acting Chair Zemsky then called for a motion to approve the Minutes of the

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October 15, 2015 Directors' meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE OCTOBER 15, 2015 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on October 15, 2015, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

Before presenting the President's Report, Mr. Zemsky called on Mr. Newman, ESD's Executive Vice President of Marketing, to discuss the recently completed Tourism Summit.

Mr. Newman noted that the third annual Governor's Summit was held on November 18th in Albany. He added that there were approximately 230 attendees at the summit, including members of the Senate and Assembly, industry luminaries, members of the Tourism Advisory Counsel as well as a number of ESD's regional tourism promotion partners from around the State.

Mr. Newman went on to provide a detailed account of the event.

The Acting Chair then asked Mr. Filler to provide an update on the craft beverage initiatives Summit hosted by the Governor last month. He asked Mr. Filler to provide the

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Directors with details on that summit.

Mr. Filler noted that Governor Cuomo hosted the third Beer, Wine, Spirits and Cider Summit on October 7th. He noted that the summit provided an opportunity to highlight the industry, speak with leaders of the industry and come up with new policy areas that can be used to strengthen and further enhance the industry.

The Acting Chair then presented the President's Report noting highlights of ESD's recent economic development activities.

Next, the Acting Chair asked Mr. Esposito, the Director of ESD's Finger Lakes Regional Office to provide a presentation on that region's economic strategy plan.

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

Mr. McLeary noted that the Directors will be asked to consider funding for 12 projects totaling \$40,012,710 in loans and grants.

Mr. McLeary explained that these projects include one Revocable Community Project;

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eight Regional Council Awards projects, and three Discretionary Projects.

Mr. McLeary further explained that these projects will leverage over \$287 million of additional investment, retain 720 jobs and create 202 jobs in the State.

Mr. Esposito then presented the following items for the Directors' consideration: the Western New York Science, Technology and Advances Manufacturing Program and the St. John Fisher Regional Council Award project.

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

Alabama (Finger Lakes Region – Genesee County) – Western New York Science, Technology and Advanced Manufacturing Capital – Buffalo Regional Innovation Cluster 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 Western New York Science, Technology and Advanced Manufacturing Capital – Buffalo Regional Innovation Cluster Fund (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there is a feasible method for relocating families or individuals to be displaced from the project area; and be it further

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

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together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer Designate of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer Designate of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center a grant for a total amount not to exceed Five Million Dollars (\$5,000,000) from the Buffalo Regional Innovation Cluster Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer Designate or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Regional Council Award – Priority Project – Pittsford (Finger Lakes Region – Monroe County) – St. John Fisher Capital – Regional Council Capital Fund (Capital Grants) – Findings and Determinations Pursuant to Sections 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; 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 St. John Fisher Capital - Regional Council Capital Fund (Capital Grants) Project (the "Project"), the Corporation hereby determines pursuant to Section 10(g) of the New York State Urban Development Corporation

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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 St. John Fisher College grants 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 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

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 – Pittsford (Finger Lakes Region – Monroe County) – St. John Fisher Capital – Regional Council Capital Fund (Capital Grants) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the St. John Fisher Capital – Regional Council Capital Fund (Capital Grants) Project, the Corporation hereby

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determines that the proposed action will not have a significant effect on the environment.

* * *

Next, Mr. Tazewell, the Director of ESD's New York City Regional Office, presented the Intercept Pharmaceuticals Economic Development Fund project and the Lighthouse Point project for the Directors' consideration.

Mr. Tazewell explained in connection with the Intercept Pharmaceuticals project, that the Directors were being asked to approve a grant of \$300,000 to the Company to be used for a portion of the \$1.9 million cost of renovating approximately 9,500 square feet of space at the Milk Building on West 15th Street in Manhattan.

Among other things, Mr. Tazewell explained that the Company is focused on the development and commercialization of novel therapeutics for the treatment of chronic liver diseases and intestinal disorders.

Mr. Tazewell added that at the time the Company approached ESD for assistance, it had also considered an expansion in San Diego where it has a facility.

Mr. Tazewell further noted that the Company has agreed to retain 20 existing jobs and to create 20 new jobs.

Mr. Tazewell then explained that the second project involves a \$16.5 million loan for

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Five Pastries LLC, a development entity owned by Triangle Equities. Mr. Tazewell noted that these funds will be used for a portion of the \$208 million construction costs for Lighthouse Point.

Mr. Tazewell added that Lighthouse Point is a 500,000 square foot, mixed-use development with retail, restaurants, a 164-room hotel, 116 residential units, 20 percent of which will be affordable to families earning at or below 60 percent of the area median income.

The site, Mr. Tazewell further noted, will have an esplanade and community amphitheater. He explained that the development is located at the site of the former U.S. Lighthouse Depot, adjacent to the St. George Ferry Terminal on the North shore of Staten Island.

This project, Mr. Tazewell further explained, is expected to result in 374 cruise jobs and 668 construction jobs.

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

New York (New York City Region – New York County) – Intercept Pharmaceutical 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 Intercept Pharmaceutical Capital -- Empire State Economic Development Fund - General Development Financing (Capital Grant) Capital 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, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to InterCept Pharmaceuticals, Inc. a grant for a total amount not to exceed Three Hundred Thousand Dollars (\$300,000) 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 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.

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Regional Council Award – Priority Project – Staten Island (New York City Region – Richmond County) – Lighthouse Point Capital – Regional Council Capital Fund and Transformative Investment Program (Capital Loans) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make Loans 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 Lighthouse Point Capital - Regional Council Capital Fund and Transformative Investment Program (Capital Loans) 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 5 Bay Street LLC loans for a total amount not to exceed Sixteen Million Five Hundred Thousand Dollars (\$16,500,000) from the Regional Council Capital Fund and Transformative Investment 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

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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 loan, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the loan as he or she may deem necessary or appropriate in the administration of the loan; 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 – Staten Island (New York City Region – Richmond County) – Lighthouse Point Capital – Regional Council Capital Fund and Transformative Investment Program (Capital Loans) – Determination of No Significant Effect on the Environment

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

* * *

Mr. VanDeLoo, representing ESD's North Country Regional Office, asked the Directors to authorize ESD to make a grant in connection with the St. Lawrence IDA Newton Falls Railroad Phase 2 project.

Mr. VanDeLoo explained that the Directors were being asked to approve a grant in the amount of \$8,672,000 to be used for Phase 2 of the Project. Phase 2, he explained, is the infrastructure investment which will result in the rehab and reopening of the entire Newtown

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Falls Rail Line.

Mr. VanDeLoo further noted that upon completion, the 46-mile rail line will be available for North Country commercial traffic in connection with the nationwide rail systems. He added that it will also provide rail to the largest industrial zones in the Adirondack Park and allow for redevelopment of properties. Mr. VanDeLoo explained that there is interest from the private sector in these properties.

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:

Regional Council Award – Priority Project – Newton Falls, Carthage – (North Country Region – St. Lawrence, Jefferson, Lewis Counties) – St. Lawrence County IDA Newton Falls Railroad Phase 2 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 St. Lawrence IDA Newton Falls Railroad Phase 2 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

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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 St. Lawrence County Industrial Development Authority a grant for a total amount not to exceed Eight Million Six Hundred Seventy Two Thousand Dollars (\$8,672,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Mr. Tompkins, the Director of ESD’s Mohawk Valley Regional Office, presented the Griffiss LDC – B240 Redevelopment project and the Griffiss Airport Terminal project for the Directors’ consideration.

Mr. Tompkins explained that the first project which is known as Griffiss B240 involves an old dilapidated Air Force building and a multi-story building that the Griffiss Local Development Corporation is asking ESD for assistance in demolishing.

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Mr. Tompkins then noted that the second project is the Oneida County Airport Terminal. He added that a \$500,000 grant is being requested to be used for a portion of the cost of construction of a passenger terminal and the relocation of the County's fixed-base operator offices.

Following the full presentation of both projects, 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 – Rome (Mohawk Valley Region – Oneida County) – Griffiss LDC B240 Redevelopment 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 Griffiss LDC - B240 Redevelopment 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 Griffiss Local Development Corporation a grant for a total amount not to exceed Five Hundred and Ninety Thousand, Seven Hundred and Ten Dollars (\$590,710) from the Regional

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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.

* * *

Regional Council Award – Rome (Mohawk Valley Region – Oneida County) – Griffiss LDC
B240 Redevelopment 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 Griffiss LDC - B240 Redevelopment Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Regional Council Award – Priority Project – Rome (Mohawk Valley Region – Oneida County) – Griffiss Airport Terminal Building 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 - Griffiss Airport Terminal Building Capital -- Regional Council Capital Fund (Capital Grant) Project (the

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“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 County of Oneida 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

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 –Rome (Mohawk Valley Region – Oneida County) – Oneida County - Griffiss Airport Terminal Building Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Oneida County - Griffiss Airport Terminal Building Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

The Acting Chair asked Mr. Will, representing the Capital Region to present the Wellington Row/Eagles Street Garage project for the Directors' consideration.

Mr. Will explained that the Directors were being asked to approve two grants totaling \$1,850,000 to the Eagle Street Corporation to support a \$17,150,000 investment in downtown Albany.

Mr. Will explained that the first grant in the amount of \$950,000 will be used in connection with Wellington Row which involves the redevelopment of five connected properties on State Street near the Capital. This project, he added, involves commercial, retail and residential space.

Mr. Will explained that the second project involves the Eagle Street Garage. He further explained that funding is in the amount of \$900,000 and involves a 315-space five level garage and public walkway and is in close vicinity to Wellington Row.

Mr. Will noted that the project ties into the region's strategy of bringing cities to life and developing the urban core.

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Mr. Will further noted that this newly created commercial space is occupied by four companies. He added that the project has created almost 60 jobs and has also created four new apartment units that also bring residents into downtown.

Following the full presentation, the Acting Chair called for any questions or comments. Director Miller asked if ESD is reviewing the Wellington Hotel and Mr. Will explained that this development took place in what was formally the Wellington Hotel.

Director Cephas asked where it was in relation to the Capital and Mr. Will explained that it involves the first five buildings from the top of State Street going down.

Mr. Younis noted that the facades of the Wellington Hotel have been maintained.

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 – Albany (Capital Region – Albany County) – Wellington Row/Eagle Street Garage Capital – Regional Council Capital Fund (Capital Grants) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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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 Eagle Street Corporation two grants for a total amount not to exceed One Million Eight Hundred Fifty Thousand Dollars (\$1,850,000) 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.

* * *

Regional Council Award – Priority Project – Albany (Capital Region – Albany County) – Wellington Row/Eagle Street Garage Capital – Regional Council Capital Fund (Capital Grants) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Wellington Row/Eagle Street Garage Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Mr. Alpaugh, representing ESD's Southern Tier Regional Office, presented the Ithaca Commons project and the Delaware County IDA/Amphenol Economic Development Fund item for the Directors' consideration.

Mr. Alpaugh explained that the first project involves a \$1.8 million grant to the City of Ithaca for a portion of the cost of streetscape reconstruction and rehabilitation of a three-block area in downtown Ithaca known as the Commons. The project, he added, involves new sanitary and storm sewer mains and laterals and catch basins, water mains and telecommunications and electric infrastructure.

Mr. Alpaugh further noted that the total project cost was \$9,000,000.

The second project, Mr. Alpaugh noted, involves a \$750,000 grant to Amphenol Corporation for a portion of the cost of the purchase of machinery and equipment for propane gas distribution to assist in the retention of the company.

Mr. Alpaugh explained that in February of 2014, the Directors approved a \$750,000 grant to the Delaware County IDA. Since that time, Mr. Alpaugh explained, the IDA has requested that the grant be directed to Amphenol after discovering that there would be significant delays in the installation of this pipeline.

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Mr. Alpaugh further explained that the total project costs for this new facility are \$51 million and that the project will retain 700 existing jobs at Amphenol.

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

Regional Council Award – Priority Project – Ithaca (Southern Tier Region – Tompkins County) – Ithaca Commons 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 Ithaca Commons 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 City of Ithaca a grant for a total amount not to exceed One Millions Eight Hundred Thousand Dollars (\$1,800,000) 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

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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.

* * *

Sidney (Southern Tier Region – Delaware County) – Delaware County IDA/Amphenol 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 Amended 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 Delaware County IDA/Amphenol 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;

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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, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Amphenol Corporation a grant for a total amount not to exceed Seven Hundred Fifty Thousand Dollars (\$750,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer 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. Fayle presented a Radisson Community land sale item. Mr. Fayle explained that the Directors were being asked to approve the sale of approximately 30 acres of land to the Baldwinsville Central School District to construct a new 35,000 square foot garage.

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Mr. Fayle noted that while a recent appraisal came in at \$490,000, the land is being sold for \$210,000. Mr. Fayle explained that ESD is authorized to sell land at less than fair market value in accordance with the Public Authorities Law when one of the reasons is that it is going to a Government or public entity.

Mr. Fayle further explained that approximately one third of this land is designated by the Army Corps of Engineers as wetlands and this is the main reason this parcel has not sold in the past.

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

Lysander (Onondaga County) – Radisson Community – Authorization to Sell Land to Baldwinsville Central School District; Authorization to Hold Public Hearing Thereon; and Authorization to Take Related Actions

RESOLVED, that on the basis of the materials presented to the Directors at this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation (the "Materials"), the Corporation is hereby authorized to sell and convey to the Baldwinsville Central School District ("BCSD"), for development of education-related facilities, an approximately 30 acre parcel of vacant land owned by the Corporation and located within the Radisson Community as shown on the map presented to this meeting (the "Site"), substantially on the terms and conditions set forth in the Materials; and be it further

RESOLVED, that the Corporation hereby finds, pursuant to Section 6(1) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that such sale as proposed and approved herein is "in conformity with a plan or undertaking for the clearance, replanning, reconstruction or rehabilitation of substandard and insanitary areas" within the

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Town of Lysander and County of Onondaga; and be it further

RESOLVED, the Corporation hereby determines, after giving due consideration to the appraisal of the Premises, the lack of response to the Corporation's continuing marketing of Radisson industrial properties, and BCSD's intent to develop the Site for education related facilities, that there is no reasonable alternative to the proposed below-market transfer that would result in the same benefits to the public or achieve the same purpose of the proposed sale; and be it further

RESOLVED, that the President and Chief Executive Officer or designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to take all such actions as are necessary or appropriate to schedule and hold public hearing as required by the UDC Act or other applicable law (which hearings may be held simultaneously); and be it further

RESOLVED, that the President and Chief Executive Officer or designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver, and affix the seal of the Corporation to, all such agreements, contracts, deeds, certificates and instruments and to take any such action as may be considered to be necessary or proper to effectuate the sale of the Site.

* * *

Mr. Filler then presented an item relating to the Craft Beverage Grant program.

Mr. Filler explained that the Directors were being asked to adopt program guidelines, authorize the President and Chief Executive Officer or his designee to accept and approve grants, to disburse grant funds and to amend the program guidelines.

Mr. Filler provided the background information regarding this request in detail.

Ms. Baquerizo followed with a presentation on the Market New York Grant Program.

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Ms. Baquerizo noted that the Directors were being asked to authorize ESD to make a \$1,550,000 grant in connection with the New York Wheel project in Staten Island, New York.

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

Statewide – Statewide – Craft Beverage Grant Program – NYPA Open For Business – (Marketing Grants for Craft Beverage Industry) – Approve Renewal and Increase of Program Funding; Authorization to Modify and Consolidate Guidelines; Delegation of Authority; Authorization to Take Related Actions

RESOLVED, that the Corporation hereby authorizes the Craft Beverage Grant Program (the “Program”), described in the materials presented in this meeting (the “Materials”), a copy of which has been presented to this meeting and is ordered filed with the records of the Corporation; and be it further

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

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

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, (2) receipt of all other necessary approvals, and (3) the receipt of adequate funding for such assistance from the State of New York; and be it further

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

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consider to be necessary or proper to effectuate the foregoing resolutions, including without limitation, to make findings and hold public hearings that may be necessary pursuant to applicable law and to act on behalf of the Corporation to affirm, modify or withdraw any contemplated assistance as a result of testimony given at any such hearing, if necessary.

* * *

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 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;

Empire State Economic Development Fund

| Schedule | Project # | Grantee | Project Name | Grant Amount |
|----------|-----------|---------------------|---------------------------|--------------|
| A | Z598 | New York Wheel, LLC | The Wheel Working Capital | \$1,550,000 |

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.

* * *

Mr. Conoscenti then presented the Arthur Kill Land use Improvement project item.

Among other things, Mr. Conoscenti explained that in 2014, the Directors conditionally designated Broadway Stages, a company that owns and operates film and TV studios in New York City, as the developer of the site. The project will create approximately 1,300 jobs.

Since that time, Mr. Conoscenti explained, the environmental review of the site has been concluded and the essential terms of the transaction, as outlined in the General Project Plan, have been finalized.

Mr. Conoscenti explained that should the Directors approve today's request, ESD will hold a public hearing on the project and seek other necessary public approvals with the goal of

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closing on the property in the first quarter of 2016.

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

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

unanimously adopted:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT – Adoption of Land Use Improvement Project Findings Pursuant to Section 10 of the UDC Act; Adoption of the Draft General Project Plan (“GPP”); Authorization to Hold a Public Hearing on the GPP and Essential Terms of a Proposed Transaction with Broadway Stages Pursuant to the UDC Act and Other Applicable Law; Determination of No Significant Effect on the Environment; 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”), relating to the Arthur Kill Land Use Improvement Project (the “Project”), the Corporation hereby finds pursuant to Section 10(c) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”):

- (1) That the area in which the project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest the sound growth and development of the municipality;
- (2) That the project consists of a plan or undertaking for the clearance, re-planning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto;
- (3) That the plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole; and be it further

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

RESOLVED, that on the basis of the Materials, and substantially on the terms and conditions described in the Materials, the Corporation does hereby adopt, subject to and pursuant to, and

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for the purposes of a public hearing required by, Sections 6 and 16 of the UDC Act, and as may be appropriate pursuant to other applicable laws:

- (1) the proposed General Project Plan (the “GPP”) for the Project submitted to this meeting, together with such changes therein as the Chairman and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which GPP, together with such changes, is hereby ordered filed with the record of the Corporation; and
- (2) the essential terms of the proposed transaction between ESD as Seller and Broadway Stages as Purchaser and Developer; and be it further

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

RESOLVED, that the Chairman and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name of and on behalf of the Corporation to take such actions as may be considered necessary or appropriate in connection with the holding of the public hearing required pursuant to Sections 6 and 16 of the UDC Act and other applicable law (which hearing may held simultaneously with one or more hearings which may be held pursuant to other applicable law), including without limitation, the providing, filing or making available of copies of the GPP or a digest thereof and the findings required by Section 10 of the UDC Act relating to the Project, the fixing of a date for such hearing, the publication of a notice relating to the GPP and such hearing in accordance with the UDC Act, other applicable law, and the procedures heretofore approved by the Corporation with respect to similar hearing, and the making of a report or reports to the Directors on such hearing, written comments received, and any local governmental recommendations respecting the Plan; and be it further

RESOLVED, that based on the Materials, the Corporation hereby determines that the proposed action will not have a significant effect on the environment and that the Project is consistent with applicable coastal policies set forth in 19 NYCRR 600; and be it further

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

* * *

Next, Ms. Mize presented a procurement item seeking authorization to appoint Toski &

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Co., P.C. as ESD's independent accountants for audits and related services and to enter into a three year contract with the option to extend for two one-year terms.

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

Hearing none, and upon motion duly made and seconded, the following resolutions were unanimously adopted:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Authorization to Enter Into a Contract with Toski & Co., P.C. (now known as EFPR Group, LLP) as Independent Accountants for Audit and Related Services and Take Related Actions

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the "Materials"), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds Toski & Co., P.C. (now known as EFPR Group, LLP) to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Toski & Co., P.C. (now known as EFPR Group, LLP) in an amount not to exceed One Million One Hundred Seventy-Three Thousand Seven Hundred Dollars (\$1,173,700), including a ten percent contingency, for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

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

* * *

Mr. Keil then asked the Directors to authorize the Corporation to make a \$5,000,000 investment from the New York State Innovation Venture Capital Fund into 1366 Technologies.

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

DRAFT – SUBJECT TO REVIEW

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

Hearing none, and upon motion duly made and seconded, the following resolutions were unanimously adopted:

New York State Innovation Venture Capital Fund - Authorization of an investment of NYSIVCF funds in 1366 Technologies, 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 New York State Innovation Venture Capital Fund (the "Fund"), the Corporation is authorized to make an investment, in an amount not to exceed \$5,000,000, in 1366 Technologies, Inc. (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.

* * *

Mr. Volcy presented the Annual Report on Jobs Created.

DRAFT – SUBJECT TO REVIEW

There being no further business, the meeting was adjourned at 3:48 p.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary



FOR CONSIDERATION

December 17, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Bronx (New York City Region – Bronx County) – Kingsbridge Armory Capital – Transformative Investment Program – (Capital Loan)

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

General Project Plan

I. Project Summary

Company: KNIC Properties LP (“KNIC” or the “Company”)

ESD* Investment: A construction loan of up to \$30,000,000 (the “Loan”) to be used for a portion of the capital cost of Phase 1 renovations of the Kingsbridge Armory into the Kingsbridge National Ice Center

Loan cannot be used for fees and expenses in connection with the Loan, marketing expenses, outstanding legal fees, payment in lieu of taxes, payment in lieu of sales taxes, payments in lieu of mortgage recording taxes, management fees and incentives, or other costs not related to Phase 1 construction.

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

Project Location: 29 Kingsbridge Road, Bronx, Bronx County (the “Site”)

Proposed Project: Redevelopment of the Kingsbridge Armory into the Kingsbridge National Ice Center. KNIC is in the process of developing the 795,000-square-foot Armory into a 5,000-seat state-of-the art arena surrounded by eight NHL / Olympic size rinks, which will become a national training

and destination facility for ice hockey, figure skating, synchronized skating, speed skating, curling and sled hockey. The property also will have a 50,000-square-foot dedicated community center, a 20,000-square-foot health and training facility, 50 locker rooms including 12 NHL-size rooms, onsite parking for over 450 cars, equipment storage, maintenance and cleaning services and a pro shop for all ice sports (the "Project").

Project Type: Capital renovation

Regional Council: The New York City Regional Economic Development Council ("NYCREDC") has been made aware of this item. The term sheet was accepted in December 2015. The Project is consistent with the NYCREDC Plan as the project redevelops a long-vacant building and creates a new regional destination in the Bronx.

Loan Financing: The loan will provide construction financing for a 24 month term at an annual interest rate of 7%.

Security: Security will consist of the following: (1) First priority lien without exception on all of Company's tangible and intangible assets, including, but not limited to, the lease for the facility between Company and the City of New York, intellectual property, and operating cash flow; (2) Pledge of Company's interest in the receipt of proceeds from any and all EB-5 funds, historic tax credits, and New Markets Tax Credits; (3) A principal repayment guarantee for up to \$10,000,000 from the Kresge Foundation ("Kresge").

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> |
|--|-----------------------------|
| Construction | \$233,585,126 |
| Architectural & Engineering | 19,999,995 |
| Transfer Payment for Community Center Buildout | 8,000,000 |
| General Contingencies | 3,904,800 |
| Selling, General & Admin | 29,611,500 |
| Capitalized Taxes, Insurance and Permits | 5,200,000 |
| Interest Expense | 25,529,112 |
| Financing Origination Fees | 9,281,941 |
| Cash on Balance Sheet | <u>12,921,000</u> |
| Total Project Costs | <u>\$348,033,474</u> |

| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> | <u>Rate/Term/Lien</u> |
|--|-----------------------------|--------------------|-----------------------|
| EB-5 Construction Loan | \$250,000,000* | 71.8% | TBD |
| Historic Tax Credits (Federal and State) | 71,235,624 | 20.5% | |
| Other Preferred Equity | 15,918,000 | 4.6% | |
| New Markets Tax Credits | 10,000,000 | 2.8% | |
| Existing Cash | <u>879,850</u> | <u>0.3%</u> | |
| Total Project Financing | <u>\$348,033,474</u> | <u>100%</u> | |

*At this time, the ESD Directors are being asked to approve a \$30 million construction loan, which is anticipated to be repaid by an EB-5 loan. It is anticipated that the remaining \$108 million of the \$138 million ESD commitment will be presented to the ESD Directors at a later date.

III. Project Description

A. Company

Industry: KNIC was established to acquire and renovate the Kingsbridge Armory into the Kingsbridge National Ice Center.

Company History: KNIC was formed in 2014 with the sole purpose of developing the Armory. In December 2013, the New York City Council approved of the development of the Kingsbridge National Ice Center. This approval marked the culmination of more than four years of work by the KNIC team led by Mark Messier (NHL Hall of Famer and New York Rangers Captain in their 1994 Stanley Cup title), Sarah Hughes (Olympic Gold Medalist) and Kevin Parker.

Ownership: The Company is privately owned.

Size: The renovated Kingsbridge National Ice Center will contain approximately 795,000 square feet of new uses.

Market: Recreation

ESD Involvement: KNIC has executed a long-term lease for the Kingsbridge Armory and New York City Economic Development Corporation is holding the lease in escrow until KNIC obtains \$158 million in construction financing commitments. In August 2015, ESD offered a construction financing commitment of \$138 million, of which \$30 million is being presented for approval by ESD's Directors at this time, in order to enable the lease to be released from escrow and to allow the project to move forward and begin construction. ESD's short-term construction loan is anticipated to be repaid with EB-5 loan proceeds, which are anticipated to be available

in 2016.

Competition:

N/A

Past ESD Support:

This is the Company's first project with ESD.

B. The Project

Completion:

Construction is expected to be completed by April 2018.

Activity:

The Project entails the redevelopment of the Kingsbridge Armory into the Kingsbridge Armory National Ice Center, consisting of approximately 795,000 square feet. The proposed LEED Silver Project includes nine ice rinks; approximately 64,000 square feet of related program space, including a wellness/off-ice training center, curling rinks, and lockers/equipment storage; approximately 58,000 square feet of related food and beverage, concession, and retail space; and approximately 50,000 square feet of community facility space.

KNIC aims to create the nation's leading complex for ice sports and the world's largest indoor ice facility. The proposed ice rinks are intended for use by neighborhood students and residents, high school and college leagues, open skating times, instructional training, adult professional (minor league) and non-professional hockey teams, figure skating, and speed skating, and other ice events. The central, main rink would have a capacity of approximately 5,000 seats, while the other rinks would have temporary bleacher seating of approximately 100 seat-capacity per rink.

Results:

The Project will reactivate a building that has been vacant since 1996. This will be a transformative project and will establish a new regional and international destination in the Bronx. The Project is anticipated to create 400 permanent jobs, of which KNIC has committed to ensure that at least 51% of the hiring is done from the local community.

Economic Growth

Investment Project:

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

- Fiscal benefits to NYS government from the project are estimated at \$32,809,953;
- Fiscal cost to NYS government is estimated at \$30,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 1.09:1;
- Fiscal benefits to all governments (state and local) are estimated at \$46,895,200;
- Fiscal cost to all governments is \$30,000,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 1.56:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$187,344,699;
- The economic benefit to cost ratio is 6.24:1;
- Project construction cost is \$294,900,497 which is expected to generate 1,341 direct job years and 696 indirect job years of employment;
- The payback period for NYS costs is three years.

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

Company Contact: Kevin Parker, Founder/Managing Member/Chairman
 250 Park Avenue, 7th Floor
 New York, NY 10177
 Phone: (646) 790-4810

ESD Project No.: AA133

| | | |
|---------------|---------------------------------|------------------|
| Project Team: | Project Management | Brendan Healey |
| | Legal | Antovk Pidedjian |
| | Contractor & Supplier Diversity | Denise Ross |
| | Finance | John Bozek |
| | Design & Construction | Peter Topor |
| | Environmental | Soo Kang |

C. Financial Terms and Conditions

1. The Company shall pay a commitment fee of 1% of the Loan (\$300,000) at closing (not from Loan proceeds). In addition, at the time of closing, the Company will reimburse ESD (not from Loan proceeds) for all out-of-pocket expenses incurred in connection with the Project, including but not limited to the cost of any public hearing, outside counsel and advisors, to be selected at ESD's sole discretion.
2. The Company will demonstrate no materially adverse changes in its financial condition

prior to closing.

3. The Company will be required to contribute a minimum of \$20,000,000 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. Equity cannot be subject to any agreements providing for the refund or repayment of some or all of the Equity to parties other than the Company prior to August 2020.
4. Up to \$30,000,000 will be disbursed to the Company on a closing date to be determined only after Company: a) has secured the release of the lease for the Armory from the New York City Economic Development Corporation; b) demonstrates that it has spent \$10,000,000 in equity, including at least \$5,760,000 in Founder's cash equity, on direct capital expenditures, as evidenced to ESD by Company and approved by ESD, in its sole discretion; and c) secures the Guarantee from Kresge, which shall be unconditionally payable to ESD within fifteen (15) days after the Loan maturity date if and to the extent that the Loan has not been repaid by such date. The Guarantee shall be unencumbered and not subject to any calls by Kresge (including if Kresge withdraws from the project). The Guarantee shall only terminate and be of no further force and effect upon the repayment in full of the Loan.

Expenses reimbursed with Loan proceeds must be incurred on or after the term sheet acceptance date to be considered eligible project costs. Disbursement of the Loan must be requested by April 1, 2016.

5. ESD may reallocate the Project funds to another form of assistance, at an amount no greater than \$30,000,000, for the Project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. Rate/Term: 7% interest rate over twenty four months. Rate increased by 1% per month on all overdue amounts subject to a cap of 12% per annum. Loan becomes immediately due and payable if Company sells or closes the Project Location.
7. Repayment Term: Quarterly interest-only payments beginning after disbursement of the Loan, with outstanding principal due in full in the 24th month.
8. Financial Disclosure: Updated financial disclosure on Company and all guarantors acceptable to ESD must be provided prior to closing. Company shall demonstrate no materially adverse changes in its financial condition prior to closing.
9. The Loan is senior to all other indebtedness, without exception.

10. Lien/Collateral: First priority lien on all tangible and intangible assets, including the lease for the facility, intellectual property, and operating cash flow. Pledge of Company's interest in the receipt of proceeds from any and all EB-5 funds, historic tax credits, and New Markets Tax Credits. Kresge will provide a guarantee for \$10,000,000.
11. Due Diligence: All applicable reviews including but not limited to Appraisals, legal and finance review and engineering and environmental reviews acceptable to ESD, in ESD's sole discretion, must be provided prior to closing, if applicable.
12. The Loan may be prepaid at Company's option, in whole or in part, at par at any time.
13. Construction Monitor: Company will pay for ESD to hire a consultant, selected at ESD's sole discretion, to monitor construction and approve in advance all expenditures referenced in ESD Investment. ESD will make a reasonable attempt to utilize the same consultant as being used for the EB-5 and other processes.
14. EB-5: Escrow agent to be approved by ESD (such approval not to be unreasonably withheld, delayed or conditioned). Company will provide monthly updates on the progress of its EB-5 application and fundraising. Any reference to the State of New York or any entity thereof, including ESD, in connection with marketing, promotion, or otherwise, shall be subject to ESD's prior approval, which may be given or withheld at ESD's sole discretion.
15. Public Approvals: The Loan is subject to all required public approvals ("Public Approvals"), which are a condition to the making of the Loan. ESD shall have no liability if such Public Approvals are not obtained.
16. Financing Commitment and Proof of Professional Ability: Company must demonstrate sufficient financial resources and professional ability to develop and operate the Site in a manner consistent with the Company's proposal(s) to ESD. Company will submit to ESD annual audited financial statements and quarterly internal financial statements certified by an officer of the Company for the term of the Loan.
17. Environmental Compliance: As necessary, Company shall remediate the Site in accordance with all Federal, state and local requirements. Company shall be responsible for ensuring that any remediated soils remain segregated from any contaminated soils upon completion of remediation work.
18. Construction Guaranties: Company shall provide security satisfaction to ESD for timely completion of construction, which security will include a guaranty by the contractor for the due, punctual and faithful performance of its obligations, duties, covenants and responsibilities to the project in the form of a Guaranteed Maximum Price consistent with industry standards.

19. **Brokerage Commissions:** Company is solely responsible for any brokerage commissions. ESD represents that it has not engaged or dealt with any broker in connection with the Site.
20. **Indemnification:** The Loan agreement shall include one or more indemnification provisions under which, among other things, Company shall forever defend, indemnify and hold harmless ESD and its officials, directors, members, principals, servants, officers, employees, agents and representatives (the "ESD Indemnitees") from and against any and all obligations, costs, losses, liabilities, claims, demands, penalties, damages, and expenses, including, but not limited to, attorney's fees, incurred by any of them and arising in any way from the Loan, the Site, any default of the Company, and/or the Project, together with legal costs incurred by ESD in connection with the failure of the Company to perform its indemnification obligations.
21. **Assignment:** Company shall not assign the Loan in whole or in part. Company shall not sublease the Premises in whole or in part without ESD's prior written consent, which may be granted or denied at ESD's discretion.
22. **Insurance:** Company shall have and maintain insurance in full force and effect and at all times with respect to the Site in such amounts, duration and covering such risks as ESD may require from time to time. Such insurance shall include ESD as an additional insured on all liability policies on a primary and non-contributory basis. ESD shall be named as a loss payee on all property policies and shall be named as an insured on all builders' risk/installation policies. All policies shall be satisfactory to ESD, include full waiver of subrogation in favor of ESD, and shall be provided by companies satisfactory to ESD.
23. **Maintenance of Site:** During the term of the Loan, Company shall assume full responsibility for the condition, operation, repair, alteration, improvement, replacement, maintenance and management of the Site and shall maintain the same in good order and condition.
24. **Right of Inspection:** ESD shall have the right to enter Site at all reasonable times and upon reasonable notice to, among other things, inspect the Site.
25. **Sustainability:** Company is committed to incorporating sustainable construction practices and building to the highest level of LEED certification as is possible, including: High efficiency building systems/glazing, energy recovery systems, low flow water fixtures, green roof/street level landscaping to mitigate heat island/rainwater discharge. Climate change resilience, including: all MEP systems above Base Flood Elevation, pervious street level paving, dual backup generators for life safety/IT resilience. Social sustainability, including: mission-based equality and partnership, health/wellness support, catalyst of societal transformation to a caring and balanced world.

26. Job Development: The Company will use good faith efforts to create 400 new jobs at the Site. The Company has committed to ensure that at least 51% of the hiring is done from the local community.

IV. Statutory Basis – Transformative Investment Program

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

V. Design and Construction

KNIC Properties LP is in the process of redeveloping 750,000 square feet Kingsbridge Armory ("Armory") into the Kingsbridge National Ice Center consisting of approximately 795,000 square feet. The projected total construction cost is \$233,585,126. ESD's construction loan of up to \$30,000,000 is to be used for a portion of capital cost of Phase I renovation of the Armory.

Design and Construction (D&C) staff will review construction documents, payment requests in compliance with D&C Requirements. D&C staff, at sole discretion, will visit the project's site to inspect construction progress.

VI. Environmental Review

ESD (the "Corporation"), pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), ratifies and makes the following findings based on the Final Environmental Impact Statement ("FEIS") certified as complete on October 25, 2013 by the New York City Office of the Deputy Mayor for Economic Development, as lead agency, in connection with the proposed Kingsbridge Armory National Ice Center (the "proposed action").

SEQRA requires the adoption of written findings, supported by a statement of relevant facts and conclusions considered, prior to agency decisions on actions that have been the subject of an FEIS. The Findings Statement, attached as Exhibit A, contains the facts and conclusions in the Draft Environmental Impact Statement ("DEIS") and FEIS relied upon to support the Corporation's decision on the action that is the subject of the requested authorization.

The findings that the Corporation hereby ratify and make are that:

- The Corporation has given consideration to the DEIS and FEIS;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the proposed action is one that avoids or minimizes significant adverse environmental effects to the maximum extent practicable, including the effects disclosed in the relevant environmental impact statement;

- Consistent with social, economic and other essential considerations to the maximum extent practicable, any significant adverse environmental effects revealed in the environmental impact statement process as a result of the proposed action will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigative measures which were identified as practicable;
- The proposed action is in compliance with Section 14.09 of the State Historic Preservation Act.

Therefore it is recommended that the Corporation ratify and adopt the SEQRA Findings Statement attached as Exhibit A.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination & Contractor and Supplier Diversity policy will apply to the Project. The Company shall be required to solicit and utilize New York State certified Minority-owned and Women-owned Business Enterprises ("MWBE") for any contractual opportunities generated in connection with this Project and to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 40%. The overall MWBE participation goals shall consist of a Minority-owned Business Enterprise ("MBE") Participation goal of 20% and a Women-owned Business Enterprise ("WBE") Participation goal of 20% related to the total value of ESD's funding. MBE utilization may not be applied to meet the goal for WBE participation, or the reverse.

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

- Resolutions
- New York State Map
- Benefit-Cost Analysis
- Exhibit A – SEQRA Involved Agency Findings Statement
- Project Renderings

December 17, 2015

Bronx (New York City Region – Bronx County) – Kingsbridge Armory Capital – Transformative Investment Program (Capital Loan) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions

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 Kingsbridge Armory Capital – Transformative Investment Program (Capital Loan) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there 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 KNIC Properties LP a loan for a total amount not to exceed Thirty Million Dollars (\$30,000,000) from the Transformative Investment 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

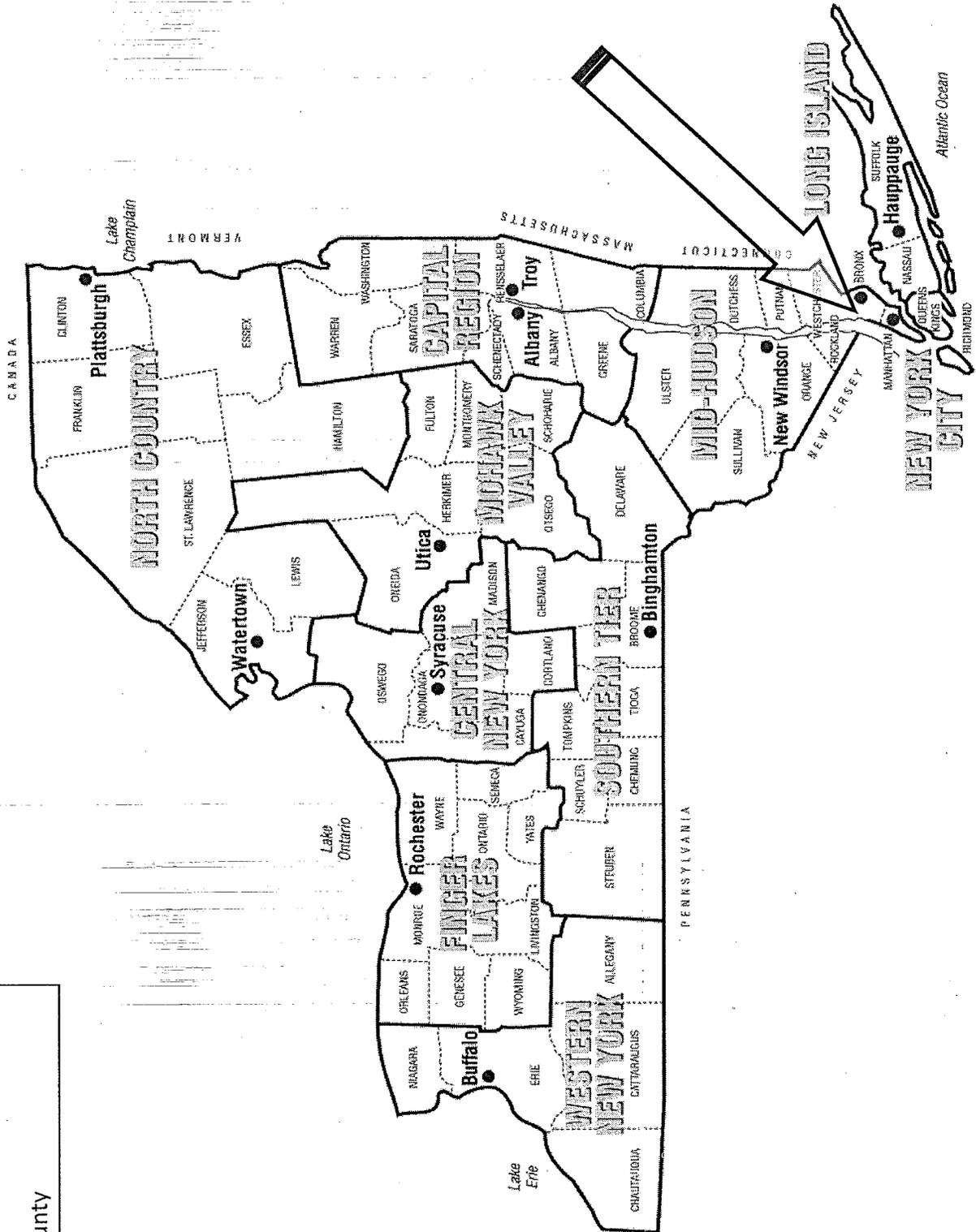
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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.

* * *

Kingsbridge Armory Capital
Bronx
Bronx County



**Project Summary
Benefit-Cost Evaluation¹**

**Economic Growth Project
KNIC Properties LP (Kingsbridge Armory)**

The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

Construction Job Years (Direct): 1,341
Construction Job Years (Indirect): 696

| 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 | \$30,000,000 | \$794,250 | \$30,000,000 | \$1,020,500 |
| Fiscal Benefits⁴ | \$32,809,953 | \$2,085,600 | \$46,895,200 | \$4,271,980 |
| Fiscal B/C Ratio | 1.09 | 3.00 | 1.56 | 10.60 |
| | | | | |
| | Project Results | Benchmarks for ESD Projects | | |
| Economic Benefits⁵ | \$187,344,699 | \$119,468,000 | | |
| Economic B/C Ratio | 6.24 | 30.00 | | |

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.

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 construction employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

⁵ Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.



FOR CONSIDERATION

December 17, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Brooklyn (New York Region – Kings County) – ABC Capital – New York Works and Empire State Economic Development Fund – General Development Financing (Capital Grants)

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 Grants and to Take Related Actions

General Project Plan

I. Project Summary

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

ESD* Investment: Grants of up to \$4,000,000 to be used for a portion of the costs of the purchase and installation of set construction and production equipment of filming a multiple live-action television series and one mini-series event

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

Project Location: 300 North Henry Street, Brooklyn, Kings County

Proposed Project: Large scale production of four Marvel series totaling a minimum of 52 episodes and a mini-series which will be four to eight episodes in length over four years in New York

Project Type: Television Production

Regional Council: The New York City Regional Economic Development Council (“NYCREDC”) has been made aware of this item. The project is consistent with the NYCREDC Regional Plan to stimulate business creation, retention and

expansion in support of the film and television industry, a key economic sector in New York City.

| | | |
|-------------|---|-----|
| Employment: | Initial employment at time of ESD Incentive Proposal: | 0 |
| | Current employment level: | 267 |
| | Minimum employment on September 30, 2016: | 200 |
| | Minimum employment through January 1, 2017: | 100 |

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> | |
|------------------------------|---------------------|----------------|
| Set Construction | \$17,300,436 | |
| Production Equipment/Rentals | <u>32,027,992</u> | |
| | | |
| Total Project Costs | <u>\$49,328,428</u> | |
| | | |
| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
| ESD-Grant (Z423) | \$2,500,000 | 5% |
| ESD-Grant (Z519) | 1,500,000 | 3% |
| Company Equity | <u>45,328,428</u> | <u>92%</u> |
| | | |
| Total Project Financing | <u>\$49,328,428</u> | <u>100%</u> |

III. Project Description

A. Company

Industry: Television Broadcasting

Company History: ABC, Inc. was incorporated in New York in April 1946. ABC and its direct limited liability companies and subsidiaries is in the business of television and cable television show production, television and radio broadcasting, cable television programming, motion picture distribution and distributes information from databases.

Ownership: ABC, Inc. is a publicly traded company. ABC, Inc. is wholly owned by ABC Enterprises, Inc., which is wholly owned by Disney Enterprises, Inc., which is wholly owned by The Walt Disney Company.

Size: ABC, Inc. has operations in all 50 states, the District of Columbia and Puerto Rico, and facilities or offices in 20 states. The New York facility is located on West 66th Street.

Market: ABC provides daytime, weekends, nightly editions, sports and children's programming as well as mini-series and specials events targeting a

diverse range of viewers. Major competitors are Fox, NBC and CBS networks.

ESD Involvement: In February 2014, ABC, Inc. was exploring various locations to produce four Marvel live-action television series and a mini-series event. To encourage the Company to move forward with the project in New York and boost the production and filming activities, ESD committed \$4,000,000 in grants to assist with set construction and production equipment. The project, which started on May 2014, will create approximately 200 new Full-time Permanent jobs in Brooklyn, NY and will retain 100 of those employees through January 2017. In addition, ABC, Inc. can access the New York State Film Production Credit for approximately 30% in refundable credit.

Competition: Vancouver and Toronto, Canada

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

B. The Project

Completion: December 2017

Activity: The Company will produce a large scale television production to be completed over four years in New York. The television production will consist of:

- four television series of at least 13 episodes each, totaling a minimum of 52 episodes, and
- one mini-series which will be at least four episodes long but not more than eight episodes long.

The production status and air dates for the four television series are as follow:

- Daredevil-production complete, air date 4/10/2015
- Jessica Jones-production complete, air date 11/20/2015
- Luke Cage-in production, air date to be decided
- Iron Fist-anticipated production in 2016, air date to be decided

The mini-series is currently anticipated to be entitled "*The Defenders*". The production of the mini-series will be scheduled and will conclude no later than December 2017.

The primary location is 300 North Henry Street in Brooklyn. The project costs include set construction and production equipment, working capital such as cast and crew salaries, travel, housing, meals and per diems, costumes and other direct costs related to the production.

Results: ABC, Inc. will employ 200 new Full-time Permanent Employees at the project location through September 2016, and will retain 100 of those employees through January 1, 2017. The Company has already hired 267 employees exceeding its job commitment.

Grantee Contact: Mary Ann Hughes, Vice President,
Film & Television Production Planning
2300 W. Riverside Drive, MC 4242
Burbank, CA 91521
Phone: (818) 560-3673

ESD Project Nos.: Z423, Z519

| | | |
|----------------------|---------------------------------|----------------------|
| Project Team: | Origination | Chelsea Rao |
| | Project Management | Javier Roman-Morales |
| | 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 \$4,000,000 capital grants (\$40,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less

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

5. **New York Works (Z423):**

Up to \$2,500,000 will be disbursed to the Grantee in arrears in a single installment of 100% of the grant upon documentation of total project expenditures of at least \$10,000,000, including purchase and installation of \$2,500,000 in set construction and production equipment costs for the completion of the first two series, employment of at least 200 Full-time Permanent Employees at the Project Location (Employment Increment of 200), and documentation of project costs and capital expenditures through the duration of the project, assuming that all project approvals have been completed and funds are available.

Empire State Economic Development Fund (Z519):

Up to \$1,500,000 will be disbursed to the Grantee in arrears in two installments as follows:

- a) an Initial Disbursement of an amount equal to 66.6% of the grant (\$1,000,000) will be disbursed upon documentation of employment of at least 200 Full-time Permanent Employees or Contract Employees at the Project Location (Employment Increment of 200) through the completion of Series 1 and 2, assuming that all project approvals have been completed and funds are available;
- b) a Second Disbursement of 33.4% of an amount equal to the grant (\$500,000) will be disbursed upon documentation of the employment of at least 200 Full-time Permanent Employees or Contract Employees at the Project Location through the completion of Series 3 and 4 and the mini-series.

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 26, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2018.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$4,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

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

| A | B |
|------------------|------------------|
| Date | Employment Goals |
| February 1, 2017 | 0+X* |

X = Grantee's Employment Increment that will be the basis of the Initial Disbursements of the Grant as described in section C.5 above (i.e. X=200, and Employment Goals shall equal [0 + X = 200] if the Initial Disbursements are made, in the year such disbursement is made and for each year thereafter). If the Initial Disbursements have not yet been made then X=0.

*The Grantee is only required to retain 100 of the 200 new jobs through January 1, 2017.

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 create 200 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.

3. The project is reasonably likely to accomplish its stated objectives and the likely

benefits of the project exceed costs.

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 \$19,704,172;
- Fiscal cost to NYS government is estimated at \$4,000,000;
- Project cost to NYS government per direct job is \$26,158;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$11,422;
- Ratio of project fiscal benefits to costs to NYS government is 4.93:1;
- Fiscal benefits to all governments (state and local) are estimated at \$42,356,237;
- Fiscal cost to all governments is \$4,000,000;
- All government cost per direct job is \$26,158;
- All government cost per total job is \$11,422;
- The fiscal benefit to cost ratio for all governments is 10.59:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$268,827,419, or \$767,605 per job (direct and indirect);
- The economic benefit to cost ratio is 67.21:1;
- Project construction cost is \$17,300,436, which is expected to generate 74 direct job years and 37 indirect job year of employment;
- For every permanent direct job generated by this project, an additional 1.23 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is two years.

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

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. Statutory Basis – New York Works

The funding was authorized in the 2013-2014 New York State budget and reappropriated in the 2014-2015 New York State budget. No residential relocation is required as there are no families

or individuals residing on the site.

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

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 10% related to the total value of ESD's funding.

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

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

IX. Additional Submissions to Directors

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

December 17, 2015

Brooklyn (New York Region – Kings County) – ABC Capital – New York Works and Empire State Economic Development Fund – General Development Financing (Capital Grants) – 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 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 ABC Capital – New York Works Fund and Empire State Economic Development Fund – General Development Financing (Capital Grants) 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 ABC, Inc. two grants for a total amount not to exceed Four Million Dollars (\$4,000,000) from the New York Works Fund and 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

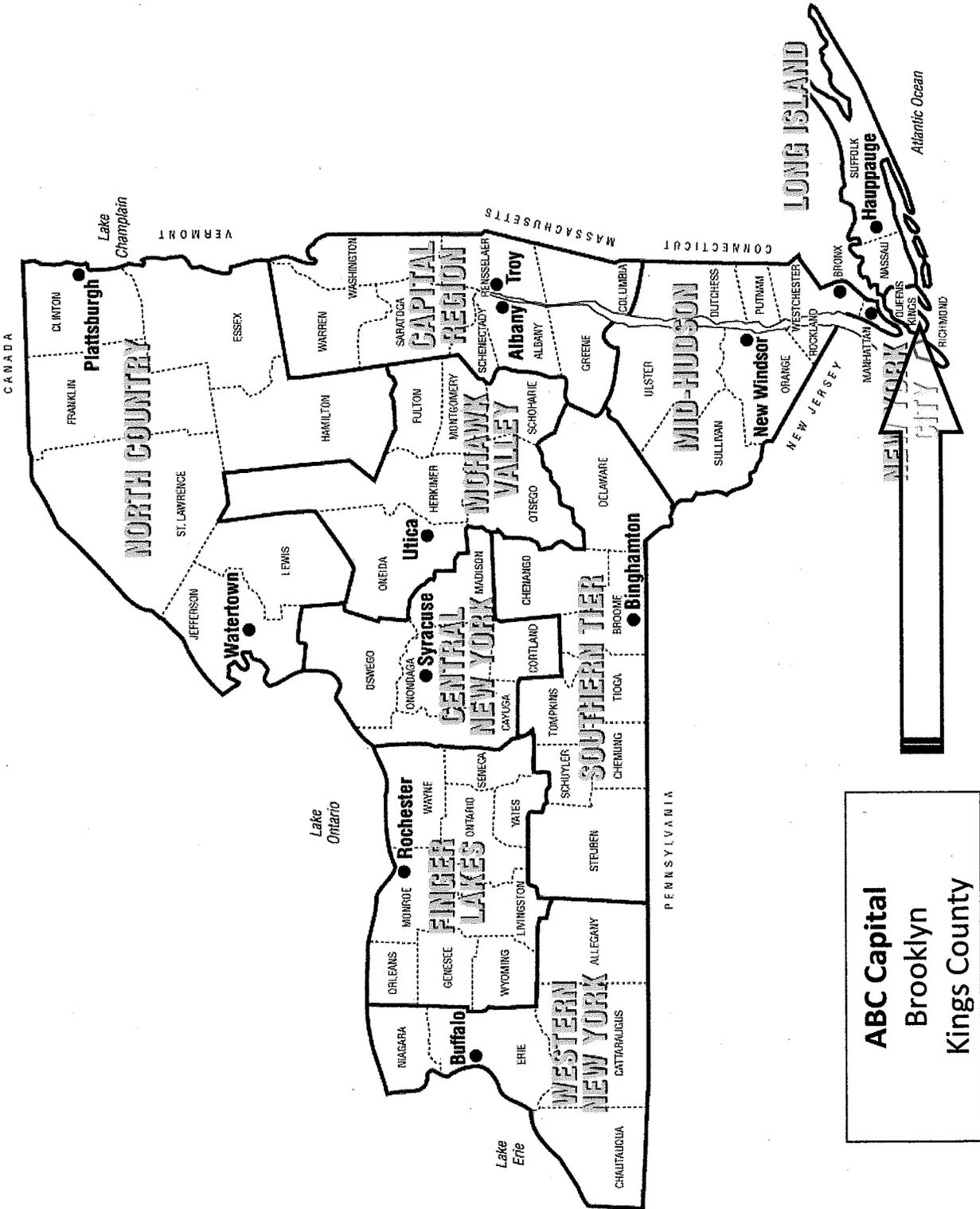
of the State Division of the Budget; and be it further

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; 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.

* * *



ABC Capital
 Brooklyn
 Kings County



FOR CONSIDERATION

December 17, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: New York (New York City Region – New York County) – Paperless Post JCRP – World Trade Center Job Retention and Creation Program (Working Capital Grant)

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

I. Project Summary

Grantee: Paperless, Inc. d/b/a Paperless Post (“Paperless” or the “Company”)

ESD* Investment: A working capital grant of up to \$455,000 to be used for a portion of the cost of wages, payroll taxes, healthcare benefits and rent payments

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

Project Location: 115 Broadway, Suite 1802, New York, New York County

Proposed Project: Relocation of 51 Full-Time Permanent jobs from Midtown to Lower Manhattan and creation of 76 Full-Time Permanent jobs

Project Type: Business expansion involving job retention and creation

Regional Council: The New York City Regional Economic Development Council has been made aware of this item. The Incentive Proposal was accepted in December 2012. The project is consistent with the Regional Plan to accelerate economic growth and job creation by supporting the Region’s status as a global capital of commerce and innovation.

Employment:

| | |
|---|-----|
| Prior to September 11, 2001: | 0 |
| Initial employment at time of ESD Incentive Proposal: | 51 |
| Current employment level: | 127 |
| Minimum employment on December 31, 2015: | 127 |

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> | |
|---|------------------|----------------|
| Wages, rent, payroll taxes, Health-care benefits | <u>\$455,000</u> | |
| Total Project Costs | <u>\$455,000</u> | |
| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
| ESD-Grant | <u>\$455,000</u> | <u>100%</u> |
| Total Project Financing | <u>\$455,000</u> | <u>100%</u> |

III. Project Description

A. Company

Industry: Internet-based invitation and correspondence business

Company History: Established in 2009, Paperless Post is an e-commerce company focusing on design-driven custom digital stationery, including greetings, invitations, and personal stationery, which can be sent, tracked and responded to online. Since 2012, Paperless Post users can also order the digital stationery they have customized, printed on card-stock and shipped to them to send by mail. Paperless Post offers hybrid online-offline stationery and event management tools, bringing the timeless tradition of fine paper to users who value the efficiency and accessibility of the Web.

Ownership: The Company is privately owned.

Size: All facilities located in New York, NY.

Market: The Company is a global provider of online communication. Competitors include Evite.com, Punchbowl, and Minted.

Program Background: The World Trade Center Job Creation & Retention Program ("JCRP") is an ESD administered grant program funded by a block grant from the United States Department of Housing & Urban Development ("HUD"). ESD jointly originates new JCRP projects with the New York City Economic Development Corporation ("NYCEDC"). The JCRP program initially focused on gaining the commitment of Lower Manhattan firms to remain and grow downtown in the wake of 9/11. In more recent years, the JCRP

program has focused on attracting New York City firms located outside Lower Manhattan to downtown. As a federally funded program, JCRP cannot be used to attract jobs from other states.

In order to be eligible for consideration of a JCRP grant, a project must involve at least 200 existing Lower Manhattan or attracted jobs or the creation of at least 75 net new New York City jobs in Lower Manhattan. Lower Manhattan is defined as south of Canal Street. Offers of JCRP grant assistance must be requested by December 31, 2015.

JCRP grant amounts are based on a number of factors including a project's economic and fiscal impact, the number of retained, attracted and created jobs, the industry and an assessment of the need for public funding to move the project ahead. If a company employs staff outside Lower Manhattan, the company is required to maintain those jobs as part of their JCRP commitment. JCRP recipients are required to maintain their jobs in Lower Manhattan for at least 10 years.

Companies accepting JCRP grant offers apply to ESD for a disbursement of grant funds after achieving the incentive grant offer's terms and conditions (i.e. either creating a certain number of jobs or relocating jobs to Lower Manhattan). Approved companies enter into a binding grant agreement with ESD and will receive grant funds, which may be applied against wages, health benefits, rent, movable equipment and furniture. Since the program's inception, nearly 72,000 Lower Manhattan jobs have been retained, created and attracted (including over 13,220 attracted jobs and 5,173 net new NY City jobs). These 72 projects represent over \$279,000,000 in JCRP grant funds out of a total program budget of \$318,261,500.

ESD Involvement: In December 2012, Paperless Post occupied leased office space at 151 East 25th Street in Chelsea, New York, New York. Due to the higher occupancy costs of retaining its existing workforce of over 51 employees at its Chelsea location, Paperless Post sought funding to keep its headquarters in New York. To assist Paperless, ESD funds were awarded through the Job Creation and Retention Program and the Company undertook a relocation project to 115 Broadway which would serve as its new headquarters and allow for the creation of 76 new jobs.

Competition: JCRP grants are utilized to encourage Lower Manhattan employment growth as noted above in the Program Background section. Paperless considered relocating to New Jersey.

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

B. The Project

Completion: September 2013

Activity: Paperless Post executed a lease agreement for two floors or 37,000 square feet of space at 115 Broadway. The Company completed renovations, purchased furniture, fixtures and equipment and relocated to the space in September 2013.

Results: Retain 51 existing jobs and create 76 new jobs. The Company has already met its job requirements by retaining 51 jobs and creating 76 jobs.

Grantee Contact: Meg Hirschfeld, Chief Administrative Officer
115 Broadway, Suite 1802
New York, NY 10006
Phone: (212) 242-1288

ESD Project No.: Y075

| | | |
|----------------------|---------------------------------|------------------|
| Project Team: | Origination | Steven Gold |
| | Project Management | Jillian Drummond |
| | Contractor & Supplier Diversity | Denise Ross |
| | Finance | Angela Pitto |
| | Environmental | Soo Kang |

C. Financial Terms and Conditions

1. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
2. 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.
3. The ESD assistance will be disbursed as described in these materials and other documentation assuming that all project approvals have been completed and funds

are available.

4. Up to \$455,000 will be disbursed in arrears to the Grantee upon documentation of the employment of at least 127 Full-time permanent employees, representing at least 76 net new Full-time Permanent Employees and retention of 51 Full-Time Permanent Employees at the Project Location in Lower Manhattan. The grant payment shall not exceed \$455,000. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 28, 2012, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2018.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$455,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in column B of the table below. If the number of employees, as of each date set forth in column A of the table below, is less than eighty five percent (85%) of the number of Total number of Jobs as set forth in column B, then upon demand by ESD, Grantee shall be obligated to repay to ESD a percentage of the disbursed Grant Amount, as set forth in column C. If the number of Grantee's employees, as of each date set forth in column A of the table below, is less than ninety-five percent (95%) of the number of Total number of Jobs as set forth in column B for any reason related to a relocation out of New York City, then upon demand by ESD, Grantee shall be obligated to repay to ESD a percentage of the disbursed Grant Amount, as set forth in column D.

| | |
|---------------------------|----|
| Minimum Employment Number | 51 |
|---------------------------|----|

| A | B | C | D |
|------|----------------|---|---|
| Date | Total Jobs | Percentage of Grant Amount to be repaid | Percentage of Grant Amount to be repaid (relocation outside of NYC) |
| | South of Canal | | |
| 2016 | 51 + X | 75.0% | 200% |
| 2017 | 51 + X | 67.5% | 200% |
| 2018 | 51 + X | 60.0% | 200% |
| 2019 | 51 + X | 52.5% | 150% |
| 2020 | 51 + X | 45.0% | 120% |
| 2021 | 51 + X | 37.5% | 100% |
| 2022 | 51 + X | 30.0% | 80% |
| 2023 | 51 + X | 22.5% | 60% |
| 2024 | 51 + X | 15.0% | 40% |
| 2025 | 51 + X | 7.5% | 20% |

X = Grantee's Employment Increment that will be the basis of the Initial Disbursement of the Grant (i.e. X=76, and Employment Goals shall equal [51 + X = 127 South of Canal] if the Initial Disbursement is made.

IV. Community Development Block Grant Underwriting Requirements – World Trade Center Job Creation and Retention Program:

- Other existing incentive transactions and offers received by the Grantee:**
This is the only award of funding the Grantee is receiving for this project.
- Alternative locations the Grantee may be considering:**
Paperless Post considered relocating to New Jersey.
- Analysis of the risk that, without ESD assistance: (a) the business if located south of the centerline of Canal Street at the time of the disaster will not remain within lower Manhattan; (b) the business if located south of the centerline of Canal Street at the time of the disaster and that has temporarily relocated elsewhere because of the disaster would not return; (c) the New York City business that suffered significant economic dislocation because substantial numbers of its major customers were businesses south of the centerline of Canal Street would not remain in New York City; or (d) the business seeking to locate new operations and create new jobs in Lower Manhattan would not otherwise locate there:** Staff believed there was a significant risk that the Company's jobs would not relocate to Lower Manhattan without this incentive.
- Economic benefit/cost analysis:** This project is funded by the World Trade Center Job Creation and Retention Program. The Program is funded by a block grant from the U.S Department of Housing and Urban Development (HUD), and administered by ESD. Since the project is financed by

the federal government, the benefit cost analysis does not include any fiscal cost to New York State or local governments.

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 \$5,204,450;
- Fiscal benefits to all governments (state and local) are estimated at \$11,102,776;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$66,001,126, or \$457,101 per job (direct and indirect);
- There is no construction –related activity associated with this project;
- For every permanent direct job generated by this project, an additional 1.27 indirect jobs are anticipated in the state’s economy;

5. Fiscal impact on State and City revenues: Paperless Post generates an estimated \$1,026,716 annually in direct, indirect, and induced taxes for New York City, and an estimated \$905,934 annually in direct, indirect, and induced taxes for New York State.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

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

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

December 17, 2015

New York (New York City Region – New York County) – Paperless Post JCRP – World Trade Center Job Retention and Creation Program (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 Paperless Post JCRP -- WTC JCRP 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 Paperless, Inc. d/b/a Paperless Post a grant for a total amount not to exceed Four Hundred Fifty Five Thousand Dollars (\$455,000) from the World Trade Center Job Creation and Retention Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

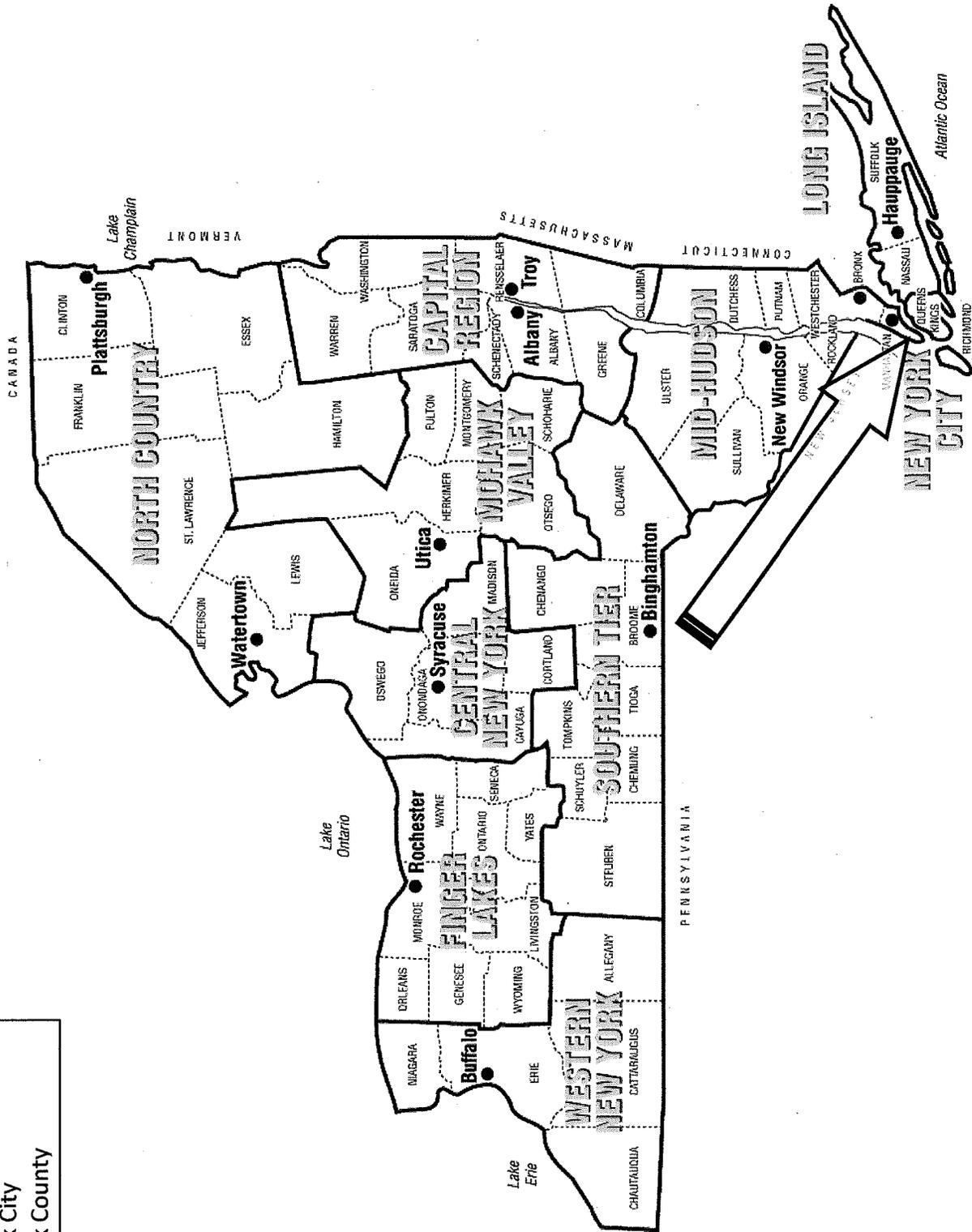
RESOLVED, that the President and Chief Executive Officer or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration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

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

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

* * *

Paperless Post JCRP
New York City
New York County





FOR CONSIDERATION

December 17, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Massena (North Country Region – St. Lawrence County) – ALCOA
Massena Working Capital - New York Power Authority (Working Capital Grant)

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

I. Project Summary

Grantee: ALCOA, Inc. (“ALCOA” or the “Grantee”)

ESD* Investment: Subject to ESD receipt of Grant funds, Grants of up to \$20,600,000, over a five-year period, to be funded via the New York Power Authority (“NYPA”) for working capital purposes.

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

Project Location: Park Avenue East, Massena, St. Lawrence County

Proposed Project: ALCOA Massena plant will continue plant operations and maintain employment in New York State

Project Type: Working capital involving job retention

Regional Council: The North Country Regional Council has been made aware of this item. The project is consistent with the Regional Plan to support existing employers.

Employment: Initial employment at time of application to ESD: Approx 700
Current employment level: Approx 700
Minimum employment through March 31, 2019: Approx 600

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> |
|-----------------------|---------------------|
| Payroll/Operations | <u>\$20,600,000</u> |

| | |
|---------------------|---------------------|
| Total Project Costs | <u>\$20,600,000</u> |
|---------------------|---------------------|

| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
|---------------------------|---------------------|----------------|
| ESD Grant-working capital | <u>\$20,600,000</u> | <u>100%</u> |

| | | |
|-------------------------|---------------------|-------------|
| Total Project Financing | <u>\$20,600,000</u> | <u>100%</u> |
|-------------------------|---------------------|-------------|

III. Project Description

A. Company

Industry: Manufacturing of aluminum and aluminum products

Company History: Formed in 1888 in Pittsburgh Pennsylvania, with headquarters presently in New York City, Alcoa is a global leader in lightweight metals engineering and manufacturing. The ALCOA Massena plant is the oldest continuously operating aluminum production facility in the Western Hemisphere. The Massena plant is one of the largest employers in the North Country.

Ownership: Alcoa is a publicly traded corporation listed on the New York Stock Exchange.

Size: Alcoa operates in 30 countries with over 59,000 employees worldwide.

Market: The Company's products are used in worldwide industries such as aircraft, automobile, transportation, and construction.

ESD Involvement: In early November of 2015, ALCOA announced it would idle one smelting plant in Massena and permanently close another due to low aluminum prices and uncompetitive smelting and refining capacity at the Massena location. The resulting plant closures would have resulted in the loss of nearly 500 jobs in the economically depressed County of St. Lawrence. As a result of the announcement, the State of New York ("State") offered a package of incentives to ALCOA to ensure that the largest employer north of Syracuse would remain open and viable.

As a result of the negotiations with ALCOA, on November 24, 2015, Governor Cuomo announced that a deal had been reached with ALCOA that would retain 600 jobs and ensure the continued operation of the

Massena West Plant. As part of that agreement, ESD will provide \$20.6 million to ALCOA for working capital purposes in accordance with the terms contained in these materials and will provide another \$23 million in support for future capital upgrades to the facility. It is expected that the capital funds will be made available in the State's next budget cycle at which time, additional ESD Board approval will be required to allocate those funds. In addition to the State's contribution through ESD, ALCOA will receive 245 MW of low cost power from NYPA pursuant to an agreement entered into between NYPA, ESD and ALCOA.

In exchange for the State support, ALCOA has agreed to keep the Massena West plant operational with an employment commitment of 600 jobs through March 2019. Currently, the Massena operation employs approximately 700 employees. In the event the employment level is lowered to 600 as expected, ALCOA has agreed to first initiate a voluntary severance and early retirement package to all employees at the Massena operation. Once the employment commitment level is reached, Alcoa has agreed that it will not reduce employment further by utilizing voluntary separation packages or involuntary separation. In addition, should ALCOA not meet the employment commitment, it would be subject to liquidated damages of \$40 million should the default occur in the first quarter of 2016 and decreasing thereafter \$3 million per quarter.

Competition: N/A

Past ESD Support: Since 1992, ALCOA has received approximately \$1.5 million in assistance for worker training projects.

B. The Project

Completion: March 2019

Activity: ALCOA Massena plant will continue operations and maintain employment for manufacturing of aluminum in New York State.

Results: Retain approximately 600 existing 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 \$61,008,043;
- Fiscal cost to NYS government is estimated at \$20,600,000;
- Project cost to NYS government per direct job is \$42,917;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$10,022;
- Ratio of project fiscal benefits to costs to NYS government is 2.96:1;
- Fiscal benefits to all governments (state and local) are estimated at \$104,134,131;
- Fiscal cost to all governments is \$20,600,000;
- All government cost per direct job is \$42,917;
- All government cost per total job is \$10,022;
- The fiscal benefit to cost ratio for all governments is 5.06:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$811,675,606, or \$394,895 per job (direct and indirect);
- The economic benefit to cost ratio is 39.40:1;
- There is no construction activity related to this project;
- For every permanent direct job generated by this project, an additional 3.3. indirect job is anticipated in the state's economy;
- The payback period for NYS costs is three years.

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

Grantee Contact: John Martin
Park Avenue East
Massena NY 13662
Phone: (315) 764-6314

ESD Project No.: AA364

| | | |
|---------------|---------------------------------|----------------|
| Project Team: | Project Management | John Vandeloo |
| | Legal | Stephen Gawlik |
| | Contractor & Supplier Diversity | Denise Ross |
| | Finance | Rob Kwon |
| | Environmental | Soo Kang |

C. Financial Terms and Conditions

1. The Company will not reduce employment below 600 Full-time Permanent Employees using voluntary separation packages or involuntary separation. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who work 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 work 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.

2. Up to \$20,600,000 will be will be disbursed to the Grantee as reimbursement for eligible working capital needs at the Massena location including costs for payroll, materials and supplies during the course of operations and documentation of continued compliance with the employment commitment described above, assuming that all project requirements have been completed and funds are available and in accordance with the following schedule:

\$1.8 million in 4Q 2015; \$7 million in 2016; \$6 million in 2017; \$4 million in 2018; and \$1.8 million in 1Q 2019.

Expenses reimbursed by ESD's grant must be incurred on or after October 1, 2015, to be considered eligible project costs. All disbursements must be requested by March 31, 2020.

3. The source of funding shall be funds made available by the New York State Power Authority for economic development purposes. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$20,600,000, 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.

4. In consideration for the making of the Grant, Grantee will not reduce employment below 600 Full-Time Employees at the Project Location using voluntary separation packages or involuntary separation. In the event that the Grantee is not able to meet the employment goals, it shall be subject to liquidated damages after an appropriate cure period:

| If a Default occurs Before the end of: | | Liquidated Damages: (\$MM) |
|---|----|-------------------------------|
| Year 1 | Q1 | 40 |
| | Q2 | 37 |
| | Q3 | 34 |
| | Q4 | 31 |
| Year 2 | Q1 | 28 |
| | Q2 | 25 |
| | Q3 | 22 |
| | Q4 | 19 |
| Year 3 | Q1 | 16 |
| | Q2 | 13 |
| | Q3 | 10 |
| | Q4 | 7 |
| Year 4 | Q1 | 4 |

IV. Statutory Basis

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

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses ("MWBEs") in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the project. No specific MWBE participation goals shall be required of this project, however, the grantee shall adhere to ESD's Non-discrimination and Equal Employment Opportunity ("EEO") policy. Inquiries relating to the EEO policy may be addressed to the Office of Contractor and Supplier Diversity ("OCSD") at ocsd@esd.ny.gov.

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

Project Finance Memorandum

December 17, 2015

Massena (North Country Region – St. Lawrence County) – ALCOA Massena Working Capital – New York Power Authority (Working Capital Grant) – 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 ALCOA Massena 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, the President and Chief Executive Officer of the Corporation or his designee(s) is, authorized to make to ALCOA Inc. a grant for a total amount not to exceed Twenty Million Six Hundred Thousand Dollars (\$20,600,000) from New York Power Authority funds, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

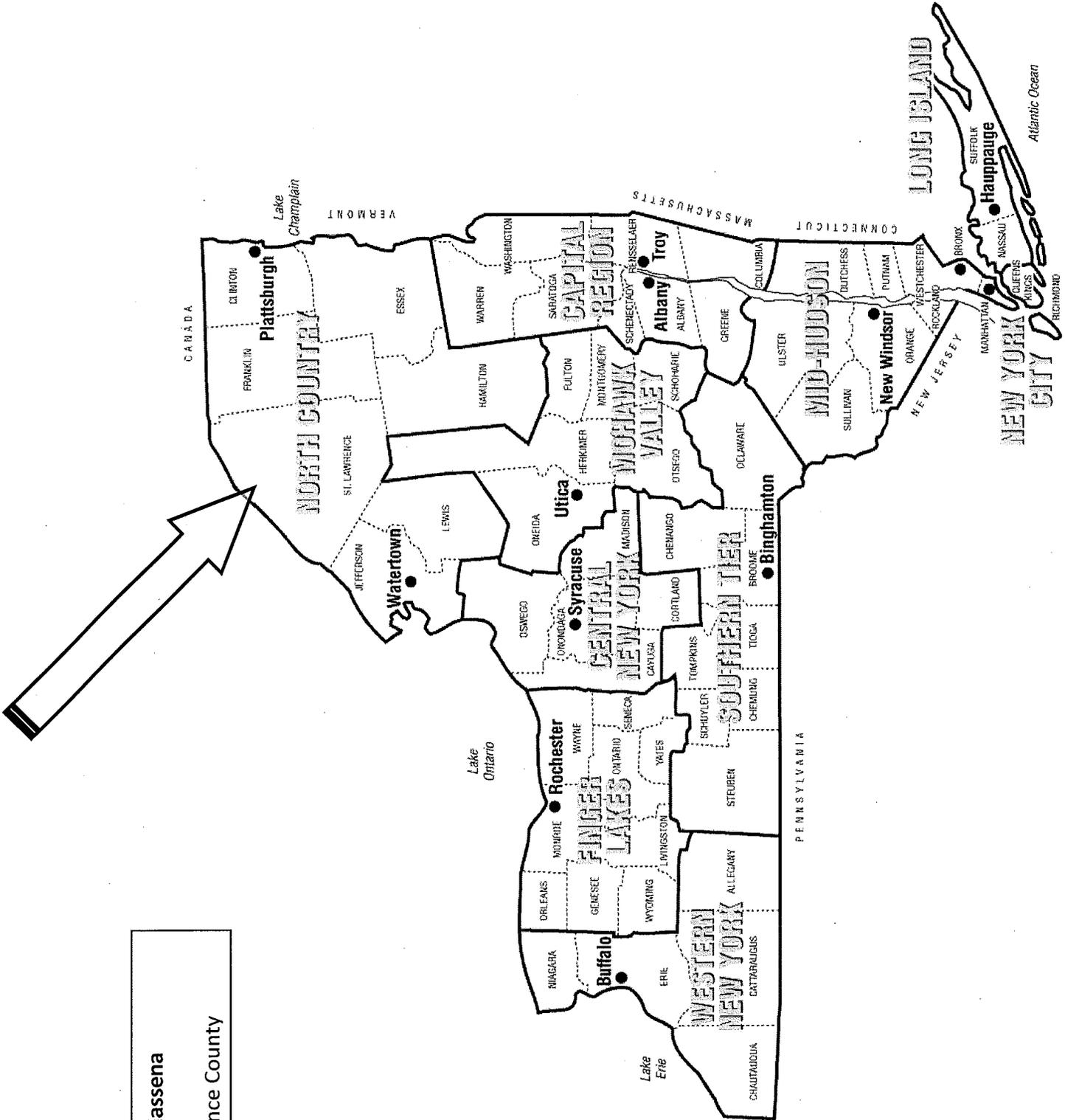
RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in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

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

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

* * *

ALCOA Massena
Massena
St. Lawrence County



Project Summary Benefit-Cost Evaluation¹

ALCOA Massena – 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: | 600 | Construction Job Years (Direct): | 0 |
| New Jobs: | 0 over one year | Construction Job Years (Indirect): | 0 |

| Evaluation Statistics | Project Results NYS Gov't. | NYS Gov't. Benchmarks ² | Project Results State & Local Government | State & Local Government Benchmarks |
|--|-------------------------------|---------------------------------------|--|---|
| Fiscal Costs³ | \$20,600,000 | \$794,250 | \$20,600,000 | \$1,020,500 |
| Fiscal Benefits (Taxes)⁴ | \$61,008,043 | \$2,085,600 | \$104,134,131 | \$4,271,980 |
| Fiscal Cost /Direct Job | \$42,917 | \$3,000 | \$42,917 | \$4,110 |
| Fiscal Cost/Total Jobs | \$10,122 | \$1,424 | \$10,022 | \$1,964 |
| Fiscal B/C Ratio | 2.96 | 7.00 | 5.06 | 10.60 |
| | Project Results | Benchmarks | | |
| Economic Benefits⁵ | \$811,675,606 | \$119,468,000 | | |
| Econ. Benefits/Total Jobs | \$394,895 | \$147,600 | | |
| Economic B/C Ratio | 39.40 | 75.00 | | |

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 75.00 (Economic). Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 30.00 (Economic).

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

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

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



FOR CONSIDERATION

December 17, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Warwick (Mid-Hudson Region – Orange County) – Warwick Valley Office & Tech Park Capital – Economic Transformation Program (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Warwick Valley Local Development Corporation (“WVLDC”)

ESD* Investment: A grant of up to \$3,000,000 to be used for a portion of the cost of infrastructure improvements

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

Project Location: 900 Kings Highway, Warwick, Orange County

Proposed Project: Improve, upgrade and increase water, sewer and road capacity at a former correctional facility for redevelopment as a business park

Project Type: Infrastructure improvements

Regional Council: The Mid-Hudson Regional Economic Development Council has been made aware of this item. The project is consistent with Mid-Hudson Regional Council plan to encourage existing businesses to create new jobs in the region and establish an environment and process to bring new businesses to the region.

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> | |
|--------------------------|--------------------|----------------|
| Infrastructure/Site Work | <u>\$7,553,347</u> | |
| Total Project Costs | <u>\$7,553,347</u> | |
| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
| ESD-Grant | \$3,000,000 | 40% |
| Grantee Equity | <u>4,553,347</u> | <u>60%</u> |
| Total Project Financing | <u>\$7,553,347</u> | <u>100%</u> |

III. Project Description

A. Grantee

- Industry: Economic Development
- Grantee History: Established in 2009, WVLDC drives economic development in the Warwick, Mid-Hudson region.
- Ownership: WVLDC is a local development corporation.
- Size: All facilities located in Warwick, NY.
- ESD Involvement: The Mid Orange Correctional Facility ("MOCF") is one of several New York State correctional and juvenile facilities closed in 2011 as a part of Governor Cuomo's plan to consolidate state government services and increase the efficiency of the juvenile justice facility system. The New York State Office of General Services, the Office of Children and Family Services, the Department of Corrections and Community Supervision and ESD were tasked with ensuring the disposition of these large institutional properties. The former MOCF is an extensive property consisting of approximately 40 acres within a secured perimeter, and 686 acres outside the secured perimeter. The MOCF is made up of 81 buildings, including a 12-bed medical unit and a 10-bed special housing unit. Many of the buildings date back to the 1930s. WVLDC acquired a portion of the site and applied for funding in 2014 to assist in the modernization and expansion of infrastructure to various development parcels at the former MOCF.
- Past ESD Support: This is the Grantee's first project with ESD.

B. The Project

Completion: October 2015

Activity: Warwick Valley Local Development Corporation acquired a 150-acre parcel of the former MOCF and completed upgrades to the water and sewer infrastructure and increased road capacity to establish the Warwick Valley Office & Technology Corporate Park ("Park"). The Park features nearly 150 acres split between five lots. Four of the lots feature existing buildings of sturdy and attractive construction and the fifth lot is shovel ready and available for 10 pad sites of approximately 85,000 square feet. Each pad has already been approved for subdivision by the Warwick Town Planning Board. Much of the rest of the Park will be used for recreational purposes as well as open space.

The Company has completed infrastructure extension including water, sewer and electrical services to a 48.6 acre undeveloped portion of the site which has been subdivided into 10 commercial lots for future development. The project also includes the construction of a new road to provide access to the subdivided lots.

Results: As a result of the project, the Warwick Valley Office & Technology Corporate Park will be marketed as a shovel ready, campus-like corporate park for economic development. The Park has sufficient power, redundant fiber options, municipal services, along with a location close to major transportation routes.

Infrastructure Investment Project:

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

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

- Fiscal benefits to NYS government from the project are estimated at \$348,747;
- Fiscal cost to NYS government is estimated at \$3,000,000;

- Ratio of project fiscal benefits to costs to NYS government is 0.12:1;
- Fiscal benefits to all governments (state and local) are estimated at \$642,176;
- Fiscal cost to all governments is \$3,000,000;
- The fiscal benefit to cost ratio for all governments is 0.21:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$4,647,634;
- The economic benefit to cost ratio is 1.55:1;
- Project construction cost is \$7,553,347, which is expected to generate 52 direct job years and 26 indirect job years of employment;
- The payback period for NYS costs is not calculated.

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

Grantee Contact: Michael P. Sweeton, Vice President
 132 Kings Highway
 Warwick NY 10990
 Phone: (845) 986-1124 x5

ESD Project No.: Z462

| | | |
|---------------|---------------------------------|------------------|
| Project Team: | Origination | Michael Morse |
| | Project Management | Jillian Drummond |
| | Contractor & Supplier Diversity | Denise Ross |
| | Finance | John Bozek |
| | Design & Construction | Peter Topar |
| | 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 \$3,000,000 capital grant (\$30,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$3,000,000 will be disbursed to Grantee during the course of design and/or

construction no more frequently than quarterly, in compliance with the Design & Construction Requirements and in proportion to ESD's funding share, upon documentation of project costs totaling \$7,553,347, as evidenced by a certificate of occupancy, The final 10% of the grant will be disbursed upon completion of the facility, as evidenced by a certificate of completion / compliance with the Design & Construction requirements, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after October 27, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$3,000,000, 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 – Economic Transformation Program

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

V. Design and Construction

D&C staff will review the project budget, project schedule, plans & specifications and at its option visit the project's site (former correctional facility undergoing improvements and upgrades for development as a business park) located in Warwick to view progress of completed renovations/construction for the scoped project. There will be quarterly payments which will be reviewed and recommended for payment only when D&C requirements have been satisfied. The aforementioned project will be reviewed in conjunction with D&C requirements and forms.

VI. Environmental Review

The Town of Warwick Planning Board, as lead agency, has completed environmental reviews for the re-subdivision of the former MOCF site and subsequent 48.6 acre subdivision and related infrastructure improvements, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on August 7, 2013 and on November 6, 2013. ESD staff reviewed the Negative Declarations and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VII. 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.

VIII. 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 24%. The overall goal shall include a Minority Business Enterprise Participation Goal of 10% and a Women Business Enterprise Participation Goal of 14% related to the total value of ESD's funding.

IX. ESD Employment Enforcement Policy

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

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

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

XI. Additional Submissions to Directors

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

December 17, 2015

Warwick (Mid-Hudson Region – Orange County) – Warwick Valley Office & Tech Park Capital – Economic Transformation Program (Capital Grant) – Findings and Determinations Pursuant to Sections 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Warwick Valley Local Development Corporation a grant for a total amount not to exceed Three Million Dollars (\$3,000,000) 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

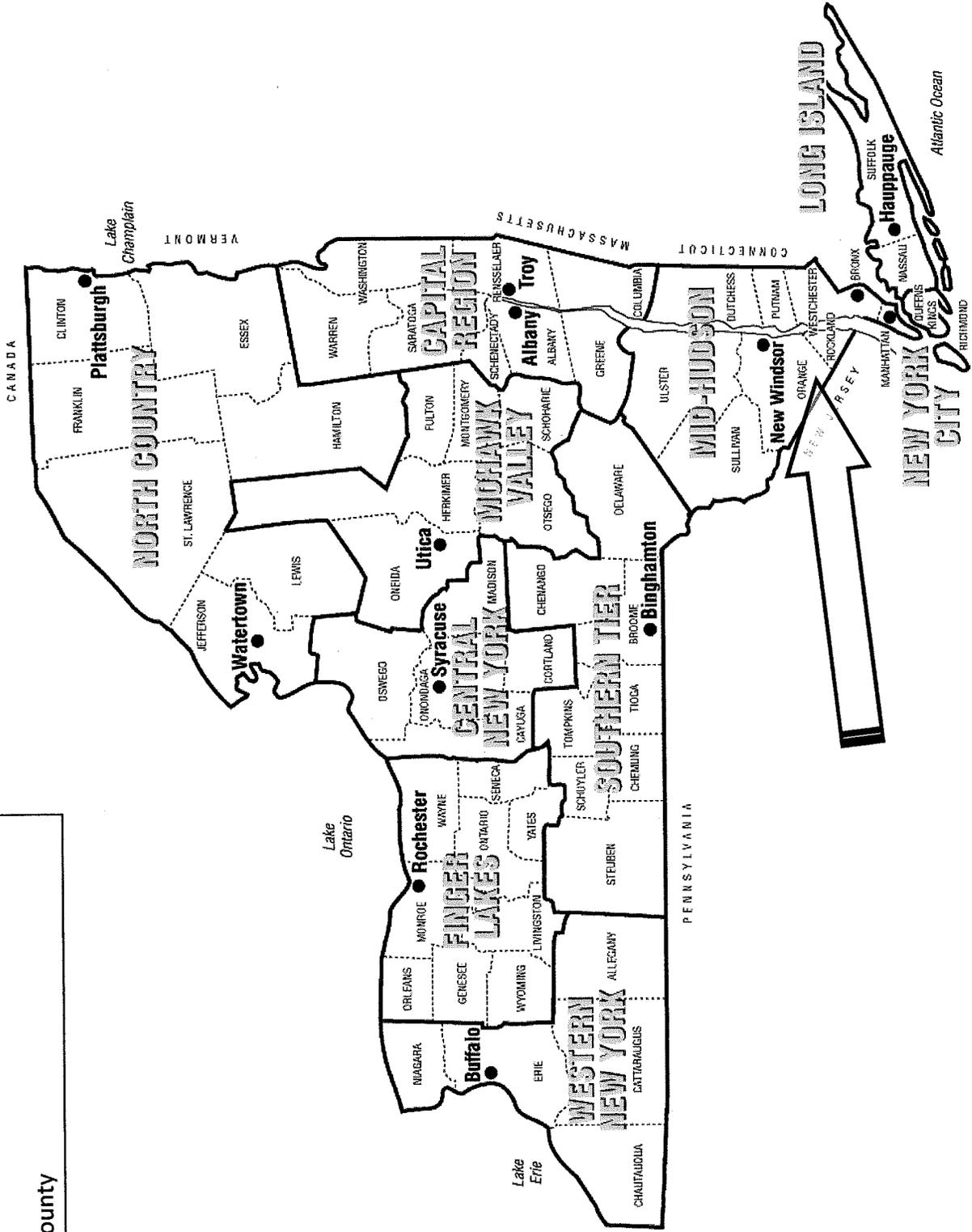
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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.

* * *

Warwick Valley Office & Tech Park Capital
Warwick
Orange County



**Project Summary
Benefit-Cost Evaluation¹**

**Infrastructure Project
Warwick Valley LDC**

The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

Construction Job Years (Direct): 52
Construction Job Years (Indirect): 26

| 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 | \$3,000,000 | \$794,250 | \$3,000,000 | \$1,020,500 |
| Fiscal Benefits⁴ | \$348,747 | \$2,085,600 | \$642,176 | \$4,271,980 |
| Fiscal B/C Ratio | 0.12 | 3.00 | 0.21 | 10.60 |
| | | | | |
| | Project Results | Benchmarks for ESD Projects | | |
| Economic Benefits⁵ | \$4,647,634 | \$119,468,000 | | |
| Economic B/C Ratio | 1.55 | 30.00 | | |

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.

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 construction employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

⁵ Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.



FOR CONSIDERATION

December 17, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Johnstown (Mohawk Valley Region – Fulton County) – FAGE USA Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: FAGE USA Dairy Industry, Inc. (“FAGE” or the “Company”)

ESD* Investment: A grant of up to \$780,000 to be used for a portion of the costs of the purchase of machinery and equipment

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

Project Location: 1 Opportunity Drive, Johnstown, Fulton County

Proposed Project: Construction of a new 80,000-square-foot production facility, doubling production output to meet nationwide demands for yogurt

Project Type: Business expansion involving job retention and creation

Regional Council: The Mohawk Valley Regional Economic Development Council has been made aware of this item.

Employment:

| | |
|---|-----|
| Initial employment at time of ESD Incentive Proposal: | 160 |
| Current employment level: | 273 |
| Minimum employment on January 1, 2017: | 290 |

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> |
|----------------------------|-----------------------------|
| Real Estate Acquisition | \$130,000 |
| Construction | 45,000,000 |
| Infrastructure/Site Work | 5,000,000 |
| Machinery and Equipment | 47,000,000 |
| Other Project Costs | <u>3,000,000</u> |
| Total Project Costs | <u>\$100,130,000</u> |

| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
|--------------------------------|-----------------------------|--------------------|
| ESD-Grant | \$780,000 | 1% |
| Company Equity | <u>99,350,000</u> | <u>99%</u> |
| Total Project Financing | <u>\$100,130,000</u> | <u>100%</u> |

III. Project Description

A. Company

Industry: Food Production

Company History: FAGE dates back to 1926 with the first dairy shop in Athens, Greece. In 1954, FAGE created the first wholesale distribution network for yogurt in Greece. By 1964, FAGE opened the Company's first yogurt production facility in Galatsi, a suburb of Athens. In 1974, the Company built its first commercial factory. FAGE began exporting yogurt to the United Kingdom in 1983, followed by Italy and many other countries. In 1998, FAGE began importing yogurt to the United States. The success of FAGE in the United States led to the construction of a yogurt production facility in Johnstown, New York, which began operations in April 2008. Today, FAGE owns and operates three production facilities in Greece (for yogurt, dairy desserts, milk, cream and cheese production) and its yogurt production plant in Johnstown, New York, which is the Company's largest production facility.

Ownership: The Company is privately owned.

Size: FAGE is headquartered in Luxembourg. The Company's United States facility is located in Johnstown, NY.

Market: FAGE customers account for 4% of the U.S. refrigerated yogurt market.

The Company's primary competitors are Yoplait and Dannon, who combined, hold 60% of the yogurt market.

ESD Involvement: Following the opening on its factory in Johnstown in 2008, in 2011, the Company saw an opportunity to expand its manufacturing operation in New York State. To encourage FAGE to proceed with this expansion, ESD offered the Company a \$780,000 grant to assist with the financing of the project.

Competition: N/A

Past ESD Support: The Company formerly received a \$300,000 capital award, which was fully disbursed in 2009 for the purchase of real estate and construction/fit-out of a yogurt plant, distribution facility, and headquarters.

B. The Project

Completion: July 2015

Activity: The Company has equipped an 80,000-square-foot building in Johnstown. The newly constructed East Plant Project includes the purchase of equipment designed to produce, package, and store and ship yogurt. The facility will support new customer demand for FAGE products.

Results: Retain 160 existing jobs and create 130 new jobs. The Company has already created 113 new jobs.

Grantee Contact: Robert Shea, Chief Financial Officer
1 Opportunity Drive
Johnstown Industrial Park, Johnstown, NY 12095
Phone: (518) 762-5912

ESD Project No.: X558

| | | |
|----------------------|---------------------------------|---------------------|
| Project Team: | Origination | Joseph Falcone |
| | Project Management | Wilfredo Florentino |
| | 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 \$780,000 capital grant (\$7,800) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. 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 \$780,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$390,000) upon documentation of machinery and equipment project costs totaling \$47,000,000, and project expenditures of approximately \$100,130,000, upon completion of the project substantially as described in these materials, and documentation of the employment of at least 210 Full-time Permanent Employees at the Project Location (Employment Increment of 50), 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 (\$195,000) will be disbursed upon documentation of the employment of at least 250 Full-time Permanent Employees at the Project Location (Employment Increment of 40), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$195,000) will be disbursed upon documentation of the employment of at least 290 Full-time Permanent Employees at the Project Location (Employment Increment of 40), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after November 9, 2011, to be considered eligible project

costs. All disbursements must be requested by April 1, 2016.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$780,000, 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 | 160 |
|---------------------|-----|

| A | B |
|------------------|------------------|
| Reporting Date | Employment Goals |
| February 1, 2017 | 160+X+Y+Z |
| February 1, 2018 | 160+X+Y+Z |
| February 1, 2019 | 160+X+Y+Z |

X = Grantee's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section C.5 above (i.e. X=50, and Employment Goals shall equal [160 + X = 210] if the First Disbursement is made, in the year such disbursement is made and for each year thereafter). If the First Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. Y=40, and Employment Goals shall equal [160 + X + Y = 250] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.

Z = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Z=40, and Employment Goals shall equal [160 + X + Y + Z = 290] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Z=0.

IV. Statutory Basis

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

As a result of this project, the Company will maintain its employment level of 160 and create 130 new jobs.

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

ESD assistance was needed to fill a financing gap.

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

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 \$10,310,302;
- Fiscal cost to NYS government is estimated at \$780,000;
- Project cost to NYS government per direct job is \$5,511;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$3,268;

- Ratio of project fiscal benefits to costs to NYS government is 13.22:1;
- Fiscal benefits to all governments (state and local) are estimated at \$17,198,551;
- Fiscal cost to all governments is \$780,000;
- All government cost per direct job is \$5,511;
- All government cost per total job is \$3,268;
- The fiscal benefit to cost ratio for all governments is 22.05:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$94,440,102, or \$395,713 per job (direct and indirect);
- The economic benefit to cost ratio is 121.08:1;
- Project construction cost is 53,000,000 which is expected to generate 502 direct job years and 222 indirect job year of employment;
- For every permanent direct job generated by this project, an additional 0.69 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

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

4. The requirements of Section 10(g) of the Act are satisfied.
No residential relocation is required because there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

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 Enterprises (MWBEs) in the performance of ESD projects. For purposes of this project, however, MWBE participation goals will not be established due to the unavailability of certified MWBEs for performance of this Project.

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

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

VIII. Additional Submissions to Directors

Resolutions

New York State Map

Benefit-Cost Analysis

Project Finance Memorandum

Project Photographs

December 17, 2015

Johnstown (Mohawk Valley Region – Fulton County) – FAGE USA 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 FAGE USA 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 FAGE USA Dairy Industry, Inc. a grant for a total amount not to exceed Seven Hundred and Eighty Thousand Dollars (\$780,000) 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.

* * *

December 17, 2015

Johnstown (Mohawk Valley Region – Fulton County) – FAGE USA 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 FAGE USA Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *



FOR CONSIDERATION

December 17, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Westmoreland (Mohawk Valley Region – Oneida County) – Westmoreland Ambulatory Surgery Center Capital – Regional Council Capital Fund (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Westmoreland Development Company of NY, LLC (“Westmoreland” or “Company”)

Beneficiary Company: Westmoreland ASC, LLC (the “Beneficiary”)

ESD* Investment: A grant of up to \$400,000 to be used for a portion of the cost of construction of a 16,000-square-foot multi-specialty ambulatory surgery center

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

Project Location: 5325 State Route 233, Westmoreland, Oneida County

Proposed Project: Construction of a 16,000-square-foot building on a five-acre vacant parcel to be used as an ambulatory surgery center

Project Type: Construction involving job creation

Regional Council: The project is consistent with the Mohawk Valley Regional Economic

Development Plan to enhance the Region's innovation enabling infrastructure by growing connections and nurturing ideas that will prompt new business activity and invigorate the Region's economy.

Employment: Initial employment at time of ESD Incentive Proposal: 0
 Current employment level: 15
 Minimum employment on January 1, 2016: 20

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> |
|----------------------------|---------------------------|
| Real Estate Acquisition | \$215,000 |
| Construction | 5,302,082 |
| Soft Costs | <u>668,561</u> |
| Total Project Costs | <u>\$6,185,643</u> |

| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
|--------------------------------|---------------------------|--------------------|
| ESD-Grant | \$400,000 | 6% |
| Company Equity | <u>5,785,643</u> | <u>94%</u> |
| Total Project Financing | <u>\$6,185,643</u> | <u>100%</u> |

III. Project Description

A. Grantee

Industry: Real Estate Development

Company History: Formed in May 2012, Westmoreland Development Company of NY, LLC is a domestic limited liability company located in Syracuse, NY.

Ownership: The Westmoreland Development Company of NY, LLC is a privately-owned company.

Size: All facilities located in Syracuse, NY.

ESD Involvement: The Company submitted a proposal under Round 3 of the Consolidated Funding Application ("CFA") to assist with the construction of a 16,000-square-foot building on a five-acre vacant parcel to be used as a free-standing, multi-specialty ambulatory surgery center for orthopedics. Development of the surgical center will also enable the future development of a primary care facility and senior housing offering a full range of facilities and services at the site. As a result of the Governor's Regional Economic development Council Initiative, the Company was

awarded \$400,000 through CFA to assist with this project.

Competition: N/A

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

B. Beneficiary

Industry: Surgical

History: Incorporated in 2013 and based in Hamilton, NY; Westmoreland ASC, LLC operates the Apex Surgery Center. The entity is authorized to operate the Apex Surgery Center by the New York State Department of Health and ownership is comprised of nine surgeons and Oneida Health Systems, Inc.

Ownership: Westmoreland ASC, LLC is a privately-owned company.

Size: Westmoreland ASC, LLC operates the Apex Surgical Center ("Center") and has 15 employees.

C. The Project

Completion: June 2015

Activity: The Company constructed the Center, a 16,000-square-foot multi-specialty ambulatory surgery center. Project activities included the outfitting of the Center, including furniture, fixtures, and specialized equipment.

Results: Create 20 new jobs. The project has already created 15 new 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 \$963,310;
- Fiscal cost to NYS government is estimated at \$400,000;
- Project cost to NYS government per direct job is \$28,718;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$17,622;
- Ratio of project fiscal benefits to costs to NYS government is 2.41:1;
- Fiscal benefits to all governments (state and local) are estimated at \$41,627,219;
- Fiscal cost to all governments is \$400,000;
- All government cost per direct job is \$28,718;
- All government cost per total job is \$17,622;
- The fiscal benefit to cost ratio for all governments is 4.07:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$12,347,764, or \$543,989 per job (direct and indirect);
- The economic benefit to cost ratio is 30.87:1;
- Project construction cost is \$5,970,643, which is expected to generate 67 direct job years and 31 indirect job year of employment;
- For every permanent direct job generated by this project, an additional 0.63 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

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

Grantee/Beneficiary
Contact:

Timothy Lynn, Consultant
85 College Street
Hamilton, NY 13346
Phone: (315) 476-1010

ESD Project No.:

Y927

Project Team:

| | |
|---------------------------------|------------------|
| Origination | Jane Kulczycki |
| Project Management | Arturo Rodriguez |
| Contractor & Supplier Diversity | Denise Ross |
| Finance | Jonevan Hornsby |
| Environmental | Soo Kang |

D. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a

commitment fee of 1% of the \$400,000 capital grant (\$4,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$400,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$200,000) upon documentation of employment by the Grantee's tenant, Westmoreland ASC, LLC, of at least 10 Full-Time Permanent Employees, project costs totaling \$5,246,756, including \$4,719,384 in construction costs, and a Certificate of Occupancy or other documentation verifying project completion as ESD may require assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$100,000) will be disbursed upon documentation of the employment, by the Grantee's tenant, Westmoreland ASC, LLC, of at least 15 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 25% of the grant (\$100,000) will be disbursed upon documentation of the employment, by the Grantee's tenant, Westmoreland ASC, LLC, of at least 20 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 11, 2014 to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$400,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

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

| A | B |
|------------------|------------------|
| Reporting Date | Employment Goals |
| February 1, 2016 | 0+X+Y+Z |
| February 1, 2017 | 0+X+Y+Z |
| February 1, 2018 | 0+X+Y+Z |

X = Grantee's Employment Increment that will be the basis of the Initial Disbursement of the Grant as described in section C.5 above (i.e. X=10, and Employment Goals shall equal $[0 + X = 10]$ if the Initial Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Initial Disbursement has not yet been made then X=0.

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

Z = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C5 above (i.e. Z=5, and Employment Goals shall equal $[0+X+Y+Z=20]$ if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Z=0.

8. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
 - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
 - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
 - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
 - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

9. Grantee agrees to impose the Employment Commitment, without condition, on the Tenant at the Project Location.

10. Grantee will be responsible for obtaining documentation suitable for verifying the number of Full-time Permanent Employees of its Tenant. Such documentation may

include at a minimum, NYS-45-ATT forms, multiple worksite reports (where applicable) and/or an HR report detailing the full-time/part-time status of each employee. Recipient shall provide all such documentation to ESD, together with an annual report of employment, by no later than February 1st of each year for the term of the Grant Disbursement Agreement.

IV. Statutory Basis – Regional Council Capital Fund

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

V. Environmental Review

ESD staff has determined that, although the funding of this project by ESD may constitute an “action” as defined by the State Environmental Quality Review Act (“SEQRA”), the project itself has been previously completed. ESD’s action in the funding decision will not alter the adverse environmental impacts, if any, of the project as completed. ESD staff accordingly believes that funding the completed project will not have any significant adverse impacts on the environment. Therefore, it is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The Company shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprises (“MWBEs”) for any contractual opportunities generated in connection with the Project. The Company shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE participation goal of 23%, related to the total value of ESD’s funding. The overall goal shall be divided to ensure the participation of Minority Business Enterprise (“MBE”) totaling 10% and of Women Business Enterprise (“WBE”) totaling 13%, 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
- Project Finance Memorandum
- Project Photographs

December 17, 2015

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

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

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer 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 Westmoreland Development Company of NY, LLC a grant for a total amount not to exceed Four Hundred Thousand Dollars (\$400,000) 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.

* * *

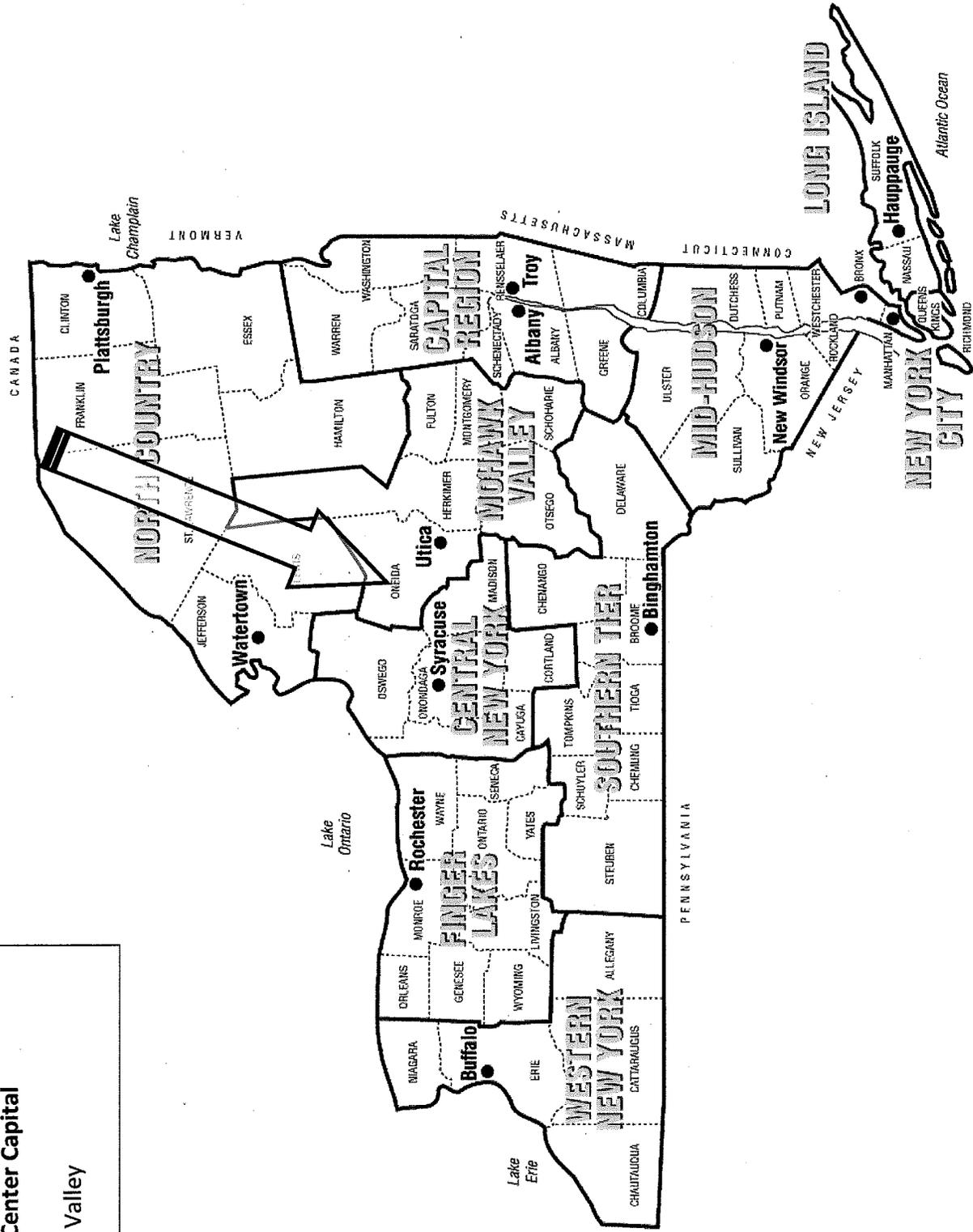
December 17, 2015

Regional Council Award – Priority Project – Westmoreland (Mohawk Valley Region – Oneida County) – Westmoreland Ambulatory Surgery Center 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 Westmoreland Ambulatory Surgery Center Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Westmoreland Ambulatory
 Surgery Center Capital
 Rome
 Mohawk Valley



Project Summary Benefit-Cost Evaluation¹

Westmoreland Ambulatory Surgery – Business Investment

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

| | | | |
|----------------------|-------------------------|---|-----------|
| Initial Jobs: | 0 | Construction Job Years (Direct): | 67 |
| New Jobs: | 20 over two year | Construction Job Years (Indirect): | 31 |

| Evaluation Statistics | Project Results NYS Gov't. | NYS Gov't. Benchmarks ² | Project Results State & Local Government | State & Local Government Benchmarks |
|--------------------------------------|-------------------------------|---------------------------------------|--|---|
| Fiscal Costs³ | \$400,000 | \$794,250 | \$400,000 | \$1,020,500 |
| Fiscal Benefits⁴ | \$963,310 | \$2,085,600 | \$1,627,219 | \$4,271,980 |
| Fiscal Cost /Direct Job | \$28,718 | \$3,000 | \$28,718 | \$4,110 |
| Fiscal Cost/Total Jobs | \$17,622 | \$1,424 | \$17,622 | \$1,964 |
| Fiscal B/C Ratio | 2.41 | 7.00 | 4.07 | 10.60 |
| | Project Results | Benchmarks | | |
| Economic Benefits⁵ | \$12,347,764 | \$119,468,000 | | |
| Econ. Benefits/Total Jobs | \$543,989 | \$147,600 | | |
| Economic B/C Ratio | 30.87 | 75.00 | | |

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 75.00 (Economic). Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 30.00 (Economic).

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

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

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



FOR CONSIDERATION

December 17, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Verona (Mohawk Valley Region – Oneida County) – Verona Sewer System Capital – Empire State Economic Development Fund - General Development Financing (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Town of Verona (the “Town” or “Verona”)

ESD* Investment: A grant of up to \$500,000 to be used for a portion of the cost of construction and installation of a core gravity collection system

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

Project Location: Verona, Oneida County

Proposed Project: Installation of a core gravity waste collection systems in Hamlet of Verona and surrounding residential areas to prevent potential pollution that may result from old, poorly constructed and non-maintained septic systems

Project Type: Infrastructure improvements

Regional Council: The project is consistent with the Mohawk Valley Economic Development Council’s Regional Plan to improve aquatic life and recreation along the Oswego River and Finger Lakes Drainage Basin by minimizing harmful pollutants.

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> |
|----------------------------|---------------------------|
| Construction | \$5,205,000 |
| Engineering | <u>1,300,000</u> |
| Total Project Costs | <u>\$6,505,000</u> |

| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> | <u>Rate/Term/Lien</u> |
|--------------------------------|---------------------------|--------------------|-----------------------|
| ESD-Grant | \$500,000 | 8% | |
| EPA Grant* | 1,122,349 | 17% | |
| NYS EFC Loan** | <u>4,882,651</u> | <u>75%</u> | 1.5%/30 yrs/none |
| Total Project Financing | <u>\$6,505,000</u> | <u>100%</u> | |

* The EPA grant will be counted toward the Grantee's 10% equity requirement

**New York State Environmental Facilities Corporation

III. Project Description

A. Grantee

Industry: Municipality

Grantee History: The Town of Verona is in the western part of Oneida County and west of the City of Rome. Verona was part of an extensive territory of the Iroquois League and was first settled by European Americans in 1792 after the American Revolutionary War. The Town was cut off from the Town of Westmoreland in 1802. The Town of Verona is known for its 6 hamlets known as Durhamville, Higginsville, New London, Scondondoa, Verona, and Verona Beach.

Ownership: Government

Market: N/A

ESD Involvement: Failing and inadequate subsurface disposal systems in the Town of Verona present public health hazards as some homes in the area may be using private wells as a water source despite the presence of municipal water services in the area. The failing septic systems consistently prove to be unreliable.

Construction is needed to develop a public sewer system, but the high capital costs associated with its development presents challenges. The

Town of Verona applied through Round 2 of the Consolidated Funding Application and was awarded a \$500,000 grant from ESD. Once completed, the public sewer system will provide residents with access to clean water at an affordable cost.

Competition: N/A

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

B. The Project

Completion: September 2015

Activity: The project included the installation of a core gravity collection system within dense commercial areas within the hamlet and low-pressure mains in the surrounding residential areas. Project activities included the installation of approximately 4,000 linear feet of 8-inch PVC gravity sewer and HDPE low-pressure mains, as well as one pump station and 280 individual grinder pumps to serve developed properties. Wastewater flows would be conveyed to an existing Town manhole approximately 400 feet east of the intersection of NYS Route 365 and Willow Place. Wastewater flows would then be conveyed via existing Town of Verona and City of Oneida infrastructure for treatment at the City Wastewater Treatment Plant.

Results: The transition to a municipal sewer system will prevent potential groundwater pollution that may result from poorly constructed and maintained septic systems. The project will also reduce groundwater contamination and provide a municipal wastewater collection system thereby improving the quality of life in the community.

Grantee Contact: Owen Waller, Town Supervisor
6600 Germany Road
Durhamville, NY 13054
Phone: (315) 363-7953

ESD Project No.: Y379

| | | |
|---------------|---------------------------------|-----------------|
| Project Team: | Origination | Joseph Falcone |
| | Project Management | Charise Liggins |
| | Contractor & Supplier Diversity | Denise Ross |
| | Finance | John Bozek |
| | Environmental | Soo Kang |

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$500,000 capital grant (\$5,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. Equity is defined as cash injected into the project by the Grantee or by investors, including grant funding from entities other than ESD, and should be subject to audit through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$500,000 will be disbursed to Grantee in a lump sum upon completion of the project as substantially described in these materials and upon documentation of project costs totaling \$6,505,000, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after April 26, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis

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 Grantee will improve the health and quality of life of residents by improving access to clean water.
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 caused by the high cost of installing a core gravity public sewer system.

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

Infrastructure Investment Project

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

- Fiscal benefits to NYS government from the project are estimated at \$395,149;
- Fiscal cost to NYS government is estimated at \$500,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.79:1;
- Fiscal benefits to all governments (state and local) are estimated at \$667,353;
- Fiscal cost to all governments is \$500,000;
- The fiscal benefit to cost ratio for all governments is 1.33:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$3,330,088;
- The economic benefit to cost ratio is 6.66:1;
- Project construction cost is \$6,505,000, which is expected to generate 73 direct job years and 32 indirect job years of employment;
- The payback period for NYS costs is not calculated.

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

4. The requirements of Section 10(g) of the Act are satisfied.
No residential relocation is required because there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination & Contractor and Supplier Diversity policy will apply to the project. The Town shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") participation goal of 20%

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

VII. Smart Growth Public Infrastructure Review

Pursuant to the requirements of the State Smart Growth Public Infrastructure Policy Act (the "SG Act"), and in connection with the approval of funding under the New York State Clean Water State Revolving Fund for the Town of Verona Sewer District project, the President of the New York State Environmental Facilities Corporation attested that the project meets the relevant State Smart Growth Public Infrastructure Criteria ("Smart Growth Criteria") as set forth in the SG Act. ESD staff reviewed the supporting materials and concurs. Therefore, no further smart growth public infrastructure review is required in connection with this action.

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

December 17, 2015

Regional Council Award – Priority Project – Verona (Mohawk Valley Region – Oneida County) – Verona Sewer System 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 Verona Sewer System 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, 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 Verona a grant for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting,

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

RESOLVED, that the President and Chief Executive Officer 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.

* * *

December 17, 2015

Regional Council Award – Priority Project – Verona (Mohawk Valley Region – Oneida County) – Verona Sewer System 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 Verona Sewer System Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

**Project Summary
Benefit-Cost Evaluation1**

**Infrastructure Project
Town of Verona Sewer System**

The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

Construction Job Years (Direct): 73

Construction Job Years (Indirect): 32

| 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 | \$500,000 | \$794,250 | \$500,000 | \$1,020,500 |
| Fiscal Benefits4 | \$395,149 | \$2,085,600 | \$667,353 | \$4,271,980 |
| Fiscal B/C Ratio | 0.79 | 3.00 | 1.33 | 10.60 |
| | | | | |
| | Project Results | Benchmarks for ESD Projects | | |
| Economic Benefits5 | \$3,330,088 | \$119,468,000 | | |
| Economic B/C Ratio | 6.66 | 30.00 | | |

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.

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 construction employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

5 Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.



FOR CONSIDERATION

December 17, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Cortland (Central New York Region – Cortland County) – C’ville Yoghurt Capital – Economic Development Purposes Fund (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: C’ville Yoghurt, Inc. d/b/a Byrne Hollow Farm (the “Company” or “C’ville”)

ESD* Investment: A grant of up to \$500,000 to be used for a portion of the cost of land acquisition, new construction, and machinery and equipment

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

Project Location: 3156 Byrne Hollow Crossing, Cortland, Cortland County

Proposed Project: Acquisition of land in Cortlandville, Cortland County, construction of a new 40,000-square-foot yogurt manufacturing facility outfitted with the necessary machinery and equipment, and employee trainings

Project Type: Business expansion involving job retention and creation

Regional Council: The Central New York Regional Economic Development Council has been made aware of this item. The Incentive Proposal was accepted in January 2013. The project is consistent with the Regional Plan to leverage agribusiness and food processing assets, and encourage new product development. With this new yoghurt manufacturing facility, the Company

will increase its national competitiveness, create and retain jobs in Cortland County, and stimulate the local economy through the purchase of raw materials, including millions of pounds of milk sourced annually from local farms.

Employment: Initial employment at time of Application to ESD: 0
 Current employment level: 40
 Minimum employment on January 1, 2019: 78

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> |
|----------------------------|----------------------------|
| Real Estate Acquisition | \$1,582,351 |
| Construction | 19,300,033 |
| Machinery & Equipment | 18,498,919 |
| Capital Improvements | 1,163,180 |
| Startup/Soft Costs | <u>1,356,415</u> |
| Total Project Costs | <u>\$41,900,898</u> |

| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> | <u>Rate/Term/Lien</u> |
|--------------------------------|----------------------------|--------------------|-----------------------|
| ESD-Grant | \$500,000 | 2% | |
| M&T Bank | 37,192,000 | 88% | 2.5% / 5yrs |
| Company Equity | <u>4,208,898</u> | <u>10%</u> | |
| Total Project Financing | <u>\$41,900,898</u> | <u>100%</u> | |

III. Project Description

A. Company

Industry: Cultured dairy products

Company History: Established in 2013, C'ville Yoghurt, Inc. manufactures Greek yoghurt, cup-set yogurt, fruit-on-the-bottom yogurt, blended yogurt, sour cream, and butter milk. The Company's roots can be traced back to the founding of Byrne Dairy, Inc. during the Great Depression.

Ownership: C'ville is a privately held company.

Size: C'ville employs 40 Full-time permanent employees.

Market: C'ville serves the regional market with its own brand of Byrne Hollow Farm products. It also co-packs and provides private label brands for large, national companies.

ESD Involvement: C'ville set out to capture a market share of the increasingly popular Greek-style yoghurt industry. In 2013, it established a new yoghurt and cultured dairy manufacturing facility in Cortlandville, NY. Support from ESD was needed in order for this project to happen. The creation of a state-of-the-art yoghurt manufacturing facility has allowed C'ville to be economically competitive with other states, and stimulate the local economy in Cortland County and beyond.

In December 2012, the Company was awarded \$500,000 from ESD to bridge the financing gap for the construction of a yoghurt manufacturing facility. Additionally, they will receive \$800,000 in Excelsior Jobs Program credits.

Competition: California and Idaho

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

B. The Project

Completion: July 2014

Activity: The Company purchased 127 acres of land in Cortlandville, NY, constructed a 40,000-square-foot state-of-the-art manufacturing facility, and purchased machinery and equipment, including refrigeration and processing equipment.

Results: Create 78 jobs. The Company has already created 40 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 \$4,142,179;
- Fiscal cost to NYS government is estimated at \$500,000;
- Project cost to NYS government per direct job is \$10,593;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$4,070;
- Ratio of project fiscal benefits to costs to NYS government is 8.28:1;
- Fiscal benefits to all governments (state and local) are estimated at \$7,225,353;
- Fiscal cost to all governments is \$500,000;
- All government cost per direct job is \$10,593;
- All government cost per total job is \$4,070
- The fiscal benefit to cost ratio for all governments is 14.45:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$54,320,294, or \$442,186 per job (direct and indirect);
- The economic benefit to cost ratio is 108.64 :1;
- Project construction cost is \$19,300,033, which is expected to generate 173 direct job years and 101 indirect job year of employment;
- For every permanent direct job generated by this project, an additional 1.61 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

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

Grantee Contact: Ryan Elliott, Associate Attorney
 2394 U.S. Route 11
 LaFayette, NY 13084
 Phone: (315) 475-2121 x 2427

ESD Project No.: Y085

| | | |
|---------------|---------------------------------|----------------|
| Project Team: | Origination | James Fayle |
| | Project Management | Scott Lamkin |
| | Contractor & Supplier Diversity | Geraldine Ford |
| | Finance | |
| | Environmental | Soo Kang |

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$500,000 capital grant (\$5,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$500,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$250,000) upon documentation of machinery and equipment project costs totaling \$6,000,000, a certificate of occupancy or other documentation verifying project completion as ESD may require, employment of at least 40 Full-time permanent employees (Employment Increment of 40), and project expenditures of \$15,000,000, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$125,000) will be disbursed upon documentation of the employment of at least 58 Full-time Permanent Employees at the Project Location (Employment Increment of 18), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$125,000) will be disbursed upon documentation of the employment of at least 78 Full-time Permanent Employees at the Project Location (Employment Increment of 20), 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 January 28, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2019.

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

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

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

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

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

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

| A | B |
|------------------|------------------|
| Reporting Date | Employment Goals |
| February 1, 2017 | 0+X+Y+Z |
| February 1, 2018 | 0+X+Y+Z |
| February 1, 2019 | 0+X+Y+Z |
| February 1, 2020 | 0+X+Y+Z |
| February 1, 2021 | 0+X+Y+Z |

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

Y = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. Y=18, and Employment Goals shall equal $[0 + X + Y = 58]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.

Z = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Z=20, and Employment Goals shall equal $[0 + X + Y + Z = 78]$ if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Z=0.

IV. Statutory Basis

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014, 2014-2015 and 2015-2016 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

The development of the Finger Lakes East Business Park and the C'ville facility was subject to environmental review pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law, and the implementing regulations (6 NYCRR Part 617) of the New York State Department of Environmental Conservation. The Cortland County Industrial Development Agency (CCIDA), as lead agency, accepted a Final Generic Environmental Impact Statement (FGEIS) for the Finger Lakes East Business Park on December 12, 2005 and adopted a Findings Statement on February 16, 2006. The CCIDA determined that the action avoids or minimizes adverse environmental impacts to the maximum extent practicable. ESD however, was not an involved agency and therefore did not participate in the environmental review process for the project. Subsequent to the completion of the FGEIS, modifications to the Finger Lakes East Business Park project, including revisions to the subdivision plat among other actions, as well as the development of the C'ville facility were subject to supplemental environmental analyses. The CCIDA determined on February 9, 2009 and March 21, 2013 for the respective project modifications, that the modifications will not result in any new or greater magnitude of impacts not contemplated in the SEQRA documents and, as such, a Supplemental Environmental Impact Statement is not needed. ESD staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

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

performance of this Contract.

VII. ESD 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

Project Finance Memorandum

Project Photographs

December 17, 2015

Cortland (Central New York Region – Cortland County) – C’ville Yoghurt Capital – Economic Development Purposes Fund (Capital Grant) – Findings and Determinations Pursuant to Sections 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been 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 C’ville Yoghurt, Inc. a grant for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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

* * *

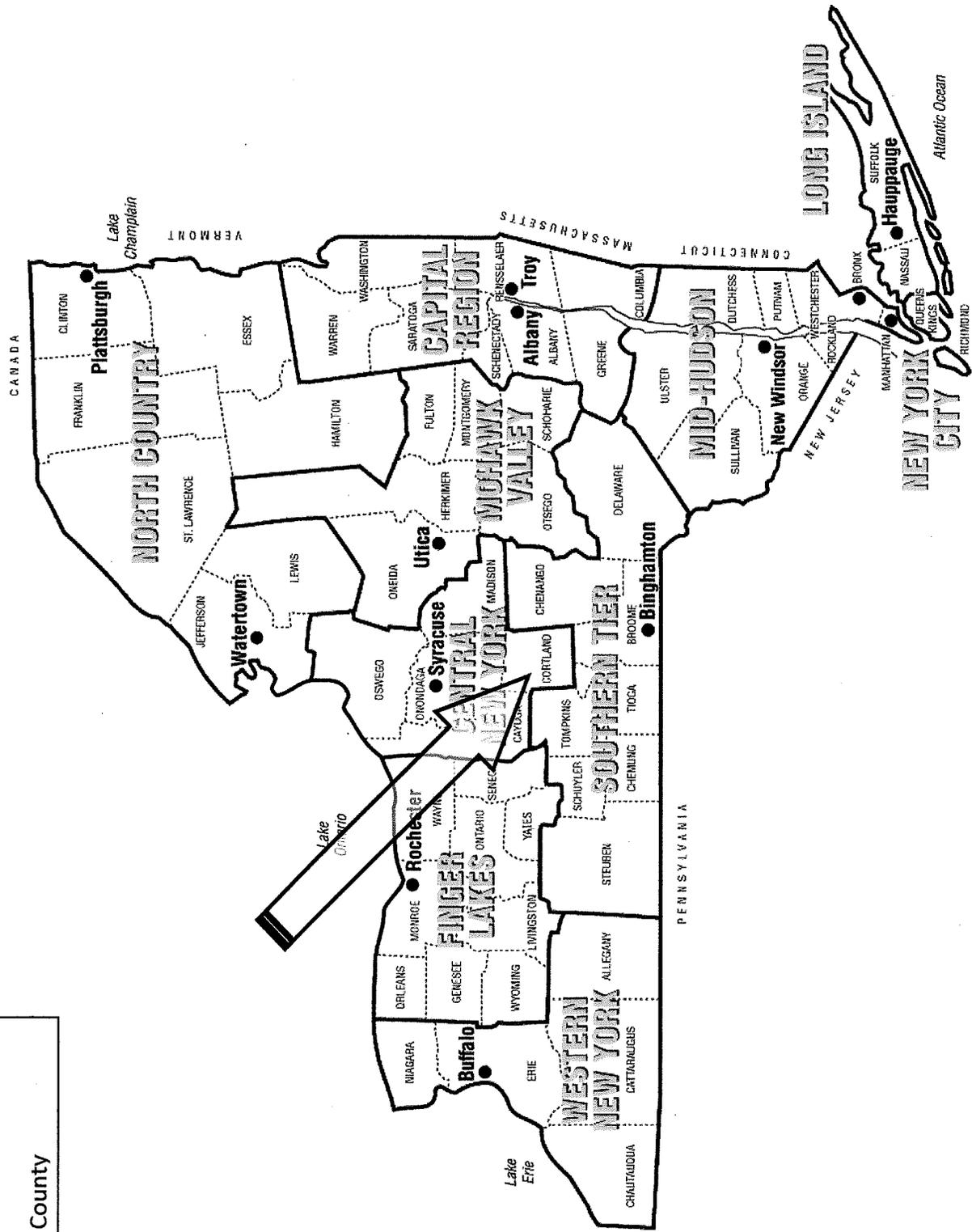
December 17, 2015

Cortland (Central New York Region – Cortland County) – C'ville Yoghurt Capital –
Economic Development Purposes Fund (Capital Grant) – Determination of No
Significant Effect on the Environment

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

* * *

C'ville Yoghurt Capital
Cortland
Cortland County





FOR CONSIDERATION

December 17, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Syracuse (Central New York Region – Onondaga County) – NUAIR Working Capital – Empire State Economic Development Fund – General Development Financing (Working Capital Grant)

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

I. Project Summary

Grantee: Northeast UAS Airspace Integration Research Alliance, Inc. (“NUAIR”)

ESD* Investment: A grant of up to \$600,000 to be used for a portion of the costs associated with start-up operations of NUAIR, unmanned aerial system research, development, testing and education necessary for the integration of unmanned aerials systems into the national airspace system

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

Project Location: 115 West Fayette Street, Syracuse, Central New York

Proposed Project: NUAIR will develop, test and educate companies on the integration of unmanned aerials systems into the national airspace system.

Project Type: Working Capital

Regional Council: The project is consistent with the Central New York Regional Economic Development Council’s Plan to encourage entrepreneurship, attract new businesses and increase jobs.

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> | |
|--------------------------|------------------|----------------|
| Salaries | \$425,000 | |
| Administrative Costs | <u>175,000</u> | |
| Total Project Costs | <u>\$600,000</u> | |
| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
| ESD-Grant | <u>\$600,000</u> | <u>100%</u> |
| Total Project Financing | <u>\$600,000</u> | <u>100%</u> |

III. Project Description

A. Company

Industry: NUAIR serves the Federal Aviation Administration (“FAA”) with its safe integration of unmanned aerial systems (“UAS”) to the national airspace system. NUAIR will facilitate growth of the UAS sector in the national and global markets.

Organization History: Formed in Syracuse in April 2012, NUAIR is a regional alliance of private industry, academic institutions and military assets and operations, working together to establish an FAA-designated test site (“Test Site”) for UAS in the Northeast. NUAIR consists of a coalition of more than seventy private and public entities and academic institutions in New York, Michigan and Massachusetts, and is teamed with Griffiss International Airport in Rome, New York. Military infrastructure in New York and Massachusetts includes the 174th Air National Guard Attack Wing in Syracuse, Ft. Drum in Watertown, the Air Force Research Lab facility at Stockbridge in Oneida, and the Joint Base Cape Cod in Massachusetts, which all provide NUAIR with airspace and technical expertise. NUAIR, based in New York and Massachusetts, will manage operations of the Test Site at Griffiss International Airport (“Airport”).

Ownership: NUAIR is a not-for-profit corporation.

Size: Headquarters are located in Syracuse, NY; Operational facilities are located in Rome, NY.

Market: NUAIR collaborates with CenterState CEO, MassDevelopment and Mohawk Valley EDGE to support the UAS and sensor industry in the region. Organizations partnering with the Airport and NUAIR include Saab Sensis, SRC, Raytheon and Lockheed Martin. Colleges and universities

partners include Rochester Institute of Technology, Massachusetts Institute of Technology, University of Massachusetts, Syracuse University, Clarkson University and Northeastern University, among others.

ESD Involvement: In 2015, the Grantee saw an opportunity to expand its unmanned aerial systems research. To encourage NUAIR to proceed with this project, ESD offered NUAIR a \$600,000 grant to assist with the financing of the project in July 2015.

Competition: N/A

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

| Program | Project # | Amount | Date Start (ESD Directors' Approval date) | Date End (Project Completion: Contract Expiration) | Purpose |
|-----------------------------------|------------------|---------------|--|---|---|
| Local Assistance - Base Retention | Z042 | \$600,000 | June 27, 2014 | October 11, 2015 | Working Capital - Start-up operations of NUAIR |
| Local Assistance | Z325 | \$1,000,000 | June 27, 2014 | October 31, 2016 | Working Capital - Start-up operations of NUAIRAIR |

B. The Project

Completion: March 2016

Activity: The Grantee will continue working with the FAA to develop and refine procedures for UAS test sites, develop administrative standard operating procedures, attract customers, and engage in public education events and presentations.

Results: Increase UAS, testing and education in the Central New York Region.

Grantee Contact: Robert Simpson, Chief Executive Officer
 115 West Fayette Street
 Syracuse, NY 13202
 Phone: (347) 422-8284

ESD Project No.: AA151

| | | |
|---------------|---------------------------------|---------------------|
| Project Team: | Project Management | Wilfredo Florentino |
| | Contractor & Supplier Diversity | Geraldine Ford |
| | Finance | Jonevan Hornsby |
| | Environmental | Soo Kang |

C. Financial Terms and Conditions

1. The Company will demonstrate no 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, 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 reimbursed by ESD's grant must be incurred on or after April 1, 2015, to be considered eligible project costs. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks and reports required have been completed to ESD's satisfaction.
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.

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.
The project will impact the profitability and success of companies, and attract and retain an educated and skilled workforce in Central New York.
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.
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
Economic Growth Investment
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.

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.

VI. 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.

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 (MWBs) in the performance of ESD projects and procurements. The ESD Office of Contractor and Supplier Diversity have reviewed the project and have determined that there exists no potential for MWBE participation. As such, participation goals will not be established or required for this procurement.

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

December 17, 2015

Syracuse (Central New York Region – Onondaga County) – NUAIR Working Capital – Empire State Economic Development Fund – General Development Financing (Working Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the NUAIR Working Capital - Empire State Economic Development Fund - General Development Financing (Working Capital) 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 President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Northeast UAS Airspace Integration Research Alliance, 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

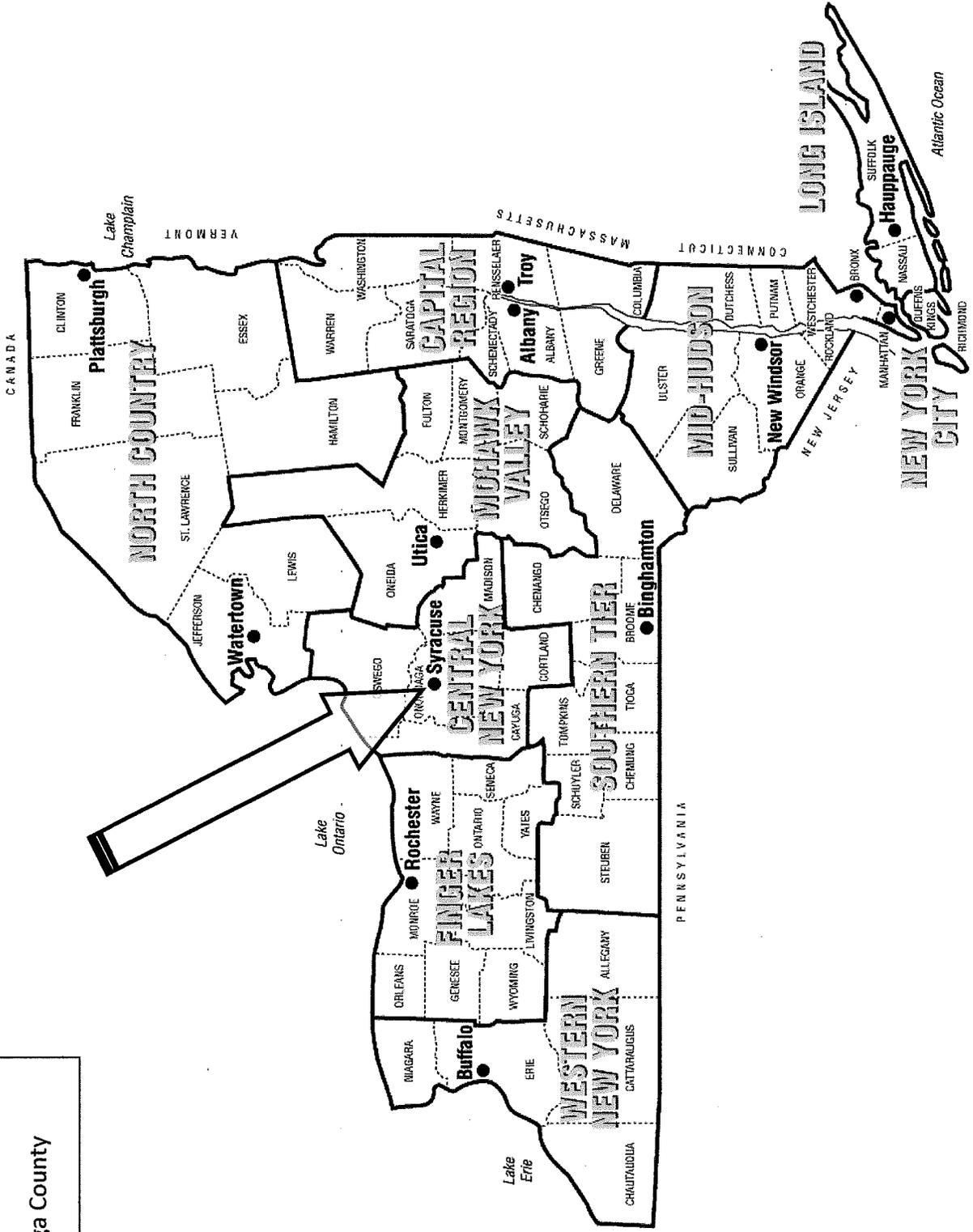
RESOLVED, that the President and Chief Executive Officer or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration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

* * *

NUAIR Working Capital
 Syracuse
 Onondaga County





FOR CONSIDERATION

December 17, 2015

TO: The Directors

FROM: Howard Zemsky

SUBJECT: Lysander (Central New York Region - Onondaga County) – Radisson Community

REQUEST FOR: Authorization to Sell Land to Baldwinsville Central School District; and Authorization to Take Related Actions

I. Project Summary

Site: A 28.79 acre parcel of vacant land currently owned by ESD, known as 2810 West Entry Road (SE corner of West Entry Road and Brundage Road within Radisson’s industrial sector), located in Baldwinsville, New York, Town of Lysander, Onondaga County, also known as Town of Lysander Tax Parcel 057.-02-11.1 (the “Site”). See Map at Attachment A.

Purchase Price: \$210,000, due at Closing

ESD Obligation: Sale of Site only.

ESD Funding: None

Appraisal: Fair market “as is” value is \$490,000
Wicker Appraisal Associates Inc., Syracuse, New York
Valuation Date October 28, 2015

Purchaser: Baldwinsville Central School District (“BCSD”)
29 East Oneida Street
Baldwinsville, New York 13027

Construction Contemplated: Construction of BCSD transportation facility

Brokerage Fee: None

II. Background

The Directors authorized the above-referenced sale on November 19, 2015, subject to public comment and hearing. This matter is returning to the Directors for review of the comments received at the public hearing and during the comment period. Background on the Site and the sale, and BCSD's intent to utilize the Site for a new, approximately 35,000 square foot, bus transportation facility, were detailed in the November 19, 2015 materials. Approximately 10 of the 30 acres at the Site consist of wetlands, which will remain protected and undeveloped. As more fully detailed in the November 19 materials, BCSD's offer to purchase is contingent upon due diligence review and BCSD and voter approval.

III. Public Hearing

The public hearing was held December 8, 2015 at Lysander Town Hall. There were six speakers at the hearing. The single written comment received was read orally at the hearing by one of the speakers. A copy of the hearing transcript is Attachment B to these materials.

Four speakers raised the following issues: (1) the Site should be reserved for a tax-paying business entity; (2) BCSD should use its own property, or buy some other private property, for its transportation facility; (3) availability of the Site for purchase should be more widely disseminated; and (4) the proposed use is not consistent with land use plans for the area.

Two BCSD representatives (its Superintendent and Transportation Supervisor) spoke in support of the sale and noted: (A) the importance of the transportation facility to BCSD, and the importance of BCSD, a leading local employer, to the vitality of the Town of Lysander as a whole, economically and otherwise; (B) closing the current facility will not only bring traffic relief to the Village of Baldwinsville, it will also permit BCSD programming opportunities on the site of the current facility once it is relocated; and (C) BCSD considered several alternate properties, including its own, for the transportation facility, but some were logistically or financially not feasible, others were unavailable for purchase, and none presented the totality of benefits available at the Site.

In further response to the issues raised at the hearing, note that recent ESD efforts to market Radisson industrial properties, including the Site, were detailed in the November 19 materials and resulted only in the BCSD offer. Much of Radisson has transitioned to private ownership over the course of decades through extensive ESD marketing; nonetheless, ESD continues to own approximately 210 acres of unused property which has not paid taxes for decades, much of which remains fully available to any interested tax-paying business entity. Also, only a small portion of Radisson acreage is utilized by non-tax-paying entities (including Belgium Fire Department, NYS Police, Lysander Town Hall, and Lysander Highway Department). Finally, the proposed heavy commercial use is consistent with Radisson and local planning policies.

IV. Public Authorities Law ("PAL") Compliance

An appraisal of the Site was attached to the November 19 materials. Wicker Appraisal Associates Inc., an independent appraiser from Syracuse, New York, appraised the fair market "as is" value of the Site at \$490,000 as of October 28, 2015. The proposed sale price is

\$210,000, approximately 43% of the appraised fair market “as is” value. ESD has advertised and marketed the Radisson industrial properties for years, but PAL 2897(6)(c)(v) provides an exception to the requirement of public advertising for bids by permitting disposition of property by negotiation under circumstances permitted by PAL 2897(7). PAL 2897(7) permits the disposal of the Site without bids and for less than fair market value if either: (i) “transferee is a government or other public entity”; or (ii) “the purpose of the transfer is within [ESD’s] purpose, mission or governing statute”. As detailed in the November 19 materials, the proposed sale of the Site meets both of these criteria.

Given the lack of response to ESD’s continuing efforts to market Radisson industrial properties, given the continuing availability of vacant property at Radisson, given BCSD’s interest in developing the Site for education related facilities, and after review of all public comments received, staff continues to recommend that the Directors determine, as required by the PAL, that there exists no reasonable alternative to the proposed sale that would result in the same benefits to the public or achieve the same purpose of the proposed sale. In these circumstances, PAL Section 2897(7)(b) requires disclosure of the following information, as was set forth in the November 19 materials:

- (i) full Site description: 28.79 acres of vacant land known as 2810 West Entry Road, Baldwinsville, New York 13027, within the Town of Lysander, County of Onondaga, State of New York. See Map at Attachment A.
- (ii) appraisal: Wicker Appraisal Associates Inc., Syracuse, New York, fair market “as is” value is \$490,000 as of October 28, 2015 valuation Date.
- (iii) purpose of transfer; statement of public benefit: the purpose of the transfer is to assist BCSD to construct education-related transportation facilities, which will result in benefit to the public of increased efficiencies and alleviation of traffic.
- (iv) value to be received by ESD: \$210,000; in addition to benefits to the Baldwinsville area and to BCSD.
- (v) private participants and value to be received: there are no private participants to this transaction.
- (vi) other offers: none, despite continuing public marketing.

V. Environmental Review

As detailed in the November 19 materials, sale of the Site does not require separate environmental review.

VI. Non-Discrimination and Contractor & Supplier Diversity

BCSD will agree to the following policy, which will appear in the deed: BCSD, and every successor in interest to the Site, shall not discriminate upon the basis of race, creed, color, sex or national origin, or any other basis prohibited by applicable law, in the sale, lease or rental or in the use or occupancy of the Site or any improvements erected or to be erected thereon or any part thereof. This covenant shall run with the land in perpetuity.

VII. Requested Actions

The Directors are requested to: (a) authorize sale of the Site; and (b) determine that there exists no reasonable alternative to the proposed sale that would result in the same benefits to the public or achieve the same purpose of the proposed sale.

VIII. Recommendation

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

IX. Attachments

Resolutions

A – Map

B – Transcript of December 8, 2015 Public Hearing

December 17, 2015

Lysander (Central New York Region - Onondaga County) – Radisson Community –
Authorization to Sell Land to Baldwinsville Central School District; and Authorization to
Take Related Actions

RESOLVED, that on the basis of the materials presented to the Directors at this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation (the "Materials"), and after due consideration of all public comments received, the Corporation is hereby authorized to sell and convey to the Baldwinsville Central School District ("BCSD"), for development of education-related facilities, an approximately 30 acre parcel of vacant land owned by the Corporation and located within the Radisson Community as shown on the map presented to this meeting (the "Site"), substantially on the terms and conditions set forth in the Materials; and be it further

RESOLVED, that the Corporation hereby finds, pursuant to Section 6(1) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that such sale as proposed and approved herein is "in conformity with a plan or undertaking for the clearance, replanning, reconstruction or rehabilitation of substandard and insanitary areas" within the Town of Lysander and County of Onondaga; and be it further

RESOLVED, the Corporation hereby determines, after giving due consideration to the appraisal of the Premises, the lack of response to the Corporation's continuing marketing of Radisson industrial properties, BCSD's intent to develop the Site for education related facilities, and after due consideration of all public comments received, that there is no reasonable alternative to the proposed below-market transfer that would result in the same benefits to the public or achieve the same purpose of the proposed sale; and be it further

RESOLVED, that the President and Chief Executive Officer or designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver, and affix the seal of the Corporation to, all such agreements, contracts, deeds, certificates and instruments and to take any such action as may be considered to be necessary or proper to effectuate the sale of the Site.

* * *



FOR CONSIDERATION

December 17, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Regional Council Award – Priority Project – Chili (Finger Lakes Region – Monroe County) – Roberts Wesleyan College Capital II – Regional Council Capital Fund (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Roberts Wesleyan College (“RWC” or the “College”)

ESD* Investment: A grant of up to \$250,000 to be used for a portion of the cost of new construction, furniture, fixtures and equipment, and soft costs

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

Project Location: 2301 Westside Drive, Chili, Monroe County

Proposed Project: Phase II construction of a nursing and STEM sciences** building (**STEM sciences = science, technology, engineering, and math)

Project Type: Educational facility

Regional Council: The project is consistent with the Finger Lakes Regional Economic Development Plan to expand opportunities for the region’s workforce and spur the creation of high-skill, high-wage jobs; strengthen and develop education and training programs for key growth industries; and address shortages in key fields such as health care, agriculture, information technology, and manufacturing.

II. Project Cost and Financing Sources*

| <u>Financing Uses</u> | <u>Amount</u> |
|---------------------------------|------------------|
| Construction/Renovation | \$5,442,112 |
| Furniture, Fixtures & Equipment | 952,735 |
| Machinery & Equipment | 864,629 |
| Soft Costs | <u>1,796,877</u> |

Total Project Costs- Phase II \$9,056,353

| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
|--------------------------|------------------|----------------|
| ESD-Grant (Z645) | \$250,000 | 3% |
| Grantee Equity** | <u>8,806,353</u> | <u>97%</u> |

Total Project Financing- Phase II \$9,056,353 100%

*ESD approved an earlier \$250,000 grant (Z024) for the project on March 19, 2015. The total cost of Phase I was \$10,050,410.

**Source of Grantee equity is fundraising through foundation, corporate, private, alumni and employee donors

III. Project Description

A. Company

Industry: Education

Grantee History: Founded in 1866, Roberts Wesleyan College is a Christian college offering a range of liberal arts and professional programs. The College offers over 50 undergraduate majors and has a nationally acclaimed nursing program.

Ownership: The Grantee is a not-for-profit educational corporation.

Size: RWC's current enrollment is 1,712 students, including undergraduate and graduate students in traditional and non-traditional programs. The main campus, in North Chili, NY comprises 188 acres, and the College has extension sites in Henrietta and Buffalo where it primarily serves non-traditional graduate students.

ESD Involvement: In order to help the Finger Lakes Region meet the rapidly growing demand for a highly-educated health care and STEM sciences workforce, and to house its nationally-recognized nursing program, the College required an addition to its existing science center. In addition to considerable private fundraising, the College pursued ESD funds to close

a financing gap and ensure the success of the project. As a result of the Governor's Regional Economic Development Council initiative, in 2013 the College was awarded a \$250,000 capital grant through Round 3 of the Consolidated Funding Application process. A second \$250,000 capital grant, to complete the project, was awarded through Round 4 of the Consolidated Funding Application process. These grants allowed the project to proceed with construction on the timetable needed to meet RWC's enrollment and programmatic goals.

Past ESD Support: ESD's Directors approved the first \$250,000 grant for the project on March 19, 2015.

B. The Project

Completion: August 2015

Activity: The College has completed an expansion of its existing science building on its campus. The addition, which will house the science and nursing program, opened to students in the fall 2015 semester. The new facility is a two-story, 43,000-square-foot building connected to the older building by a glass atrium that serves as an entry courtyard into the combined buildings. The facility includes state-of-the-art laboratories for research, a cold room to accommodate temperature-sensitive experiments, and a vivarium for small-animal research. The Center includes a nursing skills and simulation laboratory featuring multiple, integrated high-fidelity simulation rooms utilizing SimMan® equipment (a registered trademark of Laerdal Medical), an advanced simulator to display patient symptoms. Additionally, student collaboration and study areas on both floors are included for the nursing and science programs. Above the second floor, a new mechanical penthouse houses the intense HVAC systems required for a modern laboratory building. The new building's exterior complements the existing building with similar materials, but has a modern, technological look. The project meets the U. S. Green Building Council's LEED certified energy efficiency standards.

Results: The new facility provides increased access to cutting-edge health care training to meet the expanding needs of Western New York's innovative science and health care communities, which are among the region's fastest growing industries. The state-of-the-art nursing simulation center will make it one of the few such resources in Upstate New York. The new nursing and STEM building will help train and retain a highly-educated workforce, and is vital to continuing collaborative workforce training partnerships with medical providers and community health partners. The use of the existing campus footprint results in vital green space being preserved with maximum environmental sensitivity and energy

efficiency. RWC has hired additional faculty and maintenance personnel as a result of the project.

Economic Growth

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

- Fiscal benefits to NYS government from the project are estimated at \$1,000,254;
- Fiscal cost to NYS government is estimated at \$500,000;
- Ratio of project fiscal benefits to costs to NYS government is 2.00:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,751,863;
- Fiscal cost to all governments is \$500,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 3.50:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$13,070,627;
- The economic benefit to cost ratio is 26.14:1;
- Project construction cost is \$16,819,200 which is expected to generate 140 direct job years and 87 indirect job years of employment;
- The payback period for NYS costs is 2 years.

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

Grantee Contact: Lisa Tiffin, Director of Grant Development , Government, Corporate & Foundation Relations
2301 Westside Drive
Rochester, NY 14624
Phone: (585) 594-6194

ESD Project No.: Z465

| | | |
|---------------|---------------------------------|------------------|
| Project Team: | Origination | Kevin Hurley |
| | Project Management | Edward Muszynski |
| | Contractor & Supplier Diversity | Geraldine Ford |
| | Environmental | Soo Kang |

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$250,000 capital grant (\$2,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after ESD's announcement of the project. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$250,000 will be disbursed to Grantee in a lump sum upon documentation of construction, renovation, machinery/equipment, and soft project costs totaling \$9,056,353, and completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD grant funds must be incurred on or after December 11, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2018.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$250,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the 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 2014-2015 New York State budget and reappropriated in the 2015-2016 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

Pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law and its implementing regulations (6 NYCRR Part 617), and in connection with the approval of funding for the project, the Directors made a Determination of No Significant Effect on the Environment at their meeting of March 19, 2015. This determination addressed all aspects of the proposed project. Therefore, no further environmental review is required in connection with this action.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this project. The Grantee shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBEs) for any contractual opportunities generated in connection with the project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 40%. The overall goal shall include a Minority-owned Business Enterprise Participation Goal of 20% and a Women-owned Business Enterprise Participation Goal of 20% related to the total value of ESD's funding.

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions
New York State Map
Project Photographs
Benefit-Cost Analysis

December 17, 2015

Regional Council Award – Priority Project – Chili (Finger Lakes Region – Monroe County) – Roberts Wesleyan College Capital II – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

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

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

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

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

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

* * *

**Project Summary
Benefit-Cost Evaluation¹**

**Economic Growth Project
Roberts Wesleyan College**

The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

Construction Job Years (Direct): 140
Construction Job Years (Indirect): 87

| 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 | \$500,000 | \$794,250 | \$500,000 | \$1,020,500 |
| Fiscal Benefits⁴ | \$1,000,254 | \$2,085,600 | \$1,751,863 | \$4,271,980 |
| Fiscal B/C Ratio | 2.00 | 3.00 | 3.50 | 10.60 |
| | | | | |
| | Project Results | Benchmarks for ESD Projects | | |
| Economic Benefits⁵ | \$13,070,627 | \$119,468,000 | | |
| Economic B/C Ratio | 26.14 | 30.00 | | |

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.

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 construction employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

⁵ Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.



FOR CONSIDERATION

December 17, 2015

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: Non-Discretionary Projects

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

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

| | Project Name | Proj # | Grantee | Assistance up to |
|---|--|--------|---|--------------------|
| | Assembly (Local Assistance) | | | |
| A | Northeast UAS Airspace Integration Research Alliance Working Capital | AA157 | Northeast UAS Airspace Integration Research Alliance, Inc. | \$1,000,000 |
| | TOTAL NON-DISCRETIONARY – 1 PROJECT | | TOTAL | \$1,000,000 |

I. Statutory Basis

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

II. Environmental Review

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

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

III. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the projects. Unless otherwise specified in the project summary, Grantees shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 30% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 15% and a Women Business Enterprise ("WBE") Participation goal of 15%. Grantees shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the projects and to include minorities and women in any job opportunities created by the projects.

IV. ESD Employment Enforcement Policy

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

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

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

VI. Additional Requirements

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

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

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

VII. Additional Submissions to Directors

Resolutions

Project Summary

New York State Map

December 17, 2015

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

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

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

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

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

Local Assistance – Assembly – Project Summary Table

| | Project Name | Proj # | Grantee | Assistance up to |
|---|--|---------------|---|-------------------------|
| | Local Assistance | | | |
| A | Northeast UAS Airspace Integration Research Alliance Working Capital | AA157 | Northeast UAS Airspace Integration Research Alliance, Inc. | \$1,000,000 |
| | | | TOTAL | \$1,000,000 |

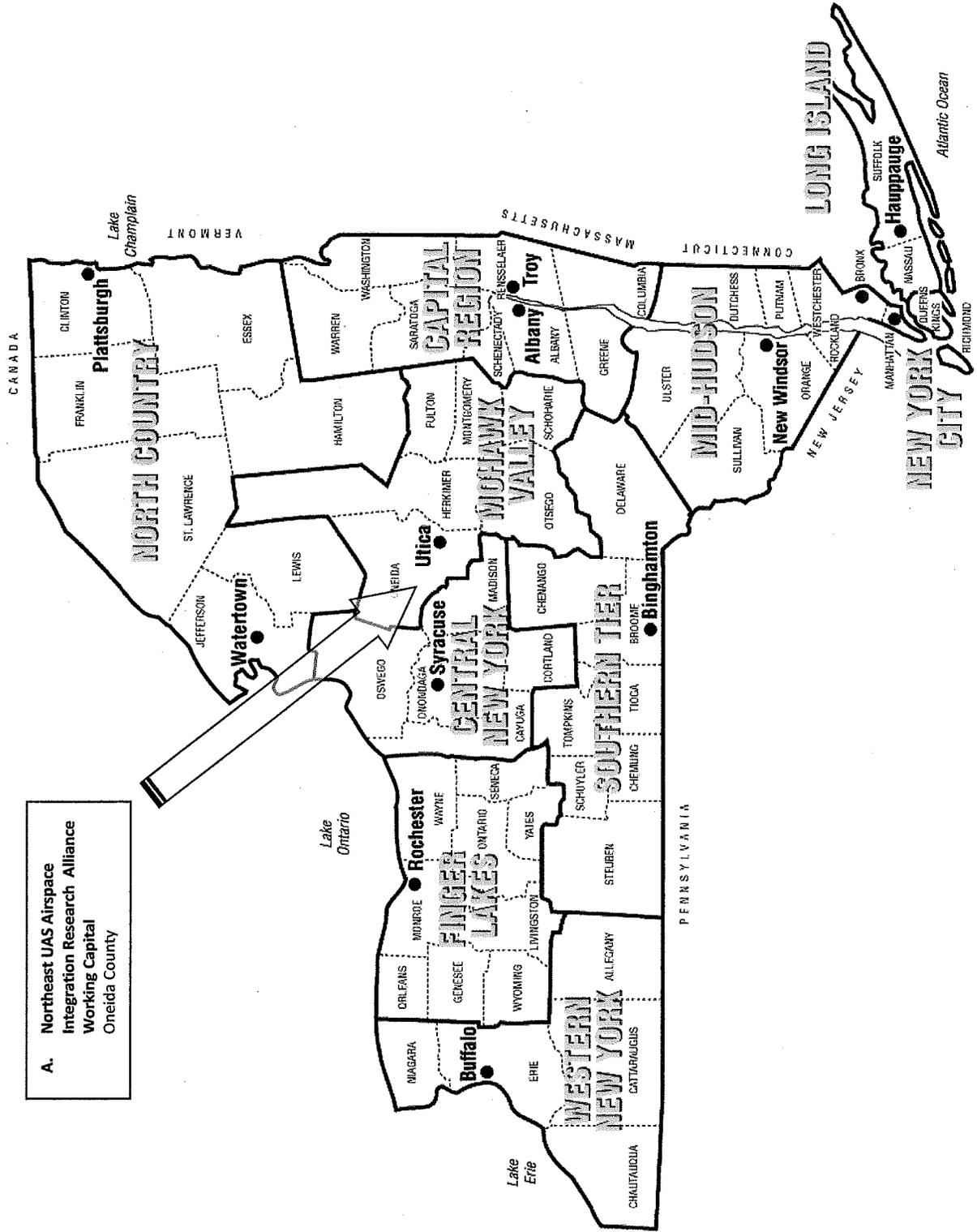
and be it further

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

* * *

Non-Discretionary Project Map

A. Northeast UAS Airspace
Integration Research Alliance
Working Capital
Oneida County



A. Northeast UAS Airspace Integration Research Alliance Working Capital (AA157)
December 17, 2015

- Grantee:** Northeast UAS Airspace Integration Research Alliance, Inc. (“NUAIR” or the “Organization”)
- ESD Investment:** A grant of up to \$1,000,000 to be used for program costs
- Project Location:** Rome, Oneida County
- Proposed Project:** Funds will be used to support data collections and other vital functions at the NUAIR Alliance's unmanned aerial systems test site at Griffiss International Airport in Rome.
- Project Type:** Working Capital
- Regional Council:** The Central New York Regional Economic Development Council has been made aware of this item.

Background:

Industry – NUAIR serves the Federal Aviation Administration (“FAA”) with its safe integration of unmanned aerial systems (“UAS”) to the national airspace system. NUAIR will facilitate growth of the UAS sector in the national and global markets.

Organizational History – Formed in Syracuse in April 2012, NUAIR is a regional alliance of private industry, academic institutions and military assets and operations, working together to establish a Federal Aviation Administration (“FAA”) designated test site (“Test Site”) for UAS in the Northeast. NUAIR consists of a coalition of more than seventy private and public entities and academic institutions in New York, Michigan and Massachusetts, and is teamed with Griffiss International Airport in Rome, New York. Military infrastructure in New York and Massachusetts includes the 174th Air National Guard Attack Wing in Syracuse, Ft. Drum in Watertown, the Air Force Research Lab facility at Stockbridge in Oneida, and the Joint Base Cape Cod in Massachusetts, which all provide NUAIR with airspace and technical expertise. NUAIR, based in New York and Massachusetts, will manage operations of the Test Site at Griffiss International Airport (“Airport”).

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

Size - Headquarters are located in Syracuse, NY; Operational facilities are located in Rome, NY.

Market - NUAIR collaborates with CenterState CEO, MassDevelopment and Mohawk Valley EDGE to support the UAS and sensor industry in the region. NUAIR is led by the

Northeast UAS Airspace Integration Research Alliance Working Capital (AA157)

December 17, 2015

CenterState Corporation for Economic Opportunity (“CEO”) and Mohawk Valley Edge in New York, and MassDevelopment, in Massachusetts. CenterState CEO is an organization of 2,000 companies that work together to increase business competitiveness, community prosperity, and regional growth in the 12-county CenterState New York region. Mohawk Valley EDGE is the vertically integrated economic development organization serving Oneida and Herkimer Counties. MassDevelopment, the Commonwealth’s finance and development agency, works with businesses, nonprofits, financial institutions, and communities to stimulate economic growth throughout Massachusetts.

Organizations partnering with Griffiss International Airport and NUAIR include Saab Sensis, SRC, Raytheon and Lockheed Martin, and colleges and universities include Rochester Institute of Technology, Massachusetts Institute of Technology, University of Massachusetts institutions, Syracuse University, Clarkson University and Northeastern University, among others.

ESD Involvement – A \$1,000,000 appropriation was included in the 2015-2016 New York State budget.

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

| Program | Project # | Amount | Date Start (ESD Directors' Approval date) | Date End (Project Completion: Contract Expiration) | Purpose |
|-----------------------------------|-----------|-------------|---|--|---|
| LOCAL ASST - Base Retention 13-14 | Z042 | \$600,000 | 06/27/14 | 10/11/15 | Working Capital - Start-up operations of NUAIR |
| LOCAL ASST (A) | Z325 | \$1,000,000 | 06/27/14 | 10/31/16 | Working Capital - Start-up operations of NUAIRAIR |

Northeast UAS Airspace Integration Research Alliance Working Capital (AA157)
December 17, 2015

The Project:

Completion – December 2016

Activity - Funding will be used for the design and implementation of a state of the art data collection, fusion, analysis and dissemination capability for UAS safety, reliability and performance data at the New York FAA UAS Test site located at the Griffiss International Airport.

Results - Development of a state of the art data collection, fusion, analysis and dissemination capability for Unmanned Aircraft Systems.

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 |
|--|-------------|-------------------------|-------------|---------|
| Salaries | \$512,000 | ESD Grant | \$1,000,000 | 100% |
| Administrative Hardware and Software Costs | 488,000 | | | |
| Total Project Costs | \$1,000,000 | Total Project Financing | \$1,000,000 | 100% |

Grantee Contact - Robert Simpson, Chief Executive Officer
CenterState CEO
115 West Fayette Street
Syracuse, NY 13202
Phone: (347) 422-8284

Project Team - Project Management Wilfredo Florentino
Contractor & Supplier Diversity Geraldine Ford
Environmental Soo Kang

Financial Terms and Conditions:

1. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. Up to \$1,000,000 will be disbursed to Grantee no more frequently than monthly, as described in these materials, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must have been incurred after April 1, 2015, the date that the New York State budget, in

Northeast UAS Airspace Integration Research Alliance Working Capital (AA157)

December 17, 2015

which the project is authorized, was passed. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks and reports required have been completed to ESD's satisfaction.

3. 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.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the eligible categories totaling approximately \$488,000. As such, the goal MWBE utilization shall be no less than \$146,000.

Statutory Basis – Local Assistance:

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

Disclosure and Accountability Certifications:

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



CORPORATE ACTION

December 17, 2015

TO: The Directors

FROM: Howard Zemsky

SUBJECT: Minority- and Woman-Owned Business Investment Fund

REQUEST FOR: Authorization to Adopt Program Guidelines

A. Background

The Minority- and Woman-Owned Business Investment Fund (the "Program") is a seed and early-stage fund for equity investments in State certified Minority-Owned Businesses Enterprises and Woman-Owned Business Enterprises (such enterprises respectively referred to as "MBEs" and "WBEs" and collectively as "MWBEs") that are engaged in the development of new and emerging ideas and products. The Program will utilize up to \$2,000,000 funds from the Minority- and Women-Owned Business Development and Lending Program. At their March meeting, the Directors authorized the Corporation to enter into agreements with Excell Technology Ventures Inc. in order to assist the Corporation in identifying and making Program investments.

B. Program Guidelines

Proposed guidelines for the implementation of the Program are attached to these materials and summarized below:

- Investments of up to \$500,000 per company for general technology companies (up to \$750,000, per company for life-sciences companies) can be made in MWBE companies currently located in New York State.
- For each Program investment, private matching funds, through additional direct investment or co-investment from private investors must match the Program investment at a rate of 2:1.
- MWBE Certification - An MWBE that is State certified is eligible if it:
 - has proprietary or differentiated innovative products, services, technologies or ideas; and,
 - is in seed to early-stage business development; and
 - is characterized by high-growth rates and market potential.

- Each company will be evaluated on the basis of the company's technology and management team and the marketplace for the company's technology.

C. Statutory Basis

New York State Urban Development Corporation Act §16-c. The program will be funded from the Minority- and Women-Owned Business Development and Lending Program ("MWBDLP").

D. Environmental Review

ESD staff has determined that the requested authorization 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. No further environmental review is required in connection with this authorization.

E. Requested Actions

The Directors are requested to approve and adopt the Program guidelines.

F. Additional Submissions to Directors

Resolutions

Minority- and Woman-Owned Business Investment Fund Program Guidelines

December 17, 2015

Minority- and Woman-Owned Business Investment Fund - Authorization to Adopt
Program Guidelines

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials"), relating to the Minority- and Woman-Owned Business Investment Fund (the "Program"), the Corporation adopts the Program guidelines referred to in the Materials; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or the General Counsel of the Corporation or their respective designee(s) be, and each of them hereby is, authorized, to take such actions and make such modifications to the guidelines as he or she may deem necessary or appropriate; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or the General Counsel of the Corporation or their respective 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.

* * *

December 2015

Minority-and Woman-Owned Investment Fund

Program Guidelines

Program Background:

- The Minority-and Woman-Owned Business Investment Fund (“the Program”) is a \$2 million equity investment program that will support innovation, job creation, and high-growth entrepreneurship throughout New York State (“the State”).
- The Program’s objective is to invest in seed to early-stage State certified Minority-Owned Business Enterprises (“MBEs”) and Women-Owned Business Enterprises (“WBEs”; MBEs and WBEs, are collectively referred to as “MWBEs”) in accordance with these guidelines.

Program Investing Parameters:

- Investments of up to \$500,000 per company for general technology companies (up to \$750,000, per company for life-sciences companies) can be made in MWBE companies currently located in the State.
- Contemporaneously with each Program investment (e.g., within the same investment round the Program investment is made) the amount of private source matching funds, through additional direct investment or co-investment from private investors, must match the Program investment at a rate of not less than 2:1.
- MWBE Certification* - State certified MWBE are eligible if they:
 - Have proprietary or differentiated innovative products, services, technologies or ideas; and
 - Are in seed to early-stage business development; and
 - Are characterized by high-growth and market potential.
- All companies proposed to receive Program investments will be evaluated for:
 - Technology - Is this unique and does it solve a market problem?
 - Management Team - What is the level of experience of the entrepreneur and how strong is the management team?
 - Marketplace - Is the market for this technology solution in a rapidly growing market?

Company Eligibility:

- Eligible businesses for Program investment must:
 - Initially submit to ESD or its designated investment partnership an expression interest for Program investment ; and
 - Have or obtain State MWBE Certification status* as of the date when investment funds are invested.

- Currently State MWBE certification is issued for a three year period from the time of determination of eligibility, and thereafter firms are required to recertify in order to maintain their MWBE certification. Investee businesses are required to secure MWBE certification prior to receiving the Program investment. A certified business may become ineligible for MWBE certification after receiving equity investment from the Program or other sources, because the business no longer meets the minority or woman ownership requirements for such certification. If the Program or other matching or future investments dilute the company's minority or women ownership below the 51% certification minimum or the firm fails to meet other State MWBE certification criteria resulting in an inability to recertify as an MWBE firm, the company cannot receive follow-on or subsequent financing from the Program.
- Follow-on or subsequent investments by the Program are allowed if the company maintains a majority MWBE ownership status and remains certified.

***MWBE Certification Eligibility Criteria:**

Under Article 15-A of the Executive Law, any for-profit firm that is at least fifty-one percent owned, operated and controlled by U.S. citizens or permanent resident aliens who are either a minority and/or woman is eligible for certification.

Minority groups eligible for certification:

- Black persons having origins from any of the Black African racial groups
- Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central American or South American descent of either Native American or Latin American origin, regardless of race
- Native American or Alaskan Native persons having origins in any of the original peoples of North America
- Asian and Pacific Islander persons having origins in any of the Far East countries, Southeast Asia, the Indian Subcontinent or the Pacific Islands

MWBE applicants must successfully demonstrate the following:

- **Ownership, Operation and Control:** Firm must be independently owned, operated and controlled by minority and/or women members. The ownership must be real, substantial and continuing, and owner(s) must exercise the authority to control and independently operate the day-to-day business decisions.
- **Personal Net Worth (PNW) Restriction:** Each minority or woman owner seeking certification cannot have a personal net worth exceeding \$3.5 million after allowable deductions¹.
- **Small Business Restriction:** Firm cannot exceed 300+ full time employees.
- **Independent, Active and In Business One Year:** Firm must operate independently of other firms, demonstrate business activity and be in operation for at least one year.

¹The personal net worth of each individual upon which certification is relied upon cannot exceed \$3.5 million, as adjusted annually for inflation according to the consumer price index to reflect the current buying power of \$3.5 million in the year 2010. To determine the current net worth threshold, applicants should refer to the consumer price index maintained by the United States Department of Labor, Bureau of Labor Statistics. http://www.bls.gov/data/inflation_calculator.htm



FOR INFORMATION

December 17, 2015

TO: The Directors

FROM: Howard Zemsky

SUBJECT: Quarterly Report on Utilization of Certified Minority and Women Business Enterprises (MWBEs) and Procurement Commitments to MWBEs for the Second Quarter of Fiscal Year 2015-2016

Utilization of Certified MWBEs:

For the second quarter of fiscal year 2015-2016, ESD achieved MWBE participation in agency projects and procurements totaling 24.75%. During the quarter, ESD disbursed a total of \$323.44 million in eligible procurements to vendors, grantees and borrowers. Of the eligible procurements, \$80.04 million in payments were reported to MWBEs.

Initial Commitments to Certified MWBEs:

For the second quarter of fiscal year 2015-2016, ESD and its subsidiaries executed a total of \$17.75 million in procurements and amendments, of which \$17.5 million were MWBE eligible procurements. Of the eligible procurements, \$4.43 million or 25.32% has been committed to MWBEs by ESD, its subsidiaries and primes.

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

Empire State Development
Report on Procurement Contracts
Entered into During the Quarter of (07/01/2015 - 09/30/2015)

| CO. | VENDOR NAME AND ADDRESS | ORIG CONT DATE | REASON FOR AWARD | CONT # | INITIAL SCOPE OF SERVICES | CONTRACT AMOUNT | CURRENT STATUS | CONTRACT REPORTER | COMPETITIVE SEARCH | BASIS OF AWARD | MWBE ELIGIBLE CONTRACTS/ ASSIGNED GOALS | COMMENTS |
|--|---|----------------------|--|-----------|--|------------------------------|-------------------|----------------------|-----------------------|-------------------|---|--|
| EMPIRE STATE DEVELOPMENT | | | | | | | | | | | | |
| ESD | Wilmer Cutler Pickering Hale and Dorr LLP 7 World Trade Center 250 Greenwich Street New York, NY 10007 | 8/4/2015 | Need for legal services in connection with a subpoena served upon ESD by the United States Attorney. | 9936 | Provide legal advice and counsel in connection with a subpoena served upon the Corporation by the United States Attorney for the Southern District of New York. | 200,000 | On-going | Legally Exempt | YES | Best Value | No - Goals Waived | Single Source |
| ESD | Renee Sacks Associates, Inc. d/b/a/ Sacks Communications 900 Third Avenue 17th Floor New York, NY 10022 | 8/5/2015 | Need for consulting services in connection with the 2015 MWBE Statewide Forum. | 9915 | Provide full-service project management services including but not limited to event management, event marketing, pre-event and on-site registration and management. | 279,300 | On-going | N/A | NO | Best Value | Yes - 30% | Discretionary Purchase under the Governor's MWBE Executive Order |
| ESD | Voltage Inc. 613 Williamson Street Suite 201 Madison, WI 53703 | 9/15/2015 | Need for consulting services in connection with the ConAgra Plant Re-Use Feasibility analysis. | 9990 | To assist ESD in assessing existing site and economic conditions to determine the re-use feasibility and develop a marketing strategy at a recently closed ConAgra plant in Chautauqua County. | 75,000 | On-going | YES | YES | Best Value | Yes - 30% | |
| | | | | | | ESD TOTAL: | | | | | | |
| | | | | | | \$546,300 | | | | | | |
| CONVENTION CENTER DEVELOPMENT CORPORATION | | | | | | | | | | | | |
| CCDC | Nixon Peabody 437 Madison Avenue 23rd Floor New York, NY 10022 | 8/9/2015 | Need for bond counsel services in connection with the issuance of New York Convention Center Development Corporation Revenue Refunding Bonds (Hotel Unit Fee Secured) Series 2015. | 9542 | Provide bond counsel services in connection with the issuance of the bonds in an amount not to exceed \$750,000,000 to refund the prior bonds and fund the costs of a project consisting of the expansion and renovation of an existing convention center and exhibition facility located in The City of New York and known commonly as the Jacob K. Javits Convention Center. | 150,000 | On-going | NO | YES | Best Value | Yes - 30% | |
| | | | | | | CCDC TOTAL: | | | | | | |
| | | | | | | \$150,000 | | | | | | |
| ERIE CANAL HARBOR DEVELOPMENT CORPORATION | | | | | | | | | | | | |
| EHDC | Scott Lawn Yard, Inc. 5552 Townline Road Sanborn, NY 14132 | 8/6/2015 | Need for construction services in connection with the Central Wharf Extension Phase 2 - Boardwalk Extension. | 9939 | Provide construction of a 500 linear feet extension of the existing wooden boardwalk at Canal side and install related, land-side amenities to support on-going activities along the Buffalo River in Buffalo, New York. | 2,152,000 | On-going | YES | YES | Best Value | Yes - 25% | |
| | | | | | | EHDC TOTAL: | | | | | | |
| | | | | | | \$2,152,000 | | | | | | |
| HARLEM COMMUNITY DEVELOPMENT CORPORATION | | | | | | | | | | | | |
| HCDC | Phillips Lytle LLP 620 Eighth Avenue, 23rd Floor New York, NY 10018 | 9/9/2015 | Need for legal services in connection with the Victoria Theater Land Use Improvement and Civic Project. | 9965 | Provide legal advice with respect to leasehold and construction financing conditions and obligations as well as other related Project documents. | 230,000 | On-going | Legally Exempt | YES | Best Value | Yes - 30% | Single Source |
| | | | | | | HCDC TOTAL: | | | | | | |
| | | | | | | \$230,000 | | | | | | |
| | | | | | | TOTAL FOR CONTRACTS: | | | | | | |
| | | | | | | \$3,078,300 | | | | | | |
| | | | | | | TOTAL FOR AMENDMENTS: | | | | | | |
| | | | | | | \$14,668,584 | | | | | | |
| | | | | | | GRAND TOTAL: | | | | | | |
| | | | | | | \$17,746,884 | | | | | | |

Empire State Development
Report on Procurement Contracts (Amendments)
Entered into During the Quarter of (07/01/2015 - 09/30/2015)

| CO. | VENDOR NAME AND ADDRESS | BEGIN DATE | AMEND. DATE | REASON FOR AWARD | CONTRACT NUMBER | ORIGINAL CONTRACT AMOUNT | AMEND AMOUNT | SCOPE OF SERVICES | REVISED CONTRACT AMOUNT | CURRENT STATUS | CONTRACT REPORTER | CONTRACTS/ASSIGNED GOALS | COMMENTS |
|-----|---|------------|-------------|--|-----------------|--------------------------|--------------|---|-------------------------|----------------|-------------------|--------------------------|--|
| ESD | BBDO USA LLC 1285 Avenue of the Americas New York, NY 10019 | 12/5/2011 | 9/4/2015 | Need for marketing, advertising, and branding services in connection with the NYS Open for Business Campaign. | 7506 | 50,000,000 | 10,000,000 | Continue to provide full service advertising, marketing, branding, media and communication services in connection with the NYS Open for Business Program. | 246,500,000 | On-going | YES | Yes - 30% | |
| ESD | The Research Foundation for SUNY 402 Crofts Hall Buffalo, NY 14260 | 10/9/2014 | 8/18/2015 | Need for consultant services in connection with the Buffalo Strategy Implementation Support Services. | 9076 | 999,809 | 999,694 | Provide full service project management services for implementation support of the critical Buffalo Billion projects and initiatives. | 1,999,503 | On-going | YES | NO | Contract Excluded |
| ESD | STV Incorporated 225 Park Avenue South New York, NY 10003 | 5/13/2014 | 9/2/2015 | Need for consultant services in connection with the Fountain Avenue Project. | 9355 | 33,110 | 963,490 | Provide environmental consulting services in connection with the disposition of two non-contiguous parcels of undeveloped land within the Brooklyn Developmental Center at 888 Fountain Avenue in Brooklyn, NY. | 995,600 | On-going | YES | Yes - 20% | Pre-Qualified Real Estate Development and Planning Related Consultants' List |
| ESD | Baker Donelson, Bearman, Caldwell, & Berkowitz, PC 920 Massachusetts Ave., NW Suite 900 Washington, DC 20001 | 10/1/2013 | 7/7/2015 | Need for consultant services relating to Military Base Retention and Expansion in New York. | 8378 | 214,620 | 384,930 | Continue to provide assistance in identifying growth opportunities and retention strategies to keep New York State military bases as economic contributors and job generators. | 984,480 | On-going | YES | No | Waiver Granted/Exempt contract |
| ESD | Bryan Cave 1290 Avenue of the Americas New York, NY 10104 | 8/17/2012 | 8/19/2015 | Need for legal services in connection with the bankruptcy proceedings involving the Eastman Kodak Business Park. | 7704 | 650,000 | 30,000 | Provide advice and counsel on bankruptcy matters arising from Kodak's Chapter 11 filing, with specified emphasis on Eastman Business Park. | 680,000 | Completed | YES | Yes - 20% | |

ESD TOTAL: \$51,897,539 \$12,378,114

\$251,160,583

Empire State Development
Report on Procurement Contracts (Amendments)
Entered Into During the Quarter of (07/01/2015 - 09/30/2015)

| CO. | VENDOR NAME AND ADDRESS | BEGIN DATE | AMEND. DATE | REASON FOR AWARD | CONTRACT NUMBER | ORIGINAL CONTRACT AMOUNT | AMEND AMOUNT | SCOPE OF SERVICES | REVISED CONTRACT AMOUNT | CURRENT STATUS | CONTRACT REPORTER | CONTRACTS/ASSIGNED GOALS | COMMENTS |
|--|---|------------|-------------|--|-----------------|--------------------------|---------------------|---|-------------------------|----------------|-------------------|----------------------------|---|
| ERIE CANAL HARBOR DEVELOPMENT CORPORATION | | | | | | | | | | | | | |
| ECHDC | C and S Engineers, Inc. 141 Elm Street Suite 100 Buffalo, NY 14203 | 6/22/2011 | 7/13/2015 | Need for consultant services in connection with the Erie Canal Harbor Development Corporation Project. | 7359 | 1,777,000 | 550,000 | Continue to provide construction administration services on a time and material basis through completion of the construction of the public canals phase 3a. | 2,827,000 | On-going | Legally Exempt | No - Contract was Excluded | Single Source |
| | | | | ECHDC TOTAL: | | \$1,777,000 | \$550,000 | | \$2,827,000 | | | | |
| MOYNIHAN STATION DEVELOPMENT CORPORATION | | | | | | | | | | | | | |
| MSDC | Skidmore Owings & Merrill LLP 14 Wall Street New York, NY 10005 | 2/22/2011 | 7/9/2015 | Need for consulting services in connection with the Moynihan Station Civic and Land Use Improvement Project. | 7273 | 6,500,000 | 1,622,400 | Provide construction phase architectural services pertaining to Early Action work for Phase II of the Moynihan Station Project. | 28,226,734 | On-going | Legally Exempt | Yes - 20% | Single Source |
| | | | | MSDC TOTAL: | | \$6,500,000 | \$1,622,400 | | \$28,226,734 | | | | |
| QUEENS WEST DEVELOPMENT CORPORATION | | | | | | | | | | | | | |
| QWDC | Fleming Lee Shue Inc 158 West 29 Street 9th Floor New York, NY 10001 | 7/15/2011 | 9/29/2015 | Need for remediation services in connection with the Queens West Development Project. | 7383 | 989,810 | 118,070 | Provide quarterly water sampling and reporting of Center Boulevard between 47th Road and 48th Avenue. | 1,298,769 | On-going | N/A | Yes - 20% | Amendment up to 10% of the amount approved. |
| | | | | MSDC TOTAL: | | \$989,810 | \$118,070 | | \$1,298,769 | | | | |
| | | | | TOTAL FOR AMENDMENT CONTRACTS: | | \$61,164,349 | \$14,668,584 | | \$283,513,086 | | | | |