

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 18, 2014 – 11:00 a.m.

PROPOSED AGENDA

FOR CONSIDERATION

I. CORPORATE ACTION

- A. Approval of Minutes of the November 20, 2014 Directors' Meeting

II. DISCRETIONARY PROJECTS

WESTERN NEW YORK REGION

- A. Buffalo (Western New York Region - Erie County) – Rich Products Capital – SUNY Sub-Allocation (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

STATEWIDE – MINORITY AND WOMEN OWNED BUSINESS ENTERPRISES CONTRACTOR BONDING PREPAREDNESS TRAINING AND TECHNICAL ASSISTANCE PROGRAM

- B. Statewide – Minority and Women Owned Business Enterprises Contractor Bonding Preparedness Training and Technical Assistance Program – Findings and Determinations Pursuant to Sections 16-c and 10(g) of the Act; Authorization to Make a Grant and to Take Related Actions

II. DISCRETIONARY PROJECTS – Continued

STATEWIDE- CRAFT BEVERAGE GRANT PROGRAM

- C. Statewide – Craft Beverage Grant Program – NYPA Open For Business – (Marketing and Tourism Grants for Craft Beverage Industry) – Authorization to Adopt Guidelines; Authorization to Make Grants; Delegation of Authority; and Authorization to Take Related Actions

UPSTATE NY REGIONS - NYS INNOVATION VENTURE CAPITAL FUND'S TECHNOLOGY COMMERCIALIZATION AND PRE-SEED COMPANY INVESTMENT PROGRAM

- D. Upstate NY Regions - NYS Innovation Venture Capital Fund's Technology Commercialization and Pre-Seed Company Investment Program – Authorization to Enter into Agreements for Program Funding; Authorization to Disburse Funds; and Authorization to Take Related Actions

III. REGIONAL COUNCIL AWARDS

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

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

Regional Council Capital Fund

- A. Broadband Extension Project, Phase II – Southern Tier Network, Inc. (Multiple Counties) - \$5,000,000

NY Works

- B. Connecting the Capital Region – Hudson Valley Wireless (Multiple Counties) - \$2,042,177

NORTH COUNTRY REGION

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

III. REGIONAL COUNCIL AWARDS - Continued

WESTERN NEW YORK REGION

- C. Regional Council Award – Priority Project - Buffalo (Western New York Region - Erie County) – Center for Computational Research Capital – Regional Council Capital Fund (Capital Grant) – Regional Council Capital Fund - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

CENTRAL NEW YORK REGION

- D. Regional Council Award - Auburn (Central New York Region - Cayuga County) – WST33 Plaza of the Arts 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
- E. Regional Council Award – Priority Project – Syracuse (Central New York Region – Onondaga County) – Ephesus Technologies Capital - Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

NEW YORK CITY REGION

- F. Regional Council Award - Brooklyn (New York City Region - Kings County) – Pratt Institute Capital - Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

SOUTHERN TIER REGION

- G. Regional Council Award – Priority Project – Binghamton (Southern Tier Region – Broome County) – Chenango Place Capital - Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

III. REGIONAL COUNCIL AWARDS – Continued

REGIONAL COUNCIL AWARD PROJECTS CONSENT CALENDAR

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

Regional Council Capital Fund

- A. Calspan Corporation Capital (Erie County) - \$100,000
B. Glens Falls Labels Capital (Washington County) - \$75,000

IV. NON-DISCRETIONARY PROJECTS

NON-DISCRETIONARY PROJECTS CONSENT CALENDAR

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

Community Projects Fund (Assembly)

- A. MDA-Essential New York Initiative Capital - CenterState Corporation for Economic Opportunity (Onondaga County) - \$0

Capital Projects Fund/Economic Development/Other (Executive)

- B. Trudeau Partnership Working Capital (Franklin County) - \$6,200,000

V. ADMINISTRATIVE ACTIONS

- A. Insurance Brokerage Services – Authorization to Enter into a Contract for Insurance Brokerage Services and to Take Related Actions - **(This item will be made available at the Directors’ meeting)**
- B. New York City (Richmond County) – Arthur Kill Correctional Facility – Authorization to Enter into a Contract for Environmental Consulting Services in Connection with the Redevelopment of the Arthur Kill Correctional Facility - **(This item will be available at the Directors’ meeting)**
- C. Procurement of Legal Services – Authorization to Amend a Contract with the Law Firm of Gonzalez Saggio & Harlan to Provide Legal Services in Connection with the Disposition of Two Non-Contiguous Parcels of Undeveloped Land within the Brooklyn Development Center in Brooklyn, NY (the “Fountain Property”) and to Take Related Actions

VI. 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 2014-2015

VII. EXECUTIVE SESSION

- A. Status Update for Vinson v. HCDC, Index No. 14-CV-4068 (S.D.N.Y.) – (Oral Report)

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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

And

Department of Financial Services
1 State Street
New York, New York 10006

November 20, 2014

MINUTES

**In Attendance
Directors:**

Kenneth Adams (Acting Chair)
Derrick D. Cephas
Anthony Albanese – Designee – Superintendent (New York State
Department of Financial Services)

Present for ESD:

Lauren Axelrod, Senior Counsel
Destiny Burns, Director-Empowerment Zone and Community
Lending
Joseph Chan, Executive Vice President-Real Estate Development
Thomas Conoscenti, Director – Real Estate Development
Elizabeth R. Fine, Executive Vice President, Legal and
General Counsel
John Gilstrap, Executive Vice President – Business Attraction &
Expansion
Edwin Lee, Assistant Vice President – Discretionary Projects
Charles Imohiosen, Chief Operating Officer
Benson Martin, Director of Compliance
Eileen McEvoy, Corporate Secretary
Glendon McLeary, Senior Project Manager
Kathleen Mize, Deputy CFO and Controller
Marion Phillips, III, Senior Vice President - Community Relations
Marion Samuels, Director – Community Development Programs
Joyce Smith, Director – Entrepreneurial Assistance Program
Margaret Tobin, Chief Financial Officer

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Also Present: Robin Alpaugh, Acting Director – Southern Tier RO
Michael Ball - Western New York RO
Michael Evans, President – Moynihan Station Development Corporation
Barry Greenspan - Long Island RO
Edward Muszynski, Area Director – Finger Lakes RO
Sarah Saint-Amand, Senior Vice President – Real Estate Development
Kenneth Tompkins, Director – Mohawk Valley RO
Aimee Vargas, Director – Mid-Hudson RO
John VanDeLoo – North Country RO
David J. Wright, Assistant Commissioner – Albany

Also Present: The Press
The Media

Also Present: The Public:
Tracey Collins
Alec Duffy
Ilsa Kaye
Peter Krashes
Elizabeth Martin

The meeting of the Directors of the New York State Urban Development Corporation (“UDC”) d/b/a Empire State Development (“ESD” or the “Corporation”) was called to order at 9:39 a.m. by Acting Chair Adams. It was noted for the record that the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

Next, Acting Chair Adams set forth the guidelines regarding comments by the public on matters on the Agenda as well as with regard to any conflicts of interest the Directors may have regarding items on the Agenda.

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Acting Chair Adams then called for a motion to conduct an Executive Session pursuant to paragraph (d) & (h) of subdivision 1 of Section 105 of the New York State Open Meetings Law to discuss and consider authorizing ESD to participate in mandatory mediation in accordance with the requirements of the Southern District of New York Civil Rule 83.9 in connection with Vinson v. HCDC. Upon motion duly made and seconded, the following resolution was adopted:

EXECUTIVE SESSION – Pursuant to Paragraph (d) & (h) of Subdivision 1 of Section 105 of the New York State Open Meetings Law

RESOLVED, that the Directors conduct an Executive Session to consider matters pertaining to paragraph (d) & (h) of Subdivision 1 of Section 105 of the New York State Open Meetings Law.

* * *

All persons were requested to leave the room with the exception of the Directors and members of the senior staff. The Executive Session ended at 9:56 a.m. It was noted for the record that no votes were taken during the Executive Session.

The Acting Chair asked the Directors to approve the resolution that was considered in Executive Session.

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT - Authorization to Participate in Mandatory Mediation Pursuant to Southern District of New York Local Civil Rule 83.9 in Connection with Vinson v. HCDC, Index No. 14-CV-4068 (S.D.N.Y.), and to Take All Related Actions

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

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them hereby is, authorized and directed, in the name and on behalf of the Corporation to participate in the Southern District’s mandatory mediation process in accordance with the requirements of Southern District of New York Local Civil Rule 83.9 in connection with Vinson v. HCDC, Index No. 14-CV-4068 (S.D.N.Y.), with the full authority set forth in detail in the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, and to execute and deliver any and all documents and to take all such actions as may be necessary or appropriate to effectuate the foregoing.

* * *

Acting Chair Adams then asked the Directors to approve the Minutes of the October 16, 2014 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 16, 2014 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 16, 2014, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

The Acting Chair then asked the Directors to approve the appointment of Edward Hamilton as the Senior Vice President, Administration, ESD.

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:

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APPOINTMENT OF OFFICER – Senior Vice President, Administration, ESD

BE IT RESOLVED, that the following individual be, and he hereby is, appointed to the office that appears opposite his name, until his resignation or removal, such appointment to be effective as of April 1, 2014:

<u>NAME</u>	<u>OFFICE</u>
Edward Hamilton	Senior Vice President, Administration, ESD;

and be it further

RESOLVED, that in accordance with and for all the purposes of the New York State Urban Development Corporation (the "Corporation") Act and the bylaws of the Corporation, including but not limited to the indemnification provisions thereof, the foregoing individual is an "officer" of the Corporation.

* * *

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

Mr. Lee noted that the Directors will be asked to consider funding for 49 Discretionary Projects including: one \$2,000,000 Downtown Revitalization Fund grant; two New York Works grants totaling \$6,000,000; one Economic Development Purposes Fund grant for \$200,000; 23 Entrepreneurial Assistance Program grants totaling \$2,024,000; 27 Office of New Americans grants totaling \$81,000; and 22 Community Development Financial Institution grants totaling \$1,795,000.

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Mr. Lee explained that there are also six Regional Council Awards projects, including two Empire State Economic Development Fund grants totaling \$530,000; three Regional Council Capital Fund grants totaling \$2,836,000; and one Urban and Community Development grant for \$250,000.

Mr. Lee added that these 49 projects will leverage over \$140 million in additional investments and will assist in retaining 1,644 jobs and in creating approximately 706 jobs in New York State.

Acting Chair Adams then asked Mr. Ball, representing ESD's Western New York Regional Office, to present the Ford Stamping Plant New York item for the Directors' consideration.

Mr. Ball provided the relevant background information with regard to this item noting that the Directors were being asked to authorize ESD to make a \$5,000,000 New York Works grant to the Ford Motor Company to assist with renovations to the Ford Stamping Plant located in Hamburg, New York.

Mr. Ball explained that the Buffalo Stamping Plant in Hamburg is one of the only Ford stamping plants in North America that produces doors, quarter panels, hoods and under support for F-250's and F-350 trucks and passenger vehicles.

Mr. Ball further explained that the \$101,000,000 project will retain 640 jobs through

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January 2018 and will allow the Buffalo Stamping Plant to remain open, competitive and viable for future production growth.

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

Buffalo (Western New York Region – Erie County) – Ford Stamping Plant Capital – New York Works (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that 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 Ford Motor Company a grant for a total amount not to exceed Five Million Dollars (\$5,000,000) from the New York Works Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer 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

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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. Muszynski, representing ESD's Finger Lakes Regional Office, then asked the Directors to authorize ESD to make a \$1,000,000 capital grant to Xerox Commercial Solutions, LLC ("XCS"), a Xerox subsidiary, for a portion of the cost of construction, renovation and equipping of a call center in Webster, New York.

Mr. Muszynski noted that XCS provides business process outsourcing and IT related outsourcing.

Mr. Muszynski further noted that Xerox began in Rochester and maintains a significant presence in the region being the fourth largest employer.

Mr. Muszynski went on to note that in 2010, Xerox acquired XCS (then known as Affiliated Computer Services) and with this acquisition, Xerox had many options to locate an in-bound customer support call center for a major telecommunications company, later identified

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as Verizon.

Mr. Muszynski explained that Xerox had 10 out-of-state facilities which it culled to four as well as the Webster, New York location to consider.

Xerox, Mr. Muszynski further explained, approached ESD and the Corporation provided this \$1,000,000 grant and \$5,000,000 in Excelsior Tax Credits and those were critical to Xerox's decision to locate this project in New York State.

Among other things, Mr. Muszynski noted that the project will retain 70 jobs and create 500 new jobs. He added that XCS has already exceeded its commitments and has created 545 new jobs.

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

Webster (Finger Lakes Region – Monroe County) – Xerox Commercial Solutions Capital – New York Works (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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 Xerox Commercial Solutions Capital – New York Works (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be

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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 Xerox Commercial Solutions, LLC a grant for a total amount not to exceed One Million Dollars (\$1,000,000) from the New York Works Program , for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Next, Mr. Greenspan, representing ESD’s Long Island Regional Office, presented the Town of Babylon Downtown Revitalization Fund item.

Mr. Greenspan explained that the Directors were being asked to authorize ESD to make

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a \$2,000,000 grant to the Town of Babylon for the construction of a sewer line connecting the Wyandanch Central Business District to the Southwest Sewer District.

Mr. Greenspan further explained that Wyandanch is in the Western part of Suffolk County and has suffered for decades from high poverty rates, high crime and a lack of business investment. One of the critical issues preventing development, Mr. Greenspan noted, was the lack of sewers.

This extension of the sewer line through Wyandanch, Mr. Greenspan explained, acts as a spine for future development.

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 (It was noted for the record that Director Albanese recused himself from voting on the following resolution):

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

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

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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 Town of Babylon a grant for a total amount not to exceed Two Million Dollars (\$2,000,000) from the Downstate Revitalization Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Wyandanch (Long Island Region – Suffolk County) – Town of Babylon DRF Capital –
Downstate Revitalization Fund – Infrastructure Investment (Capital Grant) –
Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Town of Babylon DRF Capital Project, the Corporation hereby determines that the proposed action will

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not have a significant effect on the environment.

* * *

Mr. Tompkins, the Director of ESD's Mohawk Valley Regional Office then presented the Munson Machinery Economic Development Purposes Fund item for the Directors' consideration.

Mr. Tompkins explained that the Directors were being asked to authorize ESD to make a \$200,000 grant to Munson Machinery for a project that allowed the Company to build a new bay on its facility in South Utica and to install additional machinery.

Mr. Tompkins added that the total project cost was \$1.74 million and that the Company will retain 38 jobs and created 12 new jobs. Mr. Tompkins further noted that three of the new jobs have already been created.

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

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

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 Munson Machinery

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

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

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

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

* * *

Utica (Mohawk Valley Region – Oneida County) – Munson Machinery Capital – Economic Development Purposes Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

Ms. Smith then presented the Statewide Entrepreneurial Assistance Program for the Directors' consideration.

Ms. Smith explained that the Directors were being asked to approve grants totaling \$2,024,000 to 23 community-based organizations for the continued operation of the Entrepreneurial Assistance Program ("EAP").

Ms. Smith further explained that each organization will receive a grant in the amount of \$88,000 which they must match 100 percent with in kind or cash.

Ms. Smith added that the grant funds are generally used for salaries, fringe, consultant services and other program related expenses.

Ms. Smith provided further details regarding the program and noted that with the assistance of EAP centers in 2014, MWBE's completed 108 certification applications, increased sales by \$16.3 million, secured \$3.1 million in financing and increased employment by 483 employees.

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

Statewide – Entrepreneurial Assistance Program (Training and Technical Assistance Grants); Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make Grants and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Empire State Development (“ESD”), relating to the Entrepreneurial Assistance Program (Training and Technical Assistance Grants) Projects, (the “Projects”), ESD 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 or his designee(s) be, and each of them hereby is, authorized to make grants for a total amount not to exceed Two Million Twenty-Four Thousand (\$2,024,000) from the Entrepreneurial Assistance Program and Eighty One Thousand (\$81,000) from the Department of State, 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 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 ESD to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

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Next, Ms. Samuels then presented the Statewide Community Development Financial Institutions Assistance Program item for the Directors' consideration.

Ms. Samuels provided the relevant background information with regard to this request noting that the Directors were being asked to authorize \$1,795,000 in funding for the New York State Community Development Financial Institution Assistance Program to support financial and technical assistance to minority and women-owned businesses and small businesses alike.

Ms. Samuels noted that today's request is for funding to 22 organizations in amounts ranging from \$50,000 to \$160,000. She further noted that two sets of the organizations will partner in this funding round.

Ms. Samuels briefly outlined the process involved in selecting the businesses that will receive funding explaining that the process includes the strength of the proposals, the degree of economic distress in the community service area, successful track records over the years that ESD has worked with the organizations and a record of strong lending capacity.

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

Statewide – Community Development Financial Institutions Assistance Program – Community Development Financial Institutions (Grants) – Findings and Determinations Pursuant to Section 16-o and 10 (g) of the Act; Authorization to Make a Grants and to

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Take Related Actions

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make grants for a total amount not to exceed One Million Seven Hundred Ninety-Five Thousand Dollars (\$1,795,000) from the Community Development Financial Institutions 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 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 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.

* * *

The Directors were then asked by Mr. VanDeLoo to authorize ESD to make a \$2,500,000 grant to Bombardier Mass Transit to be used for a portion of the cost of construction and the purchase of machinery and equipment.

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The project, Mr. VanDeLoo explained, is for the construction of a 57,000 square foot building upgrade to the welding robot and expansion of the test facility by 2,100 square feet for use in manufacturing subway and mass transit rail cars.

Among other things, Mr. VanDeLoo noted that Bombardier Mass Transit has already created 100 jobs to meet their current employment goal of 388.

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

Regional Council Award – Priority Project – Plattsburgh (North Country Region – Clinton County) – Bombardier Mass Transit 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 Bombardier Mass Transit 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

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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 Bombardier Mass Transit Corporation a grant for a total amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) 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 – Plattsburgh (North Country Region – Clinton County) – Bombardier Mass Transit 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 Bombardier Mass Transit Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Next, Mr. VanDeLoo asked the Directors to approve a \$250,000 grant to the North Country Cultural Center for the Arts, also known as The Strand Theater.

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Mr. VanDeLoo explained that the grant will be used for a portion of the costs of renovations to the Strand Theater as well as to equip the theater with new machinery and equipment.

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

Regional Council Award – Priority Project – Plattsburgh (North Country Region – Clinton County) – North Country Cultural Center for the Arts 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 North Country Cultural Center for the Arts 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 North Country Cultural Center for the Arts a grant for a total amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Mr. Alpaugh then presented the Bates Troy Regional Council Awards item for consideration by the Directors.

Mr. Alpaugh asked the Directors to authorize ESD to make a \$380,000 grant to Bates Troy, Inc. for a portion of the cost of machinery and equipment as part of the Company's corporate facility expansion in downtown Binghamton, Broome County.

Mr. Alpaugh explained that Bates Troy is a commercial industrial health care laundry facility that provides a range of professional services that cater to the regional health care industry.

Mr. Alpaugh added that the Company currently has 70 employees and will create 55 new full-time jobs in the City.

Mr. Alpaugh further noted that this project will also provide important emergency preparedness for regional hospitals through back-up energy capabilities to process their commercial laundry.

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

Regional Council Award – Priority Project – Binghamton (Southern Tier Region – Broome County) – Bates Troy 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 Bates Troy Capital Fund – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m 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

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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, 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 Bates Troy Inc. a grant for a total amount not to exceed Three Hundred Eighty Thousand Dollars (\$380,000) from the 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.

* * *

Next, Ms. Vargas presented the Kolmar Laboratories Regional Council Awards item for the Directors’ consideration.

Ms. Vargas explained that the Directors were being asked to authorize ESD to make a \$250,000 grant to Kolmar Laboratories in Orange County to be used for a portion of the cost of

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furniture, fixtures and equipment.

Ms. Vargas noted that this Company, which is primarily a make-up manufacturer, is located in a distressed community and employs a number of residents in that community.

Ms. Vargas further explained that this \$1.6 million project will retain 412 jobs and create 36 jobs by 2018.

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

Regional Council Award – Port Jervis (Mid-Hudson Region – Orange County) – Kolmar Laboratories Capital – Urban and Community Development Program – Urban and Community Project Development Assistance (Capital Grant) – Findings and Determinations Pursuant to Sections 10 (g) and 16-d of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

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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 Kolmar Laboratories, Inc. a grant for a total amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) from the Urban and Community Development 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.

* * *

Mr. Tompkins then asked the Directors to authorize ESD to make a \$150,000 grant to the Rome Strip Steel Company, Inc. in Oneida County.

Mr. Tompkins explained that the grant will be used for a portion of the cost of new machinery and equipment which will allow the Company to increase its production and remain competitive with others in its industry.

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Mr. Tompkins added that the Company has committed to retaining 124 jobs. He further noted that the Company presently employs 129 individuals so it has exceeded its commitment goal by five jobs.

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

Regional Council Award – Rome (Mohawk Valley Region – Oneida County) – Rome Strip Steel 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 Rome Strip Steel 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

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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 Rome Strip Steel Company, Inc. a grant for a total amount not to exceed One Hundred and Fifty Thousand Dollars (\$150,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Next, Mr. Lee presented the Regional Council Awards Consent Calendar for the Directors' consideration.

Mr. Lee stated that there were two projects for consideration on the consent calendar.

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Mr. Lee noted that the first project involves an \$86,000 grant to the Town of Plattsburgh for a portion of infrastructure costs to upgrade its waste pump station along Route 3, the roadway that runs through the Town of Plattsburgh.

Mr. Lee further noted that the infrastructure upgrade was completed in September 2014 and that the total project costs were \$430,000. The improved water/sewer system, he added, will help ensure that health and safety of the Town and provide growth opportunities as well.

Mr. Lee went on to note that the second project involves an amendment to the General Project Plan for the Village of Frankfort that was approved on August 27, 2014.

At that meeting, Mr. Lee explained, the Directors approved a \$50,000 grant to the Village to renovate commercial storefront facades along a section of Main Street.

Mr. Lee further explained that the Village decided that expanding the project location would increase the number of businesses that could participate in the program from 10 to 20 and would be beneficial to the area.

Mr. Lee added that ESD staff concurs and requests that the Directors amend the General Project Plan accordingly.

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Lastly, Mr. Lee noted that no additional funds were being requested for the project.

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

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

unanimously adopted:

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

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

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

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

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

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necessary or appropriate in the administration of the grant; and be it further

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

Regional Council Capital Fund

	Project Name	Proj #	Grantee	Assistance up to
A	Plattsburgh Pump Station Capital	Y623	Town of Plattsburgh	\$86,000
B	Village of Frankfort Small Business Assistance Program Capital	Y276	Village of Frankfort	\$0*
			TOTAL	\$86,000

*This is a request for a Modification to the General Project Plan that was approved by the ESD Directors on August 27, 2014. No additional funds are requested.

and be it further

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

* * *

Mr. McLeary then presented the November Non-Discretionary Projects Consent Calendar for the Directors' consideration. Mr. McLeary explained that there w was one grant to be considered and provided a synopsis of that grant.

Mr. McLeary explained that the project involves a \$350,000 grant to Rockland Independent Living Center ("RILC") to launch training and small initiatives.

Mr. McLeary further explained that the RILC facilitates the creation and development of

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accessible and integrated communities for individuals with disabilities. The organization, he continued, launched a training center, a call center and a kiosk to create 20 to 30 jobs to its participants this year.

Mr. McLeary added that the total project cost is approximately \$368,000 and that the project is expected to be completed this month.

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:

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

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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

Local Assistance – Senate – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
A	Rockland Independent Living Center Working Capital	Z281	Rockland Independent Living Center, Inc.	\$350,000
			TOTAL	\$350,000

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

* * *

Next, Mr. Ball presented and item relating to the establishment of WNY Sustainable Business Roundtable.

Mr. Ball explained that the Directors were being asked to authorize ESD to accept a grant and to enter into a grant agreement with the United States Environmental Protection Agency (U.S.E.P.A) and to authorize ESD to enter into a funding agreement with the County of Erie which will require the County to be responsible for all aspects of the program implementation and oversight related to that grant.

Mr. Ball noted that in October of 2014, the Division of Pollution Prevention of the USEPA announced grant awards for its Pollution Prevention Grant Program. The grants, he noted, provide funding to State entities only to support local pollution prevention and sustainability programs.

Mr. Ball went on to explain that ESD, on behalf of Erie County and the Business Roundtable, was awarded a grant of \$179,630 to assist in the implementation of the Western New York Sustainable Business Roundtable, which is a collaboration of businesses in Western New York with oversight and assistance provided by the Erie County Department of Environment and Planning.

The goal of the Roundtable, Mr. Ball explained, is to create a more sustainable and resilient region by assisting the private sector in meeting the sustainability goals, such as developing pollution prevention plans, reducing solid waste and pollution and optimizing the use of energy and materials.

Mr. Ball added that the Roundtable will foster collaborations that will enable those private sector member businesses to develop and act on sustainability goals, increase profitability and promote healthy communities.

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:

Erie County – Establishment of WNY Sustainable Business Roundtable -Authorization to Accept a Grant and Enter Funding Agreement with the County of Erie and to Take Related Actions

DRAFT – SUBJECT TO REVIEW AND REVISION

RESOLVED, that on the basis of the materials (the “Materials”) presented at this meeting, a copy of which is hereby ordered filed with the records of the New York State Urban Development Corporation d/b/a Empire State Development (the “Corporation”), relating to the Pollution Prevention Grant Program (the “Program”) sponsored by the United States Environmental Protection Agency (“USEPA”), the Corporation is authorized to participate in the Program and to accept a grant from the USEPA for the purposes and substantially in the form set forth in the Materials, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate; and be it further

RESOLVED, the that President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name of and on behalf of the Corporation to execute a grant agreement with the USEPA and a funding agreement with the County of Erie in accordance with the Materials; and be it further

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

* * *

Mr. Evans and Ms. Saint-Amand then presented an item relating to the Moynihan Station Civic and Land Use Improvement Project.

Mr. Evans opened the presentation by providing an update on the status of the project.

Ms. Saint-Amand then asked the Directors to authorize ESD to extend its financing and increase the terminal debt in order to advance construction.

Ms. Saint-Amand provided an overview of the revised financial terms relating to the project.

DRAFT – SUBJECT TO REVIEW AND REVISION

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

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

unanimously adopted:

NEW YORK CITY (New York County) -- Moynihan Station Civic and Land Use Improvement Project – Authorization to Extend Current Financing; Authorization for Construction Financing; and Authorization to Take Related Actions

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation be, and hereby is, authorized to enter into an extension and modification of the Loan as described in the Materials with such changes as the Chief Executive Officer, or other officer of the Corporation, or his or her designee(s), may deem appropriate; and be it further

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

* * *

The Acting Chair then asked Ms. Axelrod to present an item relating to a Pre-Qualified Appraisers List.

Ms. Axelrod asked the Directors to approve a list of pre-qualified real and personal property appraisers.

Ms. Axelrod explained that ESD requires independent appraisers in the context of large economic development projects, the acquiring and disposing of real and personal property, condemnation proceedings and workout.

DRAFT – SUBJECT TO REVIEW AND REVISION

The pre-qualified listed, Ms. Axelrod noted, saves staff two or three months on each project as that is the amount of time normally needed to conduct a solicitation and perform the necessary review and formulate a recommendation.

Ms. Axelrod then outlined the process involved in selecting the various firms included on the list.

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE
DEVELOPMENT – Approval of Pre-Qualified Appraisers

BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, the firms listed on Exhibit A to this Resolution be and each hereby is, approved as pre-qualified, independent appraisers in the areas of expertise set forth in Exhibit A, such approval to remain in effect until the meeting of the Directors first occurring after November 20, 2017 or, in the discretion of the General Counsel, until the meeting of the Directors first occurring after November 20, 2018.

* * *

Next, Ms. Burns asked the Directors to authorize ESD to enter into a contract for General Project Plan Monitoring Services in connection with the Columbia University Project.

Ms. Burns explained that the Directors were being asked to authorize ESD to enter into a contract with Landair for these services.

DRAFT – SUBJECT TO REVIEW AND REVISION

Among other things, Ms. Burns noted that the role of the monitor will be to assist ESD in over-selling Columbia’s compliance with the project obligations, including construction milestones and community benefits. ESD is providing no financing for the project.

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 – New York (New York County) – Columbia University Educational Mixed-Use Development Land Use Improvement and Civic Project – Authorization to Enter into a Contract for “General Project Plan Monitor” Services in connection with the Project, and to Take Related Actions

BE IT RESOLVED, that based upon the materials presented to this meeting and ordered held with the records of the Corporation (the “Materials”), the Corporation hereby finds Landair Inc. (“Landair”) to be responsible; and be it further

RESOLVED, that the President and Chief Executive Officer, or any other Officer of the Corporation be, and each of them hereby is, authorized and directed to enter into a contract with Landair to act as ESD’s General Project Plan Monitor, in an amount not to exceed \$375,000 annually (inclusive of fees, expenses, and an approximate 10% contingency), substantially upon the terms set forth in the Materials; and be it further

RESOLVED, that the President and Chief Executive Officer, or any other Officer of the Corporation be, and each of them hereby is, authorized and directed, in the name of and on behalf of the Corporation, to execute and deliver any and all documents and to take all such actions as may be necessary or appropriate to carry out the foregoing resolutions.

* * *

Mr. Conoscenti then asked the Directors to authorize ESD to enter into a contract for a

DRAFT – SUBJECT TO REVIEW AND REVISION

Market and Financial Feasibility Study at Creedmoor Psychiatric Center.

Mr. Conoscenti explained that the Directors were being asked to authorize ESD to enter into a contract for a market and feasibility study in connection with the project.

Mr. Conoscenti further explained that the study will assist ESD in preparing and evaluating different reuse and redevelopment options for up to 72 acres of surplus State-owned property at the Creedmoor Psychiatric Center in Queens Village.

Mr. Conoscenti went on to briefly outline the process involved in selecting BJH Advisors to undertake this study.

Mr. Conoscenti added that the firm is a certified New York State MWBE firm and that the contract amount is not to exceed \$125,000 inclusive of fees, expenses and contingencies.

Following the full presentation, the Acting Chair called for questions or comment. 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 – New York (Queens County) – Creedmoor Psychiatric Center – Authorization to Enter into a Contract for Market and Financial Feasibility Study, and to Take Related Actions

BE IT RESOLVED, that based upon the materials presented to this meeting and ordered held with the records of the Corporation (the “Materials”), the Corporation hereby finds BJH

DRAFT – SUBJECT TO REVIEW AND REVISION

Advisors LLC (“BJH”) to be responsible; and be it further

RESOLVED, that the President and Chief Executive Officer, or any other Officer of the Corporation be, and each of them hereby is, authorized and directed to enter into a contract with BJH to act as ESD’s real estate development and planning consultant for the Project in an amount not to exceed \$125,000 inclusive of fees, expenses, and contingency, substantially upon the terms set forth in the Materials; and be it further

RESOLVED, that the President and Chief Executive Officer, or any other Officer of the Corporation be, and each of them hereby is, authorized and directed, in the name of and on behalf of the Corporation, to execute and deliver any and all documents and to take all such actions as may be necessary or appropriate to carry out the foregoing resolutions.

* * *

The Acting Chair noted that the one information item regarding Budget Variance Report would not be presented. He added that staff was available to answer any questions should the Directors have any.

Before calling on Mr. Chan to present the Atlantic Yards information item, Acting Chair Adams noted that although the meeting had in essence ended as there was no longer a quorum, the information item on Atlantic Yards can still be presented and the public can provide comment. The Acting Chair further noted that the web cast will remain open and the Court Reporter will provide a transcript reflecting both the information item and the public comment. This portion of the transcript, he continued, will be forwarded to the ESD Directors for their information.

DRAFT – SUBJECT TO REVIEW AND REVISION

The Acting Chair then asked the members of the public if they wanted to go forward or if they preferred to come back to the December meeting. The members of the public stated that the information item should be presented and that they will comment as planned.

Mr. Chan opened his presentation by providing a detailed update on the status of the construction of the project.

Mr. Chan then provided information regarding the creation of a new Empire State Development subsidiary to be known as the Atlantic Yards Community Development Corporation.

Mr. Chan noted that ESD will file a Certificate of Incorporation with the New York Secretary of State shortly and that the subsidiary will be added to ESD's corporate insurance.

Mr. Chan added that the Board will consist of 14 Directors and that it is anticipated that the first meeting will be held during the week of December 15, 2014.

The subsidiary, Mr. Chan noted, will serve as an advisory committee to the ESD Directors. He further noted that the subsidiary will be responsible for considering and reviewing proposed changes to the General Project Plan and agreements and advise ESD Directors accordingly in advance of votes. The subsidiary will also monitor developer compliance with all public commitments.

DRAFT – SUBJECT TO REVIEW AND REVISION

The Acting Chair then asked Ms. Burns to call on the individuals who wished to make comments regarding the Atlantic Yards project. Five members of the public spoke with regard to the project.

First, Ms. Ilsa Kaye addressed the meeting. Ms. Kaye noted that she owns a townhouse directly across from the property on Carlton and that she was speaking today regarding her concerns about the structural engineering of her home and her neighbors' homes.

Ms. Kaye spoke at length regarding her concerns and the fact that the project engineer has denied her access to the engineering report.

Ms. Kaye also noted that she and her neighbors would appreciate some green space across the street from their block. She further noted her belief that it is extremely dangerous to have a building built out to the sidewalk. Ms. Kaye also voiced concern that the project will be bringing 2,200 more people and related traffic into the historic district.

Ms. Elizabeth Martin, a resident on the same block as Ms. Kaye, also spoke of the resident's concerns about putting the new building right against the sidewalk.

Ms. Martin stated that she has spoken with representatives of Forest City Ratner who stated that they will not move the yet to be built building back five feet without direction from Albany.

DRAFT – SUBJECT TO REVIEW AND REVISION

Ms. Martin further stated that she is here on behalf of the block to ask ESD to consider this five foot move as it affects the entire block.

Next, Ms. Tracey Collins asked that Peter Krashes and Alec Duffy provide their comments before she speaks.

Mr. Krashes expressed appreciation to ESD on behalf of the group for putting this on the schedule.

Mr. Krashes then explained that the interested parties come to these meetings to speak because it is necessary for them to do so.

Mr. Krashes went on to note that construction is accelerating at this site and the community does not trust that ESD wants to provide good oversight.

Mr. Krashes added that the State is supposed to be the community's advocate but instead it has been up to the community to show ESD, among other things, sometimes obvious flaws in the studies and unacceptable shortfalls in monitoring.

DRAFT – SUBJECT TO REVIEW AND REVISION

Mr. Krashes further stated that the community's health and its property depend on the job ESD does and in order for the new subsidiary to be effective at all, the community needs ESD to want to move toward accountability and transparency.

Mr. Krashes noted, among other things, that more than half of the comments ESD received during the most recent Supplemental Environment Impact Statement ("SEIS") review period related to the same thing and that is that there is a problem with compliance and environmental commitments and that the community does not believe that the State and Forest City Ratner approached oversight in good faith.

Mr. Krashes continued and explained that that is why their block association proposed an environmental expert and professor, Jaime Stein, be appointed to the new subsidiary.

Next, Mr. Alec Duffy, an area resident, addressed his concerns regarding environmental impacts and suggested ways in which ESD can assist the community in moving through this process.

Ms. Collins, an area resident, then provided comments. Ms. Collins noted her concern regarding the perception that ESD answers to the developer. She stated that that perception needs to be changed and that that will be done through transparency, accountability and open meetings for the new subsidiary.

DRAFT – SUBJECT TO REVIEW AND REVISION

Ms. Collins further stated that more staff is needed to oversee a project of this magnitude.

There being no further business, the meeting was adjourned at 11:52 p.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary

FOR CONSIDERATION

December 19, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Buffalo (Western New York Region – Erie County) – Rich Products Capital – SUNY Sub-Allocation (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 Action

General Project Plan

I. Project Summary

Grantee: Rich Products Corporation (“Rich Products” or the “Company”)

ESD* Investment: A grant of up to \$2,000,000 to be used as reimbursement for a portion of construction and renovation costs.

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

Project Location: One Robert Rich Way, Buffalo, Erie County

Proposed Project: Expand the Company’s Research and Development (“R&D”) operations and create a new Customer Innovation Center.

Project Type: Business expansion involving job retention and creation

Regional Council: The Western New York (“WNY”) Regional Economic Development Council has been made aware of this item. The Incentive Proposal was accepted in November 2012. The project is consistent with the Regional Plan to create jobs for the area.

Employment: Initial employment at time of ESD Incentive Offer: 651
 Current employment level: 725
 Minimum employment on June 30, 2013: 668*

*New employees cannot be transferred from other NYS locations

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction/Renovation	\$17,639,230	
Design and Planning	2,850,000	
Furniture, Fixtures, and Equipment	3,309,170	
Machinery and Equipment	1,000,000	
Utility Upgrades	<u>200,000</u>	
 Total Project Costs	 <u>\$24,998,400</u>	
 <u>Financing Sources</u>	 <u>Amount</u>	 <u>Percent</u>
ESD – Grant	\$2,000,000	8%
Company Equity	<u>22,998,400</u>	<u>92%</u>
 Total Project Financing	 <u>\$24,998,400</u>	 <u>100%</u>

III. Project Description

A. Company

Industry: The Company produces and distributes a wide range of frozen foods including pizza, Italian specialty entrees, BBQ entrees, seafood entrees, breads, desserts, and topping, creams and culinary solutions.

Company History: Rich Products was founded in Buffalo in 1945 as the world’s first non-dairy whipped topping manufacturer. With constant innovations throughout its history, it now has over 2,000 products being sold across 112 countries. The Company has shifted manufacturing out of NYS over the years, but maintains its global headquarters in Buffalo.

Ownership: The Company is privately-held.

Size: Rich Products has over 9,300 employees in over 34 manufacturing facilities in more than 112 countries on six continents. In December 2013, it was ranked #164 on Forbes List of America’s Largest Private Companies.

Market: The Company supplies its products worldwide to retailers, in-store

bakeries, and food service providers. Major customers include Sam's Club (Bentonville, AR); Walmart (Bentonville, AR); Dunkin Brands (Canton, MA); and Sysco Corporation (Houston, TX).

ESD Involvement: In 2012, the Company notified ESD of a need to expand R&D operations and establish a new Customer Innovation Center to remain competitive and support future growth. The capital investment could be made at existing facilities in Buffalo or Florida, where the Company owners now reside. ESD responded with an incentive which included a \$2 million capital grant for the retainage of 651 Buffalo jobs and up to \$1,662,500 in credits from the Excelsior Jobs Program ("Excelsior Credits") for 918 jobs statewide. Subsequently, ESD issued a revised incentive which increased the Excelsior Credit to \$2,938,250 based on the addition of 17 new jobs, which Rich Products accepted in November 2012. Without ESD's assistance, the project would likely have taken place outside NYS.

Competition: Rich Products considered locations in Florida, Georgia, Tennessee, Toronto (Canada), and Hong Kong (China) for the expansion project.

Past ESD Support: In March 2000 and February 2001, ESD Directors approved a total of \$100,000 in training assistance associated with art aseptic packaging. ESD disbursed \$50,000; however, as the Grantee fell below the employment requirement of 277, it did not meet the requirements for the final disbursement.

B. The Project

Completion: June 2014

Activity: The \$24.9 million project involved interior building renovations to an existing 165,000-square-foot building to feature a fully renovated 15,800-square-foot lab, a 2,237-square-foot customer solution studio, a 506-square-foot learning lab, and a 2,549-square-foot innovation kitchen; and the acquisition and installation of new furniture, fixtures, and equipment including multiple ovens, proofers, retarders, mixers, grills, fryers, freezers, coolers, work stations, specialty lab equipment, cameras, sound mixing boards, control room, smart board, video conferencing equipment, monitors, presentation tables, and small wares necessary to expand operations.

Results: The project has enabled the Company to retain 651 jobs and create 17 new jobs. The Company has exceeded this goal and has already created 74 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 \$25,941,324;
- Fiscal cost to NYS government is estimated at \$4,712,404;
- Project cost to NYS government per direct job is \$10,927;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$6,791;
- Ratio of project fiscal benefits to costs to NYS government is 5.50:1;
- Fiscal benefits to all governments (state and local) are estimated at \$44,576,825;
- Fiscal cost to all governments is \$4,982,876;
- All government cost per direct job is \$11,554;
- All government cost per total job is \$7,181;
- The fiscal benefit to cost ratio for all governments is 8.95:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$264,234,232, or \$380,772 per job (direct and indirect);
- The economic benefit to cost ratio is 53.03:1;
- Project construction cost is \$14,025,000, which is expected to generate 131 direct job years and 90 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.61 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is two years.

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

Grantee Contact: Mr. Howard Rich, Vice President, Corporate Relations
One Robert Rich Way
Buffalo, NY 14213
Phone: (716) 878-8492

ESD Project No.: Y005

Project Team:	Origination	Ray Witzleben/Adam Sassone
	Project Management	Cheryl Krazmien
	Contractor & Supplier Diversity	Vikas Gera
	Finance	John Bozek
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$2 million capital grant (\$20,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. 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 \$2,000,000 will be disbursed to the Grantee in three installments as follows:

- a) an Initial Disbursement of an amount equal to 50% of the grant (\$1 million) upon documentation of project costs of \$6 million including machinery and equipment costs of \$1 million; and documentation of the employment of at least 651 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
- b) a Second Disbursement of an amount equal to 25% of the grant (\$500,000) will be disbursed upon documentation of additional project costs totaling \$6 million (aggregate total of \$12 million); and documentation of the employment of at least 660 Full-time Permanent Employees at the Project Location (Employment Increment of 9), provided Grantee is otherwise in compliance with program requirements;
- c) a Third Disbursement of an amount equal to 25% of the grant (\$500,000) will be disbursed upon documentation of additional projects costs totaling \$6 million (aggregate total of \$18 million); and documentation of the employment of at least 668 Full-time Permanent Employees at the Project Location (Employment Increment of 8), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures reimbursed by ESD's grant must be incurred on or after November 21, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

- 6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
- 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	651
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A	B
Reporting Date	Employment Goals
February 1, 2016	651+X+Y
February 1, 2017	651+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=9, and Employment Goals shall equal [651+ X = 660] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee’s Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=8, and Employment Goals shall equal [651 + X + Y = 668] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

IV. Statutory Basis – SUNY Sub-Allocation

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

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBES) for any

contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 40%. The overall goal shall include a Minority Business Enterprise (MBE) Participation Goal of 25% and a Women Business Enterprise (WBE) Participation Goal of 15% related to the total value of ESD's funding.

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 Photographs

December 19, 2014

Buffalo (Western New York Region – Erie County) – Rich Products Capital – SUNY Sub-Allocation (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 Rich Products Capital – SUNY Sub-Allocation (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 Rich Products Corporation a grant for a total amount not to exceed Two Million Dollars (\$2,000,000) from the SUNY Sub-Allocation Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

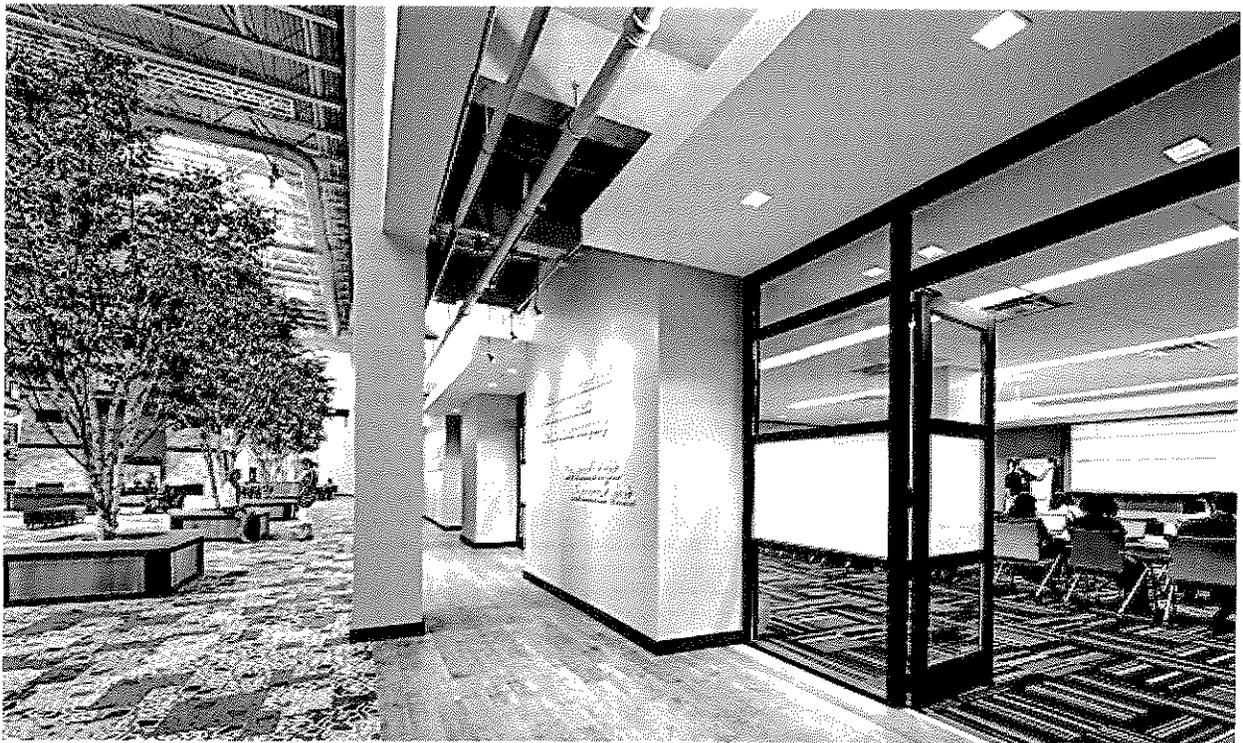
RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in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

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

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

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Rich Products Capital, Y005



Rich Products Capital, Y005





Empire State Development

FOR CONSIDERATION

December 19, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Statewide – Minority-and-Women owned Business Enterprises Contractor Bonding Preparedness Training and Technical Assistance Program

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

I. Project Summary

Grantee: The Research Foundation for The State University of New York on behalf of the New York SBDC network

ESD* Investment: A total of \$125,000 of technical assistance grant to be awarded to the Small business Development Center network on behalf of ten SBDC centers statewide to assist New York State Certified MWBEs or to be certified MWBEs within a year to secure bonding for public contracts.

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

Project Location: New York State (Albany, Farmingdale, Brockport, Buffalo, Mohawk Valley, Binghamton, Onondaga, Jamestown, Queens, Manhattan).

Proposed Project: To assist 200 MWBEs or would be certified MWBEs within a year to undergo bonding preparedness training and technical assistance in order to secure bonding for bids on public projects

Project Type: Technical assistance and training

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
MWBDLP	<u>\$125,000</u>

III. Project Description

A. Background

The New York Small Business Development Center was founded in 1984 as an administered unit of the State of University of NY. The SBDC has advised over 500,000 small - medium enterprises, approximately 35% of which are MWBEs. In partnership with the Governor's Office, ESD, and the Surety Fidelity Association of America, the SBDC developed the bond preparedness program curriculum that includes classroom training and one on one direct business advisement.

The SBDC network has been working with the New York State Bonding Assistance Program ran by ESD since the program launch in late 2012. The NYSBAP provides credit enhancement to qualified bond ready contractors through a guarantee to sureties. Since then, SBDCs have developed a number of technical assistance and training programs to assist numerous certified MWBE firms across the state to become informed, educated, and linked to the appropriate resources for bonding.

B. The Project

With the launch of a \$125,000 MWBE Contractor Bonding Preparedness Training and Technical Assistance Program, SBDC counselors across ten SBDC centers statewide will work one-on-one with 200 eligible MWBE or would be certified MWBEs to become certified contractors to participate in a comprehensive bonding training, which will include classroom curriculum that takes place across ten SBDC statewide locations and centers. SBDCs will also utilize developed action plans in conjunction with surety industry experts, such as the Surety Fidelity Association of America ("SFAA"), and the National Association of Bond Producers, in order to insure that the qualities of the program, as well as the prescriptive plans to be developed with the eligible firms would be followed. Sixty percent of participants are anticipated to complete

the 35 to 40 hours of training program and it is forecasted that half of them will seek to be bonded within twelve months of training completion. These critical components are what would help NYS MWBE firms become bondable and allow them to successfully bid and perform on government contracts and other contract opportunities that require bonding in New York State. The Training program would also include the development of prescriptive plans, follow up and monitoring. These elements would provide a valuable enhancement to the NYS Surety Bond Assistance Program as it leverages the continual success of the technical assistance and training program and would help build a bigger pipeline for ESD's surety bond guarantees, which are currently underutilized.

ESD Project No.: Z466

Project Team:	Origination	Huey-Min Chuang
	Project Management	Huey-Min Chuang
	Legal	Richard Dorado
	Contractor & Supplier Diversity	Vikas Gera
	Environmental	Soo Kang

IV. Statutory Basis

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

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 authorization.

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

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

Resolutions

December 19, 2014

Statewide – Minority-and-Women owned Business Enterprises Contractor Bonding Preparedness Training and Technical Assistance Program – Findings and Determinations Pursuant to Sections 16-c 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 Minority-and-Women owned Business Enterprises Contractor Preparedness Training and Technical Assistance Program (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 for a total amount, not to exceed \$125,000 from Minority- and Women-Owned Business Development and Lending Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the 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.

* * *

Empire State Development

FOR CONSIDERATION

December 19, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Statewide – Craft Beverage Grant Program – NYPA Open For Business –
(Marketing and Tourism Grants for Craft Beverage Industry)

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

I. Program Summary

ESD* Investment: The program is divided into two distinct grant programs for a total of \$3 million investment:

- 1) \$2 Million Craft Beverage Marketing and Promotion Grant Program
 - a. Minimum Grant Award \$5,000
 - b. Maximum Grant Award up to \$500,000 per year per applicant
- 2) \$1 Million Craft Beverage Industry Tourism Promotion Grant
 - a. Minimum Grant Award \$25,000
 - b. Maximum Grant Award \$250,000

Grantees: For the \$2 Million Craft Beverage Marketing and Promotion Grant Program, two types of entities are eligible to apply for funding: not-for-profit corporations whose primary purpose is the marketing and promotion of New York State produced wine, beer, spirits, and or hard cider; and not-for-profit corporations who administer or seek to administer program(s) or initiative(s) whose primary purpose is the marketing and promotion of New York State produced wine, beer, spirits, and or hard cider.

For the \$1 Million Craft Beverage Industry Tourism Promotion Grant, an Applicant must be a not-for-profit corporation to be eligible for funding.

Locations: Throughout New York State

Regional Council: All Regional Councils have received notification of this item and will receive more details at a later date.

Eligible Costs Date: On an ongoing and rolling basis until funds are exhausted.

Anticipated Appropriation Source: Open For Business

ESD Project No.: Z558

Project Team:

Project Management	Samuel Filler/Brendan Healey
Legal	Jonathan Beyer
Affirmative Action	Vikas Gera
Environmental	Soo Kang

II. Program Description

A. Background

At his April 2014 summit, the Governor pledged \$3 million to support the craft beverage industry in expanding its marketing, promotion, and tourism initiatives. The Craft Beverage Grant Program (the “Program”) will be administered by ESD in consultation with the NYS Department of Agriculture and Markets (“Ag & Markets”) and DED Division of Tourism. The Program is divided into two distinct grant programs: the \$2 million Craft Beverage Marketing and Promotion Grant Program; and the \$1 million Craft Beverage Industry Tourism Promotion Grant.

B. Grant Descriptions

1. Craft Beverage Marketing and Promotion Grant Program

ESD has up to \$ 2 million of funding available for the State’s Craft Beverage Marketing and Promotion Grant Program. The program will increase the profile, awareness and sales of New York State produced wine, beer, spirits, and hard cider by providing matching funds for the marketing and promotion of these craft beverages. The program and each funded proposal will work to support the Regional Economic Development Councils’ long term strategic plans for economic growth in their regions.

ESD will establish a process for the evaluation of applicants. Eligible applicants may receive grants ranging from \$5,000 to \$500,000 for up to 50% of project costs. An Eligible Entity may be awarded a maximum of \$500,000 in each program year.

Eligible uses of grant funds must be a new activity or be a clear expansion of an existing activity:

- Business to Business (B to B) Marketing and Promotion;
- Business to Consumer (B to C) Marketing and Promotion; and
- Organizational Creation, Capacity Building or Expansion.

2. *Craft Beverage Industry Tourism Promotion Grant Program*

ESD has up to \$1 million of working capital (marketing only) funding available for the State's Craft Beverage Industry Tourism Promotion Grant Program, which helps bolster tourism growth by promoting destinations, attractions, and special events explicitly related to the craft beverage industry, across New York State. The program and each funded proposal will work to support the Regional Economic Development Councils' long term strategic plans for economic growth in their regions.

ESD will establish a process for the evaluation of applicants. Eligible applicants may receive grants ranging from \$25,000 to \$250,000 for up to 100% of project costs.

Eligible uses include projects that market destinations, attractions, and special events explicitly related to the craft beverage industry across New York State. These may include but not be limited to the costs of the following:

- the purchase of recognized multi-media advertising to promote efforts such as industry-related tours and/or day trips related to NYS craft beverages;
- consultants/vendors to support project related marketing (ex. media buyers, graphic designers, photographers, videographers, etc.);
- production and/or distribution of print collateral and/or audio/visual elements for project-related promotions;
- project-specific website design/updates;
- activities that help beverage trail operators interested in partnering with an ILNY bus operator to market tours to their regions;
- some costs, as approved by ESD, associated with attending industry-related shows to promote a craft beverage destination, attraction and or event (travel costs are approved on a case-by-case basis at the discretion of ESD and are at the current NYS Per Diem rates); and
- hosting of craft beverage related events.

III. Program Guidelines

Staff has prepared guidelines for adoption by the ESD Directors ("Directors") for the implementation and administration of the Program. The guidelines set forth criteria for determining eligibility for applicants. The guidelines also set forth the various Program and

submission requirements and describe methods of grant disbursements as well as appeal and audit processes. A copy of the guidelines for the Program is attached hereto. It is expected that the guidelines may be amended from time to time to address specific Program needs.

IV. Delegation of Authority

The number of eligible entities statewide is anticipated to be 20-30, which is inclusive of trade associations, beverage trails, chambers of commerce, economic development organizations and tourism promotion agencies. Many of the eligible organizations have limited financial capacity and the typical grant request will likely be less than \$50,000. In the interest of implementing this gubernatorial initiative as swiftly and effectively as possible, for grants of less than \$50,000 the Directors are being asked to delegate to the President and Chief Executive Officer of the Corporation or his designee(s) the authority to: 1) accept applications for grants; 2) approve grants ; 3) make any necessary findings or take any necessary action that the Corporation may be required to take under the New York State Urban Development Corporation Act and other applicable law and/or regulations to effectuate the Program; 4) approve the related project plans; 5) hold any public hearings that may be necessary pursuant to applicable law; 6) act on behalf of the Corporation to affirm, modify or withdraw any contemplated grant assistance as a result of testimony given at any such hearing, if necessary; and 7) disburse grant funds.

Any grant request of \$50,000 or more is not included as part of this delegation of authority and will require separate approval by the Directors.

V. Statutory Basis:

The grants are being funded from the Open for Business appropriation, which was authorized in the 2011-2012 New York State budget and reappropriated in the 2014-2015 New York State budget.

VI. Environmental Review

ESD staff has determined that the proposed authorization 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 authorization.

VII. Non-Discrimination and Contractor & Supplier Diversity

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

VIII. ESD Employment Enforcement Policy

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

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

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

X. Requested Actions

The Directors are requested to do the following: authorize the Craft Beverage Grant Program; adopt Program guidelines and authorize the President and Chief Executive Officer or his designee, to amend such guidelines from time to time; for grants of less than \$50,000 delegate to such officer or his designee(s) the authority to award grants to eligible entities in accordance with these materials, including but not limited to authorizing such officer to make any necessary findings or to take any necessary action that the Corporation may be required to take under the New York State Urban Development Corporation Act (the "Act") and other applicable law and regulations; and authorize the taking of all related actions necessary or appropriate to effectuate the foregoing, including without limitation the holding of any public hearings that may be necessary pursuant to applicable law and to act on behalf of the Corporation to affirm, modify or withdraw any contemplated assistance as a result of testimony given at any such hearing, if necessary.

XI. Additional Submissions to Directors

Resolutions
Guidelines

December 19, 2014

Statewide – Statewide – Craft Beverage Grant Program – NYPA Open For Business –
(Marketing and Tourism Grants for Craft Beverage Industry) – Authorization to Adopt
Guidelines; Delegation of Authority; Authorization to Make Grants; 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 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, for grants of less than \$50,000 that the President and Chief Executive Officer of the Corporation or his designee(s) is hereby authorized to accept grant applications and award grants to eligible recipients pursuant to the Program in accordance with the Guidelines and these Materials (each such grant for the Program being hereby authorized) and to take such other actions as are necessary in order to effectuate the purposes of the Program; and be it further

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

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

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions, including without limitation, to make findings and hold public hearings that may be necessary pursuant to applicable law and to act on behalf of the Corporation to affirm, modify or withdraw any contemplated assistance as a result of testimony given at any such hearing, if necessary.

* * *

**CRAFT BEVERAGE MARKETING AND PROMOTION GRANT PROGRAM
GUIDELINES**

Craft Beverage Marketing and Promotion Grant Program
Funding Available: Up to \$2 million

Description:

Empire State Development (ESD) has up to \$ 2 million of funding available for the State's *Craft Beverage Marketing and Promotion Grant Program (the "program")*. The program will increase the profile, awareness and sales of New York State produced wine, beer, spirits, and hard cider by providing matching funds for the marketing and promotion of these craft beverages. The *Craft Beverage Marketing and Promotion Grant* program and each funded proposal will work to support the Regional Economic Development Councils' long term strategic plans for economic growth in their regions.

Funding will be awarded by the New York State Urban Development Corporation (d/b/a Empire State Development) at its discretion.

Eligible Entities:

- Not-for-profit corporations whose primary purpose is the marketing and promotion of New York State produced wine, beer, spirits, and or hard cider; and
- Not-for-profit corporations who administer a program(s) or initiative(s) whose primary purpose is the marketing and promotion of New York State produced wine, beer, spirits, and or hard cider.

Ineligible Entities:

- For profit businesses;
- Units of State and Local Government;
- Public Benefit Corporations; and
- Public Authorities.

Funding availability:

- A total of \$2,000,000 will be made available starting November 2014;
- The Minimum award is \$5,000; and
- An Eligible Entity may be awarded a maximum of \$500,000 in each program year.

Matching Requirement:

A 50% match by the applicant is required for all projects. For example, a \$10,000 print ad would receive a \$5,000 contribution from ESD. Note that ESD funding is paid in arrears on a reimbursement basis.

Application Process:

- Applicants must complete and submit a Consolidated Funding Application (CFA; available at <https://apps.cio.ny.gov/apps/cfa/>) for review by ESD;

- Not-for-profit corporations are subject to New York State's Not-For-Profit Corporation Law. In order to apply under this program, a not-for-profit corporation must have proof of incorporation (or equivalent document) from the NYS Department of State or NYS Board of Regents, a charities registration number from the NYS Office of the Attorney General, and proof of tax-exempt status under the IRS code;
- Applicants must be prequalified in the New York State Grants Gateway. Please click here to register for Grants Gateway and apply for pre-qualification:
<http://www.grantsgateway.ny.gov>;
- Applications will be received and reviewed on a first come first served basis until funding is awarded or the program period ends; and
- Eligible entities may apply for and receive funding for multiple projects in a given program year provided the maximum allocation for an eligible entity is not exceeded.

Eligible Projects:

Projects must be a new activity or be a clear expansion of an existing activity.

- Business to Business (B to B) Marketing and Promotion;
- Business to Consumer (B to C) Marketing and Promotion; and
- Organizational Creation, Capacity Building or Expansion.

Eligible Costs for ESD Funds:

Eligible costs must be directly related to an eligible project and must include at least one of the following:

- Purchase or recognized media advertising (television, radio, print, etc.);
- Production costs of print collateral and/or audio/visual;
- Licensing/talent fees to ensure ownership of finished product;
- Trade shows;
- Industry related tours;
- Marketing materials;
- Point of Purchase and Promotional Items;
- Food and alcohol used solely for marketing and promotion purposes;
- Lease or rental costs;
- Website design, development, and or updates;
- App design, development, and or updates;
- Travel costs at NYS travel rates (includes but not limited to mileage, hotel, airfare); and
- Project related wages and salaries.

Ineligible Costs for ESD Funds:

- Overhead and indirect costs associated with the day to day operation of the eligible entity, including but not limited to:
 - Salaries and wages (except as noted above, any project related salaries and wages are eligible);
 - Fringe benefits;
 - Rent/lease costs;

- Website maintenance;
- App maintenance; and
- Communication;
- Food and or alcohol not used for marketing or promotion purposes;
- Building purchase;
- Construction or renovation;
- Purchase of Equipment;
- Sales taxes;
- Costs associated with completing an application;
- Costs incurred prior to the submission and award of a grant, actual or anticipated; and
- Other costs / expenditures deemed ineligible by ESD.

Eligible Matching Funds:

Eligible match must be directly related to an eligible project.

- Cash;
- Project related salary and wages; and
- Purchase of Materials and or Equipment.

Ineligible Matching Funds:

- New York State funds;
- Cash or in-kind salary, wages, or services expended prior to the award of a project;
- Ongoing or current operation costs; and
- Any funds not directly related to the eligible project.

Taste of NY Affiliation:

The eligible project must incorporate the Taste NY initiative as applicable and appropriate to the project, including but not limited to the use of the Taste NY logo. Taste NY affiliation must be coordinated with the NYS Department of Agriculture and Markets. Taste NY is an initiative that highlights the quality, diversity, and economic impact of New York’s food and beverage industry. Taste NY provides an opportunity for New York growers and producers to receive increased exposure of their products to consumers, restaurants, retailers, wholesalers, and distributors.

Selection Criteria:

Funding will be awarded to eligible entities meeting the required eligibility criteria. ESD shall have discretion to consider additional factors in determining the relative merits of projects.

Applications must meet all eligibility requirements as outlined above. Applicants will be required to answer the following questions in the CFA Application:

- a general description of the project;
- specific milestones for the project;
- expected results and goals of the project;

- a project budget (specifically detailing what the grant will fund and what the grantee funds will cover);
- how results of the project will be measured;
- letters of commitment from partners to include their roles in the overall project;
- how the project will market and promote craft beverages in New York State; and
- how the project benefits the statewide craft beverage industry.

Successful Applicant Requirements:

Because awards are offered as an incentive to undertake a project, the project should not begin, and expenses should not be incurred, before funding awards have been announced.

ESD requires that the Applicant to demonstrate their capacity to cover 50% of project equity. This can be demonstrated through a Letter of Intent or Commitment Letter from a fiscal sponsor or partner. Equity is defined as cash injected into the project by the Applicant or by investors and should be auditable through the Applicant's financial statements or accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project or from a State of New York funding/grant source.

Reimbursement:

The grantee will be required to enter into a contract with ESD, and ESD will pay the grantee on a reimbursement basis, up to the total award amount, and generally paid at project completion.

Reporting:

Progress reports and requests for reimbursement will be submitted on a periodic basis which will be outlined in the grant disbursement agreement with successful awardees. Reimbursements will be initiated after the successful grantee has a signed/approved grant disbursement agreement (GDA).

Award Criteria Details:

- Grant funds will be awarded to eligible applicants for eligible projects upon review and approval of and ESD review. Funds will be awarded on a first come first serve basis until such time that the total funding made available has been expended;
- Notice of a funding award will be given in the form of an incentive proposal outlining the terms of the proposed assistance. The award is subject to approval of the ESD Directors and compliance with applicable laws and regulations. Applicants are strongly encouraged to review and countersign ESD's incentive proposal prior to starting the project; and
- The essential terms for the disbursement of assistance are included in the incentive proposal. Although funding is offered prior to project commencement as an

inducement to undertake the project, funds are disbursed in arrears, as reimbursement for eligible project expenditures.

Participation by Minority Group Members and Women With Respect To State Contracts:

In accordance with the requirements of Article 15-A of the New York State Executive Law: Participation By Minority Group Members and Women With Respect To State Contracts by providing opportunities for MBE/WBE participation, projects awarded funding shall be reviewed by ESD's Office of Contractor and Supplier Diversity, which will set business and participation goals for minorities and women. Such goals shall typically be included in the incentive proposal.

Please note that ESD's agency-wide MWBE utilization goal is 23%. Each project will be assigned an individual contract-specific goal, which may be higher or lower than 23%. Should an Applicant receive a funding award, the Applicant shall be required to use good faith efforts to achieve the prescribed MWBE goals assigned to this project. Applicants must maintain such records and take such actions necessary to demonstrate such compliance

Advertising, Promotion and Marketing Material Approval Requirements:

General Information for Custom Built Television and Radio Buys

- All scripts must be pre-approved. Written approval must be obtained prior to starting production;
- Scripts must focus on New York State produced wine, beer, spirits, and or hard cider;
- All fully produced spots must be provided for final sign off one week before beginning the advertising schedule;
- Each script must include reference to the Taste NY program and/or the Taste NY logo; and
- Television and radio packages will be billed at station cost. No agency commission is allowed.

Print Buys and Production

- Each print ad (creative) and the accompanying media buy must be submitted together for approval at least two weeks prior to the first materials due date;
- Each Print ad must display the Taste NY logo and tag and can be no smaller than ¾" in diameter. All usage guidelines must be adhered to when using the Taste NY logo; and
- No agency commission is allowed.

Point of Purchase and Promotional Items

- A quote for each item must be submitted for pre-approval to include an estimate of the job and the creative/design of the job;
- Each item must display the Taste NY logo and tag;
- Eligible point of purchase items include: bags, banners, boxes (carton printing), brochures, flags, folders, labels, and rack cards; and

- No agency commission is allowed.

Additional Resources:

For more information please contact the Sam Filler, Director of Industry Development, at nysbevbiz@esd.ny.gov and/or (518) 227-1535.

**CRAFT BEVERAGE INDUSTRY TOURISM PROMOTION GRANT PROGRAM
GUIDELINES**

Craft Beverage Industry Tourism Promotion Grant
Funding Available: Up to \$1 million

DESCRIPTION:

ESD has up to \$1 million of working capital (marketing only) funding available for the State's *Craft Beverage Industry Tourism Promotion Grant Program (the "Program")*, which helps bolster tourism growth by promoting destinations, attractions, and special events explicitly related to the craft beverage industry, across New York State. The Program and each funded project will support the Regional Economic Development Councils' long-term strategic plans for economic growth as well as to attract visitors to New York State.

Program funding is available for marketing-based tourism projects intended to create or retain jobs and/or increase tourism related to the craft beverage industry. For the purposes of this grant and these guidelines, "craft beverages" are recognized and defined as New York State-produced wine, beer, spirits and cider.

Funding will be awarded by the New York State Urban Development Corporation (d/b/a Empire State Development) at its discretion.

ELIBILITY:

An Applicant must be a not-for-profit corporation to be eligible for funding.

Not-for-profit corporations are subject to New York State's Not-For-Profit Corporation Law. An Applicant must submit with their Application proof of incorporation (or equivalent document) from the NYS Department of State or NYS Board of Regents, a charities registration number from the NYS Office of the Attorney General, and proof of tax-exempt status under the IRS code.

Once staff determines an Applicant's eligibility with all Program requirements, but prior to determining whether to recommend to ESD Directors' approval and execution of a contract with ESD, a not-for-profit corporation must be registered and up-to-date with filings with the New York State Office of the Attorney General's Charities Bureau and the New York State Office of the State Comptroller's VendRep System and must be prequalified in the New York State Grants Gateway. Please click here to register for Grants Gateway and apply for pre-qualification: <http://www.grantsgateway.ny.gov>

NOTE: Organizations currently receiving tourism matching funds and/or having an active grant under the Market NY tourism initiative are not eligible to apply for direct funding but may be considered as partners on Program Applications. Additionally, projects that are already being funded under any other New York State funded program are not eligible; this specifically includes the Craft Beverage Industry Marketing and Promotion Grant. Only new projects or initiatives by the applicant or by project partners are eligible for funding.

Pre-Application Requirements:

Applicants must complete and submit a Consolidated Funding Application (CFA) for review by ESD and the Regional Economic Development Councils. Applications are available at <https://apps.cio.ny.gov/apps/cfa/>

Participation By Minority Group Members and Women With Respect To State Contracts:

Article 15-A of the New York State Executive Law requires participation by minority group members and women with respect to state contracts by providing opportunities for MBE/WBE participation. Projects awarded funding shall be reviewed by ESD's Office of Contractor and Supplier Diversity, which may set business and participation goals for minorities and women. Such goals shall typically be included in the incentive proposal.

Please note that ESD's agency-wide MWBE utilization goal is 23 percent (23%). Each project will be assigned an individual contract-specific goal, which may be higher or lower than 23 percent (23%). Should an Applicant receive a funding award, the Applicant shall be required to use good faith efforts to achieve the prescribed MWBE goals assigned to this project. Applicants must maintain such records and take such actions necessary to demonstrate such compliance.

APPLICATION CRITERIA:

In addition to the criteria noted below, ESD shall have the discretion to consider additional factors in determining the relative merits of projects.

Applicants applying for the *Craft Beverage Industry Tourism Promotion Grant* should request funding at a minimum of \$25,000 and no more than \$250,000. Applications will be accepted for proposed projects that include plans to market destinations, attractions, and special events explicitly related to the craft beverage industry across New York State. It is strongly encouraged for applications to attach a marketing plan that includes but is not limited to the following:

- a general description of the project;
- specific milestones for the project;
- expected results and goals of the project;
- a project budget specifically detailing sources and uses of funds;
- how results of the project will be measured;
- letters of commitment from partners to describe their roles in the overall project;
- how the project generates tourism to and in New York State;
- how the project benefits the statewide craft beverage industry;

ESD will give additional consideration to applications that clearly demonstrate (in the budget included in project marketing plans) additional actual cash funding into the project budget beyond the grant funds being requested. Cash funding can come from Applicant equity, cash donations, or other sources. In-kind donations of time, services, products, facilities, etc., should not be included in budgets.

I LOVE NEW YORK ALIGNMENT & LOGO USAGE:

All projects should align with current I LOVE NEW YORK marketing. Additionally, all projects will be required to use the I LOVE NEW YORK logo in all promotions for the project. Any use of the I LOVE NEW YORK logo must be approved by ESD and conform to ESD I LOVE NEW YORK branding guidelines. To request approval for I LOVE NEW YORK logo usage in marketing elements and/or if you have any questions regarding the alignment and logo usage please contact Kelly Baquerizo at kelly.baquerizo@esd.ny.gov . For logo approvals please allow a minimum of two days for review and approval.

ELIGIBLE ACTIVITIES & EXPENDITURES:

Eligible activities/uses of funds are generally those completed/incurred by personnel engaged in development and delivery of a tourism-based craft beverage marketing project and non-personnel costs in support of the project.

Successful Applicants will be those that promote tourism to destination, attractions and/or events that are craft beverage-related. These may include but not be limited to the following:

- the purchase of recognized multi-media advertising to promote efforts such as industry-related tours and/or day trips related to NYS craft beverages;
- consultants/vendors to support project related marketing (ex. media buyers, graphic designers, photographers, videographers, etc.);
- production and/or distribution costs of print collateral and/or audio/visual elements for project-related promotions;
- project-specific website design/updates;
- activities that help beverage trail operators interested in partnering with an ILNY bus operator to market tours to their regions;
- some costs, as approved by ESD, associated with attending industry-related shows to promote a craft beverage destination, attraction and or event (travel costs are approved on a case-by-case basis at the discretion of ESD and are at the current NYS Per Diem rates); and
- costs associated with hosting of craft beverage related events.

INELIGIBLE ACTIVITIES & EXPENDITURES:

Ineligible activities/expenses may include but are not limited to the following:

- the purchase of food, alcohol, or rental expenses for events ;
- general operating expenditures;
- capital expenditures;
- fringe benefits (ex. wages including supplemental pay, benefits such as health insurance, retirement benefits, and other non-mandated benefits);
- the usage of the I LOVE NY logo on any craft beverage product/label;
- the usage of the I LOVE NY logo without written approval from ESD;

- administrative costs;
- the reimbursement of projects already being supported by any New York State funded program; and
- reimbursement of any expenditures already claimed for reimbursement from any other New York State source.

REIMBURSEMENT:

The grantee will be required to enter into a contract with Empire State Development (ESD). ESD will pay the grantee on a **reimbursement basis**, in proportion to ESD's funding share and generally at project completion.

REPORTING:

Progress reports and requests for reimbursement must be submitted on a periodic basis, which will be outlined the disbursement agreement with successful Applicants.

GRANT AWARD INFORMATION

Notice of a funding recommendation will be given in the form of an incentive proposal outlining the terms of the proposed assistance, including reporting requirements. The award is subject to approval of the ESD Directors and compliance with applicable laws and regulations. Applicants are strongly encouraged to review and countersign ESD's incentive proposal prior to starting the project. After ESD Directors' approval, Applicants will be provided with a grant disbursement agreement (GDA) that further details the funding process. Once approved and countersigned, the GDA will allow the Applicant to begin requests for reimbursement.

Grant funds will be awarded to eligible applicants upon review and approval of and ESD review. Funds will be awarded on a first-come, first-served basis until such time that the total funding made available has been expended.

ESD can modify the terms of the assistance at its discretion.

More Information/Assistance

For more information please contact the Sam Filler, Director, Industry Development, at nysbevbiz@esd.ny.gov and/or (518) 227-1535.

Empire State Development

FOR CONSIDERATION

December 19, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Upstate NY Regions – NYS Innovation Venture Capital Fund’s Technology Commercialization and Pre-Seed Company Investment Program

REQUEST FOR: Authorization to Enter into Agreements for Program Funding; Authorization to Disburse Funds; and Authorization to Take Related Actions

Project Summary

Awardees: The proposed Investment Entities were selected as the result of a competitive Request for Proposals (“RFP”) process and are set forth on attached Schedule A (“the Investment Entities”).

Allocations: Allocations are as set forth for each of the awardees on Schedule A.

Project Location: The following Upstate NY regions: Western New York, Finger Lakes, Southern Tier, Central NY, Mohawk Valley, North Country and Capital District.

Project Number: Z563

Anticipated Funding Source: The allocations are funded by the NYS Innovation Venture Capital Fund

Project Team:

Origination	Sharon Rutter
Project Management	Brian Keil
Legal	Richard Dorado
Contractor & Supplier Diversity	Vikas Gera
Environmental	Soo Kang

Background

The NYS Innovation Venture Capital Fund (“NYSIVC Fund” or the “Program”), authorized by Chapter 59 Part jj of the Laws of 2013, was established to support the transition from ideas and research to marketable products or services, accelerate seed and early-stage business formation and provide

investment funding to support, and attract high growth, early-stage companies to the State of New York. The NYSIVC Fund consists of two segments: the Technology Commercialization segment and the Seed & Early-Stage Co-Investment segment.

To satisfy the NYSIVC Fund's Technology Commercialization segment, this Request for Allocation is to authorize funding of the Investment Entities that have been chosen by a competitive RFP process in order for such Investment Entities (or their affiliates) make equity investments with Program monies into new pre-seed companies commercializing technologies originating in NYS universities, incubators and research facilities, make equity or equity-like investments in these companies, and manage the resulting investment portfolio. The selection process was conducted by a review committee that scored of each RFP submissions in terms of the applicant's qualifications, track record and proposed investment strategy.

Investment of Program funds by each Investment Entity in each such beneficiary company shall be leveraged with matching private sector investment capital at a ratio of at least 1:1. Investments in funding rounds occurring prior to the date of the initial investment of Program funds shall not count toward satisfying this matching requirement. In order to be eligible to receive funding, a beneficiary company must agree in writing to be located in New York State.

Each Investment Entity shall not invest Program funds in a beneficiary company in an amount greater than one hundred thousand dollars (\$100,000) in any single transaction, unless the beneficiary company and the Investment Entity can demonstrate to ESD that such additional investment significantly improves the potential of the investment for substantially greater growth, job development, and additional economic activity in the State.

Although the initial RFP was released (July 2014) with the expectation of responses from entities that would cover all regions of the State, the RFP review process only identified qualified Investment Entities that have the experience and resources covering the following regions: Western New York, Finger Lakes, Southern Tier, Central NY, Mohawk Valley, North Country and Capital District. The Corporation will release another RFP to identify qualified Investment Entities to develop technology commercialization opportunities in the Mid-Hudson Valley, New York City and Long Island regions.

Statutory Basis

The NYSIVC Fund is authorized by Chapter 59 Part jj of the Laws of 2013 and regulations authorized and adopted by the ESDC Board on December 19, 2013.

Environmental Review

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

Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, the Corporation 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 the Corporation's contracts. The Corporation's Office of Contractor and Supplier Diversity has determined that it is not practical or feasible to assign MWBE contract goals to expenditures made under this program.

Additional Submissions to Directors

Resolutions

Schedule A –Summaries of selected investment entities (3)

December 19, 2014

Statewide – NYS Innovation Venture Capital Fund’s Technology Commercialization and Pre-Seed Company Investment Program - Authorization to Enter into Agreements for Program Funding; Authorization to Disburse Funds; 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 NYS Innovation Venture Capital Fund program (the “Program”), the Corporation is authorized to enter into agreements and related documentation with the entities named in the Materials, or their affiliates, in order to provide Program funding in accordance with the Materials; and be it further

RESOLVED that the disbursement of Program funding for this set of awards covering the Upstate Regions shall not to exceed in aggregate \$5,000,000; 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, to take such actions and make such modifications to the terms for such agreements and documentation as he or she may deem necessary or appropriate; and be it further

RESOLVED, that the provision by the Corporation financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable; (2) receipt of all other necessary approvals; and (3) the availability of funds and the approval of the State Division of the Budget, if applicable; and be it further

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

* * *

Schedule A
NYS Innovation Venture Capital Fund: Upstate Investment Entities
Board of Directors Meeting – December 19, 2014

Excell Partners, LLC

Excell Partners, a not-for-profit affiliate of the University of Rochester, was originally funded in 2005 by ESD along with matching funds from the University of Rochester and Excell's Board of Directors. With a strong Board and extensive network of collaborators, Excell has successfully invested in over 40 seed stage companies since its launch. Excell was selected as a participant in the Innovate NY Fund of Funds investment program and was awarded \$5,097,143 in funding. Excell's Innovate NY portfolio currently has 14 seed stage companies.

The Corporation is proposing an allocation of \$2.0 million in NYS Innovation Venture Capital funds for Excell Partners (or its affiliates) to invest in pre-seed stage businesses commercializing technologies, including those focused on life sciences, energy, software and consumer products located in the Southern Tier, Western NY, Finger Lakes, Capital, and Central NY regions.

SCP Buffalo Incubator/Z80 Labs LLC

This Fund is headquartered in Buffalo and is managed by successful entrepreneurs and the founding partners of Softbank Capital's venture capital arm. This firm was instrumental in the recent successful *43 North* business plan completion. Z80 Labs will invest in pre-seed stage companies with roots in Western NY that have strong growth potential in the internet broadband and life sciences spaces. The fund will be a for-profit entity and its managing partners will be under the umbrella of Seed Capital Partners, a successful northeast early stage technology focused venture capital firm. SCP Buffalo Incubator/Z80 Labs was selected as a participant in the Innovate NY Fund of funds investment program and was awarded \$5,097,143 in funding. Z80 Labs Innovate NY portfolio currently has 11 seed stage companies.

The Corporation is proposing an allocation of \$1.5 million in NYS Innovation Venture Capital funds for Z80 Labs (or its affiliates) to invest in pre-seed stage businesses commercializing technologies, including those focused on Internet broadband and life sciences that are located in the Western New York region of the State.

Grants for Growth

Grants for Growth, a business unit of CenterState CEO, proposes an innovative partnership approach to manage the technology commercialization and pre-seed stage company investment by leveraging the support, mentoring, and commitment of NYSTAR funded Innovation Hot Spots in Central New York, the North Country, and the Southern Tier regions. By joining forces, the Fund will extend its reach to cover 22 counties of Upstate New York, including leading regional sources of innovation, incubation and commercialization plus research and technology transfer at institutions like Clarkson University, Cornell University, Syracuse University, and upstate SUNY campuses.

The Corporation is proposing an allocation of \$1.5 million in NYS Innovation Venture Capital funds for Grants for Growth (or its affiliates) to invest in pre-seed stage businesses commercializing technologies, including those with a focus on a broad range of high-growth technologies that are located in Central New York, the Mohawk Valley, the North Country, and the Southern Tier regions.

Empire State Development

FOR CONSIDERATION

December 19, 2014

TO: The Directors

FROM: Kenneth Adams

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

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

General Project Plan

I. Project Summary

Regional Council Capital Fund

	Project Name	Proj #	Grantee	Assistance up to
A	Broadband Extension Project, Phase II	Z239	Southern Tier Network, Inc.	\$5,000,000
			TOTAL	\$5,000,000

NY Works

	Project Name	Proj #	Grantee	Assistance up to
B	Connecting the Capital Region	Y598	Hudson Valley Wireless	\$2,042,177
			TOTAL	\$2,042,177

II. Program Description

A. Background

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

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

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

The \$25 million Connect NY awards, combined with additional funding to advance broadband technologies and services, brings the total amount of funding awarded for broadband projects during Governor Cuomo's administration to more than \$70 million, the largest statewide broadband funding commitment in the nation.

B. The Project

See attached Consent materials.

III. Statutory Basis

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

IV. Environmental Review

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

V. Smart Growth Public Infrastructure Review

Pursuant to the requirements of the State Smart Growth Public Infrastructure Policy Act (the "SG Act"), 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.

VI. Non-Discrimination and Contractor & Supplier Diversity

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

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions

Project Summaries

December 19, 2014

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

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

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

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

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

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

Regional Council Capital Fund

	Project Name	Proj #	Grantee	Assistance up to
A	Broadband Extension Project, Phase II	Z239	Southern Tier Network, Inc.	\$5,000,000
			TOTAL	\$5,000,000

NY Works

	Project Name	Proj #	Grantee	Assistance up to
B	Connecting the Capital Region	Y598	Hudson Valley Wireless	\$2,042,177
			TOTAL	\$2,042,177

and be it further

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

* * *

A. Broadband Extension Project (Z239)

December 19, 2014

General Project Plan

- Grantee:** Southern Tier Network, Inc. ("STN" or the "Company")
- ESD Investment:** A grant of up to \$5,000,000 to be used for a portion of the cost to extend dark fiber backbone to expand broadband access and increase capacity.
- Project Location:** Allegany, Broome, Tioga, and Tompkins Counties;
Zip Codes: 14859, 13827, 13811, 13736, 13835, 13760, 13850, 13754, 14843, 14804, 14813, 14895, 13073, 14867, 14886
- Proposed Project:** The Broadband Extension Project will extend 95 miles of STN's dark fiber backbone into Allegany, Broome, Tioga, and Tompkins Counties, and into targeted business development areas.
- Project Type:** Infrastructure development
- Regional Council:** The Southern Tier Regional Council identified this project as a priority. The Incentive Offer was accepted on November 19, 2014 and is consistent with the Regional Plan to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

Background:

Industry – Southern Tier Network (STN) is a not-for-profit, local development corporation (LDC) established to own, build and manage a regional fiber optic backbone that will enable access to the highest speed broadband connectivity in the Southern Tier Region.

History – In 2010, the Southern Tier Central Regional Planning and Development Board (STC) devised a plan to create a fiber-optic infrastructure. STC secured the funding and partners necessary to launch the initiative, and has been joined by Chemung, Schuyler, and Steuben Counties, ECC Technologies, Inc., and Corning Incorporated to form Southern Tier Network. Today, a board of directors is in place, comprised of representatives from the three counties and other community stakeholders.

Ownership – Not-for profit, Local Development Corporation (LDC)

Size – STC is governed by a board of directors. The board has 12 members, two alternates, a chief executive officer, and an accountant.

Market – Access to the Internet can be achieved by a number of different technologies.

A. Broadband Extension Project (Z239)

December 19, 2014

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

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

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

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

ESD Involvement – In December 2013, as part of the Regional Economic Development Council Round 3 awards, the Regional Council selected three projects to receive broadband funding and allocated \$6 million to create a broadband fund in the North Country totaling \$11 million. These projects complement the Governor's Connect NY Broadband grants program which allocated \$25 million in funding to 18 broadband project sponsors. Under Governor Cuomo's administration more than \$70 million in broadband funding has been awarded. This is the largest statewide broadband funding commitment in the nation.

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

The Project:

Completion – January 2017

Activity – STN will supply access to the new telecommunications network, not Internet

A. Broadband Extension Project (Z239)

December 19, 2014

connectivity itself. It will lease network capacity to telecommunications carriers, governments, educational institutions and healthcare organizations, as well as other commercial and industrial businesses. The initiative will focus on partnerships with service providers and encourage the use of the optical fiber backbone to expand competitive services throughout the region, including more rural areas. The optical fiber backbone will be open to any viable entity for use in supporting the creation and delivery of technologies and services.

The Broadband Extension will extend STN's Open Access Network east from Waverly, in Chemung County, through the counties of Tioga and Broome, to Kirkwood, NY. In addition, the project will provide connectivity north to Ithaca and west to Alfred, to allow Cornell and Binghamton Universities and Alfred College the bandwidth they need for their joint R&D and to connect with incubators at Alfred and Corning, necessary for them to become Innovation Hot Spots and participate in the START-UP NY program.

Results – Expand broadband services to 76,355 households, 485 businesses and 181 Community Anchor institutions. See Table A, which describes all Key Indicators.

Financing Uses	Amount	Financing Sources	Amount	Percent
Site Preparation	\$795,105	ESD Grant	\$5,000,000	76%
Construction/Renovation	2,934,082	Company Equity	1,550,000	24%
Equipment & Machinery	1,778,700			
Architectural/Engineering	533,913			
Planning	508,200			
Total Project Costs	\$6,550,000	Total Project Financing	\$6,550,000	100%

Grantee Contact – Steve Manning, Chief Executive Officer
Southern Tier Network, Inc.
8 Denison Parkway East
Corning, NY 14830
Phone: (607) 962-5092

Project Team –

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

A. Broadband Extension Project (Z239)

December 19, 2014

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$5,000,000 (\$50,000) 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 at least 24% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$5,000,000 will be disbursed to the Grantee no more frequently than quarterly during the course of design and/or construction, upon completion of project key indicators, and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facility and upon meeting all project key indicators, as evidenced by a certificate of occupancy and supporting documentation and required Reports. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

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

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after November 19, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

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

A. Broadband Extension Project (Z239)

December 19, 2014

broadband service.

6. Eligible Expense Categories

- (i) Network & Access Equipment Costs: Include switches, video headends, optical equipment, digital line concentrators, digital subscriber line access multiplexers, middleware, video-on-demand equipment, radio equipment, data routing equipment, etc.
- (ii) Outside Plant Costs: Includes cable (aerial, buried, underground, and submarine), fiber, conduit systems, poles, network interface devices and reasonable make-ready costs.
- (iii) Tower Costs: Includes the cost of constructing new buildings and renovating existing buildings, as well as any site preparation costs.
- (iv) Customer Premises Equipment: Includes wireless subscriber units, modems, set-top boxes, and routers (if CPE will be provided at no cost to subscribers.)
- (v) Professional Services: Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.
- (vi) Testing: Includes items such as testing, network and IT systems, user devices, servers, lab furnishing and test generators.
- (vii) Other Upfront Costs: Includes any other upfront costs not covered in the other categories, such as site preparation.

7. The Recapture Amount, if the property is sold within 5 years of disbursement or if Grantee fails to complete Indicators or Milestones, is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred; and/or failure to complete Indicators or Milestones.

- (a) The Recapture Amount, if the property is sold within 5 years of disbursement, 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.

A. Broadband Extension Project (Z239)

December 19, 2014

- (b) The Recapture Amount, if the failure to complete Indicators or Milestones occurs, 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 0% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - (ii) 90% of the disbursed amount if 1% to 10% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - (iii) 80% of the disbursed amount if 11% to 20% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - (iv) 70% of the disbursed amount if 21% to 30% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - (v) 60% of the disbursed amount if 31% to 40% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
 - (vi) 50% of the disbursed amount if 41% to 50% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
 - (vii) 40% of the disbursed amount if 51% to 60% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
 - (viii) 30% of the disbursed amount if 61% to 70% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
 - (ix) 20% of the disbursed amount if 71% to 80% of the Milestones or Indicators are completed by the time of the submitting final reporting requirements;
 - (x) 10% of the disbursed amount if 81% to 90% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
 - (xi) 5% of the disbursed amount if 90% to 99% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
8. Compliance with National Electrical Safety Code (NESC): All pole attachments shall comply with the National Electrical Safety Code (NESC) requirements. Connect NY grant recipients shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the National Electrical Safety Code (NESC) and all applicable and current electrical and safety requirements of any State or local governmental entity.
9. Broadband Mapping Program Compliance: Recipients shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the recipient's entire service area.

A. Broadband Extension Project (Z239)

December 19, 2014

10. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$5,000,000, 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.
11. In the event Reports, Updates, Mapping, and Milestone reports are not received in the form and time periods as indicated in Section 2, ESD shall not be obligated to make any further Grant disbursements. In the event such Reports, Updates, Mapping, and Milestone reports as indicated in Section 2 are not received within 60 days in the form and time periods as indicated in Section 2, Grantee will be in default. However, no default shall be deemed to have occurred if Grantee cures such default within ten (10) days of notice of default from ESD.

Non-Discrimination and Contractor & Supplier Diversity:

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

Smart Growth:

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

Statutory Basis – Regional Council Capital Fund:

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

A. Broadband Extension Project (Z239)

December 19, 2014

Additional Submissions to Directors:

Table A – Key Indicators

Table B – Milestones

Table C – Rate Card

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

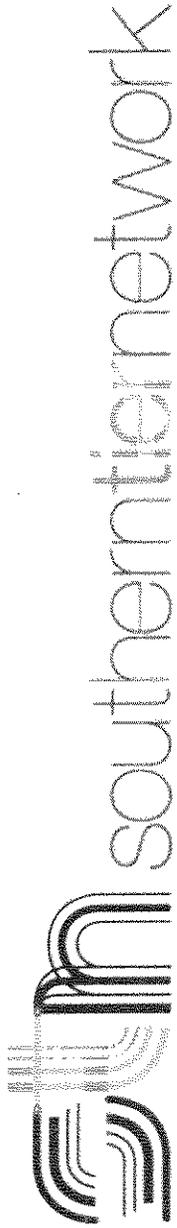
Project Description- Access and Subscriber Information	Key Indicator	Total Number Upon Completion of Project
Residential/Business – the following information is for the last-mile services to homes and businesses	Number of Households Passed	76,355
	Estimated Number of New Residential Subscribers	0
	Number of Business Passed	485
	Estimated Number of New Business Subscribers	0
	Speed Tiers Available / Pricing	See Table C: Southern Tier Network rate card
Community Anchor Institutions – the following information is for the last-mile service to Community Anchor Institutions	Number of Community Anchor Institutions Passed	181
	<ul style="list-style-type: none"> • Schools K-12 	50
	<ul style="list-style-type: none"> • Colleges, Universities or other Institutions of Higher Education 	8
	<ul style="list-style-type: none"> • Libraries 	60
	<ul style="list-style-type: none"> • Medical/ Healthcare Providers 	3
	<ul style="list-style-type: none"> • Public Safety Entities 	5
	<ul style="list-style-type: none"> • Other 	55
Infrastructure Key Indicators – the following information provides key indicators as they relate to your infrastructure project	Speed Tiers Available / Pricing	See Table C: Southern Tier Network rate card
	New Network Miles Deployed	95
	Existing Network Miles Upgraded	0
	Number of Miles of New Fiber	95
	Number of New Wireless Links	0
	Number of New Towers	0
	Number of New Interconnection Points	0
	Number of Wireless Hotspots Provided	0
	Digital Literacy Programs and Training Programs	0
	Awareness Campaigns/Outreach Activities	0
Impact and Adoption – the following information demonstrates how the project addresses barriers	Digital Literacy Programs and Training Programs	0
	Awareness Campaigns/Outreach Activities	0

to adoption	Subsidies	0
Company Employment Commitment	Permanent Full- Time Employees	
	Contractor Full-Time Employees	

Table B: Project Milestones: The following table lists the major network build-out phases and milestones that can demonstrate the entire project will be substantially complete by the end of **January 2017**. The table considers project areas such as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) inside plant deployment; e) outside plan deployment; f) deployment of business & operational support systems; g) network testing; h) network operational.

Time Period	Quarter	Milestones	Narrative Explanation (if any)
Year 1	Qtr. 1	<ul style="list-style-type: none"> • Design Engineering, • Bid development for contracting firms 	
	Qtr. 2	<ul style="list-style-type: none"> • Design Engineering, • Construction Contractor Bid Process • Award of construction contract • Permitting • Make Ready 	
	Qtr. 3	<ul style="list-style-type: none"> • Design Engineering • Permitting • Make Ready • Begin Construction of first 18 miles 	
	Qtr. 4	<ul style="list-style-type: none"> • Design Engineering • Make Ready • Permitting • Continued Construction of an additional 40 miles 	
Year 2	Qtr. 1	<ul style="list-style-type: none"> • Construction of an additional 44 miles • Make Ready and Permitting, • Design Engineering 	
	Qtr. 2	<ul style="list-style-type: none"> • Splicing Test and Turnover of 1st 60 miles • Construction of additional 30 miles • Make Ready and Permitting 	
	Qtr. 3	<ul style="list-style-type: none"> • Splicing Test and Turnover of 65 miles 	

Table C: Southern Tier Network Rate Card



2014 STN Carrier Rate Card

Option 1: Location Based Pricing	
Ring Access Charge per fiber pair	
Ring Egress point per fiber pair	

Monthly Recurring Charges:	
\$	2,000.00
\$	500.00

Monthly Maintenance Fee	
\$	100.00
\$	25.00

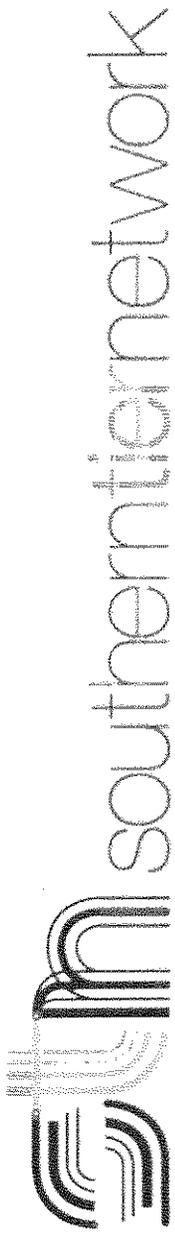
Option 2: Mileage Based Pricing	
0-100 Miles	
101-300 Miles	
301-450 Miles	
over 450 Miles	

Monthly Charge Per Mile	
\$	40.00
\$	40.00
\$	40.00
\$	40.00

Monthly Maintenance Fee Per Mile	
\$	2.00
\$	2.00
\$	2.00
\$	2.00

Non-Recurring Charges	
Lateral Build from STN backbone	
Building Entrance Fee	
Splicing fees	

Individual Case Basis	
\$	2,500.00
Individual Case Basis	



2014 STN Enterprise Rate Card

Monthly Recurring Charges:	\$ 500.00
Monthly Maintenance Fee	\$ 25.00

Option 1: Location Based Pricing	Ring Egress point per location
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Non-Recurring Charges	Lateral Build from FLRTDC backbone	Individual Case Basis
	Building Entrance Fee	\$ 2,500.00
	Splicing fees	Individual Case Basis

FINANCE MEMORANDUM

TO: Margaret Tobin
CC: Rob Kwon *RK*
FROM: John Bozek *JB*
DATE: November 14, 2014
RE: Southern Tier Network, Inc.

Grantee

- Name: Southern Tier Network, Inc.
- Corporate Location: Corning, NY
- Corporate Form: Not-for-profit
- Ownership: Local Development Corporation
- Nature of Business: Southern Tier Network is a not-for-profit, local development corporation (LDC) established to own, build and manage a regional fiber optic backbone that will enable access to the highest speed broadband connectivity available in Chemung, Schuyler and Steuben Counties.
 - Major Customers: Residential and commercial high-speed internet customers in the Ithaca region.
 - Major Competitors: Verizon FiOS, Time Warner Cable, Comcast

Financial Information

- Information provided for: Southern Tier Network, Inc.
- Industry: Internet Service Provider
- NAICS Code: 518111
- ESD credit rating (score): Good (4)
 - Efficiency:
 - Revenues: Decreasing over 3 year historical period.
 - Unrestricted Net Assets/Total Expenses: 5.45, which does not meet the requirement of being between 0.25 and 3.
 - OIBDA: Positive and steady over 3 year period.
 - Change in Net Assets: Cumulative change positive over 3 year historical period.
 - Liquidity:
 - Current ratio: Above the industry median in most recent year and above 1.
 - Solvency:
 - Total debt/total assets: Below the industry median in most recent year and less than 65%.
 - Debt Coverage: N/A
 - Other: Audit status: financial information audited

**Southern Tier Network, Inc.
Years Ending December 31**

	Industry Median	2011	2012	2013
Revenues		9,700,000	1,449,703	575,906
Total Expenses		187,928	550,949	1,284,866
OIBDA*		3,720,608	3,367,008	2,771,311
Change in Net Assets		9,512,072	898,754	(708,960)
Current Assets		9,432,931	7,827,029	4,688,049
Current Liabilities		35,351	732,434	1,562,849
Current Ratio	1.20	266.84	10.69	3.00
Total Assets		9,547,423	11,143,260	11,264,715
Long-term Debt		0	0	0
Total Debt		0	0	0
Total Liabilities		35,351	732,434	1,562,849
Unrestricted Net Assets		812,072	4,710,826	7,001,866
Unrestricted Net Assets/Expenses		4.32	8.55	5.45
Net Assets		9,512,072	10,410,826	9,701,866
Total debt/total assets	0.35	0.00	0.00	0.00
Debt Coverage		N/A	N/A	N/A

*operating income using average revenues over past 3 years.

Additional Information

- Southern Tier Network began construction in spring of 2012 on the 235-mile optical fiber backbone, and will take approximately 30 months to complete.
- The Southern Tier Network has received funding commitments from Corning Incorporated and Chemung, Schuyler and Steuben counties. The Corning Incorporated investment of \$10 million will cover the projected capital costs for the project, which will use Corning fiber and cables as specified during the final design phases. In exchange for this financial support, each of the counties will use the new network to reduce existing communications costs for public safety and interoffice communications.

B. Connecting the Capital Region (Y598)

December 19, 2014

General Project Plan

Company: John R. Guzzo, LLC, d/b/a/ Hudson Valley Wireless (“HVW” or the “Company”)

ESD Investment: A grant of up to \$2,042,177 to be used for a portion of the cost to install and upgrade existing broadband networks in order to expand broadband access and increase capacity.

Project Location: Albany, Rensselaer, Saratoga, Warren and Washington Counties
Zip codes:

12009	12047	12054	12077	12084	12110	12158	12159
12183	12186	12189	12202	12203	12204	12205	12206
12207	12208	12209	12210	12211	12303	12304	12309
12018	12028	12033	12052	12057	12061	12090	12094
12118	12121	12123	12138	12140	12144	12153	12154
12169	12180	12182	12185	12196	12198	12065	12118
12148	12170	12188	12803	12822	12828	12831	12833
12835	12859	12866	12871	12801	12804	12845	12846
12028	12057	12094	12154	12185	12809	12816	12821
12823	12827	12828	12832	12834	12838	12839	12865
12873	12887						

Proposed Project: The primary goal of this project is to make affordable broadband available to homes or businesses residing in Warren, Saratoga, Albany, Washington and Rensselaer Counties. Hudson Valley Wireless will expand service to pass more than 40,000 households, approximately 2,000 businesses, and 340 Anchor Institutions without broadband access, and upgrade equipment for increased capacity and improved service.

Project Type: Infrastructure development

Regional Council: The Capital District Regional Council identified this project as a priority. The Incentive Offer was accepted on November 20, 2014 and is consistent with the Regional Plan to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

Background:

Industry – Hudson Valley Wireless delivers High Speed Internet Services to Rural Areas in New York. Their deployments focus on areas that do not have access to cable or DSL.

B. Connecting the Capital Region (Y598)

December 19, 2014

History – Hudson Valley Wireless is an affiliate of the 35+ year old Hudson Valley Communications that operated one of New York State’s largest Two-Way Radio networks. The company was formed in 2002 to deploy Wireless Internet Services throughout the Capital District as an alternative to Dial Up and T1 services. The original platform was designed to allow subscribers to access web pages and email.

Shortly after the Capital District deployment, the company started expanding its services to rural communities that lack access to affordable DSL and cable based technology. Nitro is the Company’s latest broadband platform, which is capable of delivering fast and reliable Internet service; offering speeds comparable to some Cable based technology and much faster than T1, DSL and Satellite. Nitro supports the next generation of Internet applications and content including: VoIP, Streaming Video and Social Media.

Ownership – Privately held

Size – Hudson Valley Wireless currently operates in Upstate, New York as one of the largest Wireless Internet Service Provider (WISP), delivering last-mile and middle-mile connectivity to subscribers in rural and remote villages and townships.

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

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

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

- Cable – 16 Providers, (Provides service to 94% of the state)
- DSL – 38 Providers, (Provides service to 92% of the state - Speeds: 768kbps – 25 mbps)
- Fiber – 26 Providers, (12 business only)

B. Connecting the Capital Region (Y598)

December 19, 2014

- Fixed Wireless- 12 Providers reporting coverage, (Serves 5% of the state – Speeds - 1.5 mbps – 100 mbps)
- Mobile Wireless- 6 providers (Speeds: 768 kbps – 12 mbps)
- Satellite Providers- 4 providers

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

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

The Project:

Completion – January 2018.

Activity – The project will provide high-speed fixed wireless broadband and will pass more than 40,000 households and 1,802 businesses that currently do not have access in Warren, Washington, Albany, Saratoga and Rensselaer Counties. In addition, the network will enhance public safety operations in the region by enabling some redundancy of public safety communications and by allowing some municipalities to use a portion of the bandwidth at reduced cost or no cost.

Results – Expand broadband services to 42,204 households, 1,802 businesses, and 340 Community Anchor Institutions. See Table A, which describes all Key Indicators.

Financing Uses	Amount	Financing Sources	Amount	Percen
Project Management, Licensing, & Professional Services	\$100,000	ESD Grant	\$2,042,177	76
Site Development & Construction	960,000	Company Equity	661,724	24
Equipment	982,177			
Digital Literacy & Adoption Program	335,822			
Use of Facilities & Network Infrastructure	325,902			
Total Project Costs	\$2,703,901	Total Project Financing	\$2,703,901	100

Company Contact – Jason Guzzo, General Manager

B. Connecting the Capital Region (Y598)

December 19, 2014

John R. Guzzo, LLC
34 Russell Road
Albany, NY 12205-3313
Phone: (518) 458-7006

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

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement
3. The Company will be required to contribute at least 24% of the total project cost (12% to fund Digital Literacy Program and 12% In-Kind) in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Funds will be disbursed as reimbursement for eligible expenses during the course of design and/or construction and upon completion of project key indicators, in compliance with requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available.

During the course of design and construction, no more frequently than quarterly, ESD will reimburse Hudson Valley Wireless for up to 90% of eligible project costs, as Hudson Valley Wireless will apply the company's cash match of 12%, or \$335,822, to support the projects Digital Literacy and adoption component sponsored by its partner, Cornell Universities Cooperative Extension of Rensselaer County. At completion of the project, and at the end of the terms of the final agreement, the funding shall be proportionate to ESD total funding share of 75.5% of total project costs of \$2,703,902, or \$2,042,177; and a company cash match of 12.4%, or \$335,822, and a company in-kind contribution of 12%, or \$325,903.

The final 10% of the grant will be disbursed upon completion of the project and upon meeting all project key indicators. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

B. Connecting the Capital Region (Y598)

December 19, 2014

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

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after March 5, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2018.

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

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

6. Eligible Expense Categories

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

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

7. The Recapture Amount, if the property is sold within 5 years of disbursement or if

B. Connecting the Capital Region (Y598)

December 19, 2014

Company fails to complete Indicators or Milestones, is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred; and/or failure to complete Indicators or Milestones.

- (a) The Recapture Amount , if the property is sold within 5 years of disbursement, 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.
- (b) The Recapture Amount , if the failure to complete Indicators or Milestones occurs, 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 0% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - (ii) 90% of the disbursed amount if 1% to 10% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - (iii) 80% of the disbursed amount if 11% to 20% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - (iv) 70% of the disbursed amount if 21% to 30% of the Milestones and Indicators are completed by the time of submitting final reporting requirements;
 - (v) 60% of the disbursed amount if 31% to 40% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
 - (vi) 50% of the disbursed amount if 41% to 50% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
 - (vii) 40% of the disbursed amount if 51% to 60% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
 - (viii) 30% of the disbursed amount if 61% to 70% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
 - (ix) 20% of the disbursed amount if 71% to 80% of the Milestones or Indicators are completed by the time of the submitting final reporting requirements;
 - (x) 10% of the disbursed amount if 81% to 90% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;

B. Connecting the Capital Region (Y598)

December 19, 2014

- (xi) 5% of the disbursed amount if 90% to 99% of the Milestones or Indicators are completed by the time of submitting final reporting requirements;
- 8. Compliance with National Electrical Safety Code (NESC): All pole attachments shall comply with the National Electrical Safety Code (NESC) requirements. Connect NY grant recipients shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the National Electrical Safety Code (NESC) and all applicable and current electrical and safety requirements of any State or local governmental entity.
- 9. Broadband Mapping Program Compliance: Recipients shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the recipient's entire service area.
- 10. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,042,177, 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.
- 11. In the event Reports, Updates, Mapping, and Milestone reports are not received in the form and time periods as indicated in Section 2, ESD shall not be obligated to make any further Grant disbursements. In the event such Reports, Updates, Mapping, and Milestone reports as indicated in Section 2 are not received within 60 days in the form and time periods as indicated in Section 2, Company will be in default. However, no default shall be deemed to have occurred if Company cures such default within ten (10) days of notice of default from ESD.

Non-Discrimination and Contractor and Supplier Diversity:

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

Environmental Review:

ESD staff has completed an environmental review pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review determined the project components constitute either a Type II Action, requiring no further review, or an Unlisted Action, which would not have a significant effect on the environment. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

B. Connecting the Capital Region (Y598)

December 19, 2014

Statutory Basis – New York Works:

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

Additional Submissions to Directors:

Table A – Key Indicators

Table B – Milestones

Table C – Rate Card

December 19, 2014

Multiple Locations (Capital Region – Warren, Washington, Albany, Saratoga and Rensselaer Counties) – Connecting the Capital Region – New York Works 12-13 Connect NY (Capital Grant) – Determination of No Significant Effect on the Environment

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

Table A: Project Description

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

Project Description- Access and Subscriber Information	Key Indicator	Total Number Upon Completion of Project
Residential/Business – the following information is for the last-mile services to homes and businesses	Number of Households Passed	42,204
	Number of New Residential Subscribers	700
	Number of Business Passed	1,802
	Number of New Business Subscribers	
	Speed Tiers Available / Pricing	See Table C
Community Anchor Institutions – the following information is for the last-mile service to Community Anchor Institutions	Number of Community Anchor Institutions Passed	340
	<ul style="list-style-type: none"> • Schools K-12 	31
	<ul style="list-style-type: none"> • Colleges, Universities or other Institutions of Higher Education 	3
	<ul style="list-style-type: none"> • Libraries 	7
	<ul style="list-style-type: none"> • Medical/ Healthcare Providers 	197
	<ul style="list-style-type: none"> • Public Safety Entities 	27
	<ul style="list-style-type: none"> • Other (Farms) 	75
	Speed Tiers Available / Pricing	See Table C
	New Network Miles Deployed	649 sq.
	Infrastructure Key Indicators – the following information provides key indicators as they relate to your infrastructure project	Existing Network Miles Upgraded
Number of Miles of New Fiber		0
Number of New Wireless Links		21
Number of New Towers		3
Number of New Interconnection Points		1
Number of Wireless Hotspots Provided		0
Subsidies		700
Impact and Adoption – the following information demonstrates how the project addresses barriers to adoption	<ul style="list-style-type: none"> • Subsidized Installations @ approx. \$500 each 	

	Digital Literacy Programs and Training Programs <ul style="list-style-type: none"> • Partnership with Cornell Cooperative Extension 	1
Company Employment Commitment	Permanent Full-Time Employees Contractor Full-Time Employees	

Table B: Project Milestones

The following table lists the major network build-out phases and milestones that can demonstrate the entire project will be substantially complete by the end **January 2018**. The table considers project areas such as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) inside plant deployment; e) outside plan deployment; f) deployment of business & operational support systems; g) network testing; f) network operational.

Time Period	Quarter	Milestones	Narrative Explanation (if any)
Year 1	Qtr. 1	Ives Hill, Stitchman Towers, Earl Towers, West Mountain, WRGB, HVC Office, Subscriber Installations, Broadband Adoption	
	Qtr. 2	Todd Mountain, Bacon Hill, Cronin Towers, Subscriber Installations, Broadband Adoption	
	Qtr. 3	Washington County Municipal Center, Bald Mountain, Burch Hill, Grafton, 99 Washington, Summit, Shine Hill, Willard Mountain, Subscriber Installations, Broadband Adoption	
	Qtr. 4	Rensselaer County Municipal Center, Subscriber Installations, Broadband Adoption	
Year 2	Qtr. 1	Subscriber Installations / Broadband Adoption	
	Qtr. 2	Subscriber Installations / Broadband Adoption	
	Qtr. 3	Joe Beam, Subscriber Installations / Broadband Adoption	
	Qtr. 4	Subscriber Installations / Broadband Adoption	
Year 3	Qtr. 1	Subscriber Installations / Broadband Adoption	
	Qtr. 2	Subscriber Installations / Broadband Adoption	
	Qtr. 3	Subscriber Installations / Broadband Adoption	
	Qtr. 4	Subscriber Installations / Broadband Adoption	

Table C: Speed Tier Pricing Information



Monthly Pricing

2-Year Contract

HOME PLANS	Home Essential	Home Basic	Home Enhanced	Home Enhanced +	Home eXtreme	Home eXtreme +
Pricing	\$39.90	\$59.90	\$79.90	\$119.90	\$159.90	\$199.90
No-Contract Option	\$49.90	\$69.90	\$89.90	\$129.90	\$169.90	\$209.90
Burstable Speeds			Up to 15 Mbps - Download 3 Mbps - Upload	Up to 15 Mbps - Download 3 Mbps - Upload	Up to 20 Mbps - Download 3 Mbps - Upload	Up to 20 Mbps - Download 3 Mbps - Upload
Sustained Speeds	Up to 6 Mbps - Download 1.5 Mbps - Upload	Up to 6 Mbps - Download 1.5 Mbps - Upload	Up to 8 Mbps - Download 1.5 Mbps - Upload	Up to 8 Mbps - Download 1.5 Mbps - Upload	Up to 10 Mbps - Download 2 Mbps - Upload	Up to 10 Mbps - Download 2 Mbps - Upload
Email	5-Google Apps	5-Google Apps	5-Google Apps	20-Google Apps	20-Google Apps	20-Google Apps
Usage	15GB	100GB	150GB	250 GB	250 GB	350 GB

10 GB BLOCKS FOR ADDITIONAL \$10.00 (HOME & BUSINESS)

Monthly

Symmetrical Service & Faster Speeds Available

Static IP - Not available on Residential Plans

Managed Wireless AP - \$4.95

H/W PLANS	Business Essential	Business Basic	Business Enhanced	Business Enhanced +	Business eXtreme	Business eXtreme +
Pricing No-Contract Option	\$49.90 \$59.90	\$69.90 \$79.90	\$89.90 \$99.90	\$129.90 \$139.90	\$169.90 \$179.90	\$209.90 \$219.90 Not available in all areas
Burstable Speeds			Up to 15 Mbps – Download 3 Mbps – Upload	Up to 15 Mbps – Download 3 Mbps – Upload	Up to 20 Mbps – Download 3 Mbps – Upload	Up to 20 Mbps – Download 3 Mbps – Upload
Sustained Speeds	Up to 6 Mbps – Download 1.5 Mbps – Upload	Up to 6 Mbps – Download 1.5 Mbps – Upload	Up to 8 Mbps – Download 1.5 Mbps – Upload	Up to 8 Mbps – Download 1.5 Mbps – Upload	Up to 10 Mbps – Download 2 Mbps – Upload	Up to 10 Mbps – Download 2 Mbps – Upload
Email	5-Google Apps	5-Google Apps	5-Google Apps	20-Google Apps	20-Google Apps	20-Google Apps
Usage	15GB	100GB	150GB	250 GB	250 GB	350 GB

Speeds may vary based on distance from the tower, limited backhaul or network congestion (eXtreme Packages not available in all areas)

Monthly Pricing

	2-Year Contract		
Symmetrical 10 Mbps Download / 10 Mbps Upload	Symmetrical 20 Mbps Download / 20 Mbps Upload	Symmetrical 25 Mbps Download / 25 Mbps Upload	Symmetrical 30 Mbps Download / 30 Mbps Upload
Pricing \$815.00	\$1,125.00	\$1,560.00	\$1,725.00
			\$2,175.00
			\$3,750.00

Additional Surcharge may apply for Antenna Rental

25% Discount for Anchor Institutions and Homes and Businesses that fall within Economically Distressed Areas

FINANCE MEMORANDUM

TO: Margaret Tobin
CC: Rob Kwon 
FROM: Aaron Barnes AB
DATE: November 21, 2014
RE: Hudson Valley Wireless (HVW)

Grantee

- Name: Hudson Valley Wireless (HVW)
- Corporate Location: Albany, NY
- Corporate Form: S Corporation
- Year of Inception: 2002
- Nature of Business: Hudson Valley Wireless serves as an affiliate of Hudson Valley Communications, which focuses on designing and deploying Structured Cabling Systems (Copper & Fiber Optic), VoIP Telephony Solutions, Computer Networks and Security Solutions.

Financial Information

- Information provided for: Hudson Valley Wireless (HVW)
- Industry: Internet Service Provider
- NAICS Code: 518111
- ESD credit rating (score): Good (5)
 - Efficiency:
 - Revenues: Increasing over 2 year historical period.
 - EBITDA: Positive and steady over 2 year period.
 - Change in Net Assets: Cumulative change positive over 3 year historical period.
 - Liquidity:
 - Current ratio: Above the industry median in most recent year and above 1.
 - Solvency:
 - Total debt/total assets: Above the industry median in most recent year and less than 65%.
 - EBITDA/Debt Service: Strong
 - Other:
 - Audit status: financial information audited

Hudson Valley Wireless Corp.
Years Ending September 30

	Industry Median	2012	2013	YTD 2014
Net Sales		976,812	1,249,825	991,957
EBITDA		751,531	894,582	796,455
Pre-tax Profit		728,177	871,228	796,455
Pre-tax profit/net sales	8.02%	74.55%	70.00%	80.00%
Net Income		33,040	108,269	110,569
Current Assets		128,792	206,983	
Current Liabilities		101,838	84,294	
Current Ratio	0.70	1.26	2.46	
Total Assets		853,002	492,266	
Long-term Debt		392,180	170,836	
Total Debt		494,018	255,130	
Total Liabilities		964,006	732,067	
Net Worth		(111,004)	(239,801)	
Total debt/total assets	0.19	0.58	0.52	
EBITDA/Debt Service		64.72	137.76	

Additional Information

- Hudson Valley Wireless was created to deliver High Speed Internet Services to Rural Areas in Upstate, NY. The increased population growth in the area will lead to increased growth for the company
- Broadband platform (Nitro) is capable of delivering fast and reliable Internet Service and supports the next generation of Internet applications and content including: VoIP, Streaming Video and Social Media.
- By making services available to homes and businesses they are increasing educational opportunities and fostering job creation. There is a tremendous socio-economical advantage to giving community's access to Broadband Internet services



FOR CONSIDERATION

December 19, 2014

TO: The Directors

FROM: Kenneth Adams

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

REQUEST FOR: Findings and Determinations Pursuant to 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: Lewis County Development Corporation (“LCDC” or the “Organization”)

ESD* Investment: A grant of up to \$1,000,000 to be used for a portion of the costs of demolition.

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

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

Proposed Project: Demolition of buildings to redevelop a 9.4 acre brownfield site

Project Type: Brownfield Site redevelopment

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

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Demolition of buildings	\$2,000,000	
Contractual services	275,000	
Other soft costs	<u>225,000</u>	
 Total Project Costs	 <u>\$2,500,000</u>	
 <u>Financing Sources</u>	 <u>Amount</u>	 <u>Percent</u>
ESD Grant	\$1,000,000	40%
Organization Equity	<u>1,500,000</u>	<u>60%</u>
 Total Project Financing	 <u>\$2,500,000</u>	 <u>100%</u>

III. Project Description

A. Organization

Industry: Economic development

Organization

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

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

Market: N/A

ESD Involvement: The LCDC sought ESD assistance to finance its Lyons Falls brownfield redevelopment project in order to create a shovel ready site for economic development. The 9.4 acre site contained 20 dilapidated buildings from the abandoned Lyons Falls Paper Mill. The LCDC applied for funding assistance through Round 2 of the Regional Council Consolidated Funding Application and was awarded \$1,000,000. Without ESD's funding assistance the project would not have moved forward.

Competition: N/A

Past ESD Support: Since 2012, Lewis County Development Corporation has received ESD assistance for 1 project totaling \$330,000 for project planning and engineering. The project is in progress and no ESD funds have been disbursed.

B. The Project

Completion: November 2014

Activity: The LCDC has developed plans, obtained permits, removed hazardous materials and completed demolition of derelict industrial mill buildings in order to prepare the 9.4 acre industrial brownfield site for future use as a modern commercial industrial park.

Results: The project will result in a shovel ready greenfield site available for business expansion in Lewis County.

Infrastructure

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

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

- Fiscal benefits to NYS government from the project are estimated at \$156,102;
- Fiscal cost to NYS government is estimated at \$1,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.16:1;
- Fiscal benefits to all governments (state and local) are estimated at \$263,337;
- Fiscal cost to all governments is \$1,000,000;
- The fiscal benefit to cost ratio for all governments is 0.26:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$1,325,615;
- The economic benefit to cost ratio is 1.33:1;
- Project construction cost is \$2,500,000, which is expected to generate 28 direct job years and 10 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.39 indirect job is anticipated in the state's economy.

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

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

ESD Project No.: Y303

Project Team:	Origination	Bill Ferguson
	Project Management	John Vandelloo
	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 Organization shall pay a commitment fee of 1% of the \$1,000,000 (\$10,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Organization will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Organization will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Organization's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Organization or by investors, and should be auditable through the Organization's financial statements or Organization accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$1,000,000 will be disbursed to Grantee in two installments as follows:
 - a) an Initial Disbursement equal to 50% of the grant (\$500,000) upon documentation verifying interim project expenditures of \$1,250,000, in compliance with ESD's Design & Construction requirements, assuming that all project approvals have been completed and funds are available.
 - b) a Second Disbursement of an amount equal to 50% of the grant (\$500,000) upon project completion and documentation verifying total project expenditures of \$2,500,000, in compliance with ESD's Design & Construction requirements, provided Grantee is in compliance with program requirements and funds are available.

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

documentation as ESD may reasonably require. Expenses must be incurred on or after June 20, 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 \$1,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Regional Council Capital Fund

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

V. Environmental Review

ESD staff has determined that the demolition of the former Lyons Falls Paper mill buildings 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. The demolition activities constitutes an emergency action necessary for the protection of life, health, property or natural resources and therefore, no further environmental review is required in connection with this action. Any future development or change in use of the property will be subject to environmental review pursuant to SEQRA.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination & Contractor and Supplier Diversity policy will apply to the Project. The Grantee 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 23%, Minority Business Enterprise (“MBE”) participation goal of 13% and a Women Business Enterprise (“WBE”) participation goal of 10% related to the total value of ESD’s funding and to solicit and utilize MWBEs or any contractual opportunities generated in connection with the Project.

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

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

December 19, 2014

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

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

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

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

RESOLVED, that the President and Chief Executive Officer 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

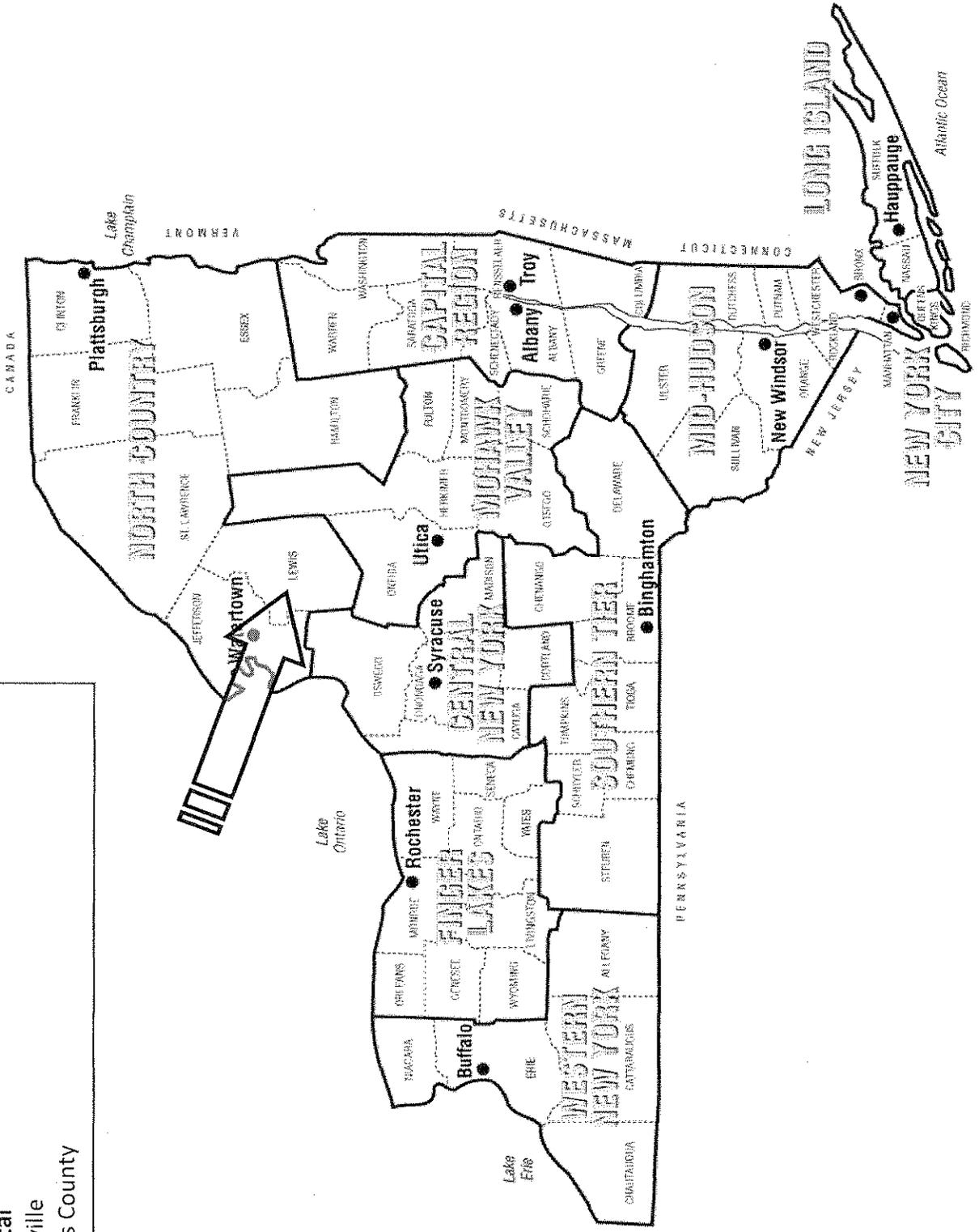
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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.

* * *

Lewis County Development Corporation Lyons Falls
 Capital
 Lowville
 Lewis County



FINANCE MEMORANDUM

TO: Margaret Tobin

CC: Robert Kwon *RK*

FROM: Jonevan Hornsby *JH*

DATE: October 29, 2014

RE: Lewis County Development Corporation

Grantee

- Name: Lewis County Development Corporation (the "Corporation")
- Corporate Location: Lyons Falls, NY
- Corporate Form: Not-for-profit Corporation; 501(c)(3)
- Year of Inception: 2003
- Nature of Mission: Local economic development organization.
- Revenue Breakdown: Grants and Contracts Earned (91%), Rent (8%)

Financial Information

- Industry: Administration of General Economic Programs
- NAICS Code: 926110
- ESD Finance Rating (Score): Very Good (5)
 - Efficiency:
 - Revenues: Increasing over three year historical period.
 - Unrestricted Net Assets/Total Expenses: 3.46, which does not meet the requirement of being between 0.25 and 3.
 - OIBDA: Positive and increasing over three year historical period.
 - Change in Net Assets: The cumulative change over the three year historical period has been positive.
 - Liquidity:
 - Current Ratio: Above the industry median and above 1.0 in most recent full year of operations.
 - Solvency:
 - Total Debt/Total Assets: Below the industry median and less than 65%.
 - Debt Service: Strong.
 - Other:
 - Audit Status: Financials are audited.

Lewis County Development Corporation

	<u>Industry Median</u>	Years Ending December 31,		
		2011	2012	2013
Revenues		\$ 183,127	\$ 196,574	\$ 304,699
Total Expenses		\$ 106,700	\$ 85,385	\$ 83,632
OIBDA ⁽¹⁾		\$ 76,427	\$ 111,189	\$ 221,067
Change in Net Assets		\$ 76,427	\$ 111,189	\$ 221,067
Current Assets		\$ 353,843	\$ 296,380	\$ 471,311
Current Liabilities		\$ 249,635	\$ 118,601	\$ 98,089
Current Ratio	2.40x	1.42x	2.50x	4.80x
Total Assets		\$ 569,371	\$ 559,526	\$ 893,594
Long-term Debt		\$ 100,000	\$ 100,000	\$ 233,513
Total Debt		\$ 100,000	\$ 100,000	\$ 233,513
Total Liabilities		\$ 349,635	\$ 228,601	\$ 341,602
Unrestricted Net Assets		\$ 39,433	\$ 70,423	\$ 289,040
Unrestricted Net Assets/Expenses		0.37	0.82	3.46
Net Assets		\$ 219,736	\$ 330,925	\$ 551,992
Total Debt/Total Assets	46.00%	17.56%	17.87%	26.13%
Debt Coverage		25.48	37.06	73.69

*Financials are audited.

(1) Operating Income Before Depreciation and Amortization.

Additional Information

- The Corporation was awarded a \$1,000,000 grant from Empire State Development in 2012 for the demolition and removal of contaminants at the Lyons Falls Paper Mill. Funds for the grant are to be disbursed after project expenditures have been made. In January 2014, the Corporation entered into a loan agreement with the Development Authority of the North Country for a maximum of \$500,000 and an agreement to receive a local matching contribution totaling \$450,000 from Northbrook Lyons Falls, LLC to finance the work to be performed under the grant.
- The Corporation recognized \$277,638 in grant and contract revenue during the year ended December 31, 2013, as follow:
 - United States Department of Agriculture Rural Business Enterprise Grant for Rehabilitation of the Croghan Dam: \$45,358
 - County of Lewis, New York Shovel Ready Grant for Rehabilitation of the Lyons Falls Paper Mill: \$50,000
 - Empire State Development Fund Incentive Award for Rehabilitation of Lyons Falls Paper Mill: \$159,710
 - County of Lewis, New York Service Agreement for Local Development: \$22,570

**Project Summary
Benefit-Cost Evaluation¹**

Lewis County Development Corporation –Infrastructure Investment

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

Construction Job Years (Direct): 28

Construction Job Years (Indirect): 10

Evaluation Statistics	Project Result NYS Govt.	NYS Govt.	Project Results State & Local Governments	State & Local
		Benchmarks for ESD Projects ²		Government Benchmarks for ESD Projects
Fiscal Costs ³	\$1,000,000	\$794,250	\$1,000,000	\$1,020,500
Fiscal Benefits ⁴	\$156,102	\$2,085,600	\$263,337	\$4,271,980
Fiscal B/C Ratio	0.16	3.00	0.26	10.60
		Benchmarks for ESD Projects		
Economic Benefits ⁵	\$1,325,615	\$119,468,000		
Economic B/C Ratio	1.33	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. 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 19, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Priority Project – Regional Council Award – Priority Project – Buffalo (Western New York Region – Erie County) – Center for Computational Research Capital – Regional Council Capital Fund (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: The Research Foundation of the State University of New York (“SUNY RF”) on behalf of the Univeristy at Buffalo (“UB”)

ESD* Investment: A grant of up to \$1 million to be used as reimbursement for a portion of the cost of computer infrastructure.

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

Project Location: 701 Ellicott Street, Buffalo, Erie County

Proposed Project: Expand the high performance computing and data analytics infrastructure at UB’s Center for Computational Research (“CCR”), located within the New York State Center for Excellence in Bioinformatics and Life Sciences (“COE”).

Project Type: Capital Investment

Regional Council: The project is consistent with the Western New York (“WNY”) Regional Plan to foster innovation and economic growth particularly in advanced manufacturing, life sciences, and information technologies, and enable local industries to remain competitive in global markets.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Computer Infrastructure	<u>\$1,200,000</u>	
Total Project Costs	<u>\$1,200,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$1,000,000	83%
Grantee Equity	<u>200,000</u>	<u>17%</u>
Total Project Financing	<u>\$1,200,000</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: SUNY RF is an educational corporation that administers externally funded contracts and grants for and on behalf of the State University of New York. It is a separate not-for-profit corporation, and as such is not supported by state appropriated tax dollars, nor does it receive support services provided to New York State agencies. SUNY RF provides the administrative flexibility to respond quickly to the special demands of externally funded contracts and grants in a manner that facilitates their scientific or technical execution.

Grantee History: SUNY RF was established in 1951.

Ownership: SUNY RF is a private, 501(c)(3) not-for-profit educational corporation that administers externally funded contracts and grants for and on behalf of the State University of New York.

Size: SUNY RF has over 17,000 employees statewide.

ESD Involvement: The use of high performance computation (“HPC”), big data analytics and advanced simulation have become a driving force of job creation and economic growth nationwide. Most of the CCR’s computing resources, which have undergone periodic upgrades since CCR inception in 1998, are obtained through federal grants which prohibit their use for

activities unrelated to SUNY RF research. A smaller portion of CCR’s capabilities are funded through sources that support private sector engagement, including economic development activities for smaller companies lacking advanced computing infrastructures. In 2013, SUNY RF notified ESD that the resources needed to meet the current and future private sector demand far exceeded the current capacity of CCR’s remaining computing resources. As a result of the Governor’s REDC Initiative, SUNY RF was awarded a \$1 million grant through the Consolidated Funding Application (“CFA”) process to fund a Priority Project to expand HPC infrastructure at the CCR.

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	W753	\$940,000	August 2009	September 2011	Working Capital – Buffalo Center of Excellence in Bioinformatics and Life Sciences
	W874	\$1,179,666	July 2012	June 2011	
	W876	\$1,155,666	July 2012	July 2012	
	W884	\$815,666	July 2012	November 2012	
	W889	\$1,000,000	November 2012	December 2012	
	W890	\$980,000	November 2012	December 2013	
	W891	\$980,000	June 27, 2014	December 2014	
	X218	\$980,000	June 27, 2014	December 2015	
X561	\$980,000	June 27, 2014	December 2016		
Buffalo Regional Innovation Cluster	Z200	\$30,000,000	June 27, 2014	June 2019	Capital Grant - Acquisition and installation of new furniture, fixtures, machinery and equipment for the Buffalo-Niagara Institute for Advanced Manufacturing Competitiveness
	Z206	\$15,000,000	July 17, 2014	December 2018	Capital and Working Capital Grants - Establish the NYS Genomic Medicine and Big Data Center including expansion of research clinical applications and product development in genomic medicine
	Z207	\$32,500,000			

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Buffalo Regional Innovation Cluster	Z353	\$1,122,500	August 27, 2014	June 2020	Capital and Working Capital Grants – College of Technology at Alfred State – Acquisition and installation of machinery and equipment and operating expenses at Burgard High School
	Z387	\$2,077,500			

B. The Project

Completion: October 2014

Activity: The \$1.2 million project involved expansion of the CCR's HPC infrastructure including 216 high-end servers and a high-speed InfiniBand network, as well as related software. The current total computing performance is over 70 trillion operations per second or TFLOPS. The new HPC cluster is available remotely allowing industrial users to access the cluster without the need to be physically located at the CCR.

Results: The project has expanded CCR's ability to provide local companies with on-demand, immediate access to advanced computing and storage infrastructure and consulting services allowing for improved productivity and the implementation of innovative proprietary product and processes development particularly in the advanced manufacturing, life sciences and IT sectors. CCR computational scientists and software engineers will provide direct assistance to industrial partners to assist in resolving data analytic, modeling and simulation problems. The CCR is currently providing services to nine local companies, including two companies, Empire Visual Effects and Sentient, that require the CCR's supercomputing abilities to achieve employment goals associated with current ESD-funded projects; the expanded HPC infrastructure has the capacity to accommodate services for up to 30-40 additional NYS companies. Additionally, the project will support activities of UB's NYS COE in Materials Informatics, NYS Genome Medicine and Big Data Center, the Institute of Healthcare Informatics, the newly-established Buffalo Niagara Advanced Manufacturing Institute and the NYSTAR funded HPC consortium.

Economic Growth

Investment Project:

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

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

- Fiscal benefits to NYS government from the project are estimated at \$695,534;
- Fiscal cost to NYS government is estimated at \$1,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.70:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,213,317;
- Fiscal cost to all governments is \$1,000,000;
- The fiscal benefit to cost ratio for all governments is 1.21:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$9,119,584, or \$757,042 per job (direct and indirect);
- The economic benefit to cost ratio is 9.12:1;
- There is no construction activity related to this project;
- For every permanent direct job generated by this project, an additional 0.66 indirect job is 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:

Ms. Cindy Pirson, Senior Agreement Administrator
402 Crofts Hall
Buffalo, NY 14260
Phone: (716) 645-4407

ESD Project No.:

Y869

Project Team:	Origination	Michael Ball
	Project Management	Jean Williams
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Rob Kwon
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$1 million capital grant (\$10,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$1 million will be disbursed to the Grantee upon completion of the project substantially as described in these materials and documentation of project costs of \$1.2 million, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures must be incurred on or after May 7, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.
5. SUNY RF will report annually for five years, from the time that the HPC equipment is installed and operational, the following performance measures:
 - a. The number and names of net new industry partners and/or subscriptions
 - b. Allocated computer time (number of jobs run) and associated revenue from use of the HPC resource.
6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1 million, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Regional Council Capital Fund

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

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

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

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

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

December 19, 2014

Priority Project – Regional Council Award – Buffalo (Western New York Region – Erie County) – Center for Computational Research 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 Center for Computational Research Capital – Regional Council Capital Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

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

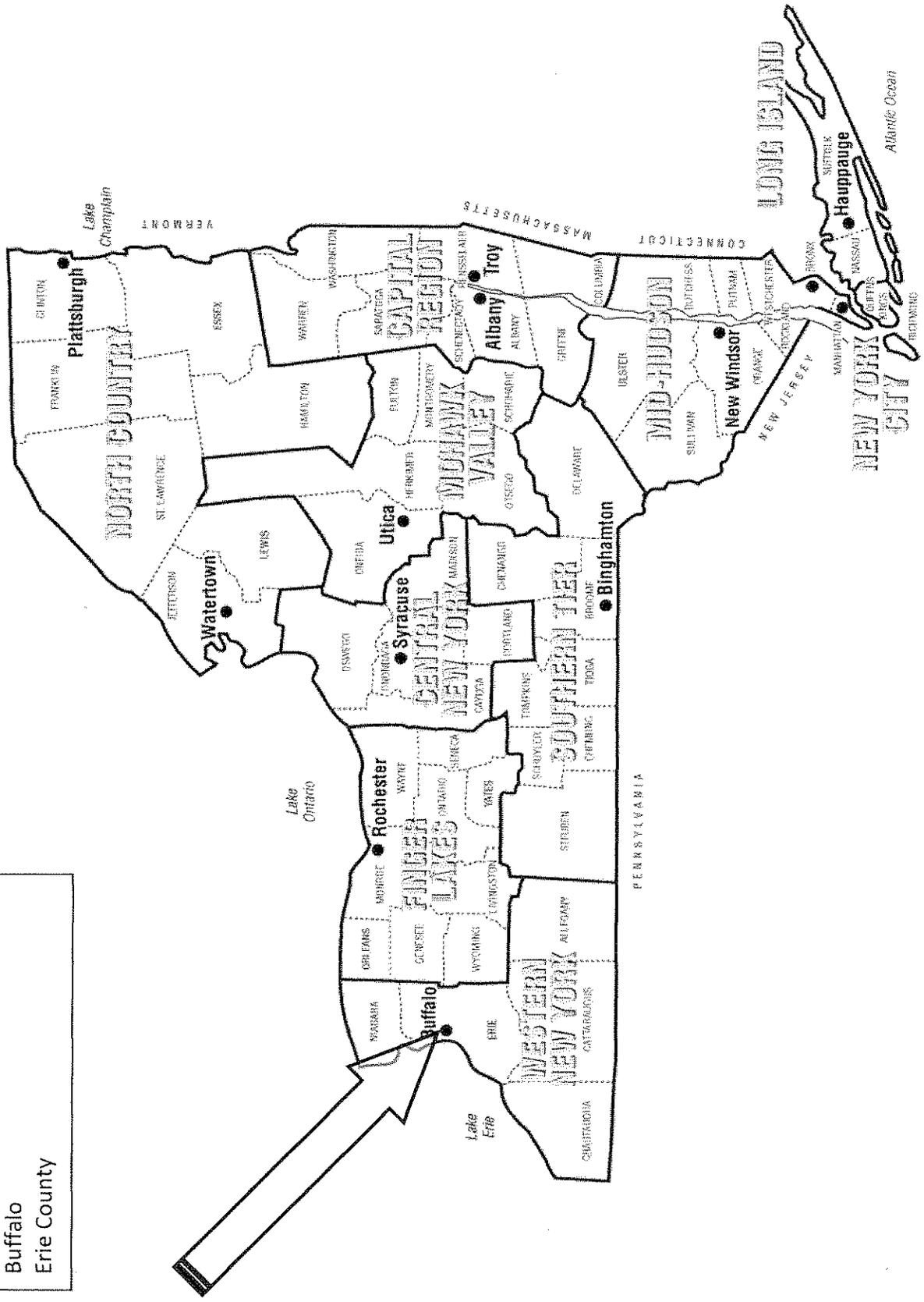
RESOLVED, that the President and Chief Executive Officer or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration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

* * *

Center for Computational Research
 Capital
 Buffalo
 Erie County



FINANCE MEMORANDUM

TO: Margaret Tobin
CC: Rob Kwon *RK*
FROM: Jonevan Hornsby *JH*
DATE: December 2, 2014
RE: The Research Foundation for The State University of New York

Grantee

- Name: The Research Foundation for The State University of New York (the "Foundation")
- Corporate Location: Albany, New York
- Corporate Form: Not-for-profit Corporation; 501(c)(3)
- Ownership: Privately-held
- Nature of Mission: Conducts research, training, and public service projects.
 - Major Customers: The State University of New York and New York State
 - Major Competitors: None
- Revenue Breakdown: Grants (92%), Investment Income (2%), Inventions and Licenses Income (2%), Other Income (4%)

Financial Information

- Information provided for: The Research Foundation for The State University of New York
- Industry: Research & Development in the Physical, Engineering & Life Sciences
- NAICS Code: 541710
- Debt Rating: A1 (Moody's)
- ESD Finance Rating (Score): Fair (2)
 - Profitability:
 - Revenues: Increasing over 3 year historical period.
 - Unrestricted Net Assets/Total Expenses: -0.06, which does not meet the requirement of being between 0.25 and 3.
 - OIBDA: Positive and increasing over 3 year period.
 - Change in Net Assets: The cumulative change over the 3 year historical period has been negative.
 - Liquidity:
 - Current Ratio: Below the industry median in most recent year but above 1.

- Solvency:
 - Total Debt/Total Assets: Below the industry median in most recent year and less than 65%.
 - EBITDA/Debt Service: Strong

The Research Foundation for The State University of New York

	<u>Industry Median</u>	Years Ending June 30,		
		<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues		\$ 938,418,827	\$ 1,079,503,394	\$ 1,001,940,836
Total Expenses		\$ 921,140,261	\$ 1,067,859,224	\$ 995,015,790
OIBDA ⁽¹⁾		\$ 32,840,318	\$ 39,384,790	\$ 34,665,666
Change in Net Assets		\$ (78,822,983)	\$ 42,484,189	\$ 12,450,773
Current Assets		\$ 452,583,161	\$ 420,389,779	\$ 463,304,993
Current Liabilities		\$ 350,863,069	\$ 300,892,404	\$ 319,663,308
Current Ratio	1.70x	1.29x	1.40x	1.45x
Total Assets		\$ 576,903,267	\$ 593,490,327	\$ 711,530,152
Long-term Debt		\$ 34,130,307	\$ 19,212,680	\$ 10,863,853
Total Debt		\$ 62,306,752	\$ 52,199,054	\$ 25,366,519
Total Liabilities		\$ 688,237,009	\$ 662,339,880	\$ 767,928,932
Unrestricted Net Assets		\$ (111,333,742)	\$ (68,849,553)	\$ (56,398,780)
Unrestricted Net Assets/Expenses		-0.12	-0.06	-0.06
Net Assets		\$ (111,333,742)	\$ (68,849,553)	\$ (56,398,780)
Total Debt/Total Assets	18.00%	10.80%	8.80%	3.57%
Debt Coverage		4.19	4.38	3.72

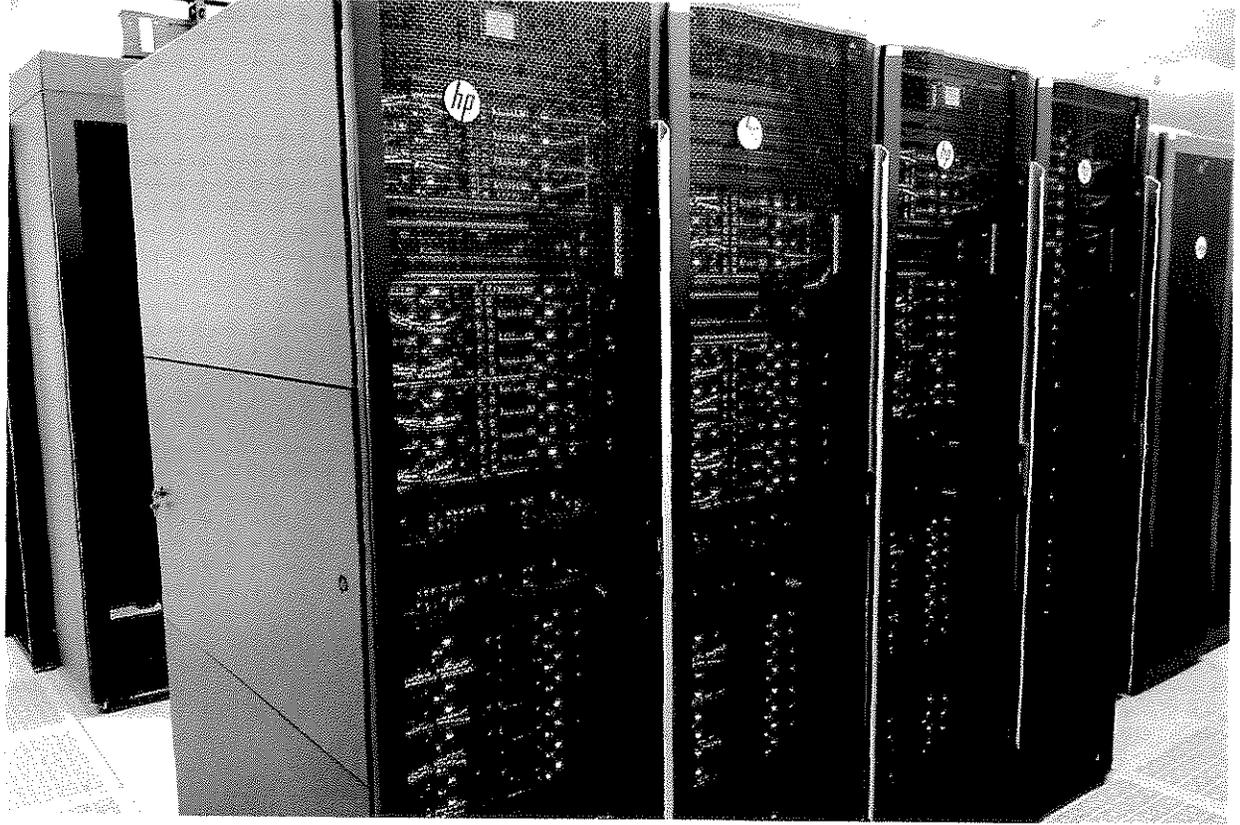
*Financials are audited.

(1) Operating Income Before Depreciation and Amortization.

Additional Information

- Revenues are generated from grants, investment income, and inventions and licenses income.
- Change in net assets was negative in 2012 as a result of a write-off for an actuarial loss on its pension plan that provides post-retirement medical benefits to employees. The negative change in net assets in 2012 resulting from the write-off also caused the cumulative change in net assets to be negative over the 3 year historical period.
- The current ratio is below the industry median due to a large amount of deferred revenue that will eventually be realized. Deferred revenue represents grant funds received in advance of project spending. As the projects get completed, the deferred revenue balance will decline and the current ratio will become more favorable.
- The substantial increase in total assets from 2013 to 2014 was due to a significant increase in fixed assets – the Foundation performed construction to a facility and purchased additional office furniture and equipment.
- The substantial decrease in total debt from 2013 to 2014 was primarily due to a significant decrease in the line of credit amount outstanding.

- The substantial increase in total liabilities from 2013 to 2014 was due to a significant increase in deferred revenue.
- Unrestricted net assets are negative due to a reserve for future post-retirement benefit costs.



FOR CONSIDERATION

December 19, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Auburn (Central New York – Cayuga County) – WST33 Plaza of the Arts 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: WST33, LLC (the “Company”)

Beneficiary
Company: Grant Avenue Development, Inc. (“Grant Avenue”)

ESD* Investment: A grant of up to \$700,000 to be used for a portion of the cost of construction and renovations.

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

Project Location: 161 Genesee Street, Auburn, Cayuga County

Proposed Project: Demolish and construction of headquarters facility to promote business expansion

Project Type: Business expansion involving job retention and creation.

Regional Council: The project is consistent with the Central New York Regional Economic Development Council Strategic Plan to revitalize the region’s urban cores, main streets and neighborhoods.

Employment: Initial employment at time of ESD Incentive Proposal: 16*
 Current employment level: 24*
 Minimum employment on January 1, 2016: 23*

*Employment will be retained and created by Grant Avenue

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Real Estate Acquisition	\$686,772	
Construction/Renovation	2,979,080	
Soft Costs (Architectural and Engineering)	<u>144,451</u>	
Total Project Costs	<u>\$3,810,303</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD Grant	\$700,000	18%
Company Equity	<u>3,110,303</u>	<u>82%</u>
Total Project Financing	<u>\$3,810,303</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Real estate holding company

Company History: Established November 2006, WST33, LLC is the real estate holding company for several Arby's, Domino’s Pizza and Tim Hortons restaurants along the East Coast, including New York, Pennsylvania and Virginia.

Ownership: WST33, LLC is a subsidiary of Soules and Dunn Development Group (“Parent”), a privately-held company. Grant Avenue is a subsidiary and operating entity of the Parent. Grant Avenue operates the Arby’s restaurants held by WST33, LLC.

Size: All facilities located in Auburn, NY.

ESD Involvement: In December 2012, WST33, LLC saw an opportunity to address the lack of state-of-the-art office space in the region and attract visitors to its burgeoning arts and theatre facilities by repurposing a blighted building in downtown Auburn (the "City"). The owners of the blighted building were delinquent on property taxes and the property was in danger of being removed from the City's tax rolls. The Company proposed a plan to acquire the property, demolish the existing derelict building and replace it with a 20,000-square-foot, two-story mixed use building (office, commercial, and retail/restaurant) to be named the Plaza of the Arts.

As a result of the Governor's Regional Economic Development Council Initiative, WST, LLC was awarded a \$700,000 grant through Round 2 of the Consolidated Funding Application to assist with the financing redevelop the property.

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

B. The Project

Completion: August 2014

Activity: The Company purchased, demolished, and equipped a 20,000-square-foot, two-story, mixed-use building in Auburn called the Plaza of the Arts. The building encompasses retail, restaurants, high-level corporate headquarters, medical related office space and over 5,000 square feet of pedestrian-friendly park for outdoor dining and special events. As of August 2014, WST33, LLC and Grant Avenue relocated their existing headquarters offices to 5,000 square feet within the new building.

Results: As a result of the project, Grant Avenue retained 16 jobs and created 7 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 \$1,149,015;
- Fiscal cost to NYS government is estimated at \$700,000;
- Project cost to NYS government per direct job is \$40,580;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$24,334;
- Ratio of project fiscal benefits to costs to NYS government is 1.64:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,953,055;
- Fiscal cost to all governments is \$700,000;
- All government cost per direct job is \$40,580;
- All government cost per total job is \$24,334;
- The fiscal benefit to cost ratio for all governments is 2.79:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$11,106,701, or \$386,097 per job (direct and indirect);
- The economic benefit to cost ratio is 15.87:1;
- Project construction cost is \$2,890,000, which is expected to generate 26 direct job years and 17 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.67 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is four years.

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

Grantee Contact: Daniel Soules
161 Genesee Street Suite, #200
Auburn, NY 13021
Phone: (315) 255-1559

Beneficiary Contact: Amy Signorelli
161 Genesee Street Suite, #200
Auburn, NY 13021
Phone: (315) 255-1559

ESD Project No.: Y283

Project Team:	Origination	Ray Lawrence
	Project Management	Wilfredo Florentino
	Contractor & Supplier Diversity	Vikas Gera
	Finance	John Bozek
	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 \$700,000 (\$7,000) 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. 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. WST33, LLC will guarantee the grant repayment obligation of Grant Avenue Development, Inc., in the event of an Employment Shortfall or other default, as defined in these materials or the Grant Disbursement Agreement.
5. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
6. Up to \$700,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$350,000) upon documentation of eligible project costs totaling \$3,500,000, a Certificate of Occupancy or other documentation verifying project completion as ESD may require, and documentation of the employment of at least 16 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$175,000) will be disbursed upon documentation of the employment of at least 20 Full-time Permanent Employees at the Project Location (Employment Increment of 4), provided Grantee is otherwise in compliance with program requirements and funds are available;

c) a Third Disbursement of an amount equal to 25% of the grant (\$175,000) will be disbursed upon documentation of the employment of at least 23 Full-time Permanent Employees at the Project Location (Employment Increment of 3), provided Grantee is otherwise in compliance with program requirements and funds are available.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after February 28, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$700,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
8. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:
The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - (i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
 - (ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
 - (iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
 - (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
 - (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

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

Baseline Employment	16
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A	B
Reporting Date	Employment Goals
February 1, 2016	16+X+Y
February 1, 2017	16+X+Y
February 1, 2018	16+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=4, and Employment Goals shall equal $[16 + X = 20]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=3, and Employment Goals shall equal $[16 + X + Y = 23]$ if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

9. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

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

IV. Statutory Basis – Regional Council Capital Fund

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

V. Environmental Review

The City of Auburn Planning Board, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on June 18, 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 and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 23%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 13% and a Women Business Enterprise ("WBE") Participation Goal of 10% related to the total value of ESD's funding.

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

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

VIII. Additional Submissions to Directors

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

December 19, 2014

Regional Council Award - Auburn (Central New York Region – Cayuga County) – WST33 Plaza of the Arts 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 WST33 Plaza of the Arts 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 WST33, LLC a grant for a total amount not to exceed Seven Hundred Thousand Dollars (\$700,000) 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.

* * *

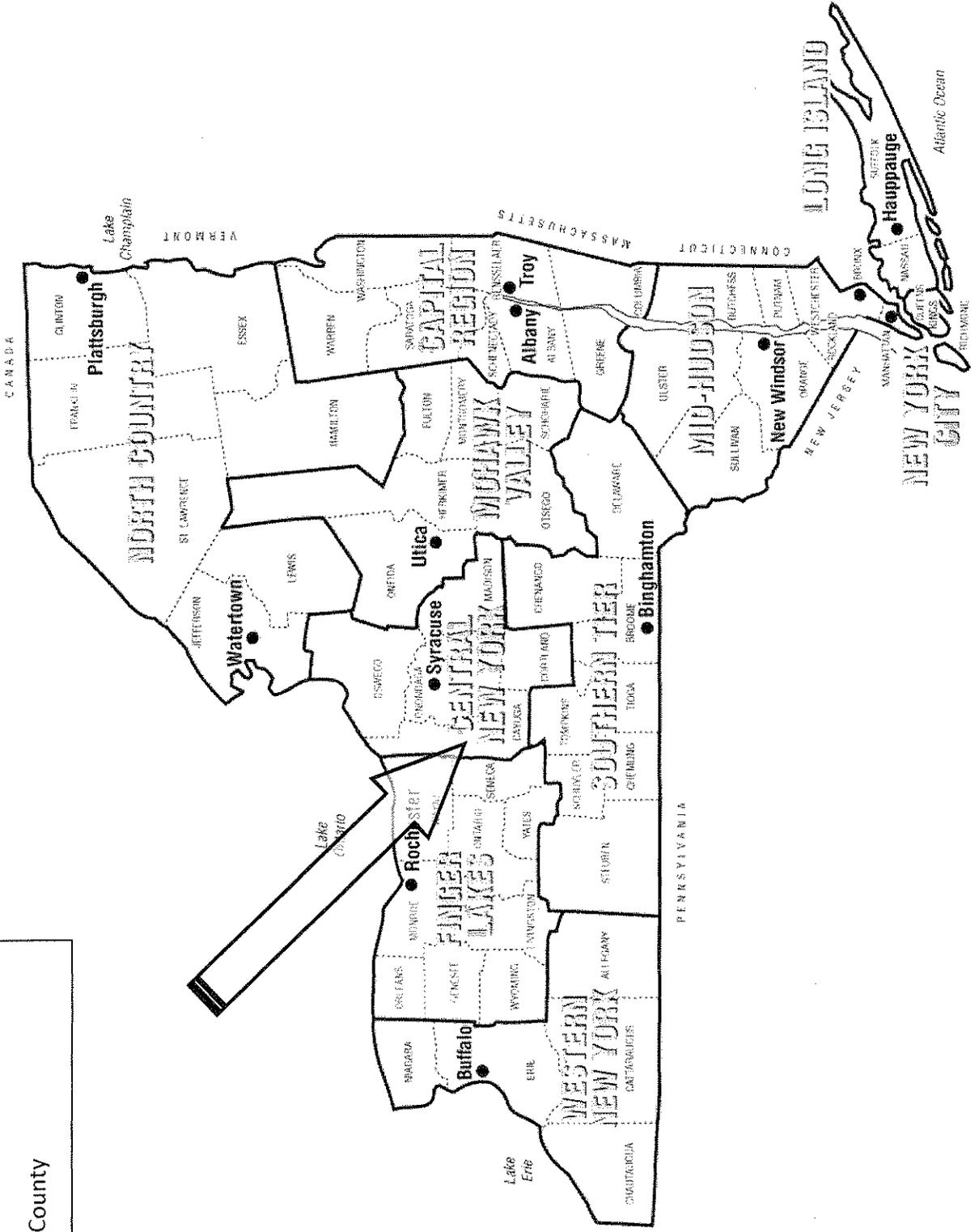
December 19, 2014

Regional Council Award - Auburn (Central New York Region – Cayuga County) – WST33
Plaza of the Arts 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 WST33 Plaza of the Arts Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

WST33 Plaza of the Arts Capital
Auburn
Cayuga County



FINANCE MEMO

TO: Margaret Tobin
CC: Rob Kwon *RK*
FROM: John Bozek *JB*
DATE: December 8, 2014
RE: WST33 LLC

Grantee

- Name: WST33 LLC
- Corporate Location: Auburn, NY
- Corporate Form: LLC
- Ownership: Privately owned. WST33, LLC is a subsidiary of Soules and Dunn Development Group.
- Nature of Business: WST33, LLC owns and manages multiple commercial and residential properties including mixed medical, professional and office type buildings.

Financial Information

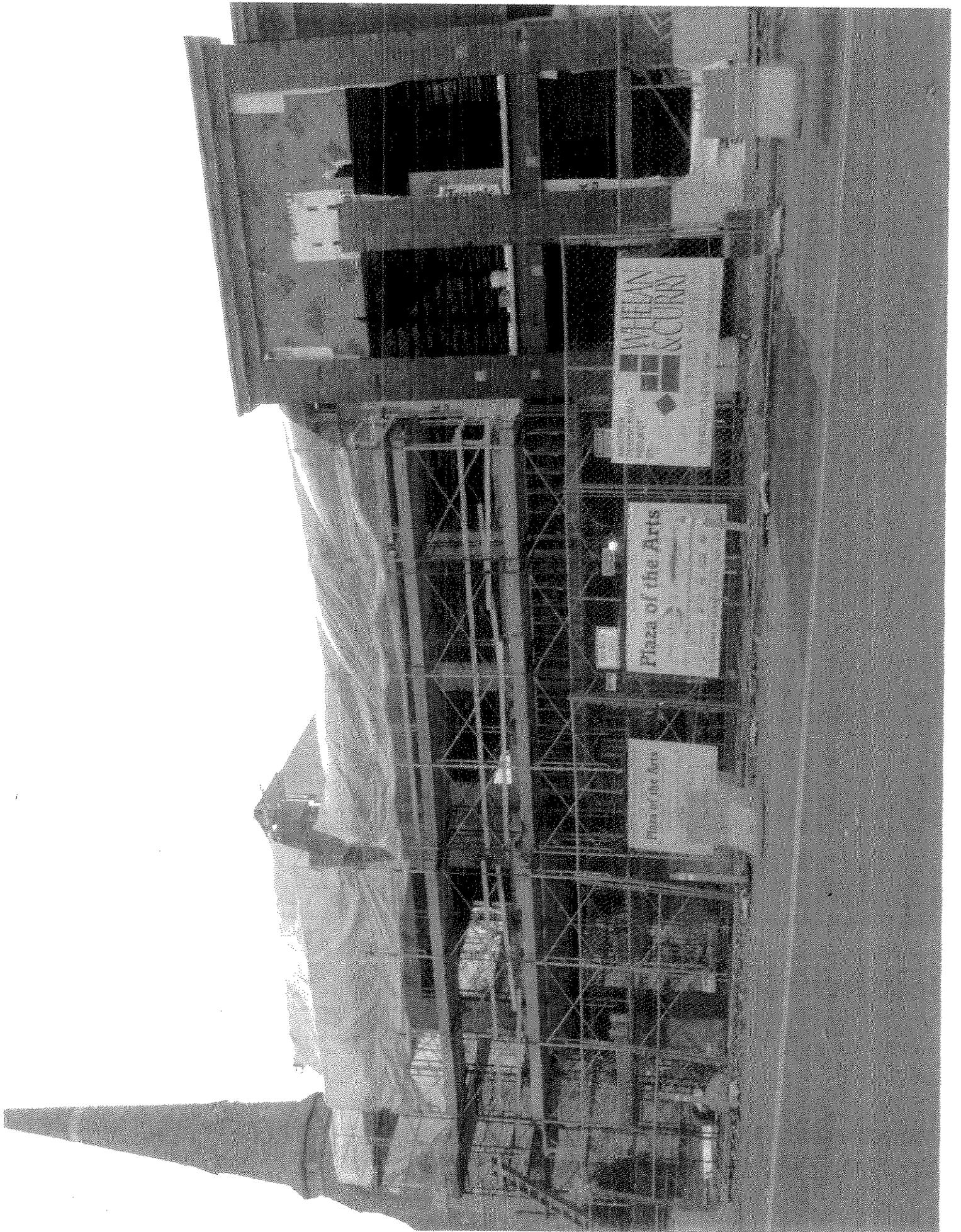
- Information provided for: WST33 LLC
- Industry: Property development and management
- NAICS Code: 531312
- ESD credit rating (score): Good (4)
 - Profitability:
 - Sales: Increasing over 3 year historical period.
 - Profit Margin: Above industry median in most recent year.
 - EBITDA: Positive and increasing over 3 year period.
 - Net Income: Increasing over 3 year historical period.
 - Liquidity:
 - Current ratio: Above the industry median in most recent year and above 1.
 - Solvency:
 - Total debt/total assets: Above the industry median in most recent year and greater than 65%.
 - EBITDA/Debt Service: Strong
 - Other:
 - Age of financial statements: over 6 months
 - Audit status: financial information unaudited

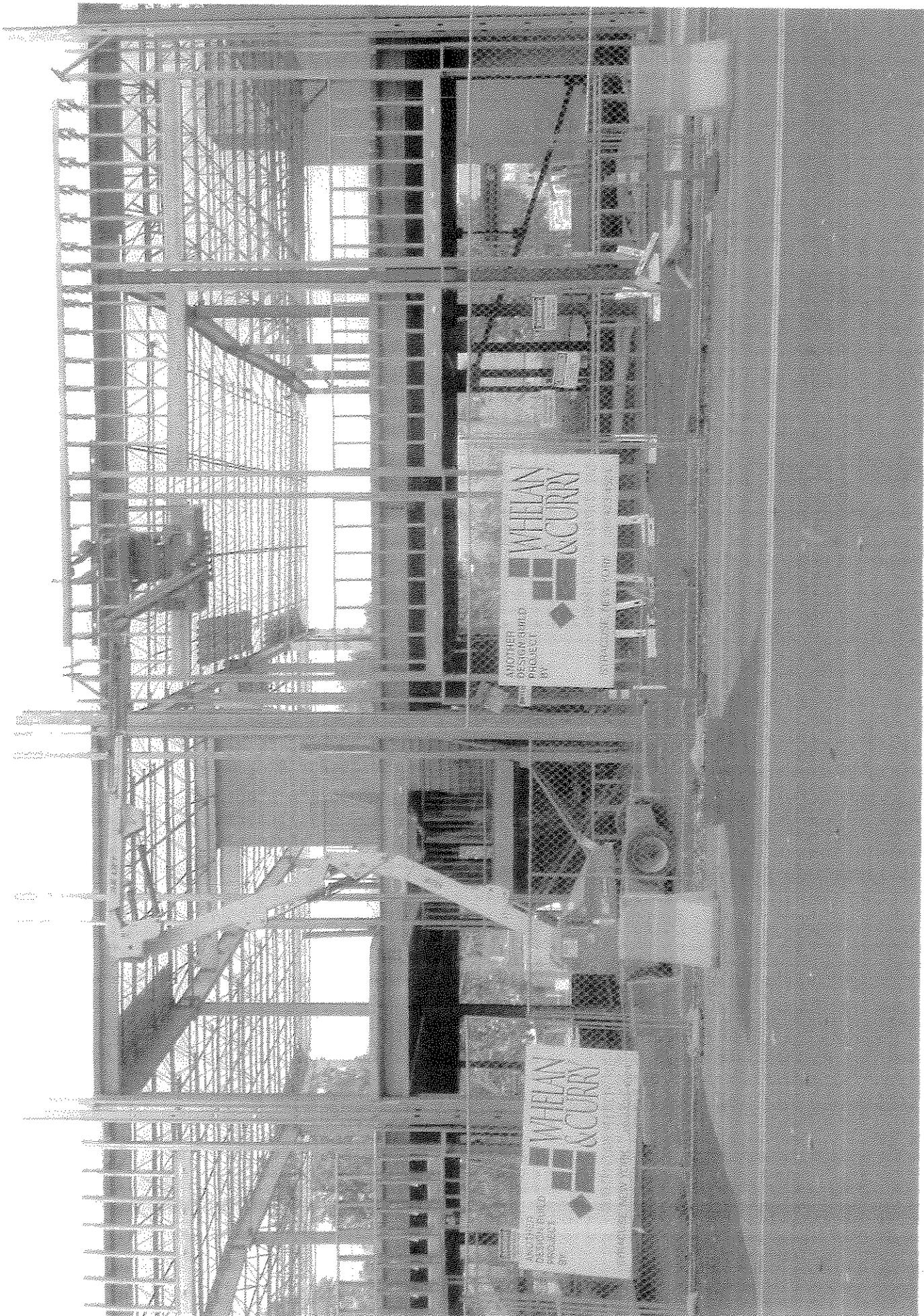
WST33 LLC
Years Ending Dec 31

	Industry Median	2011	2012	2013
Net Sales		175,729	206,028	351,777
EBITDA		106,662	211,737	252,384
Pre-tax Profit		(30,007)	75,068	115,715
Pre-tax profit/net sales	8.80%	-17.08%	36.44%	33.00%
Net Income		(62,788)	28,682	61,982
Current Assets		152,533	166,526	16,129
Current Liabilities		4,577	13,347	9,350
Current Ratio	1.40	33.33	12.48	1.73
Total Assets		888,777	1,185,270	3,041,175
Long-term Debt		837,545	1,096,586	2,893,919
Total Debt		837,545	1,096,586	2,893,919
Total Liabilities		912,122	1,179,933	2,973,856
Net Worth		(23,345)	5,337	67,319
Total debt/total assets	0.35	0.94	0.93	0.95
EBITDA/Debt Service		3.75	5.77	5.81

Additional Information

- The Company's high total debt to total assets ratio is due to a \$2.25MM construction loan with First Niagara Bank to complete the construction and development of the the Plaza of the Arts. Discounting this loan related to the ESD project, the ratio would be 0.24, more in line with the industry median.
- The Company has steadily increased its total real estate portfolio over the last three years, expanding from one development in 2011 worth \$888k to three developments in 2013 worth \$3.04MM.







FOR CONSIDERATION

December 19, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Syracuse (Central New York Region – Onondaga County) – Ephesus Technologies Capital – Regional Council Capital Fund (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Ephesus Technologies, LLC (“Ephesus” or the “Company”)

ESD* Investment: A grant of up to \$150,000 to be used for a portion of the cost 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: 125 East Jefferson Street, Syracuse, Onondaga County

Proposed Project: Relocation of headquarters and the purchase and installation of machinery and equipment, furniture and fixtures

Project Type: Business expansion involving job retention and creation

Regional Council: The project is consistent with the Central New York Regional Economic Development Council’s (“CNYREDC”) Strategic Plan to strengthen advanced manufacturing and support targeted industry concentrations that leverage unique economic assets.

Employment:	Initial employment at time of ESD Incentive Offer:	10
	Current employment level:	10
	Minimum employment on January 1, 2016:	34

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Furniture, Fixtures & Equipment	\$408,924	
Machinery & Equipment	<u>176,279</u>	
Total Project Costs	<u>\$585,203</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$150,000	26%
Third Party Funding*	360,203	61%
Company Equity	<u>75,000</u>	<u>13%</u>
Total Project Financing	<u>\$585,203</u>	<u>100%</u>

*Confidential investors

III. Project Description

A. Company

Industry: Light Emitting Diode (“LED”) lighting products.

Company History: Founded in June 2009, Ephesus is a woman-owned LED lighting-innovation company that designs, engineers, and manufactures a portfolio of LED lighting products in New York State. The Company’s products are used in a broad range of applications, including warehouses, manufacturing facilities, parking lots, garages, roadways, stadiums, tunnels and bridges. The Company is dedicated to producing sustainable, environmentally-friendly products that do not contain mercury or rare earth metals.

Ownership: The Company is a privately-held limited liability company.

Size: All facilities located in Syracuse, NY.

Market: The Company serves customers in the sports, entertainment, and industrial industries. Some of its customers include the U.S. Naval Academy, Cornell University and the Arizona Cardinals.

ESD Involvement: During the development of its EG4™ Chip in June 2011, the Company

sought to move into engineering and manufacturing of high output LED lighting, and to relocate from its original home in the Syracuse Technology Garden to an existing 5,000-square-foot facility in downtown Syracuse, NY. The Company intended for the new space to serve as headquarters for its operations in addition to providing a place to test and showcase its variety of LED lighting fixtures. Ephesus wished to capture a greater share of the current LED fixture market by differentiating its products from other LED manufacturers and centralizing creation of all fixtures at its new headquarters. However, the Company was unable to fund the required renovation and equipment purchase needed to occupy the new facility.

In October 2011, the Company applied under Round 1 of the Regional Council Consolidated Funding Application to close a funding gap in its budget. The CNYREDC identified the Company's project as a priority for the region, and in October 2012, ESD made Ephesus an offer of financial assistance, which the Company accepted in November 2012. ESD's grant was critical to the Company's decision to remain in New York.

Competition: The Company considered relocating its manufacturing operations to California.

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

B. The Project

Completion: September 2014

Activity: The Company completed renovations to an existing 40,000-square-foot facility which will serve as its international headquarters to engineer, manufacture, and test LED lighting fixtures and devices. Ephesus remodeled the existing space into a lab, a showroom and offices, wired the building for internet and conducted HVAC improvements. The floors were refinished, the building was repainted, and carpeting and cubicles were installed, including with lab benches and equipment. The Company moved into the building on September 1, 2014.

Results: Retain 10 existing jobs and create 24 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 \$1,574,965;
- Fiscal cost to NYS government is estimated at \$150,000;
- Project cost to NYS government per direct job is \$6,927;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$3,026;
- Ratio of project fiscal benefits to costs to NYS government is 10.50:1;
- Fiscal benefits to all governments (state and local) are estimated at \$2,667,758;
- Fiscal cost to all governments is \$150,000;
- All government cost per direct job is \$6,927;
- All government cost per total job is \$3,026;
- The fiscal benefit to cost ratio for all governments is 17.79:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$15,215,197, or \$306,970 per job (direct and indirect);
- The economic benefit to cost ratio is 101.43:1;
- There is no construction activity related to this project;
- For every permanent direct job generated by this project, an additional 1.30 indirect job is 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: Amy Casper, Chief Executive Officer
253 Harrison Street
Syracuse, NY 13202
Phone: (315) 579-2768

ESD Project No.: X781

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

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$150,000 capital grant (\$1,500), and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute 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 \$150,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$75,000) upon completion of the project substantially described in these materials, and documentation verifying purchase and installation of \$176,279 in machinery and equipment project costs, and total project expenditures of \$585,203 and documentation of the employment of at least 10 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$37,500) will be disbursed upon documentation of the employment of at least 22 Full-time Permanent Employees at the Project Location (Employment Increment of 12), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$37,500) will be disbursed upon documentation of the employment of at least 34 Full-time Permanent Employees at the Project Location (Employment Increment of 12), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after November 15, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$150,000, 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	10
A	B
Reporting Date	Employment Goals
February 1, 2016	10+X+Y
February 1, 2017	10+X+Y
February 1, 2018	10+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=12, and Employment Goals shall equal [10 + X = 22] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=12, and Employment Goals shall equal [12 + X + Y = 34] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

IV. Statutory Basis – Regional Council Capital Fund

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

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

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

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

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

VIII. Additional Submissions to Directors

Resolutions

New York State Map

Benefit-Cost Analysis

December 19, 2014

Regional Council Award – Priority Project – Syracuse (Central New York Region – Onondaga County) – Ephesus Technologies 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 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 Ephesus Technologies, LLC a grant for a total amount not to exceed One Hundred and Fifty Thousand Dollars (\$150,000) 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

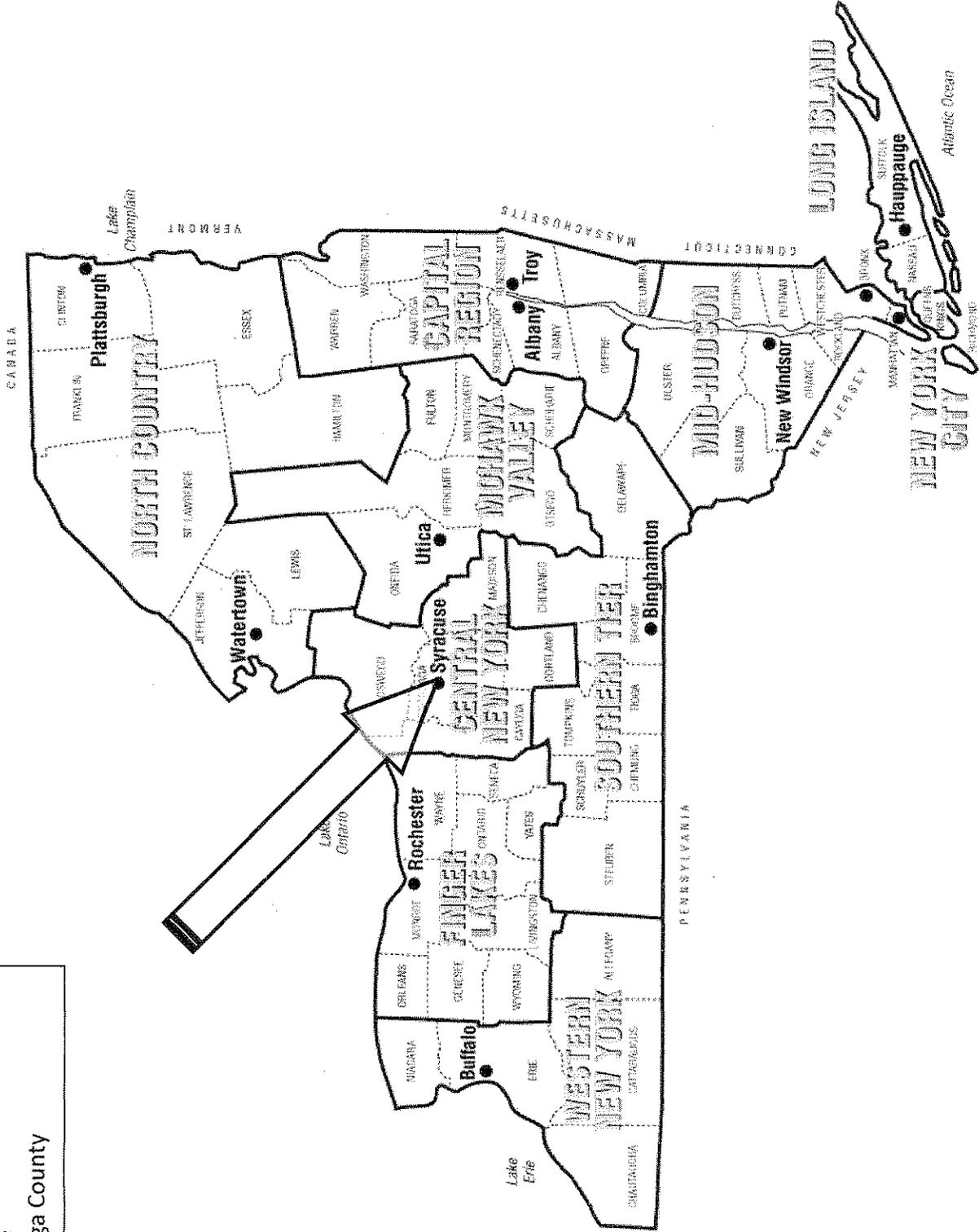
RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in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

* * *

Ephesus Technologies Capital
Syracuse
Onondaga County





FOR CONSIDERATION

December 19, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Brooklyn (New York City Region – Kings County) – Pratt Institute Capital – Regional Council Capital Fund (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Pratt Institute (the "Institute")

ESD* Investment: A grant of up to \$500,000 to be used for a portion of the cost of renovation, purchase of machinery and equipment, and furniture, fixtures and equipment.

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

Project Locations: 200 Willoughby Avenue, Brooklyn, Kings County
630 Flushing Avenue, Brooklyn, Kings County

Project Description: Expansion of the Pratt Design Incubator for Sustainable Innovation ("PDI") and the Brooklyn Fashion and Design Accelerator ("BF+DA") at the Institute

Project Type: Business expansion

Regional Council: The project is consistent with the New York City Regional Economic Development Council's Strategic Plan to support industry/education partnerships to improve job preparation and education programs.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Renovation	\$1,192,225
Machinery & Equipment, Furniture Fixtures and Equipment	693,150
Soft Cost	<u>565,610</u>
Total Project Costs	<u>\$2,450,985</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$ 500,000	20%
Brooklyn Borough President Grant	624,000	26%
Grantee Equity	<u>1,326,985</u>	<u>54%</u>
Total Project Financing	<u>\$2,450,985</u>	<u>100%</u>

III. Project Description

A. Grantee

Grantee History: Founded in 1887, Pratt Institute is a global leader in higher education dedicated to preparing its students for successful careers in art, design, architecture, information and library science, liberal arts and science.

Ownership: Not-for-Profit

Size: All facilities located in New York City. Pratt Institute's main campus is located in Brooklyn and a satellite campus in Manhattan.

Market: N/A

ESD Involvement: In July 2012, Pratt Institute approached ESD for financial assistance to renovate the Engineering Building at 200 Willoughby Avenue to accommodate the move of the PDI and renovate the 7th floor at 630 Flushing Avenue to house the BF+DA and the Micro-run Sustainable Production Center ("MSPC"), previously located at the Brooklyn Navy Yard. The PDI provides a place for the Institute's entrepreneurial alumni to transform their ideas into viable businesses and the BF+DA provides a vibrant hub where designers can build successful businesses that integrate the environment and society into their bottom line and explore the relationship of technology, product, and fashion. The MSPC will allow designers to have one to 100 units produced. Through Round 2 of the

Regional Economic Development Council Consolidated Funding Application (“CFA”) process, the Institute was awarded \$500,000 to fill a financing gap that allowed the project to move forward in a timely manner.

Competition: N/A

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

B. The Project

Completion: December 2014

Activity: The project includes renovations at two locations, purchase of machinery and equipment, furniture and fixtures. The renovation of the Engineering Building at 200 Willoughby Avenue will accommodate the move of the PDI previously located at the Brooklyn Navy Yard. The Institute will also renovate the 7th floor of 630 Flushing Avenue to house the new Brooklyn Fashion and Design Accelerator, as well as the MSPC.

Results: As a result of the project, the new PDI will act as an entrepreneurship center serving the Institute’s 5,000 students, 900 faculty, and 10,000 local alumni, as well as Brooklyn residents and businesses. In addition, the new 21,000-square-foot BF+DA will allow the Institute to improve the quality of services and resources, and triple the number of start-ups small businesses it serves. BF+DA will also provide city-wide access to the micro-run production center.

The PDI and the BF+DA will help build Brooklyn’s art and design economy by supporting entrepreneurs and small fashion and design businesses to connect with the manufacturing industry and mentoring resources.

Business Investment

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

- Fiscal benefits to NYS government from the project are estimated at \$91,007;
- Fiscal cost to NYS government is estimated at \$500,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.18:1;
- Fiscal benefits to all governments (state and local) are estimated at \$168,684;
- Fiscal cost to all governments is \$500,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 0.34:1;

- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at \$964,082;
- The economic benefit to cost ratio is 1.93:1;
- Project construction cost is \$1,757,835 which is expected to generate 10 direct job years and 6 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: Debera Johnson, Executive Director-Pratt Design Incubator
 255 Ryerson Street
 Brooklyn, New York 11205
 Phone: (718) 636-3690

ESD Project No.: Y383

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

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$500,000 capital grant (\$5,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. ESD shall reimburse the Grantee for eligible expenses during the course of the project no more frequently than quarterly, in compliance with the Design & Construction Requirements and in proportion to ESD's funding share, assuming that all project approvals were completed and funds are available. The final 10% of the grant will be

disbursed upon completion of the facility, as evidenced by a certificate of occupancy. 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 August 27, 2013, to be considered eligible project costs.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$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.
6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
 - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
 - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
 - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
 - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

IV. Statutory Basis – Regional Council Capital Fund

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

V. Design and Construction

Pratt Institute is a private institution of higher learning located in Brooklyn, New York. The school is renovating the Engineering Building at 200 Willoughby Avenue and the 7th floor of the facility located at 630 Flushing Avenue. ESD will reimburse up to \$500,000 for architecture/engineering fees and construction costs. The Construction Documents will be reviewed and payments will be made when Design & Construction Requirements have been met.

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 50%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 25% and a Women Business Enterprise ("WBE") Participation Goal of 25% related to the total value of ESD's funding.

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

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

December 19, 2014

Regional Council Award – Brooklyn (New York City Region – Kings County) – Pratt Institute 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 Pratt Institute 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

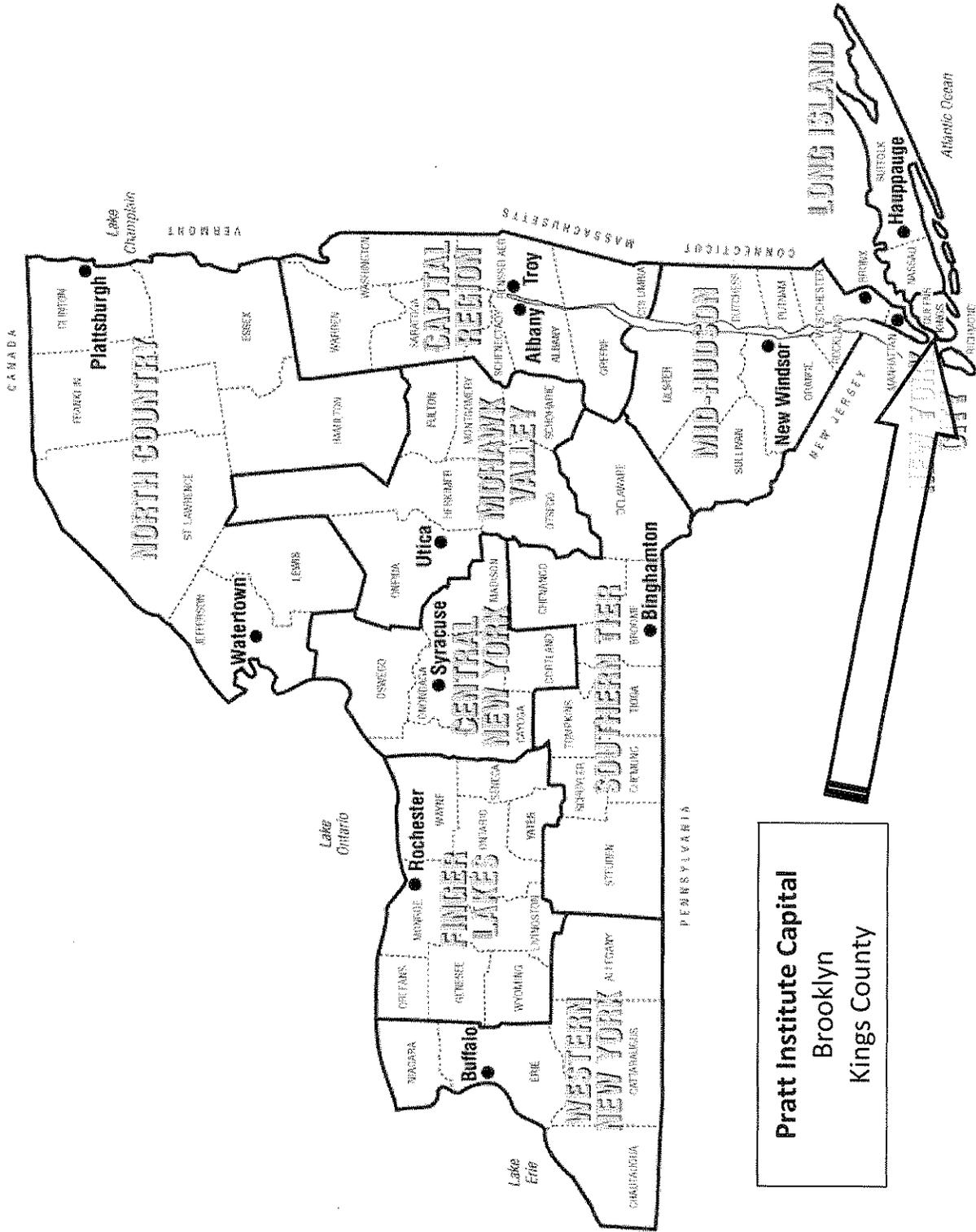
RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon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

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

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

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

* * *



Pratt Institute Capital
 Brooklyn
 Kings County

FINANCE MEMORANDUM

TO: Margaret Tobin

CC: Robert Kwon *pk*

FROM: Jonevan Hornsby *JH*

DATE: October 9, 2014

RE: Pratt Institute

Grantee

- Name: Pratt Institute (the "Institute")
- Corporate Location: Brooklyn, NY
- Corporate Form: Not-for-profit Corporation; 501(c)(3)
- Year of Inception: 1887
- Nature of Mission: Coeducational institution chartered and empowered to confer degrees by the Board of Regents of the State of New York.
- Revenue Breakdown: Tuition and Fees (79%), Contributions (5%), Sales and Services of Auxiliary Enterprises (10%) Grants and Contracts (3.5%), Other Revenue (2.5%)

Financial Information

- Industry: Colleges, Universities, and Professional Schools
- NAICS Code: 611310
- ESD Finance Rating (Score): Very Good (5)
 - Efficiency:
 - Revenues: Increasing over three year historical period.
 - Unrestricted Net Assets/Total Expenses: 1.43, which meets the requirement of being between 0.25 and 3.
 - OIBDA: Positive but decreasing over three year historical period.
 - Change in Net Assets: The cumulative change over the three year historical period has been positive.
 - Liquidity:
 - Current Ratio: Above the industry median and above 1.0 in most recent full year of operations.
 - Solvency:
 - Total Debt/Total Assets: Above the industry median but less than 65%.
 - Debt Service: Strong.

- Other:
 - Audit Status: 2012 and 2013 financials are audited; 2014 financials are draft audited.

Pratt Institute

	<u>Industry Median</u>	<u>Years Ending June 30,</u>		
		<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues		\$ 160,863,393	\$ 170,942,517	\$ 168,229,069
Total Expenses		\$ 152,154,788	\$ 158,235,602	\$ 168,370,250
OIBDA ⁽¹⁾		\$ 19,892,600	\$ 25,015,660	\$ 12,380,330
Change in Net Assets		\$ 2,612,819	\$ 33,700,836	\$ 19,750,074
Current Assets		\$ 92,639,257	\$ 112,125,941	\$ 120,834,634
Current Liabilities		\$ 23,367,520	\$ 28,302,923	\$ 30,811,890
Current Ratio	1.90x	3.96x	3.96x	3.92x
Total Assets		\$ 473,072,054	\$ 507,551,542	\$ 541,597,642
Long-term Debt		\$ 160,351,036	\$ 158,295,315	\$ 171,535,370
Total Debt		\$ 176,503,454	\$ 171,994,758	\$ 184,430,234
Total Liabilities		\$ 209,797,625	\$ 210,576,277	\$ 224,872,303
Unrestricted Net Assets		\$ 205,705,012	\$ 229,105,004	\$ 240,610,288
Unrestricted Net Assets/Expenses		1.35	1.45	1.43
Net Assets		\$ 263,274,429	\$ 296,975,265	\$ 316,725,339
Total Debt/Total Assets	25.60%	37.31%	33.89%	34.05%
Debt Coverage		8.81	11.13	5.08

*2012 and 2013 financials are audited; 2014 financials are draft audited.

(1) Operating Income Before Depreciation and Amortization.

Additional Information

- The increase in revenues from 2012 to 2013 was primarily due to a significant increase in tuition and fee income and contributions.
- Although tuition and fee income increased in 2014, revenues decreased due to a substantial decrease in contributions.
- Change in Net Assets increased substantially in 2013 due to an increase in revenues and the appreciation of investments. Change in New Assets decreased in 2014 due to a significant increase in expenses.

**Project Summary
Benefit-Cost Evaluation¹**

**Economic Growth Project
Pratt Institute**

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): 10

Construction Job Years (Indirect): 6

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	\$91,007	\$2,085,600	\$168,684	\$4,271,980
Fiscal B/C Ratio	0.18	3.00	0.34	10.60
	Project Results	Benchmarks for ESD Projects		
Economic Benefits⁵	\$964,082	\$119,468,000		
Economic B/C Ratio	1.93	20.00		

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

² The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects.

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 19, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Binghamton (Southern Tier Region – Broome County) – Chenango Place 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: Chenango Place, LLC (“Chenango” or the “Company”)

ESD* Investment: A grant of up to \$250,000 to be used for a portion of the cost of construction and renovation of the commercial space in a mixed-used building.

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

Project Location: 7 Court Street, Binghamton, Broome County

Proposed Project: Construction and renovation of 6,000 square feet of commercial retail space and 129,000 square feet of residential space in a 135,000-square-foot, mixed-use historic building located in a highly visible commercial corridor that is targeted for revitalization.

Project Type: Mixed-use commercial real estate development

Regional Council: This Priority Project is consistent with the Southern Tier Regional

Economic Development Council's ("STREDC") Strategic Plan to revitalize the region's downtowns, main streets, and neighborhoods through smart and sustainable practices for community development. This transformative project will help to restore an historic waterfront building in downtown Binghamton, an Opportunity Agenda targeted area.

Employment: Initial employment at time of ESD Incentive Proposal: 0
 Current employment level: 5
 Minimum employment on January 1, 2017: 20*

*Recipient agrees to impose the commitment of 20 Full-Time Permanent Employees, without condition, on One Wall Management and the Retail Tenants at the Project Location.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation (Residential)	\$7,750,000
Construction/Renovation (Retail)	750,000
Furniture Fixtures & Equipment	<u>300,000</u>
Total Project Costs	<u>\$8,800,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$250,000	3%
Private Finance	6,800,000	77%
Grantee Equity	<u>1,750,000</u>	<u>20%</u>
Total Project Financing	<u>\$8,800,000</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: Real Estate Development, Management, and Green Building Design

Grantee History: Formed in 2013, Chenango Place, LLC is a real estate development and management company specializing in mixed-use development. The developers of the project consist of two Binghamton University alumni that returned to the City of Binghamton's ("City") in 2010 to invest in the untapped potential for commercial real estate development. The principals have extensive expertise managing real estate, health care, transportation and entertainment development projects.

Ownership: Chenango Place, LLC is privately-owned limited liability company.

Size: All facilities located in Binghamton, NY.

ESD Involvement: As an Opportunity Agenda targeted area, historic mixed-use restoration projects are critical to the revitalization of the City's urban core. During Round 2 of the Consolidated Funding Application ("CFA") process, Chenango Place, LLC submitted a proposal for an historic mixed-used development project. However, the proposal did not receive assistance due to unforeseen delays in the design phases of the project. After a year of preparation and finalizing all design approvals necessary to move forward with the project, the Grantee re-submitted in Round 3 and was selected as a priority project by the STREDC.

Chenango Place, LLC was awarded a Round 3 CFA grant of \$250,000 to carry out interior renovations and facade improvements to the commercial and residential spaces of the building.

Competition: N/A

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

B. The Project

Completion: December 2014

Activity: The Grantee has renovated and equipped 6,000 square feet of commercial space and 129,000 square feet of residential units in a historic building in downtown Binghamton. The improvements consist of a complete gut renovation of the interior commercial spaces, installation of electrical, plumbing, HVAC, fire suspension, elevators, historic window replacement, new walls and custom finishes. The residential portion of the project will generate 48 market rate residential units that equates to 176 beds with amenities that will cater to college students and young professionals within the area. The large commercial space will support the establishment of three start-up retail businesses.

Results: The project will help to create 20 new jobs, increase residential options in the urban core, support local business development, and repurpose a non-performing historic building. The project will have an immediate impact on a historically under-utilized commercial corridor in the downtown area and compliment waterfront initiatives that aim to optimize the use of public outdoor spaces.

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 \$1,208,848;
- Fiscal cost to NYS government is estimated at \$250,000;
- Project cost to NYS government per direct job is \$32,043;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$19,646;
- Ratio of project fiscal benefits to costs to NYS government is 4.84:1;
- Fiscal benefits to all governments (state and local) are estimated at \$2,103,046;
- Fiscal cost to all governments is \$250,000;
- All government cost per direct job is \$32,043;
- All government cost per total job is \$19,646;
- The fiscal benefit to cost ratio for all governments is 8.41:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$15,770,913, or \$1,239,310 per job (direct and indirect);
- The economic benefit to cost ratio is 63.08:1;
- Project construction cost is \$8,500,000, which is expected to generate 86 direct job years and 34 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.48 indirect job is 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: Ron Kutas, Authorized Agent
500 E. 83rd Street
New York, New York 10028
Phone: (617) 935-6078

ESD Project No.: Z100

Project Team:	Origination	Joe Roman
	Project Management	Omar Sanders
	Contractor & Supplier Diversity	Denise Ross
	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 demonstrate no materially adverse changes in its financial condition prior to disbursement
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Grantee must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$250,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$125,000) upon completion of the project substantially as described in these materials, documentation of project expenditures of approximately \$8,800,000 including documentation verifying construction and renovation expenses of \$8,500,000, a Certificate of Occupancy or other documentation verifying project completion as ESD may require, and documentation of employment of at least 5 Full-time Permanent Employees (Employment Increment of 5) at the Project Location, , assuming that all project approvals have been completed and funds are available;

- b) a Second Disbursement of an amount equal to 25% of the grant (\$62,500) will be disbursed upon documentation of the employment of at least 10 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 (\$62,500) will be disbursed upon documentation of the employment of at least 20 Full-time Permanent Employees at the Project Location (Employment Increment of 10), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 10, 2013 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 \$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.
- 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
February 1, 2019	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=5, and Employment Goals shall equal $[0 + X = 5]$ 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 $[0+ X + Y = 10]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then 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=10, 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 Y=0

IV. Statutory Basis – Regional Council Capital Fund

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

V. Environmental Review

The City of Binghamton Planning Commission, as lead agency, has completed an environmental review of the project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of 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 September 17, 2012. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Due to the building's historic significance as a contributing building within the Court Street Historic District, which is listed on the National Register of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. No further consultation is required.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination & Contractor and Supplier Diversity policy will apply to the project. The Grantee 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 23% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project.

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

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

VIII. Additional Submissions to Directors

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

December 19, 2014

Regional Council Award — Priority Project—Binghamton (Southern Tier Region — Broome County) —Chenango Place Capital — Regional Council Capital Fund (Capital Grant) — Findings and Determinations Pursuant to Sections 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Chenango Place 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 Chenango Place, LLC a grant for a total amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer 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.

* * *

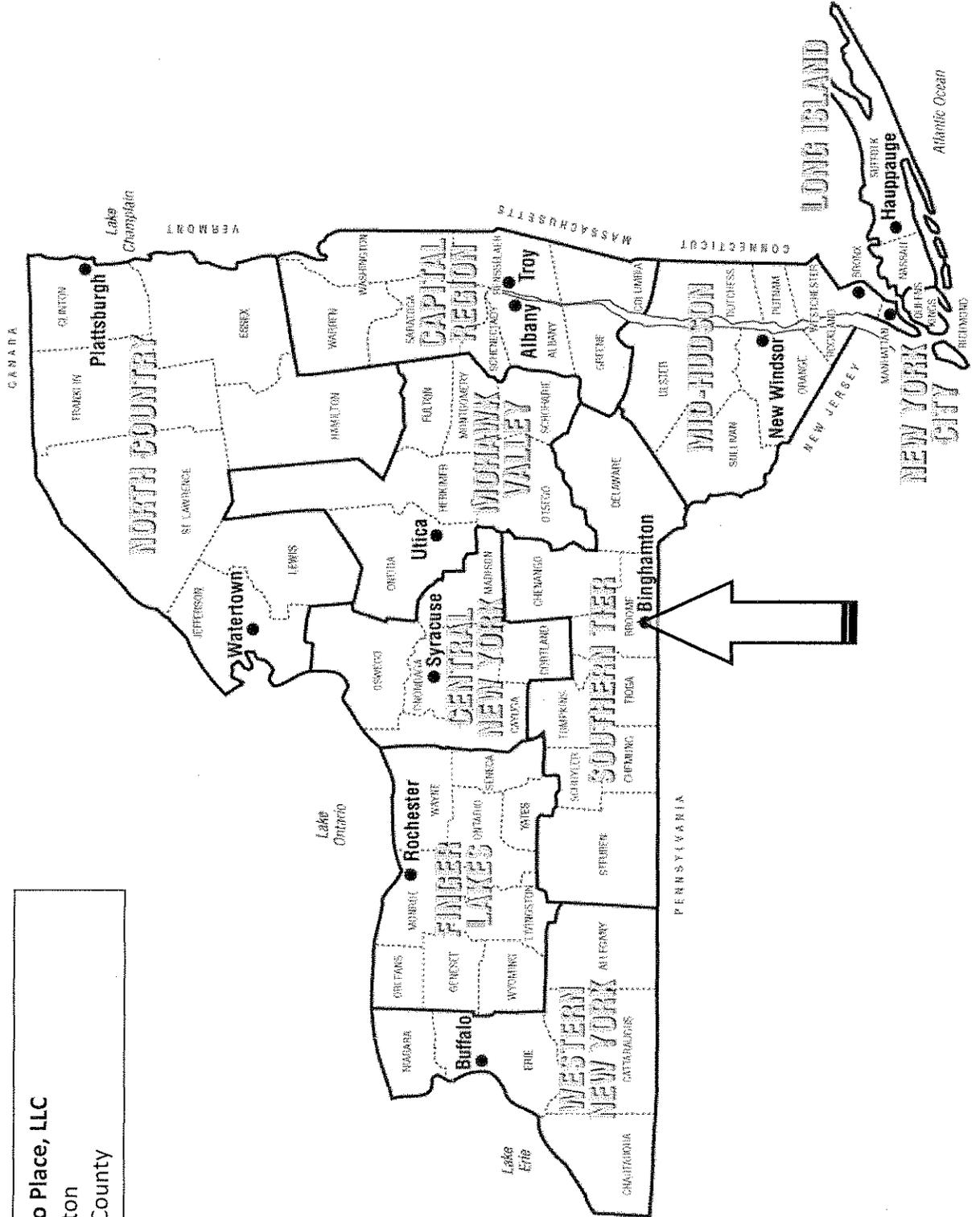
December 19, 2014

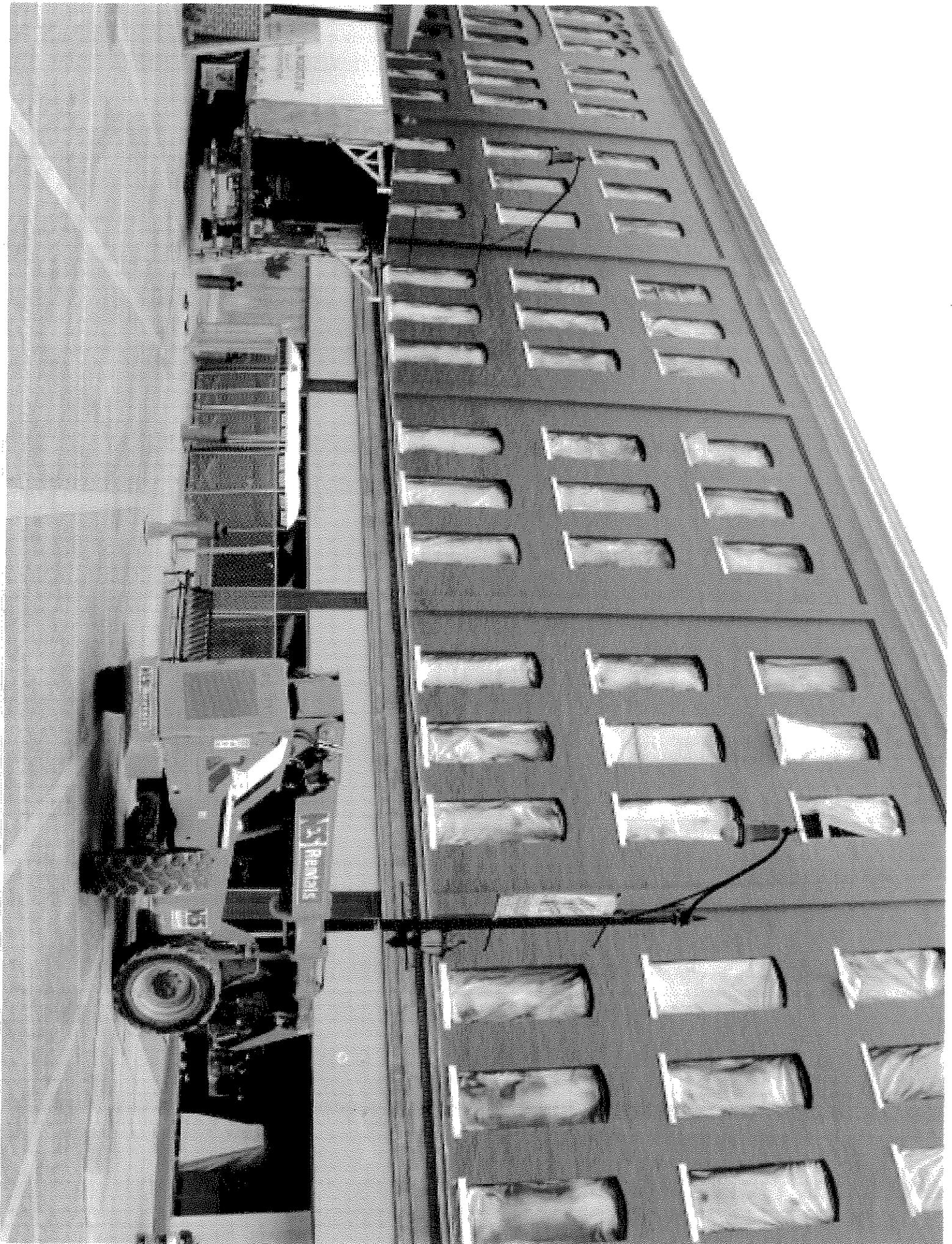
Regional Council Award — Priority Project—(Southern Tier Region – Broome County) –
Chenango Place Capital – Regional Council Capital Fund (Capital Grant) – Determination
of No Significant Effect on the Environment

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

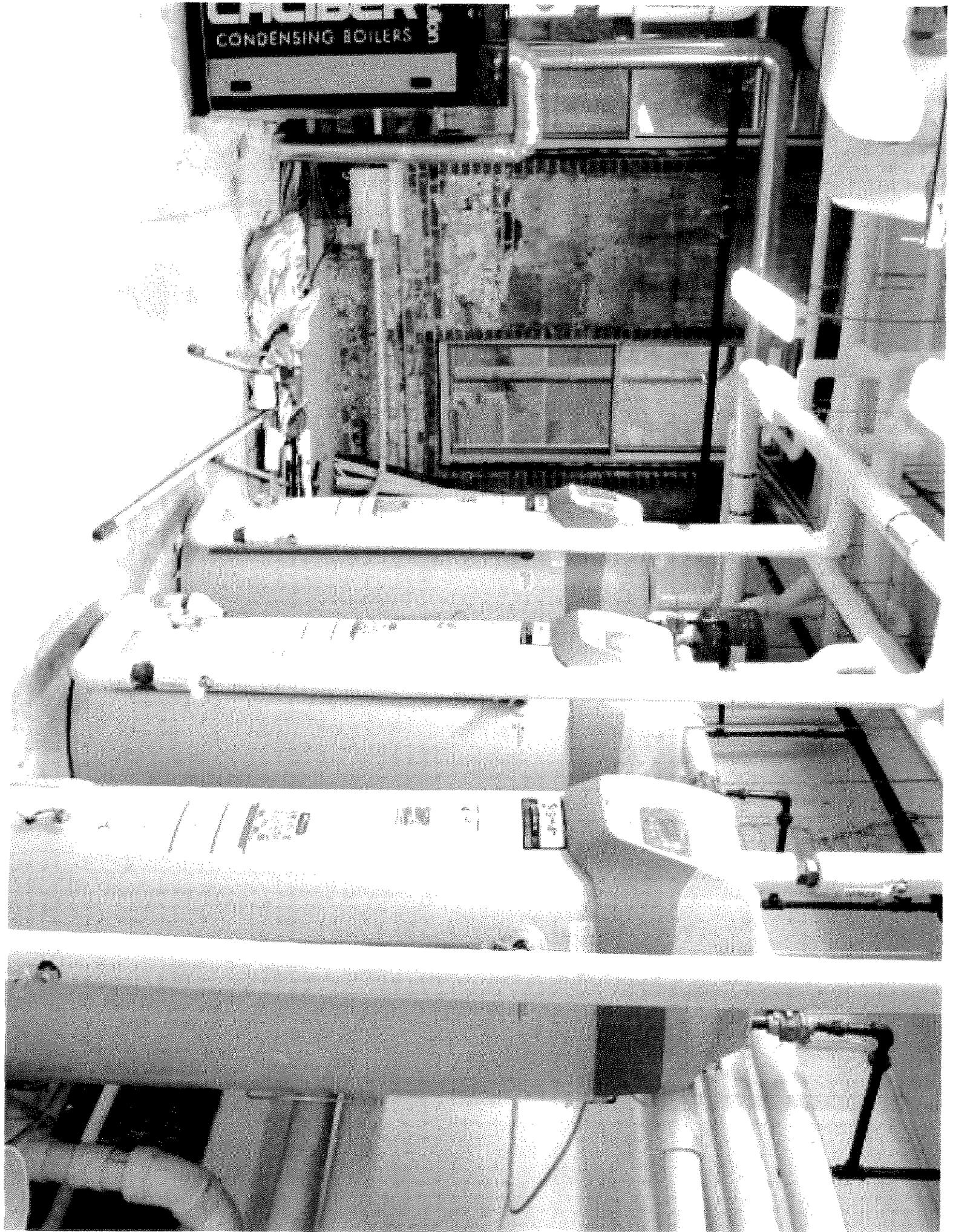
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Chenango Place, LLC
Binghamton
Broome County











FOR CONSIDERATION

December 19, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award Projects Consent Calendar

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

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

Regional Council Capital Fund

	Project Name	Proj #	Grantee	Assistance up to
A	Calspan Corporation Capital	X863	Calspan Corporation	\$100,000
B	Glens Falls Labels Capital	Y905	GF Labels Development, LLC	\$75,000
			TOTAL	\$175,000

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

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

Environmental Review

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

Office of Contractor and Supplier Diversity

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

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

Reallocation of Funds

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

ESD Employment Enforcement Policy

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

ESD Financial Assistance Subject to Availability of Funds and Additional Approval

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

Statutory Basis – Regional Council Capital Fund

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

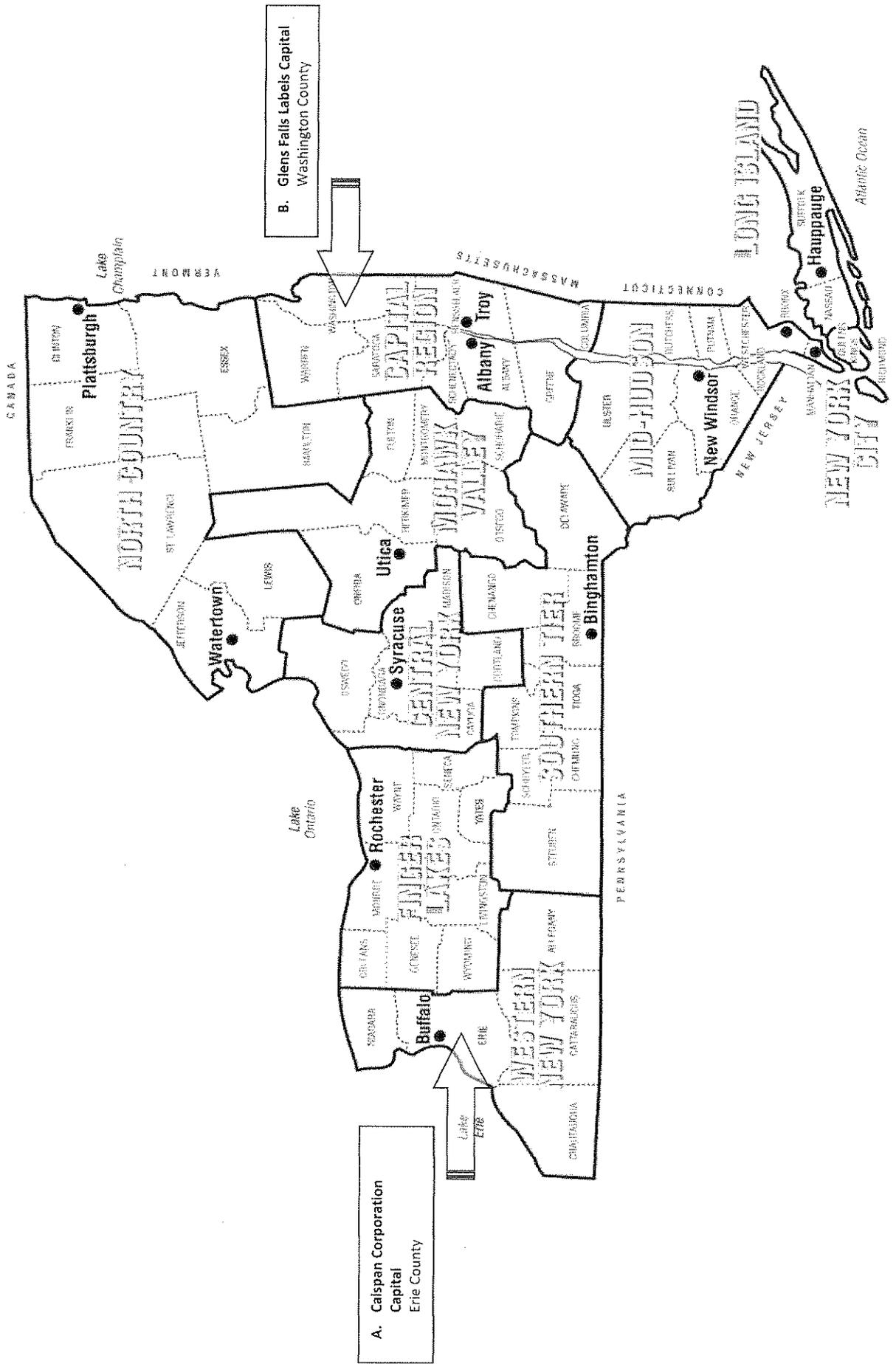
Attachments

New York State Map

Resolutions

Project Summaries

Regional Council Capital Fund



December 19, 2014

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

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

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

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

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

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

Regional Council Capital Fund

	Project Name	Proj #	Grantee	Assistance up to
A	Calspan Corporation Capital	X863	Calspan Corporation	\$100,000
B	Glens Falls Labels Capital	Y905	GF Labels Development, LLC	\$75,000
			TOTAL	\$175,000

and be it further

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

* * *

A. Calspan Corporation Capital (X863)

December 19, 2014

General Project Plan

Grantee:	Calspan Corporation (“Calspan” or the “Company”)		
ESD Investment:	A grant of up to \$100,000 to be used for a portion of the cost of the purchase of machinery and equipment.		
Project Location:	4455 Genesee Street, Cheektowaga, Erie County		
Proposed Project:	Acquisition and installation of new machinery and equipment for tire performance and safety testing		
Project Type:	Business expansion involving job retention and creation		
Regional Council:	The project is consistent with the Western New York (“WNY”) Regional Economic Development Council’s Strategic Plan to retain and create high-tech engineering jobs for young adults and recent graduates.		
Employment:	Initial employment at time of ESD Incentive Offer:	28	
	Current employment level:	28	
	Minimum employment on January 1, 2016:	38*	

*New employees cannot be transferred from other NYS locations

Background:

Industry – Calspan is a transportation and aerospace safety testing and technical services company.

Company History – Originally founded in 1940 as the Research Laboratory of the Curtiss Wright Aircraft Company, the Buffalo factory closed after World War II, but continued operating at the Cornell Aeronautical Laboratory (“Laboratory”), a not-for-profit research facility affiliated with Cornell University (“Cornell”). In 1972, Cornell reorganized the Laboratory as Calspan, a for-profit company. Over the next 33 years, Calspan had a series of outside corporate owners including Arvin Industries, Space Industries, Veridian Corporation and General Dynamics. In 2005, the Company was acquired by a local ownership group with a renewed focus on transportation and aerospace testing and technical services related to safety.

Some of the Company’s accomplishments include the invention and utilization of crash test dummies in 1948; the introduction of seatbelts in automobiles in 1951; introduction of a mobile unit equipped with Doppler weather radar in 1956; and the first company to

Calspan Corporation Capital (X863)

December 19, 2014

use an authentic side-pole crash test system in 2006. In 2013, Calspan signed an agreement with the Niagara Falls Transportation Authority to become the fixed based operator of the Niagara Falls International Airport. Calspan provides aircraft refueling, deicing, cleaning, and other services 24 hours a day, 7 days per week.

Ownership – The Company is a privately-held corporation.

Size – The Company presently employs 110 employees at its facilities in New York State.

Market – The Company markets its products and services throughout the United States. Major customers include Michelin Francaise Pneumatiques (Clermont Ferrand, France), Jaguar Land Rover (Whitley, Coventry, England), and The Goodyear Tire and Rubber Company (Akron, Ohio). Major competitors include Virginia Tech Transportation Institute (Alston, Virginia), Smithers Rapra (Akron, Ohio), and Nevada Automotive Test Center (Carson City, Nevada).

ESD Involvement – In 2012, Calspan submitted a Round 1 Consolidated Funding Application (“CFA”) to fill a finance gap for cost related to improvements to its machinery and equipment. To achieve competitive machine performance levels and eliminate persistent machine failures, the Company needed to replace the tire test machine hydraulic drive system with an electrically driven system. ESD offered a \$100,000 grant to assist with the financing of the project.

Competition - N/A

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

The Project:

Completion – December 2014

Activity – The project involves acquisition and installation of new machinery and equipment and minor renovations to an existing facility to accommodate new tire performance and safety testing. Prior to the upgrades, the Company demolished existing equipment and foundations. The machine upgrade activities consisted of modifications to the water delivery system for motor cooling, relocating utilities (high pressure air, electrical, plumbing), brake system modifications, motor bracket fabrication, drivetrain improvements, chamber system reconfiguration, coding programmable logic controls, motor control center installation, electric drive installation, motor installation, and gearbox installation.

Results – As a result of the project, the Company will retain 28 employees and create 10

Calspan Corporation Capital (X863)
December 19, 2014

new jobs.

Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$1,679,155, which exceed the cost to the State.

Financing Uses	Amount	Financing Sources	Amount	Percent
Machinery and Equipment Acquisition	\$2,200,000	ESD Grant	\$100,000	5%
		Company Equity	2,100,000	95%
Total Project Costs	\$2,200,000	Total Project Financing	\$2,200,000	100%

Grantee Contact - Mr. Brian Pleban, Corporate Counsel
4455 Genesee Street
Cheektowaga, NY 14225
Phone: (716) 631-6956

<u>Project Team</u> -	Origination	Ray Witzleben
	Project Management	Cheryl Krazmien
	Contractor & Supplier Diversity	Vikas Gera
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$100,000 capital grant (\$1,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a

Calspan Corporation Capital (X863)
December 19, 2014

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

5. Up to \$100,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$50,000) upon completion of the project substantially as described in these materials, upon documentation verifying purchase and installation of \$400,000 in machinery and equipment and total project expenditures of approximately \$1 million and documentation of the employment of at least 28 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$25,000) will be disbursed upon documentation of the employment of at least 33 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 (\$25,000) will be disbursed upon documentation of the employment of at least 38 Full-time Permanent Employees at the Project Location (Employment Increment of 5), provided Grantee is otherwise in compliance with program requirements.

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

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

Calspan Corporation Capital (X863)
December 19, 2014

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	28
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A	B
Reporting Date	Employment Goals
February 1, 2016	28+X+Y
February 1, 2017	28+X+Y
February 1, 2018	28+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section 5 above (i.e. X=5, and Employment Goals shall equal [28 + X =33] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Calspan Corporation Capital (X863)

December 19, 2014

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section 5 above (i.e. $Y=5$, and Employment Goals shall equal $[28+ X + Y = 38]$ if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then $Y=0$.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 30% related to the total value of ESD's funding.

Statutory Basis – Regional Council Capital Fund:

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

B. Glens Falls Labels Capital (Y905)

December 19, 2014

General Project Plan

Grantee:	GF Labels Development, LLC ("GF Labels" or the "Company")
ESD Investment:	A grant of up to \$75,000 to be used for a portion of the cost of the purchase of machinery and equipment.
Project Location:	10 Ferguson Lane, Queensbury, Washington County
Proposed Project:	Construction of a new building and the purchase and installation of machinery and equipment to expand printing operations
Project Type:	Business expansion involving job retention and creation
Regional Council:	This Priority project is consistent with the goals of the Capital Region Economic Development Council's ("CREDC") Strategic Plan to open new doors for business by supporting expansions that create new wealth, attain and retain jobs, and create opportunities for large, small and diverse private enterprise.
Employment:	Initial employment at time of ESD Incentive Proposal: 9* Current employment level: 12* Minimum employment through January 1, 2018: 13*

*Employment will be retained and created by GF Business Forms, Inc.

Background:

Industry – GF Labels is a printing operation that produces data processing labels and other printed materials for use in commercial operations. Its products include a wide variety of custom, adhesive labels used in various manufacturing processes and by banking, health care and other business sectors. Data processing labels account for approximately 80% of the Company's sales, while other products (i.e. instructional booklets, manuals) make up the remaining 20%.

Company History – GF Labels began operating in 1985. The Company expanded its facility and operations in 2006 by constructing a 6,000-square-foot facility at its current location, and doubled the facility's size to 12,000 square feet in 2007.

Ownership - GF Labels Development, LLC is a privately-owned limited liability company. Its owners also own GF Business Forms, Inc. GF Labels is a holding company that owns all of the business assets, while GF Business Forms, Inc. is an operating company that

Glens Falls Labels Capital (Y905)
December 19, 2014

manages all of the business activities, including employment.

Size - All facilities are located in Queensbury, NY.

Market – The Company’s products are sold exclusively through distributors. Approximately 80% of sales are derived from customers located outside of New York State. Some larger end users of GF Labels’ products include Fastenal® and Microsoft®.

ESD Involvement – GF Labels had outgrown its current facility, hampering any opportunity for further market or job growth. The Company applied to Round 3 of the Consolidated Funding Application for financial assistance to close a funding gap to expand its operations. The project was identified as a priority of the CREDC due to the investment and job creation in a very rural, upstate community. In December 2013, the project was awarded a \$75,000 CFA grant which the Company accepted in February 2014. Without ESD funding, the project would not have occurred.

Competition – N/A

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

The Project:

Completion – September 2014

Activity – The Company constructed a 6,000-square-foot light manufacturing addition to its existing operation at the Warren/Washington County Industrial Park. The Company also purchased machinery and equipment to expand production and warehousing operations, including two dual stream presses, two web presses, dye letting modules, a UV curing system, a bookmaker and racking.

Results – GF Labels Development, LLC currently has 12 employees. Additionally, the new equipment and expanded facility provide greater operating efficiencies and additional manufacturing and warehousing space to support new customer demand.

Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$266,354, which is less than the cost to the State.

Glens Falls Labels Capital (Y905)
December 19, 2014

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction	\$332,000	ESD Grant	\$75,000	12%
Machinery and Equipment	264,500	NBT Bank Loan ¹	290,000	48%
Soft Costs	12,000	NBT Bank Loan ²	88,199	15%
		NBT Bank Loan ³	20,000	3%
		Company Equity	135,301	22%
Total Project Costs	\$608,500	Total Project Financing	\$608,500	100%

¹ NBT Bank of South Glens Falls – Mortgage (Building); 4.5%/10yrs

² NBT Bank of South Glens Falls – M&E (Bookmaker); 4.5%/7yrs

³ NBT Bank of South Glens Falls – Site Work; 4.5%/5yrs

Grantee Contact - Robert Gray, Managing Member
10 Ferguson Lane
Queensbury, NY 12804
Phone: (518) 798-6643

Project Team -

Origination	Arnie Will
Project Management	Linda Dillon
Contractor & Supplier Diversity	Denise Ross
Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$75,000 capital grant (\$750) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a

Glens Falls Labels Capital (Y905)
December 19, 2014

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. Funds will be disbursed in arrears in three installments:
 - a) An Initial Disbursement of an amount equal to 50% of the grant (\$37,500) upon completion of the project as described in these materials, a Certificate of Occupancy, documentation of project expenditures of approximately \$475,000, including machinery and equipment project costs totaling \$198,000, at least \$47,500 in Grantee equity, and documentation of the employment of at least 10 Full-time Permanent Employees (Employment Increment of 1) by GF Business Forms, Inc. at the Project Location, assuming that all project approvals have been completed and funds are available.
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$18,750) upon documentation of employment of at least 11 Full-time Permanent Employees (Employment Increment of 1) by GF Business Forms, Inc. at the Project Location.
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$18,750) upon documentation of employment of at least 13 Full-time Permanent Employees (Employment Increment of 2) by GF Business Forms, Inc. at the Project Location.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 19, 2013 to be considered eligible project costs and expenses must be incurred on or after February 20, 2014 to be considered reimbursable 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 \$75,000, 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

Glens Falls Labels Capital (Y905)
December 19, 2014

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	9
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A	B
Reporting Date	Employment Goals
February 1, 2016	10+X+Y+Z
February 1, 2017	10+X+Y+Z
February 1, 2018	9+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=1, and Employment Goals shall equal $[9 + X = 10]$ 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=1, and Employment Goals shall equal $[9 + X + Y = 11]$ 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=2, and Employment Goals shall equal $[9 + X + Y+Z = 13]$ if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the

Glens Falls Labels Capital (Y905)
December 19, 2014

Third Disbursement has not yet been made then Z=0.

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.

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 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.

Statutory Basis –Regional Council Capital Fund:

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

December 19, 2014

Regional Council Award – Priority Project - Queensbury (Capital Region – Washington County) –
Glens Falls Labels 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 Glens Falls
Labels Capital Project, the Corporation hereby determines that the proposed action will not
have a significant effect on the environment.

* * *

Empire State Development

FOR CONSIDERATION

December 18, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Non-Discretionary Projects

REQUEST FOR: Authorization to Adopt the General Project Plan; Authorization to Make Grant and to Take Related Actions

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

	Project Name	Proj #	Grantee	Assistance up to
	Community Projects Fund (Assembly)			
A	MDA – Essential New York Initiative Capital	W679	CenterState Corporation for Economic Opportunity	\$0*
	* This grant was approved by the ESD Directors on March 25, 2010. The subject request is to reallocate grant funds and does not involve new funding.			
	Capital Projects Fund – Economic Development/Other (Executive)			
B	Trudeau Partnership Working Capital	Z568	Trudeau Institute, Inc.	6,200,000
	TOTAL NON-DISCRETIONARY – 2 PROJECTS		TOTAL	\$6,200,000

I. Statutory Basis

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

II. Environmental Review

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

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

III. Non-Discrimination and Contractor & Supplier Diversity

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

IV. ESD Employment Enforcement Policy

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

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

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

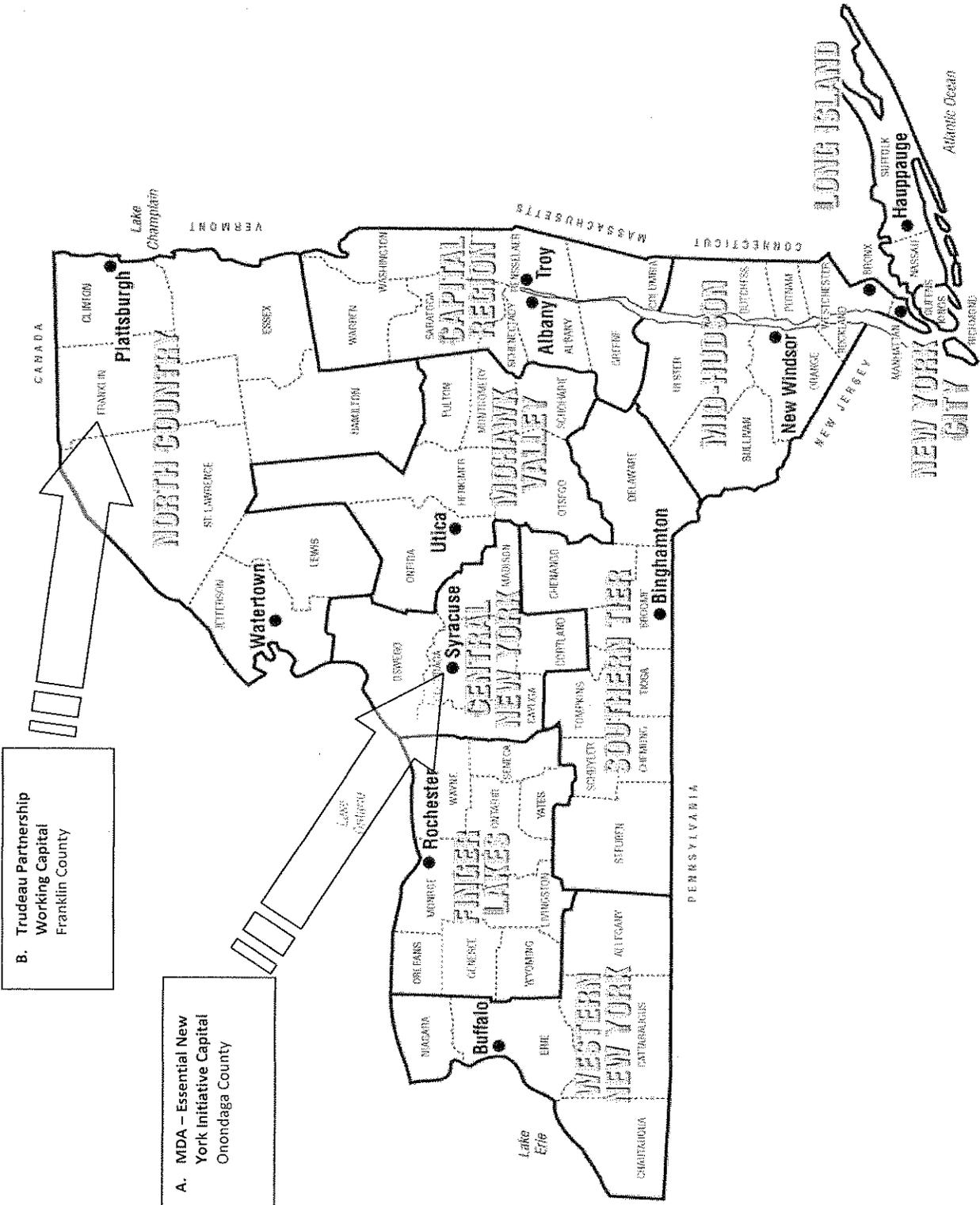
VI. Additional Requirements

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

Community Projects Fund & Capital Projects Fund

**B. Trudeau Partnership
Working Capital
Franklin County**

**A. MDA - Essential New
York Initiative Capital
Onondaga County**



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

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

VII. Additional Submissions to Directors

New York State Map
Resolutions
Project Summary

December 18, 2014

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

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

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

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

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

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

Community Projects Fund – Assembly – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
A	MDA – Essential New York Initiative Capital	W679	CenterState Corporation for Economic Opportunity	\$0*
	* This grant was approved by the ESD Directors on March 25, 2010. The subject request is to reallocate grant funds and does not involve new funding.			
			TOTAL	\$0

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.

* * *

December 18, 2014

Capital Projects Fund – 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; and be it further

Capital Projects Fund – Executive – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
B	Trudeau Partnership Working Capital	Z568	Trudeau Institute, Inc.	\$6,200,000
			TOTAL	\$6,200,000

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

* * *

A. MDA - Essential New York Initiative Capital (W679)

December 19, 2014

Authorization to Amend the Project Plan

- Grantee:** CenterState Corporation for Economic Opportunity (“CenterState CEO” or the “Grantee”) formerly known as Metropolitan Development Association of Syracuse & Central New York, Inc.
- ESD Investment:** A grant of up to \$600,000 to be used for costs associated with the implementation of Essential New York Initiative (“Initiative”) programs and projects was approved on March 25, 2010. As of December 2014, there is a balance of \$216,771.
- Project Location:** 115 West Fayette Street, Syracuse, Onondaga County
- Proposed Amendment:** Reallocation of a portion of the grant for the installation of security cameras in downtown Syracuse
- Project Type:** Capital and Working Capital
- Regional Council:** The Central New York Regional Economic Development Council has been made aware of this item.

Background:

Industry – Economic Development

Grantee History – The Metropolitan Development Association of Syracuse and Central New York, Inc. (“MDA”), established in 1959, is a private, not-for-profit corporation representing the business leadership of the Central Upstate New York region (the “Region”). It carries out a number of functions and activities as determined by its board of directors, including economic development, downtown and neighborhood redevelopment, regional strategic planning, and real estate management. Working with two national consulting firms, Battelle Memorial Institute in Cleveland, Ohio and Catalytix, Inc. in Pittsburgh, Pennsylvania, in 2003, the MDA developed the Initiative, a comprehensive strategy for the twelve-county Region that provided the framework for all of CenterState CEO’s work.

In 2010, members of the MDA and the Greater Syracuse Chamber of Commerce voted to introduce a formal partnership between the two organizations, and formed the CenterState Corporation for Economic Opportunity to serve as the primary economic, community and business development catalyst in the Region. With more than 2,000 members, CenterState CEO works with its member companies, non-member firms in the

MDA - Essential New York Initiative Capital (W679)

December 19, 2014

Region, universities and colleges, and public sector planning and development entities.

Size – All facilities located in Syracuse, NY.

ESD Involvement - A \$600,000 appropriation was included in the FY 2009-2010 New York State budget and reappropriated in the FY 2010-2011, 2011-2012, 2012-2013, 2013-2014 and 2014-2015 New York State budgets.

Past ESD Support – Since 1991, the ESD Directors have approved approximately \$3.7 million in grants to the Grantee.

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	V679	\$250,000	May 21, 2009	March 20, 2012	Working Capital – Business Assistance Program
Community Projects Fund	W680	\$71,000	September 14, 2010	October 10, 2014	Working Capital – Economic Development Promotion
Community Projects Fund	W678	\$250,000	June 28, 2011	December 31, 2015	Working Capital – Development of environmental technology
Local Assistance	W392	\$71,000	October 20, 2011	September 30, 2015	Working Capital – Economic Development Plan

MDA - Essential New York Initiative Capital (W679)
December 19, 2014

Economic Development Purposes Fund	Y450	\$100,000	June 27, 2013	December 31, 2015	Working Capital - Tourism
CNY Branding Working Capital	Z171	\$370,000	August 27, 2014	December 31, 2015	Working Capital – Destination Branding Campaign

The Project:

Completion – April 2015

Activity – The original project scope included funding for programs and projects in the core strategies of Cluster Development, Downtown Ambassador Program and Neighborhood Workforce Development from the Initiative in order to attract business and train prospective employees.

The project has been amended to reallocate funds for staffing costs as well as funding for the Downtown Security Camera Program (“Program”). The Program was created in response to a survey from December 2013 where respondents felt that surveillance cameras are viable tools to assist in downtown police efforts and would enhance safety in downtown Syracuse.

The Grantee worked with the Syracuse Police Department and a vendor to determine how the Program will enhance existing downtown security efforts. There has been an executed agreement with the City of Syracuse to install a new camera system and the City will maintain the cameras.

Results – The Grantee will be able to install ten security cameras to promote safety and attract new businesses to downtown Syracuse.

MDA - Essential New York Initiative Capital (W679)

December 19, 2014

The revised budget is as follows:

Financing Uses	Amount	Financing Sources	Amount	Percent
Neighborhood Workforce Development Program	\$100,000	ESD Grant	\$600,000	100%
Cluster Development	85,000			
Downtown Ambassador Program	71,132			
Staffing	246,000			
Administrative Costs	19,000			
Downtown Security Camera Program	78,868			
Total Project Costs	\$600,000	Total Project Financing	\$600,000	100%

Grantee Contact - Robert Simpson, President & CEO
115 West Fayette Street
Syracuse, NY 13202
Phone: (315) 422-8284

Project Team - Project Management Jared Walkowitz
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$600,000 will be disbursed to Grantee upon documentation of Neighborhood Workforce Development Programs, Cluster Development, Downtown Ambassador Program, Staffing, Administrative and Downtown Security Camera Program project costs, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation that ESD may reasonably require. All project expenditures must have been incurred after April 1, 2009, the date that the New York State budget, in which the project was authorized, was passed. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks and reports required have been completed to ESD's satisfaction.
4. ESD may reallocate the project funds to another form of assistance, at an amount no

MDA - Essential New York Initiative Capital (W679)

December 19, 2014

greater than \$600,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

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

Statutory Basis – Community Projects Fund:

The project was authorized in the 2009-2010 New York State budget and reappropriated in the 2010-2011, 2011-2012, 2012-2013, 2013-2014 and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:

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

B. Trudeau Partnership Working Capital (Z568)

December 18, 2014

- Grantee:** Trudeau Institute, Inc. (“Trudeau” or the “Grantee”)
- ESD Investment:** A grant of up to \$6,200,000 to be used for the costs of ongoing programs, operations, and staffing at Trudeau Institute’s biomedical research laboratories and continue a joint Trudeau Institute-Clarkson University multi-year plan for future operations.
- Project Location:** 154 Alogonquin, Saranac Lake, Franklin County
- Proposed Project:** Trudeau Institute will continue to operate in New York State and follow a multi-year plan for future operations.
- Project Type:** Working Capital
- Regional Council:** The North Country Regional Council has been made aware of this item.

Background:

Industry - Biomedical research for disease prevention

Grantee History - Trudeau Institute was formed in 1889 to conduct biomedical research. The Institute for Scientific Information lists Trudeau as one of the five most influential research institutes in the U.S.

Ownership - Trudeau Institute is a not-for-profit organization governed by a non-compensated board.

Size - Trudeau Institute is a biomedical research organization with 75 employees working in a 90,000-square-foot research facility located on a 42-acre campus in Saranac Lake, NY.

Market - Trudeau conducts biomedical research to develop new treatments and treatment-prevention strategies against disease. The Institute conducts contract research projects for the National Institute of Health (“NIH”). Trudeau primarily competes with other biomedical research organizations for biomedical research projects from the federal government under programs of the NIH. Trudeau also competes for qualified high-level scientists to conduct biomedical research projects at the Institute.

ESD Involvement – A \$10,000,000 appropriation was included in the 2014-2015 New York State budget.

Past ESD Support - Since 2001, Trudeau has received ESD funds totaling \$16,550,000 for

Trudeau Partnership Working Capital (Z568)

December 18, 2014

three projects. All past projects have been successfully completed, milestones met, and funds have been fully disbursed.

In the past 5 years, funding to Trudeau is summarized as follows:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration)	Purpose
Economic Development Purposes Fund	X791	\$1,200,000	November 2012	October 2013	Working Capital – operations and staffing of a biomedical research laboratory
Empire State Economic Development Fund	Y731	\$5,000,000	December 2012	August 2013	Working Capital – operations and staffing of a biomedical research laboratory
Economic Development Fund	Y731	\$5,000,000	December 2013	December 2014	Working Capital – operations and staffing of a biomedical research laboratory
Economic Development Purposes Fund	Z413	\$3,600,000	August 2014	December 2014	Working Capital – operations and staffing of a biomedical research laboratory

The Project:

Completion – December 2015

Activity - The Institute will continue to operate and expand its research laboratory to conduct biomedical research in New York State including aging, cancer, influenza, pneumonia, tuberculosis, acquired immune deficiency syndrome, and Lyme disease. Trudeau will continue to follow a multi-year plan to meet specific milestones with the

Trudeau Partnership Working Capital (Z568)

December 18, 2014

ultimate goal of being cash-neutral by 2018 and fully merging or further assimilating with Clarkson University.

Results - In conjunction with Clarkson University, the Institute will move closer to its broader vision of developing a biotechnology cluster in New York State's North Country. The Institute and Clarkson University will establish and coordinate scientific research and expand education and technology-based economic development. The multi-year plan will make it possible to sustain a new business model for future operations.

Financing Uses	Amount	Financing Sources	Amount	Percent
Salaries & Fringe Benefits	\$3,410,000	ESD Grant	\$6,200,000	100%
Operating Expenses	2,790,000			
Total Project Costs	\$6,200,000	Total Project Financing	\$6,200,000	100%

Grantee Contact - William Chapin, Controller
154 Algonquin Avenue
Saranac Lake, NY 12983
Phone: (518) 891-3080

Project Team - Project Management Javier Roman
Contractor & Supplier Diversity Denise Ross
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 \$6,200,000 will be disbursed to Grantee, no more frequently than monthly, upon documentation of costs of ongoing programs, operations, and staffing at Trudeau Institute's biomedical research laboratories, 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, 2014, the date that the New York State budget, in which the project is authorized, was passed. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks and reports required have been completed to ESD's satisfaction.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$6,200,000, 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

Trudeau Partnership Working Capital (Z568)

December 18, 2014

amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

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

Statutory Basis – Capital Projects Fund – Economic Development/Other:

The project was authorized in the 2014-2015 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.

Empire State Development

FOR CONSIDERATION

December 19, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Procurement of Legal Services

REQUEST FOR: Authorization to Amend a Contract with the Law Firm of Gonzalez Saggio & Harlan to Provide Legal Services in Connection with Disposition of Two Non-Contiguous Parcels of Undeveloped Land Within the Brooklyn Development Center in Brooklyn, NY (the "**Fountain Property**") and to Take Related Actions

I. AMENDED CONTRACT SUMMARY

Counsel: Gonzalez Saggio & Harlan ("**Counsel**")

Scope of Services: Counsel would provide legal services to the Corporation in connection with disposition of the Fountain Property in Brooklyn, NY.

Contract Amount: \$300,000

Funding Source: It is expected that the contract would be funded in its entirety from an imprest account to be funded by the project developer and to be maintained at and by ESD.

II. BACKGROUND

New York State is in the process of disposing of surplus State owned properties, including mental health facilities and correctional facilities. At the request of the Governor's Office, an ad hoc committee of agency heads and staff from the NYS Office of General Services, the Division of Budget, and Empire State Development ("**ESD**" or the "**Corporation**") have engaged in discussions focused on disposition of these large institutional properties. These deliberations verified that many of the facilities require creative approaches in order to transfer them from State ownership and to avoid the continued carrying costs and potential liabilities associated with depreciating properties. Some of the facilities can be sold in the private marketplace while others can be

dedicated to economic development purposes consistent with ESD's mission and the needs of the surrounding community. In order to assist in ESD's participation in these dispositions, staff recommends the retention of real estate counsel. Among other projects, ESD currently is assisting in the potential disposition of the Fountain Property, two vacant parcels that are currently part of the Brooklyn Development Center, which is currently under the jurisdiction of the NYS Office for People with Developmental Disabilities ("OPWDD") and owned by the Dormitory Authority. Continued use of Counsel is necessary to complete the sale.

III. COUNSEL SELECTION PROCESS

In April 2012, ESD staff advertized for legal counsel in the following areas: real estate and land use; environmental; construction; condemnation, bankruptcy; labor; taxation; bond financing; foreclosure and, in each case, related litigation. Sixty-six firms responded (including Counsel), the responses were evaluated, and in September 2012 the Directors approved a Pre-Qualified Counsel List. Counsel was pre-qualified in the areas of real estate and land use, environmental, construction, labor, bond financing (junior tier), and foreclosure.

ESD staff solicited bids for legal services from three of the Corporation's pre-qualified firms. Two firms declined to respond. Staff recommended the retention of Counsel as legal counsel for the Fountain Property Work based on: (a) knowledge and expertise of the firm; (b) prior satisfactory work which the firm has performed for ESD; (c) rate proposal; and (d) the pre-qualification process. Counsel is a national firm with experience in all facets of real estate law and commercial and residential real estate transactions. Counsel is a NYS-certified Minority Business Enterprise ("MBE"). Accordingly the firm was retained on September 1, 2013.

IV. SCOPE OF WORK

Counsel would continue to advise the Corporation in real estate, environmental, and other related legal matters in connection with ESD's participation in the sale of the Fountain Property, which may include but not be limited to drafting, negotiating, and finalizing the following types of documents: transfer documents including contracts and restrictive declarations as necessary; and closing documents including title review. Counsel also would assist ESD in complying with environmental regulations, and would be authorized to subcontract for environmental legal counsel and environmental consultants, as necessary, but only up to amounts included within the recommended overall \$300,000 contract limit. Counsel also would coordinate documentation with other involved agencies.

V. CONTRACT - NEED FOR AMENDMENT, PRICE AND FUNDING

A. PRIOR CONTRACT AND NEED FOR AMENDMENT

ESD entered into a contract with Counsel on September 1, 2013 in the amount of \$49,999.00, based on the selection process described above. The Fountain Property work and estimated legal costs were based on the project developer's plan to construct approximately 46 Units consistent with existing zoning. Subsequent to ESD and the project developer entering into a Cost Agreement and an MOU and Conditional Designations, the project developer requested to amend its RFP response to; a) increase the number of units to approximately 800, b) request that ESD grant a zoning override, and c) increase the purchase price. To accommodate these requests, additional legal work will be necessary to revise existing documents, conduct a more significant SEQRA review and prosecute the zoning override. The proposed increase in legal fees includes the additional costs of subcontracting with Sive Paget, specialized pre-approved environmental counsel, to provide legal services for the SEQRA review. Switching counsel at this time would not be cost-effective and would eliminate the benefits of continuity in legal representation.

B. CONTRACT PRICE AND FUNDING

The maximum amount of the contract shall be \$300,000. Counsel would work at an hourly rate. At present Counsel's rates are: \$450 per hour for senior partners and senior counsel; \$400 per hour for partners; \$300 per hour for associates; and \$90 per hour for paralegals. As noted above, the source of funding will be an internal ESD Imprest Account funded by potential developer.

VI. RESPONSIBLE PARTY

Pursuant to State Finance Law Section 139-j and 139-k and the Corporation's policy related thereto, staff has: (a) considered Counsel's ability to perform the services provided for in the proposed contract; and (b) consulted the list of offerers determined to be non-responsible bidders and debarred offerers maintained by the New York State Office of General Services. Base on the foregoing, staff considers Counsel to be responsible.

VII. ENVIRONMENTAL REVIEW

Staff has determined that the proposed authorization constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implanting regulations for the New York Department of Environmental Conservation. No further environmental review is required in connection with this authorization.

VIII. NON-DISCRIMINATION AND CONTRACTOR & SUPPLIER DIVERSITY

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this contract. Counsel shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprises ("MWBEs") for any contractual opportunities generated in connection with this procurement, and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR Section 142.8) to achieve meaningful participation of MWBEs in relation to this procurement.

As noted above, Counsel is a NYS-certified MBE and may utilize its own certification status for the above MWBE participation requirements.

IX. REQUESTED ACTION

The Directors are asked to authorize amending the retention of Gonzalez Saggio & Harlan as counsel to the Corporation for such legal services as are described in these materials for a maximum amount of \$300,000.

X. RECOMMENDATION

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

XI. ATTACHMENT

Resolutions

December 19, 2014

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT - Authorization to Amend a Contract with the Law Firm of Gonzalez Saggio & Harlan to Provide Legal Services in Connection with Disposition of Two Non-Contiguous Parcels of Undeveloped Land Within the Brooklyn Development Center in Brooklyn, NY (the "Fountain Property") and to Take Related Actions

RESOLVED, that in accordance with the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation (the "Materials"), the Corporation hereby finds the law firm of Gonzalez Saggio & Harlan ("Counsel") to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter amend a contract with Counsel in an amount not to exceed \$300,000, for the purposes and services, and substantially on the terms and conditions, as set forth in the Materials; and be it further

RESOLVED, that the President and Chief Executive Officer and his designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all such actions as may be necessary or appropriate to effectuate the foregoing. Any actions previously taken by the Corporation or Counsel consistent with this authorization are hereby ratified and affirmed.

* * *

FOR INFORMATION

December 19, 2014

TO: The Directors

FROM: Kenneth Adams

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

Utilization of Certified MWBEs:

For the second quarter of fiscal year 2014-2015, ESD achieved MWBE participation in agency projects and procurements totaling 21.6%. During the quarter, ESD disbursed a total of \$163.8 million in eligible procurements to vendors, grantees and borrowers. Of the eligible procurements, \$35.3 million in payments were reported to MWBEs.

Initial Commitments to Certified MWBEs:

For the second quarter of fiscal year 2014-2015, ESD and its subsidiaries executed a total of \$2.83 million in procurements and amendments, of which \$2.53 million were MWBE eligible procurements. Of the eligible procurements, \$492,279 or 19.45% has been committed to MWBEs by ESD, its subsidiaries and primes.

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

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

Empire State Development
Report on Procurement Contracts
Entered into During the Quarter of [07/01/2014 - 09/30/2014]

CO.	VENDOR NAME AND ADDRESS	ORIG CONT DATE	REASON FOR AWARD	CONTRACT NUMBER	INITIAL SCOPE OF SERVICES	CONTRACT AMOUNT	CURRENT STATUS	CONTRACT REPORTER	COMPETITIVE SEARCH	BASIS OF AWARD	MWBE ELIGIBLE CONTRACTS	COMMENTS
ESD	Massey Knakal Realty of Manhattan, LLC 275 Madison Avenue 3rd Floor New York, NY 10016	7/22/2014	Need for brokerage services in connection with the James A. Farley Post Office Building and Annex.	8795	Provide brokerage services to value, market and facilitate the disposition of approximately 1.5 million square feet of excess development rights at the James A. Farley Post Office and Annex.	*TBD	On-going	YES	YES	Best Value	YES	*0.33% of the gross sales price
ESD	Renee Sacks Associates, Inc. d/b/a Sacks Communications 767 Third Avenue Brooklyn, NY 11232	8/18/2014	Need for consulting services in connection with the 2014 MWBE Statewide Forum.	8803	Provide full-service project management services including but not limited to event management, event marketing, pre-event and on-site registration and management.	293,000	On-going	Legally Exempt	NO	Best Value	YES 20%	Single Source Certified WBE
						TOTAL ESD:						
						\$293,000						
Eric Canal Harbor Development Corporation	Perkins + Will 2 Bryant Street Suite 300 San Francisco, CA 94105	7/24/2014	Need for consulting services in connection with the Buffalo Outer Harbor Redevelopment Plan.	8758	To study the feasibility of various development scenarios along Buffalo's Outer Harbor, perform public outreach, and prepare an implementation-oriented "Master Blueprint" that outlines a preferred scenario for the Outer Harbor's redevelopment based on input from the public.	738,072	On-going	Yes	YES	Best Value	YES 25%	
						TOTAL ECHDC:						
						\$738,072						
						TOTAL FOR CONTRACTS:						
						\$1,031,072						
						TOTAL FOR AMENDMENTS:						
						\$1,800,000						
						GRAND TOTAL:						
						\$2,831,072						

Empire State Development
Report on Procurement Contracts (Amendments)
Entered into During the Quarter of (07/01/2014 - 09/30/2014)

CD.	VENDOR NAME AND ADDRESS	BEGIN DATE	AMEND. DATE	REASON FOR AWARD	CONTRACT NUMBER	ORIGINAL CONTRACT AMOUNT	AMEND AMOUNT	SCOPE OF SERVICES	REVISED CONTRACT AMOUNT	CURRENT STATUS	CONTRACT REPORTER	MWBE ELIGIBLE CONTRACTS	COMMENTS
EMPIRE STATE DEVELOPMENT													
ESD	AKRF, Inc. 440 Park Avenue South New York, NY 10016	1/24/2006	7/22/2014	Need for environmental consulting services in connection with the Atlantic Yards Arena and Redevelopment Project.	3400	1,500,000	1,000,000	Prepare a Supplemental Environmental Impact Statement analyzing potential impacts from a possible extended construction schedule for Phase II of the Project.	7,756,230	On-going	Legally Exempt	YES 23 %	Single Source
ESD	McKenna Long & Aldridge LLP 230 Park Avenue 17th Floor New York, NY 10169	3/4/2014	9/12/2014	Need for bond counsel services in connection with bond tax consultations.	8833	45,000	300,000	Provide specialized bond counsel services to ESD in connection with tax consultations and related services to support with the ongoing disposition by ESD of real property owned by various state entities, including various state prison facilities.	345,000	On-going	Legally Exempt	NO	Single Source
						ESD TOTAL:			\$8,081,230				
ERIE CANAL HARBOR DEVELOPMENT CORPORATION													
ECHDC	Liro Engineers 690 Delaware Avenue Buffalo, New York 14209.	3/19/2010	7/23/2014	Need for construction monitoring services in connection with the Canal Side Project in Buffalo, NY.	6589	1,771,693	500,000	Provide additional construction monitoring services necessary for the Historically Aligned Canal and Associated Landscaping and Facilities.	2,271,693	On-going	Legally Exempt	YES 25%	Single Source
						ECHDC TOTAL:			\$2,271,693				
						TOTAL FOR AMENDMENT CONTRACTS:			\$10,352,923				