

FOR CONSIDERATION

June 15, 2010

TO: The Directors

FROM: Dennis M. Mullen

SUBJECT: Albany (Albany County) – NYSEDC - Business Marketing – Empire State Economic Development Fund – Competitiveness Improvement Program (Working Capital Grant)

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

I. Project Summary

Grantee: New York State Economic Development Council (“NYSEDC” or the “Council”)

ESD* Investment: A grant of up to \$120,000, pending passage of the New York State budget, to be used for a portion of the cost of targeted marketing events during the 2010 BIO International Convention (“BIO 2010”) and two 2010 Industrial Asset Management Council Professional Forums (“IAMC”)

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

Project Location: Statewide; Chicago, Illinois; Colorado Springs, Colorado; and Hot Springs, Virginia

NYS Empire Zone (or equivalent): N/A

Proposed Project: Funds will be used for three specific cooperative marketing initiatives, all designed to attract businesses to New York through focused interaction, scheduled meeting times, and networking to a targeted audience.

ESD Incentive Offer Accepted: March 5, 2010

Project Completion: December 31, 2010

Grantee Contact: Brian McMahon, President
111 Washington Avenue, 6th Floor
Albany, NY 12210
Phone: 518-426-4058
Fax: 518-426-4059

Anticipated
Appropriation
Source: Empire State Economic Development Fund

ESD Project No.: X037

Project Team: Origination Jeff Janiszewski
Project Management Gregory E. Fitzgerald
Affirmative Action Laverne Poole
Environmental Soo Kang

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Consultant/vendor fees	\$35,000
Receptions	113,000
Event planning/coordination	<u>25,000</u>

Total Project Costs \$173,000

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$120,000	72%
Source	25,000	10%
Company Equity	<u>28,000</u>	<u>18%</u>
Total Project Financing	<u>\$173,000</u>	<u>100%</u>

III. Project Description

A. Background

NYSEDC, a private not-for-profit established in 1973, is New York's principal organization representing economic development professionals. There are more than 900 members including the leadership of industrial development agencies, local development corporations, commercial and investment banks, underwriters, bond counsels, utilities, chambers of commerce, and private corporations. NYSEDC promotes the economic development of New York State (the "State") and its communities by providing its members with core services that involve state and federal government lobbying, education and professional development programs and the organization of business marketing programs.

This year, NYSEDC will participate in three major marketing initiatives: IAMC –

spring and fall, and BIO International. IAMC is the leading association for economic development professionals, specifically commercial real estate professionals and site locators, to attract new businesses and promote expansion of businesses by marketing available sites, incentives and workforce productivity. BIO International is the world's largest trade show event for the biotechnology industry. NYSEDC's goal is to maximize business opportunities for the State's economic development professionals and to increase global recognition of New York State's vibrant bioscience industry, research and development, and commercialization strengths.

On March 20, 2008, the ESD Directors approved a \$150,000 marketing grant to NYSEDC. This funding was used for NYSEDC to participate in and attend three marketing initiatives. At each conference, NYSEDC sponsored invitation-only events to attract key professionals and discuss the benefits of doing business in and with NYS. As a result of these events, NYSEDC created a comprehensive contact database in which to communicate to economic development professionals. Additionally, at the 2008 Bio International event, 18 private NY bio businesses attended and shared exhibit space in the NY Pavilion.

In March 2010, ESD's \$120,000 incentive offer induced NYSEDC to continue its cooperative marketing efforts. NYSEDC proactively promotes and markets New York State as a thriving business location and directly provides venues for its members to market their products and regions to potential investors. ESD's funds will enable NYSEDC to play a major role at these three important 2010 marketing events. Without these funds, the Council would not be able to participate and New York State would not have a major presence at these symposiums.

B. The Project

ESD funding will be used for a portion of the costs of the three cooperative marketing initiatives mentioned above. These initiatives are designed to attract business to the State through focused interaction and networking within a targeted audience:

1. IAMC – Colorado Springs, Colorado, April 2010: NYSEDC made presentations, scheduled one-on-one conversations and hosted a major marketing event to promote NYS to IAMC members.
2. BIO 2010 International/NY Loves Bio – Chicago, Illinois, May 2010: New York State's participation at this conference was coordinated by NY Loves Bio, an NYSEDC affiliate. NY Loves Bio is a statewide marketing campaign that demonstrates New York's scientific innovation, corporate success and academic achievement to leading bio advocates globally. At the pavilion, NY Loves Bio hosted an off-site reception for a small, targeted audience of individuals who either have a business that might relocate or expand in New York State or are currently working in life sciences in the State.
3. IAMC – Hot Springs, Virginia, October 2010: NYSEDC will make presentations, schedule one-on-one conversations and host a major marketing event to promote NYS to IAMC members.

The Council, through effective ongoing follow-up, will track specific results and provide a summarized report on outcomes of conference attendance. Upon completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.

C. Financial Terms and Conditions

1. The Grantee will be obligated to advise ESD of a material adverse change in its financial condition prior to disbursement.
2. Up to 90% (\$108,000) shall be disbursed no more frequently than quarterly, upon submission of proper documentation of eligible expenses to date, assuming that all project approvals have been completed and funds are available. The final ten percent (10%) of the Grant shall be disbursed upon completion of the project substantially as described in these materials, documentation of project costs totaling approximately \$173,000, and submission of all reports. Payment will be made upon presentation to ESDC of an invoice and such other documentation as ESDC may reasonably require. Expenses must be incurred on or after March 5, 2010, to be considered eligible project costs.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$120,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms.
As a result of the project, the Council will provide increased market exposure to economic development professionals, thereby promoting New York State as a world class business location.
2. The proposed project would be unlikely to take place in New York State without the requested assistance.
Without ESD's assistance, NYSEDC would likely be unable to participate at these three conferences which are essential for the promotion of economic development in New York State.
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
The project is likely to accomplish its stated goals of providing national and international market exposure. The likely benefits of the project are expected to exceed the \$120,000 grant.
4. The requirements of Section 10(g) of the Act are satisfied.
No residential relocation is required because there are no families or individuals residing on the site.

VI. Environmental Review

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

VII. Affirmative Action

ESD’s Non-discrimination and Affirmative Action policy will apply. NYSEDC is encouraged to include minorities and women in any job opportunities created by the project, and to solicit and utilize Minority and Women-owned Business Enterprises for any contractual opportunities generated in connection with the project.

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

Resolutions
New York State Map

June 15, 2010

Statewide – NYSEDC - Business Marketing – Empire State Economic Development Fund Competitiveness Improvement Program (Working Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the NYSEDC – Business Marketing – Empire State Economic Development Fund – Competitiveness Improvement Program (Working 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 Chairman and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to New York State Economic Development Council a grant for a total amount not to exceed One Hundred and Twenty Thousand Dollars (\$120,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the Chairman 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 Chairman 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 Chairman and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing

resolutions.

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