

FOR CONSIDERATION

June 24, 2010

TO: The Directors

FROM: Dennis M. Mullen

SUBJECT: Essex County – Champlain Bridge Recovery Fund – Increased Transport Costs & Retail Assistance Programs - Empire State Economic Development Fund - General Development Financing (Working Capital Grants)

REQUEST FOR: Authorization to Adopt Amended Guidelines and Take Related Actions

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Authorization to Amend Guidelines

**Background/Project Status:**

Grantees: *Increased Transport Costs Grants:* Staff currently estimates that two firms (one agricultural and one manufacturing) may be eligible.

*Retail Assistance Grants:* Staff currently estimates that up to ten retail and service firms may be eligible.

ESD Investment: *Increased Transport Costs Grants:* Grants totaling up to \$1 million to be used for up to 75% of the increased cost to agricultural and manufacturing firms resulting from the distance that detours add to their routes.

*Retail Assistance Grants:* Grants totaling up to \$1.3 million to retail and service firms to be used to reimburse revenue losses up to \$10,000, or 50% of quarterly revenue loss, whichever is less, provided that the retail business suffered reduced sales of at least 15% as a result of lost business traffic from the closure of the Lake Champlain Bridge (the “Bridge”).

**Project Locations:**     *Increased Transport Costs Grants:* Essex County and the neighboring areas adversely affected by the emergency closure of the Bridge.  
*Retail Assistance Grants:* Retail and service firms located in the Towns of Crown Point, Moriah or Ticonderoga, or the Village of Port Henry, who have lost business revenue as a result of the bridge closure.

**Project Completion:**   December 31, 2011

**Project Status Update:**

*Increased Transport Costs Grants:* ESD received one successful application and disbursed \$15,338.81 for increased transportation costs incurred between October 16, 2009 and December 31, 2009.

*Retail Assistance Grants:* ESD received twenty eligible and two ineligible applications under Phase 1 of the Retail Assistance program; \$13,600.11 was disbursed to the eligible businesses. Phase 1 provided grants of up to \$2,500 for gross revenue lost from October 16-31, 2009, when compared to gross revenue for October 1-15, 2009. ESD received eleven applications under Phase 2 of the Retail Assistance program, of which two were ineligible and one remains incomplete pending further documentation. If all nine eligible applications are funded, ESD will have disbursed \$50,200.41 under Phase 2, bringing total Retail Grant disbursements to a maximum payout of \$63,800.52.

In January 2010, temporary ferry service was established to provide a short-term transportation option in the same location the Bridge had been located in. The temporary ferry service is free and will continue to operate until the Bridge is rebuilt and reopened. While the temporary ferry service is providing some relief, there is still a need for ESD assistance to address the impact that some businesses are continuing to feel from the closure of the Bridge. Retail businesses continue to see reduced revenue as shopping patterns have changed and are not likely to fully return to pre-Bridge closure levels until after the new Bridge is opened. In addition, as a result of the temporary ferry service having a weight limit, some fully-loaded trucks are not able to use the temporary ferry service and have to instead drive a circuitous route to reach their destination, which adds to transportation costs.

**Amendments to Guidelines:**

Going forward, maximum Retail Assistance loss reimbursement grants cannot exceed \$10,000 per quarter per applicant.

In addition, assistance will now be provided by ESD under the Increased Transport Costs and Retail Assistance programs through December 31, 2011. Applications will be reviewed on a quarterly basis for both programs.

**Environmental Review:**

ESD staff has determined that the project continues to constitute a Type II emergency action as defined under Section 617.5(c)(33) of 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.

**Attachments:**

Resolutions

ESD Director's Materials dated December 18, 2009

June 24, 2010

Essex County - Champlain Bridge Recovery Fund – Increased Transport Costs & Retail Assistance Programs - Empire State Economic Development Fund - General Development Financing (Working Capital Grants) - Authorization to Adopt Amended Guidelines and Take Related Actions

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RESOLVED, that the Corporation hereby authorizes and adopts the changes to the guidelines for the Champlain Bridge Recovery Fund – Increased Transport Costs & Retail Assistance Programs (the “Programs”), described in the materials presented in this meeting, 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 Chairman 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”) and take all related actions as he or she deems necessary or appropriate to effectuate the purposes of program and these resolutions.

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