

FOR CONSIDERATION

September 14, 2010

TO: The Directors

FROM: Dennis M. Mullen

SUBJECT: Statewide – New York State Healthy Food Healthy Communities Initiative – Empire State Economic Development Fund – Regional and Industrial Planning Studies and Economic Development Initiatives (Working Capital Grant)

REQUEST FOR: Authorization to Modify Disbursement Terms

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I. Background

These materials refer to and include, in their entirety, the attached materials presented to and approved by the ESD Directors on February 19, 2010 (the “Materials”). Any substantive changes to the project or terms and conditions are noted in these materials.

Since February 2010, the Low Income Investment Fund (“LIIF” or the “Grantee”) and its partner The Food Trust, a not-for-profit food access organization, has developed the New York State Healthy Food Healthy Communities Initiative’s (the “Initiative”) program guidelines and created marketing and application materials. The Grantee has also partnered with The Reinvestment Fund, a federally certified community development financial institution, to assist with the setup and implementation of the project, to conduct research, analysis and mapping, and to provide ongoing training and technical assistance.

During the initial phase of the project, the Grantee is creating, designing and implementing all programmatic aspects of the Initiative to ensure a successful statewide deployment of funds. To that end, the Grantee and the Food Trust have hired a dedicated full-time employee whose sole responsibility will be administering this Initiative. Therefore, the Grantee is requesting a modification of the disbursement terms in order to cover many of the initial costs to be incurred during this phase of the project. Whereas the initial disbursement terms had a 20% advance (\$120,000); the Grantee now requests a 40% advance (\$240,000). ESD Staff has reviewed this request as well as the Initiative’s launch plan and recommends the modification.

## II. Requested Action

The Directors are requested to modify the disbursement terms as follows:

Up to \$600,000 will be disbursed to the Grantee as follows:

### First 40%

Upon the execution of the Grant Disbursement Agreement (the "Agreement") by the Grantee and its delivery to ESD, and the satisfaction of the conditions set forth in Section 3 of the Agreement, ESDC shall disburse to the Grantee a sum equal to forty percent (40%) of the grant (\$240,000).

### Next 50%

All disbursements after the initial advance shall be for eligible expenses incurred by the Grantee. Requisitions for payment after the initial requisition must include supporting documentation\*. In addition, the second requisition must include supporting documentation\* for the initial advance of 40%. ESD shall reimburse the Grantee, no more frequently than monthly, for eligible expenses actually incurred by the Grantee. The amount reimbursed by ESD in this manner will not exceed fifty percent (50%) of the grant (\$300,000).

### Last 10%

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.

Expenses must be incurred on or after December 15, 2009, the date the Grantee was selected as Program Administrator for the Initiative.

\*Supporting documentation must include copies of invoices as well as proof of payment (e.g. cancelled checks, paid credit card statements, or other proof of payment). If proof of payment is not available at the time of a request for funds, grantee must provide such proof of payment upon the subsequent request to allow full disbursement. Otherwise, additional funds will not be disbursed. Grantee must also provide proof of payment for the final request for funds within sixty (60) days of receipt of ESD's final disbursement.

## X. Additional Submissions to Directors

Resolutions

ESD Directors' Materials, dated February 19, 2010

September 14, 2010

Statewide – New York State Healthy Food Healthy Communities Initiative – Empire State Economic Development Fund – Regional and Industrial Planning Studies and Economic Development Initiatives (Working Capital Grant) – Authorization to Modify Disbursement Terms and to Take Related Actions

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RESOLVED, that the Corporation hereby modifies the disbursement terms relating to the New York State Healthy Food Healthy Communities Initiative – Empire State Economic Development Fund – Regional and Industrial Planning Studies and Economic Development Initiatives (Working Capital Grant) Project (the “Project”), 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) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to modify the disbursement terms 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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