

DRAFT – SUBJECT TO REVIEW AND REVISION

NEW YORK STATE URBAN DEVELOPMENT CORPORATION

d/b/a Empire State Development Corporation
Meeting of the Directors
Syracuse Regional Office
620 Erie Boulevard West
Syracuse, New York 13204

and

New York City Regional Office
633 Third Avenue
37th Floor Conference Room
New York, New York 10017

and

Buffalo Regional Office
95 Perry Street
Buffalo, New York 14203

and

New York State Department of Banking
1 State Street
New York, New York 10006

August 18, 2011

MINUTES

In Attendance

Directors:

Julie Shimer – Chair
Derrick Cephas
Robert Dyson
Dennis Mehiel
Regina Stone – Designee for Acting Superintendent – New York
State Department of Banking

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ESD Officers: Peter Davidson, Executive Director
Leecia Eve, Senior Vice President - Legal and General Counsel
Robert Godley, Treasurer
Edwin Lee, Senior Project Manager – Loans and Grants
Sheri Lippowitsch, Vice President – Loans and Grants
Eileen McEvoy, Corporate Secretary
Kathleen Mize, Controller
Susan Shaffer, Vice President – Loans and Grants
Austin Shafran, Vice President – Public Affairs
Frances A. Walton, Chief Financial and Administrative Officer

Also Present Sam Hoyt, Senior Vice President – Buffalo Regional Office
Andrea Lohneiss, Regional Director – Long Island Regional Office
Christine Orsi, Regional Director – Western Regional Office
Aimee Vargas, Regional Director – Mid-Hudson Office
Joan Romanelli, Member of the Public
The Press
The Media

The meeting of the Directors of the New York State Urban Development Corporation (“UDC”) d/b/a Empire State Development Corporation (“ESD” or the “Corporation”) was called to order at 10:30 a.m. by Chair Shimer. 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, Chairperson Shimer set forth the guidelines regarding comments by the public on matters on the Agenda.

Ms. Shimer then asked the Directors to approve the Minutes of the June 28, 2011 and July 13, 2011 Directors’ meetings. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

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APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE JUNY 28, 2011
and JULY 13, 2011 MEETINGS OF THE DIRECTORS OF THE NEW YORK STATE URBAN
DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meetings of the Corporation held on June 28, 2011 and July 13, 2011, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meetings as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

Ms. Eve then asked the Directors to adopt the Guidelines for the Regional Council Economic Development Capital Fund and to authorize ESD to take related actions in connection with the Guidelines.

Ms. Eve explained that in order to stimulate real economic development statewide, Governor Cuomo is instituting the Regional Economic Development Council Initiative as part of a new operating model for economic development that is regionally based.

To lead this new regional approach, Ms. Eve continued, 10 Regional Councils have been established representing each of the State's economic development regions.

Among other things, Ms. Eve explained that ESD is among more than 14 State agencies that will coordinate with the Regional Councils in implementing the Initiative. Ms. Eve explained ESD's role in connection with this Initiative and noted that the Guidelines set forth the application process, the approval and disbursement process as well as the terms and

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conditions for an award by ESD for fund assistance.

Following the full presentation, the Chair called for questions or comments. Director Cephas asked if the Regional Councils were up and running and Ms. Eve stated that they were.

Mr. Adams then commented that the Guidelines have been a work in progress involving Ms. Eve and individuals from across the State and the Governor's Office. He apologized that because of that, the Guidelines were only provided to the Directors over the past few days.

Mr. Adams further commented that Ms. Eve has reviewed the Guidelines and that the Corporation is comfortable that they coordinate with ESD's existing processes and procedures as well as with existing Statutory requirements.

Director Cephas stated that while the Guidelines may need to be revised as time passes, they are a great first effort.

Chair Shimer then asked for clarification with regard to the Lieutenant Governor's reference to consolidating a billion dollars worth of funding from various State Agencies. While the materials reference the distribution of \$200 million under ESD's control, she continued, there is no mention of a coordination mechanism with the other State agencies and she wondered how that will work.

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Among other things, Mr. Adams explained that the portal for all of this is the new Consolidated Funding Application (“CFA”), which is presently in draft form. He further explained that the CFA will pull together the applications and the procedures from the nine agencies into one user-friendly document. Mr. Adams further explained that an applicant can therefore fill out one form that is then processed, largely by ESD staff. The Regional Directors, he continued, will then go out and identify resources at the other participating agencies where the other \$800 million rests.

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

Regional Economic Development Council Capital Fund – Adoption of Guidelines for the Funding of Regional Economic Development Council Capital Fund Projects; and Authorization to Take Related Actions

RESOLVED, that on the basis of the materials (the “Materials”) presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Regional Economic Development Council Capital Fund (the “Fund”), the Corporation hereby adopts the Fund guidelines (the “Guidelines”) 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, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized to take such actions and make such modifications to the Guidelines as he or she may deem necessary or appropriate in connection with the Fund; 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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The Chair then asked Mr. Lee to present a summary of the Discretionary Project items on the Agenda. Chair Shimer explained that following Mr. Lee’s brief presentation, she would call upon the individual Regional Directors to present the projects from their region.

Mr. Lee noted that the Directors are being asked to approve four grants totaling \$11,075,000. He added that these projects will leverage over \$354 million in additional investments and will assist in retaining or maintaining 905 jobs and in creating approximately 130 jobs across New York State.

Following Mr. Lee’s summary, the Chair asked Ms. Lohneiss, the Director of ESD’s Long Island Regional Office, to present the G.E. Aviation EDF Working Capital Grant project for the Directors’ consideration.

Ms. Lohneiss stated that the Directors were being asked to approve a \$6,350,000 working capital grant to GE Aviation Systems which is located in Bohemia in Suffolk County. Among other things, Ms. Lohneiss noted that there is a second component of the package that will provide a \$3,650,000 Downstate Revitalization Grant to the Company. She added that this grant will be presented to the Directors at a later meeting.

Following the full presentation, Chair Shimer called for 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 Cephas recused himself with regard to the

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vote on the following resolution.):

Bohemia (Long Island Region – Suffolk County) – GE Aviation Working Capital – Empire State Economic Development Fund - General Development Financing (Working Capital) – 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 GE Aviation Working Capital – Empire State Economic Development Fund – General Development Financing (Working Capital) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms;
2. The project would be unlikely to take place in New York State without the requested assistance;
3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;
4. There are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to GE Aviation Systems LLC a grant for a total amount not to exceed Six Million Three Hundred and Fifty Thousand Dollars (\$6,350,000) 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

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

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

* * *

Chair Shimer then asked Aimee Vargas, the Director of ESD's Mid-Hudson Regional Office, to present the next two items on the Agenda.

Ms. Vargas provided the background information with regard to the Regeneron Pharmaceuticals and the Towers Watson EDF Capital Grant projects.

Ms. Vargas explained that the Directors were being requested to approve a \$4 million capital grant to Regeneron, which has its headquarters in Tarrytown and its manufacturing facilities in Rensselaer.

The funding, Ms. Vargas explained, will assist the Company in the construction of a new headquarters and Research and Development facility at the Tarrytown location as well as in the purchase of new machinery and equipment.

Ms. Vargas further asked the Directors to approve a \$500,000 capital grant to Towers Watson Pennsylvania Inc., which is located in Westchester County. This grant, Ms. Vargas

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noted, will assist the Company in leasing and renovating new office space as well as in the purchase of machinery and equipment.

Following this presentation, Chair Shimer called for questions or comments on either item. Hearing none, and upon motion duly made and seconded, the following resolutions were unanimously adopted:

Tarrytown (Mid-Hudson Region – Westchester County) – Regeneron Pharmaceuticals 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 Regeneron Pharmaceuticals Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms;
2. The project would be unlikely to take place in New York State without the requested assistance;
3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;
4. There are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of

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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 Regeneron Pharmaceuticals, Inc. a grant for a total amount not to exceed Four Million Dollars (\$4,000,000) 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.

* * *

White Plains (Mid-Hudson Region – Westchester County) – Towers Watson 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 Towers Watson 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

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“Act”), that

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms;
2. The project would be unlikely to take place in New York State without the requested assistance;
3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;
4. There are no families or individuals to be displaced from the project area; and be it further

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

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

RESOLVED, that the President and Chief Executive Officer 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

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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, the Chair asked Ms. Orsi, the Director of the Buffalo Regional Office, to present the Ashland Advanced Materials EDF Capital Grant project for the Directors' approval.

Ms. Orsi stated that the Directors were being asked to approve a \$225,000 capital grant to Ashland Advances Materials, located in Niagara County.

The funding, Ms. Orsi noted, will assist the Company in purchasing and renovating a vacated carbon facility in Niagara Falls as well as with the purchase of new machinery and equipment.

Following Ms. Orsi's full presentation of the specifics of this request, Chair Shimer called for questions or comments. Director Dyson commented that of all the projects today, this one is a real plus as it has taken an unused facility and reawakened it. He added that this is exactly the type of project that ESD should be doing.

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

Niagara Falls (Western New York Region – Niagara County) – Ashland Advanced Materials Capital – Empire State Economic Development Fund – General Development

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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 Ashland Advanced Materials Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms;
2. The project would be unlikely to take place in New York State without the requested assistance;
3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;
4. There are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Ashland Advanced Materials LLC a grant for a total amount not to exceed Two Hundred Twenty-Five Thousand Dollars (\$225,000) 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

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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.

* * *

Niagara Falls (Western New York Region – Niagara County) – Ashland Advanced Materials Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

Mr. Lee then presented the August Discretionary Projects Consent Calendar for the Directors' consideration. Following this presentation, the Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Empire State Economic Development Fund – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Empire State Economic Development Fund Projects identified below (the “Projects”), the Corporation hereby determines pursuant to Section 16-m of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

1. The Projects 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 Projects would be unlikely to take place in New York State without the requested assistance.
3. The Projects are reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
4. There are no families or individuals to be displaced from the project area(s); and be it further

RESOLVED, that with respect to the General Development Financing Capital Projects, 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 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 amount listed below 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 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

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necessary approvals;

Empire State Economic Development Fund

	Project Name	Proj #	Grantee	Assistance up to
	General Development Financing Project			
A.	S.J. McCullagh Capital	X134	S.J. McCullagh, Inc.	\$40,000
			TOTAL	\$40,000

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.

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Urban and Community Development Program – Findings and Determinations Pursuant to Sections 5(4), 10(g) and 16-d 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 Urban and Community Development Program 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 make a grant to the party and for the amount listed below from the Urban and Community Development Program, for the purposes, and substantially on the terms and conditions, 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, 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;

Urban and Community Development Program

	Project Name	Proj #	Grantee	Assistance up to
	Urban and Community Development Assistance			
B.	SIEDC Brownfield Redevelopment Program – Working Capital	X385	Staten Island Economic Development Corporation	\$30,000
			TOTAL	\$30,000

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.

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Next, Mr. Lee presented the Restore New York Program item. Mr. Lee provided a brief synopsis of the two grants to be considered by the Directors. Following Mr. Lee’s presentation, the Chair called for questions and comments.

Mr. Adams then commented positively with regard to the tremendous impact of so many of the Restore grants on the local communities.

Mr. Adams continued noting, in part, that these funds have been fully allocated. He expressed his hope that this program will be fully supported and re-funded in next year’s State

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budget.

Director Dyson expressed support for this program noting his belief that it is successful because it is targeted funding and not a massive multi-billion dollar resurrection.

Director Mehiel stated it is also successful because it has significant private sector participation.

Mr. Adams expressed his agreement with both comments.

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

Statewide – Restore NY Communities – Capital Grants – Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c), 10(g) and 16-n 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 Restore NY Communities Capital Grant Projects (the “Projects”), the Corporation hereby determines pursuant to Sections 16-n and 10 of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

1. The area in which the project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest sound growth and development of the municipality.
2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.

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3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.
4. There are no families or individuals 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 “Plans”) 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 Plans, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written findings 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 Plans, such Plans shall be effective at the conclusion of such hearing, 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 to grants to the parties and for the amounts listed below from Restore NY Communities, 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, and each of them hereby is, authorized to make a grants to the parties and for the amount listed below from Restore NY Communities, 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

Restore NY Communities – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
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Restore NY Communities Projects				
A.	Saugerties – RESTORE II – Partition Street	W039	Village of Saugerties	\$780,000
B.	Fairport – RESTORE III – Parker Street	W808	Village of Fairport	\$156,700
			TOTAL	\$936,700

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.

* * *

Saugerties (Mid-Hudson Region - Ulster County) – Saugerties - RESTORE II – Partition Street – Restore NY Communities 07-08 – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Saugerties – RESTORE II - Partition Street Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Fairport (Finger Lakes Region - Monroe County) – Fairport – RESTORE III – Parker Street – Restore NY Communities 08-09 – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Village of Fairport – Restore III – Parker Street Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment; that because the demolition project has already been completed and is functionally independent of future development plan, the environmental review of the demolition project is not being “segmented” from the review of the future development plan; and that to the extent the proposed action may be considered to be “segmented” from any future development plan, that such “segmentation” is permissible pursuant to 6 NYCRR Part 617.3(g) due to the relevant circumstances of the project, specifically: (i) that the future development plan is currently subject to review under SEQRA by the Planning Board of the Village of Fairport as lead agency; and (ii) that the review of the present demolition project is no less protective of the environment than any present review of the future development plan.

* * *

Mr. Adams then mentioned that at future meetings, various ESD program that ESD believes should be enhanced or re-funded will be discussed in full with the Directors.

Ms. Lippowitsch then presented the August Non-Discretionary Consent Calendar for approval. Ms. Lippowitsch briefly outlined the content of the consent calendar noting, in part, that the calendar includes three grants totaling \$875,000 that were authorized or re-appropriated in the 2011 – 2012 New York State budget. Ms. Lippowitsch noted that the consent calendar also includes one item – BioBAT – which is a modification and does not require additional funding.

Following this presentation, the Chair called for questions or comments. Director Dyson asked for further information with regard to the BioBAT modification item.

Ms. Lippowitsch provided the relevant historical background information with regard to this item. Director Dyson asked if it is correct that the validity of the project exists even though it's six or seven years later. Ms. Lippowitsch stated that that was correct. She added that they have two potential tenants so BioBAT intends to build space for these tenants evidencing the project's continued viability.

Director Mehiel asked for a timeline and benchmarks with regard to disbursement of

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funds.

Ms. Lippowitsch stated there is no specific time line other than the time line for the project's completion. She added that once BioBAT submits documents showing progress on the project, ESD's Design and Construction Department will make sure that the work has been done and then ESD will make reimbursement payments.

A discussion ensued with regard to, among other things, non-discretionary projects in general as well as ESD's role and responsibilities in administering these grants.

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

Capital Projects Fund - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Amend the Project Scope and Budget; 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 Capital 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; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed amended project scope and budget (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

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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 a grant to the party and for the amount listed below from the Capital 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

Capital Projects Fund - Executive - Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
A.	BioBAT – New York Biotechnology Center at BAT	V719	BioBAT, Inc.	0 ¹
	1 - this \$6 million grant was approved by The ESD Directors on November 15, 2007. The subject request is to reallocate funds to amend the project scope and budget 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.

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to Section 10 (g) of the Act; Authorization to Amend the Project Scope and Budget; 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 Community Projects Fund and Local Assistance Projects (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(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 amend the project scope and budget for the Research Foundation – Krabbe Disease Working Capital project; 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 to the parties and for the amounts listed below from the Community Projects Fund and 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 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

Local Assistance – Executive – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
B.	The Research Foundation – Krabbe Disease Working Capital	W753	The Research Foundation of State University of New York	0 ¹
	1- this \$940,000 grant was approved by The ESD Directors on August 19, 2009. The subject request is to reallocate funds to amend the project scope and budget and does not involve new funding.			

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			TOTAL	\$0

Community Projects Fund - Assembly – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
C.	Garment Industry Development Corporation – Program Support	W247	Garment Industry Development Corporation	750,000
D.	SU College of Law – Technology Commercialization Clinic Network	W252	Syracuse University	125,000
			TOTAL	\$875,000

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.

* * *

Mr. Volcy then asked the Directors to authorize ESD to take certain specific actions with regard to the Foreclosure Auction and Bid on real property located at 601-619 Throop Avenue, Brooklyn, New York.

Specifically, Mr. Volcy asked the Directors to authorize ESD staff to place a Credit Bid of up to \$5.6 million at a foreclosure sale of the above-mentioned property. Mr. Volcy further asked the Directors to authorize ESD to obtain an appraisal, hire a real estate broker and retain the services of a property manager in connection with this property. Mr. Volcy noted that these actions will ensure that ESD’s interest in the property is protected and the recovery from the asset is maximized.

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Mr. Volcy provided the background information with regard to the property and went on to explain, in part, that ESD has commenced the foreclosure action, which was recently approved by the Directors. He added that ESD expects to acquire title and recover fully all taxes paid plus a significant portion of ESD's outstanding loan values once the property has been properly marketed and sold.

Following Mr. Volcy's full presentation, Chair Shimer called for questions or comments. Director Cephas asked if the property has ongoing viability as an office building or if it will be reconverted into residential space.

Mr. Volcy stated that it has been determined that the best course of action is to keep it as an office building.

Director Cephas then asked if the building was fully leased and he was informed that approximately 60% of the building was leased.

Director Mehiel asked for a rundown of the moneys that ESD has advanced with regard to this property since it initially went into default in 2002 and Mr. Volcy provided him with that information. Director Mehiel further asked about expenses that will be incurred if ESD does take title to the property. Mr. Volcy provided this information reiterating his previous statement that the ultimate goal is to properly market and sell the property to recoup taxes

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paid plus a substantial portion of ESD’s outstanding loan values.

Director Dyson then commented that unfortunately, projects such as these are legacy projects dating from the time when UDC was founded to create housing.

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

New York (Kings County) - Authorization to (i) place a bid of up to \$5.6 million at a foreclosure auction for the property located at 601-619 Throop Avenue, Brooklyn New York (the “Property”), (ii) obtain an appraisal on the Property, (iii) hire a real estate broker, (iv) retain the services of a property management agent, (v) take all related actions, and (vi) Determination of No Significant Effect on the Environment.

RESOLVED, that on 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, relating to the placement of a bid at the foreclosure auction of a property located at 601-619 Throop Avenue, Brooklyn New York (the “Property”) and other related actions, ESD staff is hereby authorized to place a bid of up to \$5.6 million foreclosure auction for the Property, obtain an appraisal, hire a real estate broker and retain the services of a property management agent, and be it further

RESOLVED, that based on the materials submitted to the Directors, the Corporation hereby determines that the proposed action will not have a significant effect on the environment, and be it further

RESOLVED, that the President and Chief Executive Officer-Designate of the Corporation or his 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.

* * *

Next, Ms. Robinson asked the Directors to authorize ESD to take certain specific actions with regard to the Sea Rise I and the Sea Rise II Residential Projects in Brooklyn, New York.

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Ms. Robinson provided the relevant background information with regard to this request.

Ms. Robinson went on to outline the authorizations being sought with regard to these residential housing projects including, commencement of foreclosure proceedings and the creation of subsidiary corporations for each project pursuant to the New York State Private Housing Finance Law.

Following Ms. Robinson’s detailed presentation of the relevant information regarding this request, Chair Shimer called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

CITY OF NEW YORK (KINGS COUNTY) – SEA RISE I (UDC LOAN NO. 65) AND SEA RISE II (UDC LOAN NO. 66) RESIDENTIAL PROJECTS – AUTHORIZATION TO (I) COMMENCE FORECLOSURE PROCEEDINGS, (II) CREATE ESD SUBSIDIARY CORPORATIONS TO ACQUIRE TITLE TO PROJECTS, (III) MAKE A SECTION 32 MORTGAGE ADVANCE, (IV) MAKE A DETERMINATION OF NO SIGNIFICANT EFFECT ON THE ENVIRONMENT, AND (V) TAKE ALL RELATED ACTIONS.

RESOLVED, that based on the materials presented to this meeting and ordered filed with the records of the New York State Urban Development Corporation, relating to the Sea Rise I (UDC LOAN NO. 65) and Sea Rise II (UDC LOAN NO. 66) Residential Projects, the Corporation be and hereby is authorized to (i) Commence Foreclosure Proceedings, (ii) Create ESD Subsidiary Corporations to Acquire Title to Projects, (iii) Make a Section 32 Mortgage Advance, (iv) Make a Determination of No Significant Effect on the Environment, and (v) Take All Related Actions, 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 action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

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It was noted that no presentation would be made with regard to the Budget Variance Report previously proceed to the Directors, but that staff was available to answer any questions.

Mr. Adams then provided the President’s Report.

First, Mr. Adams asked everyone at the meeting to introduce themselves including those persons joining via video.

Mr. Adams then noted that there was a member of the public, Joan Romanelli, present at the meeting. He further noted that Ms. Romanelli was present at the meeting with regard to LMDC, which was not on the Agenda and therefore was not open to public comment at this meeting.

Mr. Adams provided Ms. Romanelli with an opportunity to ask a question. He specified that this organization was ESD and not HUD, in response to a comment made by Ms. Romanelli.

Ms. Romanelli noted that LMDC is making decisions by the end of this summer. She then asked if it will be on the Agenda in the near future. Mr. Adams noted that Peter Davidson, who is an LMDC Director, was present at this meeting and would field any questions Ms. Romanelli may have at the conclusion of the ESD meeting.

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Mr. Adams then noted that there were several new members to the ESD team. He went on to welcome Sam Hoyt, Austin Shafran and Justin Ginsburgh to the Corporation.

Mr. Adams then noted that he has had discussions with Chair Shimer and they have decided that in the future, the scope of the Directors' meeting will be expanded from time to time to include a look at the services ESD provides and the larger projects that it is overseeing as well as at ESD policy.

Among other things, Mr. Adams suggested that a Committee be formed to review and formulate economic development policy, which can then be passed on to the appropriate people in the Administration for their consideration.

Director Dyson stated his belief that it should not be a Committee but rather it should be the collective effort of all of the Directors discussing and formulating ideas regarding economic development policy.

Director Mehiel raised a question regarding the Open Meetings Law and Ms. Eve stated a Committee of up to four Members would not raise the requirement of the Open Meetings Law as it would not be a quorum.

Therefore, she further noted, the discussion can be private and frank and various

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Directors can communicate individually with the Committee Members.

The Directors then offered suggestions as to the various matters that can be discussed by such a Committee.

Mr. Adams then addressed the work of the ESD as it relates to the Regional Councils. Mr. Adams explained that while the Regional Councils are engaged in the planning process, ESD will continue to advance projects, many of which have been in the pipeline for several years. ESD staff, he continued, has and will continue to make sure that there is coordination and communication with the Regional Councils during this overlap period.

Once plans are fully in place, Mr. Adams further noted, the Regional Councils will represent a new guidance system for the strategic and effective allocation of State resources to regional priorities to build out these ten regional plans across the State. He added that this will require a lot of effort but that everyone is excited about getting it done.

Director Cephas requested that the rosters of the Councils be circulated to the Directors and Mr. Adams stated that his Chief of Staff, Justin Ginsburgh, would have it posted in the Virtual Boardroom today.

There being no further business, the meeting was adjourned at 12:04 p.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary