

FOR CONSIDERATION

September 15, 2011

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Economic Transformation Program

REQUEST FOR: Adoption of Guidelines for the Implementation and Administration of the Economic Transformation Program

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**I. BACKGROUND**

In the 2011-12 New York State Budget, there is an appropriation of \$50 million to the New York State Urban Development Corporation d/b/a Empire State Development (“ESD” or the “Corporation”) for the Economic Transformation Program (the “Program”). The objectives of the Program are to support and fund initiatives, services, and expenses of communities affected by the closure of New York State prison, correctional and juvenile justice facilities pursuant to a plan developed by the Corporation. In consultation with Regional Economic Development Councils, communities will be able to use the funds in order to leverage private sector investments that create jobs and support initiatives that help transform the economies of those communities.

The Office of Children and Family Services (OCFS) has announced four closures and the Department of Corrections and Community Services (DOCCS) has announced seven closures. The affected facilities include: Allen Residential Center (OCFS); Harriet Tubman Residential Center (OCFS); Industry Secure Center (OCFS); Tryon Girls Center (OCFS); Arthur Kill Correctional Facility (DOCCS); Buffalo Correctional Facility (DOCCS); Camp Georgetown (DOCCS); Fulton Correctional Facility (DOCCS); Mid-Orange Correctional Facility (DOCCS); Oneida Correctional Facility (DOCCS); and Summit Shock Incarceration Correctional Facility (DOCCS).

The Guidelines provide for implementation of the Program in a manner consistent with the Program objectives.

## **II. THE FUND GUIDELINES**

ESD's role in this initiative is the implementation and administration the Program and its funds in order to support eligible capital projects, including those involving economic development initiatives intended to create or retain jobs, prevent, reduce or eliminate unemployment or underemployment, or increase business activity in an economic transformation area.

In order to provide guidance to prospective applicants in the preparation of applications for the funding of projects, the guidelines (the "Guidelines") attached to these materials have been prepared for your consideration for adoption by the Corporation. The Guidelines set forth:

- the application process;
- eligibility criteria and uses;
- evaluation criteria to be applied by ESD in its assessment of applications;
- the approval and disbursement process; and
- other terms and conditions for an award by ESD.

In addition, the Guidelines provide that proposed Program projects are subject to the ESD Directors' review and authorization, and compliance with applicable laws and regulations, which may include: public hearings; review and findings pursuant to the State Environmental Quality Review Act and its implementing regulations; consultation with the State Historic Preservation Office; and approvals by the Public Authorities Control Board, the Comptroller of the State of New York, and the Attorney General of the State of New York.

## **III. AFFIRMATIVE ACTION**

ESD's Non-Discrimination and Affirmative Action policies will apply.

## **IV. ENVIRONMENTAL REVIEW**

ESD staff has determined that the requested adoption of Guidelines for the ~~Regional Economic Transformation Program~~ ~~Development Council Capital Fund~~ does not constitute an action as defined by the New York State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the requested approval.

## **V. REQUESTED ACTIONS**

The Directors are requested to adopt the Guidelines for the Economic Transformation Program Capital Grant Program and to authorize necessary and appropriate actions to effectuate the foregoing.

**VI. RECOMMENDATION**

Based on the foregoing, I recommend approval of the requested actions.

**ATTACHMENTS**

Resolution

Economic Transformation Program Capital Grant Program Capital Fund Guidelines

September 15, 2011

**Economic Transformation Program – Adoption of Guidelines for the Implementation and Administration of the Economic Transformation Program; and Authorization to Take Related Actions**

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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 Economic Transformation Program(the “Program”), the Corporation hereby adopts the Program 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 Program; 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.