

NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d/b/a Empire State Development

Empire State Development works to promote business investment and growth that leads to job creation and prosperous communities across New York State

Meeting of the Directors

Thursday

January 16, 2014 – 9:30 a.m.

FOR CONSIDERATION

I. CORPORATE ACTIONS

- A. Approval of Minutes of the December 19, 2013 Directors' Meeting

II. DISCRETIONARY PROJECTS

FINGER LAKES REGION

- A. West Henrietta (Finger Lakes Region - Monroe County) – ORAFOL Precision Technology Center 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; Determination of No Significant Effect on the Environment

DISCRETIONARY PROJECTS CONSENT CALENDAR

- B. Discretionary Projects Consent Calendar – 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

General Development Financing Projects

- A. INIFICON Capital (Onondaga County) - \$100,000

III. BUFFALO BILLION INITIATIVE

WESTERN NEW YORK REGION

- A. Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Buffalo Niagara Medical Campus/Smart Pill Building – Buffalo Regional Innovation Cluster (Capital Grant) – Findings and Determinations Pursuant to Section 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

IV. REGIONAL COUNCIL AWARDS

WESTERN NEW YORK REGION

- A. Regional Council Award – Priority Project – Buffalo (Western New York Region – Erie County) – Jacobs Institute Capital – Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

LONG ISLAND REGION

- B. Regional Council Award – Priority Project – Hempstead (Long Island Region – Nassau County) – Hofstra University Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

MOHAWK VALLEY REGION

- C. Regional Council Award – Priority Project - Dolgeville (Mohawk Valley Region – Herkimer County) – Gehring Tricot 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; Determination of No Significant Effect on the Environment

V. NON-DISCRETIONARY PROJECTS

NON-DISCRETIONARY PROJECTS

- A. Non-Discretionary Project - Authorization to Make Grants and to Take Related Actions

SUNY Sub-Allocation (Executive)

- A. Richardson Center - Core Capital (Erie County) - \$37,382,039

State and Municipal Facilities Program (Executive)

- B. Fort Schuyler Management Corporation – Quad C Phase 2A Capital (Oneida County) - \$20,000,000

Local Assistance (Senate)

- C. The Research Foundation – Central New York Biotech Accelerator Working Capital (Onondaga County) - \$200,000
 D. Canisius College – 2014 NCAA Committee Work Capital (Erie County) - \$50,000

LOCAL ASSISTANCE – HURRICANE IRENE – TROPICAL STORM LEE MITIGATION

- B. Local Assistance – Hurricane Irene – Tropical Storm Lee Flood Mitigation (Capital Grants) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization and Adopt the General Project Plans; Authorization to Make Grants and to Take Related Actions

Local Assistance-Hurricane Irene-Tropical Storm Lee Flood Mitigation (Executive)

- A. Broome County – Hurricane Irene-Tropical Storm Lee Flood Mitigation - \$653,032
 B. Herkimer County – Hurricane Irene-Tropical Storm Lee Flood Mitigation - \$582,350
 C. Schenectady County – Hurricane Irene-Tropical Storm Lee Flood Mitigation - \$521,445

VI. ADMINISTRATIVE ACTIONS

- A. City of Buffalo (Erie County) – Proposed Acquisition of the Outer Harbor Property by the Erie Canal Harbor Development Corporation – Authorization to Enter into Agreements Regarding the Acquisition of Real Property, Determination of No Significant Effect on the Environment and Authorization to Take Related Actions
- B. Proposed Transfer to, and Disposition by, the Office of General Services of the State of New York of the Lyon Mountain Correctional Facility – Authorization for Transfer to, and Disposition by, the Office of General Services in Accordance with Applicable Provisions of the Public Authorities Law, Determination of No Significant Effect on the Environment and Authorization to Take Related Actions

VI. ADMINISTRATIVE ACTIONS - Continued

- C. Borough and County of the Bronx (The City of New York) – Proposed Disposition of the Fulton Correctional Facility – Authorization to Acquire the State-owned Portion of the Fulton Correctional Facility and to Dispose of the Fulton Correctional Facility to the Thomas Mott Osborne Memorial Fund, Inc. (the “Fund”) in Accordance with Part B of Chapter 55 of the Laws of 2013; and Take Related Actions

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NEW YORK STATE URBAN DEVELOPMENT CORPORATION

d/b/a Empire State Development

Meeting of the Directors

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, NY 14203

December 19, 2013

MINUTES

In Attendance

Directors:

Kenneth Adams (Acting Chair)

Derrick Cephas

Paul Ciminelli

Joyce Miller

Anthony Albanese, Designee - Superintendent of Department of
Financial Services

Present for ESD:

Maria Cassidy, Deputy General Counsel

Steven Cohen, Deputy Commission and Senior Vice President –
Community Economic Development

Edwin Lee, Assistant Vice President – Discretionary Projects

Eileen McEvoy, Corporate Secretary

Glendon McLeary, Senior Project Manager

Kathleen Mize, Deputy CFO and Controller

Susan Shaffer, Vice President – Loans and Grants

Also Present:

Barry Greenspan, Economic Development – Program
Administrator – Long Island Regional Office

Diane Kinnicutt – Economic Development Specialist

Roseanne Murphy, Director - North County Regional Office

Christina Orsi, Director – Western New York Regional Office

David Salway, Director – Broadband Program

Aimee Vargas, Director - Mid-Hudson Regional Office

Arnold Will, Economic Development – Program Administrator

David J. Wright, Assistant Commissioner – Albany

Robin Alpaugh – Southern Tier Regional Office

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Also Present: The Press
 The Media

The meeting of the Directors of the New York State Urban Development Corporation (“UDC”) d/b/a Empire State Development (“ESD” or the “Corporation”) was called to order at 9:36 a.m. by Acting Chair Adams. 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, Acting Chair Adams set forth the guidelines regarding comments by the public on matters on the Agenda.

Acting Chair Adams then asked the Directors to approve the Minutes of the November 18, 2013 Directors’ meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE NOVEMBER 18, 2013 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on November 18, 2013, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

The Acting Chair then asked Mr. Lee to present a summary of the Discretionary Project items on the Agenda. The Acting Chair explained that following this brief presentation, he

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would call upon the individual Regional Directors or their representatives to present the projects from their region.

Mr. Lee noted that the Directors will be asked to consider funding for seven Discretionary Projects including: one Economic Development Purposes Fund grant for \$55,000 and five Economic Development Fund grants and one loan totaling \$6,050,000.

Mr. Lee further noted that there were also 18 Regional Council Award projects including two Economic Development Purposes Fund grants totaling \$650,000; one Empire State Economic Development Fund Grant for \$275,000; six Regional Council Capital Fund grants totaling \$5,530,000; and nine Connect NY Program grants totaling \$14,616,839.

Mr. Lee added that these 25 projects will leverage over \$70 million in additional investments and will assist in retaining 873 jobs and in creating approximately 116 jobs in New York State.

Following Mr. Lee's full report, the Acting Chair asked all of the individuals present at the meeting in the New York City office to introduce themselves.

Acting Chair Adams then asked Ms. Murphy, the Director of ESD's North Regional Office to present the next two items on the Agenda.

First, Ms. Murphy presented the Swarovski Lighting EDF Capital grant item for the Directors' consideration.

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Among other things, Ms. Murphy explained that the Directors were being asked to authorize ESD to make a \$450,000 grant to the Company which is a manufacturer of high-end, custom crystal chandeliers and lighting fixtures located in Plattsburgh.

Ms. Murphy explained that the funds will be used for a portion of the cost of the purchase of machinery and equipment and will support a \$3.4 million investment in facility renovations, machinery and equipment and employee training to increase efficiency and manufacturing productivity.

Ms. Murphy added that the project is complete and that the Company currently has 353 full-time employees which far exceeds its commitment to retain 325 jobs.

Following the full presentation, the Acting Chair called for any questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Plattsburgh (North Country Region – Clinton County) – Swarovski Lighting 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 Swarovski Lighting 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 Swarovski Lighting, Ltd. a grant for a total amount not to exceed Four Hundred Fifty Thousand Dollars (\$450,000) 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

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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.

* * *

Ms. Murphy then asked the Directors to authorize ESD to make a \$5,000,000 grant to Trudeau Institute to be used for a portion of the costs of ongoing programs, operations and staffing at Trudeau biomedical research laboratories.

This project, Ms. Murphy explained, will allow Trudeau to expand its facilities and conduct biomedical research in the human condition and to also expand its contract research capabilities in pharmaceutical, biotechnology and biomedical engineering companies.

Following the full presentation, the Acting Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Saranac Lake (North Country Region – Franklin County) – Trudeau Institute Working Capital – Empire State Economic Development Fund – General Development Financing (Working Capital Grant) – Findings and Determinations Pursuant to Section 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 Trudeau Institute Working Capital – Empire State Economic Development Fund – General Development Financing (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

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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 the Trudeau Institute a grant for a total amount not to exceed Five Million Dollars (\$5,000,000) 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.

* * *

Next, Mr. Will presented the Comfortex Corporation Convertible loan project for the Directors' consideration.

Mr. Will explained that Comfortex manufactures and fabricates custom window treatments, including cellular and pleated shades and wood blinds and shades.

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Mr. Will further explained that in 2008, the facility was targeted for closure by its parent company with manufacturing operations scheduled to be transferred to plants in Colorado and Arizona, placing 200 jobs at risk.

In an effort to keep these jobs in New York State, Mr. Will continued, the Company's research and development staff proposed a capital investment be made in Individual Production on Demand, a new manufacturing process that would produce individual products based on individual customer orders with minimal scrap rate and significantly reduced labor.

The Company, Mr. Will noted, approached ESD and was awarded a \$400,000 convertible loan to address machinery and equipment costs. Mr. Will added that the \$5,000,000 project included building renovations and machinery and equipment to support the Individual Production on Demand manufacturing lines at the Maplewood Plant.

Mr. Will further noted that the project was recently completed and that to date, the Company has created 120 jobs exceeding its job creation commitment.

Following the full presentation, the Acting Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Maplewood (Capital Region – Albany County) – Comfortex Capital – Empire State Economic Development Fund Capital – General Development Financing (Convertible

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Loan) – 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 Loan 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 Comfortex Capital – Empire State Economic Development Fund – General Development Financing (Convertible Loan) 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 Comfortex Corporation a loan for a total amount not to exceed Four Hundred Thousand Dollars (\$400,000) 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 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)

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be, subsequent to the making of the loan, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the loan or grant or collateral securing the loan as he or she may deem necessary or appropriate in the administration of the loan; 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.

* * *

The Acting Chair then asked Ms. Vargas, the Director of the Mid-Hudson Regional Office, to present the Bread Alone MAP item for the Directors' consideration.

Ms. Vargas explained that the Directors were being asked to approve a \$240,000 grant to Bread Alone, Inc. to be used for a portion of the cost of real estate acquisition of a new building which the Company will be renovating and equipping in Lake Katrine in Ulster County.

Ms. Vargas further explained that Bread Alone is one of the most recognizable names in Artisan bakeries in the New York region.

The Company, Ms. Vargas noted, applied for assistance in 2011 after realizing that they had a financing gap when they attempted to secure financing for the acquisition of the new property.

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The Company, Ms. Vargas further noted, considered staying in New York State but was also heavily recruited by New Jersey. As a result of ESD funding, Ms. Vargas added, the \$3.65 million project was allowed to move forward and retain 45 employees and create 17 new jobs.

Following the full presentation, the Acting Chair called for questions or comments.

Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Lake Katrine (Mid Hudson Region – Ulster County) – Bread Alone MAP 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 Bread Alone MAP 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

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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 Bread Alone, Inc. a grant for a total amount not to exceed Two Hundred and Forty Thousand Dollars (\$240,000) 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.

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Lake Katrine (Mid Hudson Region – Ulster County) – Bread Alone MAP 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 Bread Alone MAP Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

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Mr. Lee then presented the December Discretionary Projects Consent Calendar item for the Directors' consideration.

Mr. Lee provided a detailed synopsis of each of the three items on the calendar.

Mr. Lee noted that the first item involves a \$100,000 grant to Oneida Molded Plastics, LLC, a manufacturer of plastic project molded parts used in outdoor recreational products as well as medical and sports equipment.

Mr. Lee further noted that in order to remain competitive, the Company has invested \$900,000 to expand its capabilities and provide more service in house including decorating and laser etching.

Mr. Lee added that the project was completed in June of 2013 and has retained 143 jobs. He further explained that the Company has exceeded its goal to create 21 jobs and has already created 49 jobs.

Mr. Lee went on to explain that the second item involves a \$100,000 grant to Tug Hill Tomorrow Land Trust to administer and acquire land conservation easements on buffer land around Fort Drum.

Mr. Lee further explained that the project is being completed this month and project costs are over \$1.9 million. Mr. Lee added that there is also a non-discretionary funding piece

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for this project that will be presented by Mr. McLeary later in the meeting.

The third item, Mr. Lee noted, involves a \$55,000 working capital grant to Mohawk Valley EDGE for a regional high technology workforce assessment. Mr. Lee explained that Mohawk Valley EDGE works with businesses that are considering expansion opportunities in Upstate New York with the organization that spearheaded the redevelopment of the Griffis Business and Technology Park in Rome.

The workforce assessment that is currently being completed, Mr. Lee explained, will benefit Nano Utica, the State’s second major hub of nano technology research and assist in the evaluation of local workforce from Barge Electronics, a semiconductor manufacturer in the Mohawk Valley Region.

Following the full presentation, the Acting 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 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 Empire State Economic Development Fund Project identified below (the “Project”), 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 Project would promote the economic health of New York State by facilitating the

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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 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 Project, the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plans (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 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;

Empire State Economic Development Fund

	Project Name	Proj #	Grantee	Assistance up to
	General Development Financing Projects			

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A	Oneida Molded Plastics Capital	X383	Oneida Molded Plastics, LLC	\$100,000
B	Fort Drum Army Compatible Use Buffer Program Capital	Y734	Tug Hill Tomorrow Land Trust	100,000
			TOTAL	\$200,000

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.

* * *

Economic Development Purposes Fund – Findings and Determinations Pursuant to Section 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 Economic Development Purposes Fund Project identified below (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 General Project Plans (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 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 amounts listed below from the Economic Development Purposes 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;

Economic Development Purposes Fund

	Project Name	Proj #	Grantee	Assistance up to
C	Mohawk Valley EDGE - Working Capital	Y685	Mohawk Valley EDGE	\$55,000
			TOTAL	\$55,000

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.

* * *

Mr. Will then asked the Directors to authorize ESD to make a \$2,500,000 grant to The United Group of Companies. He noted that the grant will be used for a portion of the cost of constructing a 100,000 square foot parking deck and a 20,000 square foot green space.

Mr. Will explained that the grant is being made to support City Station, a \$42,000,000 multi-phase priority transformational project for the Capital Region connecting historical downtown Troy to Rensselaer Polytechnic Institute with the creation of living accommodations for students and families, amenities and recreational space.

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Following the full presentation, the Acting Chair called for questions or comments.

Hearing none and upon motion duly made and seconded, the following resolution was unanimously adopted:

Regional Council Award – Priority Project – Troy (Capital Region – Rensselaer County) – The United Group of Companies Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 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 The United Group of Companies Capital – Regional Council Capital Funds (Capital Grant) 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 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, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to The United Group of Companies, Inc. a grant for a total amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) from the Regional Council Capital 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 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

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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.

* * *

Regional Council Award – Priority Project – Troy (Capital Region - Rensselaer County) –
The United Group of Companies Capital – Regional Council Capital Fund – Adoption of
Findings Pursuant to the State Environmental Quality Review Act

RESOLVED, that with respect to the City Station Project, the Corporation hereby makes and adopts pursuant to the State Environmental Quality Review Act (“SEQRA”) the following findings and determinations, which findings and determinations are made after full consideration of the Findings Statement attached as Exhibit A hereto, which Exhibit A is hereby adopted by the Corporation and copies of which document are hereby filed with the records of the Corporation.

- The Corporation has given consideration to the Draft and Final Generic Environmental Impact Statement (“DGEIS” and “FGEIS”, respectively) prepared for the Congress Street and Ferry Street Corridor Master Plan with Zoning Amendments, also known as the City Station Project;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the Project is one that avoids or minimizes adverse environmental effects to the maximum extent practicable, including the effects disclosed in the FGEIS and the Findings Statement;
- Consistent with social, economic and other essential considerations, to the maximum extent practicable, adverse environmental effects revealed in the environmental impact statement process will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigation measures described in the FGEIS and the Findings Statement; and
- The Project is in compliance with Section 14.09 of the State Historic Preservation Act;

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 take all actions as

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he or she may in his or her sole discretion consider to be necessary or proper to comply with the requirements of SEQRA in connection with the Project.

* * *

Ms. Murphy then asked the Directors to authorize ESD to make a \$1,300,000 grant to the St. Lawrence County IDA to be used for a portion of the Phase One costs to rehabilitate 46 miles of railroad track on the Newton Falls railroad line in Jefferson, Lewis and St. Lawrence Counties.

Ms. Murphy noted that Phase One of the project is now complete and the 46 mile section of the rail line has been cleared of overgrowth, debris and obstruction and has been inspected and evaluated for reopening.

Ms. Murphy further noted that engineering plans have been prepared for Phase Two of the rail line's rehabilitation. The reopening of the entire Newton Falls Rail Line, Ms. Murphy added, will provide standard commercial transportation options and will also offer rail access into some of the more remote areas of the Adirondacks and offers future development opportunities along the line.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked what the rail line connects and Ms. Murphy provided her with that information.

Director Miller then asked if its only function was freight at this point and Ms. Murphy

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stated that that was the case. Director Miller further asked if there was potential for passenger use at some point and Ms. Murphy stated that that has not been discussed but that can always be explored once the rail line is operational.

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

Regional Council Award – Priority Project – Newton Falls, Carthage – (North Country Region – St. Lawrence, Jefferson, Lewis Counties) – St. Lawrence IDA Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 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 St. Lawrence IDA Capital – Regional Council Capital Fund (Capital Grant) 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 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 St. Lawrence County IDA a grant for a total amount not to exceed One Million Three Hundred Thousand Dollars (\$1,300,000) from the Regional Council Capital 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.

* * *

Next, Ms. Murphy asked the Directors to authorize ESD to make a \$130,000 grant to North County Pastured LLC to be used for a portion of the cost of mobile equipment to process local poultry as well as to construct an equipment storage building.

Ms. Murphy explained that this is the only USDA certified poultry processing facility in the North Country Region and that agriculture is the area's largest economic sector.

Ms. Murphy further noted that the project is complete and that the Company has obtained the required USDA certification to provide the mobile poultry processing service.

Following the full presentation, the Acting Chair called for questions or comments.

Director Miller asked if the mobile poultry processing serve means that they go from farm to farm processing the poultry at each farm and Ms. Murphy stated that that was the case.

There being no further questions or comments, and upon motion being duly made and

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seconded, the following resolution was unanimously adopted:

Regional Council Award – Priority Project – DeKalb Junction (North Country Region – St. Lawrence County) – North Country Pastured Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 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 North Country Pastured Capital – Regional Council Capital Fund (Capital Grant) 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 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 North Country Pastured LLC a grant for a total amount not to exceed One Hundred Thirty Thousand Dollars (\$130,000) from the Regional Council Capital 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.

* * *

Mr. McLeary then asked the Directors to authorize ESD to make a \$1,000,000 grant to the Gloversville-Johnstown Joint Wastewater Treatment Facility for upgrades to its wastewater system.

Mr. McLeary noted that the funds will be used for a portion of the cost of machinery and equipment to construct and install sewer pumping, an equalization tank, process tanks and pumps to treat the increase in high strength wastewater discharge.

Mr. McLeary explained that due to the expansion of the Fage Yogurt Manufacturing Company in Fulton County these upgrades are needed.

The \$7.2 million project, Mr. McLeary added, will expand the treatment facility's abilities to handle the additional volume and allow Gloversville and Johnstown to attract additional companies to the area.

The project, he continued, will allow Fage to add manufacturing jobs and benefit the local dairy farms.

Mr. McLeary further noted that the project is scheduled to be completed in June of

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2014.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked if Fage is contributing in any way to this project as they are benefitting from it.

The Acting Chair explained that ESD is being directed by the local government to do this because it is infrastructure in terms of wastewater treatment shared by two towns and not just for Fage but for other economic development.

Acting Chair Adams added that this will certainly serve Fage but it goes beyond that as it is about attracting more industry to the area.

Director Miller then noted that the federal government provides assistance for the greening of wastewater and she wondered if that would be applicable here. The Acting Chair explained that at the State level, ESD is guided by the Environmental Facilities Corporation which provides financing for these types of infrastructure projects and it is his belief that they are aware of the potential for federal support in this regard.

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

Regional Council Award - Johnstown (Mohawk Valley Region – Fulton County) – Gloversville-Johnstown Wastewater Treatment Capital – Regional Council Capital Fund

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(Capital Grant) – Findings and Determinations Pursuant to Section 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 Gloversville-Johnstown Wastewater Treatment Capital - Regional Council Capital Fund (Capital Grant) 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 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 Gloversville-Johnstown Joint Wastewater Treatment Facility a grant for a total amount not to exceed One Million Dollars (\$1,000,000) from the Regional Council Capital 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.

* * *

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Regional Council Award - Johnstown (Mohawk Valley Region – Fulton County) – Groversville-Johnstown Wastewater Treatment Capital – Regional Council Capital Fund Capital – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Groversville-Johnstown Wastewater Treatment Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Ms. Orsi, the Director of the Western New York Regional Office, then asked the Directors to authorize ESD to make a \$500,000 grant to the City of Olean to be used for a portion of the cost of street reconstruction.

Ms. Orsi noted that in addition to the funds from ESD, the project was also awarded \$500,000 from the Department of Transportation towards the total \$3.3 million project that involved the reconstruction of East State Street in the City of Olean.

Ms. Orsi further noted that the project included replacement of critical infrastructure, roads, blacktopping, curbing, gutters and sidewalks.

The project, Ms. Orsi added, was completed in July of 2013 and has increased public safety and improved access to jobs and services in the downtown district.

Following the full presentation, the Acting Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was

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unanimously adopted:

Regional Council Award – Priority Project – Olean (Western New York Region – Cattaraugus County) – East State Street Reconstruction Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 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 East State Street Reconstruction Capital – Regional Council Capital Fund (Capital Grant) 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 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, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to City of Olean a grant for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) from the Regional Council Capital 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 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

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consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Regional Council Award – Priority Project – Olean (Western New York Region – Cattaraugus County) – East State Street Reconstruction Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the East State Street Reconstruction Capital – Regional Council Capital Fund (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Next, Ms. Orsi asked the Directors to authorize ESD to make a \$150,000 grant to S. Howes, Inc. to be used as reimbursement for a portion of the costs related to the purchase and installation of machinery and equipment.

Ms. Orsi explained that this is a family-owned company that manufactures custom-made machinery and replacement parts for solids processing and liquid/solid separation.

Ms. Orsi further explained that this is a \$1.2 million project that involves the expansion of an existing facility along with the acquisition and installation of machinery and equipment. Ms. Orsi went on to note that the project was completed in October of 2013 and that the Company committed to retaining 20 jobs and creating eight new jobs by January 2015. The Company, she added, has already created six new jobs.

Ms. Orsi also explained that when the Company was contemplating this expansion, they

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looked seriously into relocating to nearby Erie, Pennsylvania. ESD’s assistance, she continued, allowed this small important manufacturer not only to stay in New York State but to expand there as well.

Following the full presentation, the Acting Chair called for questions or comments.

Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Regional Council Award – Silver Creek (Western New York Region – Chautauqua County) – S. Howes Capital – Economic Development Purposes Fund (Capital Grant) – Findings and Determinations Pursuant to Section 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 S. Howes Capital – Economic Development Purposes Fund (Capital Grant) 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 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 S. Howes, Inc. a grant for a total amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000) from the Economic Development Purposes 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.

* * *

Regional Council Award – Silver Creek (Western New York Region – Chautauqua County)
– S. Howes Capital – Economic Development Purposes Fund (Capital Grant) –
Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the S. Howes Capital – Economic Development Purposes Fund (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Mr. Greenspan, representing ESD’s Long Island Regional Office, then asked the Directors to authorize ESD to make a \$500,000 grant to the Long Island Farm Bureau Member Services to be used for a project known as Agra Park.

This project, Mr. Greenspan explained, evolved from the Natural Assets Work Group as part of the Regional Council.

The project, he further noted, was designed as a pilot program to provide agricultural

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and cold storage and processing of farm produce to serve the farming, wine and commercial fishing industries, primarily on the East End of Long Island.

Mr. Greenspan further explained that the project is a partnership between the Long Island Farm Bureau and a company called J. King Food Services, a well-known food distributor and processor.

Mr. Greenspan further explained that a 30,000 square foot cold storage and processing facility has been established in the Riverhead area in a building that was purchased by J. King. The ESD grant, he added, is subsidizing the use of the space for agricultural operations to the benefit primarily of small farmers and has enabled the East End agricultural and wine producers to expand their retail markets further west, reducing costs and improving efficiency.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked it is was correct that the funds will be used for the leasing of this facility for three years and Mr. Greenspan said that that was correct.

Director Miller then asked what will happen after three years and Mr. Greenspan stated that the hope is that enough farmers see the value in a processing facility such as this one and will utilize it at normal cost. Mr. Greenspan added that this is a pilot program.

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

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Regional Council Award – Calverton (Long Island Region – Suffolk County) – Long Island Farm Bureau Member Services Capital – Economic Development Purposes Fund (Working Capital Grant) – Findings and Determinations Pursuant to Sections 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 Long Island Farm Bureau Member Services Capital – Economic Development Purposes Fund (Working Capital Grant) 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 President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Long Island Farm Bureau Member Services a grant for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) from the Economic Development Purposes 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.

* * *

Mr. Alpaugh then asked the Directors to approve the Sunrise Family Farm EDF project.

Mr. Alpaugh explained that the project involves a \$275,000 grant to Sunrise Family

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Farms, Inc. to be used for a portion of the cost of the purchase of machinery and equipment.

Mr. Alpaugh further explained that the Company was founded in 2005 and up until this point was operating out of a 6,000 square foot facility in Norwich. Mr. Alpaugh added that the Company produces Siggi’s Skyr yogurt and Yasso frozen yogurt.

As part of this project, Mr. Alpaugh continued, the Company acquired, renovated and equipped a vacant 25,000 square foot manufacturing facility in Greene, New York. This project, he further noted, will assist the Company in basically doubling their manufacturing capacity.

Mr. Alpaugh added that the Company has already surpassed the number of jobs they are expected to create by three. Current employment is at 49.

Following the full presentation, the Acting Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Regional Council Award – Priority Project – Norwich (Southern Tier Region – Chenango County) – Sunrise Family Farms 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 Sunrise Family Farms 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 Sunrise Family Farms a grant for a total amount not to exceed Two Hundred Seventy Five Thousand Dollars (\$275,000) from the Regional Council Capital 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

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consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Mr. Lee then presented the December Regional Council Award Projects Consent Calendar noting that there was one item for consideration.

Mr. Lee explained that the project involves a \$100,000 grant to Bo-Mer Plastics LLC, a manufacturer of custom, thermo formed plastic products used in medical devices, computer equipment and mass transit and the automobile industry.

To expand its capacity, Mr. Lee further explained, the Company has purchased, renovated and equipped a 20,000 square-foot facility adjacent to its current 44,000 square foot facility.

Mr. Lee further noted that the Company completed the project in September of 2013 and that the total project costs were \$560,000.

Mr. Lee added that the Company will retain 40 jobs and create nine new jobs with five of those jobs already having been created.

Following the full presentation, the Acting Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

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Regional Council Capital Fund – Findings and Determinations Pursuant to Section 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 Regional Council Capital Fund Project identified below (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 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, 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 amounts listed below from the Regional Council Capital 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;

Regional Council Capital Fund

	Project Name	Proj #	Grantee	Assistance up to
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A	Bo-Mer Plastics Capital	Y302	Bo-Mer Plastics, LLC	\$100,000
			TOTAL	\$100,000

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.

* * *

Mr. Salway, the Director of ESD’s Broadband Program, then presented the Connect NY Broadband Program Consent Calendar for the Directors’ consideration.

Mr. Salway opened his presentation by providing an overview of ESD’s broadband program thus far using maps to illustrate those areas covered and those in greatest need.

Mr. Salway then addressed the nine projects being presented to the Directors for approval providing a brief overview of the relevant background information on the grants to be awarded.

Following the full presentation, Director Cephas asked if the fiber is underground and Mr. Salway stated that it is much less expensive to put it aerial and therefore, it goes from pole to pole.

Mr. Salway further explained that most of the projects are based on existing poles going in aerial construction. He added that the projects that involve trenching add very significantly

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to the costs.

The Acting Chair then called for any further questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

NY Works and Regional Council Capital Fund – Findings and Determinations Pursuant to Section 10 (g) 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 NY Works and Regional Council Capital Fund Projects identified below (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 General Project Plans (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 amounts listed below from the NY Works and Regional Council Capital Fund funds, 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 grant as he or she may deem necessary or appropriate in the administration of the grants; 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;

NY Works

	Project Name	Proj #	Grantee	Assistance up to
A	Open Access Fiber Network	Y586	Yates County	\$2,407,049
B	Tompkins and Cayuga Ubiquitous Last Mile Coverage	Y593	Clarity Connect, Inc.	2,216,000
C	Schroon Lake Next Generation Broadband	Y588	Slic Network Solutions, Inc.	2,162,656
D	Parish Broadband	Y597	New Visions Communications	1,999,584
E	MTC Broadband Build Out	Y587	Heart of the Catskills Communications, Inc. d/b/a MTC Cable, a wholly owned subsidiary of the Margaretville Telephone Company ("MTC" or the Company")	1,800,000
F	Bellmont North Next Generation Broadband	Y589	Slic Network Solutions, Inc.	1,012,366
G	Lyon Mountain Broadband	Y602	Slic Network Solutions, Inc.	976,426
H	Southern Tier Broadband	Y596	Southern Tier West Development Foundation	672,452
			TOTAL	\$13,246,533

Regional Council Capital Fund

	Project Name	Proj #	Grantee	Assistance up to
I	Long Lake Next Generation Broadband	Y582	Slic Network Solutions, Inc.	\$1,370,306
			TOTAL	\$1,370,306

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. McLeary presented the Hurricane Irene-Tropical Storm Lee Flood Mitigation Consent Calendar for the Directors’ consideration noting that there was only one item to be considered.

Before presenting the specifics of the grant to be considered by the Directors, Mr. McLeary provided a brief overview of the status of the program thus far.

Mr. McLeary then noted that the one grant being presented today is a \$305,000 grant to Clinton County.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller noted that the projects funded under this program appear to be actual and fruitful.

The Acting Chair echoed Director Miller’s sentiments. Director Miller then asked for the timeframe for completing this work which resulted from Irene and Mr. McLeary stated that it should be wrapped up by the second quarter of 2014.

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

Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital -

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Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the 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 Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital 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 Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plans (the “Plans”) 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 Plans, 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 have been received at the public hearings held on the Plans, such Plans 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 grants to the parties and for the amounts listed below from Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation and/or the New York State Division of Homeland Security and Emergency Services, 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 – Hurricane Irene - Tropical Storm Lee Flood Mitigation - Executive – Project Summary Table

	Project Name	Project #	Grantee	Assistance up to
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A	Clinton County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X898	Clinton County	\$305,000
			TOTAL	\$305,000

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. McLeary then presented the December Non-Discretionary Consent Calendar for the Directors’ consideration noting that the calendar contained two items for approval.

Mr. McLeary outlined each of the projects being considered and provided the relevant background information on each.

First, Mr. McLeary noted that the Directors were being asked to authorize ESD to make a \$400,000 grant to the Tug Hill Tomorrow Land Trust to acquire 650 acres of land conservation easements as part of a Compatible Use Buffer Program.

The second project, Mr. McLeary continued, involves a \$1.5 million grant to the New York State Housing Finance Agency for the benefit of Red Lion Apartments LLC for the construction of a 50-unit mixed-use affordable housing complex in Ossining.

Mr. McLeary noted that the project was completed in March 2013 and that all 50 units are occupied.

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Mr. McLeary went on to note that in June of 2012, an entity owned by Peter Fine, the Principal Manager of Red Lion Apartments, LLC, the grant beneficiary, entered a plea agreement with the Manhattan DA's office in resolution of an investigation unrelated to this grant.

Mr. McLeary further stated that specific satisfaction with the DA was reached on the matter that same month. Mr. Fine, he added, has provided ESD with full disclosure and ESD has reviewed the plea agreement.

In accordance with ESD's policies, Mr. McLeary continued, ESD is comfortable with moving forward with this grant. Further information on the disclosure, Mr. McLeary added, can be found in the Directors' materials.

Following the full presentation, the Acting Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was adopted (It was noted for the record that Director Miller recused herself from voting with regard to the Red Lion Apartments resolution.):

Local Assistance – Findings and Determinations Pursuant to Section 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 Capital Projects Fund Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the

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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 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, 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 previously 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

Local Assistance – Senate – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
A	Fort Drum Army Compatible Use Buffer Program Capital	Y717	Tug Hill Tomorrow Land Trust	400,000
			TOTAL	\$400,000

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.

* * *

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Capital Projects Fund – Findings and Determinations Pursuant to Section 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 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(s); 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, 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 previously 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 – Senate – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
B	HFA – Red Lion Apartments Capital	X736	New York State Housing Finance Agency	1,500,000
			TOTAL	\$1,500,000

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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.

* * *

Champion/Denmark (Jefferson County/Lewis County) – Fort Drum Army Compatible Use Buffer Program Capital – Local Assistance – Capital Grant - Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Champion/Denmark – Fort Drum Army Compatible Use Buffer Program Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Ossining (Westchester County) – HFA – Red Lion Apartments Capital – Capital Projects Fund – Capital Grant - Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Ossining – HFA – Red Lion Apartments Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

The Directors were then asked by Mr. Heilbrunn to authorize ESD to enter into a contract with Bloomberg LP to provide Bloomberg Terminal and to take related actions.

Mr. Heilbrunn explained that the contract with Bloomberg LP is for PC-based terminals, related equipment and all financial functions that are included with the service.

Following the full presentation, the Acting Chair called for questions or comments.

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Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION - Authorization to Enter into a Contract with Bloomberg L.P. and to Take Related Actions

BE IT RESOLVED, that on the basis of the materials presented at this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, the Corporation hereby finds Bloomberg L.P. to be responsible; and be it further

RESOLVED, that the Chief Executive Officer, or other officer of the Corporation, or his or her designee(s) are hereby authorized to enter into a contract with Bloomberg L.P. for \$51,600.00 for services covering a two year term through January 26, 2016; and be it further

RESOLVED, that the Chief Executive Officer, or other officer of the Corporation, or his or her designee(s) be, and each of them hereby is, authorized to negotiate and execute said contract upon such terms as may be substantially consistent with the foregoing, and to take such further actions as they may deem necessary and appropriate.

* * *

Mr. Dorado then presented an item relating to the procurement of environmental legal and consulting services.

Mr. Dorado stated that Sive, Paget & Riesel P.C. will act as ESD's environmental counsel for a proposed project for mixed-use redevelopment of a site known as 550 Washington Street in the borough of Manhattan.

Following the full presentation, the Acting Chair called for questions or comments.

Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

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NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Procurement of: Legal Services - Authorization to Enter a Contract with Sive, Paget & Riesel to provide Environmental Law Legal and Consulting Services and to Take Related Actions

BE IT RESOLVED, that upon 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, the Corporation hereby finds Sive, Paget & Riesel to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Sive, Paget & Riesel in an amount not to exceed FIVE HUNDRED THOUSAND DOLLARS (\$500,000) plus preapproved out-of-pocket cost and a contingency of \$50,000 for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the President of the Corporation or his designee 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.

* * *

Mr. Cohen then asked the Directors to authorize ESD to reallocate funds in connection with the Small Business Revolving Loan Fund Program.

Mr. Cohen provided the relevant background information with regard to this request.

Following the full presentation, the Acting Chair called for questions or comments.

Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Statewide – Small Business Revolving Loan Fund Program – Authorization to Reallocate Program Loan Funds; and Authorization 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 (the “Materials), relating to the Small

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Business Revolving Loan Fund Program (the “Program”), the Corporation is authorized to reallocate and redeploy to Community Capital New York (“CCNY”) from Community Development Corporation of Long Island (“CDCLI”) \$166,667 in Program loan funding as set forth in the Materials; 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 actions and make such modifications to the terms of each loan as he or she may deem necessary or appropriate in the administration of the loan; and be it further

RESOLVED, that the provision by the Corporation of this financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable; (2) receipt of all other necessary approvals; and (3) 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 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, Mr. Cohen asked the Directors to authorize ESD to adopt and promulgate regulations and to take related actions in connection with the New York State Innovation Venture Capital Fund.

Mr. Cohen provided the specifics of the regulations regarding this fund.

Following the full presentation, the Acting Chair called for questions or comments.

Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted:

Statewide – New York State Innovation Venture Capital Fund - Authorization to Adopt and Promulgate Regulations; Authorization to Take Related Actions

DRAFT – SUBJECT TO REVIEW AND REVISION

RESOLVED, that 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 (the “Materials”), relating to the New York State Innovation Venture Capital Fund, (the “Fund”), established pursuant to the Laws of New York 2013 Chapter 59 Part jj, the Corporation is hereby authorized to adopt and promulgate the rule and regulations (the “Rule”) for the Fund, substantially in the form described and included in the Materials with such modifications as are authorized pursuant to these resolutions; 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 proceed with and make such modifications to the draft Rule as may be deemed by such officer or designee to be appropriate or necessary in order to implement the Fund and comply with the State Administrative Procedure Act (“SAPA”), including modifications resulting from review and comment pursuant to SAPA; 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.

* * *

Ms. Kinnicutt then presented the quarterly Report on Procurement Commitments to Certified Minority and Women Business Enterprises.

There being no further business, the meeting was adjourned at 11:00 a.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary



FOR CONSIDERATION

January 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: West Henrietta (Finger Lakes Region – Monroe County) – ORAFOL Precision Technology Center Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)

REQUEST FOR: 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

General Project Plan

I. Project Summary

Grantee: ORAFOL Precision Technology Center, Inc. (“ORAFOL” or the “Company”)

ESD* Investment: A grant of up to \$200,000 to be used for a portion of the cost of construction and the purchase of machinery and equipment.

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

Project Locations: 200 Park Center Drive, West Henrietta, Monroe County**
500 Lee Road, Rochester, Monroe County (Reflexite Energy Solutions, Inc.)

**Project activity site; other is job-retention site

Proposed Project: Construct and equip a 48,000-square-foot addition to the Company’s facility to create a tooling center for North American operations

Project Type: Business expansion involving job retention and creation

Regional Council: The Finger Lakes Regional Council has been made aware of this item. The Incentive Proposal was accepted in November 2011, predating the Regional Council Initiative. The project is consistent with the Finger Lakes Regional Plan to promote advanced manufacturing and optics/imaging,

two key economic clusters.

Employment:	Initial employment at time of ESD Incentive Offer:	60
	Current employment level:	69
	Minimum employment on January 1, 2015:	67

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Building Construction	\$6,783,900
Machinery & Equipment	4,776,500
Soft Costs	<u>439,600</u>

Total Project Costs \$12,000,000

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$200,000	1.7%
NYSERDA – Grant	11,634	0.1%
RG&E – Grant	300,000	2.5%
Company Equity	<u>11,488,366</u>	<u>95.7%</u>

Total Project Financing \$12,000,000 100.0%

III. Project Description

A. Company

Industry: ORAFOL Precision Technology Center, Inc., produces specialty tooling used to manufacture microstructured optical films and plastic lenses. Most of the tooling goes through precision cutting and electroforming processes. These tools are shipped to ORAFOL and Reflexite Energy Solutions facilities around the world.

Company History: Founded in 1947 as Rowland Products (“Rowland”), the Company initially focused on innovative plastics. In 1961, Rowland entered into a development agreement with Luce Reflexite Corporation (“Luce”) in Connecticut, eventually purchasing Luce. Working with Fresnel Optics (“Fresnel”) in Rochester, NY, which later became part of the Reflexite Corporation (“Reflexite”), the Company developed a process to manufacture tiny cube corner prisms (a reflective material) using molds made with diamond cutting equipment.

Commercial sales of Reflexite's material began in 1973 and that company continued to develop new proprietary processes utilizing this unique microprism technology. In 1988, Reflexite acquired Fresnel to secure the source of tooling upon which Reflexite's technology was based. In 1996, a

new facility was built in West Henrietta, NY to house the portion of Fresnel that produced tooling.

In 2011, Reflexite was purchased by Germany-based ORAFOL GmbH. The Company became part of ORAFOL GmbH and strengthened its ability to grow its market share and compete against market leaders such as 3M and Avery Dennison. In 2012, Fresnel's name was changed to ORAFOL Precision Technology Center, Inc.

Ownership: The Company is privately owned.

Size: The Company, parent or affiliated companies have approximately 1,000 employees worldwide. Facilities are located around the world in the United States, Germany, and China.

Market: The Company has two internal market segments:

- Reflective Solutions, used for temporary and permanent traffic signage, vehicle visibility, high visibility workwear and maritime safety; and
- Energy Solutions, used for energy-saving optical products for the lighting, instrumentation and display industries (e.g. solar applications).

Under certain circumstances, the Company will accept external work but these are typically limited to requests from government agencies, like NASA. Competitors include 3M (USA), Avery Dennison (USA), Jenoptik (Germany), and Chengdu First Scientific (China).

ESD Involvement: In November 2011, the Company's new owner sought a location for its North American tooling manufacturing and considered locations in the United State or consolidating worldwide production in Germany. In order to reduce costs and make the project feasible in New York, the Company approached ESD for financial assistance. ESD offered a \$200,000 capital grant, which ORAFOL accepted in November 2011. Without ESD's assistance in financing the needed facility expansion and new equipment, the project would have been located overseas and 29 jobs (a combination of Rochester- and West Henrietta-based jobs) in NYS would have been eliminated.

Competition: The Company considered undertaking this project in the United States in Georgia and Connecticut. It also considered Germany, where the Company is headquartered.

Past ESD Support: This is the Company's first project with ESD. ESD provided assistance to ORAFOL's predecessor company more than 10 years ago. The predecessor, Fresnel Optics d/b/a Reflexite Display Optics, is Empire Zone ("EZ") certified effective June 25, 2004, in the Rochester EZ. However, the Company has never reported using any EZ benefits.

B. The Project

Completion: July 2015

Activity: The Company constructed and equipped a 48,000-square-foot addition. The new addition houses new machinery and specialized processes to make the tooling used to manufacture specialized microstructures that have a wide variety of uses, including reflective materials, concentrator (solar) lenses used to produce electricity from sunlight, lighting diffusers, and brightness films used in computer display applications. The Company has achieved milestones for the first two disbursements of its grant and will continue to accrue additional project costs over the next 18 months to qualify for the third disbursement.

Results: The Company will retain 60 existing jobs, including 29 that were at risk, and create seven new jobs. The Company has already exceeded this number, having created nine new jobs.

Grantee Contact: Jennifer Polizzi, Finance Manager
200 Park Center Drive
West Henrietta, NY 14586
Phone: (585) 285-4612

ESD Project No.: X556

Project Team:	Origination	Kevin Hurley
	Project Management	Edward Muszynski
	Contractor & Supplier Diversity	Vikas Gera
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$200,000 capital grant (\$2,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Locations for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Locations for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$200,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$100,000) upon documentation of construction and machinery and equipment project costs totaling approximately \$5 million, and documentation of the employment of at least 60 Full-time Permanent Employees at the Project Locations, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$50,000) will be disbursed upon documentation of additional project expenditures of approximately \$4 million (\$9 million cumulative), and the employment of at least 64 Full-time Permanent Employees at the Project Locations (Employment Increment of 4), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$50,000) will be disbursed upon documentation of additional project expenditures of approximately \$3 million (\$12 million cumulative), and the employment of at least 67 Full-time Permanent Employees at the Project Locations (Employment Increment of 3), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after November 17, 2011, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$200,000, 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.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
- (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	60
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A	B
Reporting Date	Employment Goals
February 1, 2015	60+X+Y
February 1, 2016	60+X+Y
February 1, 2017	60+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=4, and Employment Goals shall equal [60 + X = 64] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=3, and Employment Goals shall equal [60 + X + Y = 67] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

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 this project, the Company will maintain its employment level of 60, including

retention of 29 jobs which were at risk of relocation. In addition, the Company will create seven new jobs, all of which have already been created.

2. The proposed project would be unlikely to take place in New York State without the requested assistance.

The Company considered relocating a portion of its operations to facilities in Germany, where its parent company is located. ESD's assistance helped to reduce costs and make the project feasible in New York.

3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$2,434,556;
- Fiscal cost to NYS government is estimated at \$319,351;
- Project cost to NYS government per direct job is \$11,479;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$4,558;
- Ratio of project fiscal benefits to costs to NYS government is 7.62:1;
- Fiscal benefits to all governments (state and local) are estimated at \$4,105,985;
- Fiscal cost to all governments is \$811,647;
- All government cost per direct job is \$29,174;
- All government cost per total job is \$11,585;
- The fiscal benefit to cost ratio for all governments is 5.06:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$21,651,273, or \$309,047 per job (direct and indirect);
- The economic benefit to cost ratio is 26.68:1;
- Project construction cost is \$7,061,265, which is expected to generate 61 direct job years and 44 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.53 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

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.

V. Environmental Review

The Town of Henrietta Planning Board, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on November 10, 2011. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority- and women-owned businesses in the performance of ESD contracts. For purposes of this Contract, however, project performance has been substantially completed and committed, therefore, MWBE participation goals cannot be established.

VII. 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.

VIII. Additional Submissions to Directors

Resolutions
New York State Map
Benefit-Cost Analysis

January 16, 2014

West Henrietta (Finger Lakes Region – Monroe County) – ORAFOL Precision Technology Center 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 ORAFOL Precision Technology Center 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 ORAFOL Precision Technology Center, Inc. a grant for a total amount not to exceed Two Hundred Thousand Dollars (\$200,000) 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.

* * *

January 16, 2014

West Henrietta (Finger Lakes Region – Monroe County) – ORAFOL Precision Technology Center 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 ORAFOL Precision Technology Center Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *



FOR CONSIDERATION

January 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Discretionary Projects Consent Calendar

REQUEST FOR: 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

Attached are summaries of discretionary projects requesting ESD assistance of \$100,000 and under in the following category:

Empire State Economic Development Fund

	Project Name	Proj #	Grantee	Assistance up to
	General Development Financing Projects			
A	INFICON Capital	X546	INFICON, Inc.	\$100,000
			TOTAL	\$100,000

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

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

Environmental Review

Unless otherwise noted on a project summary, ESD staff has determined that the projects constitute Type II actions as defined by the New York State Environmental Quality Review Act and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the projects.

Office of Contractor and Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Supplier Diversity policy will apply to the projects. In the case of training, global export market service and productivity improvement projects, the grantees and/or the beneficiary companies, as applicable, shall use their good faith efforts to provide for the meaningful participation of minorities and women in any job or training opportunities created by the projects and to solicit and utilize minority and women-owned businesses for any contractual opportunities generated in connection with the projects.

For all other projects, unless otherwise specified in the project summary, grantees shall use their good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 23% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 13% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantee shall use good faith efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the Projects.

Reallocation of Funds

ESD may reallocate each project's funds to another form of assistance, at an amount no greater than the amount approved, for the same project if ESD determines that the reallocation of the assistance would better serve the needs of the recipient 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.

ESD Employment Enforcement Policy

Unless otherwise noted on a project summary, the ESD Employment Enforcement Policy will not apply because these projects do not directly create jobs.

Statutory Basis:

A. Empire State Economic Development Fund

Please see individual project summaries for factual bases for items 1, 2, and 3.

1. Each 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. Each proposed project would be unlikely to take place in New York State without the requested assistance.
3. Each proposed project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
4. The requirements of Section 10(g) of the Act are satisfied.
No residential relocation is required in connection with any project involving the acquisition, construction, reconstruction, rehabilitation, or improvement of property because no families or individuals reside on the sites.

Attachments

New York State Map
Resolutions
Project Summary

January 16, 2014

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

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 Project identified below (the “Project”), 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 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 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 Project, 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, 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 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;

Empire State Economic Development Fund

	Project Name	Proj #	Grantee	Assistance up to
	General Development Financing Projects			
A	INFICON Capital	X546	INFICON, Inc.	\$100,000
			TOTAL	\$100,000

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.

* * *

A. INFICON Capital (X546)

January 16, 2014

General Project Plan

Grantee:	INFICON, Inc. (“INFICON” or the “Company”)	
ESD Investment:	A grant of up to \$100,000 to be used for a portion of the cost of machinery and equipment.	
Project Location:	Two Technology Place, East Syracuse, Onondaga County	
Proposed Project:	Expand the Company’s facilities and purchase machinery and equipment to relocate the design and production of analytical mass spectrometers	
Project Type:	Facility expansion and machinery and equipment acquisition involving job retention and creation	
Regional Council:	The Central New York Regional Council has been made aware of this item. The Incentive Offer was accepted in November 2011, predating the Regional Council Initiative. The project is consistent with the Regional Plan to strengthen targeted priority industry concentrations such as advance manufacturing which represents 10 percent of the region’s total employment.	
Employment:	Initial employment at time of ESD Incentive Offer	219
	Current employment level:	240
	Minimum employment through January 1, 2019:	229

Background:

Industry – Manufacturer of electronic sensors and devices

Company History – INFICON, Inc., was founded in Syracuse in 1969. In 2000, INFICON Holding AG was created as a publicly owned company traded on the Six Exchange in Switzerland. Today, INFICON is the largest and fastest growing subsidiary of INFICON Holding AG. The Company operations at the East Syracuse site includes research, development, product commercialization, advance manufacturing, logistics, technical support, repair, marketing, sales, and administrative functions.

Ownership – The Company is owned by INFICON Holding AG a publicly traded company.

Size – INFIFON, Inc., facilities are located in East Syracuse, NY. INFICON Holding AG has manufacturing and sales offices worldwide.

A. INFICON Capital (X546)

January 16, 2014

Market – INFICON is a leading provider of instrumentation, sensor technologies, and advanced process control software that enhance productivity and quality in sophisticated industrial vacuum processes. These products are essential for gas leak detection in air conditioning/refrigeration and automotive manufacturing. They are vital to equipment manufacturers and end-users in the complex fabrication of semiconductors and thin film coatings for optics, flat panel displays, solar cells and industrial vacuum coating applications. Primary competitors include MKS Instruments located in MA; Hiden Analytical and Smiths Detection located in the UK; Ulvac located in Japan; and SRS-Sunnyvale and Agilent located in CA. Major customers include Samsung, Pfeiffer Vacuum U.S. Department of Homeland Security/Airforce/Navy/EPA, applied Materials, Intel, and Taiwan Semiconductor Manufacturing Corporation.

ESD Involvement – In 2011, INFICON, Inc., approached ESD for assistance to move its research, design, and manufacturing process of its analytical mass spectrometer products from Balzers, Liechtenstein to East Syracuse, NY. The Company considered various options including selling or closing its NYS operation, or moving the operation from NYS to its existing facility in Shanghai, China. ESD offered INFICON a capital grant of \$100,000 from the Empire State Economic Development Fund and \$150,000 in tax credits under the Excelsior Jobs Program to consolidate its operations in NYS. The Company accepted the offer in November 2011.

Competition – The Company considered moving its NYS operations to Shanghai, China.

Past ESD Support – This is the Company's first project with ESD.

The Project:

Completion – June 2013

Activity – The Company has renovated its existing East Syracuse manufacturing facility and purchased and relocated machinery and equipment to accommodate the relocation of the design and production of analytical mass spectrometers (“AMS”) from Balzers, Liechtenstein to New York State.

Results – As a result of project, the Company has been able to increase its sales base to strategically significant and growing markets. The Company will retain 219 existing jobs and create 10 new jobs. The Company has already created 21 jobs.

A. INFICON Capital (X546)

January 16, 2014

Financing Uses	Amount	Financing Sources	Amount	Percent
Renovation	\$200,000	ESD Grant	\$100,000	15%
M&E Purchase	450,000	Company Equity	575,000	85%
Indirect/Soft costs including shipping and relocation	25,000			
Total Project Costs	\$675,000	Total Project Financing	\$675,000	100%

Grantee Contact – Stephen Chabot, Vice President - Operations & Quality
Two Technology Place
East Syracuse, NY 13057-9707
Phone: (315) 434-1161

Project Team –

Origination	Bonnie Palmer
Project Management	Jessica Hughes
Contractor & Supplier Diversity	Diane Kinnicutt
Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$100,000 (\$1,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to closing.
3. The Company will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time,

A. INFICON Capital (X546)

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permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

5. Up to \$100,000 will be disbursed to the Grantee in two installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$50,000) upon documentation of project expenditures totaling \$675,000, and documentation of the employment of at least 219 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 50% of the grant (\$50,000) will be disbursed upon documentation of the employment of at least 229 Full-time Permanent Employees at the Project Location (Employment Increment of 10), provided Grantee is otherwise in compliance with program requirements;

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after November 7, 2011, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000, 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.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year

A. INFICON Capital (X546)

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- after the disbursement was made;
- (ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
 - (iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
 - (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
 - (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	219
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A	B
Reporting Date	Employment Goals
February 1, 2015	219+X
February 1, 2016	219+X
February 1, 2017	219+X

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section 5 above (i.e. X=10, and Employment Goals shall equal [219 + X = 229] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The Company is encouraged to use its best efforts 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.

Statutory Basis – Empire State Economic Development Fund:

1. The 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 this project, the Company will maintain its employment level of 219 and create 10 new jobs.

A. INFICON Capital (X546)

January 16, 2014

2. The project would be unlikely to take place in New York State without the requested assistance.

Without ESD assistance, this project would likely have been relocated to an existing facility in Shanghai, China.

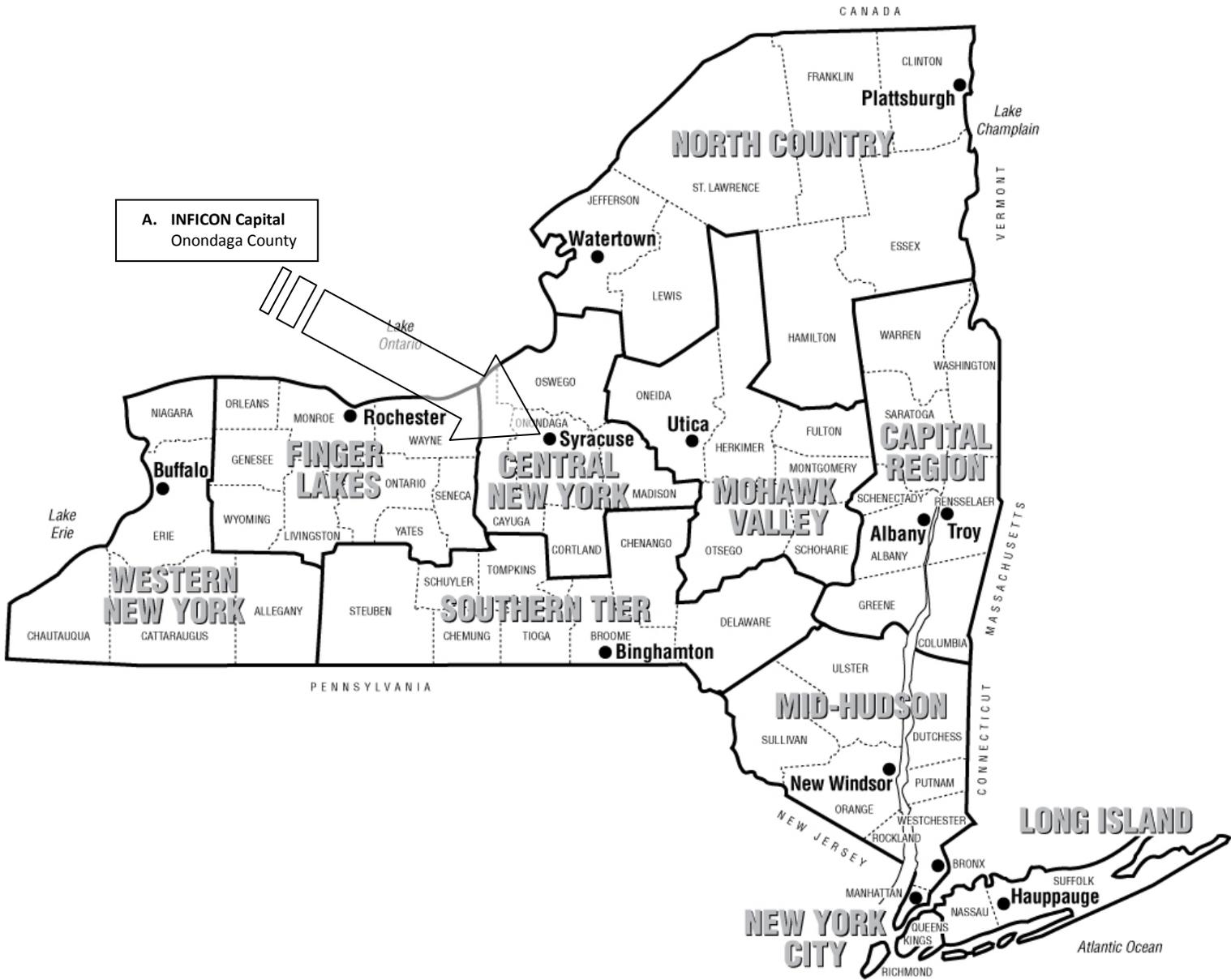
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.

Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$21,898,197, which exceed the cost to the State.

4. The requirements of Section 10(g) of the Act are satisfied.

See cover memo.

Empire State Economic Development Fund





FOR CONSIDERATION

January 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County)
– Buffalo Niagara Medical Campus/Smart Pill Building – Buffalo Regional
Innovation Cluster (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Section 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

General Project Plan

I. Project Summary

Grantee: Buffalo Niagara Medical Campus, Inc. (“BNMC”)

ESD* Investment: A grant of up to \$8 million to be used for costs related to acquisition and renovation the former Smart Pill Building.

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

Project Locations: Buffalo Niagara Medical Campus (the “Campus”)
Smart Pill Building, 847 Main Street, Buffalo, Erie County**
The Innovation Center, 640 Ellicott Street, Buffalo, Erie County

** Project activity site; other is job-creation site.

Proposed Project: Expansion of office, incubation, and laboratory space for start-up and emerging stage companies on the Campus

Project Type: Business incubation involving job creation.

Regional Council: The Western New York Regional (“WNY”) Economic Development Council oversees the implementation of the Buffalo Billion Investment Development Plan. This project is part of the Buffalo Billion Initiative to create a hub for world-wide collaboration of scientific and medical invention and innovation to spur private investment and create jobs.

Employment: Initial employment at time of Application to ESD: 0
Current employment level: 0
Minimum employment on January 1, 2020: 50*

* Employees will be on Grantee’s tenants’ payroll.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Real Estate Acquisition	\$6,150,000
Building Renovations	1,600,000
Soft Costs	<u>250,000</u>
Total Project Costs	<u>\$8,000,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD - Grant	<u>\$8,000,000</u>	<u>100%</u>
Total Project Financing	<u>\$8,000,000</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: BNMC is a consortium of the region’s premier health care, life sciences research, and medical education institutions which performs its mission by promoting the clinical, research and academic excellence of its member institutions and the community at-large.

History: BNMC was formed in 2001 by key medical and research institutions, government agencies and neighborhood groups to oversee developing a medical campus for clinical care, research, education and entrepreneurship located on 120 acres in the City of Buffalo (the “City”). The Campus is comprised of Western New York’s top clinical research and medical institutions, including University at Buffalo’s

New York State Center of Excellence in Bioinformatics, Roswell Park Cancer Institute and its Center for Genetics and Pharmacological Research, Hauptman Woodward Institute's Medical Research Institute, and Kaleida Health. BNMC adopted a master plan in 2002, which included development policies, design standards and strategic infrastructure projects intended to support development of approximately 2.5 million square feet of additional research, clinical and support facilities over the next fifteen years. It accomplishes its plan objectives by acquiring real estate and creating shovel-ready sites to stimulate private sector investment, construction of infrastructure to support development on the campus and creating or acquiring commercial and industrial space to attract new businesses and life sciences start-up companies to the Campus. On May 9, 2006 the Governor, Senate and Assembly signed an MOU, authorizing \$14.8 million to be made available to BNMC for such purposes.

Ownership: Not-for-profit corporation

Size: The BNMC is a nearly 120-acre area located just north of the central business district in downtown Buffalo. More than 6.5 million square feet of clinical, research, and development space currently exists today, with over 2 million square feet under construction. Major developments on the Campus include Roswell Park Cancer Institute, Buffalo General Medical Center, the Innovation Center consisting of more than 50 companies, and other public and privately held medical research companies, clinical practices, education space, private-sector companies, and other amenities that support over 12,000 employees and over 1.2 million patients and visitors to the Campus annually.

Market: The BNMC's member institutions service a broad cross section of the region's population primarily focused around the delivery of medical services, research, education and entrepreneurship. Patients include those seeking treatment for vascular diseases and cancer, to emergency room services and everyday traditional doctor's office visits. The market is stable with limited rightsizing of service delivery in the region. The Campus recently expanded by over 2,000,000-gross-square-feet as a result of new construction including the High Pointe Skilled Nursing Facility, the Global Vascular Institute, and the Clinical and Translational Research Center.

Further development on the Campus include the construction of the Women's and Children's Hospital, the Medical Office Building, and

the University at Buffalo's School of Medicine. All these facilities are scheduled to open in 2016 and 2017.

ESD Involvement:

Since 2010, the BNMC has been leasing space to start-up and early-stage private-sector biotech companies in the Innovation Center, the former vacant Trico Building which had been renovated into 128,000-square-foot of laboratory and office space. The Innovation Center currently houses approximately 51 companies which consist of lease and suite tenants. Suite tenants are generally in a start-up or emerging stage and occupy small offices and workspaces on a month to month term and are provided IT, phones, furniture, administrative support and access to conference rooms. Lease tenants require more square footage and specialized environments (wet labs, clean rooms) and have had access to tenant improvement funds to offset the costs of respective build-outs.

In late 2013, the BNMC notified ESD that it was approaching full capacity at the Innovation Center and needed additional space to accommodate additional start-up and emerging companies interested in relocating or establishing operations on the Campus. The BNMC identified the vacant Smart Pill Building, a suitable structure adjacent to the Innovation Center, but lacked the financial resources to acquire the facility. ESD responded with an incentive of \$8 million, allowing the BNMC to further incubation space on the Campus.

Grantee Competition:

N/A

Past ESD Support:

In order to leverage new development, attract new companies to the area, and make infrastructure and streetscape improvements on the Campus, ESD Directors have approved the following projects to the BNMC since 2006:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
SP APPROP ADELPHBUF5-9-06MOU	U298	\$1,370,000	August 2006	January 2008	Capital Grant – Asbestos removal, demo, site clearing, grading and paving and soft costs
	U488	\$5,090,326	August 2008	January 2013	Capital Grant – Specialized equipment & research lab renovations
	V122	\$3,614,800	October 2007	April 2008	Capital Grant – Acquisition and renovations of the former Hauptman Woodward Building
	V753	\$1,135,000	September 2007	April 2009	Capital Grant – Sitework, drainage, paving, and landscaping at recently demolished 50 High Street site
	V829	\$3,597,220	January 2008	August 2008	Capital Grant – Acquisition of former Trico building
Upstate Regional Blueprint	X045	\$4,000,000	August 2012	December 2017	Capital Grant – Build out space to accompany new tenants at Trico Building

B. The Project

Completion: Building acquisition: March 2014
 Building renovations: September 2018

Activity: The \$8 million project involves the acquisition and interior renovations including tenant build-out of manufacturing, office and laboratory space in the 35,000-square-foot former Smart Pill Building and related soft costs necessary to expand available incubator laboratory space on the Campus; accelerate start-up and emerging company commercialization; and increase private sector job growth.

Results: The project, which is expected to create 50 jobs by January 1, 2020, will allow the BNMC to compete with other national regions that are developing similar initiatives to stimulate regional growth. Additionally, the project will

house the start up operations for the newly-established Buffalo Niagara Advanced Manufacturing Institute, a state-of-the-art facility focusing on the collaboration and advancement of manufacturing processes and products, bridging the gap between research and manufacturing implementation in an effort to accelerate the time to deployment of technical innovation.

Economic Growth

Investment Project: Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$123,210;
- Fiscal cost to NYS government is estimated at \$8,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.02:1;
- Fiscal benefits to all governments (state and local) are estimated at \$211,190;
- Fiscal cost to all governments is \$8,000,000;
- The fiscal benefit to cost ratio for all governments is 0.03:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$1,112,441;
- The economic benefit to cost ratio is 0.14:1;
- Project construction cost is \$1,850,000, which is expected to generate 17 direct job years and 11 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.68 indirect job is anticipated in the state's economy.

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

Grantee Contact: Mr. Matthew K. Enstice, President
The Innovation Center
640 Ellicott Street, Suite 401
Buffalo, NY 14203
Phone: (716) 218-7159

ESD Project No.: Y738

Project Team:	Origination	Christina Orsi
	Project Management	Jean Williams
	Legal	Steve Gawlik
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Ross Freeman
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$8,000,000 capital grant (\$80,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. Prior to disbursement, the Grantee must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's tenants' payroll, who has worked at the Project Locations for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on the Grantee's tenants' payroll, who have worked at the Project Locations for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
4. Up to \$8 million will be disbursed to the Grantee in four installments as follows:
 - a) An Initial disbursement of \$6.15 million will be made upon presentation of an invoice and other documentation as ESD may require documenting the costs of real estate acquisition for the Project Locations. The disbursement will be made by check at the time of closing, assuming that all project approvals have been completed and funds are available, at a time and place agreed to by ESD. The initial disbursement will be available solely for real estate acquisition costs.
 - b) a Second Disbursement of an amount equal to \$616,000 will be disbursed upon the documentation of \$616,000 in building renovations and capitalized soft costs and upon documentation of the employment of at least 15 Full-Time Permanent Employees (Employment Increment of 15) at the Project Locations, provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to \$616,000 will be disbursed upon the documentation of an additional \$616,000 in building renovations and capitalized soft

costs (aggregate total of \$1.232 million) and upon documentation of the employment of at least 30 Full-Time Permanent Employees (Employment Increment of 15) at the Project Locations, provided Grantee is otherwise in compliance with program requirements;

- d) a Fourth Disbursement of an amount equal to \$618,000 will be disbursed upon the documentation of an additional \$618,000 in building renovations and capitalized soft costs (aggregate total of \$1.85 million) and upon documentation of the employment of at least 50 Full-Time Permanent Employees (Employment Increment of 20) at the Project Locations, provided Grantee is otherwise in compliance with program requirements;

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures reimbursed by ESD's grant must be incurred on or after January 16, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2020.

- 5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$8 million, 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.
- 6. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
- (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full

calendar year after the disbursement was made.

The Grantee's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	0
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A	B
Reporting Date	Employment Goals*
February 1, 2015	0+X+Y+Z
February 1, 2016	0+X+Y+Z
February 1, 2017	0+X+Y+Z
February 1, 2018	0+X+Y+Z
February 1, 2019	0+X+Y+Z
February 1, 2020	0+X+Y+Z
February 1, 2021	0+X+Y+Z
February 1, 2022	0+X+Y+Z
February 1, 2023	0+X+Y+Z

*Employees will be on the Grantee's tenants' payroll.

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section 4 above (i.e. X=15, and Employment Goals shall equal $[0 + X = 15]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section 4 above (i.e. Y=15, and Employment Goals shall equal $[0 + X + Y = 30]$ if the third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

Z = Grantee's Employment Increment that will be the basis of the Fourth Disbursement of the Grant as described in section 4 above (i.e. Z=20, and Employment Goals shall equal $[0 + X + Y + Z = 50]$ if the Fourth Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Fourth Disbursement has not yet been made then Z=0.

7. ESD will prohibit, for five years from the date of the final disbursement of Grant funds, any transfer of the Project in whole or in part, by sale or conveyance of any interest in or with respect to the Project except transfers of minor interests in the Project site, such as utility easements and limited rights-of-way. In the event that such a prohibited transfer occurs within such five-year period, the Grantee shall pay to ESD, 100% of the grant amount.
8. All tenants and/or leases at the Project Locations must be approved by ESD in advance of execution.

9. Tenants will be located at the 847 Main Street project location, unless ESD agrees that certain tenants may be located at the secondary project location, 640 Ellicott Street, Buffalo.
10. For ten-years beginning in 2016, a portion of BNMC's net lease revenues (amount to be noted in final Grant Disbursement Agreement) for the Project Location will be dedicated to a seed capital investment/entrepreneurial fund to be mutually agreed upon by ESD and the BNMC choosing, to be reinvested in the WNY Region.
11. The Grantee must provide space on the Campus, at no cost only pass-through operational expenses, to incubate:
 - a. EWI's Buffalo Niagara Advanced Manufacturing Institute Start-up operations for a time period to be determined at ESD's discretion, but a minimum of two years, and
 - b. Launch NY, a non-profit venture development organization, and
 - c. For a twelve month period, each winner of a rolling five-year business plan competition being implemented to attract worldwide early stage businesses to compete for \$5 million in equity investment awards, allowing them to convert ideas into business enterprises, accelerate growth and leverage other financing.

IV. Statutory Basis – Buffalo Regional Innovation Cluster

The project was authorized in the 2012-2013 New York State budget and reallocated in the 2013-2014 budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

The City of Buffalo Planning Board, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on October 22, 2013. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 25% of \$2 million (\$500,000). The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 15% and a Women Business Enterprise ("WBE") Participation Goal of 10% related to the total value of ESD's funding.

VII. 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.

VIII. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum
Benefit-Cost Analysis

January 16, 2014

Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) — Buffalo Niagara Medical Campus/Smart Pill Building – Buffalo Regional Innovation Cluster (Capital Grant) – Findings and Determinations Pursuant to Section 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 Buffalo Niagara Medical Campus/Smart Pill Building – Buffalo Regional Innovation Cluster – Capital Grant 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 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 the Buffalo Niagara Medical Campus, Inc., a grant for a total amount not to exceed Eight Million Dollars (\$8,000,000) from the Buffalo Regional Investment Cluster 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.

* * *

January 16, 2014

Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) — Buffalo Niagara Medical Campus/Smart Pill Building – Buffalo Regional Innovation Cluster (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Buffalo Niagara Medical Campus Smart Pill Building Acquisition Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

**Project Summary
Benefit-Cost Evaluation¹**

Buffalo Niagara Medical Campus-Smart Pill Building –Economic Growth Investment

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits reported in the table below typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the table typically reflects only construction-related activity. Benchmarks for each type of project are noted in the footnotes.

Construction Job Years (Direct): 17

Construction Job Years (Indirect): 11

Evaluation Statistics	Project Result NYS Govt.	NYS Govt. Benchmarks for ESD Projects ²	Project Results State & Local Governments	State & Local Government Benchmarks for ESD Projects
Fiscal Costs³	\$8,000,000	\$794,250	\$8,000,000	\$1,020,500
Fiscal Benefits⁴	\$123,210	\$2,085,600	\$211,190	\$4,271,980
Fiscal B/C Ratio	0.02	3.00	0.03	10.60
	Project Results	Benchmarks for ESD Projects		
Economic Benefits⁵	\$1,112,441	\$119,468,000		
Economic B/C Ratio	0.14	20.00		

¹ Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

² The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 20.00 (Economic).

³ Fiscal cost includes the value of grants, loans and associated default risks, and discretionary subsidies (such as tax exemptions or abatements on sales, property, and interest income).

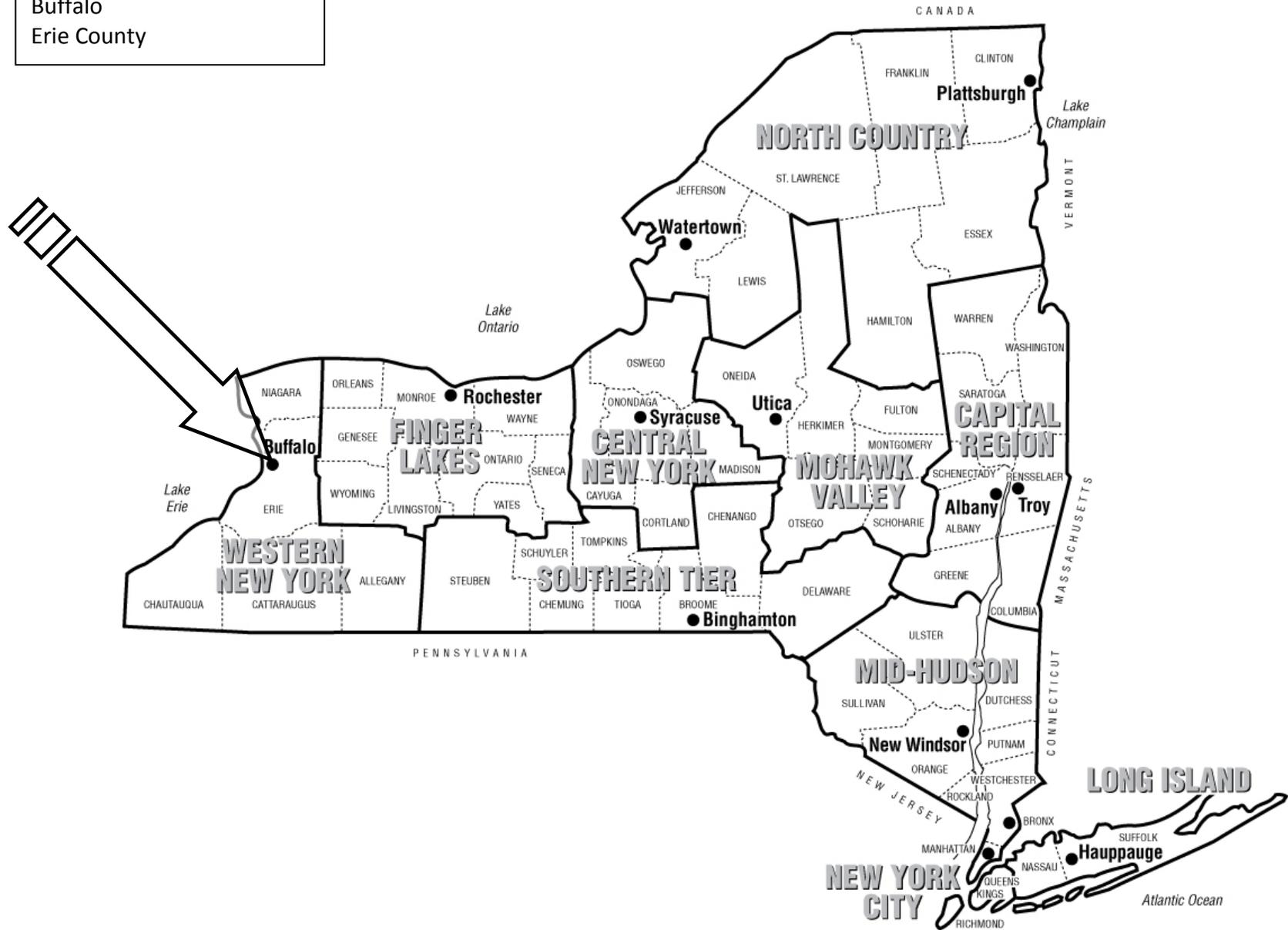
⁴ Fiscal benefits are the loan repayments and tax revenues to New York State and Local governments generated by project activity. This includes estimated taxes on personal incomes from project direct and indirect employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

⁵ Economic benefits are estimated project benefits measuring fiscal flows to government plus net resident disposable income from project direct and indirect employment net of transfers, without adjusting for individual income earners' opportunity cost of employment.

Jacobs Institute Capital

Buffalo

Erie County





FOR CONSIDERATION

January 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Buffalo (Western New York Region – Erie County) – Jacobs Institute Capital – Regional Council Capital Fund (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

General Project Plan

I. Project Summary

Grantee: The Jacobs Institute, Inc. (the “JI” or the “Institute”)

ESD* Investment: A grant of up to \$4,000,000 to be used for a portion of furniture, fixtures, and equipment expenditures to furnish the newly-established Centers for Innovation and Entrepreneurship (the “Centers”).

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

Project Location: 875 Ellicott Street, 5th Floor, Buffalo, Erie County

Proposed Project: The acquisition and installation of furniture, fixtures and equipment and working capital expenses necessary to furnish and operate the Centers

Project Type: Business development involving job creation

Regional Council: This is a Priority Project for the Western New York Regional Economic Development Council (“WNY REDC”). The project is consistent with the Regional Plan and defined strategies for stimulating job growth in the health and life sciences fields and promoting smart growth.

Employment:	Initial employment at time of ESD Incentive Offer:	0
	Current employment level:	5
	Minimum employment on January 1, 2016:	25*

* Must include at least 10 Grantee employees and may include up to 15 tenant employees.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Audio/Visual Equipment	\$ 450,000
Core Lab Furniture, Fixtures and Equipment	400,000
Working Capital (Salaries & Operations)	900,000
Simulation, Prototyping, Production and Training Lab equipment	<u>7,250,000</u>
Total Project Costs	<u>\$9,000,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$4,000,000	44%
Various Donors – Equipment	3,900,000	43%
Grantee Equity	<u>1,100,000</u>	<u>13%</u>
Total Project Financing	<u>\$9,000,000</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: The JI is a medical research and development center focusing on increasing interaction among top clinicians, scientists, entrepreneurs, medical device companies and ultimately biotechnology and pharmaceutical companies, to foster innovation in patient care and economic development.

Grantee History: The Institute was formed in 2008 with a philanthropic donation by Jeremy M. Jacobs and his wife, Margaret, in honor of Mr. Jacobs' brother, Lawrence D. Jacobs, M.D., who was a life-long Buffalo resident and world-renowned for his work on Multiple Sclerosis ("MS") treatment. Dr. Jacobs was a principal investigator for the National Institutes of Health sponsored clinical trials, which led to the Food and Drug Administration approval of interferon-beta (Avonex®), a widely prescribed drug shown to slow the progression of MS.

Ownership: The Institute is a non-profit, 501(c)(3) organization.

Size: There is one facility located in Buffalo.

Market: The JI serves health care professionals world-wide by gathering and sharing medical breakthroughs in information, procedures, and products.

ESD Involvement: In 2011, the JI notified ESD of the creation of the Centers and its intention to collaborate with the medical device industry, Kaleida Health, and the State University of New York at Buffalo (“UB”). The Centers would be housed in 20,800 square feet on the fifth floor of the newly constructed 478,000-square-foot combined Kaleida Health’s Global Vascular Institute (“GVI”), which occupies the lower floors, and UB’s Clinical Translational Research Center (“CTRC”), which occupies the upper floors. The GVI/CTRC is located on the Buffalo Niagara Medical Campus (“BNMC”), a 120-acre campus comprised of Western New York’s top clinical research and medical institutes. The Centers are strategically situated on a middle floor of the GVI/CTRC and within the BNMC in an effort to foster collaborations between university researchers, hospital clinicians, and industry entrepreneurs. Although the JI had indentified a facility, it lacked sufficient resources to equip, launch and operate the Centers. As a result of the Governor’s REDC Initiative, the JI was awarded a \$4 million grant through the Consolidated Funding Application (“CFA”) process to fund a Priority Project to equip the Centers for Innovation and Entrepreneurship.

Competition: N/A

Past ESD Support: This is the Institute’s first project with ESD.

B. The Project

Completion: December 2015

Activity: The project involves the acquisition and installation of specialized equipment, furniture and fixtures and working capital necessary to create a cutting-edge, state-of-the-art medical device prototype facility, the Idea to Commercialization (i2C) Center (fabrication center, machine shop, clean room) to create new devices and techniques, and a Training Center for physicians and industry. The Centers will also include a Simulation and Robotics Center for minimally-invasive vascular surgery, a Medical Education Support Center for scientific publishing and broadcasting, a Health and Wellness area, collaborative spaces, and administrative offices.

The JI, which moved into its newly-constructed leased facility in the fall of 2012, has received specialized donated equipment including an audio

visual system, x-ray and fluoroscopy machines, clinical carts, two computerized simulators and equipment for balloon catheter research and development, with an estimated value of over \$1.3 million. An additional \$900,000 in donated equipment is currently being negotiated including a simulator, replicator, vascular robot and the wiring of additional procedure labs for live broadcasts.

The JI will provide space to tenants who are critical to its mission including industry, clinical, and research partners, in return for expertise and/or services in the industry.

Results:

The project will create 25 new full-time permanent jobs by January 1, 2016 and establish the first center for entrepreneurship in the heart of a clinical facility in the United States.

The JI has already identified one tenant or joint-venture, Infonaut Inc., a Canadian health technology company, which is scheduled to move into the facility in the first Quarter 2014. JI also has several other companies interested in occupying the space. The Institute has hired a Director for the Centers for Innovation in Medicine and Entrepreneurship, responsible for overseeing training and prototyping, for which it charges a fee. The JI has already provided training for 160 medical professionals in 2013 and entered into a long-term training agreement with Covidien, one of the largest medical device companies in the world. The JI is also in the process of concluding agreements with other medical device companies for training, engineering services and product development. The JI plans to hire at least one additional engineer in early 2014 to conduct device prototyping and fabrication.

Economic Growth

Investment Project:

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$2,175,619;
- Fiscal cost to NYS government is estimated at \$4,000,000;

- Project cost to NYS government per direct job is \$200,000;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$128,408;
- Ratio of project fiscal benefits to costs to NYS government is 0.54:1;
- Fiscal benefits to all governments (state and local) are estimated at \$3,930,180;
- Fiscal cost to all governments is \$4,000,000;
- All government cost per direct job is \$200,000;
- All government cost per total job is \$128,408;
- The fiscal benefit to cost ratio for all governments is 0.98:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$26,744,548, or \$858,553 per job (direct and indirect);
- The economic benefit to cost ratio is 6.69:1;
- There is no construction activity related to this project;
- For every permanent direct job generated by this project, an additional 0.59 indirect job is anticipated in the state’s economy;
- The payback period for NYS costs is seven years.

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

Grantee Contact: Mr. Robert Skerker, President
875 Ellicott Street
Buffalo, NY 14203
Phone: (716) 888-4819

ESD Project No.: X684

Project Team:	Origination	Diego Sirianni
	Project Management	Jean Williams
	Contractor & Supplier Diversity	Vikas Gera
	Finance:	Ross Freeman
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$4,000,000 capital grant (\$40,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after December 2011, ESD’s announcement of the

project. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's or Grantee's tenants' payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's or Grantee's tenants' payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$4 million will be deposited into an account (the "Imprest Account") at a bank mutually acceptable to ESD (as set forth in writing by ESD) and the Grantee. Funds in the Imprest Account, from the time of deposit and until disbursed from such account in accordance with terms to be approved by the ESD Directors, will be invested in accordance with ESD's Investment Guidelines. Funds from the Imprest Account will be used for equipment costs including audio visual equipment, core laboratory furniture, fixtures and equipment and simulation, prototyping, production and training equipment ("Equipment Costs"). ESD shall be provided with copies of all account statements and reports in accordance with the reporting requirement. Interest earned on the funds deposited in the Imprest Account must be returned to ESD quarterly.

Funds will be deposited in the Imprest Account in three installments:

- a. An Initial Disbursement of 50% of the grant (\$2 million) upon ESD's receipt of an executed Grant Disbursement Agreement; Certified Public Accountant verification of \$1.7 million in expenses including i.) \$67,000 in audio visual equipment, core laboratory furniture, fixtures and equipment and simulation, prototyping, production and training equipment incurred by the Grantee, ii.) \$433,000 working capital expenditures incurred by the Grantee and iii.) \$1.2 million of new donated simulation, prototyping, production and training equipment with substantiated documented value acceptable to ESD; and documentation of the employment of at least 5 full-time permanent Grantee employees at the Project Location (Employment Increment of 5); and submission of annual reports. The Grantee may, no more frequently than monthly, seek authorization to release funds from the Imprest Account to pay for eligible Equipment Costs due and payable to vendors, assuming that all project approvals have been completed and funds are available. Each subsequent payment requisition, beyond the Initial Disbursement, will include the current month's invoices and proof of payment for invoices

submitted for the previous month.

- b. A Second Disbursement of 25% of the grant (\$1 million) upon ESD's receipt of documentation of 100% of the Initial Deposit (\$2 million); Certified Public Accountant verification of an additional \$1.5 million in expenses (aggregate total of \$3.2 million) including i.) \$66,500 in additional audio visual equipment, core laboratory furniture, fixtures and equipment and simulation, prototyping, production and training equipment (aggregate total of \$133,500) incurred by the Grantee, ii.) an additional \$233,500 in working capital expenditures (aggregate total of \$666,500) incurred by the Grantee, and iii.) documentation of an additional \$1.2 million of new donated simulation, prototyping, production and training equipment (aggregate total of \$2.4 million) with substantiated documented value acceptable to ESD; and documentation of the employment of at least 12 full-time permanent Grantee employees including at least 7 Grantee employees and up to 5 tenant employees at the Project Location (Employment Increment of 7). The Grantee may, no more frequently than monthly, seek authorization to release funds from the Imprest Account to pay for eligible Equipment Costs due and payable to vendors, assuming that all project approvals have been completed and funds are available. Each subsequent payment requisition, beyond the Initial Disbursement, will include the current month's invoices and proof of payment for invoices submitted for the previous month.
- c. A Third Disbursement of 25% of the grant (\$1 million) upon ESD's receipt of documentation of 100% of the Initial and Second Disbursements (\$3 million); Certified Public Accountant verification of an additional \$1.8 million in expenses (aggregate total of \$5 million) including i.) \$66,500 in additional audio visual equipment, core laboratory furniture, fixtures and equipment and simulation, prototyping, production and training equipment (aggregate total of \$200,000) incurred by the Grantee, ii.) an additional \$233,500 in working capital expenditures (aggregate total of \$900,000) incurred by the Grantee, and iii.) documentation of an additional \$1.5 million of new donated simulation, prototyping, production and training equipment (aggregate total of \$3.9 million) with substantiated documented value acceptable to ESD; and documentation of the employment of at least 25 full-time permanent Grantee employees including at least 10 Grantee employees and up to 15 tenant employees at the Project Location (Employment Increment of 13). The Grantee may, no more frequently than monthly, seek authorization to release funds from the Imprest Account to pay for eligible Equipment Costs due and payable to vendors, assuming that all project approvals have been completed and funds are available. Each subsequent payment requisition, beyond the Initial Disbursement, will include the current month's invoices and proof of payment for invoices submitted for the previous month. 10% of the grant amount (\$400,000) shall be maintained in the Imprest Account until completion of the project substantially as described in these materials and will be disbursed as reimbursement for the final \$400,000 of incurred and paid Equipment Costs.

Payments will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures reimbursed by ESD's grant must be incurred on or after December 1, 2011, to be considered eligible project costs. All disbursements must be requested by January 1, 2016. Project costs may include up to \$3.9 million in donated equipment.

6. ESD will be entitled to recoup any advanced funds that are not disbursed by Grantee to vendors by April 1, 2016.
7. Reports should be assembled and delivered to ESD with each payment requisition and annually at the end of each Calendar Year beginning in 2013 and ending in 2018. These reports should include the following information, along with an affirmation that the facts and figures presented are true and correct:
 - i. Number of Physicians and Non-Physicians trained
 - ii. Number of Trainings completed on Simulation Equipment
 - iii. Number of Consulting Engagements in Product Development
 - iv. Number of Clinical Trials Completed
 - v. Number of Prototypes in Development Phase
 - vi. Number of new enterprises on the BNMC directly attributable to the Institute.

Each report is required to include a narrative of the JI's program accomplishments and a cumulative summary of all information listed in points i through vi above.

8. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$4,000,000, 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.
9. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second

- full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
- (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee’s number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	0
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A	B
Reporting Date	Employment Goals
February 1, 2015	0+X+Y+Z
February 1, 2016	0+X+Y+Z
February 1, 2017	0+X+Y+Z
February 1, 2018	0+X+Y+Z

X = Grantee's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section C.5 above (i.e. X=5, and Employment Goals shall equal $[0 + X = 5^*]$ if the First Disbursement is made, in the year such disbursement is made and for each year thereafter). If the First Disbursement has not yet been made then X=0.

Y = Grantee’s Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. Y=7, and Employment Goals shall equal $[0 + X + Y = 12^{**}]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.

Z = Grantee’s Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Z=13, and Employment Goals shall equal $[0 + X + Y + Z = 25^{***}]$ if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Z=0.

* Must all be Grantee employees

** Must include at least 7 Grantee employees and up to 5 tenant employees

*** Must include at least 10 Grantee employees and up to 10 tenant employees

IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in 2011-2012 New York State budget and reappropriated in the 2012-2013 and 2013-2014 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project constitutes a Type II 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.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 10% related to the total value of ESD's funding.

VII. 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.

VIII. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum
Benefit-Cost Analysis

Regional Council Award – Priority Project - Buffalo (Western New York – Erie County) – Jacobs Institute Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 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 Regional Council Award – Priority Project - Buffalo (Western New York – Erie County) – Jacobs Institute Capital – Regional Council Capital Fund (Capital Grant) 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 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 Jacobs Institute a grant for a total amount not to exceed Four Million Dollars (\$4,000,000) from the Regional Council Capital 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.

* * *



FOR CONSIDERATION

January 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Hempstead (Long Island Region – Nassau County) – Hofstra University Capital – Regional Council Capital Fund (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act;
Authorization to Adopt the Proposed General Project Plan;
Authorization to Make a Grant and to Take Related Actions;

General Project Plan

I. Project Summary

Grantee: Hofstra University (“Hofstra” or the “University”)

ESD* Investment: A grant of up to \$1,000,000 to be used for a portion of the cost of facility renovations and the purchase of machinery and equipment for Hofstra University’s School of Engineering building.

Project Location: 133 Hofstra University, Hempstead, Nassau County

Proposed Project: Facility expansion and purchase of machinery and equipment

Project Type: Facility and program expansion involving job creation

Regional Council: This is a priority project for the Long Island Region and was awarded as part of the first round of the Regional Council Award process. The project addresses the Long Island Regional Plan to transform Long Island’s economy through identifying skill gaps and creating career pathways for various groups of individuals. Stuart Rabinowitz, President of Hofstra University, is Co- Chair of the 24 person Long Island Regional Economic Development Council. However, in conformance with the State’s policy, he has recused himself on all votes recommending this project.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Renovation of School of Engineering and lab space	\$2,402,993	
Acquisition and installation of engineering equipment	<u>1,588,765</u>	
Total Project Costs	<u>\$3,991,758</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$1,000,000	25%
University Equity	<u>2,991,758</u>	<u>75%</u>
Total Project Financing	<u>\$3,991,758</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Higher education

Company History: Founded in 1935, Hofstra University is a private, nonsectarian, coeducational institution of higher learning located in Hempstead, Long Island. The University offers 140 undergraduate and 150 graduate programs of study. Hofstra University's Department of Engineering in the School of Engineering and Applied Science offers the following degree programs: Biomedical, Civil, Electrical, Industrial, and Mechanical Engineering.

Ownership: The University is a private educational institution.

Size: The University consists of 115 buildings located on a 240-acre campus. Approximately 1,135 faculty members work at the University and a total enrollment of approximately 11,000 students.

Market: Hofstra University's School of Engineering and Applied Science is committed to educating students who wish to pursue careers in the fields of bioengineering, bioelectrical engineering, biomechanical engineering, and biochemical engineering.

ESD Involvement: Long Island is in the midst of a severe shortage of trained professionals in the area of bioengineering. To address this, Hofstra committed to expanding and improving its bioengineering laboratory facilities. Given the importance of this project and the costs involved, Hofstra submitted

a proposal under the Consolidated Funding Application (CFA) to assist with the purchase and installation of equipment in the new bioengineering laboratory. As a result of the Governor’s Regional Economic Development Council Initiative, Hofstra was awarded \$1,000,000 through the Consolidated Funding Application to assist with this priority project. The laboratory is expected to be the cornerstone for an innovative program in biomedical engineering.

Competition: N/A

Past ESD Support: Since 2000, ESD has provided a total of 20 grants to Hofstra University totaling \$27,550,866. In the past 5 years, funding to Hofstra is summarized as follows:

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
CCAP	V636	\$600,000	February 2008	April 2008	Capital Grant
CEFAP	W205	\$12,500,000	May 2011	December 2015	Capital Grant
EAP	W303	\$75,000	September 2008	July 2009	Working Capital Grant
	W646	\$73,500	August 2009	July 2010	
	X145	\$73,500	August 2010	July 2011	
	X415	\$73,500	September 2011	September 2012	
	X844	\$99,593	November 2012	October 2013	
	Y529	\$74,207	November 2013	December 2014	
NYS ECON DEV ASST PGM	W269	\$12,500,000	October 2009	June 2013	Capital Grant

B. The Project

Completion: October 2013

Activity: The Project included the renovation of an existing 1,355 gross-square-foot facility located on the campus and the acquisition and installation of specialized engineering machinery and equipment. The facility improvements included the installation of a new air conditioning, refrigerators, and freezers. A 3D printer, conventional microscopes and attached computers were also installed and calibrated as learning stations in the new laboratory. An internal super-clean room was built to house the incubators and protect cells from contamination.

Results: As a result of the project the new laboratory is expected to provide a higher degree of laboratory sophistication at the undergraduate level, and create opportunities for undergraduate students to engage in research experiences. Hofstra University is expecting an increase student enrollment in the School of Engineering and Applied Science and is

committed to creating three new teaching related positions at the school. The success of the project will be based on increasing the number of graduates moving on to medical schools and biomedical companies within the Long Island Region. The University has agreed to provide documentation that at least 50% of the increased number of Hofstra University's School of Engineering students under the ENGINE program accepted full time jobs in New York State upon graduation.

Economic Growth

Investment Project: Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits typically reflect only construction-related activity.

Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$151,737;
- Fiscal cost to NYS government is estimated at \$1,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.15:1;
- Fiscal benefits to all governments (state and local) are estimated at \$274,633;
- Fiscal cost to all governments is \$1,000,000;
- The fiscal benefit to cost ratio for all governments is 0.27:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$1,467,505;
- The economic benefit to cost ratio is 1.47:1;
- Project construction cost is \$2,402,993, which is expected to generate 17 direct job years and 12 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.65 indirect job is anticipated in the state's economy.

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

Grantee Contact: Herman A. Berliner, Ph.D,
Provost and Senior Vice President for Academic Affairs
200 West Library Wing
Hempstead, NY 11550
Phone: (631)632-8380

ESD Project No.: X652

Project Team:	Origination	Barry Greenspan
	Project Management	Beverly Bobb
	Contractor & Supplier Diversity	Vikas Gera
	Finance	John Bozek
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$1,000,000 capital grant (\$10,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after ESD's announcement of the project. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$1,000,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$500,000) upon documentation of the completion at least \$2,000,000 of renovations at School of Engineering facility and acquisition and installation of new engineering machinery and equipment totaling \$1,500,000, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$250,000) will be disbursed no sooner than 12 months after Initial Disbursement, upon documentation of at least a 5% increase in enrollment rates at the School of Engineering since December 16, 2011, provided Grantee is otherwise in compliance with program requirements;

- c) a Third Disbursement of an amount equal to 25% of the grant (\$250,000) will be disbursed no sooner than 24 months after Initial Disbursement, upon documentation of three additional teaching-related positions in the School of Engineering, and at least a 15% increase in enrollment rates at the School of Engineering since December 16, 2011, provided Grantee is otherwise in compliance with program requirements.

Working capital expenses are not an allowable cost for reimbursement for Regional Council Capital Funds.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after April 13, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,000,000, 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 – Regional Council Capital Fund

The project was authorized in the 2011-2012 New York State budget and reappropriated in the 2012-2013 and 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project constitutes a Type II 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.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 30%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 15% and a Women Business Enterprise ("WBE") Participation Goal of 15% related to the total value of ESD's funding.

VII. ESD Employment Enforcement Policy

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

VIII. 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.

IX. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

Benefit-Cost Analysis

January 16, 2014

Regional Council Award – Priority Project – Hempstead (Long Island– Nassau County) – Hofstra University Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to 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 Hofstra University Capital – Regional Council Capital Fund (Capital Grant) 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 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 Hofstra University a grant for a total amount not to exceed One Million Dollars (\$1,000,000) from the Regional Council Capital 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.

* * *

Project Summary
Benefit-Cost Evaluation¹
Hofstra University-ENGINE—Economic Growth Investment

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits reported in the table below typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the table typically reflects only construction-related activity. Benchmarks for each type of project are noted in the footnotes.

Construction Job Years (Direct): 17

Construction Job Years (Indirect): 12

Evaluation Statistics	Project Result NYS Govt.	NYS Govt. Benchmarks for ESD Projects ²	Project Results State & Local Governments	State & Local Government Benchmarks for ESD Projects
Fiscal Costs³	\$1,000,000	\$794,250	\$1,000,000	\$1,020,500
Fiscal Benefits⁴	\$151,737	\$2,085,600	\$274,633	\$4,271,980
Fiscal B/C Ratio	0.15	3.00	0.27	10.60
	Project Results	Benchmarks for ESD Projects		
Economic Benefits⁵	\$1,467,505	\$119,468,000		
Economic B/C Ratio	1.47	20.00		

¹ Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

² The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 20.00 (Economic).

³ Fiscal cost includes the value of grants, loans and associated default risks, and discretionary subsidies (such as tax exemptions or abatements on sales, property, and interest income).

⁴ Fiscal benefits are the loan repayments and tax revenues to New York State and Local governments generated by project activity. This includes estimated taxes on personal incomes from project direct and indirect employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

⁵ Economic benefits are estimated project benefits measuring fiscal flows to government plus net resident disposable income from project direct and indirect employment net of transfers, without adjusting for individual income earners' opportunity cost of employment.



FOR CONSIDERATION

January 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Dolgeville (Mohawk Valley Region – Herkimer County) – Gehring Tricot Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)

REQUEST FOR: 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

General Project Plan

I. Project Summary

Grantee: Gehring Tricot Corporation (“Gehring” or the “Company”)

ESD* Investment: A grant of up to \$200,000 to be used for a portion of the cost of the purchase of machinery and equipment.

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

Project Location: 68 Ransom Street, Dolgeville, Herkimer County**
15 Lion Avenue, St. Johnsville, Montgomery County**
17 Hough Street, St. Johnsville, Montgomery County**

1225 Franklin Avenue, Garden City, Nassau County

**Project activity sites; other is job-retention site

Proposed Project: Facility expansion, renovation, and purchase of machinery and equipment

Project Type: Business expansion involving job creation and retention

Regional Council: This is a priority project for the Mohawk Valley region. The project is consistent with the Mohawk Valley Regional Plan to attract new technologies and industries to the Mohawk Valley Region.

Employment: Initial employment at time of ESD Incentive Offer: 149*
Current employment level: 151*
Minimum employment through January 1, 2017: 156*

* New employees cannot be transferred from other NYS locations

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction & Renovation	\$823,172
Machinery & Equipment	<u>1,183,555</u>

Total Project Costs \$2,006,727

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Grant	\$200,000	10%	
NBT Bank – Line of Credit	\$135,000	7%	4.28%/5 yrs/1 st position RE
NBT Bank – Equipment Line	638,000	32%	5%/5 yrs/1 st position RE
Company Equity	<u>1,033,727</u>	<u>52%</u>	
Total Project Financing	<u>\$2,006,727</u>	<u>100%</u>	

III. Project Description

A. Company

Industry: Gehring Tricot Corporation designs and manufactures a variety of knit and woven fabrics for diverse industries including medical, sports, safety, aerospace, apparel, and the military.

Company History: Established in St. Johnsville in 1952 as a textile fabric mill, Gehring Tricot Corporation has expanded over the years into three manufacturing facilities which perform knitting and dyeing of fabrics, a storage warehouse, and one sales location. The fabrics which the Company produces are used to repel moisture, protect from ultra violet light, electricity, heat, bacteria, chemicals and other environmental hazards. The Company creates more than 100 custom fabrics annually, based on individual customer requirements. Gehring serves the medical, sports, and emergency response industries. Research and development are an important component of the Company's work since it often receives

requests from military, police and athletic teams to provide fabrics with specialized features.

- Ownership:** The Company is privately held.
- Size:** Gehring operates three manufacturing facilities, two of which are located in New York and one located in Massachusetts. In addition, they operate a storage warehouse and one sales location in New York. The Company employs a total of 208 employees at all its facilities.
- Market:** The Company's customers include Nike, D.J. Orthopedics and Faytex. The Company competes globally with fabric companies such as Milco, Duro and Darlington.
- ESD Involvement:** In order to be more competitive in the textile market, Gehring sought to create a specialty line of fabrics that was not readily available in the market. Moreover, the Company was experiencing a two-fold increase in sales. To accommodate the new effort and increased sales, Gehring planned to reinvest its equity in equipment, renovation and expansion to its existing facilities. As part of a plan to make its operations more efficient, the Company sought to relocate its weaving operation from Massachusetts to New York to expand manufacturing capacity in the state and strengthen its long term presence in New York. In July 2012, the Company applied under Round 2 of the Regional Council Consolidated Funding Application to close a funding gap in their budget. The Mohawk Valley Regional Council identified Gehring's project as a priority for the region, and in July 2013, ESD made Gehring an offer of financial assistance, which the Company accepted in the same month. ESD's grant was critical to the Company's decision to expand in New York, and without it, the project could not have taken place.
- The July 2013 incentive proposal includes an incentive for up to \$200,000 of Excelsior Job Program Credits.
- Gehring Tricot is EZ certified in the Herkimer Empire Zone effective June 16, 2002. The Company has reported using the EZITC totaling \$19,280 from 2003 to 2005. No credits have been reported on their Business Annual Reports since 2005.
- Competition:** Massachusetts
- Past ESD Support:** In 2007, ESD made a \$10,000 grant to the Herkimer County Industrial Development Agency on behalf of Gehring Tricot to upgrades its Warp Knit Fabric production line. The funds were fully disbursed and the terms were fulfilled.

B. The Project

Completion: May 2014

Activity: The project involves the repair and renovation of three of the Company's four facilities on Hough Street, Lion Avenue, and Ransom Street. The Company will repair the roof and add a new loading dock to the Hough Street facility. The Lion Avenue facility, where the Company's knitting operation takes place, will be renovated internally to accommodate new machinery and equipment, and the Ransom Street facility, which is Gehring's main manufacturing location, will be expanded by 6,800 square feet to add manufacturing space for incoming orders. To date, the Company has completed replacement of the roof on the Hough Street facility and purchased \$600,000 of new machinery and equipment.

Results: The Company will retain 149 jobs and create 7 new jobs. The Company has already created 2 new jobs.

Grantee Contact: Gary Farquhar, VP of Manufacturing
68 Ransom Street
Dolgeville, NY 13329
Phone: (315) 429-8551

ESD Project No.: Y255

Project Team:	Origination	Joseph Falcone
	Project Management	Simone Bethune
	Contractor & Supplier Diversity	Denise Ross
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$200,000 capital grant (\$2,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

5. Up to \$200,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$100,000) upon documentation of documentation of machinery and equipment project costs totaling \$600,000 and documentation of the employment of at least 151 Full-time Permanent Employees at the Project Location;
 - b) a Second Disbursement of an amount equal to 25% of the grant (\$50,000) will be disbursed upon purchase of at least \$583,555 in machinery and equipment (cumulative \$1,183,555) documentation of the employment of at least 154 Full-time Permanent Employees at the Project Location (Employment Increment of 3), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$50,000) will be disbursed upon completion of the project as evidenced by a Certificate of Occupancy or other documentation verifying project completion as ESD may require, documentation of project costs totaling \$2,006,727 including \$823,172 in construction/renovation project costs, and documentation of the employment of at least 156 Full-time Permanent Employees at the Project Location (Employment Increment of 2), provided Grantee is otherwise in compliance with program requirements.

ESD will be entitled to recoup all or part of ESD's grant if the recipient fails to reach or retain employment as agreed upon at the Project Locations.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures incurred prior to December 19, 2012, cannot be reimbursed by grant funds. All disbursements must be requested by April 1, 2017.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$200,000, 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.

7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the Employment Shortfall occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

- (i) 100% of the disbursed amount if the Employment Shortfall occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the Employment Shortfall occurred in the second full calendar year after the disbursement was made;
- (iii) 60% of the disbursed amount if the Employment Shortfall occurred in the third full calendar year after the disbursement was made;
- (iv) 40% of the disbursed amount if the Employment Shortfall occurred in the fourth full calendar year after the disbursement was made;
- (v) 20% of the disbursed amount if the Employment Shortfall occurred in the fifth full calendar year after the disbursement was made.

The Grantee's number of Full-time Permanent Employees shall be deemed to be the greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	149
A	B
Reporting Date	Employment Goals
February 1, 2015	149+X+Y+Z
February 1, 2016	149+X+Y+Z
February 1, 2017	149+X+Y+Z

X = Grantee's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section C.5 above (i.e. X=2, and Employment Goals shall equal $[149 + X = 151]$ if the First Disbursement is made, in the year such disbursement is made and for each year thereafter). If the First Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. Y=3, and Employment Goals shall equal $[149 + X + Y = 154]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.

Z = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Z=2, and Employment Goals shall equal $[149 + X + Y + Z = 156]$ if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Z=0.

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 this project, the Company will maintain its employment level of 149 jobs and create 7 new jobs.

2. The proposed project would be unlikely to take place in New York State without the requested assistance.

Without ESD assistance the cost would have been too high to make the project feasible in New York.

3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the estimated benefits

typically reflect only construction-related activity.

Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$5,509,898;
- Fiscal cost to NYS government is estimated at \$379,099;
- Project cost to NYS government per direct job is \$3,246;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$2,002;
- Ratio of project fiscal benefits to costs to NYS government is 14.53:1;
- Fiscal benefits to all governments (state and local) are estimated at \$9,128,685;
- Fiscal cost to all governments is \$379,099;
- All government cost per direct job is \$3,246;
- All government cost per total job is \$2,002;
- The fiscal benefit to cost ratio for all governments is 24.08:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$42,747,733, or \$225,775 per job (direct and indirect);
- The economic benefit to cost ratio is 112.76:1;
- Project construction cost is \$823,172, which is expected to generate nine direct job years and four indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.64 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is one year.

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

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.

V. Environmental Review

Pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation, ESD staff performed an uncoordinated review. This review determined the project to be an Unlisted Action, which would not have a significant effect on the environment. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policy will apply to the project. The Company shall be required to use good faith efforts to achieve an overall Minority and

Women Business Enterprise (“MWBE”) Participation goal of 23% related to the total value of ESD’s funding, and to solicit and utilize MWBE’s for any contractual opportunities generated in connect with the Project.

VII. 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.

VIII. Additional Submissions to Directors

Resolutions
New York State Map
Benefit-Cost Analysis

January 16, 2014

Regional Council Award – Priority Project – Dolgeville (Mohawk Valley Region – Herkimer County) – Gehring Tricot 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 Gehring Tricot Capital – Empire State Economic Development Fund Project – 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 Gehring Tricot Corporation a grant for a total amount not to exceed Two Hundred Thousand Dollars (\$200,000) 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.

* * *

January 16, 2014

Dolgeville (Mohawk Valley Region – Herkimer County) – Gehring Tricot Capital – Empire State Economic Development Fund – Determination of No Significant Effect on the Environment

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

* * *

Project Summary Benefit-Cost Evaluation¹

Gehring Tricot – Business Investment

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits reported in the table below typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the table typically reflects only construction-related activity. Benchmarks for each type of project are noted in the footnotes.

Initial Jobs:	149	Construction Job Years (Direct):	9
New Jobs:	7 over two years	Construction Job Years (Indirect):	4

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks ²	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs³	\$379,099	\$794,250	\$379,099	\$1,020,500
Fiscal Benefits⁴	\$5,509,898	\$2,085,600	\$9,128,685	\$4,271,980
Fiscal Cost /Direct Job	\$3,246	\$3,000	\$3,246	\$4,110
Fiscal Cost/Total Jobs	\$2,002	\$1,424	\$2,002	\$1,964
Fiscal B/C Ratio	14.53	7.00	24.08	10.60
	Project Results	Benchmarks		
Economic Benefits⁵	\$42,747,733	\$119,468,000		
Econ. Benefits/Total Jobs	\$225,775	\$147,600		
Economic B/C Ratio	112.76	50.00		

¹ Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

² The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Business Investment project benchmarks are 7.00 (Fiscal) and 50.00 (Economic). Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 20.00 (Economic).

³ Fiscal cost includes the value of grants, loans and associated default risks, and discretionary subsidies (such as tax exemptions or abatements on sales, property, and interest income).

⁴ Fiscal benefits are the loan repayments and tax revenues to New York State and Local governments generated by project activity. This includes estimated taxes on personal incomes from project direct and indirect employment, corporate and business incomes, excise and user taxes, property taxes, and other taxes.

⁵ Economic benefits are estimated project benefits measuring fiscal flows to government plus net resident disposable income from project direct and indirect employment net of transfers, without adjusting for individual income earners' opportunity cost of employment.



FOR CONSIDERATION

January 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Non-Discretionary Projects

REQUEST FOR: Authorization to Make Grants and to Take Related Actions

Attached are the summaries of the projects sponsored by the New York State Executive and Legislative branches:

	Project Name	Proj #	Grantee	Assistance up to
	SUNY Sub-Allocation (Executive)			
A	Richardson Center – Core Capital	X584	Richardson Center Corporation	37,382,039
	State and Municipal Facilities Program (Executive)			
B	Fort Schuyler Management Corporation - Quad C Phase 2A Capital	Y728	Fort Schuyler Management Corporation	\$20,000,000
	Local Assistance (Senate)			
C	The Research Foundation – Central New York Biotech Accelerator Working Capital	Y554	The Research Foundation for State University of New York	\$200,000
D	Canisius College – 2014 NCAA Committee Working Capital	Y695	Canisius College	\$50,000
	TOTAL NON-DISCRETIONARY – 4 PROJECTS		TOTAL	\$57,632,039

I. Statutory Basis

The projects are sponsored by the Executive, Assembly or Senate, and were authorized or reappropriated in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site(s).

II. Environmental Review

Unless otherwise noted on a project summary, ESD* staff has determined that the projects constitute Type II actions as defined by the New York State Environmental Quality Review Act and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the projects.

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

III. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the projects. Unless otherwise specified in the project summary, Grantees shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 23% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 13% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantees shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project and to include minorities and women in any job opportunities created by the projects.

IV. ESD Employment Enforcement Policy

Unless otherwise noted on a project summary, the ESD Employment Enforcement Policy will not apply since the projects will not directly create or retain jobs.

V. 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.

VI. Additional Requirements

Pursuant to direction received from the New York State Office of the Attorney General (“OAG”), individual project summaries may be subject to comment and approval by the OAG.

Due diligence has been exercised by ESD staff in reviewing information and documentation received from grantees/borrowers and other sources, in preparation for bringing projects to the ESD Directors for approval. The due diligence process also involves coordination with a number of external constituents, including the OAG, and grantees/borrowers have provided ESD with the required Disclosure and Accountability Certifications.

Also, pursuant to s.2879-a of the Public Authorities Law, the Office of the State Comptroller (“OSC”) has notified the Corporation that it will review all grant disbursement agreements (“GDAs”) of more than one million dollars (\$1 million) that are supported with funds from the Community Projects Fund (“007”). Such GDAs, therefore, will not become valid and enforceable unless approved by the OSC. A clause providing for OSC review will be included in all GDAs that are subject to such approval.

VII. Additional Submissions to Directors

New York State Map
Resolutions
Project Summary

January 16, 2014

SUNY Sub-Allocation - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant; Authorization to Grant a Labor Peace Waiver 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 SUNY Sub-Allocation 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 SUNY Sub-Allocation, 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 Corporation hereby finds, pursuant to New York State Public Authorities Law Section 2879-b, that the project would not be able to go forward if a labor peace agreement were required and hereby waives such requirement in connection with the project; 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

SUNY Sub-Allocation Project – Executive - Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
A	Richardson Center – Core Capital	X584	Richardson Center Corporation	37,382,039
			TOTAL	\$37,382,039

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.

* * *

January 16, 2014

State and Municipal Facilities Program – Findings and Determinations Pursuant to Section 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 State and Municipal Facilities 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 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, 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 previously from the State and Municipal Facilities Program , 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

State and Municipal Facilities Program – Executive – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
B	Fort Schuyler Management Corporation - Quad C Phase 2A Capital	Y728	Fort Schuyler Management Corporation	20,000,000
			TOTAL	\$20,000,000

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.

* * *

January 16, 2014

Local Assistance – Findings and Determinations Pursuant to Section 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 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 make a grant to the party and for the amount listed below 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 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

Local Assistance – Senate – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
C	The Research Foundation – Central New York Biotech Accelerator Working Capital	Y554	The Research Foundation for State University of New York	200,000
D	Canisius College – 2014 NCAA Committee Working Capital	Y695	Canisius College	50,000
			TOTAL	\$250,000

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.

* * *

A. Richardson Center – Core Capital (X584)

January 16, 2014

- Grantee:** Richardson Center Corporation (“RCC”)
- ESD Investment:** A grant of up to \$37,382,039 to be used for the cost of renovations of the Richardson Olmsted Complex (the “ROC” or the “Complex”).
- Project Location:** 400 Forest Avenue, Buffalo, Erie County
- Proposed Project:** Redevelopment of 180,000 square feet of the currently vacant Complex into an operational, self-sustaining mixed-use facility.
- Project Type:** Construction, development costs, furniture, fixtures and equipment, and related costs and fees to complete the Core Project.
- Regional Council:** The WNY Regional Council has been made aware of this item. The project pre-dates the Regional Council Initiative.

Background:

Industry – The RCC has undertaken extensive planning and stabilization and is prepared to transform the ROC, starting with the first phase of development as a boutique hotel, conference and event space, Buffalo Architecture Center, and Visitor Center – in the iconic Towers Administration Building (the “Administration Building”) and two flanking wards, into a fully operational, self sustaining mixed use facility.

Organization History – Groundbreaking ceremonies took place in June 1871 and the entire Complex was completed in 1895. The facility functioned as a hospital until it was closed in 1974. The Complex is historically and architecturally significant; it’s listed on the State and National Registers of Historic Places and has been designated by the National Park Service as a National Historic Landmark.

The ROC is recognized as a remarkable achievement of the great American architect Henry Hobson Richardson, the father of landscape design Fredrick Law Olmsted and the innovative psychiatrist and father of the American Psychiatric Association Dr. Thomas Story Kirkbride. When it was built in the late 1800s, the Buffalo State Asylum for the Insane was a progressive facility; a harmonious blend of state-of-the-art structures and a healing landscape to produce a therapeutic environment.

The former asylum is internationally regarded as one of the best examples of Richardson’s Richardsonian Romanesque style, one of the most important surviving examples of nineteenth-century asylum design. In 2009, the Olmsted landscape was recognized by the Cultural Landscape Foundation as one of sixteen formative American landscapes at risk for alteration or destruction.

Richardson Center – Core Capital (X584)

January 16, 2014

The RCC has advanced a sound planning process, and is prepared to implement the reuse plan. Critical planning studies include: Historic Structures Report, Cultural Landscape Report, Urban Land Institute Advisory Panel, Master Plan, Generic Environmental Impact Statement, Project Development Plan, Phase I Environmental Assessment, and Buffalo Architecture Center Institutional Planning.

Ownership - RCC is a not-for-profit corporation that was formed in June 2006 to fulfill the state-established public purposes, renovation of the National Historic Landmark ROC buildings and grounds by carrying out reuse activities that honor the history and architecture of the buildings and grounds, that are compatible with the operations of the Buffalo Psychiatric Center on adjoining land, and that establishes new uses that will provide sufficient revenues to operate the facilities and save the historic complex. The board of the RCC was appointed by then Governor Pataki and formed as a not-for-profit 501(c)(3) organization.

Size - The Complex project consists of 42 acres of vacant, substandard and underutilized land and 14 remaining historic buildings that, in most instances, have been vacant and unattended for approximately 40 years. The Complex fell into a state of profound disrepair and deterioration, primarily due to lack of heat and ventilation and basic repairs to prevent water infiltration. As a result of this neglect, no part of the structure may be occupied for any use without significant renovation and repair.

Market - The project will return the vacant and surplus ROC to beneficial uses open to the public, and leverage the region's world-class period architecture and cultural facilities.

ESD Involvement – Former Governor Pataki sought, and the legislature adopted in the 2006-2007 New York State budget, a \$76.5 million appropriation for the rehabilitation of the Complex into a mixed-use, multi-purpose civic campus for both public and private activities. The former Governor also designated a diverse group of the region's civic leaders to oversee the rehabilitation effort. This initiative is supported by the local community and state and local elected officials. The Richardson Olmsted Complex enjoys wide public support as a result of an active public process through all phases of the effort, including the assembling of a Community Advisory Group that met regularly, and multiple public meetings and other stakeholder sessions.

Past ESD Support - Of the \$76.5 million appropriation, the ESD Directors approved a \$10 million grant for pre-construction activities on December 18, 2006; a \$2.1 million grant for stabilization activities on August 30, 2007; a \$7,840,800 grant for stabilization activities on January 15, 2009; and a \$4,939,957 million grant for the relocation of parking facilities and a nine-acre landscaped entry for public and private use. The Grantee has completed

Richardson Center – Core Capital (X584)

January 16, 2014

over \$3 million in pre-construction activities; will complete the stabilization activities in late 2012; and begin the relocation of parking facilities and landscaped grounds in early 2012. The Grantee is in compliance with the terms of the aforementioned grants.

Additionally, the ESD Directors also approved a \$200,000 working capital grant on December 16, 2006 and a \$150,000 working capital grant on November 19, 2009 to assist with operating expenses in support of stabilization and rehabilitation of the Complex, which are ongoing.

The Project:

Completion – December 2014

Activity - In September 2009, RCC completed a full Master Plan to guide a phased rehabilitation, redevelopment and reuse process for the ROC. This Master Plan served as the basis for an ESD General Project Plan (“GPP”) for a Civic and Land Use Improvement Project that the Directors adopted at their meeting of December 16, 2010. At this meeting, the Directors also accepted a Draft Generic Environmental Impact Statement (“DGEIS”) on the GPP pursuant to the New York State Environmental Quality Review Act (“SEQRA”) and authorized the holding of a public hearing. After the close of the public comment period and after issuing a Final Generic Environmental Impact Statement (“FGEIS”) that responded to all substantive comments, on May 23, 2011, the Directors issued Findings pursuant to SEQRA and affirmed the GPP.

The RCC has also completed various stabilization activities, including structural shoring of vulnerable areas at risk of collapse; Phase I repair of roof leaks; reconnection of the electric and installation of perimeter lighting; asbestos abatement and clean up; ventilation; 3,000-square-foot fully renovated Showcase Space in the prominent towers Administration Building; and emergency landscape work on the dead and dying trees. Additional stabilization activities underway include temporary sealing of open areas in perimeter walls and Phase II roof repair.

As noted above, the GPP anticipated the project to be completed in phases. The first phase will consist of leveraging a portion of the remaining state funds to complete what is referred to as the Core Project, which was originally estimated to cost in excess of \$105 million, but has since been refined to a total budget of \$56,750,984. This refinement involved addressing some portions of the originally defined Core Project through already-issued ESD grants and deferring a component (i.e. relocation of the Buffalo Psychiatric Center Maintenance Building) to a later phase of the project. The RCC intends to utilize the \$76.5 million appropriation to complete the activities, the Core Project and a portion of a

future phase. The RCC will not seek capital funds above the \$76.5 million appropriation. In

Richardson Center – Core Capital (X584)

January 16, 2014

addition, the project structure provides a stream of operating income, making the project self-sufficient and eliminating the need for additional state funds.

Final furniture, fixtures and equipment will be provided by the tenants. The hotel and conference and event space operators will serve as tenants of the Core Project development and will be responsible for the operation of the space that they occupy. Interest in the project by potential operators is strong, and the RCC is currently in serious negotiations with a number of potential operators, expected to result in the selection of an operator and management agent within the next 90 days. The project will also include the construction of a new road and shared entrance to the Complex on the north side, as well as associated landscaping and parking.

The Richardson Center Development Corporation (“RCDC”), a for-profit subsidiary of the RCC, has recently been created in order to comply with the requirements of the Federal and State tax credits that will be syndicated in order to leverage private investment in the project. The RCC will be the sole shareholder of the RCDC and will control this entity. The RCDC will control more than 80% of the QALICB, LLC, which will manage the project, (with a non-member manager also serving as developer/guarantor), including the selection of the hotelier, conference and event center operator and additional tenants. The project’s full pre-development phase, which is expected to utilize Federal New Markets Tax Credits and State and Federal historic tax credits, is currently underway. Formal commitments from investors are expected in the next 90 days, assuming that there is evidence of solid and irrevocable commitment of funds from ESD, by approval of this project and deposit into an escrow account. The architectural/ design team and a hotel operator will be selected in the next 90 days. Construction is scheduled to begin in early 2013 and be complete in late 2014.

Results - The refined scope of the Core Project involves the design, renovation and redevelopment of 180,000 square feet, including the prominent Towers Administration Building 45 and two flanking wards, Buildings 10 and 44 (and possibly former kitchens, Buildings 12 and 43), into a fully operational mixed-use project consisting of a 100-room boutique hotel, 30,000 square feet of conference and event space, office space for public or private tenants, and a newly created Buffalo Architecture Center and Visitor Center.

Revisions- Since the grant was approved in February of 2012, the RCDC has requested that the disbursement terms of the ESD grant be modified to permit the tax credit equity to be infused into the project account during the course of the Project as opposed to being provided up front at closing. It is expected that 20% of the private equity would be received at closing, with the remainder being made available while the Project is being completed. This modification would allow the RCDC to forego the need for a bridge loan which would result in the approximate interest savings of \$1,650,000. In addition, the RCDC expects that the tax credit equity to be received to fund the Project will be approximately \$6 million less than previously anticipated. Currently, the RCDC plans to

Richardson Center – Core Capital (X584)

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move forward with soliciting bids for the Core Project. In the event the Core Project cannot be completed within this reduced budget, it is expected that the RCDC will seek addition funding from the remaining funds available from the \$76.5 million appropriation.

Revised Budget:

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction Costs	\$32,128,172	ESD Grant	\$31,382,039	62%
Soft Costs	1,700,000	Privately raised investment equity	19,368,945	38%
Developer/Guarantor Fee	4,757,812			
Furniture, Fixtures, Equipment & Supplies	7,165,000			
Architectural & Engineering Fees	1,500,000			
Project Contingency	3,500,000			
Total Project Costs	\$50,750,984	Total Project Financing	\$50,750,984	100%

Grantee Contact - Christopher T. Greene
c/o Damon Morey, LLP
200 Delaware Ave, Suite 1200
Buffalo, NY 14202
Phone: (716) 858-3730 Fax: (716) 856-5521

Project Team - Project Management Jean Williams
Legal Stephen Gawlik
Affirmative Action Vikas Gera
Design & Construction Dennis Conroy
Environmental Paul Tronolone

Labor Peace Agreement - Public Authorities Law Section 2879-b prohibits public authorities from providing financing for any project that includes, as a principal function, a hotel with more than fifteen employees unless a labor peace agreement (“LPA”) is entered into with a labor organization representing hotel employees in the state, for a period of at least five years. An LPA is an agreement between the project developer (or its contractors) and a labor organization prohibiting the labor organization and its members from engaging in labor activities that disrupt the hotel’s operations. The statute also provides that the LPA requirement can be waived if the authority determines that the project would not be able to go forward with an LPA or the costs of the project to the authority would be substantially increased by such a requirement.

The RCDC has requested a waiver from the LPA requirement because the increased costs

Richardson Center – Core Capital (X584)

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associated with an LPA would make the project infeasible. Review of INNVEST's operations and financial statements indicates that the effect of an LPA on the project would be an increase in wage labor and benefits by approximately 31% and the total increase in expenses over the first ten years of operation would be greater than \$5,800,000. The RCDC has advised ESD that absent a waiver, the project will not proceed. Staff has reviewed the developer's financial analyses and operating proformas and agrees that the project would be rendered infeasible if an LPA were to be required due to the increased costs associated with its implementation. Staff therefore recommends that ESD waive the LPA requirement for this project.

Financial Terms and Conditions:

1. The Grantee will be obligated to advise ESD of any material or adverse changes in its financial condition prior to disbursement.
2. Up to \$37,382,039 shall be deposited in an escrow account at a bank mutually acceptable to ESD and the Grantee 60 days prior to closing, and following Grantee's compliance with all documentation requirements by ESD. The funds will be held by the RCC prior to closing, to be released upon closing of the tax credit investment. The funds will only be permitted to be released by the RCDC upon receipt of the following closing requirements typically required by the tax credit investor: tax credit guaranty, operator leases, draw schedule, cash flow schedule showing the project is projected to have sufficient funds to operate for seven (7) years; and a written construction inspection process. RCDC will provide ESD with drafts of such investor required commitments and fiscal procedures for its review prior to their execution.
3. ESD funds held by the RCDC will only be permitted to be disbursed from the escrow account to permit Grantee to close on anticipated tax credit(s). ESD grant funds shall only be disbursed from any established construction account for eligible project-related capital expenses, provided the work being funded by such disbursements are in compliance with ESD's Design and Construction Department requirements.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$37,382,039, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee 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.

Design and Construction:

The Design & Construction Department ("D&C") will participate in project planning activities with the RCDC as the site development plans are developed. D&C will remain actively involved as the project moves from preliminary design through final design and cost estimating phases. D&C will monitor, review all design and construction documents, construction cost estimates,

Richardson Center – Core Capital (X584)

January 16, 2014

the overall construction budget, and project schedule prior to funding.

Environmental Review:

As Lead Agency, the Directors issued a Findings Statement pursuant to SEQRA and its implementing regulations of the New York State Department of Environmental Conservation for the project at their meeting of May 23, 2011. This Findings Statement was based upon the Draft and Final Generic Environmental Impact Statement for the Richardson Olmsted Complex Civic and Land Use Improvement project. These findings addressed all aspects of the proposed project. Therefore, no further environmental review is required in connection with this action.

In addition, because the property is listed on the State and National Registers of Historic Places (“S/NRHP”), is designated as a National Historic Landmark, and could contain S/NRHP-eligible archaeological resources, ESD consulted with the New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”) in accordance with Section 14.09 of the New York State Historic Preservation Act. This consultation resulted in ESD, OPRHP and RCC entering into a Letter of Resolution (“LOR”) on April 11, 2011 outlining stipulations that RCC will employ to

manage potential impacts to the listed and/or S/NRHP-eligible resources, as well as additional public/stakeholder involvement to be carried out as selected components of the master plan are refined in final design, prior to actual construction. To date, RCC has complied with all applicable stipulations of the LOR; ESD will ensure that RCC continues to adhere to such stipulations prior to implementation of any Project components.

Non Discrimination and Contractor & Supplier Diversity:

ESD’s Non-Discrimination and Affirmative Action policy will apply. The Grantee is encouraged to use its best efforts to achieve Minority and/or Women-owned Business Enterprise participation of not less than 10% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the renovation work related to the project, and to include minorities and women in any job opportunities created by the project.

Statutory Basis – SUNY Sub-Allocation:

The project was reappropriated in the 2011-2012 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:

The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee’s certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.

Richardson Center – Core Capital (X584)

January 16, 2014

Attachments

February 2012 Board materials

Project Photographs

Richardson Center Corporation Report and ESD's Financial Memorandum (Limited Distribution)

B. Fort Schuyler Management Corporation - Quad C Phase 2A Capital (Y728)

January 16, 2014

General Project Plan

- Grantee:** Fort Schuyler Management Corporation (“FSMC” or the “Grantee”)
- ESD Investment:** A grant of up to \$20,000,000 to be used for a portion of the cost to purchase and install new advanced technology semiconductor packaging equipment and construction of the Computer Chip Commercialization Center (“Quad C”) at the State University of New York Institute of Technology (“SUNYIT”) campus in Marcy, Oneida County.
- Project Location:** 100 Seymour Road, Marcy, Oneida County
- Proposed Project:** Purchase and install new advanced technology semiconductor packaging equipment and construct the Quad C, a 253,000-square-foot facility containing flex space including clean rooms, laboratories, offices, lecture center and related utilities.
- Project Type:** Advanced technology semiconductor manufacturing, packaging and research and development
- Regional Council:** The Mohawk Valley Regional Council has been made aware of this item. The project is consistent with the Regional Plan to build a diverse, integrated and dynamic economy that leverages technology and innovation.

Background:

Industry - Real Estate Development

Grantee History - Authorized by Chapter 530 of the Laws of 2010, the Fort Schuyler Management Corporation was formed as an affiliated corporation of the State University of New York. FSMC was allowed to procure a ground lease from SUNYIT that led to the existing public private partnership with the College of Nanoscale Science and Engineering (“CNSE”). Through this partnership, FSMC is authorized to purchase, construct, develop and manage facilities co-located with the SUNYIT educational campus at the SUNYIT Marcy Technology Complex as well as ground sub-lease the property west of Edic Road constituting the Marcy Nanocenter project to Mohawk Valley Economic Development Growth Enterprises (“EDGE”) to attract nanomanufacturing operations by a commercial partner.

Ownership - Fort Schuyler Management Corporation is a 501 (c) 3 not-for-profit

Fort Schuyler Management Corporation - Quad C Phase 2A Capital (Y728)

January 16, 2014

organization.

Market - Worldwide nanotechnology and semiconductor industries

ESD Involvement - In July 2009, New York State announced the expansion of the Technology Hub-Manufacturing Node Model into the Mohawk Valley Region. This model established the New York State Computer Chip Hybrid Integration Partnership, an inter-regional nanotechnology enterprise in development, prototyping, and commercialization of state-of-the-art computer chip packages and architectures.

In October 2013, under the leadership and direction of Governor Cuomo, CNSE, SUNYIT, and FSMC established a consortium of leading global technology companies that will create the second major hub of nanotechnology research and development in New York State ("Nano Utica"). The consortium will address the critical challenges in advanced technology and manufacturing effectiveness by advancing the already established technology hub in Albany to support the manufacturing node in Utica in conjunction with various corporate partners, further developing the public-private higher education economic infrastructure that is being developed throughout New York State.

The consortium will establish an open 3 dimensional ("3D") device packaging platform that is US-based and will be tightly coupled to CNSE's eco-system of global nanoelectronics industry partners. Specifically, the consortium will be led by Advanced Nanotechnology Solutions ("ANS"), a newly formed corporation headed by the former CEO of Advanced Micro Devices ("AMD"), Hector Ruiz, and his leadership team. ANS and its partners are well positioned to drive the 3D revolution in a broadening of 3D packaging applications including advanced computing, consumer smart handhelds, smart cities, clean energy and defense.

Competition - Worldwide

Fort Schuyler Management Corporation - Quad C Phase 2A Capital (Y728)

January 16, 2014

Past ESD Support - Funding for the past five years to the Grantee is summarized in the following chart:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
Local Assistance	V062	\$2,250,000	October 22, 2009 (\$4M was originally awarded to EDGE on May 17,2007)	May 5, 2011	Working Capital Grant – Advanced rent payment to FSMC for the 15-year ground lease of the Marcy Nanocenter site by EDGE.
New York State Economic Development Assistance Program	W277	\$1,300,000	November 19, 2009 (\$10M was originally awarded to EDGE on September 19, 2008)	March 31, 2013	Capital Grant – \$1.3 M for design and construction of the 300mm wafer clean room for the Quad C.
Economic Transformation Program	X812	\$15,000,000	November 18, 2013	December 31, 2014	Capital Grant – Construction of the first phase of Quad C.

The Project:

Completion - December 2014

Activity - In November 2013, the ESD Directors approved \$15 million towards the construction of the building envelope and non-clean room areas of the Quad C (“Phase 1”), a 253,000-square-foot facility that will contain flex space, clean rooms, laboratories, offices, a lecture center and related utilities. Phase I started in June 2013 and is expected to be complete by December 2014.

This project scope involves continued construction of the non-clean room areas of Phase 1 and the construction of the remainder of the building envelope of the state-of-the-art Quad C (“Phase 2A”) that will house over 50,000 square feet of Class 1,000 and Class 10,000 adaptive cleanroom, integrated utility and mechanical systems, 4,000 square feet of advanced labs, a 75 seat state-of-the-art SMART tiered lecture

Fort Schuyler Management Corporation - Quad C Phase 2A Capital (Y728)

January 16, 2014

auditorium, over 40,000 square feet of offices, collaborative academic lecture, laboratories, integrated offices, atrium lobby, and corporate meeting space to be owned and operated by FSMC on behalf of the CNSE & SUNYIT partnership.

Phase 2A also includes the purchase and installation of new advanced technology semiconductor packaging equipment. Some of the equipment and tooling include standard metallization, etch, patterning equipment, as well as wafer thinning and die/wafer bonding and tooling for dicing, over-and-under mold, joining to laminates, wire bond and test. The tools to carry out these processes will be located at CNSE in Albany to support related research and development activities and next generation processes, as well as at SUNYIT to support high volume manufacturing, a continuation of the interregional collaboration that is driving the project.

Results - Quad C will enable the attraction of high tech partners seeking to integrate and commercialize advanced technology devices and products, in partnership with global computer chip equipment, material, and chemical suppliers and contractors. Quad C will serve as a magnet to attract global computer chip equipment, material, and chemical suppliers and contractors to Upstate New York. It will also serve as one of the newest models in corporate partnerships with academic research that is resulting in strong workforce and economic development efforts throughout New York State.

Financing Uses	Amount	Financing Sources	Amount	Percent
Phase 1 - Construction	\$10,000,000	ESD Grant	\$20,000,000	100%
Phase 2A - Building and Cleanroom Equipment	5,000,000			
Phase 2A - Processing Equipment Acquisition, Improvement, Installation and Wafer Starts	5,000,000			
Total Project Costs	\$20,000,000	Total Project Financing	\$20,000,000	100%

Grantee Contact - Alicia Dicks, Executive Director
 100 Seymour Road
 Utica, NY 13502
 Phone: (315) 792-7306

Project Team - Project Management Glendon McLeary
 Contractor & Supplier Diversity Denise Ross
 Design & Construction Scott Renzi
 Environmental Soo Kang

Fort Schuyler Management Corporation - Quad C Phase 2A Capital (Y728)

January 16, 2014

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$20 million will be disbursed to Grantee upon documentation of eligible expenses during the course of design and construction no more frequently than quarterly, in compliance with the Design & Construction requirements, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after April 1, 2013, to be considered eligible project costs.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$20,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee 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.

Design and Construction:

The Design and Construction Department ("D&C") will review the plans and cost estimates for conformity to the scope of work. D&C will inspect the work and will approve and recommend payment of invoices based upon the inspections.

Environmental Review:

Pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law and its implementing regulations (6 NYCRR Part 617), and in connection with the approval of funding for the proposed project, the Directors made a Determination of No Significant Effect on the Environment at their meeting of November 18, 2013. This determination addressed all aspects of the proposed project. Therefore, no further environmental review is required in connection with this action.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor Diversity policy will apply to the Project. FSMC shall be required to good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 25%, Minority Business Enterprise ("MBE") Participation goal of 15% and a Women Business Enterprise ("WBE") Participation goal of 10% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

Fort Schuyler Management Corporation - Quad C Phase 2A Capital (Y728)

January 16, 2014

Statutory Basis – Special Appropriations State and Municipal Facilities Program:

The project was authorized in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:

The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee's certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.

C. The Research Foundation – Central New York Biotech Accelerator Working Capital (Y554)

January 16, 2014

- Grantee:** The Research Foundation for State University of New York (the “Research Foundation”)
- ESD Investment:** A grant of up to \$200,000 to be used for operating costs for the Central New York Biotech Accelerator (the “Accelerator”).
- Project Location:** 842 East Fayette Street, Syracuse, Onondaga County
- Proposed Project:** Maintenance of two start-up companies supported by the the Central New York Biotech Accelerator and support of four additional start-ups.
- Project Type:** Working Capital grant
- Regional Council:** The Central New York Regional Council has been made aware of this item. The project is consistent with the Regional Plan to support and grow the biosciences cluster in Central New York, one of the Region’s core industry clusters, and to support the creation of the CNY Innovation Gateway which integrates the Region’s core industry clusters in clean technology, the biosciences and the advanced manufacturing sector to leverage greater outcomes in economic production.

Background:

Industry – The Research Foundation is a grant management organization.

The Accelerator is a new innovation center which houses university-industry partnerships working to discover, develop and deploy innovative products for the biological and medical marketplaces. This incubator will provide startup laboratory and development space for biotech companies.

History – Established in 1951, the Research Foundation of State University of New York administers externally funded contracts and grants for and on behalf of the State University of New York. The Research Foundation provides the administrative flexibility to respond quickly to the special demands of externally funded contracts and grants in a manner that facilitates their scientific or technical execution.

Established in 2013, the Central New York Biotech Accelerator is a facility and program built with the direct support and in partnership with the Research Foundation, SUNY College of Environmental Science and Forestry and SUNY Upstate Medical University, and promotes the commercialization of biotech and life science technologies centered in the bio-medical and bio-technology areas. It is also supported by other area

The Research Foundation – Central New York Biotech Accelerator Working Capital (Y554)

January 16, 2014

institutions such as Syracuse University and CenterState CEO. Client companies apply to the Accelerator and are selectively chosen based upon the nature of their technology, a demonstrable unmet or underserved market need for the product or service and their commitment to entrepreneurial best practices as identified by the Accelerator. The Accelerator is designed to help client companies mature their business plan, gain market understanding, and develop their team, product and company infrastructure to move their vision to commercial markets, ultimately resulting in high-value job creation in Central New York.

Ownership – The Research Foundation is a private, 501(c)(3) not-for-profit educational corporation.

The Accelerator is a partnership between SUNY Upstate Medical University (“Upstate”), SUNY College of Environmental Science and Forestry (“SUNY ESF”), Metropolitan Development Association of Syracuse and Central New York (“MDA”) and the Syracuse VA Medical Center.

Size – The Research Foundation has over 17,000 employees statewide.

The Accelerator has six full-time employees lead by Professor Arthur Stipanovic, Principal Investigator for the project. The Accelerator currently supports two client companies which are progressing to market.

ESD Involvement - A \$200,000 appropriation was included in the FY 2013-2014 New York State budget.

Past ESD Support – Although ESD has committed millions of dollars in past funding to projects benefitting from the Research Foundation throughout the State, this is the Grantee’s first project with ESD which supports the Central New York Biotech Accelerator.

The Project:

Completion – March 2014

Activity – The project will continue to support the Accelerator’s mission to support university-industry partnerships that discover, develop and deploy innovative products for the bioscience marketplace. Activities involve operating expenses including: salaries, wages and fringe; supplies; travel; rent; and facilities and service fees such as cleaning and maintenance service contracts.

Results – Working capital funds will maintain the Accelerator’s support for two start-up

The Research Foundation – Central New York Biotech Accelerator Working Capital (Y554)

January 16, 2014

was passed. 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.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$200,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee 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.

Non-Discrimination and Contractor & Supplier Diversity:

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority- and women-owned businesses in the performance of ESD contracts. However, for purposes of this Contract, a working capital grant to reimburse operating expenses for salaries and wages, fringe benefits, travel, maintenance fees and rents, goals will not be established due to the lack of opportunities for minority- and women-owned businesses for performance of this Contract.

Statutory Basis – Local Assistance:

The project was authorized in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:

The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee's certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.

**D. Canisius College - 2014 NCAA Committee Working Capital
(Y695)**

January 16, 2014

- Grantee:** Canisius College (“Canisius” or the “College”)
- ESD Investment:** A grant of up to \$50,000 to be used for the costs of coordinating the volunteer activities, community preparedness and a youth event associated with the National Collegiate Athletic Association’s (“NCAA”) 2014 Men’s Basketball Tournament (the “Tournament”) at the First Niagara Center.
- Project Locations:** Various locations throughout Erie County
- Proposed Project:** Community preparedness, volunteer staffing and promoting, and administration of a youth event by the Coordinating 2014 Local Organizing Committee (“LOC”) for the Tournament.
- Project Type:** Initiative to support the LOC and its efforts.
- Regional Council:** The Western New York (“WNY”) Regional Council has been made aware of this item. The project is consistent with the Regional Plan as it encourages youths to interact with athletic role models and also brings a positive light to the WNY area by promoting and hosting the nationally-known Tournament.

Background:

Industry – Higher Education Academic Institution.

Grantee History – Canisius, founded in 1870 by European Jesuits, is one of 28 Jesuit colleges and universities in the United States. Canisius is an independent, co-educational, medium-size institution of higher education offering undergraduate and graduate programs leading to associate, baccalaureate and masters degrees. The College is a member of the NCAA Division I Metro Atlantic Athletic Conference (“MAAC”), a collection of like-minded institutions committed to the mission of providing a meaningful intercollegiate athletic experience while ensuring a commitment to academic excellence among student-athletes. Together, Canisius and the MAAC have partnered to bring six NCAA Championship events to WNY over the past 15 years.

Ownership – Private college.

Size – Canisius is located on a 72-acre campus, and has approximately 5,152 students enrolled.

ESD Involvement - A \$50,000 appropriation was included in the FY 2013-2014 New York

Canisius College - 2014 NCAA Committee Working Capital (Y695)

January 16, 2014

State budget.

Past ESD Support – Since 2000, ESD has committed over \$3 million in funding to support Canisius College. All funds are legislative- or executive-sponsored. ESD’s support over the last five years is summarized in the chart below:

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
LOCAL ASST	W393	38,000	5/21/2009	01/04/2010	Wehle School of Business - program/office supplies, adjunct/instructor fees, marketing, and personnel/administrative salaries
	Y039	100,000	3/20/2013	In Progress	Women’s Business Center – connect, via website, to the US Small Business Administration.
COMM PROJ (A)	W669	38,000	3/23/2011	12/03/2012	Wehle School of Business - International Masters Business Degree Program - business training activities

The Project:

Completion – March 2014

Activity – The project includes staffing local hotel lobbies, the Buffalo-Niagara International Airport, and the First Niagara Center Arena (the “Arena”) to acquaint visitors with the Buffalo area during the Tournament to be held March 20 and March 22, 2014; producing signage in the community to inform and direct visitors to and around the area; hosting a healthy lifestyles clinic for the youth of the community; coordinating transportation and access to event programming inside the Arena; and providing the opportunity for the youth to watch some of the participating teams and meet local student-athletes. The target ages of youths to be involved are 8 to 16. Communications and signage are directed at visitors that range in age from 25 to 55.

Canisius College - 2014 NCAA Committee Working Capital (Y695)

January 16, 2014

Results – The project is expected to bring a positive focus on the Buffalo and WNY community and have a substantial economic impact within those communities by guiding visitors to restaurants and other attractions; and to expose the area’s youth to a healthy, athletic, and academic lifestyle.

Financing Uses	Amount	Financing Sources	Amount	Percent
Transportation	\$14,446	ESD Grant	\$50,000	100%
Volunteer/Youth Programming Apparel	26,398			
Communications Signage	9,156			
Total Project Costs	\$50,000	Total Project Financing	\$50,000	100%

Grantee Contact - Mr. William J. Maher, Director of Athletics
2001 Main Street
Buffalo, NY 14208
Phone: (716) 888-2972

Project Team - Project Management Cheryl Krazmien
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

Financial Terms and Conditions:

1. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. Up to \$50,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and documentation of \$50,000 in eligible working capital project costs, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and other such documentation as ESD may reasonably require. Expenditures must be incurred on or after April 1, 2013 to be considered eligible project costs.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$50,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee 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.

Canisius College - 2014 NCAA Committee Working Capital (Y695)

January 16, 2014

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 10 % related to the total value of ESD's funding.

Statutory Basis – Local Assistance:

The project is authorized in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:

The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee's certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.



FOR CONSIDERATION

January 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation
(Capital Grants)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act;
Authorization to Adopt the General Project Plans; Authorization to Make
Grants and to Take Related Actions

I. Project Summary

	Project Name	Proj #	Grantee	Assistance up to
	Local Assistance – Hurricane Irene-Tropical Storm Lee Flood Mitigation (Executive)			
A	Broome County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X895 & Y478	Broome County	\$653,032
B	Herkimer County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X906 & Y482	Herkimer County	\$582,350
C	Schenectady County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X911 & Y486	Schenectady County	\$521,445
	TOTAL HURRICANE IRENE-TROPICAL STORM LEE FLOOD MITIGATION – 3 PROJECTS		TOTAL	\$1,756,827

II. Program Description

A. Background

Hurricane Irene made landfall in New York on August 28, 2011. Shortly thereafter, Tropical Storm Lee struck New York on September 7, 2011. Both storms caused extensive flooding and substantial damage across New York. Following the aftermath of Hurricane Irene and Tropical Storm Lee, President Obama issued a state of emergency declaration for New York State, which allowed affected New Yorkers access to federal disaster relief funds. In an effort to provide additional flood disaster related relief aid, Governor Cuomo and the legislature created the Hurricane Irene - Tropical Storm Lee Flood Recovery Grant Program and appropriated \$50 million for assistance to businesses and communities that suffered losses as a result of these disasters. The enabling legislation designated \$9 million of the appropriation to be used for the Hurricane Irene – Tropical Storm Lee Flood Mitigation Grant Program (the “Program”), for grants to counties for flood mitigation or flood control projects in creeks, streams and brooks, and authorizes and empowers ESD, in consultation with the Department of Environmental Conservation (“NYSDEC”), to establish guidelines and such additional eligibility criteria as it deems necessary to effectuate the administration of this allocation for the benefit of counties included in the federal disaster declaration. An additional \$7 million from a New York State Department of Homeland Security and Emergency Services (“Homeland Security”) appropriation has been allocated for flood mitigation or flood control projects in creeks, streams and brooks.

Eligible Areas: Counties subject to the federal disaster declaration include Albany, Bronx, Broome, Chemung, Chenango, Clinton, Columbia, Delaware, Dutchess, Essex, Franklin, Greene, Hamilton, Herkimer, Kings, Montgomery, Nassau, New York, Oneida, Orange, Otsego, Putnam, Queens, Rensselaer, Richmond, Rockland, Saratoga, Schenectady, Schoharie, Sullivan, Suffolk, Tioga, Tompkins, Ulster, Warren, Washington, and Westchester Counties.

Eligible counties will receive grants between \$300,000 and \$500,000 for flood mitigation or flood control projects in those creeks, streams and brooks impacted by Hurricane Irene and/or Tropical Storm Lee. ESD shall give preference to applicants that demonstrate the greatest need, based on available flood damage data provided by applicable federal agencies. Priority also may be given to remediation which, if not undertaken, may result in additional flooding. Counties may jointly apply for assistance and the amount for such joint grants may equal the sum of the amounts that would have been separately available to the individual counties making the joint application.

Projects that are eligible for grants under this Program shall include the following:

- (1) Removal of flood debris located in stream channels and/or floodways within Eligible Areas;
- (2) Removal of gravel in or directly around bridges, culverts and other infrastructure that threatens public and private infrastructure integrity or that significantly constrains the

conveyance of water flows and by not removing such material(s) would likely exacerbate flooding from future high flow events;

(3) Installation or repair of stream bank stabilization measures;

(4) Stream channel restoration to pre-flood depth, width, gradient, and where appropriate channel characteristics, and stream channel stabilization involving natural stream design techniques;

(5) Stream bank restoration involving the removal of side cast bed load material, reconnecting a stream with its flood plain, and re-grading to pre-flood elevations combined with vegetative planting and stabilization;

(6) Culvert repair or replacement with preference given to replacement of culverts with bridging infrastructure, or by upgrading the size of culverts to ensure adequate future flows; and

(7) Those projects eligible and approved by the United States Department of Agriculture Natural Resource Conservation Service's ("NRCS") Emergency Watershed Protection ("EWP") Program. Projects eligible under NRCS's EWP program include, stream debris removal, stream bank stabilization and restoration, establishing cover on critically eroding lands, and repairing conservation practices necessary to relieve the immediate hazards to life and property created by Hurricane Irene and Tropical Storm Lee.

Eligible Costs: These funds may be used for the planning, design and implementation of eligible projects. Only planning costs which are a component of a specific project, which will receive funding under this Program, will be considered eligible costs. Local or regional flood planning initiatives are not eligible under this Program. In order for a project cost to be eligible, such cost must be reasonable and necessary as determined by ESD and NYSDEC. All work must be done in compliance with all applicable federal, state and local regulations.

Staff prepared guidelines for the implementation and administration of the Program, and were approved by the Directors at its January 20, 2012 meeting. The guidelines set forth the various Program requirements, including submission requirements, necessary documentation and appeal and audit processes.

B. The Projects

Twenty-three counties accepted grant awards for Flood Mitigation projects. Seventeen counties, 15 of whom received Flood Mitigation Grant awards, accepted grant awards that are funded by the Homeland Security funding. In total, ESD is administering grants for fund mitigation activities for 25 counties.

Each county's grant award(s) will be presented to the ESD Directors' for approval as each county nears first disbursement requirements. ESD will enter into an agreement with each Grantee that will stipulate the manner in which funds will be disbursed. One project is being presented for approval today; other project(s) will be presented at a later date.

The attached project schedule provides a more detailed description of the recommended project.

III. Statutory Basis

The projects are sponsored by the Executive, and were reappropriated in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site(s).

IV. Environmental Review

Unless otherwise noted on a project summary, ESD* staff has determined that the projects constitute Type II actions as defined by the New York State Environmental Quality Review Act and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the projects.

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

V. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the projects. Unless otherwise specified in the project summary, Grantees shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 20% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 10% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantees shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the projects and to include minorities and women in any job opportunities created by the projects.

VI. ESD Employment Enforcement Policy

Unless otherwise noted on a project summary, the ESD Employment Enforcement Policy will not apply since the projects will not directly create or retain jobs.

VII. 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.

VIII. Additional Submissions to Directors

New York State Map
Resolutions
Project Summaries

January 16, 2014

Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the 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 Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital 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 Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plans (the “Plans”) 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 Plans, 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 have been received at the public hearings held on the Plans, such Plans 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 grants to the parties and for the amounts listed below from Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation and/or the New York State Division of Homeland Security and Emergency Services, 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 – Hurricane Irene - Tropical Storm Lee Flood Mitigation - Executive – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
	Local Assistance – Hurricane Irene-Tropical Storm Lee Flood Mitigation (Executive)			
A	Broome County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X895 & Y478	Broome County	\$653,032
B	Herkimer County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X906 & Y482	Herkimer County	\$582,350
C	Schenectady County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X911 & Y486	Schenectady County	\$521,445
			TOTAL	\$1,756,827

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.

* * *

**A. Broome County - Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital
(X895 & Y478)**

January 16, 2014

General Project Plan

- Grantee:** Broome County (The “County” or “Grantee”)
- ESD Investment:** A grant of up to \$653,032 to be used for a portion of the cost of flood mitigation projects within the County.
- Project Locations:** City of Binghamton, Towns of Maine, Union, Vestal and Windsor, Broome County
- Project Type:** The project will entail flood mitigation activities to reduce future flood at the Project Locations.
- Regional Council:** The Southern Tier Regional Economic Development Council has been made aware of this item. The project will help to protect the natural beauty and resources of the region, enabling it to create a vibrant future by promoting and sustaining a diverse, integrated and dynamic economy that capitalizes on technology and innovation to drive collaboration, inclusiveness and efficiency in all endeavors.

Background:

History – Broome County was created in 1806 when it split from Tioga County and was named after the Revolutionary War veteran and then Lieutenant Governor John Broome. The local economy began to see new development and establishment of hotels and retail corridors in 1837 when the Chenango Canal was built to connect to the Erie Canal. Broome County’s major employers include IBM, BAE Systems, L-3/Link and Universal Instruments.

Size - The nine proposed projects are known sites where erosion is damaging properties in Broome County.

ESD Involvement - A \$653,032 appropriation was included in the 2013-2014 New York State budget. The funding award was made in conjunction with the New York State Department of Environmental Conservation.

Past ESD Support – This is the Grantee’s first project with ESD.

The Project:

Completion – December 2014

**A. Broome County - Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital
(X895 & Y478)**

January 16, 2014

Activity - Broome County will undertake the following nine projects. The projects commenced in the spring of 2013 and will conclude in the winter of 2014.

89 NYS Route 38B: This project involves the installation of approximately 500 feet of slope rock wall and removal of a tree along Crocker Creek to protect a private residence from future flood events.

28 Park Terrace Place: This project involves the stabilization of approximately 40 feet of streambank.

Dead Creek: This project involves the installation of 120 feet of stacked and pinned rock wall with slope stabilization to the top of the bank to protect a manufacturing operation.

910 Tracy Creek Road: This project involves the installation of 180 feet of rock rip rap to protect a septic system, leach field and garage at a private residence.

Noriss Avenue and Eastland Drive: This project involves the installation of 1,150 feet of rock rip rap and the removal of 950 cubic yards of gravel to stabilize and restore Tracy Creek.

Rayelene Drive: This project involves the installation of approximately 550 feet of sloped rock rip rap and approximately nine cross vanes.

Main Street: This project involves the installation of 280 feet of slope rock wall 18 feet high to stabilize the bank of Choconut Creek at the Weis Supermarket.

84 Seward Road: This project involves the installation of 275 feet of stacked and pinned rock wall with slope stabilization to protect a home and Seward Road.

1186 Old Rte 17: This project involves the installation of approximately 300 feet of rip rap along Tuscarora Creek.

Results - The projects will remediate, mitigate and reduce future flooding in the selected areas affected by Hurricane Irene and Tropical Storm Lee.

Financing Uses	Amount	Financing Sources	Amount	Percent
Flood Mitigation Projects	\$1,984,896	ESD Grant	\$653,032	33%
		Local Funding	1,331,864	67%
Total Project Costs	\$1,984,896	Total Project Financing	\$1,984,896	100%

**A. Broome County - Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital
(X895 & Y478)
January 16, 2014**

Grantee Contact - Beth Lucas, Senior Planner
Broome County Planning Department
PO Box 1766
Binghamton, NY 13902
Phone: (607) 778-2375

<u>Project Team</u> -	Project Management	Jared Walkowitz
	Contractor & Supplier Diversity	Vikas Gera
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$653,032 will be disbursed to Grantee as follows:

89 NYS Route 38B: Up to \$121,335 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$121,335.

28 Park Terrace Place: Up to \$42,335 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$42,335.

Dead Creek: Up to \$70,140 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$280,559.

910 Tracy Creek Road: Up to \$23,834 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$91,334.

Noriss Avenue and Eastland Drive: Up to \$128,065 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$508,245.

**A. Broome County - Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital
(X895 & Y478)**

January 16, 2014

Rayelene Drive: Up to \$62,804 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$247,214.

Main Street: Up to \$66,315 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$265,260.

84 Seward Road: Up to \$86,154 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$344,614.

1186 Old Route 17: Up to \$52,050 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$84,000.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$653,032, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee 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.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 25%. The overall goal shall include a Minority Business Enterprise ("MBE") Participation Goal of 5% and a Women Business Enterprise ("WBE") Participation Goal of 20% related to the total value of ESD's funding.

Statutory Basis – Local Assistance:

The project was authorized via two appropriations. The Hurricane Irene-Tropical Storm Lee Flood Recovery Grant Program was authorized in the 2011-2012 New York State budget and reappropriated in the 2013-2014 New York State Budget. The Division of Homeland Security and Emergency Services Disaster Assistance Program was authorized in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals being displaced by the project.

**A. Broome County - Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital
(X895 & Y478)**

January 16, 2014

Disclosure and Accountability Certifications:

The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee's certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.

**B. Herkimer County – Hurricane Irene Tropical Storm Lee Flood Mitigation Capital
(X906 & Y482)**

January 16, 2014

General Project Plan

- Grantee:** Herkimer County (the “County” or “Grantee”)
- ESD Investment:** A grant of up to \$582,350 to be used for a portion of the cost of flood mitigation and flood control projects within the County.
- Project Locations:** Town of German Flatts, Villages of Herkimer, Ilion, Herkimer County
- Project Type:** The project will entail flood mitigation activities to reduce future flooding at the Project Locations.
- Regional Council:** The Mohawk Valley Regional Economic Development Council has been made aware of this item. The project will help to protect the natural beauty and resources of the region, enabling it to create a vibrant future by promoting and sustaining a diverse, integrated and dynamic economy that capitalizes on technology and innovation to drive collaboration, inclusiveness and efficiency in all endeavors.

Background:

History – The County was created in 1791 from a part of Montgomery County. Part of the County was included in the Macomb’s Purchase of 1791, during the wide-scale sale of public lands. During the American Civil War, the County contributed five companies to the 34th New York Volunteer Infantry Regiment.

Size – The four proposed projects are known sites where erosion is damaging properties in Herkimer County.

ESD Involvement - A \$582,350 appropriation was included in the 2013-2014 New York State budget. The funding award was made in conjunction with the New York State Department of Environmental Conservation.

Past ESD Support - Since 1997, ESD has provided loans and grants totaling \$4,911 to the County for various projects. All funds have been fully disbursed and the terms were fulfilled.

Over the past five years, the County has not received funding.

The Project:

**B. Herkimer County – Hurricane Irene Tropical Storm Lee Flood Mitigation Capital
(X906 & Y482)**

January 16, 2014

Completion – December 2014

Activity – Herkimer County will undertake the following four projects included in the application. The projects commenced in the spring of 2013 and will conclude in the winter of 2014.

Fulmer Creek: This project involves the removal of a temporary concrete block wall along Fulmer Creek and replacing it with a wall of large, stepped stones. The structure will be approximately 200 linear feet and will be tied in to stable portions of an original stone wall that was built over 100 years ago. The area behind the wall will be back-filled, compacted and regarded to establish a uniform bank elevation to prevent overtopping.

Steele Creek: This project involves the replacement of approximately 160 feet of a concrete and laid up stone wall with a new concrete wall. Rip rap will be installed along a section of Steele Creek that has eroded.

Steele Creek off State Route 51: This project involves the stabilization of bank erosion.

Ronald Road/Tributary to Bellinger Brooke: This project involves entering a precast stone wall on a tributary to Bellinger Brooke that is fed from run off on the property of Herkimer County Community College.

Results – The projects will remediate, mitigate and reduce future flooding in the selected areas affected by Hurricane Irene and Tropical Storm Lee.

Financing Uses	Amount	Financing Sources	Amount	Percent
Flood Mitigation Projects	\$759,748	ESD Grant	\$582,350	77%
		Local Funding	177,398	23%
Total Project Costs	\$759,748	Total Project Financing	\$759,748	100%

Grantee Contact - James Wallace, County Administrator
109 Mary Street
Herkimer, NY 13350
Phone: (315) 867-1112

Project Team - Project Management Jared Walkowitz
Contractor & Supplier Diversity Denise Ross
Environmental Soo Kang

**B. Herkimer County – Hurricane Irene Tropical Storm Lee Flood Mitigation Capital
(X906 & Y482)**

January 16, 2014

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$582,350 will be disbursed to the Grantee as follows:

Fulmer Creek: Up to \$288,836 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$325,500.

Steele Creek: Up to \$249,657 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$249,657.

Steele Creek Off State Route 51: Up to \$35,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$140,000.

Ronald Road/Tributary to Bellinger Brooke: Up to \$8,857 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$44,591.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$582,350, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee 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.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor Diversity policy will apply to the Project. The Grantee shall be required to use good faith efforts to achieve a Minority Business Enterprise ("MBE") Participation goal of 5% and a Women Business Enterprise ("WBE") Participation goal of 5% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

**B. Herkimer County – Hurricane Irene Tropical Storm Lee Flood Mitigation Capital
(X906 & Y482)**

January 16, 2014

Statutory Basis – Local Assistance:

The project was authorized via two appropriations. The Hurricane Irene-Tropical Storm Lee Flood Recovery Grant Program was authorized in the 2011-2012 New York State budget and reappropriated in the 2013-2014 New York State Budget. The Division of Homeland Security and Emergency Services Disaster Assistance Program was authorized in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals being displaced by the project.

Disclosure and Accountability Certifications:

The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee's certifications indicate that Grantee has no conflict of interest or good standing violations. and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.

**C. Schenectady County - Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital
(X911 & Y486)**

January 16, 2014

General Project Plan

- Grantee:** Schenectady County (the “County” or “Grantee”)
- Beneficiary
Organization:** Schenectady County Conservation District
- ESD Investment:** A grant of up to \$521,445 to be used for a portion of the cost of flood mitigation projects within the County.
- Project Locations:** Towns of Duanesburg, Princetown, and Rotterdam, Schenectady County
- Project Type:** The project will entail flood mitigation activities to reduce future flood at the Project Locations.
- Regional Council:** The Capital District Regional Economic Development Council has been made aware of this item. The project will help to protect the natural beauty and resources of the region, enabling it to create a vibrant future by promoting and sustaining a diverse, integrated and dynamic economy that capitalizes on technology and innovation to drive collaboration, inclusiveness and efficiency in all endeavors.

Background:

History – Schenectady County was originally part of Albany County when New York State counties were established in 1683. Albany County originally included the northern part of New York State as well as the present State of Vermont. In 1809, Schenectady County was split from Albany County, representing the current County.

Size - The six proposed projects are known sites where erosion is damaging properties in Schenectady County.

ESD Involvement - A \$521,445 appropriation was included in the 2013-2014 New York State budget. The funding award was made in conjunction with the New York State Department of Environmental Conservation.

Past ESD Support - Since 1994, ESD has provided loans and grants totaling \$539,600 to the County for various projects. All funds have been fully disbursed and the terms were fulfilled.

**C. Schenectady County - Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital
(X911 & Y486)
January 16, 2014**

Over the past five years, the County has not received funding.

The Project:

Completion – December 2014

Activity - Schenectady County will undertake the following six projects. The projects commenced in the spring of 2013 and will conclude in the winter of 2014.

Town of Princetown Wellhead Protection: This project involves the restoration and stabilization of the Normanskill Creek to protect a public water supply and private wellheads from future flood events.

Bridge Protection/Old Route 30: This project involves the stabilization of approximately 250 feet of streambank immediately upstream of the Old Route 30 Bridge, reestablishing the streambed and vegetation on the banks to prevent erosion from future flood events.

Young's Road Bridge Project: This project involves the removal of 500 cubic yards of silt and sediment and redefinition of the streambed to increase channel capacity.

Rotterdam JCT Sediment and Debris Removal: This project involves the reestablishment of approximately 800 linear feet of meandering channel by removing sediment and debris that is restricting the flow and positive drainage of standing water from the old Erie Canal (the "Canal"). This will allow the water to make its way to the Mohawk River and lower the depth to a predetermined level approved by NYS DEC. Additional debris will be removed at the outlet of a tributary to the Canal. A planned culvert installation connecting the low-lying Scrafford Lane area to the abandoned gravel pit east of Scrafford Lane will allow for relief drainage out of the major flood prone section of Rotterdam JCT and elimination of a failing pumping station that provided flood control to the area.

Streambank Stabilization and Infrastructure Protection: This project involves the restoration of the streambed and banks and installation of rock rip rap along a 250 foot stretch of the Plotterkill Creek.

Normanskill Creek/Iroquois Rod and Gun Club: This project involves the restoration of the Normanskill Creek to its historic and currently recognized channel. Phase 1 will be completed and it includes engineering, permitting, project design and removal of debris to prevent future flooding.

**C. Schenectady County - Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital
(X911 & Y486)**

January 16, 2014

Results - The projects will remediate, mitigate and reduce future flooding in the selected areas affected by Hurricane Irene and Tropical Storm Lee.

Financing Uses	Amount	Financing Sources	Amount	Percent
Flood Mitigation Projects	\$1,031,244	ESD Grant	\$521,445	51%
		Local Funding	509,799	49%
Total Project Costs	\$1,031,244	Total Project Financing	\$1,031,244	100%

Grantee Contact - Kathleen Rooney, County Manager
620 State Street
Schenectady, NY 12305
Phone: (518) 388-4355

Beneficiary Contact - David Mosher, Programs Coordinator
620 State Street
Schenectady, NY 12305
Phone: (518) 399-6980

Project Team - Project Management Jared Walkowitz
Contractor & Supplier Diversity Diane Kinnicutt
Environmental Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$521,445 will be disbursed to the Grantee as follows:

Town of Princetown Wellhead Protection: Up to \$55,623 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$222,490.

Bridge Protection/Old Route 30: Up to \$180,375 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$183,146.

**C. Schenectady County - Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital
(X911 & Y486)**

January 16, 2014

Young's Road Bridge Project: Up to \$26,450 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$28,814.

Rotterdam JCT Sediment and Debris Removal: Up to \$212,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$240,000.

Streambank Stabilization and Infrastructure Protection: Up to \$29,332 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$117,329.

Normanskill Creek/Iroquois Rod and Gun Club: Up to \$17,665 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$239,465.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$521,445, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee 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.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The Company shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (MWBE) Participation goal of 15%, a Minority Business Enterprise (MBE) Participation goal of 8% and a Women Business Enterprise (WBE) Participation goal of 7%, related to the total value of ESD's funding, and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

Statutory Basis – Local Assistance:

The project was authorized via two appropriations. The Hurricane Irene-Tropical Storm Lee Flood Recovery Grant Program was authorized in the 2011-2012 New York State budget and reappropriated in the 2013-2014 New York State Budget. The Division of Homeland Security and Emergency Services Disaster Assistance Program was authorized in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals being displaced by the project.

**C. Schenectady County - Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital
(X911 & Y486)
January 16, 2014**

Disclosure and Accountability Certifications:

The Grantee and Beneficiary have provided ESD with the required Disclosure and Accountability Certifications. Grantee's and Beneficiary's certifications indicate that Grantee and Beneficiary have no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.



FOR CONSIDERATION

January 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: City of Buffalo (Erie County) - Proposed Acquisition of the Outer Harbor Property by the Erie Canal Harbor Development Corporation

REQUEST FOR: Authorization to Enter into Agreements Regarding the Acquisition of Real Property, Determination of No Significant Effect on the Environment and Authorization to Take Related Actions

I. Background

The Niagara Frontier Transportation Authority (“NFTA”) is the owner of property located on Fuhmann Boulevard on Lake Erie in the Buffalo Outer Harbor consisting of approximately 354 +/- acres (the “Property”). The Property includes a 1,000-slip boat harbor (hereinafter the “Small Boat Harbor”), Gallagher Beach, a non-swimming beach (hereinafter “Gallagher Beach”), and approximately 150 acres of vacant land (hereinafter “Outer Harbor Land”). The Outer Harbor Land adjoins Wilkerson Point, a 21-acre parcel owned and operated by the Erie Canal Harbor Development Corporation (“ECHDC”), a subsidiary of ESD, primarily as open public space. The Property does not include 901 Fuhmann Boulevard (commonly referred to as the Port Terminal Complex consisting of Terminal Buildings A and B and adjacent buildings and lands). A map of the Property is included as Attachment A. In addition, an aerial photograph of Gallagher Beach and the Small Boat Harbor which depicts the various components of these properties, is included as Attachment B.

On September 5, 2013, Governor Cuomo announced the State’s vision for further development of the Property whereby ECHDC would take ownership of the Property and that the New York State Office of Parks, Recreation and Historic Preservation (“State Parks”) would operate the Small Boat Harbor and Gallagher Beach as a State Park. As part of that vision, ECHDC and the City of Buffalo would form an advisory committee to guide and advise the parties on future development matters affecting the Property. The current use of the Property will remain unchanged until such plans are finalized.

It is expected that the transfer will facilitate development of the Property (at a time in the future once the appropriate planning and public review has occurred) to ensure public access and economic development opportunities for the citizens of the State and Western New York by transferring the Property to the agency that was specifically formed to develop Buffalo's waterfront.

II. Proposed Transaction

ECHDC will acquire the Property from the NFTA for one dollar. As part of the transaction, ECHDC and ESD will be required to defend and indemnify the NFTA for all environmental issues associated with the Property unless the issue was caused by any illegal contamination of the Property known and actively contributed to by the NFTA during its ownership. ESD's sole role in the transaction is to provide this indemnity to the NFTA which was necessary as a condition for the NFTA to transfer the Property for no consideration.

Overall, the Property was created as the result of filling activities that occurred over the past 100 years. Fill materials, including incinerator ash, casting sands, slag, dredged lake and river spoils have been disposed on the site. Numerous environmental investigations have been completed with respect to the Property. The Outer Harbor Land which will be maintained and developed by ECHDC has similar environmental characteristics with Wilkerson Point, namely, sporadic localized contamination primarily with semivolatile organic compounds and metals. In order to make this Property available to the general public for passive recreational opportunities, the recommended remediation measure by the various consultants and the NYS Department of Environmental Conservation, would require installation of a twelve inch clean soil cover and/or asphalt or gravel cover (e.g. parking lots, walkways) overlying soils that exceed NYS Department of Environmental Conservation guidelines for restricted residential or commercial use.

With respect to the Small Boat Harbor and Gallagher Beach, State Parks has engaged environmental and engineering consultants to update the various environmental reports that have been completed and to complete a conditions assessment of the parcels. These updates are needed to confirm the magnitude of the environmental issues and to determine the potential capital needs that would be required to maintain the Small Boat Harbor and Gallagher Beach. The initial testing confirms what was previously known and indicate the presence of some contaminated materials, but no hazardous material levels on site. As such, there is no immediate environmental remediation that will be required. However, once development moves forward, additional measures will be needed to handle and dispose of contaminated soils.

Moreover, it is expected that the capital needs of these two parcels will be approximately \$50 million over the course of approximately the next seven years with \$16 million in capital improvements in the next three years. This work includes dredging of the harbor, break wall stabilization, dock improvements/replacements and improvements to the breakwall and bike path and sidewalks. However, as mentioned above, no actions to develop any part of the Property are being requested for authorization at this time.

Once the Property is acquired by ECHDC, an operations and maintenance agreement will be entered into with State Parks such that State Parks will be responsible for all operations, maintenance and associated costs with operating Gallagher Beach and the Small Boat Harbor. As part of the transaction, the NFTA has agreed to operate the Small Boat Harbor and Gallagher Beach through the 2014 season. ECHDC will be responsible for the remaining 150 acres of vacant land. This maintenance will include grass cutting, sweeping of the bike path and daily trash removal. At peak times, the NFTA dedicated approximately 34 hours of labor per week to these maintenance requirements. Assuming ECHDC maintains the vacant land in the same manner as the NFTA, this will result in costs of approximately \$100,000 dollars annually. ECHDC will also remain responsible for all capital needs of the entire Property.

III. Environmental Review

The Erie Canal Harbor Development Corporation, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation. ESD was an involved agency in this review, which was coordinated due to the project's Type I classification. The review found that the proposed project would not result in significant adverse impacts on the environment, and therefore, ESD staff recommend that the Directors make a Determination of No Significant Effect on the Environment. ESD staff also recommends that the Directors find that because there are no specific future plans for the subject property, the environmental review of the proposed disposition is not being "segmented" from the review of any such plan. ESD staff also recommend that the Directors find that to the extent the requested authorization may be deemed to be "segmented," that such "segmentation" is permissible pursuant to 6 NYCRR Part 617.3(g) due to the relevant circumstances of the project, specifically: (i) that it is not possible to consider future plans for the project site in the absence of a plan; (ii) that any such future plan(s) will be subject to review under SEQRA; and (iii) that the review of the requested authorization to acquire the site is no less protective of the environment than any present review of any future plan.

IV. Requested Action

The Directors are requested to (1) authorize the Corporation to enter into the necessary agreements to effectuate the transfer of the Property as stated in these materials; (2) make a determination of no significant effect on the environment; and (3) authorize the Corporation to take all related actions.

V. Recommendation

Based on the foregoing, I recommend approval of the attached resolution.

Attachments

Attachment A - Property Map

Attachment B – Aerial Photograph
Resolution

January 16, 2014

City of Buffalo (Erie County)- Authorization to Enter into Agreements Regarding the Acquisition of Real Property, Determination of No Significant Effect on the Environment and Authorization to Take 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 d/b/a Empire State Development (the "Corporation") relating to the City of Buffalo's Outer Harbor, the Corporation be and hereby is authorized to: (i) to enter the necessary agreements to effectuate the transfer of the Property as stated in these Board materials; and (ii) take all related actions, and be it further

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

RESEOLVED, that on the basis of the materials submitted to the Directors, the Corporation hereby finds that because there are no specific future plans for the subject property, the environmental review of the proposed disposition is not being "segmented" from the review of any such plan and that to the extent the requested authorization may be deemed to be "segmented", that such "segmentation" is permissible pursuant to 6 NYCRR Part 617.3(g) due to the relevant circumstances of the project, specifically: (i) that it is not possible to consider future plans for project site in the absence of a plan; (ii) that any such future plan(s) will be subject to review under SEQRA; and (iii) that the review of the requested authorization to acquire the site is no less protective of the environment than any present review of any future plan, and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designees 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 resolutions.

* * *

FOR CONSIDERATION

January 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Proposed Transfer to, and Disposition by, the Office of General Services of the State of New York of the Lyon Mountain Correctional Facility

REQUEST FOR: Authorization for Transfer to, and Disposition by, the Office of General Services in accordance with Applicable Provisions of the Public Authorities Law, Determination of No Significant Effect on the Environment and Take Related Actions

Introduction

The Directors are being asked to (i) authorize the Corporation to enter into an agreement with the Office of General Services (“OGS”) of the State of New York (the “State”) for the transfer to and disposition by OGS of the Lyon Mountain Correctional Facility (the “CF”), (ii) authorize the transfer of the CF to OGS in accordance with said agreement, (iii) approve and agree to the terms of OGS’ sale of the CF and authorize the Corporation to take such actions as are necessary to accomplish the same and (iv) take related action.

Background

The CF is a former minimum-security correctional facility occupied and operated by the Department of Corrections and Community Supervision of the State. The Corporation acquired legal title to the CF and other correctional facilities from OGS for a nominal price in order to provide security for the issuance of correctional facilities revenue bonds (“Correctional Facilities Revenue Bonds”) issued by the Corporation to finance the construction of improvements to the CF and other correctional facilities owned by the Corporation. Rental payments paid the debt service on the Bonds. The Corporation leased the CF and the correctional facilities it owned to OGS (the “Lease”), which subleased these facilities to the Department of Correctional Services (now the Department of Corrections and Community Supervision (the “Sublease”). Since the Lease was simply a financing lease, OGS retained an option to purchase the CF and the other

correctional facilities owned by the Corporation for ten dollars (\$10) upon payment, or provision for payment (i.e., defeasance) of all the Correctional Facilities Revenue Bonds.

All of the Correctional Facilities Revenue Bonds have been paid or defeased, and the Lease and Sublease have expired by their terms. OGS has not exercised its purchase option for nominal consideration and that option has also expired. Therefore, the Corporation holds unencumbered legal title to the CF and the other correctional facilities. The CF is a vacant facility; however, the State, as beneficial owner of the facility, continues to maintain the CF. The CF and the other correctional facilities owned by the Corporation do not secure refunding bonds (the "Refunding Bonds") which have been issued to refund the Correctional Facilities Revenue Bonds, or any other obligations of the Corporation. However, since the Refunding Bonds are still outstanding, an opinion by tax counsel will be necessary to ensure that any such Refunding Bonds remain in compliance with Federal tax law.

Transfer of Lyon Mountain Correctional Facility to OGS for Disposition in accordance with Agreement between the Corporation and OGS

The Public Authorities Law and the Corporation's related guidelines impose certain conditions and restrictions on the disposition of property by the Corporation and provides that, when it shall be deemed advantageous to the State, the Corporation may enter into an agreement with OGS for OGS to dispose of property of the Corporation under terms and conditions agreed to by the Corporation and OGS.

In accordance with this provision OGS has requested that the Corporation enter into the proposed Memorandum of Agreement between OGS and the Corporation (the "Agreement"). The Agreement requires that (i) the Corporation prepare and convey to OGS a deed for the CF, and (ii) OGS, upon receipt of the deed, shall reconvey the CF in order to close on OGS' sale of the CF to 2825902 Canada, Inc., pursuant to the terms of a sale contract agreed upon by the Corporation and OGS.

The transaction is advantageous to the State because it is in furtherance of the State's effort to dispose of underutilized State facilities for their reuse in the private sector. The Agreement recites facts demonstrating compliance with the requirements of the Public Authorities Law for obtaining an independent appraisal prior to the disposition of real property and for the disposition of property by publicly advertised bid. Upon receipt of the deed to CF, OGS will sell the CF to 2825902 Canada, Inc., pursuant to the terms of a sale contract for a cash purchase price of \$140,000, which is an amount equal to the value stated in one of the two independent appraisals obtained by OGS and less than the value stated in the other appraisal. Such purchase price equals the highest bid received at a competitive public auction conducted pursuant to applicable provisions of the Public Authorities Law. The purchasers own and plan to operate their trucking company at the CF which is located near desirable truck routes between the United States and Canada.

Environmental Review

Pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation, ESD staff performed an environmental review. This review determined the project to be an Unlisted Action, which would not have a significant effect on the environment. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Requested Actions

In accordance with the attached resolution, you are hereby requested to: 1) find and determine that the Agreement for the transfer to, and disposition by, OGS of the CF is advantageous to the State; 2) authorize the Corporation to enter into the Agreement with OGS and to transfer the CF to OGS by quitclaim deed for the purchase price of \$1.00; 3) approve and agree to the terms and conditions of OGS' sale of the CF to 2825902 Canada, Inc.; 4) authorize the officers of the Corporation to take all actions deemed necessary to accomplish the foregoing, including the execution of any forms necessary for the recording of the deed in connection with the disposition by OGS of the CF; (5) authorize the Corporation to take all related actions, including such actions, if any, as are necessary to preserve the tax-exempt status of the Refunding Bonds; and (6) make a Determination of No Significant Effect on the Environment.

Attachment:

Resolution

Memorandum of Agreement

January 16, 2014

TOWN OF DANMORA (CLINTON COUNTY) – LYON MOUNTAIN CORRECTIONAL FACILITY – Authorization for Transfer to, and Disposition by, the Office of General Services in accordance with Applicable Provisions of the Public Authorities Law, Determination of No Significant Effect on the Environment and Take Related Actions

WHEREAS, the Corporation holds title to a certain correctional facility known as the Lyon Mountain Correctional Facility and to certain other lands and the buildings and improvements thereon (collectively, the “Correctional Facilities”) all as identified in Exhibit A of the Agreement of Lease between the New York State Urban Development Corporation, Landlord, and The People of the State of New York (the “State”), acting by and through the Commissioner of General Services (“OGS”), Tenant, dated as of August 15, 1985 as amended and supplemented (the “Lease”);

WHEREAS, the Corporation acquired legal title to the Lyon Mountain Correctional Facility and the other Correctional Facilities from OGS for nominal consideration in order to provide security for bonds (“Correctional Facilities Revenue Bonds”) issued by the Corporation from time to time pursuant to its Correctional Facilities Revenue Bond Resolution, adopted July 18, 1985, as amended and supplemented and various related resolutions (collectively, the “Resolution”), in order to finance the acquisition and construction of the Correctional Facilities, including the Lyon Mountain Correctional Facility;

WHEREAS, pursuant to the Lease, the Corporation leased the Correctional Facilities, including the Lyon Mountain Correctional Facility, to OGS for rental payments which were sufficient to pay when due all debt service on the Correctional Facilities Revenue Bonds;

WHEREAS, pursuant to an Agreement of Sublease (the “Sublease”), dated as of March 1, 1994, as amended and supplemented by and between the State acting through OGS, Landlord, and the New York State Department of Correctional Services, now named the New York State Department of Corrections and Community Supervision (the “DOCCS”), Tenant, OGS subleased the Correctional Facilities, including the Lyon Mountain Correctional Facility, to DOCCS for rental payments equal to the rental payments due under the Lease;

WHEREAS, all of the Correctional Facilities Revenue Bonds have been paid or defeased such that no Correctional Facilities Revenue Bonds are outstanding under the Resolution and the Lease and the Sublease have expired by their terms;

WHEREAS, as a result of the expiration of the Lease and Sublease and the expiration of an option (“Purchase Option”) included in the Lease granting OGS the right to purchase all of the Correctional Facilities for a nominal price upon payment or provision for payment of all of the Correctional Facilities Revenue Bonds, the Corporation holds title to the Correctional Facilities, including the Lyon Mountain Correctional Facility, unencumbered by the Lease, Sublease and Purchase Option;

WHEREAS, neither the Lyon Mountain Correctional Facility, nor any of the other Correctional Facilities secure any obligations of the Corporation;

WHEREAS, OGS has requested that the Corporation enter into a Memorandum of Agreement (the “Agreement”) with OGS pursuant to which the Corporation shall transfer the Lyon Mountain Correctional Facility to OGS for the sale by OGS of such facility, on terms and conditions agreed to by the Corporation and OGS;

WHEREAS, the Corporation has adopted Guidelines Regarding Disposition of Property (the “Guidelines”) implementing provisions of the Public Authorities Law applicable to the disposition of property by public authorities and (the “Applicable Law”). Such Guidelines provide, in conformity with the Applicable Law, that when it shall be deemed advantageous to the State, the Corporation may enter into an agreement with OGS for the disposition of property of the Corporation under terms and conditions agreed to by the Corporation and OGS and that in disposing of any such property of the Corporation, OGS shall be bound by the Applicable Law;

WHEREAS, in compliance with the Applicable Law, OGS has obtained two independent appraisals of the Lyon Mountain Correctional Facility and the terms and conditions for OGS’ disposition of such facility include a cash sale price of \$140,000 to 2825902 Canada, Inc. (the “Purchaser”), a price which is equal to the value stated in one of the two independent appraisals and less than the value stated in the other appraisal, and which is the highest bid in a publicly advertised competitive bidding process conducted in accordance with Applicable Law; and

WHEREAS, the transfer to, and disposition by, OGS of the Lyon Mountain Correctional Facility pursuant to the Agreement is consistent with of the State’s plan to dispose of underutilized State facilities for reuse by the private sector;

NOW THEREFORE, IT IS HEREBY RESOLVED that based on the materials so presented to the Corporation, the Directors hereby find that it is advantageous to the State for the Corporation to enter into the Agreement with OGS;

RESOLVED, that the Corporation be and hereby is authorized to (i) enter into the Agreement with OGS and to transfer the Lyon Mountain Correctional Facility and convey title to the same by quitclaim deed to OGS for the price of one dollar (\$1.00);

RESOLVED, that the Corporation hereby (i) approves and agrees to the terms and conditions of the sale by OGS of the Lyon Mountain Correctional Facility to the Purchaser (ii) authorizes the Corporation to take all actions deemed necessary to accomplish such sale, including the execution of all forms necessary for the recording of the deed to the Lyon Mountain Correctional Facility and (iii) authorizes utilizing bond tax counsel to confirm compliance with applicable federal tax law; and be it further

RESOLVED, that based on the materials submitted to the Directors with respect to the proposed transfer to, and disposition by, the Office of General Services of the State of New York of the Lyon Mountain Correctional Facility, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

RESOLVED, that the Officers of the Corporation, be and each of them hereby is, authorized and directed to take any and all action necessary (i) to carry out the foregoing resolutions and to carry out any authority or delegation granted to the Corporation in conjunction with such authorizations and (ii) in connection with the disposition of Lyon Mountain Correctional Facility, to preserve the exclusion from gross income for federal income tax purposes of interest on any bonds of the Corporation that refunded the Correctional Facilities Revenue Bonds, including, but not limited to, the preparation and execution of any agreements, deeds, instrumentation and/or documents as such authorized officers may deem reasonably necessary or appropriate.

* * *

Empire State Development

FOR CONSIDERATION

January 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Borough and County of the Bronx (The City of New York;) Proposed Disposition of the Fulton Correctional Facility

REQUEST FOR: Authorization to Acquire the State-owned Portion of the Fulton Correctional Facility and to Dispose of the Fulton Correctional Facility to the Thomas Mott Osborne Memorial Fund, Inc. (the "Fund") in accordance with Part B of Chapter 55 of the Laws of 2013, and Take Related Action

I. Introduction

The Directors are being asked to (i) authorize the acquisition by the Corporation of the portion of the land and improvements known as the Fulton Correctional Facility ("Fulton CF") that is owned by the State, (ii) authorize the Corporation to enter into an agreement with the Fund for the disposition of the Fulton CF to the Fund in accordance with Part B of Chapter 55 of the Laws of 2013, and (iii) authorize the Corporation to take all related actions.

II. Background

In the spring of 2011, the Division of the Budget and the Legislature agreed to close several correctional facilities operated by the Department of Corrections and Community Supervision of the State of New York (the "State"). Accordingly, in October of 2011, the Fulton CF was closed. The Fulton CF consists of a seven story building and parking lot located on two parcels of land at 1511 Fulton Avenue in the Borough and County of the Bronx in The City of New York. The parcel on which the building is situated was conveyed to the Corporation in 1994 to provide security for certain bonds of the Corporation, as described below. The other parcel is owned by the State.

Part B of Chapter 55 of the Laws of 2013 (the "Act") provides that notwithstanding any inconsistent law to the contrary, the Corporation is specifically authorized to dispose of the Fulton CF to the Fund upon such terms and conditions as the Board of the Corporation may, in its discretion, fix and determine, subject to the condition that such conveyance shall not impair

or diminish the obligations to holders of any bonds which financed or refinanced or are secured by correctional facilities (or payments in respect thereof), including the Fulton CF and shall not adversely affect any federal income tax exemption of the interest on such bonds. The Act further provides that the lands conveyed pursuant the Act shall be used for the purpose of providing opportunities for formerly incarcerated individuals through reform, rehabilitation and re-entry programs, for providing services to such individuals and for related community services, and upon termination of such use, title to such lands shall revert to the State.

Since the Act specifically authorizes the Corporation to transfer the Fulton CF to the Corporation “notwithstanding any inconsistent law to the contrary,” compliance with the appraisal, bidding and other requirements of the property disposal provisions of the Public Authorities Law is not required.

The Corporation purchased legal title to its portion of the Fulton CF and certain other correctional facilities with a portion of the proceeds of correctional capital facilities revenue bonds (the “Correctional Capital Facilities Revenue Bonds”) issued by the Corporation in order to finance the construction, rehabilitation and reconstruction of correctional facilities (including rehabilitation of the Fulton CF) owned by the Corporation and the State. The Corporation leased its portion of the Fulton CF and other correctional facilities it owned in connection with the Correctional Capital Facilities Revenue Bonds to the Office of General Services (“OGS”) of the State (the “Lease”), which subleased these facilities to the Department of Correctional Services (now the Department of Corrections and Community Service) the “Sublease”). Since the Lease was simply a financing lease, OGS retained an option to purchase the Fulton CF and the other correctional facilities owned by the Corporation for ten dollars (\$10) upon payment, or provision for payment (i.e., defeasance), of all the Correctional Capital Facilities Revenue Bonds. The rental payments under the Lease and Sublease, and payments under a correctional capital project financing contract (the “Financing Contract”) between the Corporation and OGS, secured and were the source of payment of the debt service on the Correctional Capital Facilities Revenue Bonds.

All of the Correctional Capital Facilities Revenue Bonds have been paid or defeased, and therefore the Lease and Sublease have expired by their terms and no further payments by the State are required under the Financing Contract. OGS has not exercised its purchase option for nominal consideration and that option has also expired. Therefore, the Corporation holds unencumbered legal title to its portion of the Fulton CF. However, the State, as beneficial owner of Fulton CF, continues to maintain it. The Fulton CF and the other correctional facilities owned by the Corporation in connection with the Correctional Capital Facilities Revenue Bonds do not secure refunding bonds (the “Refunding Bonds”) which have been issued to refund the Correctional Capital Facilities Revenue Bonds, or any other obligations of the Corporation. However, since the Refunding Bonds are still outstanding, an opinion by bond counsel will be necessary to ensure that any such Refunding Bonds remain in compliance with Federal tax law. Bond counsel will also opine that the conveyance of the Fulton CF to the Fund will not impair or diminish the obligations to holders of the Refunding Bonds.

The Fund, which has an established track record, has proposed to transform the CF into a re-entry facility for formerly incarcerated individuals including providing structured and programmatic redesign of the facility, emergency and interim housing, workforce development services and business development guidance. In furtherance of this project the Corporation and the Fund have executed an Incentive Proposal pursuant to which the Corporation will provide a \$6,000,000 grant to the fund for related eligible construction costs.

III. Proposed Transaction

The proposed transaction for the disposition of the Fulton CF shall consist of the following elements:

- The portion of the Fulton CF owned by the State shall be acquired by the Corporation and the entire property will be transferred to the Fund for no monetary or other property consideration. The only consideration shall be relief from the costs of operating and maintaining the Fulton CF and the use of the Fulton CF for the purposes required by the Act.
- The transfer documents will require that the Fund use the Fulton CF to provide opportunities for formerly incarcerated individuals through reform and rehabilitation programs, alternatives to incarceration and re-entry, for providing services to persons affected by crime and/or incarceration and for related community services. The transfer documents will further require that upon termination of such use title to the lands and improvements known as the Fulton CF will revert to the State.
- The Fund will take the property “as is” and will be responsible for all costs associated with the property.

IV. Environmental Review

ESD staff has determined that the requested authorization constitutes a Type II legislative action pursuant to Section 617.5(c)(37) as defined by the New York State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation. The authorization to acquire a portion of the Fulton Correctional Facility and dispose of it to the Thomas Mott Osborne Memorial Fund was specifically authorized by the Legislature of the State of New York under Part B of Chapter 55 of the Laws of 2013. Therefore, no further environmental review is required in connection with the authorization.

V. Requested Actions

The Directors are requested to (1) authorize the acquisition of the portion of the Fulton CF owned by the State; (2) authorize the disposition of and conveyance of title to the entire Fulton CF to the Fund; and (3) authorize the Corporation to take all related actions.

VI. Recommendation.

Based on the foregoing, I recommend the approval of the attached resolution.

Attachment

Resolution

January 16, 2014

BOROUGH AND COUNTY OF THE BRONX (THE CITY OF NEW YORK)-PROPOSED DISPOSITION OF THE FULTON CORRECTIONAL FACILITY—AUTHORIZATION TO ACQUIRE AND DISPOSE OF REAL PROPERTY TO THE THOMAS MOTT OSBORNE MEMORIAL FUND, INC. IN ACCORDANCE WITH PART B OF CHAPTER 55 OF THE LAWS OF 2013; AND AUTHORIZATION TO TAKE 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 d/b/a Empire State Development (the “Corporation”) relating to the former Fulton Correctional Facility, the Corporation be and hereby is authorized to: (i) acquire real property from the State of New York consisting of a portion of the Fulton Correctional Facility in the Borough and County of the Bronx in The City of New York; (ii) to dispose of and convey title to the entire Fulton Correctional Facility (i.e., both the portion now to be acquired from the State and the portion currently owned by the Corporation) to the Thomas Mott Osborne Memorial Fund, Inc. in accordance with Part B of Chapter 55 of the Laws of 2013, (iii) take all related actions deemed necessary or appropriate to accomplish such disposition and conveyance, including the execution of all forms necessary for the recording of the deed to the Fulton Correctional Facility and (iv) utilize bond counsel to confirm compliance with applicable provisions of the Act and of federal tax law; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designees be, and each of them hereby is, authorized to take any and all actions necessary or appropriate to (i) carry out the foregoing resolutions and to carry out any authority or delegation granted to the Corporation in conjunction with such authorizations and (ii) in connection with the disposition of the Fulton Correctional Facility, to preserve the exclusion from gross income for federal income tax purposes of interest on any outstanding bonds of the Corporation that refinanced the Fulton Correctional Facility, including, but not limited to, the preparation and execution of any agreements, instrumentation and/or documents as such authorized officer or designees may deem necessary or appropriate.
