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

Friday

March 28, 2014 – 9:30 a.m.

REVISED AGENDA

FOR CONSIDERATION

I. CORPORATE ACTIONS

A. Approval of Minutes of the February 20, 2014 Directors' Meeting

B. Annual Budget – Authorization to Adopt Annual Operating Budget including Subsidiary Operating Support for (FY) 2014-15 and to Take Related Actions

II. LAND USE IMPROVEMENT PROJECTS

A. New York (Kings County) - Atlantic Yards Land Use Improvement and Civic Project – Acceptance of Draft Supplemental Environment Impact Statement; Adoption of Amendment to Modified General Project Plan; Authorization to Hold Public Hearing; and Authorization to Take Related Actions

III. DISCRETIONARY PROJECTS

LONG ISLAND REGION

A. Patchogue (Long Island Region - Suffolk County) – Downtown Patchogue Redevelopers DRF Capital – Downtown Revitalization Fund – Downtown Redevelopment (Capital Grant) – Findings and Determinations Pursuant to Sections 16-r and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and Take Related Actions; Adoption of Findings Pursuant to the State Environmental Quality Review Act

III. <u>DISCRETIONARY PROJECTS</u> - Continued

<u>MID-HUDSON REGION</u>

B. Middletown (Mid-Hudson Region – Orange County) – Crystal Run Healthcare 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; Determination of No Significant Effect on the Environment

<u>BUFFALO BILLION INITIATIVE</u>

C. Buffalo Billion Initiative – Various Locations (Western New York Region – Allegany, Cattaraugus, Chautauqua, Erie and Niagara Counties) – Edison Welding Institute Working Capital– Phase II – Economic Development Purposes Fund (Working Capital) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant to Take Related Actions

<u>STATEWIDE - ENTREPRENEURIAL ASSISTANCE PROGRAM</u>

D. Statewide - Entrepreneurial Assistance Program (Training and Technical Assistance Grants) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make Grants and to Take Related actions

<u>STATEWIDE – COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS ASSISTANCE PROGRAM</u>

E. Statewide – Community Development Financial Institutions Assistance Program – Community Development Financial Institutions Program (Grants) – Findings and Determinations Pursuant to Section 16-o and 10 (g) of the Act; Authorization to Make Grants and to Take Related Actions

<u>DISCRETIONARY PROJECTS CONSENT CALENDAR</u>

F. 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

<u>General Development Financing Projects</u>

A. AMT Capital (Schoharie County) - $100,000

III. DISCRETIONARY PROJECTS - Continued

BUFFALO BILLION INITIATIVE

G. Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Fort Schuyler/RiverBend Park Capital – 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

H. Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Fort Schuyler Management Corporation/AMRI Capital – 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

IV. REGIONAL COUNCIL AWARDS

MOHAWK VALLEY REGION

A. Regional Council Award - Perth (Mohawk Valley Region – Fulton County) – Fulton County - Tyron Technology Park and Incubator Center 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; Determination of No Significant Effect on the Environment

FINGER LAKES REGION

B. Regional Council Award – Priority Project - Rochester (Finger Lakes Region – Monroe County) – NY-BEST 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

MID-HUDSON REGION

C. Regional Council Award – Newburgh (Mid-Hudson Region – Orange County) – Mount Saint Mary College – Dominican Center 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; Determination of No Significant Effect on the Environment

IV. REGIONAL COUNCIL AWARDS – Continued

SOUTHERN TIER REGION

D. Regional Council Award – Priority Project – Watkins Glen & Montour Falls (Southern Tier Region – Schuyler County) – Schuyler County/Project Seneca Phase I 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

E. Regional Council Award – Priority Project - Calverton (Long Island Region – Suffolk County) – Satur 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

NY WORKS – CONNECT NY BROADBAND PROGRAM CONSENT CALENDAR

F. NY Works - Connect NY Broadband Program Consent Calendar – 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

NY Works

A. Connect WC Thurman White Space (Warren County) - $200,000
B. Tompkins and Cayuga Ubiquitous Last Mile Coverage (Various Counties) - $32,000

V. NON-DISCRETIONARY PROJECTS

NON-DISCRETIONARY PROJECTS CONSENT CALENDAR

A. Non-Discretionary Projects Consent Calendar – Authorization to Make Grants and to Take Related Actions

Empire Opportunity Fund (Executive)

A. Lancaster Public Safety Center Capital (Erie County) - $0

Local Assistance Senate

B. Adirondack North County Association Working Capital (Various Counties) - $250,000

Local Assistance (Assembly)

C. Brooklyn Alliance-Brooklyn Chamber of Commerce Working Capital (Kings County) - $650,000

V. **NON-DISCRETIONARY PROJECTS - Continued**

LOCAL ASSISTANCE – HURRICANE IRENE – TROPICAL STORM LEE FLOOD 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 to Adopt the Proposed General Project Plan; Authorization to Make a Grant and Take Related Actions

Summary
Hurricane Irene – Tropical Storm Lee Flood Mitigation Summary

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

A. Montgomery County - Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital - $418,249
B. Tompkins County - Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital - $13,117

VI. **ADMINISTRATIVE ACTIONS**

A. "New York is Open for Business": Amendment to Contract with Full Service Advertising, Marketing, Branding, Media and Communications Agency for Continuation of Business Marketing Campaign – Authorization to Amend an Existing Contract with BBDO USA LLC; Authorization to Take Related Actions

B. Amendment to Contract for Legal Services – Authorization to Amend the Contract for Real Estate Legal Services with the Law Firm of Schoeman Updike Kaufman, Stern & Ascher LLP and Authorization to Take Relate Actions

C. ESD and Subsidiaries Procurements Guidelines – Adoption of Revised Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts

D. Property Disposition Guidelines – Approval of Property Disposition Guidelines; Appointment of Contracting Officer and Authorization to Take Related Actions

VII. **INFORMATION**

A. Quarterly Report on Procurement Commitments to Certified Minority and Women Business Enterprises (MWBEs) - Third Quarter of Fiscal Year 2013-2014

DRAFT – SUBJECT TO REVIEW AND REVISION

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

February 20, 2014

MINUTES

In Attendance Directors:	Kenneth Adams (Acting Chair) Derrick Cephas Robert Dyson Anthony Albanese, Designee - Superintendent of Department of Financial Services
Present for ESD:	Elizabeth R. Fine, Executive Vice President, Legal and General Counsel Edwin Lee, Assistant Vice President – Discretionary Projects Eileen McEvoy, Corporate Secretary Glendon McLeary, Senior Project Manager Kathleen Mize, Deputy CFO and Controller Susan Shaffer, Senior Vice President – Loans and Grants

Also Present: Michael Ball – Western New York Regional Office
James Fayle, Director, Central New York Regional Office
Aimee Fargas, Director – Mid-Hudson Regional Office
David J. Wright, Assistant Commissioner – Albany

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 9:39 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 January 16, 2014 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 JANUARY 16, 2014 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on January 16, 2014, 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.

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The Acting Chair then asked the Directors to approve the appointment of various individuals as officers as noted in the resolution below.

Upon motion duly noted, the following resolution was unanimously adopted:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT – Appointment of Officers

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BE IT RESOLVED, that the following individuals be, and they hereby are, appointed to the offices which appear opposite their respective names, effective as of the respective dates indicated in the materials presented to this meeting and ordered filed with the records of the Corporation, until their earlier resignation or removal:

NAME	OFFICE
Joseph F. Chan	Executive Vice President, Real Estate & Public/Private Initiatives
Steven Cohen	Executive Vice President, Small Business Services & Community Economic Development
Elizabeth R. Fine	Executive Vice President, Legal & General Counsel, ESD
John Gilstrap	Executive Vice President, Business Attraction & Expansion
Charles Imohiosen	Chief Operating Officer
Richard Newman	Executive Vice President, State Marketing Strategy
Katherine Sarlin Wright	Executive Vice President, Public Affairs & Strategic Initiatives
Margaret Tobin	Chief Financial Officer
Susan Shaffer	Senior Vice President, Loans & Grants
Kevin Younis	Executive Vice President, Public Policy, Planning & Incentives

and be it further

RESOLVED, that in accordance with and for all the purposes of the New York State Urban Development Corporation (the “Corporation”) Act and the bylaws of the Corporation, including but not limited to the indemnification provisions thereof, each of the foregoing individuals is an “officer” of the Corporation; and be it further

RESOLVED, that any and all actions taken by each of the foregoing individuals since their nomination to the offices identified herein be and hereby are ratified as the acts and deeds of the Corporation.

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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 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 nine Discretionary Projects including: one Downstate Revitalization Fund loan for $750,000; two Economic Development Fund grants totaling $950,000; four Minority and Women Owned Business Development and Lending Program grants totaling $2,250,000; one Restore New York grant for $100,000; and one Urban and Community Development Loan for $2 million.

Mr. Lee noted that in addition, there are eight Regional Council Award Projects to be funded, including three Regional Council Fund grants totaling $2,250,000; and five Connect NY Program grants totaling $9,096,171.

Mr. Lee added that these 17 projects will leverage over $90 million in additional investments and will assist in retaining 997 jobs and in creating approximately 261 jobs in New York State.

Acting Chair Adams then asked Mr. Fayle, the Director of ESD's Central New York Regional Office, to present the Inns at Armory Square Urban and Community Development Project.

Among other things, Mr. Fayle explained that the Directors were being asked to authorize ESD to make a $2,000,000 loan to Inns at Armory Square LLC.

Mr. Fayle further explained that the funds will be used for a portion of the cost of real estate acquisition, construction and the purchase of furniture, fixtures and equipment.
Mr. Fayle explained that the total project cost is $28.7 million and this loan will fill a financing gap that was created with the Company.

Among other things, Mr. Fayle explained that the loan dates back to 2008. This project, he noted, was started prior to the recession and when the recession hit, the bank pulled its funding and the project went dormant for a few years.

In 2010, Mr. Fayle continued, the Company entered into serious discussions with M&T Bank and they were able to get the project back on track.

Mr. Fayle then explained that this project involves a ten year loan with a 20 year amortization and a ten year balloon payment. He added that it is anticipated that the project will create 125 jobs.

The Acting Chair noted that he had recently visited the site and that this is a great project and that it is good that the new hotel – a Marriott Courtyard - has been completed especially because they hit a bump a few years ago.

Director Cephas asked how Syracuse was doing as a City and Mr. Fayle explained that like most Upstate cities it has difficulties to overcome. He added that over the past few years, however, there has been significant growth and significant investment made in the City.

Mr. Fayle went on to state that a lot of the upswing is owing to the creation of the Regional Councils and the Council focusing on a lot of mixed use redevelopment, so over the last two years, vacant buildings in the downtown area have begun to be redeveloped from the core out.

Director Cephas then asked if the population has stabilized or does the City continue to lose population. Mr. Fayle stated that the population is fairly stabilized at this point.

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

Syracuse (Central New York Region – Onondaga County) – Inns at Armory Square Capital – Urban and Community Development Program – Urban and Community Project Development Assistance (Capital Loan) – Findings and Determinations Pursuant to

Sections 5(4), 16-d, and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Inns at Armory Square Capital – Urban and Community Development Program – Urban and Community Project Development Assistance (Capital Loan) 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 Inns at Armory Square, LLC a loan for a total amount not to exceed Two Million Dollars ($2,000,000) from the Urban and Community Development 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 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 loan and grant, 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 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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Syracuse (Central New York Region – Onondaga County) – Inns at Armory Square Capital – Urban and Community Development Program – Urban and Community Project Development Assistance (Capital Loan) – Determination of No Significant Effect on the Environment

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

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Syracuse (Central New York Region – Onondaga County) – Inns at Armory Square Capital – Urban and Community Development Program – Urban and Community Project Development Assistance (Capital Loan) – Waiver of Labor Peace Agreement

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RESOLVED, that on the basis of the materials presented at this meeting, 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.

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Mr. Alpaugh, representing ESD's Southern Tier Regional Office, presented the Delaware County IDA/Amphenol Corporation EDF project for the Directors' consideration.

Mr. Alpaugh asked the Directors to authorize ESD to make a $750,000 grant to be used for a portion of the cost of constructing a natural gas distribution line to assist with the retention of Amphenol Corporation in their two locations in downtown Sidney.

Mr. Alpaugh explained that this is an infrastructure investment project to facilitate job retention. He added that there are 950 jobs that are being retained.

Mr. Alpaugh further explained that after the floods of 2011, the IDA came to ESD for assistance in retaining Amphenol which was devastated by the floods.

Amphenol, he continued, is a world leader in the production of electronic fiber optic connectors and cables and interconnect systems.

Mr. Alpaugh further explained that the total project costs are $1.5 million and that the project is expected to be completed in December of 2015.

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:

> Sidney (Southern Tier Region – Delaware County) – Delaware County IDA / Amphenol Capital – Empire State Economic Development Fund – Infrastructure 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Delaware County IDA / Amphenol Capital – Empire State Economic Development Fund – Infrastructure 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, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Delaware County Industrial Development Agency a grant for a total amount not to exceed Seven Hundred Fifty Thousand Dollars ($750,000) 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 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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Sidney (Southern Tier Region – Delaware County) – Delaware County IDA / Amphenol Capital – Empire State Economic Development Fund – Infrastructure Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Delaware County IDA / Amphenol Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Next, Ms. Vargas, the Director of ESD's Mid-Hudson Regional Office, asked the Directors to authorize ESD to make a $750,000 convertible loan in connection with the Continental Organics Downstate Revitalization Fund project.

Ms. Vargas explained that the funds will be used for a portion of the cost of the acquisition of real estate and construction of a new aquaphonics facility in the Town of New Windsor.

The project, Ms. Vargas further explained, allowed for the recreation of a 900,000 square foot aquaphonic and fertilizer facility. She noted that the project will continue to expand over the next five years.

Ms. Vargas further explained that the total project cost is $49.8 million and that it is expected to create 121 jobs by the time of the last anniversary of the loan closing in 2015.

Ms. Vargas went on to explain that Continental is a sustainable agriculture company located on 44 acres of a former dairy farm in New Windsor and the goal of this project is to create a self-sustaining aquaphonics facility.

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:

New Windsor (Mid-Hudson Region – Orange County) – Continental Organics DRF Capital – Downstate Revitalization Fund – Business Investement (Convertible Loan) – Findings and Determinations Pursuant to Sections 16-r and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Continental Organics Capital – Downstate Revitalization Fund – Business Investment (Convertible Loan) 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 Continental Organics, LLC a loan for a total amount not to exceed Seven Hundred Fifty Thousand Dollars ($750,000) from the Downstate Revitalization 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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New Windsor (Mid-Hudson Region – Orange County) – Continental Organics DRF Capital – Downstate Revitalization Fund – Business Investment (Convertible Loan) – Determination of No Significant Effect on the Environment

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

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The Directors were then asked by Ms. Vargas to authorize ESD to make a $200,000 grant in connection with the Ertel Alsop ESD project.

Ms. Vargas explained that the project assisted the Company in taking three separate facilities and moving them under one roof.

Ms. Vargas further noted that the total project cost is $6.6 million and at the initial time of ESD's incentive offer there were 47 employees. Currently, Ms. Vargas continued, there are 53 employees and it is anticipated that the Company will employ 62 individuals by 2016.

Ms. Vargas further explained that the Company creates filters for the processing of liquids mostly in the biopharma area.

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:

Kingston (Mid-Hudson Region – Ulster County) – Ertel Alsop 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Ertel Alsop 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 Stavo Industries, 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.

* * *

Mr. Lee then presented the Restore New York Communities Consent Calendar for the

Directors' consideration.

Mr. Lee explained that there was one item on the consent calendar which involved a $100,000 grant to the City of Buffalo to be used as reimbursement for a portion of construction costs in connection with the renovation of the former White's Livery. The building, he added, was constructed in 1889 and it will be redeveloped into 14 units of affordable housing.

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 – Restore NY Communities – Capital Grant – Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c), 10 (g) and 16-n of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Restore NY Communities Capital Grant Project (the "Project"), the Corporation hereby determines pursuant to Sections 16-n and 10 of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that

1. The area in which the project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest sound growth and development of the municipality.

2. The project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.

3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.

4. There are no families or individuals displaced from the Project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project 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 findings of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from Restore NY Communities, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the 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

Restore NY Communities – Project Summary Table

	Project Name	**Proj #**	**Grantee**	**Assistance up to**
	Restore NY Communities Projects			
A	Buffalo – RESTORE III – White's Livery	W895	City of Buffalo	$100,000
			TOTAL	**$100,000**

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.

* * *

Buffalo (Western New York – Erie County) – Buffalo – RESTORE III – White's Livery – Restore NY (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Buffalo – RESTORE III – White's Livery – Restore NY (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Following the adoption of the foregoing resolution, Director Dyson commented favorably with regard to the inclusion of illustrations in the Directors' materials.

Mr. Salaberrios then asked the Directors to make Findings and Determinations and to authorize ESD to make four grants each in the amount of $562,500 in connection with the Bridge to Success Loan Program.

Mr. Salaberrious explained that this program will provide access to short-term loans for New York State Certified Minority and Women Owned Businesses doing business with New York State.

ESD, Mr. Salaberrios further explained, will work with four lending partners: TruFund Financial Services, Inc.; Mahopac Bank; the State Employees Federal Credit Union and the New York Business Development Corporation.

Mr. Salaberrios explained that ESD had identified a pressing issue affecting many New York State Certified MWBE contractors in that many of these contractors lack the short term, working capital necessary to execute on State contracts. Banks, he added, have been reluctant to provide credit to these firms given the short term nature of these capital needs and the size and experience of many of these companies. This program, he continued, will provide loan mobilization funds to New York State MWBE contractors who need the working capital necessary to execute on New York State contracts.

Following the full presentation, the Acting Chair called for questions or comments. Director Cephas asked if the four entities are joining others that are already involved in this or is this just getting started with these four.

Mr. Salaberrios stated that the program was just started with these four.

Director Cephas stated that he was going to inquire with regard to the lending experience of the program and Mr. Salaberrios stated that a similar program with Carver Bank was approved in July. That program, he added, was basically restricted to New York City.

Mr. Salaberrios continued and explained that to date, Carver has lent over $1,000,000 in small mobilization loans of $50,000 to $100,000 and that what has been done here is to replicate on a statewide level what Carver is doing City-wide.

Mr. Cephas then asked about the performance of the Carver loans and Mr. Salaberrios stated that Carver has not reported a single loss thus far. He added that some of the loans have been repaid and have gone back out again.

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

Statewide – The Bridge to Success Loan Program – Minority and Women-Owned Business Development and Lending Program (Working Capital) – Findings and Determinations Pursuant to Sections 16-c and 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to The Bridge to Success Lending Program – Minority- and Women-Owned Business Development and Lending Program (Working 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; 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 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 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

	Project Name	**Proj #**	**Grantee**	**Assistance up to**

A	Mahopac Bank-Bridge to Success	Y892	Mahopac Bank	$562,500
B	TruFund Financial Services, Inc.-Bridge to Success	Y893	TruFund Financial Services, Inc	$562,500
C	State Employees Federal Credit Union-Bridge to Success	Y898	State Employees Federal Credit Union	$562,500
D	New York Business Development Corporation-Bridge to Success	Y934	New York Business Development Corporation	$562,500
			TOTAL	**$2,250,000**

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.

* * *

Next, Mr. Fayle presented the Central New York Raceway Park Regional Council Awards item for the Directors' consideration.

Mr. Fayle explained that the Directors were being asked to authorize ESD to make a $1 million grant to be used for a portion of pre-development soft costs, including professional services such as architectural engineering, legal and permitting.

Mr. Fayle explained that the $1,000,000 is half of the grant that was awarded in Round Two of the Regional Council Awards to support this multi-purpose racing facility.

Mr. Fayle further explained that the total project cost is $38 million and that it is located in Central Square which is the mecca of racing enthusiasts in Northern New York.

Among other things, Mr. Fayle stated that the reason ESD is being asked to provide relief by releasing some of the funding now is because the partners have run into some unanticipated cost overruns.

Mr. Fayle noted that in clearing the land, it was flagged for a potential Indian burial ground so an archeology study is needed. He added that there is also some additional SEQRA work and feasibility studies that need to be done before the partners can gain access to funds from some soft commitments from various investors and lending institutions.

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 – Town of Hastings (Central New York Region – Oswego County) – CNY Raceway Park Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the CNY Raceway Park 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 President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Central New York Raceway Park, Inc. 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.

* * *

Mr. Ball, representing ESD's Western New York Regional Office, asked the Directors to authorize ESD to make a $1,000,000 grant to the Buffalo Niagara Medical Campus, Inc.

Mr. Ball explained that the grant will be used as reimbursement for a portion of construction costs in connection with the construction of an underground tunnel between the Buffalo General Medical Center and the new Women's and Children's Hospital that is currently being constructed.

Mr. Ball added that it is anticipated that the project will be completed in October 2015 and will serve as a key link between the current and future Buffalo-Niagara Institutions along the High Street, Elicott Street corridor.

Mr. Ball went on to explain that the facilitation and cost effective integration and sharing of a number of the Buffalo General Medical Center services with those of the new hospital will lower risks and facility construction, outgoing operation management and will help to reduce health care costs for the 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:

Regional Council Award – Buffalo (Western New York Region – Erie County) – Buffalo Niagara Medical Campus Tunnel 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Buffalo Niagara Medical Campus Tunnel 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 the Buffalo Niagara Medical Campus, Inc. 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.

* * *

Regional Council Award – Buffalo (Western New York Region – Erie County) – Buffalo Niagara Medical Campus Tunnel Capital – Regional Council Capital Fund (Capital Grant) – Adoption of Findings Pursuant to the State Environmental Quality Review Act

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RESOLVED, that with respect to the Women and Children's Hospital of Buffalo (now known as the John R. Oishei Children's Hospital), which includes the construction of the Tunnel (the "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 Environmental Impact Statement ("DEIS" and "FEIS", respectively) prepared for the proposed Women and Children's Hospital of Buffalo;
- 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 FEIS 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 FEIS 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 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.

* * *

Mr. Alpaugh then asked the Directors to authorize ESD to make a $250,000 grant in connection with the MARK Project, Inc. Regional Council Awards Project.

Mr. Alpaugh explained that MARK Project, Inc. is a non-profit organization that specializes in economic development efforts to promote outdoor recreation, tourism, arts and culture, agriculture and forest products, and alternate health, healing and social activities that sustain communities.

Mr. Alpaugh further explained that the funds will be used to replenish an existing revolving loan and grant fund known as the Small Business Development Fund.

Mr. Alpaugh then noted that this Small Business Development Fund currently serves the towns of Middletown and that this grant will enable the Fund to reach the towns of Roxbury and Andes.

This Fund, Mr. Alpaugh further explained, was developed immediately following Hurricane Irene and was designed to be a catalyst for economic recovery. In the months following the flood, he added, the Fund received $435,000 in donations from families, individuals and private fundraising efforts.

To date, Mr. Alpaugh explained, the Fund has assisted 56 businesses with immediate post-flood relief and an additional 40 new start-up and small business expansions.

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 – Arkville (Southern Tier Region – Delaware County) – MARK Project 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the MARK Project 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 MARK Project, Inc. a grant for a total amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000) 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

* * *

Mr. Salway, then presented the Connect NY Broadband Program Consent Calendar for the Directors' consideration.

Mr. Salway noted that there were five grants totaling $9,096,171 to be considered on today's calendar.

Mr. Salway provided a brief synopsis of each of these grants providing the amount, the recipient as well as the region that will benefit from each grant.

Following the full presentation, the Acting Chair called for questions or comments. Director Dyson expressed his concern that ESD will be responsible for inadvertently setting up monopolies by providing these grants. A discussion was had with regard to whether or not there are any measures that can be taken to avoid any negative impacts associated with that.

The Acting Chair suggested that since this is a federal issue, Mr. Patel should pass Director Dyson's concerns onto the Governor's representative in Washington so that he will be able to keep an eye on this issue for ESD.

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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the 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

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	Essex County Broadband Service Expansion	Y599	Town of Jay and Charter Communications	$557,000
B	Otsego County Wireless Network	Y604	Otsego County Industrial Development Agency	$558,940
C	Time Warner Cable Broadband	Y591	Time Warner Cable, Inc.	$5,258,231
			TOTAL	**$6,374,171**

Regional Council Capital Fund

	Project Name	**Proj #**	**Grantee**	**Assistance up to**
D	North Country Telecommunications Loan Fund	Y584	Development Authority of the North Country	$500,000
E	North Country Public Emergency Network	Y585	Development Authority of the North Country	$2,222,000

				TOTAL	**$2,722,000**

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. McLeary then presented the February Non-Discretionary Projects Consent Calendar for the Directors' consideration. Mr. McLeary explained that there were three grants to be considered and provided a synopsis of each of those grants.

Mr. McLeary noted that the first project involves a modification to an $8 million grant to the City of Yonkers which was approved by the Directors in August of 2012 for property acquisition and related costs for Phase Two of the City of Yonkers Daylighting along the Saw Mill River and Main Street in Yonkers.

To date, Mr. McLeary explained, the City has completed Phase One Daylighting on the project and acquired the parcels along Main Street for Phase Two of Daylighting.

The City, Mr. McLeary continued, is seeking to reallocate the remaining balance of the grant, approximately $2.8 million, to take actions including demolishing and acquiring parcels along Main Street for further Daylighting of the Saw Mill River.

Mr. McLeary noted that this action does not involve any additional funds.

Mr. McLeary then noted that the second project involves a $1,000,000 grant to CenterState Corporation for Economic Opportunity for the information and conditional projects and programs recommended by the Brookings Institution in the Metropolitan Business Plan to spur economic growth in Southern New York.

Mr. McLeary explained that the third project also involved a $1,000,000 grant to the CenterState Corporation for Economic Opportunity. This funding, he noted, will be used for its grants program.

Mr. McLeary further explained that the program funds early stage projects which include feasibility studies and technical analysis as well as more advanced technology projects.

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

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
A	City of Yonkers - Saw Mill River Daylighting Property Acquisition Capital	X917	City of Yonkers	0*
	* This grant was approved by the ESD Directors on August 16, 2012. The subject request is to reallocate the remaining grant to a revised project scope, and does not involve new funding.		**TOTAL**	**$0**

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

* * *

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

<u>Local Assistance – Senate – Project Summary Table</u>

	Project Name	**Proj #**	**Grantee**	**Assistance up to**
B	CenterState CEO – Government Modernization Working Capital	Y552	CenterState Corporation for Economic Opportunity	1,000,000
C	CenterState CEO – Grants for Growth Working Capital	Y040	CenterState Corporation for Economic Opportunity	1,000,000
			TOTAL	**$2,000,000**

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.

* * *

Yonkers (Mid Hudson Region – Westchester County) – City of Yonkers - Saw Mill River Daylighting Property Acquisition Capital – Capital Projects Fund (Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the City of Yonkers - Saw Mill River Daylighting Property Acquisition Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Next, Mr. McLeary presented the Hurricane Irene-Tropical Storm Lee Flood Mitigation Consent Calendar for the Directors' consideration noting that there were two grants to be considered.

Mr. McLeary explained that the first grant was a $333,000 grant to Columbia County and the second was a $670,438 grant to Delaware County.

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:

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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the 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

<u>Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation - Executive – Project Summary Table</u>

	Project Name	Proj #	Grantee	Assistance up to

	Local Assistance – Hurricane Irene-Tropical Storm Lee Flood Mitigation (Executive)			
A	Columbia County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X899 & Y479	Columbia County	$333,064
B	Delaware County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X900 & Y480	Delaware County	$673,438
			TOTAL	**$1,006,502**

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.

* * *

The Directors were then asked by Ms. Offen to authorize ESD to enter into contracts for Planning Services in various counties throughout the State.

Specifically, Ms. Offen explained that the Directors are being asked to enter into contracts with three planning firms to provide support related to ESD's work with the Department of State and the New York Rising Community Reconstruction Program.

Ms. Offen further explained that the New York Rising Program was established to provide rebuilding and redevelopment assistance to communities severely damaged by Hurricane Sandy, Irene and Tropical Storm Lee.

As part of the program, she continued, New York State allocated funds to five counties – Herkimer, Madison, Montgomery, Oneida and Niagara to complete county-wide risk assessment. ESD, she added, has partnered with the Department of State and this endeavor to retain outside expertise from planners to assist these counties.

Ms. Offen went on to outline the process utilized in selecting AECOM for Niagara County; AKRF for Montgomery County and Cameron Engineering for Herkimer, Oneida and Madison Counties.

Ms. Offen added that the total of the contracts is $1.4 million and that they will be funded through ESD's Urban and Community Development Program.

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 DEVELOPMENT – Authorization to Enter into Contracts for Planning Services; and Authorization to Take Related Actions

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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 each of the firms of AECOM, Inc., AKRF, Inc. and Cameron Engineering & Associates, LLP to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into contracts as set forth below for the purposes and services, and substantially on the further terms and conditions, set forth in the Materials:

- AECOM, Inc. for Niagara County in an amount not to exceed $262,000;
- AKRF, Inc. for Montgomery County in an amount not to exceed $300,000;
- Cameron Engineering & Associates, LLP for Herkimer, Oneida and Madison Counties in an amount not to exceed $900,000;

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 to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolutions.

* * *

Mr. Stout then asked the Directors to authorize ESD to enter into a contract for legal services in connection with the disposition of the former Arthur Kill Correctional Facility in Staten Island.

Mr. Stout noted that staff is recommending that the Directors authorize the retention of Gonzalez, Saggio and Harlan, a law firm that is on ESD's Pre-Qualified List. Mr. Stout further noted that this firm was decided to be the best of the three firms solicited by ESD from the Pre-Qualified List.

Mr. Stout added that the firm is a New York State Certified Minority and Women Business Enterprise.

Mr. Stout went on to briefly outline the scope of work covered by the contract. He also noted that the contract will be in the amount of $300,000 and will be funded through the potential developer of the project.

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:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT - Authorization to Enter Into a Contract with the Law Firm of Gonzalez Saggio & Harlan to Provide Legal Services in Connection with Disposition of the Former Arthur Kill Correctional Facility in Staten Island and to Take Related Actions

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RESOLVED, that in accordance with the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation (the "Materials"), the Corporation hereby finds the law firm of Gonzalez Saggio & Harlan ("Counsel") to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Counsel in an amount not to exceed $300,000, for the purposes and services, and substantially on the terms and conditions, as set forth in the Materials; and be it further

RESOLVED, that the President and Chief Executive Officer and his designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all such actions as may be necessary or appropriate to effectuate the foregoing.

* * *

Ms. Roy then asked the Directors to authorize ESD to amend its contract with STV, Inc. to provide Owner's Representative Technical Services in connection with the Atlantic Yards Land Use Improvement and Civic Project.

Ms. Roy outlined certain of the tasks performed by STV for ESD including assisting in the review and design of construction documents and observing daily construction activity.

Ms. Roy further explained that STV's contract does conform with ESD's diversity goals with the participation of Haryana Engineering, ESD's certified MWBE partner.

Ms. Roy noted that the contract amount is currently $2.5 million and ESD is asking for authorization to amend the contract by $1.25 million. This contract, she further explained, is paid in full by the developers of the Atlantic Yards Project.

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

New York (Kings Count) – Atlantic Yards Land Use Improvement and Civic Project – Authorization to Amend the Contract with STV Inc. to Provide Owner's Representative Technical Services for the Project

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RESOLVED, that based upon the materials presented at this meeting and ordered filed with the records of the corporation (the "Materials"), the Corporation hereby finds STV Inc. to be responsible; and be if further

RESOLVED, that on the basis of the Materials, the Corporation be, and hereby is, authorized to amend its existing contract with STV Inc. to provide additional Owner's Representative services in connection with the Atlantic Yards Land Use Improvement and Civic Project; and be it further

RESOLVED, that such amendment will extend the term for an additional two years and increase the compensation available under the contract by an additional $1,250,000; and be it further

RESOLVED, that the total compensation for services pursuant to this contract, as amended, shall not exceed $3,750,000, including reimbursables; and be it further

RESOLVED, that the President and Chief Executive Officer and his designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all such actions as may be necessary or appropriate to effectuate the foregoing.

* * *

Ms. Barbosa-Santiago then asked the Directors to authorize the purchase of Corporate Insurance Policies.

Among other things, Ms. Barbosa-Santiago stated that the process of marketing ESD insurance is with Cool Insurance Agency. Ms. Barbosa-Santiago added that Cool is a reputable insurance broker with significant experience working with State agencies, local municipalities and many public benefit corporations.

Ms. Barbosa-Santiago went on to note that the Directors were being asked to authorize the purchase of seven policies as set forth in the Directors materials for a total premium of $481,655. This cost, she added, represents an $18,444 or four percent increase over last year's premium.

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:

Renewal of Corporate Insurance Policies – Authorization to Purchase Corporate Insurance Policies; and to Take Related Actions

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RESOLVED, that based upon the materials presented to the Directors at this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, that the Chairman and Chief Executive Officer of the Corporation or Chief Financial Officer or his/her designee(s) are hereby authorized, in the name and on behalf of the Corporation, to enter into all contracts, agreements and instruments, as the Chairman and Chief Executive Officer of the Corporation or

Chief Financial Officer or his/her designee(s) shall deem necessary or appropriate in connection with the purchase of the Corporation's Directors & Officers Liability/Employment Practices Liability with National Union, Excess Umbrella Liability insurance with Philadelphia Indemnity & Admiral; Commercial General Liability and Auto Liability insurance with Philadelphia Indemnity; Real & Personal Property and Workers' Compensation Insurance with Hartford; and Employee Crime & Dishonesty insurance with Great American Insurance, for 2014-2015 at an annual premium of $481,655.

RESOLVED, that all actions heretofore taken on behalf of the Corporation in regard to the replacement of the foregoing insurance policies are hereby approved, ratified and confirmed.

* * *

Next, Mr. Patel asked the Directors to authorize ESD to enter into a Funding Agreement with the Research Foundation of SUNY ("SUNYRF") in connection with Start-Up NY.

Mr. Patel noted that the StartUp New York Program is the Governor's new initiative. He added that the Program passed the Legislature last year and will serve to provide tax free zones associated with university campuses across the State.

Mr. Patel further explained that ESD has a critical role in this program and is partnering with the universities both private and public to implement this program.

Mr. Patel further noted that in order to effectuate the Program, ESD has a strong partnership with SUNY and the SUNY Research Foundation. He added that in an effort to move the program forward, Leslie Whatley was recruited because of the vast experience she brings to her role as SUNYRF's Executive Vice President for StartUp New York.

The Program, Mr. Patel explained, is up and running and applications have been coming in from various universities and plans are being developed to ascertain what spaces will be available for these tax-free zones.

Mr. Patel went on to explain that ESD has an agreement with SUNYRF to fund the staff costs for the StartUp Program and it is this agreement that the Directors are being asked to authorize today.

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:

NEW YORK STATE URBAN DEVELOPMENT CORPORATION - Authorization to enter into a Funding Agreement with the Research Foundation for the State University of New York; Authorization to Take Related Actions

---

BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is ordered filed with the records of the Corporation (the "Materials"), the Corporation is hereby authorized to enter into a joint funding agreement with the Research Foundation for the State University of New York for the position of Executive Vice President, StartUp-NY, substantially on the terms and conditions set forth in the Materials, effective as of August 3, 2013; and be it further

RESOLVED, that all actions heretofore or hereafter taken on behalf of the Corporation in furtherance of these resolutions be and they hereby are ratified and confirmed as the acts and deeds of the Corporation.

* * *

The Directors were then asked by Mr. Conoscenti to conditionally designate Broadway

Stages as the new developer for the disposition of the Arthur Kill Correctional Facility Staten Island.

Mr. Conoscenti noted, in part, that in May of 2013 ESD issued an RFP for the site seeking proposals to redevelop the property in a manner that would create new economic opportunities for New Yorkers along the west shore of Staten Island.

Mr. Conoscenti noted that the RFP yielded five proposals in September of 2013 and all respondents were invited in for presentations and questioning in October of 2013.

Mr. Conoscenti continued and explained that based on the criteria that is outlined in the Directors' materials, staff scored the proposals and Broadway Stages' proposal ranked the highest.

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:

NEW YORK CITY (RICHMOND COUNTY) – Proposed Development at Arthur Kill Correctional Facility – Conditional Designation of Developer; Authorization to Take Related Actions

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BE IT RESOLVED, that based on the materials presented at this meeting (the "Materials"), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds Broadway Stages, Inc. to be responsible; and be it further

RESOLVED, that in accordance with the Materials, the Corporation hereby Conditionally Designates Broadway Stages, Inc. as the Developer of the Arthur Kill Correctional Facility project, subject to all public approval processes as required by law, including but not limited to further review by the ESD Directors; and be it further

RESOLVED, that the President, or other Officer of the Corporation, or his or her designee(s) be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing Resolutions.

* * *

There being no further business, the meeting was adjourned at 10:46 a.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary

Empire State Development

FOR CONSIDERATION
March 28, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Annual Budget

REQUEST FOR: Authorization to Adopt Annual Operating Budget including Subsidiary Operating Support for Fiscal Year (FY) 2014-15 and to Take Related Actions

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BACKGROUND

State Finance Law requires that prior to the commencement of each fiscal year the Directors of Empire State Development (ESD or the Corporation) adopt an annual operating budget. This budget includes certain support provided to subsidiaries and for the operations of the Regional Economic Development Councils and New York Works Task Force. It pertains only to operating costs and not to programmatic appropriations included in the Governor's proposed FY 2014-15 Executive Budget. All subsidiary operating budgets and capital expense authorizations must also be presented separately to, and approved by, their respective Boards within the same time frame.

As indicated in the attached budget document, reflected in the funding source, "Proceeds of the Housing Transfer/Asset Sale Proceeds/Commercial Receipts/Other Revenue" is the full utilization of the funding received from the New York State Housing Finance Agency relative to the transfer of ESD's housing portfolio on June 5, 2013.

In the FY 2014-15 budget, the expense for personal services includes the costs of enhanced staffing to support both new and future initiatives, such as START-UP NY and other statewide marketing efforts. In addition, it is inclusive of the cost of fringe benefits that are forecasted to remain at a higher level in FY 2014-15 primarily due to the continued growth in the Corporation's annual contribution to the New York State Retirement System. The amount of contribution has continued to increase as a result of losses sustained on the fund balance in prior fiscal years.

Public Authorities Law Section 2975 directs the Division of the Budget to assess an amount to each public authority for recovery of central governmental services. The budgeted government assessment (cost recovery) for FY 2014-15 is approximately $3.74 million.

If changes are required following the adoption of the State's FY 2014-15 Budget, a modified annual operating budget will be presented to the Directors at a later date.

In addition to the operating budget, we are also seeking approval of the Corporation's FY 2014-15 annual non-programmatic capital expense authorization of $1,636,500.00. The request reflects our plan to invest in new technologies that support our strategic goals and are focused on increasing server and storage capacity in our virtual environment, as well as the continued adoption of desktop virtualization to meet our business continuity efforts. Also included is funding for upgrading the financial management and telecommunication systems.

The details of the proposed FY 2014-15 ESD operating budget and annual non-programmatic capital expense authorization are attached to these materials for your review.

REQUESTED ACTION

The Directors are requested to adopt the Corporation's FY 2014-15 proposed Annual Operating Budget and approve the Annual Non-Programmatic Capital Expense Authorization for FY 2014-15 as set forth in the attachments and to delegate authority to the appropriate officers to take related actions.

ATTACHMENTS

Proposed Annual Operating Budget for FY 2014-15 including subsidiary operating support

Proposed Annual Non-Programmatic Capital Expense Authorization for FY 2014-15

March 28, 2014

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – (the "Corporation") Authorization to Adopt Annual Operating Budget

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RESOLVED, that the Corporation hereby adopts the Annual Operating Budget for FY 2014-15 including subsidiary operating support and approves the Annual Non-Programmatic Capital Expense Authorization for FY 2014-15 based upon the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials"); and be it further

RESOLVED, that the proper corporate officers be, and they hereby are, authorized to take related actions as he or she may, in his or her sole discretion, deem necessary or proper to effectuate the foregoing.

Empire State Development

FOR CONSIDERATION
March 28, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: New York (Kings County) – Atlantic Yards Land Use Improvement and Civic Project

REQUEST FOR: Acceptance of Draft Supplemental Environmental Impact Statement; Adoption of Amendment to Modified General Project Plan; Authorization to Hold Public Hearing; and Authorization to Take Related Actions

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Project Description

The Atlantic Yards Land Use Improvement and Civic Project (the "**Project**") consists of: the approximately 18,000-seat Barclays Arena, which has hosted over 300 events since opening, including the NBA's Brooklyn Nets, concerts, and other events; the development of a reconfigured and improved LIRR Vanderbilt train yard (the "**Yard**") and subway facility improvements; the development of 16 buildings for residential, office and retail uses and potentially a hotel, including up to 6,430 units of housing, including 4,500 rental units of which 2,250 units (50%) will be affordable to low, moderate and middle income households; and the creation of eight acres of publicly accessible open space. Project documents have been executed with Project developer Forest City Ratner and its affiliates ("**FCR**").

Project Location

The Project Site is generally bounded by Atlantic Avenue, Flatbush Avenue, Dean Street and Vanderbilt Avenue (exclusive of a portion of Block 1128), and also includes a portion of a parcel generally bounded by Atlantic Avenue, Flatbush Avenue, Pacific Street and 4th Avenue (referred to as Site 5), all located in Brooklyn, New York. A portion of the Project will be constructed over the Yard. A Map of the Project Site is attached hereto as **Exhibit A**.

Project Background

In 2006, ESD, among other actions: (i) accepted and approved the Project's Final Environmental Impact Statement ("**FEIS**") pursuant to the New York State Environmental Quality Review Act

("**SEQRA**"); and (ii) affirmed the Project's initial Modified General Project Plan (the "**2006 MGPP**"). In 2009, ESD affirmed modifications to the 2006 MGPP, as embodied in the 2009 Modified General Project Plan (the "**2009 MGPP**"), a copy of which is attached hereto as **Exhibit B**. (The 2009 MGPP contains a more detailed description of the Project.)

In the 2009 MGPP, ESD determined to acquire the Project site in stages, rather than a whole, beginning with the Arena block and other specified parcels. At about the same time, the Metropolitan Transportation Agency ("**MTA**") determined to: (i) permit FCR to acquire air rights over the Yard in stages, rather than as a whole, as necessary for development of the platform and related improvements over the Yard; and (ii) allow FCR to secure FCR's obligation to upgrade the Yard via an $86 million Letter of Credit to be followed by a later Completion Guaranty.

Since affirmation of the 2009 MGPP, the following Project milestones have occurred:

A. At a master closing held in December 2009, ESD, the City of New York ("**City**"), MTA, FCR and other entities executed agreements, contracts and leases (the "**Project Documents**") to develop the Project.
B. In 2010, ESD acquired title to and vacant possession of parcels necessary for Arena block construction, thereby establishing May 12, 2010 as the Project Effective Date under the Project Documents.
C. In September 2012, Barclays Arena opened, the Carlton Avenue Bridge re-opened, and related Project infrastructure, including the new subway station entrance on the Arena block, was completed.
D. Since opening, Barclays has hosted events ranging from NBA basketball to concerts to television award shows to college and high school basketball competitions. Barclays also will serve as home ice for the NHL's New York Islanders beginning with the 2015-16 season.
E. In December 2012, construction commenced on the first residential building (known as Building 2, on the Arena block).
F. FCR continues construction of the Yard, and the date upon which FCR must furnish the Yard Construction Guaranty to MTA has been extended to June 30, 2014.

<u>Environmental and Litigation Summary</u>

As noted, ESD accepted and approved the Project's FEIS in 2006. The FEIS identified a number of significant adverse environmental impacts and the mitigation required to address such impacts to the maximum extent practicable, as required under SEQRA. Numerous litigations were commenced against ESD challenging the validity of the FEIS and the 2006 MGPP, but all such litigations were dismissed by the courts.

In 2009, ESD affirmed certain modifications to the 2006 MGPP, as embodied in the 2009 MGPP, after again taking what it believed was a "hard look" (as required by SEQRA) at potential environmental impacts of the 2009 changes. A 2009 Technical Memorandum concluded that the modifications comprising the 2009 MGPP, design developments, and the potential for lengthy construction delays would not result in any significant adverse environmental impacts not previously identified in the FEIS and did not warrant preparation of a Supplemental Environmental Impact Statement ("**SEIS**").

Project opponents commenced new litigation alleging that SEQRA required ESD to prepare an SEIS prior to approving the 2009 MGPP. In November 2010, the court in that case found that ESD's environmental review of the 2009 MGPP was not adequate in that it did not adequately account for the potential for a prolonged build-out of the Project under the ESD and MTA agreements with FCR. Accordingly, the court issued a Remand Order requiring ESD to make findings, in light of those agreements, on whether an SEIS was warranted. In response to that order, ESD undertook another environmental assessment under SEQRA in the 2010 Technical Analysis (analyzing a delay in the Project construction schedule to 2035, the outside date for Project construction completion in the Project Documents, subject to certain terms and provisions) and re-affirmed the determination of the 2009 Technical Memorandum that the potential for a more prolonged construction schedule did not warrant preparation of an SEIS.

In a Decision and Order dated July 13, 2011, the court found that an SEIS was required to study the potential environmental impacts of a prolonged construction period for Phase II of the Project.[1] The court therefore directed ESD to prepare an SEIS assessing the environmental impacts of a delay in Phase II construction; conduct further environmental review proceedings pursuant to SEQRA in connection with the SEIS; and issue further findings on whether to approve ESD's general project plan for Phase II of the Project. In 2012, the trial court's Decision and Order was affirmed by the appellate court.

Draft Supplemental Environmental Impact Statement

As directed by the court, ESD has prepared a draft SEIS ("**DSEIS**") of the Project's Phase II, assuming an extended build-out schedule. A hard copy of the Executive Summary of the DSEIS is attached hereto as **Exhibit C**, and a compact disc with the entire DSEIS is enclosed with these materials. The DSEIS was prepared by ESD's environmental consultant AKRF, Inc. and its sub-consultant, with input from ESD staff, ESD environmental counsel Bryan Cave LLP, and FCR, and in consultation with the involved agencies (MTA and the City).

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1 For planning purposes, the Project is divided into Phase I and Phase II. **Phase I** is comprised of: site clearance and environmental remediation; relocation of utilities; six new buildings west of Sixth Avenue (including the Barclays Arena) and associated below-grade permanent parking facilities; a new subway station entrance adjacent to the Arena; a reconstructed and improved LIRR Yard and associated rail facilities; a new Carleton Avenue bridge spanning the Yard; and temporary surface parking facilities. **Phase II** is comprised of: a platform over the Yard; eleven residential buildings east of Sixth Avenue and associated below-grade permanent parking facilities and infrastructure; and the creation of 8-acres of publicly accessible open space.

In addition to analyzing the environmental impacts of prolonged Phase II construction, as required by the court, the DSEIS also analyzes the environmental impacts of two proposed changes to the Project, discussed further below: a shift in up to 208,000 gsf of floor area from Phase I to Phase II of the Project; and a reduction in the number of parking spaces from 3,670 spaces to 2,896 spaces. A "Reduced Parking Alternative" in the DSEIS also assesses the environmental impacts of a further reduction in the number of parking spaces to 1,200 spaces.

The DSEIS includes extensive technical analyses of potential adverse impacts on the environment from an extended Phase II build-out, including the potential for impacts with respect to air quality, traffic, noise, socio-economic conditions, and many other areas of study, both during the period of construction and upon Phase II completion after an extended build-out. The DSEIS indicates that prolonged Phase II construction would result in a significant localized adverse impact on neighborhood character during the construction period in the immediately surrounding area of the Phase II site as a result of significant construction traffic and noise impacts, and the visual effects of construction that would be experienced in the area. It also identifies significant adverse noise impacts during certain portions of the Phase II construction period at the exterior of a number of residential and other buildings in the study area, including a public school located across Atlantic Avenue from the Phase II site, but finds that the resulting interior noise levels within the school would not materially impair its operation. In addition, the DSEIS indicates that there would be significant operational traffic and pedestrian impacts upon completion of Phase II after an extended build-out. The DSEIS further identifies a significant shortage of school seats in the elementary and intermediate public schools within Sub-district 1 of Community School District 13 in Brooklyn and finds that a delay in Phase II construction would extended the duration of the significant adverse impact of Phase I of the Project on passive open space resources in the non-residential study area. These impacts are similar to the impacts that were identified in the Project's 2006 FEIS. Thus, both the DSEIS and the 2006 FEIS have identified significant adverse environmental impacts with respect to community facilities (due to a shortage of public school seats, the shortage of which would only be partially mitigated by a new public school proposed as a mitigation measure within the Phase II site), construction-period open space (which is gradually eliminated through the incremental availability of the Phase II open space), transportation (operational and during construction), and construction noise. The DSEIS identifies measures to mitigate these significant environmental impacts to the maximum extent practicable. However, with respect to the predicted shortage of public school seats, operational traffic and pedestrians, construction traffic and construction noise, no practicable mitigation has been identified to fully mitigate significant adverse impacts. The DSEIS further finds that there would not be significant socioeconomic impacts to the surrounding area as a result of a prolonged period of constructing Phase II of the Project and that a prolonged construction period for Phase II would not adversely affect the character of the neighborhoods surrounding the Project site, outside of the localized impacts in the immediate area surrounding the Phase II site.

ESD staff believes that the DSEIS complies with the Court's Decision and Order dated July 13, 2011, and is satisfactory with respect to its scope, content, and adequacy for purposes of public review under SEQRA and the implementing regulations of the New York State Department of Environmental Conservation. Upon acceptance of the DSEIS by the Directors, staff will undertake to publish, circulate, and file the DSEIS as required by SEQRA. Circulation of the DSEIS affords an opportunity for the public and involved and interested parties to review and comment on the DSEIS. All substantive comments received by ESD on the DSEIS will be addressed in a final SEIS ("**FSEIS**"). Pursuant to SEQRA, a duly-noticed public hearing will be held on the DSEIS. The DSEIS hearing is expected to be combined with hearings mandated under the UDC Act and other applicable law.

The Proposed 2014 Modified General Project Plan

ESD staff also recommends certain amendments to the 2009 MGPP. As noted above, the amendments would: (a) allow a transfer of up to 208,000 gsf of floor area from Phase I to Phase II of the Project; and (b) modify the parking requirements of the 2009 MGPP. The March 2014 Proposed Amendment to the 2009 MGPP, attached hereto as **Exhibit D**, proposes these changes, which are further described below. All proposed modifications have been analyzed in the DSEIS for potential impacts, and any identified practicable mitigation also is set forth in the DSEIS.

1. The maximum gross square footage ("**GSF**") of Phase II would be increased from 4,434,000 [see 2009 MGPP Exhibit C; referenced on page 12 of the 2009 MGPP] to 4,642,000, an increase of 208,000 GSF. This shift would not increase the maximum total floor area of the Project (because a shift of floor area from Phase I to Phase II would reduce the aggregate floor area of the Phase I buildings by the same amount) or the maximum number of the Project's residential units, or the approved maximum bulk of any of the individual Phase II buildings, each of which would remain subject to the same Design Guidelines that ESD approved for the Project in 2006. The transfer would not change the Project requirement of 2,250 affordable housing units or the minimum number of affordable housing units required for Phase I. This proposed shift in floor area is appropriate, given the constraints on the Phase I build-out on the Arena block resulting from the configuration of the Arena as a stand-alone building.

2. The required number of parking spaces on the Project site would be reduced to reflect lower anticipated parking demand. The 2009 MGPP requires: (a) approximately 2,246 parking spaces at the end of Phase I (inclusive of temporary surface parking spaces in the Phase II area; see 2009 MGPP, page 15); and (b) approximately 3,670 permanent parking spaces for the Project as a whole (Phase I + Phase II; see 2009 MGPP, pages 16 and 18). The DSEIS studies a proposed modification of these requirements that would provide for: (a) approximately 1,160 parking spaces after Phase I (inclusive of temporary surface parking spaces in the Phase II area); and (b) 2,896 permanent parking spaces for the Project as a whole (Phase I + Phase II). As an alternative to that "base case," the DSEIS also studies a "Reduced Parking Alternative" that would further reduce the number of parking spaces on the site to 1,200 for the Project as a whole (Phase I +

Phase II). ESD staff recommends that the Directors adopt for public review modifications to the MGPP including a range of parking spaces reflecting both the base case studied in the DSEIS (1,160 parking spaces after Phase I and 2,896 parking spaces for the Project) and the Reduced Parking Alternative (1,200 parking spaces for the Project, in total). During the review process under the UDC Act and SEQRA, ESD will consider public comments submitted with respect to both the base case and the Reduced Parking Alternative, and the Directors can reach a final decision on whether and to what extent the parking requirements ought to be reduced, in light of those comments. That decision would be incorporated into the 2014 Amendment to the 2009 MGPP, as it may ultimately be affirmed by the Directors.

3. In addition, the Parking Key Plan attached as Exhibit D to the 2009 MGPP would be deleted in its entirety and be replaced by a new Parking Key Plan. Two Parking Key Plans have been attached to the March 2014 Proposed Amendment to the 2009 MGPP to facilitate public comment: one corresponding to the SEIS "base case" described above, and the other corresponding to the Reduced Parking Alternative. The "base case" Parking Key Plan would reduce the parking area on the Arena Block and eliminate parking spaces in the southwest corner of Block 1120 because parking in this area is not compatible with the current design of the permanent rail Yard. The Parking Key Plan studied in the Reduced Parking Alternative also would reduce the parking area on the Arena Block and would eliminate all parking on Block 1120 and under Building 15 on Block 1128.

Except as set forth above, the 2009 MGPP will remain unmodified and in full force and effect. Project goals remain unchanged. The Project, via completion of the Arena, has already begun to improve a blighted area, to create construction and permanent jobs, to generate substantial tax revenues to the City and State, and otherwise to provide significant economic and civic benefits for the community, the City, and the State. The Project still will create thousands of housing units, including not less than 2,250 affordable units. Project MWBE goals will remain unchanged.

Public Hearing and Comment

A public hearing will be held in Brooklyn to solicit public comment on: (1) the DSEIS; and (2) the March 2014 Proposed Amendment to the 2009 MGPP. The comment period on the DSEIS will be kept open for 10 days after the date of the public hearing, as required by the SEQRA regulations. The period for submitting written comments on the March 2014 Proposed Amendment to the 2009 MGPP will extend for 30 days after the date of the public hearing. ESD staff will review and report back to the Directors on all comments received.

Proposed FCR-Greenland Transaction

Attached hereto as **Exhibit E** for the Directors' information is a summary of a transaction proposed by FCR whereby FCR and Greenland Holding Group Co Ltd. ("**Greenland**") would create a joint venture to carry out portions of the Project. No Director action is requested with respect to the transaction at the present time.

Requested Actions

Accordingly, the Directors are being requested to: (1) Accept the Draft Supplemental Environmental Impact Statement ("**DSEIS**") as satisfactory with respect to its scope, content, and adequacy under SEQRA for purposes of public hearing and review; (2) Adopt the March 2014 Proposed Amendment to the 2009 MGPP (the "**2014 MGPP Amendment**") for purposes of public hearing and review; (3) Authorize a public hearing on the DSEIS and 2014 MGPP Amendment and as otherwise necessary or appropriate under SEQRA, the UDC Act, or other applicable laws; and (4) Authorize Corporation staff to take related actions.

Attachments
Resolutions
Exhibit A – Project Site Plan
Exhibit B – 2009 Modified General Project Plan
Exhibit C – Draft Supplemental Environmental Impact Statement
Exhibit D – March 2014 Proposed Amendment to the 2009 MGPP
with Exhibits D-1 and D-2
Exhibit E – Proposed FCR-Greenland Transaction

March 28, 2014

New York (Kings County) – Atlantic Yards Land Use Improvement Project and Civic Project – Acceptance of Draft Supplemental Environmental Impact Statement; Adoption of Amendment to Modified General Project Plan; Authorization to Hold Public Hearing; and Authorization to Take Related Actions

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RESOLVED, that the Draft Supplemental Environmental Impact Statement ("**DSEIS**") for the Atlantic Yards Land Use Improvement and Civic Project (the "**Project**"), as presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, is satisfactory with respect to its scope, content, and adequacy for purposes of public review under the New York State Environmental Quality Review Act ("**SEQRA**") and the implementing regulations of the New York State Department of Environmental Conservation, and is hereby accepted by the Corporation; and be it further

RESOLVED, that the Corporation is hereby authorized to publish, circulate, and file the accepted DSEIS in the manner required under SEQRA and the implementing regulations of the New York State Department of Environmental Conservation; and be it further

RESOLVED, that with respect to the Project, the Corporation does hereby adopt, for purposes of the public hearing(s) required under the New York State Urban Development Corporation Act of 1968, as amended (the "**UDC Act**"), and as may be appropriate pursuant to other applicable law or regulation, the March 2014 Proposed Amendment to the 2009 MGPP as presented to this meeting, together with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that the March 2014 Proposed Amendment to the 2009 MGP shall not be final until action is taken by the Directors as provided in the UDC Act and until such time as all requirements of all applicable laws and regulations in connection therewith shall have been satisfied; and be it

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 such actions as may be considered necessary or appropriate to comply with the requirements of SEQRA, the UDC Act, and any other applicable law or regulation, including, without limitation, the holding of a public hearing; the providing, filing, or making available copies of the DSEIS (or a summary thereof) and/or these materials; the fixing of a date for such hearing; the publication of a notice relating to such hearing and the DSEIS and the March 2014 Proposed Amendment to the 2009 MGPP; and the procedures heretofore approved by the Corporation with respect to similar hearings; and the making of a report or reports to the Directors on such hearing and any comments received; and be it further

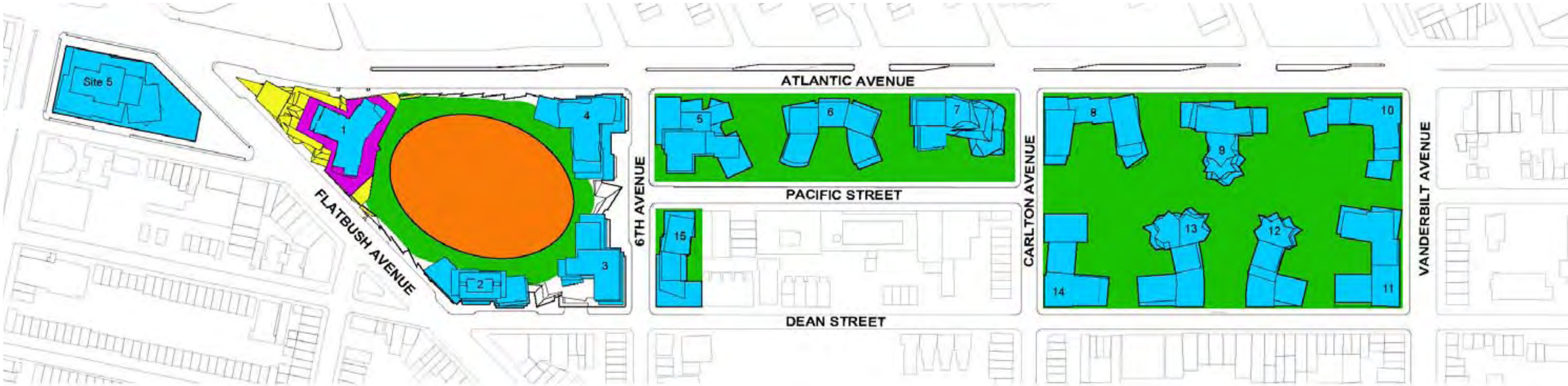
RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized and directed, in the name and on behalf of the Corporation, to execute and deliver any and all documents and to take any and all such actions as may be necessary or appropriate to effectuate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

Exhibit A-1

Project Site Plan

General Project Plan

Site Plan



Arena **Office** **Hotel** **Residential** **Open Space** **Retail (*in base of buildings)***

Proposed Project (Approximate GSF)

Arena	850,000 GSF
Office*	336,000 GSF
Hotel*	165,000 GSF (Approx. 180 Rooms)
Residential*	6.4 M GSF (Approx. 6,430 Units)
Retail	247,000 GSF
Open Space	8 Acres Public/ 1+ Acres Private

*Variation (B1, B2, Site 5)

The project allows for certain variation, which would replace some residential use and the entire hotel use with additional commercial space in B1, B2 and Site 5.

New York State Urban Development Corporation
d/b/a Empire State Development Corporation

Atlantic Yards Land Use Improvement and Civic Project
Modified General Project Plan

June 23, 2009[1]

A. Introduction

The New York State Urban Development Corporation d/b/a the Empire State Development Corporation ("ESDC") is adopting this Modified General Project Plan ("GPP") for the Atlantic Yards Land Use Improvement and Civic Project (the "Project") in accordance with the New York State Urban Development Corporation Act (the "UDC Act") to effectuate certain amendments to the Modified General Project Plan for the Project dated December 8, 2006 (the "2006 MGPP"), which 2006 MGPP itself amended the General Project Plan dated July 18, 2006. The 2006 MGPP is restated herein together with the amendments effected hereby. This GPP reflects the additional review of the Project undertaken by ESDC and the City of New York (the "City"). The Project comprises the construction of a major mixed-use development in the Atlantic Terminal area of Brooklyn. Occupying an approximately 22-acre area, the project site (the "Project Site") is roughly bounded by Flatbush and 4th Avenues to the west, Vanderbilt Avenue to the east, Atlantic Avenue to the north, and Dean and Pacific Streets to the south and includes the approximately 9-acre (including the land under the 6th and Carlton Avenue Bridges), below-grade Long Island Rail Road ("LIRR") Vanderbilt Storage Yard (the "LIRR Yard") and Metropolitan Transportation Authority ("MTA") storage yard used for inactive New York City Transit buses (the "MTA Yard"; together with the LIRR Yard, the "Yard"). The Project is being undertaken by ESDC, the City, the New York City Economic Development Corporation and affiliates of Forest City Ratner Companies ("Forest City Ratner"; together with its affiliates, "FCRC"), including, without limitation, Atlantic Yards Development Company, LLC ("FC-AYDC"), and Brooklyn Arena, LLC (together with FC-AYDC, the "Project Sponsors").

[1] Certain factual descriptions in this GPP reflect factual conditions as of the adoption of the 2006 MGPP and have not been updated unless germane to the substantive amendments to the GPP set forth herein.

Additionally, through the sale of their property, the MTA and the LIRR are participating in the Project.

As indicated on the Site Plan, the Project Site is comprised of numerous parcels of land, (i) most of which are either currently owned by FCRC or under contract to purchase by FCRC, (ii) a significant portion of which is comprised of the Yard which is owned by LIRR and MTA, (iii) a small portion of which is currently privately owned and not under contract for sale to FCRC and (iv) a small portion of which is owned by the City, including certain City Streets (as hereinafter defined). FCRC has executed a term sheet with the MTA and is presently negotiating the contracts pursuant to which FCRC (or ESDC or a subsidiary thereof, as designee) will acquire a portion of the Yard and the volume of air space (the "Air Space") above the balance of the Yard starting at an elevation which will be approximately 20 feet above the rails (the "Platform Elevation"). Based upon the foregoing, FCRC currently owns or has agreements to acquire a very substantial portion of the Project Site.

FCRC has an established track record of developing large complex projects in Brooklyn, including MetroTech, Atlantic Center, and Atlantic Terminal, as well as other complex high profile projects in Manhattan, such as the New York Times Tower and the Times Square Hilton Hotel, both of which are part of ESDC's 42nd Street Redevelopment Project. FCRC is an affiliate of Forest City Enterprises ("FCE"), which was established in 1921, and is a publicly owned real estate development company listed on the New York Stock Exchange (NYSE: FCE).

B. Project Location

The Project Site comprises the following parcels in the Borough of Brooklyn, Kings County, State of New York: the beds of 5th Avenue between Atlantic and Flatbush Avenues (inclusive of the small traffic island) and Pacific Street between Flatbush and 6th Avenues and between Carlton and Vanderbilt Avenues (collectively, the "City Streets"); Brooklyn Tax Block 927: Lots 1,16; Block 1118: Lots 1, 5, 6, 21-25, 27; Block 1119: Lots 1, 7, 64; Block 1120: Lots 1, 19, 28, 35; Block 1121: Lots 1, 42, 47; Block 1127: Lots 1, 10-13, 18-22, 27, 29, 30, 33, 35, 43, 45-48, 50, 51, 54-56, 1001-1021 (formerly Lot 35), 1101-1131 (formerly Lot 27); Block 1128: Lots 1, 2, 4, 85-89; and Block 1129: Lots 1, 3-6, 13, 21, 25, 39, 43-46, 49, 50, 54, 62, 76, and 81.

A "Project Site Plan" is attached hereto as **Exhibit A-1**. The Block and Lot Map is attached hereto as **Exhibit A-2**.

C. Project Overview and Goals

The Project calls for the development of an Arena (as hereinafter defined), 16 mixed-use buildings and a newly reconfigured LIRR train yard, generally, to be developed within two phases. The mix and location of uses have been designed to concentrate the greatest commercial activity closest to Brooklyn's major transportation hub (the "Transportation Hub"), located in the vicinity of the intersection of Flatbush and Atlantic Avenues. The Transportation Hub currently provides direct service from the LIRR plus 10 New York City Transit subway lines and is proximate to 11 bus lines and two additional subway lines. The portion of the Project Site west of 6th Avenue (the "Phase I Site") would include Blocks 1118, 1119, 1127 and the intervening beds of 5th Avenue and Pacific Streets (inclusive of the small traffic island), and a portion of the Yard located underneath 6th Avenue between Atlantic Avenue and Dean Street, as well as Block 927, other than tax lot 26. A new arena (the "Arena") for the New Jersey Nets National Basketball Association Team (the "Nets") and five other buildings (with commercial office and retail, residential, community facility and potentially hotel uses and a new subway entrance) would be built on the Phase I Site. In conjunction with the development of the Phase I Site, FCRC would also completely reconfigure, rebuild and relocate the current LIRR Yard. The western portion of the current Yard would be incorporated into the Phase I Site, and a reconfigured and upgraded yard (the "Upgraded Yard"), which would be designed to improve Yard functionality, would be built below grade on the eastern end of the existing Yard footprint and on Blocks 1120 and 1121. As part of the Upgraded Yard, among other improvements, a drill track will be constructed through a portion of Blocks 1119 and 1120, a west portal and LIRR parking spaces will be provided in Block 1120, and an ancillary railroad storage space will be provided in multiple locations in the Yard. The construction and development of the Arena Block and the Upgraded Yard would include environmental remediation. Environmental remediation of Site 5 and the remainder of the Project Site would also occur.

The portion of the Project Site east of 6th Avenue (the "Phase II Site") would include the platform building pad to be constructed in the Air Space at the Platform Elevation. Such

Platform would also be built above the below grade portions of Lots 42 and 47 of Block 1121, which are expected to be added to, and become a part of, the Upgraded Yard. The Platform, combined with the existing at-grade parcels on blocks 1120, 1121, 1129 and a portion of 1128 and the bed of Pacific Street between Carlton and Vanderbilt Avenues, would allow for the planning, reorganization and redevelopment of these currently underutilized blocks. Eleven buildings would be developed on the Phase II Site with primarily residential uses and a number of local retail and community facility uses.

At the option of the New York School Construction Authority, the New York City Department of Education or other appropriate agency (collectively, the "DOE"), FCRC will be obligated to construct, on the Phase II Site, at the expense of DOE, a public school (the "School") comprised of approximately 100,000 square feet in the base (starting on the ground floor and located on contiguous floors) for such grades as determined by DOE based on need. The exact configuration of the School would be determined by mutual agreement of DOE and FCRC. It is expected that the School would be located in Building 5 or a suitable alternative, as mutually agreed by DOE and FCRC. The School will be constructed in the first building constructed in Phase II, or by a date mutually agreed to by DOE and FCRC. The Phase II Site would also include eight acres of publicly accessible open space, a portion of which may become reserved for use by the School during School hours, but would be available for public use outside of School hours, and a small portion of which may be reserved for exclusive use by the School (the "School Open Space"); provided that the location and configuration of the School Open Space shall be subject to the reasonable approval of ESDC; provided further, however, that ESDC shall consult with the City prior to granting any such approval.

The build-out of the Project is likely to occur in two phases, with the Project elements on the Phase I Site and the Upgraded Yard (collectively, "Phase I") anticipated to be completed by 2014 and the Project elements on the Phase II Site (collectively, "Phase II") anticipated to be completed by 2019.

The principal goal of the Atlantic Yards Land Use Improvement and Civic Project is to transform an area that is blighted and underutilized into a vibrant, mixed-use, mixed-income community that capitalizes on the tremendous mass transit service available at this unique location. In addition to eliminating the blighting influence of the below-grade Yard and the blighted conditions of the area, the Project aims, through this comprehensive and cohesive plan, to provide for the following public uses and purposes:

- a publicly owned state-of-the-art arena to accommodate the return of a major-league sports franchise to Brooklyn while also providing a valuable athletic facility for the City's colleges and local academic institutions, which currently lack adequate athletic facilities, and a new venue for a variety of musical, entertainment, educational, social and civic events;

- thousands of critically needed rental housing units for low-, moderate- and middle-income New Yorkers, as well as market-rate rental and condominium units;

- first-class office space and possibly a hotel to ensure that Downtown Brooklyn can capture its share of future economic growth and new jobs through sustainable, transit-oriented development;

- publicly accessible open space that links the surrounding neighborhoods;

- new ground level retail space to activate the street frontages;

- community facility spaces, programmed in coordination with local community groups, including a health care center and an intergenerational facility, offering child care as well as youth and senior center services;

- a state-of-the-art rail storage, cleaning and inspection facility for the LIRR that would enable it to better accommodate, simultaneously, its new fleet of multiple-unit series electric propulsion cars operated by LIRR which are compliant with the American with Disabilities Act (the "MU Series Trains") and other transit improvements;

- a subway connection on the south side of Atlantic Avenue at the intersection of Atlantic and Flatbush Avenues, with sufficient capacity to accommodate fans entering or leaving an event at the Arena, eliminating the need for pedestrians approaching the Transportation Hub from the south to cross Atlantic Avenue to enter the subway, and thereby enhancing pedestrian safety;

- sustainability and green design through the application of comprehensive sustainable design goals that make efficient use of energy, building materials and water; and

- environmental remediation of the Project Site.

Each element would be designed pursuant to the comprehensive design and open space guidelines developed by ESDC in consultation with the City and attached hereto as **Exhibit B** (collectively, as the same may be amended in accordance with the terms thereof, the "Design Guidelines"), which Design Guidelines ESDC approved on December 8, 2006.

D. History

In the late 1960s and early 1970s, the City used the planning and development powers of urban renewal as a tool for reversing the decline in its communities. Several urban renewal areas were mapped in Downtown Brooklyn, including the Atlantic Terminal Urban Renewal Area ("ATURA") (1968) which included western portions of the Project Site on Blocks 927, 1118, 1119, 1120 and 1121. Today, virtually all of the urban renewal area north of Atlantic Avenue has been redeveloped, including major retail development, and a large office building and shopping mall developed by FCRC above the LIRR Atlantic Terminal. This development has produced over 3,000 new jobs for Brooklyn, with 48% of the retail employees living within 2 miles, and 50% of all retail managers living in Brooklyn. It has also generated millions of dollars in City and State tax revenues and has helped retain operations of the Bank of New York, a major employer, in the City. Nevertheless, the blocks on the southern side of Atlantic Avenue, cut off by Atlantic Avenue and the LIRR Yard, have not been redeveloped to complement the growth north of Atlantic Avenue in ATURA. Judged by typical measures of urban land utilization — built densities and vacant properties — the Project Site is fundamentally underutilized, particularly when compared to adjacent uses to the north and compared to the densities allowed in other areas of the City that are in close proximity to major transit hubs. In addition, the Project Site's below-grade exposed rail yard and many dilapidated, vacant, and underutilized properties perpetuate a visual and physical barrier between the surrounding neighborhoods.

Since the Dodgers professional baseball team left in 1957, Brooklyn, a very large city in its own right (which would currently be the nation's fourth largest), has had no major league sports team. A 73-year tradition of major league baseball, played to an enthusiastic and loyal fan base, ended abruptly. From time to time, ideas have been advanced for making Brooklyn home to a major professional sports team (including the return of the Dodgers), but nothing has transpired. For example, the City's 1974 feasibility study for locating a professional sports complex in Brooklyn, in which the Project Site was identified as a potential location, did not lead to a development plan.

E. Project Description

1. Overview

The Project would provide the first-class Arena needed to bring a professional sports team back to Brooklyn. The Project would also create approximately 5,325 to 6,430 affordable and market-rate housing units, with 2,250 rental units being affordable to low-, moderate-, and middle-income families, while providing class A commercial office space. The Project would result in a signature mixed-use, mixed income development at one of Brooklyn's most important crossroads. This development would create a considerable number of jobs in Brooklyn, help address New York City's substantial housing needs and generate significant revenues for the City and State. The Project would transform what is currently a blighted and underutilized site into a development that incorporates world-class architecture, a dynamic streetscape, and significant public amenities for the entire borough. It is currently anticipated that the buildings would be based on a master plan prepared by Frank Gehry, a world renowned architect. It is anticipated that the open space – which would be eight acres of environmentally sustainable, publicly accessible open space, including, to the extent applicable, the School Open Space – would be based on designs by landscape architect Laurie Olin, whose designs include the open space in Battery Park City and Bryant Park. The buildings and open space will be designed in accordance with the Design Guidelines.

The Project Sponsors would implement a number of sustainable design measures which could include, by way of example, (i) landscaping design with a focus on storm water management, including water features within landscaped areas that would increase storm water retention capacity; (ii) use of high albedo materials for roofs and sidewalks, where possible; (iii) supplementary storm water management tanks to limit runoff into the City combined sewer system and provide possible irrigation sources for open spaces; (iv) storm water reuse both for irrigation of open spaces and for cooling tower make-up; and (v) use of high efficiency water fixtures such as sensing flow restrictors, low flow toilets, faucets and showers, drip irrigation and, in the Arena, waterless urinals. The Project's boilers would operate exclusively on natural gas and be equipped with low NOx burners. All of the Project buildings will be "green" buildings, meeting, at a minimum, LEED certification, which is the recognized standard for measuring environmental sustainability of new buildings. The Project's construction would employ a state-of-the-art construction emissions reduction program, which would include adoption of measures delineated in New York City Local Law 77 of 2003. To the extent practicable, the Project Sponsors would use electric engines operating on grid power rather than diesel engines. All diesel engines throughout the site would use ultra low sulfur diesel, and nonroad diesel engines with a power rating of 50 horsepower (hp) or greater and all truck fleets, under long-term contract with the Project, would utilize the best available tailpipe technology for reducing DPM emissions. Other measures that would be taken during construction include creation of a temporary paid parking lot on Block 1129 for use by construction workers only along with the development and implementation of a Construction Protection Plan, approved by the New York State Office of Parks, Recreation and Historic Preservation which will provide adequate protection to historic resources within 90 feet of the Project Site during construction. All construction activities for the Project would adhere to the environmental measures identified in the FEIS and would follow good engineering practices.

The Project would concentrate its density, height, and commercial uses at the western end of the Project Site to reflect the higher density commercial and residential uses associated with Downtown Brooklyn to the north, with Site 5 serving as a transition in scale from the neighborhoods to the west and south of the Project Site, and to capitalize on the services provided by the mass transit system – specifically proximity to the Transportation Hub (the largest in Brooklyn), and the residential uses predominant on the eastern end of the Project Site would reflect the residential nature of the adjoining neighborhoods to the north and south.

2. Phase I - Arena Block and Site 5

The Arena is proposed to be sited at the prominent intersection of Atlantic and Flatbush Avenues. The approximately 150-foot tall Arena would have a capacity of approximately 18,000 seats and serve as the home of the Nets; the Arena would also host concerts and other events, including 10 community events, throughout the year (with certain configurations resulting in an increased capacity of up to approximately 19,925 seats). Based on the current schedule, the Arena would open during the 2011 – 2012 NBA season and is expected to be in use for approximately 225 events per year, including 41 regular season home games for the Nets. The Arena Block will contain, in addition to the Arena itself, four buildings, a publicly accessible "urban room," and infrastructure to service the entire complex, including subway improvements and utility improvements. The Arena will either be the first or second building on which construction would begin within Phase I. However, because of site constraints and construction phasing requirements, it is expected that components of the various improvements on the Arena Block will be constructed within the same phase. Thus, while the Arena is being constructed, portions of the infrastructure will also be constructed. These various project components will be identified through a series of easement agreements and/or condominium arrangements which will permit separate ownership, cost allocation and funding from separate sources. The Project Sponsors expect to commence construction on the first non-Arena building within six months of ESDC's delivery of vacant possession of the Arena Block to the Project Sponsors, but in all cases, on or before the third anniversary of ESDC's delivery of vacant possession of the Arena Block to the Project Sponsors; the second non-Arena building within six months following the commencement of construction on the first non-Arena building, but in all cases, on or before the fifth anniversary of ESDC's delivery of vacant possession to the Arena Block to the Project Sponsors; and the third non-Arena building within six months following the commencement of construction on the second non-Arena building, but in all cases, on or before a date certain agreed to by ESDC and the Project Sponsors. The Project documentation to be negotiated between ESDC and the Project Sponsor will require the Project Sponsors to use commercially reasonable efforts to achieve this schedule and to complete the entire Project by 2019. The failure to commence construction of each building would result in, *inter alia*, monetary penalties being imposed upon the Project Sponsors. As described elsewhere in this GPP, the Arena Block will initially be owned by ESDC, and the Arena itself, by ESDC or a State-created local development corporation ("LDC"), and will then be leased to FCRC. Upon completion, the four buildings will be owned by one or more FCRC entities and, in the case of residential condominiums, by condominium unit owners who purchase units. It is expected that the ownership of the land comprising the Arena site will be structured to allow for the buildings constructed thereon to be subjected to condominium regimes.

Unlike most arena facilities where activity is hidden from view, the Project would seek to provide a visual and physical connection between the Arena's indoor activity and the Urban Room, a significant public amenity comprised of a large, glass-enclosed public space that will provide access to the subway station, the Arena and Atlantic and Flatbush Avenues. This space would accommodate the major flows of people to and from the subway system during the day and night, serve as a direct subway entrance to the Arena and allow for a variety of public uses and programmed events throughout the year. The Arena is designed to allow passersby to see into the "bowl" of the Arena and view the scoreboard from the Urban Room and Flatbush Avenue.

If the Project Sponsors do not expect to commence construction on a particular portion of the Project Site or to use such portion of the Project Site for interim parking facilities or construction-related activities, including staging, in each case for a period of time to be mutually agreed to by the Project Sponsors and ESDC, then such portion of the Project Site would, in the interim, be used as temporary public open space.

Residential development in Phase I would be a mixture of rental and condominium housing. Approximately 1,005 to 2,110 residential units would be created, with 30% of the units on the Arena Block (but no less than 300 units) would be affordable. All rental buildings would be mixed-income buildings with a combination of low-, moderate- and middle-income and market-rate units integrated throughout.

The creation of the Arena Block on the western portion of the Project Site would allow for the footprint needed to house the Arena and Buildings 1 through 4 by joining Blocks 1118, 1119, and 1127 and closing portions of Pacific Street and 5th Avenue. (See **Exhibit A-1**). The Site Plan provides an opportunity to improve access to the 10 subway lines by directly connecting the Arena to the subway system through the Urban Room, which would encourage the use of mass transit to the Project Site and to Arena events, in particular. Irrespective of any delay in the construction of Building 1 and the Urban Room, the new subway entrance on the Arena Block will be constructed and be completed by the opening date of the Arena. The Arena Block and Site 5, directly across Flatbush Avenue, would include residential use, Class A commercial office space, ground-floor retail, community facility space in the form of a health care center, and may include a full-service 180-room hotel with a lobby at street level. Buildings 1 through 4 would surround the Arena to create mixed-uses that would activate the street level even when the Arena was not hosting an event.

The western-most portion of the Arena Block (where Building 1 would be located) presents the most significant potential for mixed use and commercial development due to its location on the two major commercial arteries (Atlantic and Flatbush Avenues) with its ability to connect directly to the Atlantic Avenue/Pacific Street subway station. In addition, Site 5 (located across the street from Building 1 at the junction of Flatbush and Atlantic Avenues and at the southern end of the Transportation Hub) also has high potential for either commercial or residential development, while providing a transition (in height and scale) to its surroundings. This very prominent and unique terminus is well suited for high density development with an emphasis on superior architecture and urban design.

Both Site 5 and the Building 1 site are significantly underutilized. Site 5 contains two one-story retail buildings and a parking lot along with blank walls with no glazing and few breaks or entrances abut four public streets. The site for Building 1 currently contains vacant lots, a two story commercial building and a truck storage area among other uses.

The development of both Site 5 and Building 1, with high density buildings, is central to the goal of the Project in order to transform this very public and prominent area by creating architecturally significant buildings that would surround and connect to the Transportation Hub and by developing uses that would activate and create a vibrant streetscape experience for the public.

Site 5 and Building 1 play critical roles in achieving these goals. The subway entrance on 4th Avenue and Pacific Street would serve the new Site 5 development. Building 1 would provide a significant new subway entrance from the Urban Room and the street that would directly serve the Arena, commercial office space, hotel and new residential uses. As reflected in the Design Guidelines, from an urban design perspective, the density and massing of these two new buildings were developed to relate to the existing landmarked Williamsburg Savings Bank building, which is also connected to the Transportation Hub to the north. The Williamsburg Savings Bank building and Building 1 would be the most prominent structures visible to the public from the north, south and west and would interact with each other when viewed from different perspectives. In addition, the Site 5 Building and Building 1 would collectively signify both a southern gateway into and a connection to the surrounding neighborhoods of Downtown Brooklyn, Fort Greene, Boerum Hill, Prospect Heights and Park Slope. The streetscapes developed on Site 5, in conjunction with the Arena Block, would be enlivened by active ground floor uses and glazing requirements.

The Project would create a new neighborhood context along the Atlantic and Flatbush Avenue corridors in keeping with the stature of these streets as two of the principal (and widest) routes through the borough. The proposed buildings would be set back from the property line to create wide sidewalks along Atlantic Avenue and Flatbush Avenue. Street walls and setbacks along Atlantic Avenue would vary based on building location and size, but the overall pattern of the strong base components would enhance the urban streetscape along this major corridor. The ground floors of the buildings are expected to be highly transparent and lined with mostly local retail uses, including potential restaurant uses, thus continuing the strong Atlantic Avenue and Flatbush Avenue retail corridors to the west and south, respectively, onto the Project Site.

A number of access and circulation improvements are also proposed, including the restriping of streets and the creation of drop-off lanes by the setting-back of buildings onto the Project Site as needed.

Set forth on **Exhibit C** hereto, is a chart that sets forth the maximum heights and maximum gross square footages for each of the 16 buildings proposed for the Project and the maximum aggregate gross square footage for all of such buildings.

Although Site 5 is not included in the portion of the Project Site that will be acquired by ESDC in the initial acquisition, it is anticipated to be acquired by ESDC at such time as necessary so that Site 5 may be developed as part of Phase I.

3. Phase I - The LIRR Vanderbilt Yard

At present LIRR operations are primarily located on Blocks 1119 and 1120, and the MTA Yard formerly occupied a majority of Block 1121. Currently, yard tracks are built of conventional rail with wooden ties and switch timbers, and there is no direct connection between the Yard and the LIRR Atlantic Terminal. Trains entering the Yard from the LIRR Atlantic Terminal must travel east, past the Yard, switch, and reverse direction to enter the Yard. Tracks are spaced closely together, allowing only narrow passageways between trains for inspections and limiting toilet servicing to the two outer tracks, requiring trains to be moved in and out of position until each train has had its turn on an outer track. In addition, with limited exceptions, Yard switches, which allow trains to change directions, must be manually operated. The proposed Atlantic Yards Land Use Improvement and Civic Project offers an opportunity to reconfigure, upgrade and partially relocate the Yard to meet current construction standards and address the current and future needs of the LIRR as part of the development plan.

The Upgraded Yard would be built below street grade primarily on Block 1120 (the eastern end of the existing rail yard footprint) and Block 1121, to allow for both the continuation of LIRR yard operations and the operation of the Arena. The Upgraded Yard would include a drill track used for switching trains, which may extend into a portion of Block 1119. The drill track will be owned by the MTA/LIRR. In order to provide for the continuance of LIRR Atlantic Branch operations during construction of the Arena, a staged scheme would be developed to provide a temporary storage yard on Blocks 1120 and 1121 prior to the completion of the Upgraded Yard. The Upgraded Yard would include a new portal ("West Portal") providing a direct route from the LIRR Atlantic Terminal to the Upgraded Yard. The new West Portal would also provide a second means of train egress from Atlantic Terminal, adding safety, security and flexibility in the event of an emergency on the Main Line. The Upgraded Yard will be capable of storing MU Series Trains. The existing traction power substation would be relocated and replaced with a new, modern, indoor substation. The Upgraded Yard would create new employee facilities, provide a new signal system and improve Yard functionality (including equipment servicing). The Project Sponsors would be responsible for the entire cost of the Upgraded Yard, although a portion of the State and City contributions to the Project (see Project Funding section below) may be utilized for this purpose.

The Project Sponsors anticipate commencing construction of the Upgraded Yard in 2010 but must commence construction no later than 2012, and in connection therewith, will provide a letter of credit and such other assurances, guaranties or security (in both amount and type) as ESDC and the MTA shall require or otherwise determine to be satisfactory. In all events, the Project Sponsors will also reconstruct the Carlton Avenue Bridge so as to be functional as of the opening date of the Arena.

Above the Upgraded Yard, the Project Sponsors would build a platform which would serve as both a protective roof for LIRR operations and as a base for the new development to be built above. As part of a competitive Request for Proposals, the MTA selected the FCRC Atlantic Yards proposal, which included the renovation, reconfiguration and partial relocation of the Yard and the development of a platform and buildings over the Upgraded Yard in Blocks 1120 and 1121. The MTA and FCRC have entered into a term sheet and are presently negotiating contracts for the purchase and sale of portions of the Yard and the air space above, and a construction agreement for the Upgraded Yard. Prior to ESDC filing its petition to acquire any portion of the Project Site not owned by the MTA, FCRC will be required to have entered into definitive agreements (in form and substance acceptable to ESDC) with the MTA for the purchase by it or ESDC of any property interests within the Project Site owned by the MTA and required for the Project.

4. Phase I Summary

It is expected that all of the Phase I buildings would be completed and opened by 2014. The first activity in Phase I, after site preparation, has been the construction of the temporary yard for the LIRR on Blocks 1120 and 1121, so that LIRR operations could be moved from Block 1119 to Blocks 1120 and 1121. Arena construction on Blocks 1127, 1118 and 1119 could begin immediately after acquisition by ESDC and when the temporary yard is complete and LIRR operations are moved. In addition to the Arena, the Upgraded Yard and the new entrance to the subway system, Phase I is expected to include at least 336,000 gsf of commercial office space, 165,000 gsf of hotel use (approximately 180 rooms), 91,000 gsf of retail, up to 2.1 million gsf of residential use (approximately 2,110 residential units) and community facility uses, which would occupy portions of the residential and retail space. In order to provide reasonable flexibility to respond to market conditions, the programs of Buildings 1 and 2 and the building on Site 5 may be adjusted to allow for more commercial use. This additional commercial use could replace the 165,000 gsf hotel use and about 1.1 million gsf of residential use, or some portion thereof, in Buildings 1 and 2 and the buildings on Site 5. The maximum extent of this allowed flexibility would still result in the creation of approximately 1,005 residential units in Phase I. There would also be approximately 2,346 parking spaces at the end of Phase I, which would include permanent parking on the Arena Block and Site 5 and interim surface parking on Block 1129 and possibly Block 1120. Additionally, (i) parking for 30 cars and five trucks would be provided for the LIRR, located within Block 1120 post-construction or another location satisfactory to LIRR, and (ii) usable storage space would be provided in Blocks 1120 and 1121 consistent with the needs of LIRR.

5. Phase II - Other Project Development Blocks (Blocks 1120, 1121, 1129) and a portion of 1128)

Moving eastward on the Project Site and into Phase II, the average height on each block would generally decline along Atlantic Avenue, providing for a reduction in scale as the Project Site moves farther away from the commercial uses and denser buildings associated with Downtown Brooklyn, and in recognition of the more residential and lower-density buildings situated to the east and south. In addition, the building envelopes would step down from the Atlantic Avenue frontage and change character considerably along the southern edge of the Project Site along Pacific and Dean Streets between 6th Avenue and Vanderbilt Avenue to relate to the lower scale of the neighborhoods to the south. For example, the tallest portions of the buildings on Block 1120 (Buildings 5-7), where the Project Site is only one block deep, would be located along the wide thoroughfare of Atlantic Avenue. The building masses and heights would step down to the south when approaching the lower-scale structures on Pacific Street.

Along Block 1129, Dean Street would be lined with trees with the mass and placement of buildings along this street having a lower height and density that is compatible with the character of the neighborhoods to the south. These buildings – Buildings 11 through 14 – would have residential uses on the ground floor fronting Dean Street along with small local retail establishments and lobby entrances, to the larger residential elements, would be set back from Dean Street. These buildings would, similar to the Atlantic Avenue buildings, have a variety of setbacks and heights, but would all be much lower than the buildings along Atlantic Avenue.

The residential uses, in both phases of construction, would help meet the current and expected need for housing in Brooklyn and the City as a whole, and the density of the Project would allow for a substantial number of affordable units to be included as part of the development program. At full build-out, the Project would include approximately 5,325 to 6,430 residential units, depending on the amount of commercial office space provided; most of the buildings on the Project Site would contain a residential component and all of the buildings east of 6th Avenue would predominantly be residential. Of the total residential units, it is expected that 4,500 units would be rentals; the remaining units would be market-value condominiums. The Project will generate at least 2,250 units of affordable housing on site for low-, moderate- and middle-income persons and families, and at least 30% of the units built on the Arena Block will be affordable. The balance of the affordable housing units will be built in Phase II, however not more than 50% of Phase II units will be completed without the completion of 50% of the Phase II affordable units. The affordable units are expected to be built as part of the Mayor's New Housing Marketplace Plan and are expected to be financed through tax-exempt bonds provided under existing and proposed City and State housing programs such as the City's 50-30-20 program. Community facilities, including a health care clinic in Phase I and an intergenerational community center in Phase II with space for at least 100 children for publicly funded day care, would be built as part of the Project. As Project construction proceeds, the Project Sponsors will monitor and assess the availability of publicly funded day care in the area of the Project Site and, if and to the extent required, the Project Sponsors will provide additional space for an approximately 250 day care slots (350 total) in the intergenerational center and/or elsewhere on the Project Site and/or in nearby off-site locations. The Project would provide approximately 3,670 permanent parking spaces for both the Arena and other uses on the Project Site. All permanent parking would be located below grade. A parking plan showing the various locations for permanent parking for the Project is attached hereto as **Exhibit D**.

At the option of DOE, a public school will be constructed within the base of a building located within Phase II for such grades as determined by DOE. To the extent the School is constructed on the Project Site, up to an additional 100,000 square feet may be constructed to accommodate the School, provided that such square footage shall only be used as a School and shall be under the control of the DOE. If DOE determines that there is a need for a School, FCRC will be permitted to increase the size of the buildings located east of 6th Avenue by up to a total of 100,000 square feet in the aggregate to provide such space for the School without reducing the proposed project program. At DOE's option, DOE shall have the right to own or lease such square footage from FCRC. If the square footage is leased to DOE, such lease shall be on a triple net basis with a total rent of $1.00. If the square footage is conveyed to DOE, the total consideration shall be $1.00. FCRC will construct the School's core and shell; DOE will construct the School's fit out. FCRC and DOE will agree upon a total cost for the core and shell construction, costs above which will be paid by FCRC.

6. Open Space

At full build out, the Project would include eight acres of publicly accessible open space on the Project Site, a portion of which may comprise the School Open Space. As set forth in the Design Guidelines, the publicly accessible open space would be available for public use seven days a week, with reasonable closing hours, security and lighting. On the eastern end of the Project Site, Blocks 1121 and 1129 and the current intervening bed of Pacific Street would be combined to create a large unified, publicly accessible open space, while Block 1120 would have substantial open space on its southern edge. As a general matter, the publicly accessible open space would be developed and opened in phases as buildings are constructed within the Project Site.

The publicly accessible open space would be easily accessed from the surrounding neighborhoods, with at least 60 foot wide landscaped spaces extending to Atlantic Avenue to the north and to Pacific and Dean Streets to the south between each of the buildings. The landscaped visual and pedestrian connections are intended to weave the open space into the existing pedestrian and bike circulation network. The publicly accessible open space would have a variety of both active and passive spaces and planted and paved areas, and would incorporate features such as playing courts, a children's playground, water features, walking paths, a bike path, seating areas and extensive landscaping throughout. The open space would be designed, and the buildings around the open space would be arranged, to promote public access to and use of the space by the general public.

At present, street-level activity is virtually nonexistent on most of the Project Site and the only means to cross the street-level void created by the Yard is by the 6th Avenue and Carlton Avenue bridges. In the north-south direction, the open space would extend to Atlantic Avenue across from the terminus of each of the neighborhood streets to the north, linking the site to the area to the north both visually, through the creation of landscaped view corridor, and functionally, through the introduction of walking paths at each of these points. Complementary types of retail and community facility uses are expected to be located in some areas along the perimeter of the open space. These uses would provide opportunities to enliven the existing streetscape, which is characterized by the below-grade Yard, buildings in various states of disrepair, and other vacant buildings and lots.

Upon the completion of construction on the Phase I Site, to the maximum extent practicable, temporary open spaces, to be usable by the general public, would be made available on the Phase II Site until such areas are required either for Arena parking or for the construction of the Phase II Site.

7. Summary

At full build-out, scheduled for the year 2019,[2] the Project would include the Arena and at least 336,000 gsf of commercial office space, 165,000 gsf of hotel use (approximately 180 rooms), 247,000 gsf of retail space, up to 6.4 million gsf of residential use (approximately 6,430 residential units) and community facility uses, which would occupy portions of the residential and retail space, approximately 3,670 below-grade parking spaces and eight acres of publicly accessible open space, a portion of which may comprise the School Open Space. While the Phase II building programs are fixed, with the exception of the location of the School, as noted in

[2] The Technical Memorandum (as hereinafter defined) addresses the potential impacts from a delayed build-out.

the Phase I summary, there is flexibility in the programs of Buildings 1 and 2 and the building on Site 5 to convert the hotel use and 1.1 million gsf of residential use, or some portion thereof, to additional commercial office space. If the maximum amount of allowed commercial office space were provided, the Project would include approximately 1,606,000 gsf of commercial office space and 5,272,000 gsf of residential use (approximately 5,325 residential units) and the same amount of retail and community facility space, parking and publicly accessible open space.

The Project would provide community facilities, including a health care center and an intergenerational community center offering space for at least 100 children for publicly funded child care and youth and senior activities. A new subway connection on the south side of Atlantic Avenue and eight acres of publicly accessible open space would also be created. Much of Phase II would be constructed on the new platform over a rebuilt and improved Yard, closing a visually and physically divisive gap in the urban landscape.

8. Status of Project Site Occupants and Relocation Plan

All existing residential occupants within the Project Site, who are legally occupying a residential dwelling unit shall be provided with relocation assistance to find decent, safe and sanitary dwellings, in the project area or in other areas not generally less desirable, at rents or prices within the financial means of the displaced person(s). It is expected that ESDC will implement the relocation program with the assistance of a professional relocation consultant. Of 171 total residential units on the Project Site, 139 units are currently vacant, accounting for 82% of the units on the Project Site, while 32 households remain in occupancy. Based on the best information available to the Project Sponsors as of the date hereof, in the 31 households that are currently occupied with no agreements to vacate, 5 of which are owner-occupied and 27 of which are rental units, there are approximately 62 people who remain in occupancy.[3]

At a minimum, the relocation program shall include the following:

- Referrals to alternative housing will be provided to displaced residential occupants.

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[3] These figures do not include transient occupants of the homeless facility who will be accommodated elsewhere.

- ESDC's relocation consultant will meet with the Project's residential occupants to assess their particular housing needs and to assist them in finding replacement housing. Real estate brokerage services will be made available at no charge to the occupants.

- Moving services and expenses will be provided. This will include payment for the cost of the physical move, including the cost of transporting personal property to the replacement housing location, labor and material, insurance and storage as necessary ("Moving Costs"). ESDC or its relocation consultant will bid out all moves and select the lowest reasonable and responsible bid. The occupant either may use the selected mover or may conduct a "self-move" and receive the amount of money that ESDC would otherwise have paid to the selected mover. No Moving Costs will be paid until the premises are vacated. Moving Costs will be uncapped as to amount.

- A relocation assistance payment will be made to each vacating occupant. A one-time payment of $5,000 per household will be made available to each vacating residential occupant or family to assist in meeting additional expenses encountered in establishing new living quarters, such as telephone and other utility hook-up charges, new return address labels, etc. This stipend is also intended to compensate occupants for the inconvenience of having to move, and to encourage them to vacate their units as quickly as possible.

- The above described residential relocation program is the minimum assistance that will be provided. The Project Sponsors have entered into a Community Benefits Agreement whereby they agreed to provide certain enhanced benefits to occupants who were in occupancy of their residence for at least one year. Such benefits include the right to return and to rent a comparable unit within the Project Site at a comparable rate to what they are currently paying.

- There are currently only 7 businesses that are operating on the Project Site which have not signed agreements with the Project Sponsors to relocate, and based on information generated in the FEIS, it is believed that the Project will displace approximately 185 employees of those remaining businesses. There is also a homeless shelter and a Fire Department of New York equipment clean/storage facility operating at the Project Site. Based on information generated in the FEIS, it is believed that the Project will displace approximately 35 employees of those institutions.

- Limited commercial relocation assistance will be provided to commercial tenants on the Project Site. Assistance will include locating and showing available space to the displaced occupant and providing information about private brokers located throughout the City.

- In addition, payment will be made for the cost of the physical move, including the cost of transporting personal property to the replacement site, labor and material, insurance and storage as necessary. ESDC or its relocation consultant will bid out any such moves and select the lowest reasonable and responsible bid. No Moving Costs will be paid until the premises are vacated.

- Payment will also be made to commercial tenants for other reasonable costs commonly associated with relocation, including the cost of relettering or replacing signs, replacing stationery and reinstalling telephone lines or other existing communications equipment. These re-establishment costs shall be capped at $20,000 per business. All costs related to the residential and commercial relocation program will be borne by the Project Sponsors.

F. Site Acquisition, Lease and Financing Structure

1. Site Acquisition

The Project Site consists of 73 individual tax lots (not including 53 individual tax lots comprising the residential condominiums). Three of these lots (Block 1119, Lot 7; Block 1120, Lot 1; and Block 1121, Lot 1) comprising approximately 40 percent of the land area to be included in the Project Site, are owned by the LIRR and MTA and comprise the Yard. In the spring of 2005, the MTA issued a Request for Proposals to purchase those portions of the Yard which are not needed for Railroad operations, along with the Air Space above those portions which are needed by the LIRR. FCRC responded to the RFP and was selected as the prospective purchaser/developer of the Yard. MTA/LIRR and FCRC have entered into a term sheet containing proposed terms for the sale and development of portions of the Yard and are presently negotiating contracts of purchase and sale to ESDC or FCRC, a reciprocal easement agreement, and construction and related agreements covering the LIRR railroad and transit improvements that FCRC will make within and in close proximity to the Yard.

The current ownership and control of the parcels comprising the Project Site is illustrated on **Exhibit E** attached hereto. FCRC continues to negotiate to acquire the remaining private properties within the Project Site. Parcels that are not owned by MTA/LIRR or which FCRC is unable to purchase would be acquired in at least two phases by ESDC through the exercise of the power of eminent domain pursuant to the Eminent Domain Procedures Law (the "EDPL"). FCRC would pay all of the costs associated with such acquisition by eminent domain and would post letters of credit in amounts satisfactory to the condemnation court prior to the commencement of condemnation proceedings.

As noted above, ESDC will acquire certain portions of the Project Site pursuant to the EDPL in at least two phases. The first phase is expected to include that portion of the Project Site that is (i) necessary for the construction of the Arena and the buildings surrounding the Arena, (ii) necessary for the construction, development and operation of the Upgraded Yard (e.g., Lots 42 and 47 of Block 1121, Lot 35 of Block 1120 (or possibly a portion thereof or interest therein) and additional lots on the Project Site), and (iii) necessary for Arena Block and/or Upgraded Yard construction, staging, as well as parking (e.g., Block 1129 and Pacific Street between Carlton and Vanderbilt Avenues). The second and any subsequent phase is expected to include the balance of the Project Site, including the portion of Block 1128 that is included within the Project Site, Lots 19, 28 and the remainder of Lot 35 of Block 1120, and Site 5.

Several New York City streets and other City-owned properties indicated on **Exhibit E** are also within the Project Site; these streets would be closed and would become part of the Project Site pursuant to an ESDC override of local regulations done in consultation with and with the support of the City. As defined above, the City Streets are 5th Avenue between Atlantic and Flatbush Avenues (inclusive of the small traffic island), Pacific Street between Flatbush and 6th Avenues, and Pacific Street between Carlton and Vanderbilt Avenues. ESDC will acquire these streets and other City properties with the consent of the City through exercise of eminent domain and will override the City map and the New York City Zoning Resolution in order to permit development on these streets.

All of the properties within the Project Site would be acquired by ESDC, on the conditions set forth below – either by conveyance in the case of the MTA/LIRR properties, through uncontested condemnation in the case of properties owned by the City or FCRC, or through exercise of eminent domain in the case of properties and interests in properties that FCRC has been unable to acquire through negotiation. The cost of acquiring the Project Site, regardless of how acquired, will be paid for by FCRC (and certain of these costs would be reimbursed by the City out of capital funds as described below). ESDC's acquisition of all such properties will not occur until such time as ESDC receives commitments, guaranties and other evidence satisfactory to ESDC that FCRC will (i) promptly commence construction of the Arena, and all of the infrastructure necessary for the Arena (together with the Arena, the "Initial Development"), (ii) complete such construction within agreed-upon time periods and (iii) commence and complete construction of the Upgraded Yard in accordance with and subject to the schedule agreed to with the MTA (and acceptable to ESDC).

With the consent of the City, City streets and other City property underlying the Arena would be acquired for $1.00; other City streets and properties within the Project Site would be acquired, at FCRC's sole cost, at their fair market appraised value or such other value as shall be agreed to by the City and FCRC.

ESDC (directly or through a special purpose subsidiary) will hold fee title to the Project properties acquired by it, at least through construction of the improvements on these properties. The 73 tax lots to be acquired by ESDC will be subdivided and/or combined, at the sole expense of FCRC, to create the individual development parcels contemplated in the plan for the Project. It is expected that each development parcel will comprise an individual tax lot which, except for the Arena parcel, will be leased back to a special purpose FCRC developer affiliate for $1.00. FCRC expects that the financing they have used to acquire properties within the Project Site will be replaced by leasehold financing when the properties are acquired by ESDC and leased back, so that ESDC's fee interest will not be encumbered other than by (i) the leases to FCRC developer affiliates, (ii) in the case of properties within or above the MTA's Yard, certain reciprocal easement agreements and (iii) in the case of properties on the Arena Block, certain easements or other arrangements which will allow for the integration of the buildings to be located thereon with the Arena and DEP sewer access, as needed. With the exception of the Arena parcel, each development parcel will be subject to an option held by its developer entity to purchase title thereto for $1.00 at any time after the completion of the improvements thereon. With the exception of the Arena parcel, upon completion of the improvements on a specific parcel, ESDC shall have the right to convey its fee interest to the parcel and improvements thereon to FCRC developer affiliate. Upon any such conveyance to FCRC, FCRC will provide adequate assurances that the applicable parcel will be continuously used for the purposes set forth herein for a period of time mutually agreed upon by the parties. Prior to development, while ESDC is holding title to the properties, arrangements will be made by ESDC for property management, security, insurance, etc. Such expenses shall be borne by the Project Sponsors.

It is expected that all housing developments on the Project Site will receive exemptions from State and City mortgage recording taxes. This is customary for affordable housing developments. Although such exemption would also be available for construction financing for the market-rate condominiums developed on the Project Site, no credits for such exemptions would be available upon the sale of condominium units. In addition, no construction loan mortgage, or any portion thereof, will be assigned to lenders who are financing the purchase of condominium units, unless an amount equal to any mortgage recording taxes saved as a result of such assignment are paid to ESDC or other governmental authorities. Accordingly, all financing utilized to acquire condominium units shall be subject to State and City mortgage recording taxes without the benefit of any credit which would have been available had the mortgage recording taxes been paid in connection with the underlying construction financing. The foregoing shall not apply to a severance of the construction loan upon the condominiumization of the development as a whole and/or to the replacement of the construction loan with permanent financing for the development.

2. Development of the Arena

In the case of the Arena site, ESDC would lease the land for $1.00 to a Local Development Corporation ("LDC") organized under Article 14 of the Not-for-Profit Corporations Law. Subject to compliance with applicable Internal Revenue Service regulations, the LDC, which is expected to be organized at the direction of ESDC, will issue one or more series of tax-exempt "PILOT" bonds to pay the costs of constructing and fitting-out the Arena and its ancillary facilities.[4] An FCRC affiliate ("ArenaCo"), as agent for ESDC or the LDC, will use the bond proceeds to construct and fit out the Arena. The LDC, in turn, will lease the land and Arena to ArenaCo, and ArenaCo will agree to maintain, operate and lease the Arena for professional basketball and other sports, entertainment and community events for an initial term of not less than 30 years and not more than 40 years. Certain costs of constructing the Arena may be financed through issuance of taxable bonds by the LDC; debt service on these bonds would be paid by assignment to the bond trustee of rent to be paid by ArenaCo under its lease from the LDC. In addition, certain costs of constructing the Arena may be paid directly by ArenaCo with certain payments under its lease.

ESDC will retain ownership of the land upon which the Arena will be built through the initial term of its lease to the LDC, and, under the financing arrangements described above, ESDC or the LDC will retain ownership of the Arena during the initial term. As a result, the land and improvements will be exempt from real estate taxes throughout the initial term. ArenaCo would enter into a payment-in-lieu-of-tax ("PILOT") agreement with ESDC and the LDC under which it would agree to make payments not to exceed the amount that full real estate taxes would be if the land and improvements were not exempt from such taxes as a result of ESDC's ownership thereof. ESDC will assign these PILOT payments to a PILOT trustee who, in turn, will assign to a bond trustee so much of the payments as is needed to pay debt service on the tax-exempt bonds. PILOT bonds will be payable solely out of PILOT payments by ArenaCo. Excess PILOT payments during the life of the bonds would be used to defray the cost of operating and maintaining the Arena. It is expected that ArenaCo's obligations under the PILOT agreement will be secured by PILOT mortgages on its leasehold interest; any taxable bonds would also be secured by a mortgage on the leasehold.

[4] This financing arrangement has been contemplated by ESDC and the City for the financing of numerous sports and entertainment facilities, including the Arena, for at least three years.

None of the City, the State or ESDC will be liable on the LDC bonds which will be non-recourse obligations of the LDC, payable solely out of PILOT payments from ArenaCo. None of the City, the State, ESDC or the LDC will be liable to make PILOT payments. PILOT payments under the PILOT Agreement will be the sole obligation of ArenaCo.

ESDC's real property interest in the Arena property will, in addition to providing exemption from real estate taxes, enable the Arena to receive the benefit of ESDC's sales tax exemption (the "Arena Sales Tax Exemption") on materials incorporated in the initial construction and fit-out of the Arena, and capital repairs and replacements to the Arena, and exemption from mortgage recording taxes on the mortgages securing the tax-exempt bonds and any taxable bonds.

ESDC and the City shall use good faith efforts to obtain the approvals and/or authorizations to obtain energy cost savings for the Arena through either the Con Ed Business Incentive Rate Program and Rider J applicable to Service Classification Nos. 4 and 9, as amended, or the New York Power Authority, the New York State Economic Development Power Board, the New York Public Utility Service and the Energy Cost Savings Program, if applicable.

The initial term of the ESDC lease to the LDC, and the LDC sublease to ArenaCo is expected to be 30 to 40 years, which is also expected to be the term of the tax-exempt bonds. The Nets professional basketball team will enter into a sublease or license agreement with ArenaCo to play its "home games" at the Arena. The Nets will also enter into a non-relocation agreement with the City and ESDC pursuant to which the team will agree to play substantially all of its home games at the new Arena for the life of the PILOT Bonds but in no event no less than 30 years.

ArenaCo will have an option to extend its lease after the initial term up to a total of 99 years, or to purchase the underlying fee interest from ESDC at its appraised fair market value. If the lease is extended beyond the initial term, the LDC will drop from the lease chain and ArenaCo will become the direct tenant of ESDC. In that case, ArenaCo will continue to make PILOT payments equal to what the real estate taxes would have been but for ESDC's ownership of the property. Ten percent of these PILOT payments will be used to pay for maintenance and operation of the Arena; the balance will flow to the City. If ArenaCo exercises its option to purchase the Arena site, the property will revert to the tax rolls. At all times during the existence of ArenaCo's lease, ArenaCo shall be responsible, at its sole cost and expense, to maintain the Arena as a first class Arena suitable for a professional sports team.

3. Project Funding

The Project budget is currently estimated as set forth below.[5] Compared to the budget estimate included in the FEIS, this estimate includes costs, such as land and other soft costs which were excluded from the estimate used to calculate the economic benefits of the Project in the FEIS. In addition, neither the Project budget included in the FEIS nor this GPP includes financing costs.

Use	Amount
Site Acquisition	$ 417,000,000
Arena	$ 772,000,000
Residential	$ 2,645,000,000
Office/Hotel	$ 255,000,000
Infrastructure	$ 717,000,000
Miscellaneous	$ 92,000,000
Total	$ 4,898,000,000

ESDC is expected to fund $100 million of the currently budgeted approximate $717 million of Project costs attributable to infrastructure improvements necessary for the construction of the Arena and for the redevelopment of the Yard. [6] The City is also expected to fund $100 million of Project costs. City funds may be used for infrastructure improvements and for site acquisition costs related to the Project Site (other than for the acquisition of properties owned by the MTA/LIRR).

ESDC and the City of New York expect to enter into one or more funding agreements (the "Funding Agreements") with FCRC; funding under the Funding Agreements will be conditioned on receipt of all discretionary Project approvals, including without limitation, the approval of the Public Authorities Control Board. Initial funding under the Funding Agreements is expected to be approximately $80 million in the aggregate, $40 million from each of the State and the City,

[5] The amounts set forth in this section relate to the residential variation for the Project.

[6] The funding agreement between the Project Sponsors and ESDC for such $100 million contribution is currently in place and a portion of such funding commitment has, as of the date hereof, been distributed to the Project Sponsors.

in the case of State funds, to be used to reimburse FCRC for infrastructure costs, including approved soft costs, and in the case of City funds, to be used to reimburse FCRC for land acquisition costs for the Project Site (other than for acquisition of properties owned by the MTA/LIRR) and for infrastructure costs, including approved soft costs. Additional advances of State and City funds (collectively the "Additional Fundings") under the Funding Agreements shall, in the case of the City, fund additional land acquisition costs including costs previously incurred for the Project Site (other than for properties owned by the MTA/LIRR) and additional infrastructure costs, including approved soft costs, incurred by FCRC, and, in the case of the State, fund additional infrastructure costs, including approved soft costs, incurred by FCRC, until the State and the City have funded their entire agreed-upon contributions ($200 million in the aggregate, $100 million from each of the State and the City). In addition, Additional Fundings shall be made taking into account amounts expended by FCRC, provided that (1) at no time will (i) the costs reimbursed to FCRC by the City and State, in the aggregate, exceed fifty percent (50%) of the total costs incurred and paid by FCRC, and (ii) the amounts funded by the State exceed the amounts funded by the City, and (2) such Additional Fundings shall be made upon other terms and conditions to be agreed upon by the parties.

City funding for reimbursement of land acquisition costs related to lands on the Project Site may be advanced to ESDC in lieu of FCRC, in which event, ESDC and FCRC will enter into a contract for ESDC to purchase from FCRC the lands so funded. To the extent such a purchase contract is entered into, ESDC shall have the right to complete such purchase as part of the Project, terminate such contract and proceed with its condemnation of the land which is the subject thereof, or terminate such contract.

Except as hereinafter set forth, in the event that prior to the completion of the Initial Development, the Project is discontinued, abandoned, terminated or permanently enjoined beyond all right to appeal, for any reason whatsoever, including, without limitation, FCRC's voluntary decision to abandon the Project, FCRC's and ESDC's inability to negotiate mutually acceptable terms for definitive Project documentation, or any requirements to modify the terms of this General Project Plan which are not approved by ESDC and are not acceptable to the City, FCRC shall be obligated to reimburse (the "Reimbursement Obligation") the ESDC in an amount equal to the sum of all funds advanced by the ESDC under the Funding Agreements (excluding amounts advanced on behalf of the City) plus interest thereon calculated at the borrowing rate of ESDC. The Reimbursement Obligation shall also apply, and FCRC shall be obligated to make such repayment to ESDC, in the event the Arena construction is not commenced within one year after ESDC delivers vacant possession of the Project Site to FCRC (subject to up to four years of delays resulting from force majeure events or material adverse changes affecting the financing of the Arena) as required to construct the Arena including staging and necessary infrastructure. In the event the Arena construction is timely commenced but is not completed within six (6) years after ESDC's delivery of vacant possession of the Project Site to FCRC (subject to force majeure delays), FCRC will be required to remit agreed upon portions of the Reimbursement Obligation to ESDC for each year of delay.

Notwithstanding the foregoing, in the event the State and the City elect not to proceed with the Project despite FCRC's willingness to proceed in accordance with the terms of this General Project Plan, and such election on the part of the State and the City is not the result of an inability of the parties to reach agreement on terms after negotiating in good faith, FCRC shall not be liable for the Reimbursement Obligation and any contracts to purchase land from FCRC shall be terminated.

Prior to the commencement of the City funding under the Funding Agreements, FCRC recorded against the Project Site, to the extent owned by FCRC, restrictive covenants providing, *inter alia*, that such land will be used only for purposes of the Project as set forth in this General Project Plan, as the same may be modified or amended, and/or the other Project documents.

Prior to the Initial Funding, and each Additional Funding, FCRC shall be required to provide each of the State and City with guaranties and/or other security, in form, substance and from entities reasonably acceptable to the State and City, securing the Reimbursement Obligation.

4. Development of the Vanderbilt Yard

FCRC and the MTA/LIRR will enter into agreements pursuant to which MTA will convey to an FCRC affiliate (or directly to ESDC or its subsidiary) certain fee interests in the ground and/or air spaces within Blocks 1119, 1120 and 1121. Under a second contract, FCRC (or ESDC) will convey to MTA/LIRR the fee interest in the below grade portion of Block 1121, Lot 47 and

Block 1121, Lot 42, retaining a fee interest in the air above both parcels. (Lot 42 is one of the parcels depicted on **Exhibit E** which may require exercise of eminent domain). ESDC will also grant to the MTA and/or the LIRR such temporary and permanent easements as may be necessary and appropriate for the construction and operation of the Upgraded Yard, as ESDC and the MTA and/or LIRR shall agree. FCRC will also agree to construct certain improvements for LIRR's use within the Yard, including, without limitation, temporary and permanent storage tracks capable of storing MU Series Trains, an electric substation and LIRR employee facilities, and the parties will enter into reciprocal easement agreements providing for necessary access, egress, and maintenance, etc. In addition, FCRC will have the right and obligation to construct a platform above the Upgraded Yard which will be at the Platform Elevation, which shall be approximately the same elevation as the streets surrounding the Upgraded Yard. On this platform, FCRC will develop 6 buildings and publicly accessible open space, in accordance with the Project's master plan. FCRC will agree to pay to MTA/LIRR its net incremental costs of operating in an enclosed Yard, such as lighting and ventilation, subject to an agreement with the MTA/LIRR.

As part of its agreements with the MTA, and pursuant to separate agreements, FCRC will also construct certain improvements for the New York City Transit Authority, including new entrances and connections to the Atlantic Avenue/Pacific Street subway station complex under Atlantic Avenue with sufficient capacity to better accommodate fans entering or leaving an event at the Arena. (See Project Description, Section E.2.)

Improvements for the MTA, LIRR or New York City Transit Authority will be owned by the MTA, LIRR or New York City Transit Authority, as applicable. The platform above the Upgraded Yard, which will support FCRC developments and the publicly accessible open spaces, will be treated in the same way as land underlying other development parcels comprising the Project Site – that is, it will be owned by ESDC and leased, until substantial completion of construction, to one or more single-purpose, FCRC development affiliates. After construction, ownership will be conveyed to the developer entity.

5. Other Project Developments

ESDC will retain title to the land underlying other Project developments through their initial construction periods and will lease development parcels to the individual entities created for each of these developments for $1.00. FCRC shall be required to remit payments in lieu of sales taxes to ESDC under the lease or access agreement for each portion of the Project Site equal to all sales and compensating use taxes, if any, which FCRC would have been required to pay in connection with the development of such portion of the Project Site absent ESDC's ownership thereof, other than the Arena Sales Tax Exemption. After completion of construction, the fee interest to each development parcel will be conveyed for $1.00 to the development entity established for that parcel. Following such conveyance, the conveyed parcel will be returned to the tax rolls and will be eligible for any as-of-right tax benefits for which it qualifies, and the fee owner thereof will be liable for real estate taxes due thereon.

Residential developments within the Project are expected to be financed in a number of ways, depending on the type of development. Affordable housing is expected to be financed through tax-exempt bonds provided under existing and proposed City and State housing programs, such as the City's 50-30-20 program. Market-rate condominiums will be financed through conventional means, as will commercial office and retail developments. Through construction, because ESDC will continue to hold the fee interests, leasehold financing will be used. After conveyance of the fee interests to the developer/owner entity, the mortgages could be spread to cover the fee. FCRC will create condominium regimes for the residential condominium developments.

FCRC expects to utilize the State and City contributions to the Project to help reimburse FCRC for, in the case of the City contributions, the costs of land comprising the Project Site (other than for the acquisition of properties owned by the MTA/LIRR) and, in the case of the State and City contributions, the cost of new infrastructure, including streets and sewers, garages, transit connections, the LIRR improvements and the publicly accessible open space. These contributions will be funded through funding agreements with ESDC and/or the City. The publicly accessible open spaces will be built as the parcels are developed. They will be owned by a Conservancy or other not-for-profit entity established by the Project Sponsors, which will be responsible for the maintenance, operation and security of this public amenity. The Conservancy or other not-for-profit entity will be funded in the first instance by the Project

Sponsors, and when the surrounding parcels are developed, by the owners of the surrounding buildings within the Project Site pursuant to restrictive declarations recorded against the land upon which such buildings are constructed. Such declarations shall also include obligations on the owners of the surrounding Project properties to (1) operate and perform maintenance in the event the Conservancy or not-for-profit entity defaults on its obligation to maintain and operate, (2) fund maintenance and operation at a sufficient annual level, and (3) provide adequate assurances satisfactory to ESDC and the City that the publicly accessible open spaces will be maintained and operated. The Conservancy or other not-for-profit entity will be governed by a board, which will include representatives of the Project Sponsors, civic group(s) active in park matters, the owners of surrounding properties and, on an ex officio basis, the local community boards and the New York City Department of Parks and Recreation ("DPR"). The initial program and planning for the open space will be subject to the reasonable approval of ESDC, consistent with the Design Guidelines and any material modifications thereto will be subject to the reasonable approval of the City.

The open space will be accessible to the public from dawn to dusk or at hours consistent with the practices of DPR for comparable public parks.

6. Transferability

The agreements with the Project Sponsors will provide that until the applicable building or improvement within Phase I is substantially completed, the applicable portion of each Parcel may not be transferred by the Project Sponsors, without the consent of ESDC and the City, except to affiliates of FCRC and in connection with financing transactions and/or the enforcement of rights of lenders under these financing transactions. In addition, in the event the Nets professional basketball franchise is sold to another entity prior to the completion of the Arena, Project Sponsors may transfer their interest in the Arena to the purchasing entity or its affiliate, provided ESDC and the City are reasonably satisfied that such entity can satisfactorily complete the development of the Arena or if such entity retains the Project Sponsors to develop the Arena.

G. Economic Impact

ESDC has performed an independent economic impact analysis of the Project.[7] ESDC has projected that the Project will have the following impacts during construction and for the first 30 years of operations:

(i) Construction of the project will generate 12,568 new direct job years and 21,976 total job years (direct, indirect, and induced);

(ii) Direct personal income related to construction activities will be $590.0 million and total personal income will be $1.2 billion (direct, indirect, and induced);

(iii) Total construction employment will generate $42.1 million in City tax revenues and $89.9 million for New York State;

(iv) Operations at the Arena and mixed-use development will support an annual average of 4,538 new jobs in New York City (direct, indirect, and induced) and an annual average of 5,065 jobs (direct, indirect, and induced) in New York State, (inclusive of New York City);

(v) On a present value basis, the Project will generate $652.3 million of City tax revenues and $745.3 million of State tax revenues. Thus the project will generate $944.2 million in net tax revenues in excess of the public contribution to the Project.

In addition, the Project will produce an estimated $717 million in public improvements and infrastructure including improvements for the LIRR and for New York City Transit.

[7] The economic impact analysis set forth herein may vary from that set forth in the FEIS due to the use of different financial models and assumptions applied to the Project. The analysis set forth herein is based upon the residential variation of the Project. This analysis was completed immediately prior to the approval of the 2006 MGPP.

H. Project Purpose – Basis for Land Use Improvement Project and Civic Project Findings

The primary purposes of ESDC's participation in the Project are (i) to transform an area that is blighted and underutilized into a vibrant, transit-oriented, mixed-use and mixed-income community with significant publicly accessible open space and community facility amenities that has appropriate density close to Brooklyn's largest Transportation Hub; (ii) to provide a state-of-the-art Arena to accommodate the long awaited return of a major-league sports franchise to Brooklyn while also providing a first-class athletic facility for the City's colleges and local academic institutions, which currently lack adequate athletic facilities, and a new venue for a variety of musical, entertainment and civic events; (iii) to generate additional economic activity and City and State tax revenues (including sales tax revenues from operations and income tax revenues from events at the Arena and from Project Site households) by providing a venue for professional basketball and other events within New York City (and specifically in Downtown Brooklyn) that otherwise would occur elsewhere and by offering first-class office space, retail space and possibly a hotel to attract new jobs; (iv) to supply critically needed affordable and market-rate housing; (v) to provide a state-of-the-art rail storage, cleaning, and inspection facility for the LIRR which will enable it to better accommodate its MU Series Trains and other mass transit improvements at the Atlantic Avenue/Pacific Street subway station complex; (vi) to provide publicly accessible open space; and (vii) to cause environmental remediation to be performed on the Project Site.

Specifically, ESDC, pursuant to Section 10 of the UDC Act, makes the findings set forth below. These findings are supported and complemented by the findings, determinations and statements of fact described in the Final Environmental Impact Statement and in the Blight Study attached hereto as **Exhibit F**.

1. Land Use Improvement Project Findings

A. That the area in which the Project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest the sound growth and development of the municipality.

A study (the "Blight Study") of the Project Site, performed by the consultant engaged by ESDC in connection with the preparation of the FEIS, concluded that the Project Site is characterized by blighted conditions that are unlikely to be removed without public action. The Blight Study found that the Project Site has substandard and unsanitary conditions including vacant and underutilized buildings, debris-filled vacant lots, building facades that are in ill-repair, structures suffering from serious physical deterioration, environmental concerns, and high crime rates. In addition, eleven lots had buildings so physically deteriorated that they were found to be structurally unsound and a threat to public safety, and consequently, those buildings have been demolished. The Blight Study also found that five of the eight blocks that comprise the Project Site are located within ATURA, which was created by the City approximately four decades ago due to blighted conditions, and that unlike most of the blocks in ATURA, the Project Site blocks have failed to meet the goals outlined in the ATURA Plan. The Blight Study further found that the continued blight on the Project Site is due in part to the presence of the below-grade open rail Yard that creates a significant visual and physical gap in the urban landscape and impairs the sound growth of the surrounding area. The Blight Study concluded that the Project will remove these blighted conditions. The Blight Study is attached hereto as **Exhibit F**.

The Yard itself contains approximately 9 acres (including the land under the 6th and Carlton Avenue Bridges) of potential prime real estate in the borough of Brooklyn in close proximity to a major transportation hub and along a major arterial, but its current location and configuration serves as an impediment to future development both on the Yard blocks and for the surrounding blocks.

B. That the Project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.

This General Project Plan calls for redevelopment of the Project Site, which is currently a blighted area, with uses and density that will best suit the opportunities presented by the large Transportation Hub and activity of Downtown Brooklyn on the western end of the site and the residential character of surrounding neighborhoods. There will be extensive environmental remediation of contaminated materials on the site. The platform to be built over the rebuilt, upgraded and partially relocated Yard will allow for development above the Upgraded Yard, thereby removing a significant blighting influence, while improving Yard operations. The platform also will allow for a significant amount of publicly accessible open space that creates a physical connection between the surrounding neighborhoods. The Arena, commercial, retail, residential and community facility uses will invigorate the economic life and street activity of the area.

The Project will provide approximately 5,325 to 6,430 residential units. Of these, there would be approximately 4,500 rental units, 2,250 of which will be affordable to low-, moderate- and middle-income families. All of the housing, affordable and market rate, is needed to serve housing demands.

Eight acres of publicly accessible open space, including the School Open Space, will be provided for numerous recreational activities. Both active and passive uses will be accommodated in a design that includes paths and seating areas, lawns, a playground and water features. This open space will be developed largely on the platform over the Upgraded Yard and in the bed of Pacific Street between Carlton and Vanderbilt Avenues, replacing an open cut in the landscape and a lightly used street with a pedestrian-friendly, recreational area that connects the surrounding neighborhoods.

The Project will generate substantial tax revenues for the City and State and will generate a payment to the MTA, in the form of cash and improvements, for the fee interest in land and air space, as well as provide the MTA with a modern and efficient Upgraded Yard that can better accommodate its recently purchased fleet of MU Series Trains. New jobs will be generated and much needed affordable and market-rate housing will be created by the Project. The Arena will attract significant numbers of people, enhancing local business, both on the Project Site and in the surrounding area. In addition, the City will benefit from transit improvements and infrastructure improvements that are part of the Project.

C. That the plan or undertaking affords maximum opportunity for a participation by private enterprise, consistent with the sound needs of the municipality as a whole.

The Project Sponsors will develop most of the Project components and will provide financing for many of these components. In addition, while payments-in-lieu-of taxes will be used to repay the bonds used to finance construction of the Arena, the Arena will be operated by the Project

Sponsors and will primarily be utilized for private sports events and shows, while also serving as a possible venue for local college athletics and hosting community events. FCRC affiliates will develop, own and operate all the commercial and residential rental structures, and will develop the residential condominium(s). FCRC will maintain the Urban Room as a publicly accessible space with a subway entrance.

2. Civic Project Findings

A. That there exists in the area in which the Project is to be located, a need for the educational, cultural, recreational, community, municipal, public service(s) or other civic facility to be included in the Project.

The Arena will provide a needed venue for the Nets professional basketball team to be relocated to Brooklyn from its current home in New Jersey, as well as provide a venue for the City's colleges and local academic institutions, which currently lack adequate athletic facilities, and for other sport events that cannot currently be accommodated in Brooklyn. The Arena will also provide needed support for cultural and community events such as concerts, family entertainment and graduation ceremonies. These events will generate economic benefits for Brooklyn and for the City and State, while promoting civic pride. An Urban Room connected to the Arena will serve as a significant public amenity by accommodating the major flows of people to and from the transit center during the day and night, serving as a direct subway entrance to the Arena and allowing for a variety of public uses and programmed events throughout the year. The Arena will make Brooklyn competitive with other municipalities that have undertaken development of similar public facilities.

Eight acres of publicly accessible open space will be created with pedestrian and bike path connections between the surrounding neighborhoods, which are currently separated by the below-grade Yard. The neighborhoods are underserved by open space resources and the Project's open space will be a significant public amenity that serves the surrounding neighborhoods as well as the Project Site with a variety of active and passive uses. Additionally, such open space will play an important part in the area's storm water management system by significantly reducing runoff to the Gowanus Canal.

The new subway entrances on the south side of Atlantic Avenue, at the Flatbush Avenue intersection will significantly improve circulation to and from the 10 subway lines directly serving this major Transportation Hub and will accommodate fans entering or leaving an event at the Arena. Public safety will be substantially enhanced and public convenience increased by eliminating the need to cross Atlantic Avenue at a busy and complicated street intersection in order to access the subway system.

The new Upgraded Yard is needed to accommodate modern transportation demands at Brooklyn's major Transportation Hub. The Upgraded Yard will better accommodate the recently-purchased fleet of MU Series Trains, which are compliant with the Americans with Disabilities Act, will improve Yard operations by allowing toilet servicing to occur on all tracks, and will create enhanced spaces for inspections and servicing to occur and provide an enclosed space protected from the elements. In addition, the Upgraded Yard will provide a direct connection to the main line through the West Portal, increasing efficiency, and providing a secondary egress track in the event of an emergency on the main line, increasing public safety. This Project will create the opportunity for significant, and needed, improvements to the Yard's functionality and efficiency, which will benefit the public.

B. That the Project shall consist of a building or buildings or other facilities which are suitable for educational, cultural, recreational, community, municipal, public service or other civic purposes.

The Arena will be designed to accommodate the types of events described in this General Project Plan and will be suitable for the above purposes. The Arena will provide for the return of a professional sports team to Brooklyn, as well as entertainment and community events for the amusement and cultural enrichment of the residents of the City and the State.

The open space will have a combination of active and passive uses as part of a single, comprehensive master plan that encourages use by the surrounding neighborhood residents. The open space extends to the streets with large spaces as wide as a city street between each of the buildings so that the space feels like a unified whole with visual and pedestrian connections through and out of the space that weave it into the existing urban fabric. The open space will be accessible to the public from dawn to dusk or at hours consistent with the practices of DPR for comparable public parks.

The new subway entrance will improve public access to the 10 subway lines directly serving Brooklyn's major Transportation Hub and increase public safety by providing subway access from the south side of Atlantic Avenue.

As described herein, the Upgraded Yard will be designed to increase functionality and efficiency, providing significant civic benefits at Brooklyn's largest Transportation Hub. The Upgraded Yard will accommodate the MU Series Trains.

C. That such Project will be leased to or owned by the state or an agency or instrumentality thereof, a municipality or an agency or instrumentality thereof, a public corporation, or any other entity which is carrying out a community, municipal, public service or other civic purpose, and that adequate provision has been, or will be made for the payment of the cost of acquisition, construction, operation, maintenance and upkeep of the Project.

ESDC will retain ownership of the land under the Arena through the initial term of its lease to the LDC, and ESDC or the LDC will retain ownership of the Arena during the initial term. The initial term would equal the term of the tax-exempt bonds issued by the LDC and is expected to be 30 to 40 years. As described herein, adequate funds will be made available for construction of the Arena and FCRC will be responsible for the operation, maintenance and upkeep of the Arena.

The publicly accessible open spaces will be built as the parcels are developed. They will be owned by a Conservancy or other not-for-profit entity established by the Project Sponsors, which will be responsible for the maintenance, operation and security of this public amenity. The Conservancy or other not-for-profit entity will be funded in the first instance by the Project Sponsors, and when the surrounding parcels are developed, by the owners of the surrounding buildings pursuant to restrictive declarations recorded against the surrounding Project properties. The declarations, as described above, would require sufficient annual funding for the maintenance and operation of the open space, as well as providing adequate assurances that it will be maintained and operated. The Conservancy or other not-for-profit entity will be governed by a board, which will include representatives of the Project Sponsors, civic group(s) active in park matters, the owners of surrounding properties and, on an <u>ex officio</u> basis, the local community boards and DPR. The initial program and planning for the open space will be subject to the reasonable approval of ESDC, consistent with the Design Guidelines and any material modifications thereto will be subject to the reasonable approval of the City.

The MTA will retain ownership of the subway station in which the Project Sponsors are making substantial improvements. As described herein, the cost of subway improvements will be borne by FCRC.

The MTA will retain ownership of the Upgraded Yard and of easements through other portions of ground and air space on the Project Site as needed. MTA will retain ownership of the below grade portion of Block 1120, Lot 1, and Block 1121, Lot 1 and will acquire the fee interest in the below grade portion of Block 1121, Lot 47 and Block 1121, Lot 42. The fee interest in the air space above Lots 42 and 47 will be retained by FCRC or ESDC. After its acquisition of the same, ESDC will hold fee title to the air space above Lots 42 and 47 and lease all of the same to FCRC in accordance with the terms set forth herein. As described herein, adequate funds will be made available for construction of the Upgraded Yard and FCRC will be responsible for MTA's net incremental cost increase for operating in an enclosed Yard pursuant to an agreement with the MTA.

With respect to the 16 buildings to be developed, each building will be leased from ESDC to a development affiliate of FCRC, and in each instance the tenant will be responsible for constructing, maintaining and operating the building throughout the term of the lease. It is expected that each lease, other than that underlying the Arena, will terminate upon completion of construction of the improvements to be located on the parcel of land leased thereby, with title to such land being conveyed to FCRC upon such lease termination.

D. That the plans and specifications assure or will assure adequate light, air, sanitation and fire protection.

The ESDC Department of Design and Construction will review and approve Arena plans and specifications and will assure that the above criteria are satisfied. The Arena and other improvements, other than the Upgraded Yard and other transit improvements, will be designed and built in accordance with the New York City Building Code or pursuant to approvals by the New York City Department of Buildings and building permits which will be issued by the New York City Department of Buildings, to the extent applicable. The publicly accessible open space will be designed and constructed pursuant to the Design Guidelines developed by ESDC in consultation with the City and attached hereto as **Exhibit B**.

The MTA will review and approve plans and specifications and issue permits for the new subway facilities and the Upgraded Yard. The platform above the Upgraded Yard will be designed and built in accordance with the New York City Building Code or pursuant to approvals by the New York City Department of Buildings. The LIRR/MTA will review and approve the plans and specifications in their proprietary capacity as well.

3. Findings for all ESDC Projects

A. That there is a feasible method for the relocation of families and individuals displaced from the Project area into decent, safe and sanitary dwellings, which are or will be provided in the Project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities, at rents or prices within the financial means of such families or individuals, and reasonably accessible to their places of employment.

ESDC will implement a relocation plan as described herein. FCRC has and will continue to provide additional benefits for residential tenants which will provide tenants with reasonably comparable space at their then current rent or, at their election, a one-time relocation payment. Residents who so choose, will be relocated on the Project Site into brand new, safe and sanitary units, as soon as feasible. Until their on-site unit is available, the residents will receive a rent subsidy so that they continue to pay their then-current rent for decent, safe and sanitary off-site units in the neighboring areas, thus ensuring that housing is at all times within the financial means of the residents and in a location that is not less desirable in regard to public utilities and public and commercial facilities and that is reasonably accessible to their places of employment.

I. Site Investigation and Hazardous Materials

The Yard has been utilized for over 100 years for railroad and other industrial purposes. Contaminated materials may be present on the surface or in the subsurface. Under the terms of a temporary license agreement between MTA and FCRC, FCRC and their consultants have been provided access to the Yard to gather information and collect data that is reflected in the FEIS.

In addition to the Yard, many other parcels on the Project Site contained industrial and other uses, including gas stations, and may have contaminated materials present on the surface or in the subsurface. FCRC has begun investigations on parcels that it controls and would undertake investigations on certain other properties, under a license or under a lease, once ESDC has completed acquisition of the Project Site or earlier, to the extent feasible. Environmental testing results analyzed as of October 2006 are reflected in the FEIS.

Collectively, under the terms of the licenses and the transaction documents, FCRC would be obligated to perform any mitigation or remedial program that may be required under applicable laws and regulations or as otherwise agreed to among ESDC, MTA (with respect to the Yard) and FCRC.

J. Local Regulation Override

Although the City has been consulted throughout the planning process and has provided significant input to the Design Guidelines, the Project would require ESDC to override certain local regulations pursuant to the UDC Act. These overrides would permit a development more reflective of, and consistent with, land use policy envisioned for Downtown Brooklyn and would include the following:

> (i) Override of Use Regulations to allow: (a) Commercial uses in a residential district and commercial uses above the height of the first or second floor in commercial overlay districts; (b) Residential uses in a manufacturing zone; (c) Community facility use in a manufacturing zone without obtaining a special permit from the City Planning Commission (the "CPC"); (d) Arena use in a residential and residential/commercial overlay district, and Arena use in C6 and C4 commercial and M1-1 manufacturing districts located closer than 200 feet from a residential zone without obtaining a special permit from the CPC; (e) Uses within the beds of City streets; (f) Commercial and residential uses to occupy portions of the development without regard to the location restrictions contained in the Zoning Resolution; and (g) Physical culture establishments without obtaining a special permit from the New York City Board of Standards and Appeals.

> (ii) Override of floor area and open space regulations to allow: (a) Commercial and residential floor area in excess of that permitted in the underlying districts; (b) Location of residential floor area without regard to open space ratio or lot coverage requirements, where applicable; and (c) Location of floor area in the bed of mapped City streets.

(iii) Override of height and setback controls, including modification of minimum base heights in contextual districts and Special Downtown Brooklyn District streetwall controls, and modification of maximum base heights, setback requirements, sky exposure planes, and maximum building heights.

(iv) Override of minimum distance between buildings on a single zoning lot.

(v) Override of signage regulations to allow arena signage to exceed the applicable height, surface area, and illumination controls on the arena block.

(vi) Override of parking regulations to allow for accessory parking to be provided on zoning lots within the Project Site without regard to requirements regarding restrictions on location of accessory off-street parking spaces.

(vii) Override of loading requirements for commercial uses on the Project Site.

(viii) Override of Zoning Resolution special permit requirements to allow for a platform over or within a railroad right of way or transit air space to be included within a zoning lot and used for development.

(ix) Override of the land use controls of the Atlantic Terminal Urban Renewal Area (ATURA) Plan, as they relate to Site 5 and Site 6A to the extent the ATURA Plan requires compliance with zoning.

(x) Override of the restriction on the use of streets shown on the City Map as it relates to Pacific Street between Flatbush and 6th Avenues, 5th Avenue between Flatbush and Atlantic Avenues (inclusive of the small traffic island), Pacific Street between Vanderbilt and Carlton Avenues and an area underneath 6th Avenue between Atlantic Avenue and Pacific Street.

K. ENVIRONMENTAL REVIEW

ESDC, acting as lead agency 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, conducted an environmental review of the Project described in the Modified General Project Plan affirmed in 2006. The City and the MTA participated as involved agencies in the preparation and review of the Environmental Impact Statement ("EIS") that was prepared. At their December 8, 2006 meeting, the Directors adopted SEQRA Findings (the "Findings Statement"), which concluded the SEQRA process at that time.

Due to the modifications currently proposed to the Modified General Project Plan affirmed in 2006, ESDC worked with its consultants to prepare a Technical Memorandum, dated June 2009 (the "Technical Memorandum"), to assess whether these proposed modifications, design development, the change to the Project's schedule and other changes in circumstances result in any new or substantially different significant adverse impacts than what had been described in the EIS and the Findings Statement. The Technical Memorandum concludes that the proposed modifications, changes related to the design development, the change to the Project's schedule and other changes in circumstances do not result in any new or substantially different significant adverse impacts and that, if the amendments to the 2006 Modified General Project Plan set forth in this GPP were to be affirmed substantially in the form proposed, there would be no need for a supplemental environmental impact statement.

The Project will be built and operated as described in the Findings Statement and Technical Memorandum, and FCRC will implement the mitigation measures as described in the Findings Statement.

L. CONCLUSION

This Land Use Improvement and Civic Project will redevelop a blighted area with a mixed-use, mixed-income project that provides a first-class Arena, critically needed residential units, significant commercial development, and a large public open space. This development will take advantage of Brooklyn's largest Transportation Hub to capture economic opportunities for Brooklyn and the City of New York and to address significant housing demands, within the sound planning framework of transit-oriented development. In order to accomplish these and other herein articulated goals, the challenge of building over Vanderbilt Yard would be successfully undertaken by relocating the facility to the eastern end of the Yard with modern and efficient facilities and building a platform over the Yard to heal the existing incision in the streetscape. This General Project Plan adopts a comprehensive vision that would eliminate the blighted and underutilized condition of the Project Site and provide new, thoughtful and artful designs for buildings and open spaces that mediate the scales of the differing adjacent neighborhood characteristics and foster connections between the surrounding neighborhoods.

Attachments

Exhibit A-1 – Project Site Plan

Exhibit A-2 – Project Block and Lot Map

Exhibit B – Design Guidelines

Exhibit C – Maximum Building Heights and Square Footage

Exhibit D – Parking Plan

Exhibit E – Property Ownership and Control

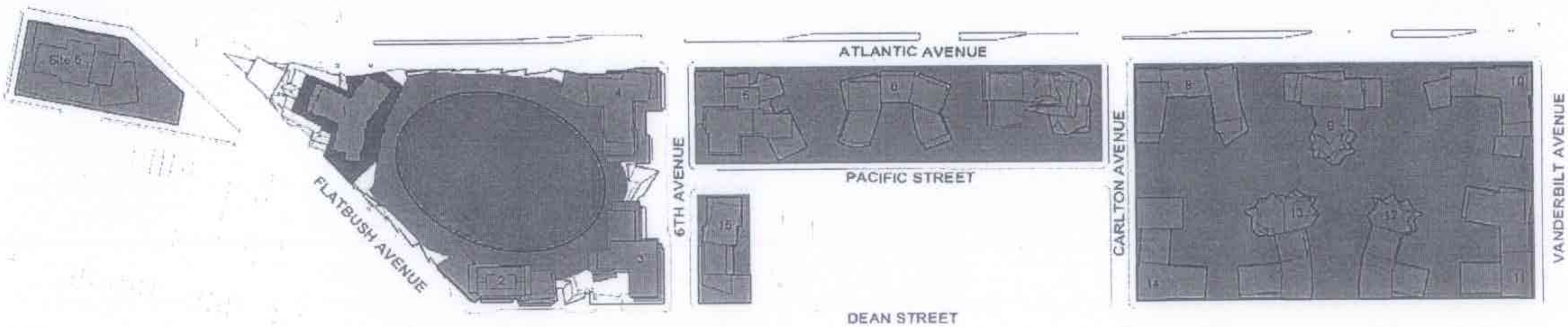
Exhibit F – Blight Study

<u>Exhibit A-1</u>
Project Site Plan
(attached)

<u>Exhibit A-2</u>
Project Block and Lot Map
(attached)

General Project Plan

Site Plan



Arena — Office — Hotel — Residential — Open Space — Retail (*in base of buildings*)

Proposed Project (Approximate GSF)

Arena	850,000 GSF
Office*	336,000 GSF
Hotel*	165,000 GSF (Approx. 180 Rooms)
Residential*	6.4 M GSF (Approx. 6,430 Units)
Retail	247,000 GSF
Open Space	8 Acres Public/ 1+ Acres Private

*Variation (B1, B2, Site 5)

The project allows for certain variation, which would replace some residential use and the entire hotel use with additional commercial space in B1, B2 and Site 5.

Exhibit B

Design Guidelines

The Design Guidelines were not modified from those attached as Exhibit B to the 2006 MGPP. A copy of such Design Guidelines may be found at http://www.empire.state.ny.us/AtlanticYards/

Exhibit C

Maximum Building Heights and Square Footage

(attached)

Atlantic Yards Building Heights & Square Footages *(revised)*

General Project Plan	Height	Gross Square Footages
		(retail/community facility space evenly divided among the buildings in each block)
Block 927		
Site 5 - Residential / Commercial	250'	439,050
Block 1118, 1119 & 1127 (Arena Block)		
Building 1 - Mixed Use/ Commercial	620'	1,106,009
Building 2 - Residential/ Commercial	322'	380,687
Building 3 - Residential	219'	343,632
Building 4 - Residential	511'	824,629
Phase One Total Not to Exceed		2,691,000
Phase One Total (Including Arena) Not to Exceed		3,541,000
Block 1120		
Building 5 - Residential	397'	635,443
Building 6 - Residential	219'	445,060
Building 7- Residential	460'	733,810
Block 1121 & 1129		
Building 8 - Residential	283'	523,336
Building 9 - Residential	419'	674,142
Building 10 - Residential	313'	475,601
Building 11 - Residential	202'	330,778
Building 12 - Residential	287'	317,185
Building 13 - Residential	241'	327,215
Building 14 - Residential	184'	283,971
Block 1128		
Building 15 - Residential	272'	341,910
Phase Two Total Not to Exceed		4,434,000
Project Total (Without Arena) Not to Exceed		7,125,000
Project Total (Including Arena) Not to Exceed		7,975,000

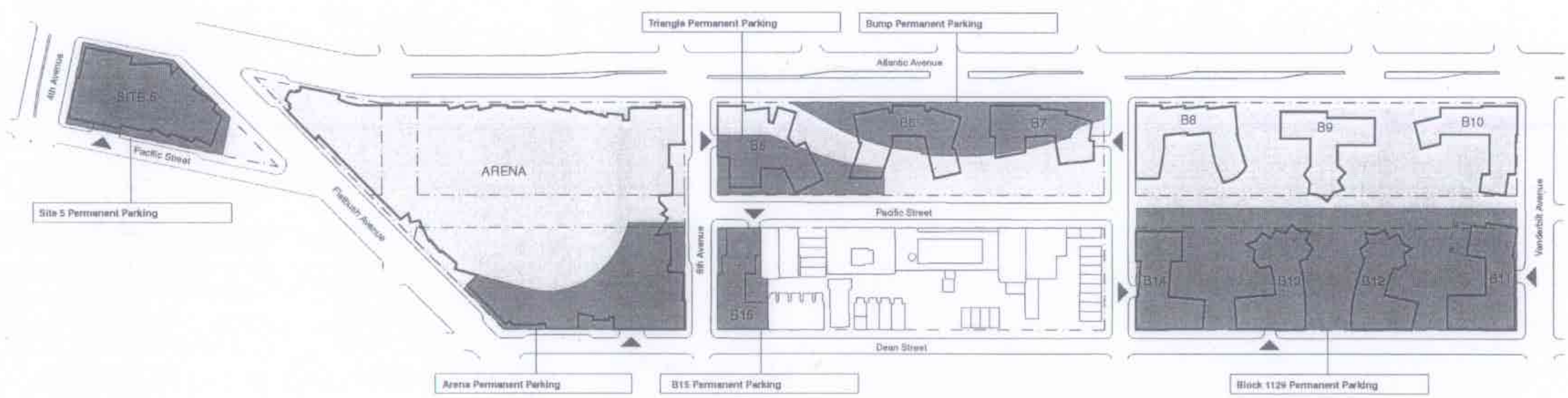
** Approximate ground floor retail square footages are included in all buildings*

** Heights are the maximum height of the last occupiable floor*

** The commercial variation allows Site 5, building 1 and building 2 to be all commercial above the ground floor*

** The aggregate gross square footages of the individual buildings are greater than the maximum sqaure footage that would be developed in each phase to allow for individual building square footage changes. However, no individual building would exceed the height listed and the total square footage built in each phase would not exceed the square footage maximum for that phase.*

Exhibit D
Parking Plan
(attached)

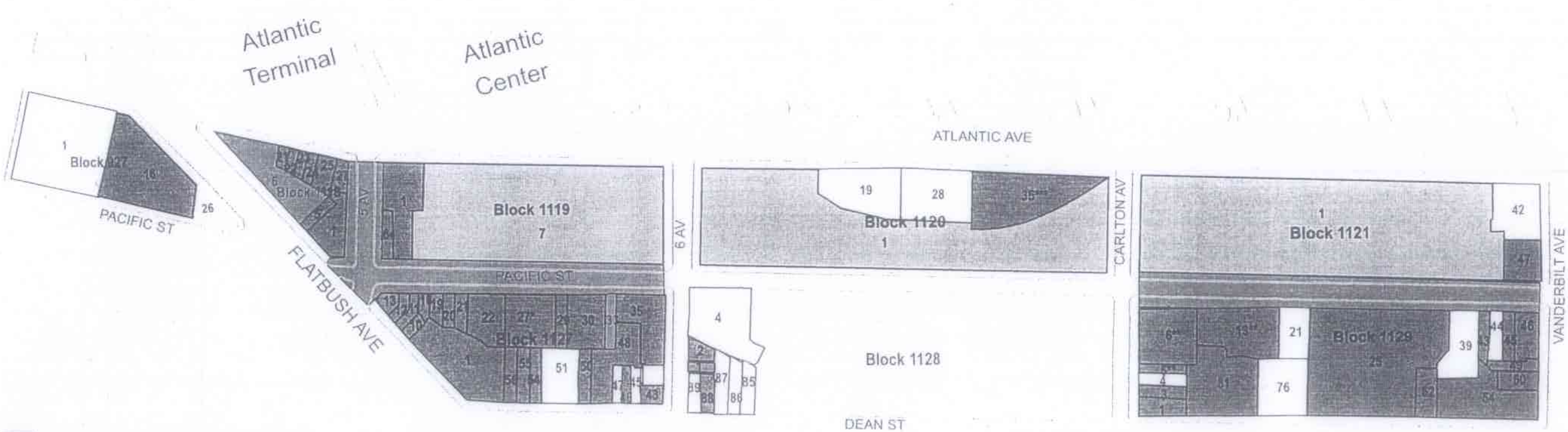


PARKING KEY PLAN

Exhibit E
Property Ownership and Control
(attached)

Atlantic YardsBlock and Lot Map

Property Ownership/Control as of 11/1/06



Property Owned/Controlled by FCRC

Property Owned By the City

Property Owned By the MTA

* Property Controlled by FCRC Except Block 1127, Lot 27 (1 unit)

** FCRC has closed on an option to take by assignment the lessee's interest under the ground leases for these properties. However, the property owner has objected to such assignments.

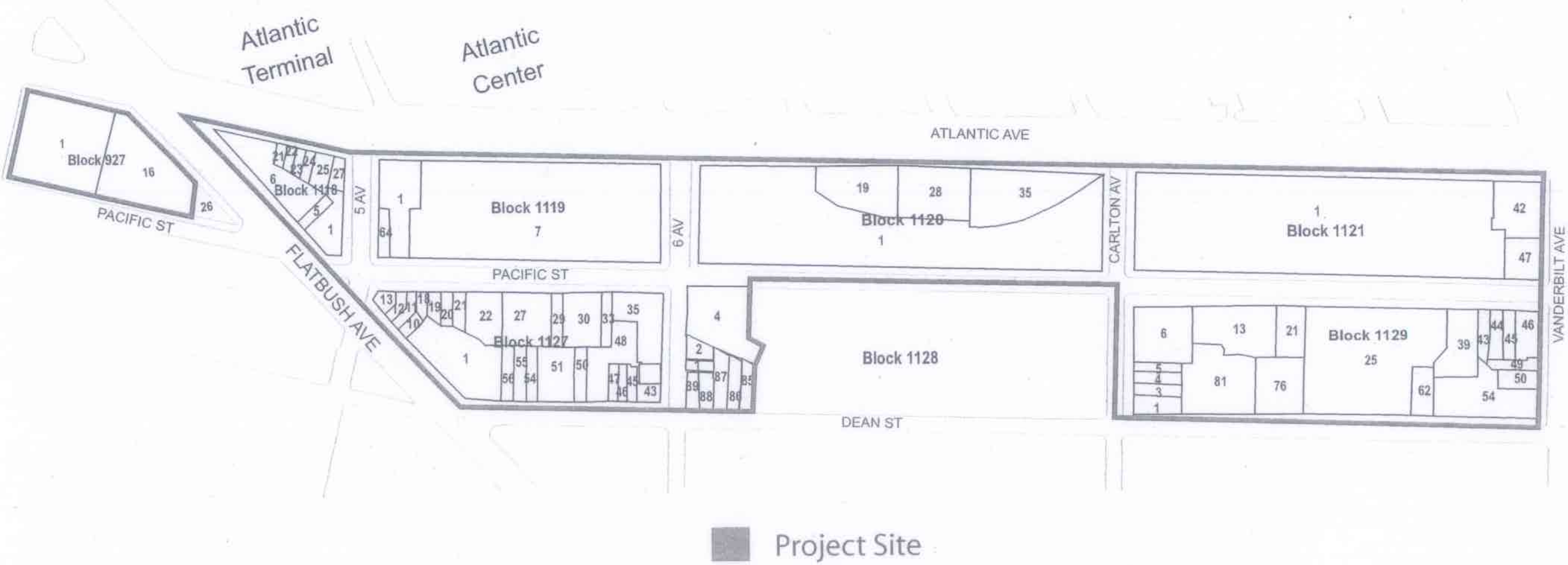
*** Closed on leasehold

Exhibit F
Blight Study

The Blight Study has not modified from the version attached as Exhibit F to the 2006 MGPP. A copy of such Blight Study may be found at http://www.empire.state.ny.us/AtlanticYards/

Attachment B
Block and Lot Site Plan

Atlantic Yards Arena & Redevelopment Project
Block and Lot Map



A. INTRODUCTION

In November 2006, the New York State Urban Development Corporation, a public benefit corporation of New York State doing business as Empire State Development (ESD), in cooperation with the Metropolitan Transportation Authority (MTA) and the City of New York (the City), issued the Final Environmental Impact Statement (FEIS) for the Atlantic Yards Arena and Redevelopment Project (the Project) in Brooklyn. The 2006 FEIS was prepared under the State Environmental Quality Review Act (SEQRA), codified at New York Environmental Conservation Law Article 8, and its implementing regulations adopted by the New York State Department of Environmental Conservation (NYSDEC) and codified at Title 6 of the New York Code of Rules and Regulations (N.Y.C.R.R.) Part 617 (the SEQRA Regulations), with ESD as the lead agency. At its December 2006 Board of Directors meeting, ESD adopted its SEQRA findings and affirmed a Modified General Project Plan (the 2006 MGPP) for the Project.

The 2006 MGPP and 2006 FEIS described and examined the Project in two phases (Phase I, assumed to be completed in 2010, and Phase II, assumed to be completed in 2016). Phase I includes an Arena, four other buildings (Buildings 1, 2, 3, and 4) and a new subway entrance on the Arena Block, which is located at the southeast corner of Atlantic and Flatbush Avenues, in the area bounded by Atlantic, Sixth and Flatbush Avenues and Dean Street. Phase I also includes a building on Site 5, which is located at the southwest corner of Atlantic and Flatbush Avenues, and a new rail yard and associated facilities for the Long Island Rail Road (LIRR) south of Atlantic Avenue in an area spanning portions of the Arena Block to Vanderbilt Avenue. In addition, Phase I includes parking facilities located on the Arena Block, Site 5 and south of Atlantic Avenue between Sixth and Vanderbilt Avenues, including temporary parking facilities on Block 1129, between Vanderbilt Avenue, Carlton Avenue, Pacific Street, and Dean Street. Phase II is comprised of a platform over the new LIRR yard, 11 buildings (Buildings 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15) south of Atlantic Avenue between Sixth and Vanderbilt Avenues, below-grade parking facilities in that area, and 8 acres of publicly accessible open space in that area. Phase I includes all components of the Project west of 6th Avenue and some components east of 6th Avenue; all Phase II components are east of 6th Avenue.

In connection with the preparation of the 2006 FEIS and 2006 MGPP, Design Guidelines for the Project were prepared in close consultation with the New York City Department of City Planning (DCP). The Design Guidelines were annexed as Exhibit B to the 2006 MGPP and provide a design framework for the Atlantic Yards development. They establish "general goals and objectives" for the Project as a whole and provide specific design guidelines for each development parcel and the 8 acres of publicly accessible open space. The Design Guidelines also incorporate their own appendices that include drawings defining an envelope for each building, with dimensions establishing height limits and setback requirements.

The 2006 MGPP also included a one-page exhibit (Exhibit C) titled "Atlantic Yards Building Heights & Square Footages." This document contains a table with the maximum height and floor area (in gross square feet, or gsf) for each building, as well as the maximum floor area for Phase I of the Project, for Phase II of the Project, and for the Project as a whole.

In June 2009, ESD approved a resolution adopting certain modifications to the 2006 MGPP as set forth in a second Modified General Project Plan (2009 MGPP). The 2009 MGPP did not modify the Design Guidelines, which were annexed as Exhibit B to the 2009 MGPP. The 2009 MGPP also did not modify Exhibit C to the 2006 MGPP, which was annexed as Exhibit C to the 2009 MGPP.

A Technical Memorandum (2009 Technical Memorandum) was prepared that described the proposed modifications, changes related to design development, changes to the Project's assumed schedule, and changes in background conditions, and (employing certain updated *City Environmental Quality Review (CEQR) Technical Manual* methodologies) assessed whether the Project as envisioned would result in any new or different significant adverse environmental impacts not previously disclosed in the 2006 FEIS. The 2009 Technical Memorandum discussed shifts in assumed completion years for Phase I of the Project from 2010 to 2014, and full build-out from 2016 to 2019. In addition, the 2009 Technical Memorandum assessed the potential for a delayed completion of Building 1 (the commercial building on the Arena Block) as well as a post-2019 build-out scenario for the Project, for which 2024 was selected as a hypothetical completion year.

On the basis of the 2006 FEIS and 2009 Technical Memorandum ESD determined that an SEIS was not required or warranted in connection with the 2009 MGPP. However, that determination was challenged in a proceeding before the Supreme Court for New York County. In a Decision and Order dated November 9, 2010, the Court directed ESD to make additional findings on the effect of certain Project-related agreements on the schedule for construction of the Project, and on whether an SEIS should be prepared.

Thereafter, a second technical memorandum (the 2010 Technical Analysis) was prepared to comply with that order. The 2010 Technical Analysis evaluated the potential for new significant adverse environmental impacts not previously disclosed in the 2006 FEIS from a prolonged delay beyond the 2024 hypothetical completion year assessed in the 2009 Technical Memorandum. For analysis purposes, the potential post-2024 condition was assumed to extend to 2035. On the basis of the 2006 FEIS, the 2009 Technical Memorandum and the 2010 Technical Analysis, ESD determined that an SEIS was not warranted. That determination was subsequently challenged.

In an Order dated July 13, 2011, the Court remanded "the matter…to ESD for further environmental review consistent with this decision, including preparation of a Supplemental Environmental Impact Statement assessing the environmental impacts of delay in Phase II construction of the Project; the conduct of further environmental review proceedings pursuant to SEQRA in connection with the SEIS, including a public hearing if required by SEQRA; and further findings on whether to approve the MGPP for Phase II of the Project." The Court limited its order to Phase II of the Project, "[g]iven the extent to which construction of Phase I has already occurred, under a plan which has been subjected to and withstood challenge," noting that "this is not a case in which the Project has been implemented without any prior 'valid environmental review.'" In 2012, the Court Order was affirmed by the Appellate Division of State Supreme Court.

As required by the Court Order, this SEIS has been prepared to examine the potential for impacts from the Project, accounting for a prolonged construction of Phase II. However, this SEIS supplements the analysis of environmental impacts in the 2006 FEIS and would not preclude development of the Project pursuant to a schedule comparable to the schedule assumed in that document.

The *CEQR Technical Manual* will serve as a general guide on the methodologies and impact criteria for evaluating potential effects on the various environmental areas of analysis. That manual has been revised since the 2006 FEIS was prepared. The analysis set forth in this SEIS utilizes the updated methodologies and criteria recommended in the most recent version of the manual.

The SEIS also examines whether the mitigation for Phase II imposed by ESD in 2006 (based on the 2006 FEIS and its 2016 Build year) should be adjusted in light of the conclusions of the SEIS, and whether any additional mitigation should be imposed on Phase II to account for any new or different environmental impacts from the prolonged construction of Phase II.

In addition, the SEIS considers two proposed changes to the project program for Phase II: a proposed shift of up to approximately 208,000 gsf of floor area from Phase I of the Project to Phase II of the Project, and a reduction in the number of parking spaces on the project site from 3,670 spaces as analyzed in the 2006 FEIS to 2,896 spaces. The proposed increase in the aggregate floor area of Phase II of the Project would not change the location, uses, size and form of the Phase II buildings as governed by the Project's Design Guidelines, nor would it change the maximum square footage of any of the individual Phase II buildings as set forth in Exhibit C of the 2009 MGPP that ESD approved for the Project in 2006. The proposed shift of floor area from Phase I to Phase II would not affect the affordable housing requirements for Phase I or the Project as a whole, and would not modify the maximum square footage permitted for the Project. The proposed change in the number of parking spaces reflects lower demand for on-site Arena parking than was assumed in the 2006 FEIS.

Because the July 13, 2011 Court Order directed ESD to prepare an SEIS "assessing the environmental impacts of delay in Phase II Construction," Phase I of the Project—including the Arena and the other Project buildings west of 6th Avenue and the new roadway configurations for the area and the Phase I parking plans—will be assumed to be part of the background condition. Thus, all Phase I elements of the Project, including associated mitigation measures as well as any recent changes to the traffic network, are accounted for in this SEIS as part of the baseline conditions for the Future Without Phase II (i.e., the No Build condition).

This SEIS assesses the environmental impacts of Phase II of the Project (including the proposed modifications) with a 2035 Build year (collectively, the "Extended Build-Out Scenario"). The analyses contained in this SEIS identify impacts resulting from Phase II of the Project under the Extended Build-Out Scenario in the same technical areas as those that were identified in the 2006 FEIS: community facilities (public school seats, the shortage of which would be reduced, but not eliminated by a public school within the Phase II site as proposed in both the 2006 FEIS and this SEIS), construction-period open space (which would gradually be eliminated through the incremental availability of the Phase II open space), transportation (both upon completion of Phase II in the assumed Build Year of 2035 and during construction), and construction noise. To the extent practicable, mitigation has been proposed for these identified significant adverse impacts. Since the type and nature of the impacts identified in this SEIS are comparable to those identified in the 2006 FEIS, the measures identified to address such impacts are also comparable. As in the 2006 FEIS, with respect to public schools, operational traffic and construction traffic and construction noise, the measures that have been identified only partially mitigate significant adverse impacts. In addition, practicable measures have not been identified to fully mitigate pedestrian impacts identified in this SEIS on one sidewalk.

With the longer construction period assumed in this SEIS, the significant adverse impacts identified in certain technical areas, such as construction-related noise, would last for a longer (and in some cases a considerably longer) duration. The discussion below in this Executive Summary identifies other differences between the findings of the 2006 FEIS and the analysis of the Extended Build-Out Scenario in this SEIS.

B. PROJECT BACKGROUND

PROJECT ANALYZED IN THE 2006 FEIS

The Project analyzed in the 2006 FEIS involved the redevelopment of 22 acres in the Atlantic Terminal area of Brooklyn, New York. The project site is roughly bounded by Flatbush and 4th Avenues to the west, Vanderbilt Avenue to the east, Atlantic Avenue to the north, and Dean and Pacific Streets to the south. The Project is a land use improvement and civic project of ESD, and would eliminate blighted conditions in the area by implementing development that would include a new Arena for the New Jersey Nets National Basketball Association team (which is now completed), along with commercial office and retail, possible hotel, open space, and residential uses, including affordable housing. The Project would also partially relocate, platform over, and improve the LIRR Vanderbilt Yard (rail yard), which, together with a New York City Transit (NYCT) yard for retired buses, occupies approximately nine acres of the project site. (The buses have been removed since completion of the 2006 FEIS.)

The 2006 FEIS analyzed two build years for the Project: 2010 (assuming completion of Phase I), which included development of the entire program slated for the project site west of 6th Avenue, the new LIRR rail yard and new parking facilities; and 2016 (assuming completion of Phase II), when the buildings at the eastern end of the project site—together with the Phase I development—were assumed to be developed and occupied. As described in the 2006 FEIS, at full Build-Out, the approved Project would comprise the 150-foot-tall Arena and 16 other buildings with maximum heights ranging from approximately 184 feet to approximately 620 feet.

The 2006 FEIS examined two variations of the project program, reflecting what was anticipated as the range of reasonable worst-case development scenarios for the programming of three of the Project’s 17 buildings: (1) a residential mixed-use variation containing approximately 336,000 gsf of commercial office space, 165,000 gsf of hotel use (approximately 180 rooms), 247,000 gsf of retail space, and up to approximately 6.4 million gsf of residential use (approximately 6,430 units); and (2) a commercial mixed-use variation with more commercial office use in three buildings closest to Downtown Brooklyn and potentially containing up to approximately 1.6 million gsf of commercial office space, 247,000 gsf of retail space, and approximately 5.3 million gsf of residential use (approximately 5,325 units). Both variations would provide eight acres of publicly accessible open space, and an enclosed, publicly accessible Urban Room. Both variations also assumed that community facility uses would occupy portions of the retail and residential space. In addition, both program variations included approximately 3,670 parking spaces. Both variations included as part of the Project a new subway entrance at the southeast corner of Atlantic and Flatbush Avenues, which would provide direct pedestrian access at the western end of the project site to the Atlantic Avenue/Pacific Street subway complex. In addition, the Project as described in the 2006 FEIS also would include several roadway and pedestrian circulation changes near the project site. Finally, as mitigation, both variations included, at the option of the New York City Department of Education (DOE), a 100,000 gsf public school on the Phase II project site.

MODIFICATIONS CONSIDERED IN THE 2009 TECHNICAL MEMORANDUM

In June 2009, ESD approved a resolution adopting certain modifications to the 2006 MGPP in a revised Modified General Project Plan (the 2009 MGPP). The 2009 MGPP allowed the project sponsors (affiliates of Forest City Ratner Companies [FCRC]) to acquire certain areas of the project site and the air rights over the rail yard in stages, rather than all at once at the outset of the Project.

In addition, certain design changes were made to the Project. In a letter to the Speaker of the State Assembly dated December 20, 2006 (and thus after the 2006 FEIS), FCRC stated that it would cap the height of the Project's tallest building (Building 1) at less than 512 feet so that the Williamsburgh Savings Bank building would remain the tallest building in Brooklyn. (Subsequently, new residential buildings at 388 Bridge Street and 111 Lawrence Street surpassed the height of the Williamsburgh Savings Bank building.) At that time, it was assumed that the floor area of Building 1 eliminated by a height reduction would be distributed to the other Phase I buildings within the Design Guideline bulk envelopes for those buildings. Other design changes included the elimination of the private open space on the roof of the Arena; changes to the arena footprint and design layout that resulted in a relocation of 100 parking spaces off the Arena Block; reconfiguration of the LIRR rail yard including a partial relocation of the LIRR drill track; retaining the existing 6th Avenue Bridge; and crosswalk widenings and other changes to lay-by lanes on the Arena Block.

CURRENT PROJECT STATUS

Since approval of the Project in December 2006, a number of project-related construction and design tasks have been undertaken. Key areas of construction include clearance of most of the buildings on the project site; completion and opening of the Arena, which is now known as Barclays Center; completion and opening of the new subway entrance on the Arena Block; the re-routing of water, sewer, and utility lines around the Arena Block; a new water main built on behalf of the City on Atlantic Avenue; roadway modifications; work on the new LIRR rail yard and the new Carlton Avenue Bridge spanning the rail yard; construction of a surface parking lot on Block 1129; and commencement of construction of the first residential building (Building 2) on the Arena Block (on which ground was broken on December 18, 2012). Concurrently, ESD and the project sponsors have implemented many of the commitments and mitigation measures described in the 2006 FEIS and the 2009 Amended Memorandum of Environmental Commitments (MEC) and have provided relocation assistance to residents and businesses displaced from the project site. ESD maintains an active website to provide updates on the Project and a venue for public information on the Project's construction.

Progress to date on key construction and mitigation tasks includes:

- **Site Clearance:** Abatement and demolition work has been completed across most of the project site.
- **Water and Sewer Improvements:** The water and sewer infrastructure work for Phase I of the Project has been completed, including new sewer pipe installation along Flatbush Avenue, installation of a new water main on the west side of Flatbush Avenue, installation of a new trunk water main and associated distribution main along Atlantic Avenue, and the relocation of certain storm water drains and discharges.

- **Street Network and Roadway Improvements:** Portions of Pacific Street and 5th Avenue have been permanently closed, and the new traffic flow has been implemented. Traffic flow on Pacific Street between 4th and Flatbush Avenues has been reversed from one-way westbound to one-way eastbound. The segment of 4th Avenue between Atlantic and Flatbush Avenues has been converted to one-way southbound to improve traffic flow at the Flatbush Avenue/Atlantic Avenue/4th Avenue intersection. Curb extensions have been completed at various locations along Atlantic Avenue, Flatbush Avenue, Dean Street, Pacific Street and 4th Avenue. Raised medians along Atlantic Avenue east of Flatbush Avenue are complete.
- **Rail Yard Reconfiguration:** Construction of the temporary LIRR rail yard has been completed. Work in anticipation of the new LIRR permanent rail yard is underway. Work related to the demolition and reconstruction of the Carlton Avenue Bridge, necessary for construction of the new yard, has been completed, and the new bridge was opened to traffic in September 2012.
- **Subway Entrance:** The new subway entrance at the southeast corner of Atlantic and Flatbush Avenues has been completed and has been operational since September 2012.
- **Arena Construction:** Arena construction has been completed, and the arena was opened on September 28, 2012.
- **Building 2 Construction:** Construction has commenced on Building 2, the first residential building on the Arena Block, and is expected to be completed in late 2014.
- **Building 4 Design:** On October 17, 2013, ESD approved certain minor modifications to setbacks along 6th Avenue at all levels of the building and at the upper portion of the southern façade of Building 4 as specified in revised Design Guideline Drawings SK-1935, SK-1943 and SK-1944.
- **Measures to Reduce or Avoid Construction Impacts:** ESD has been monitoring the conformity of construction to the requirements of the MEC. MEC measures include the following items (among others): Maintenance and Protection of Traffic (MPT) Plans have been implemented to minimize traffic disruption during construction; New York City Department of Buildings (DOB)-approved rodent control measures have been implemented on the project site; measures such as vibration monitoring and Phase 1B archaeological studies have been taken to protect historic resources during construction; an emissions reduction program has been implemented, including the requirement to use ultra-low sulfur fuel and diesel particulate filters on certain construction equipment; and, the project sponsors have offered double-glazed or storm windows and air conditioning units to all affected sensitive uses as identified in the 2006 FEIS (e.g., residential, community facility, houses of worship) to partially mitigate the project’s noise impacts during construction.
- **Relocation:** Former project site residents and businesses have been provided with relocation offers by the project sponsors, and the majority of the buildings on the project site have been vacated.
- **Barclays Center Transportation Demand Management Plan (TDM Plan):** A draft TDM Plan was presented to the local community and public officials in late May 2012 in preparation for the opening of the Arena. The primary goals of the Plan are to encourage transit use and to reduce the use of automobiles for travel to Arena events. The Plan outlines measures to inform Arena patrons of mass transit options; enhance mass transit service during post-game peak hours; develop event day operational plans; reduce on-site parking on Block 1129 in the Arena-opening condition; encourage bicycling as a means to and from

the Arena with the provision of free, secured bike parking for event ticket holders; and develop a coordinated parking system within the area. The public comment period on the draft TDM Plan closed on July 3, 2012 and a Final TDM Plan was accepted by ESD in August 2012. One element of the TDM Plan was the reduction of Arena-parking on Block 1129 from the 1,100 spaces assumed in the 2009 Technical Memorandum to 541 parking spaces for event-goers (and an additional 24 parking spaces on Block 1129 reserved for NYPD use), in the Arena opening condition; this is a reduction of 535 parking spaces from the 1,100 spaces assumed in the 2009 Technical Memorandum. Further information about the TDM Plan is provided in Chapter 4D," Operational Transportation."

Additionally, a program was undertaken to observe transportation conditions and to assess the effectiveness of the TDM Plan. This program included travel pattern surveys of event attendees. There was also a post-opening traffic study focused on approximately 56 intersections in the vicinity of the Arena in early 2013 as required by the 2006 FEIS. In June 2013, the results of the program were shared with the public and confirmed that the TDM Plan was successful in meeting the goals for the program established in the 2006 FEIS.

In addition to the above, the project sponsors are considering the construction and installation of a green roof on Barclays Center as a new sustainable feature of the Arena. If installed, it would consist of the construction of a secondary roof with a structural system to hold a green sedum tray system very similar to the sedum roof at the transit entrance in front of the Arena. It is expected to cover most of the roof and would consist of approximately 130,000 square feet of sedum, making it one of the largest green roofs in New York City. It is expected that installation of this Phase I component would commence in 2014.

Project-related agreements with public agencies are described in detail in Chapter 1, "Project Description," of the SEIS.

EXISTING CONDITIONS ON THE PROJECT SITE

The project site (Phase I and Phase II) is an approximately 22-acre area, bounded by Flatbush and 4th Avenues to the west, Vanderbilt Avenue to the east, Atlantic Avenue to the north, and Dean and Pacific Streets to the south. The portion of the project site comprising the Phase II development—the subject of this SEIS—includes the following parcels: Block 1120: Lots 1, 19, 28, 35; Block 1121: Lots 1, 42, 47; Block 1128: Lots 1, 4, 85-87; and Block 1129: Lots 1, 3-6, 13, 21, 25, 39, 43-46, 49, 50, 54, 62, 76, 81 **(see Figure S-1)**. Sections of Pacific Street between Vanderbilt and Carlton Avenues would also be incorporated as part of the Phase II project site.

The current status of the Phase II parcels is as follows:

Block 1120

- Lot 1 is owned by MTA. On March 10, 2010, an FCRC affiliate entered into a purchase and sale agreement with MTA to purchase the air space parcel over Lot 1.
- Lot 35 is owned by ESD (leased to the project sponsors) and is used by LIRR for access to the LIRR rail yard.
- Lots 19 and 28 are privately owned storage facilities; ESD has condemned certain below-grade easements to support rail yard improvements.

2.24.14

Phase I Project Site Boundary

Phase II Project Site Boundary

1120 Blocks

7501 Lots

Project Site Blocks and Lots

Figure S-1

Block 1121

- Lot 1 is owned by MTA. On March 10, 2010, an FCRC affiliate entered into a purchase and sale agreement with MTA to purchase the air space parcel over Lot 1.
- Lots 42 and 47 above an elevation approximately equal to the adjoining sidewalks are owned by ESD and leased to the project sponsors. Below such elevation, Lots 42 and 47 are owned by MTA, and they have been extensively excavated to meet rail yard elevations.

Block 1128

- Lot 1 (previously Lots 1, 2, 88, and 89) is owned by the project sponsors and is being used on an interim basis as a broadcasting lot for arena events.
- Lot 4 is privately owned and believed to be used for storage/warehousing.
- Lots 85–87 are privately owned and occupied by residential uses.

Block 1129

- All lots are owned by ESD (leased to the project sponsors); the existing building on Lot 13 is being used by the project sponsors on an interim basis as a construction field office; remaining lots are used for interim parking and there is a LIRR construction staging area fronting Vanderbilt Avenue.

The street bed on Pacific Street between Carlton and Vanderbilt Avenues has been acquired by ESD (and has been leased to the project sponsors). It is used as a construction staging area and for access and egress to the Block 1129 parking lot.

PROPOSED JOINT VENTURE

In December 2013, Forest City Enterprises, Inc. (FCE) announced that FCE and Shanghai-based Greenland Group Co. (Greenland) had signed an agreement for a joint venture to develop portions of Phase I of the Project and all of Phase II of the Project. As described by FCE, Barclays Center and Building 2 would not be assigned to the joint venture, but the joint venture would: complete construction of the new LIRR rail yard; build the platform over the new rail yard; build Buildings 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15 and Site 5; create the 8-acres of publicly accessible open space; and make certain modifications to the Barclays Center roof. It is expected that the joint venture transaction will close in 2014, but the closing of the agreement is subject to certain regulatory approvals, including the Committee on Foreign Investment in the United States and the government of China. As further described by FCE, under the proposed joint venture Greenland would acquire a 70 percent ownership interest in the Project (excluding the Arena and B2, as noted above), co-develop the Project with FCE and its affiliates, and pay for 70 percent of its development costs going forward. In its filing with the Securities and Exchange Commission on December 10, 2013, FCE stated that the creation of the proposed joint venture "will help accelerate vertical development of the project, including the delivery of affordable housing." The statement also noted that the joint venture "would develop the project consistent with the approved master plan [i.e., the 2009 MGPP and Design Guidelines]." The joint venture documentation includes a target development schedule for Phase II construction that is substantially shorter than the one being analyzed in this SEIS. The schedule is comparable in duration to the schedule studied in the 2006 FEIS.

C. DESCRIPTION OF THE PROJECT PROGRAM AND PROPOSED MODIFICATIONS

As discussed in more detail below, there are two proposed modifications to the Project under consideration: a proposed shift of up to approximately 208,000 gsf of floor area from Phase I of the Project to Phase II of the Project, and a reduction of the number of parking spaces on the project site from 3,670 spaces as analyzed in the 2006 FEIS to 2,896 spaces.

Because the July 13, 2011 Court Order directed ESD to prepare an SEIS "assessing the environmental impacts of delay in Phase II Construction," Phase I of the Project—including the Arena and the other Project buildings west of 6th Avenue and the new roadway configurations for the area and the parking plans for Phase I of the Project—will be assumed to be part of the background condition. Thus, all Phase I elements of the Project, including associated mitigation measures as well as any recent changes to the traffic network, will be assumed as part of the baseline conditions for the Future Without Phase II (i.e., the No Build condition). As noted above, this SEIS will assess the environmental impacts of Phase II of the Project (including the proposed modifications) with a 2035 Build year.

This section first describes in detail the proposed Project modifications, then provides a comparison of the Project components (both Phase I and Phase II) analyzed in the 2006 FEIS, with the Project components that form the basis of this SEIS analysis. Finally, this section provides a description of proposed Phase II residential, retail, open space, community facilities and parking uses.

PROPOSED PROJECT MODIFICATIONS TO BE CONSIDERED IN THE SEIS

As project planning has progressed, the project sponsors have further developed the design of certain buildings and propose modifications to certain project elements. None of the proposed uses of the project buildings would change; in addition, they would all still need to conform with the Design Guidelines and the maximum square footages for each building and for the overall Project as detailed in Exhibit C of the 2009 MGPP. The maximum number of residential units and required affordable units would not be altered by the proposed modifications. At this time the project sponsors are proposing two modifications: a shift in up to approximately 208,000 gsf of floor area from Phase I to Phase II; and a reduction in the number of on-site parking spaces, as described below:

PROPOSED SHIFT OF FLOOR AREA FROM PHASE I TO PHASE II

The 2006 FEIS analyzed a Phase I program that anticipated a certain amount of programming to be developed within the maximum building envelopes for each of the development sites on both the Arena Block and on Site 5. As described in the 2009 Technical Memorandum, it is assumed that the height of Building 1 would be reduced from 620 feet (as analyzed in the 2006 FEIS) to 511 feet, so that this structure would be less than the height of the nearby Williamsburgh Savings Bank building. In December 2006, when the project sponsors agreed to limit the height of Building 1 to 511 feet, it was anticipated that the floor area that would be lost in Building 1 could be accommodated within the maximum design envelopes of the other proposed buildings on the Arena Block (Buildings 2 through 4). At the time, these buildings were designed to be integrated with the Arena, with portions of their envelopes extending above the arena. Because the Arena has been developed as a stand-alone building, it is no longer feasible to utilize the full envelope of Buildings 2 through 4 as set forth in the Design Guidelines and as a result, it is likely that the Phase I program will be slightly less than as described in the 2006 FEIS. Therefore, the project sponsors propose to shift up to approximately 208,000 gsf of floor area that was anticipated as part of the Phase I development program into the Phase II development program. This shift in floor area would be distributed among the Phase II residential buildings and is anticipated to be allocated to the buildings proposed for Block 1129 (Buildings 11, 12, 13 and 14), Block 1128 (Building 15) and Block 1120 (Building 6).The maximum building envelopes for the Phase II buildings as set forth in the Design Guidelines and the maximum square footages for each building and for the overall Project as detailed in Exhibit C of the 2009 MGPP would not be affected by this proposed shift in floor area.

PROPOSED REDUCTION IN ON-SITE PARKING

With respect to on-site parking, the data collected from the opening of the Barclays Center on September 28, 2012 through the last day of the first Nets season on May 4, 2013 show that during this time period there were an average of 122 automobiles parked on Block 1129 for an Arena event, and an average of 160 automobiles parked on Block 1129 for a Nets game. Only six events at the Arena during this time period resulted in more than 300 event-related automobiles using the parking lot on Block 1129. Records for the parking facility since May 4, 2013 have shown a decline in both the average and peak utilization. Consequently, as project planning has progressed, the project sponsors have proposed modifications to the number of parking spaces and the location of parking facilities to be provided on the project site.

The 2006 FEIS analyzed a parking plan that anticipated a total of 3,670 parking spaces on the project site. These spaces included: a below-grade parking facility with approximately 350 parking spaces below Building 2 and Building 3 on the Arena Block; a below-grade parking facility with approximately 350 spaces in the southwest corner of Block 1120; a below-grade parking facility with approximately 450 spaces in the northeast portion of Block 1120; a below-grade parking facility with approximately 150 spaces below Building 15; a below grade parking facility with approximately 400 spaces below Site 5; and a below-grade parking facility with approximately 1,970 spaces on Block 1129.

Subsequently, in 2009 (as analyzed in the 2009 Technical Memorandum), due to the reconfiguration of below-grade space on the Arena Block, up to 100 spaces of the 350 spaces of parking that would have been provided under Building 2 were relocated from the Arena Block to Block 1129.

Building 2 is currently under construction and does not provide for any below-grade parking in its footprint.

The current proposed parking plan for the project site proposes between 50 and 100 parking spaces to be located below Building 3 on the Arena Block; the elimination of the below-grade parking facility on the southwest corner of Block 1120; and reducing the size of the below-grade parking facility on Block 1129 to account for the lower anticipated demand for on-site Arena parking.

Under this proposal, the overall total parking proposed on the project site would be reduced from 3,670 spaces as analyzed in the 2006 FEIS to 2,896 spaces. This SEIS also assesses a Reduced Parking Alternative (in Chapter 6, “Alternatives”), under which the overall total parking proposed on the project site would be reduced to 1,200 spaces.

PROJECT COMPONENTS

At the time of the 2006 FEIS, two variations of the project program were under consideration to allow for flexibility in the program of three of the proposed project's Phase I buildings: (1) a residential mixed-use variation and (2) a commercial mixed-use variation, which would allow for more commercial office use in the three buildings closest to Downtown Brooklyn. The differences between the residential and commercial mixed-use variations applied only to the proposed development programs of Buildings 1 and 2 and on Site 5 in Phase I. Since the 2006 FEIS, the program for Building 2 (currently under construction) has been finalized to include only residential and retail uses. Therefore, for the purposes of this SEIS, the commercial mixed-use variation would apply only to Building 1 and Site 5 in the Phase I development (thus reducing the amount of commercial space and increasing the amount of residential space in the commercial mixed-use variation as compared with that assumed in the 2006 FEIS), because that variation now assumes a residential program for Building 2. In addition, in light of the reduction in the height of Building 1 after preparation of the 2006 FEIS and subsequent planning, the current program for Building 1 is expected to include a smaller residential program in the residential mixed-use variation than that assumed in the 2006 FEIS, but the office, hotel and retail components in Building 1 would be the same as proposed in the 2006 FEIS (see **Figures S-2 and S-3**). As mentioned above, Phase I is considered as part of baseline conditions for the Future Without Phase II (No Build condition).

Table S-1 provides a comparison of the 2006 FEIS and SEIS residential and commercial mixed-use programs. As shown in the table, the Project would introduce a maximum total of 6,430 dwelling units (Phases I and II).

As shown in **Table S-1**, the Phase II development could include up to 4,932 dwelling units and approximately 156,000 square feet of local retail in 11 buildings to be located on Blocks 1120, 1121, 1128, and 1129 to the east of 6th Avenue. The local retail space may also house community facility uses, such as the intergenerational community center planned for Phase II of the Project which would include space for a child care facility.

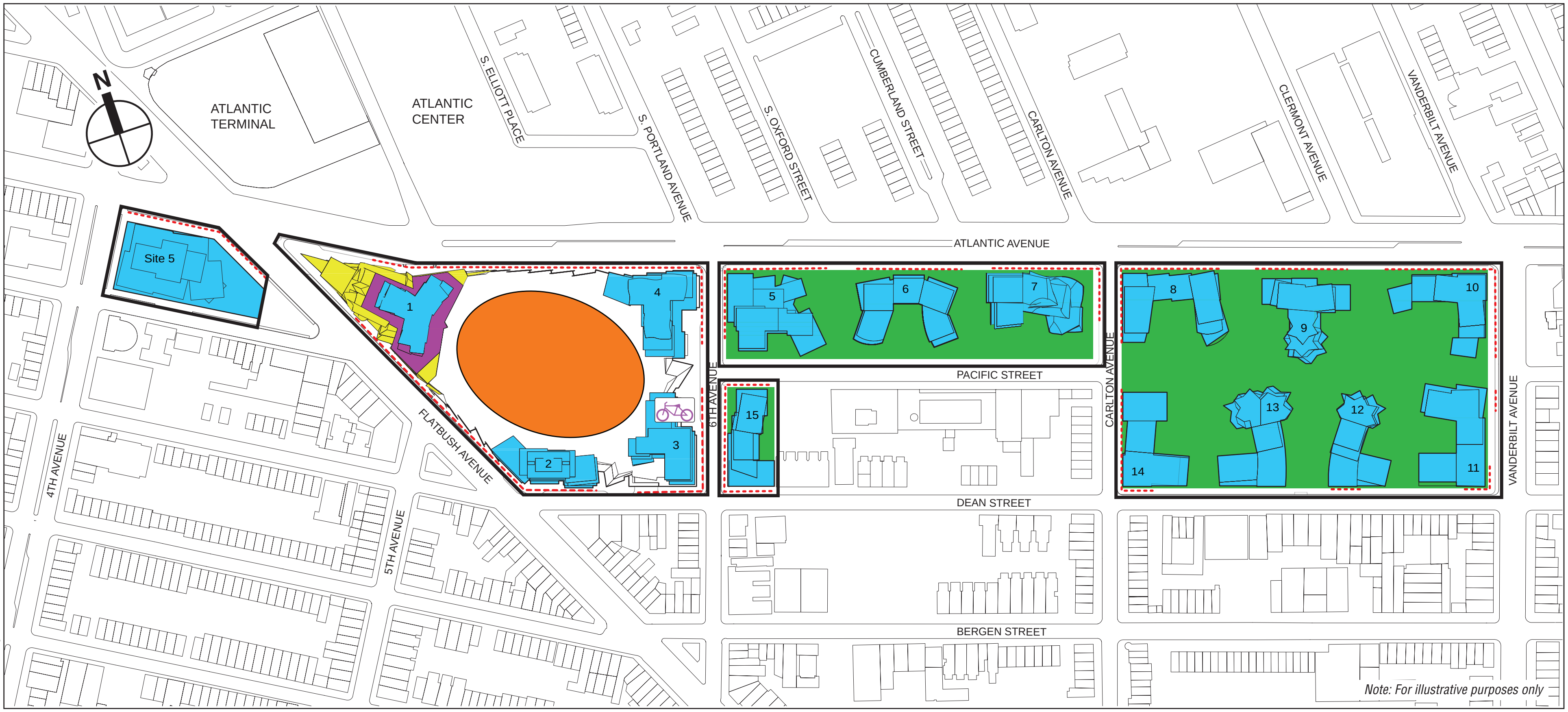
At the time of the 2006 FEIS, a 100-seat child care facility was planned as part of the Project. While the 2006 FEIS did not identify any significant adverse child care impacts, the analysis of publicly funded child care facilities in the 2009 Technical Memorandum found that the updated background conditions and updated methodologies would result in additional demand for publicly funded child care facilities in the study area, which could result in a future shortfall of child care slots. Therefore, the project sponsors have committed to monitor and, if necessary, work with the Administration for Children's Services (ACS) to provide up to approximately 250 additional child care slots either on-site or in the vicinity of the site to meet Project-generated demand. Chapter 4B, "Operational Community Facilities," of this SEIS updates the analysis of anticipated day care demand.

Additionally, to partially mitigate the significant adverse impact on public schools identified in the 2006 FEIS, the project sponsors have committed to provide, at the election of DOE, adequate space for the construction and operation of a 100,000 gsf elementary and intermediate school in the base of one of the Phase II residential buildings. Therefore, the proposed program for the SEIS includes the development of the proposed 100,000 gsf school. The floor area for the proposed school would be in addition to the floor area indicated in the table (i.e., the proposed school would not replace any of the floor area dedicated to residential use in the Phase II building in which it would be located).

Phase I

Phase II

3.10.14



Project Site Boundary

Arena

Residential Building

Commercial Building

Publicly Accessible Open Space

Hotel

Street-Level Retail

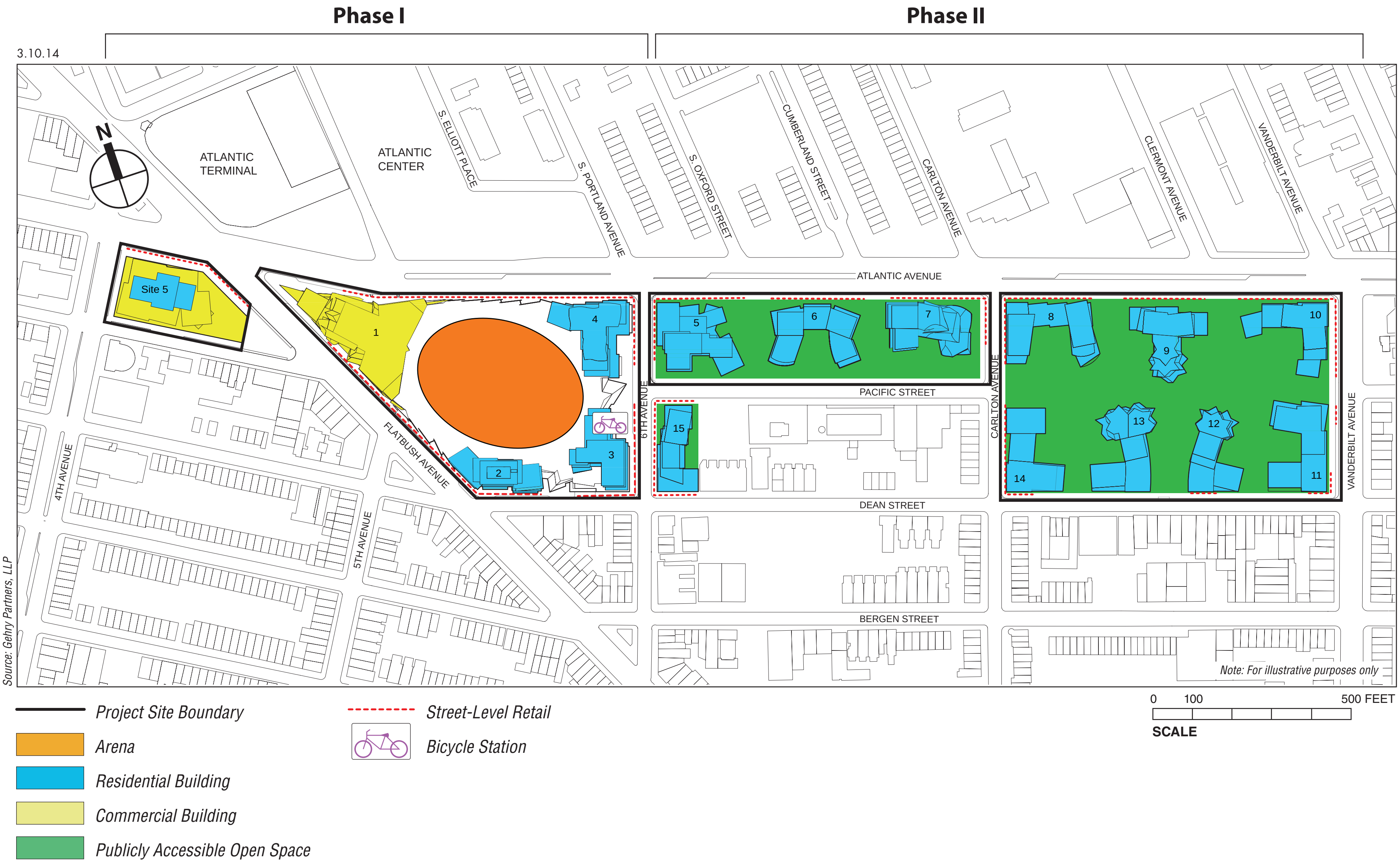
Bicycle Station

0 100 500 FEET

SCALE

Residential Mixed-Use Variation Site Plan

Figure S-2



Source: Gehry Partners, LLP

SEIS • ATLANTIC YARDS ARENA AND REDEVELOPMENT PROJECT

Commerical Mixed-Use Variation Site Plan

Figure S-3

Table S-1
Comparison of 2006 FEIS and SEIS Residential and Commercial Mixed-Use Variation Programs

Proposed Uses	2006 FEIS		SEIS	
	Residential Mixed-Use Variation	Commercial Mixed-Use Variation	Residential Mixed-Use Variation	Commercial Mixed-Use Variation
Phase I[1] : Development of Arena Block and Site 5				
Residential[3]	2,085,000 gsf (2,110 units)	994,000 gsf (1,005 units)	1,890,000 gsf (1,922 units)	1,329,000 gsf (1,498 units)
Hotel (180 rooms)	165,000 gsf	0 gsf	165,000 gsf	0 gsf
Retail[3]	91,000 gsf	91,000 gsf	91,000 gsf	91,000 gsf
Commercial	336,000 gsf	1,606,000 gsf	336,000 gsf	1,076,000 gsf
Arena[7]	850,000 gsf	850,000 gsf	662,000 gsf	662,000 gsf
Parking (spaces)	2,346 spaces[4]	2,346 spaces[4]	1,161–1,211 spaces[5]	1,161–1,211 spaces[5]
Private Open Space	±1 acres	±1 acres	0 acres	0 acres
Publicly Accessible Open Space	0 acres	0 acres	0 acres	0 acres
Phase II[2]: Development East of 6th Avenue[6]				
Residential[3]	4,278,000 gsf (4,320 units)	4,278,000 gsf (4,320 units)	4,486,000 gsf (4,508 units)	4,486,000 gsf (4,932 units)
Retail[3]	156,000 gsf	156,000 gsf	156,000 gsf	156,000 gsf
Parking (spaces)	2,920 spaces	2,920 spaces	2,396–2,446 spaces	2,396–2,446 spaces
Publicly Accessible Open Space	8 acres	8 acres	8 acres	8 acres
Phase I and Phase II: Full Build-Out[6]				
Residential[3]	6,363,000 gsf (6,430 units)	5,272,000 gsf (5,327 units)	6,376,000 gsf (6,430 units)	5,815,155 gsf (6,430 units)
Hotel (180 rooms)	165,000 gsf	0 gsf	165,000 gsf	0 gsf
Retail[2]	247,000 gsf	247,000 gsf	247,000 gsf	247,000 gsf
Commercial	336,000 gsf	1,606,000gsf	336,000 gsf	1,076,000 gsf
Arena[7]	850,000 gsf	850,000 gsf	662,000 gsf	662,000 gsf
Parking (spaces)	3,670 spaces	3,670 spaces	2,896 spaces	2,896 spaces
Private Open Space	±1 acres	±1 acres	0 acres	0 acres
Publicly Accessible Open Space	8 acres	8 acres	8 acres	8 acres

Notes: All gross square foot numbers are rounded to the nearest thousand.
1 For the purposes of this SEIS, the Phase I program is considered as part of baseline conditions for the Future Without Phase II condition (No Build condition).
2 For the purposes of this SEIS, the Phase II program is considered the Extended Build-Out Scenario, for the Future With Phase II condition (Build condition).
3 A portion of the retail and residential space is anticipated to house community facilities. Approximately 13,000 gsf of retail space is located in the Arena.
4 Includes 1,596 temporary spaces.
5 Includes 711 temporary spaces that will be eliminated through the development of Phase II.
6 Phase II (and thus the Full Build-Out) may also contain a 100,000 gsf public school at the option of DOE.
7 The 662,000 gsf of Arena floor area does not include the approximately 13,000 gsf of retail space in the Arena.

PHASE II RESIDENTIAL USES

In Phase II of the Project, residential use is planned for each building. Of these, there would be a mix of market-rate condo units, and market-rate and affordable rental units. As per the Project commitments, Phase I and Phase II of the Project are to include a minimum of 2,250 units of affordable housing on site for low-, moderate-, and middle-income persons and families, and at least 30 percent of the residential units built on the Arena Block (in buildings 1, 2, 3, and 4) in Phase I (but no fewer than 300 units) are to be affordable units. The remainder of the affordable units are to be built in Phase II or on Site 5. For the purposes of this SEIS analysis, it is assumed that no affordable units would be built on Site 5. Therefore, it is assumed that Phase II would include approximately 2,737 market-rate (condo and rental) units and approximately 1,771 affordable units (for a total of approximately 4,508 units) under the residential mixed-use variation, and approximately 3,132 market-rate (condo and rental) units, and up to approximately 1,800 affordable rental units (for a total of approximately 4,932 units) under the commercial mixed-use variation. Additionally, as per the Project documents, not more than 50 percent of the Phase II units are permitted to be built without completion of at least 50 percent of the Phase II affordable units. It should be noted that while the SEIS assumes for purposes of analysis the minimum required number of affordable units in Phase I, the project sponsors may elect to build more than this minimum, which would have the effect of increasing the number of affordable units in Phase I and decreasing the number of affordable units in Phase II.

As described in the 2006 FEIS, affordable units would be reserved for households making between 30 percent and 160 percent of citywide Area Median Income (AMI) for the New York City metropolitan area. The AMI is set annually for metropolitan areas and non-metropolitan counties by the U.S. Department of Housing and Urban Development (HUD), and varies according to family size. It is therefore referred to as the median family income (MFI). As of December 11, 2012, MFI for the New York, NY HUD Metro Fair Market Rent (FMR) Area for a family of four was $85,900. The affordable program would be subject to adjustment to accommodate the requirements of any city, state, or federal affordable housing program utilized for this housing.

Rent for all rental units introduced under the proposed project would be rent stabilized, and rent for the affordable units would be targeted at 30 percent of household income. **Table S-2** shows the distribution of the affordable housing units across household income bands, assuming a household size of four persons per household. If the household size were lower, the minimum and maximum incomes for each income band would be lower.[1]

The income bands outlined in **Table S-2** are based on the Mixed-Income Program administered by the New York City Housing Development Corporation (HDC). Under that program, low-income units can be rented to those earning at or below 50 percent of AMI and middle-income units can be rented to those earning at or below 175 percent of AMI.

Ten percent of the total rental units would be reserved for senior residents.

Additionally, it is a Project goal that 50 percent of the affordable units on a square foot basis would be two- and three-bedroom units, subject to the availability of programmatic support for larger affordable housing units by the city, state, and federal housing programs utilized for the affordable housing at the project site.

The affordable program would be subject to adjustment to accommodate the requirements of any city, state, or federal affordable housing program utilized for this housing. Notwithstanding such adjustments, income bands and distribution of units across income bands would be subject to applicable agency approval.

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[1] Income limits were estimated based on the HUD-calculated Very Low-Income (50 percent) Limit.

Table S-2
Income Bands for Phase II under the Extended-Build-Out Scenario
Affordable Housing Units
(Based on Family Size of 4.0 Persons per Household)

Income Band[1]	AMI Income Range	Number of Affordable Units	Minimum Income for Family of 4[2]	Maximum Income for Family of 4
Income Band 1	30-40%	185	$25,770	$34,360
Income Band 2	41-50%	555	$35,219	$42,950
Income Band 3	60-100%	353	$51,540	$85,900
Income Band 4	101-140%	353	$86,759	$120,260
Income Band 5	141-160%	353	$121,119	$137,440

Notes: 1. Income limits were estimated based on the HUD-calculated Very Low-Income (50 percent) Limit.
2. All dollar values are presented in 2013 dollars. Income minimums and maximums are based on the median family income (MFI) which is set annually for metropolitan areas and non-metropolitan counties by HUD. As of December 11, 2012, MFI for the New York, NY HUD Metro FMR Area for a family of four was $85,900.
Sources: FCRC; HUD FY 2013 Income Limits; AKRF, Inc.

A small portion of the residential space could house community facilities.

PHASE II RETAIL USES

Consistent with the assumptions of the 2006 FEIS, the Phase II program under the Extended Build-Out Scenario would include an approximately 156,000 gsf retail component consisting of retail and eating establishments primarily serving the local population and tenants on the project site. As described above, a component of this retail space would also be for use as a community facility. These retail spaces would not have footprints large enough to house “big box” retail.

PHASE II OPEN SPACE AND COMMUNITY FACILITES

As described in the 2006 FEIS, when completed, Phase II of the Project under the Extended Build-Out Scenario would include eight acres of publicly accessible open space.

On Block 1120, the space between Pacific Street and the buildings would be landscaped, creating a green corridor along the Pacific Street block with the residential buildings serving as a backdrop to the landscaped edge. The open space would continue along the Pacific Street corridor eastward on Blocks 1121 and 1129 through the introduction of an undulating walking path, preserving this corridor as a pedestrian thoroughfare east of the arena block. The open space would have a variety of both active and passive spaces and planted and paved areas, and would incorporate features such as playing fields, water features, walking paths, seating areas, and extensive landscaping throughout. The open space has been planned, and the buildings around the open space have been arranged, to promote public access to and use of the space by the general public. In the north-south direction, the open space would extend to Atlantic Avenue across from the terminus of each of the neighborhood streets to the north, linking the site to the area to the north both visually, through the creation of landscaped view corridors at the end of each street, and functionally, through the introduction of walking paths into the park at each of these points. The publicly accessible open space would be available for public use from 7:00 AM to 10:30 PM from May through September, and from 7:00 AM to the later of 8:00 PM and sunset in other months, seven days a week. This open space would be owned by a conservancy or other not-for-profit entity established by the project sponsors, which would be responsible for maintenance, operation and security of this public amenity. In addition, some of the residential buildings constructed during Phase II may have private rooftop open space.

It is anticipated that a dedicated southbound bicycle path would enter the project site along Atlantic Avenue at Cumberland Street and would continue southbound between Buildings 6 and 7 (see **Figure S-4**). The route would turn east running along Pacific Street where it would reenter the project site at a pedestrian pathway at Carlton Avenue. As presently conceived, it would continue southeast around Building 14 to Dean Street. The bike path would continue eastward along Dean Street toward Vanderbilt Avenue where it would connect with the larger city bicycle network. There would be a storage area for 400 bicycles on the Arena Block, anticipated to be located in the base of Building 3. The bicycle station would include space for supporting ancillary uses.

A central community facility element would be an intergenerational community center located in the base of one of the buildings on Block 1120 (programming and exact site location to be determined); this approximately 15,000-sf community center would replace a portion of the retail space. The intergenerational facility would consist of child care and youth and senior centers in one building with an atrium. The childcare center would accept Agency for Child Development (ACD) vouchers. Additionally, the Project would include, at the election of DOE, adequate space for the construction and operation of a 100,000 gsf elementary and intermediate school in the base of one of the Phase II residential buildings. As per the MEC, the location of the proposed school would be determined by the project sponsor and DOE; however for the purposes of this SEIS, it is assumed to be located within the base of either Building 6 or Building 15.

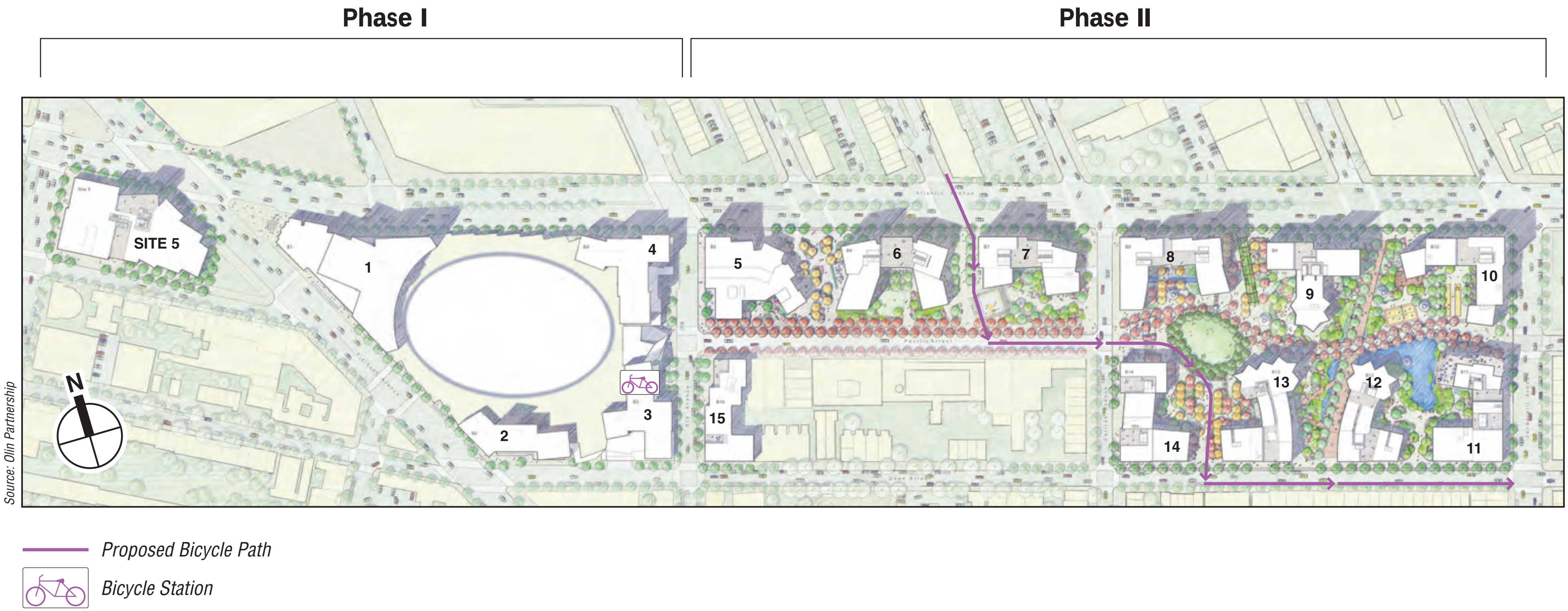
PHASE II PARKING

Upon Phase II completion, the Project (both Phases I and II) would provide up to 2,896 below-grade attended parking spaces on the project site. As currently envisioned, in Phase I, these would include: approximately 50–100 spaces in a below-grade facility on the Arena Block with access from Dean Street and 400 spaces in a below-grade facility on Site 5 with access from Pacific Street. In Phase II, these would include: 450 spaces in a below-grade facility on Block 1120 with access from Carlton Avenue; 150 spaces in a facility below Building 15 on Block 1128 with access from Pacific Street; and 1,796-1,846 below-grade spaces on Block 1129 with access from Dean Street and Carlton and Vanderbilt Avenues (see **Figure S-5**). As noted above, this SEIS also assesses a Reduced Parking Alternative (in Chapter 6, "Alternatives"), under which the overall total parking proposed on the project site would be reduced to 1,200 spaces.

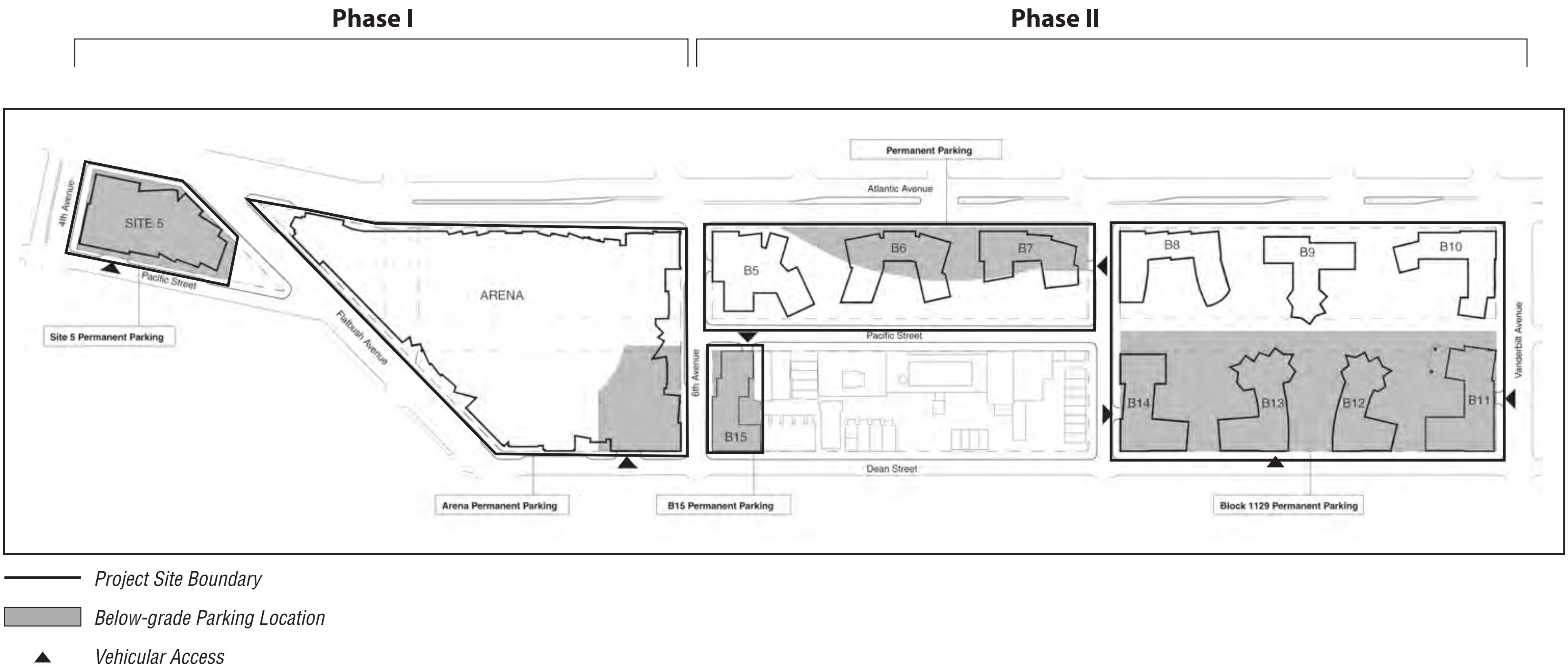
D. CONSTRUCTION SCHEDULE

PHASE II CONSTRUCTION PHASING AND SCHEDULE

The Phase II construction activities would be located on the eastern portion of the project site on Blocks 1120, 1121, 1128, and 1129. Under the Extended Build-Out Scenario, 11 new buildings (Buildings 5 through 15) and the associated open spaces would be constructed over a period of approximately 18 years, from 2018 to 2035 (2035 is the Project's Build year). As discussed in Chapter 2, "Analysis Framework," the construction phasing sequences are partially guided by certain contractual agreements between the project sponsors and ESD as well as between the project sponsors and MTA, which dictate the outside dates for starting and completing certain project buildings and components. There are three illustrative construction phasing plans that



Conceptual Open Space and Streetscape Plan
Figure S-4



Source: Philip Habib and Associates

Proposed Parking Plan
Figure S-5

will be considered for the purpose of analyzing construction impacts under the Extended Build-Out Scenario:

- Construction Phasing Plan 1: Continuous Sequential Phasing with Block 1129 First;
- Construction Phasing Plan 2: Continuous Sequential Phasing with Building 15 on Block 1128 First; and
- Construction Phasing Plan 3: Start and Stop Sequential Phasing with Periods of More Intense Construction Activities.

These illustrative phasing plans are not intended to serve as a prediction of the schedule and sequence of the Phase II construction. As noted above, the joint venture documentation with Greenland includes a target construction schedule that is comparable to the duration studied in the 2006 FEIS. Nevertheless, in accordance with the Court Order, the illustrative phasing plans have been developed to illustrate how the timing of the construction of certain project components may vary and to provide for a reasonably conservative analysis of the range of environmental effects associated with a delayed build-out of Phase II. The three illustrative construction phasing plans serve as the basis of analysis because they provide a range of potential impacts within the envelope of the reasonable worst-case construction schedule under the Extended Build-Out Scenario. All three illustrative construction phasing plans are designed to comply with all of the contractual agreements among the project sponsors, ESD and MTA.

It is possible that some or all of the buildings planned for Phase II would be constructed using prefabricated, or modular, construction techniques; however, the SEIS assumes that each building would be constructed using the conventional construction method. Where relevant, differences in potential impacts related to conventional and modular construction techniques are discussed qualitatively.

For each of the various technical areas presented in this SEIS, appropriate construction analysis years under the different construction sequences were selected to represent reasonable worst-case conditions relevant to that technical area and that can occur at different times for different analyses. For example, the noisiest part of the construction may not be at the same time as the heaviest construction traffic. Therefore, the analysis periods may differ for different analysis areas. Where appropriate, the effects of the Phase I and Phase II project elements that would be completed and operational during the selected construction analysis years were also accounted for. Neither the Project documents nor the SEIS preclude a more rapid project completion, which was analyzed in the 2006 FEIS.

CONSTRUCTION PHASING PLAN 1

The illustrative construction schedule for Construction Phasing Plan 1 is shown on **Figure S-6** and in **Table S-3**. Under Construction Phasing Plan 1, construction would be continuous and sequential, with the start time of each individual Phase II element generally a year apart from the start time of another Phase II element. Construction is assumed to begin on Block 1129, moving from west to east. Construction of Building 14 is assumed to commence in June 2018, which is two years from the deadline specified in the Development Agreement, followed by the construction of Buildings 13, 12, and 11. Building construction on Block 1129 is assumed to be completed by March 2025. In October 2023, construction of Building 15 on Block 1128 is assumed to commence, with all activities completed by August 2026.

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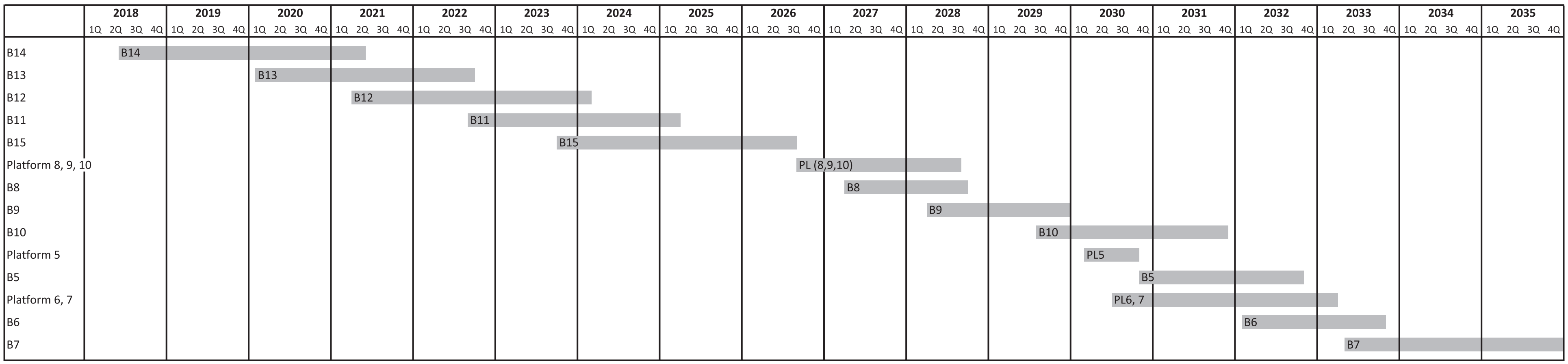


Illustrative Construction Phasing Plan 1
Figure S-6

Table S-3
Phase II Illustrative Construction Phasing Plan 1

Building	Block	Start Month	Finish Month	Approximate duration (months)
Building 14	1129	June 2018	May 2021	36
Building 13	1129	February 2020	September 2022	31
Building 12	1129	April 2021	February 2024	34
Building 11	1129	September 2022	March 2025	31
Building 15	1128	October 2023	August 2026	34
Platform for Buildings 8, 9, and 10	1121	August 2026	August 2028	24
Building 8	1121	March 2027	September 2028	18
Building 9	1121	April 2028	December 2029	21
Building 10	1121	August 2029	November 2031	27[1]
Platform for Building 5	1120	March 2030	November 2030	8
Building 5	1120	November 2030	November 2032	24
Platform for Buildings 6 and 7	1120	July 2030	March 2033	32
Building 6	1120	January 2032	October 2033	21
Building 7	1120	May 2033	December 2035	32

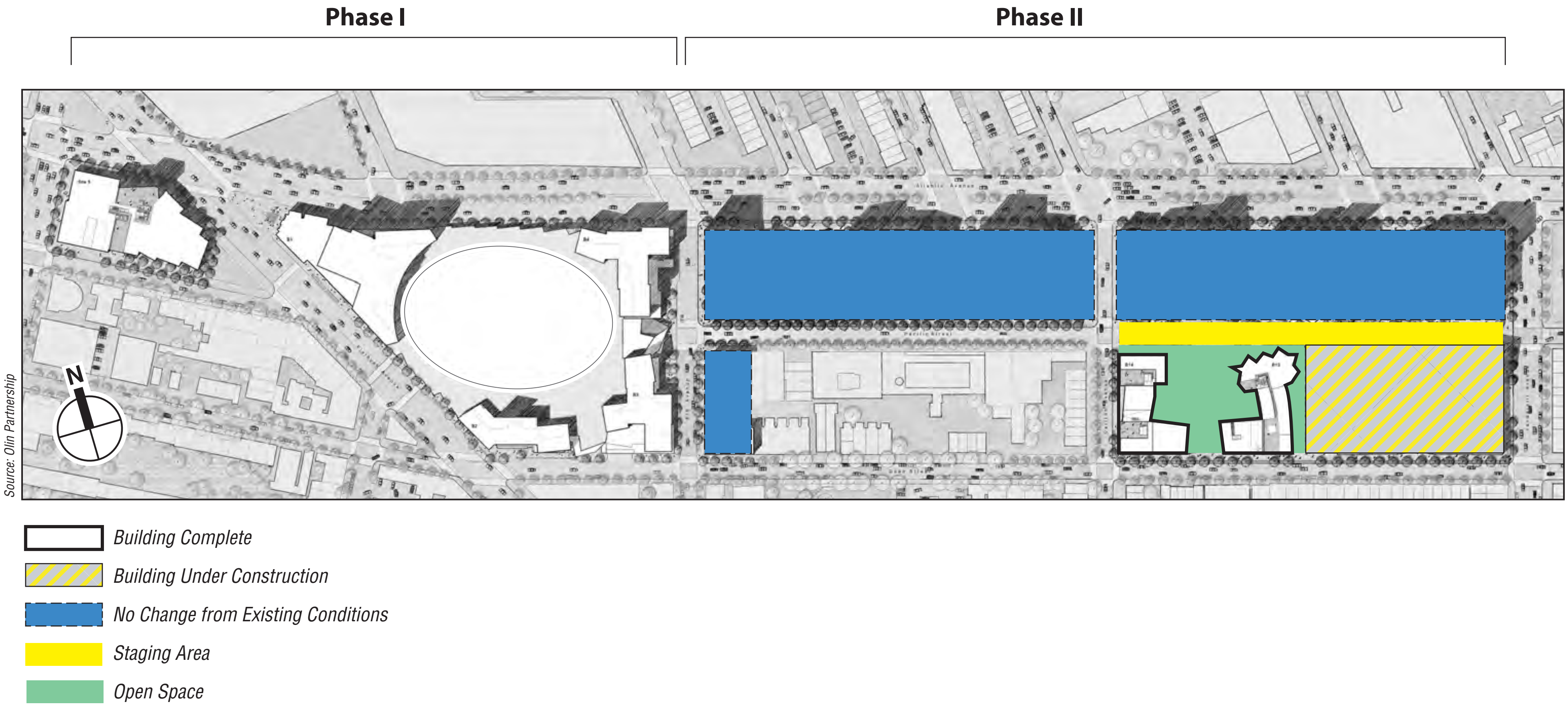
Note: [1] Includes 6 months of site and amenities work on Blocks 1121 and 1129.
Source: Hunt Construction Group

Construction is then assumed to proceed to Block 1121 in August 2026 where a platform would be constructed over the LIRR Vanderbilt Yard to provide a base for the Block 1121 buildings. Building construction on Block 1121 is assumed to move from west to east, starting with the construction of Building 8 in March 2027, followed by Building 9 in April 2028 and Building 10 in August 2029. Activities on Block 1121 are assumed to be completed by November 2031. Construction on Block 1120 is assumed to be the last component to commence under Construction Phasing Plan 1, starting with platform construction over the LIRR Vanderbilt Yard for Building 5, followed by Building 5 construction, platform construction for Buildings 6 and 7, Building 6 construction, and finally Building 7 construction. Block 1120 construction activities are assumed to take place from March 2030 through December 2035.

Figures S-7 through S-9 depict the Phase II project site through early, intermediate, and late stages of construction under Construction Phasing Plan 1.

CONSTRUCTION PHASING PLAN 2

The illustrative construction schedule for Construction Phasing Plan 2 is shown on **Figure S-10** and in **Table S-4**. Similar to Construction Phasing Plan 1, Construction Phasing Plan 2 is designed to be continuous and sequential, with the start time of each individual Phase II element generally a year apart from the start time of another Phase II element. However, the construction sequence in Construction Phasing Plan 2 would differ from the construction sequence in Construction Phasing 1. This illustrative phasing plan begins with the construction of Building 15 on Block 1128, which like Construction Phasing Plan 1, takes advantage of the fact that Block 1128 is situated on land, i.e., would not require the construction of a platform before building construction can begin. Under Construction Phasing Plan 2, construction is assumed to begin at Building 15 on Block 1128 in June 2018, with all activities to be completed by March 2021. Construction is then assumed to proceed to Block 1120 with platform construction over



Construction Phasing Plan 1 – Early Stage (Late 2022)
Figure S-7

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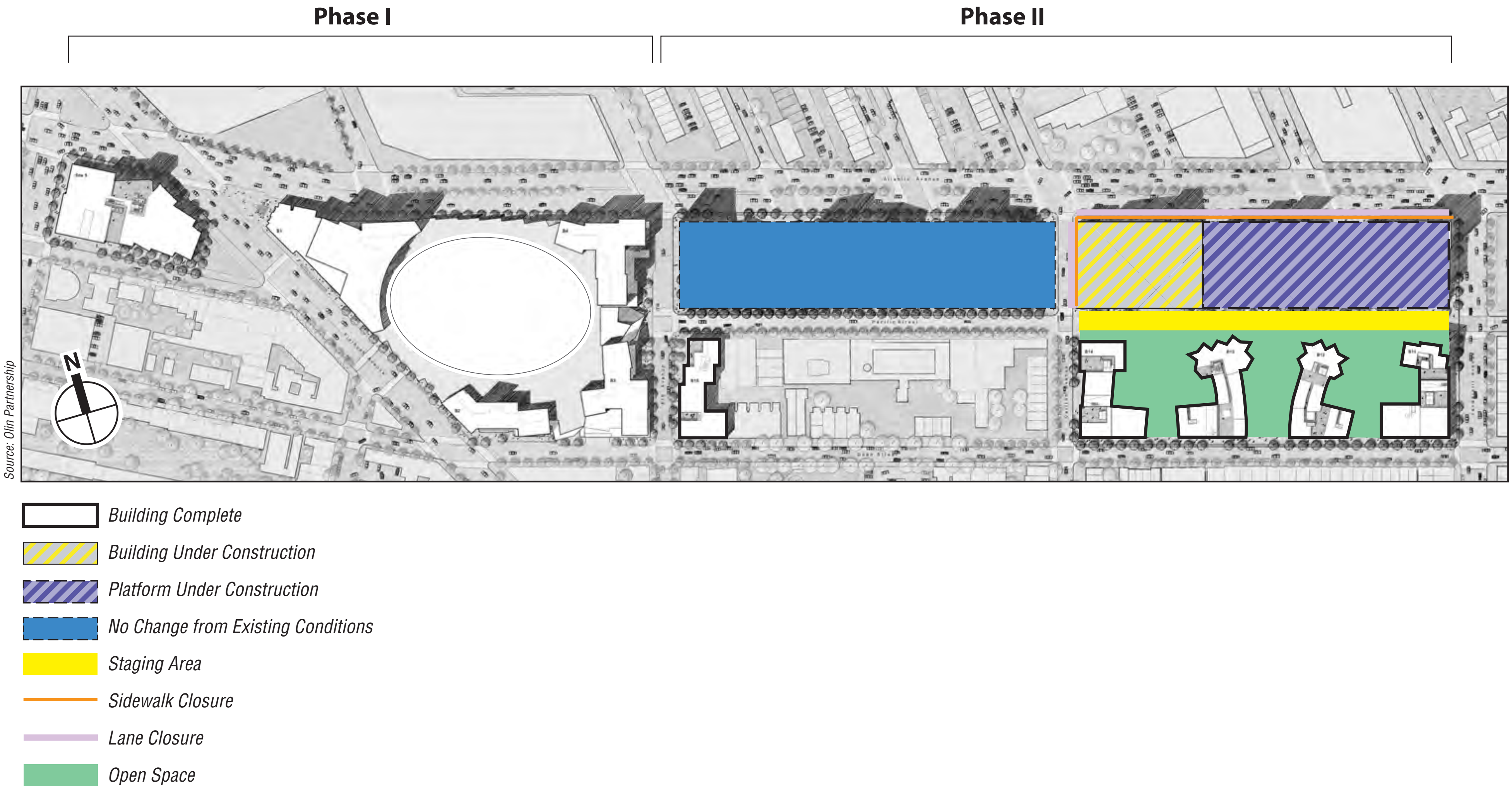
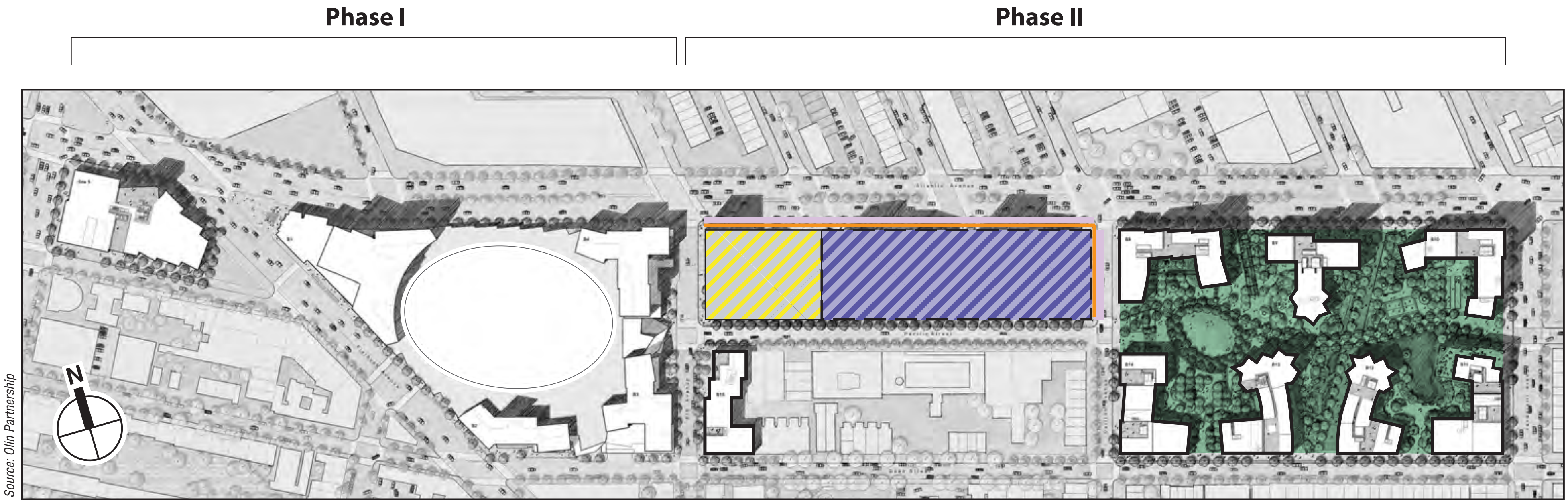


Construction Phasing Plan 1 – Intermediate Stage (Late 2027)
Figure S-8



Building Complete

Building Under Construction

Platform Under Construction

Staging Area

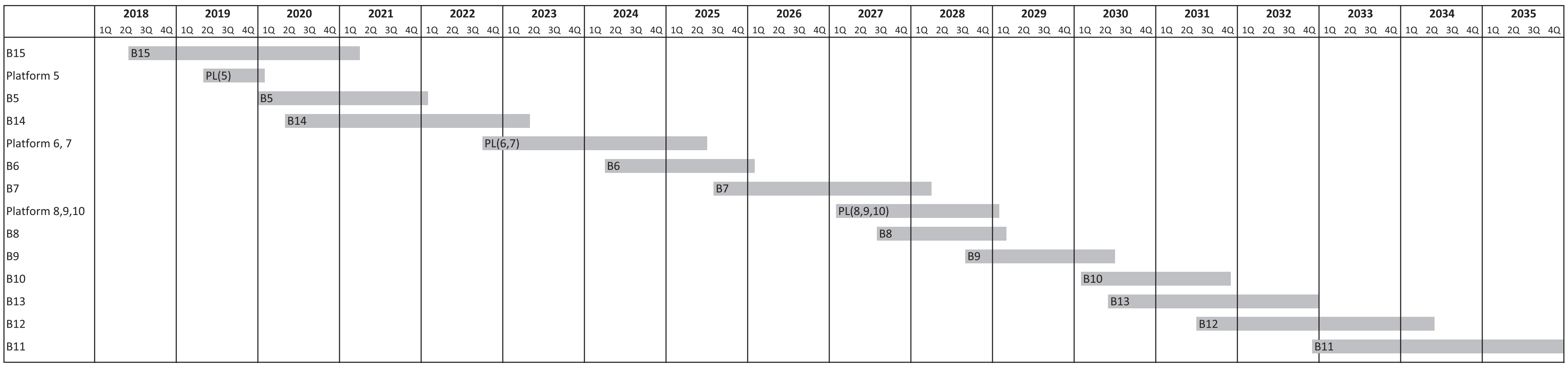
Sidewalk Closure

Lane Closure

Open Space

Construction Phasing Plan 1 – Late Stage (Late 2031)

Figure S-9



Illustrative Construction Phasing Plan 2
Figure S-10

Table S-4
Phase II Illustrative Construction Phasing Plan 2

Building	Block	Start Month	Finish Month	Approximate duration (months)
Building 15	1128	June 2018	March 2021	34
Platform for Building 5	1120	May 2019	January 2020	8
Building 5	1120	January 2020	January 2022	24
Building 14	1129	May 2020	April 2023	36
Platform for Buildings 6 and 7	1120	October 2022	June 2025	32
Building 6	1120	April 2024	January 2026	21
Building 7	1120	August 2025	March 2028	32
Platform for Buildings 8, 9, and 10	1121	February 2027	January 2029	24
Building 8	1121	August 2027	February 2029	18
Building 9	1121	September 2028	June 2030	21
Building 10	1121	February 2030	November 2031	21
Building 13	1129	June 2030	December 2032	31
Building 12	1129	July 2031	May 2034	34
Building 11	1129	December 2032	December 2035	37[1]

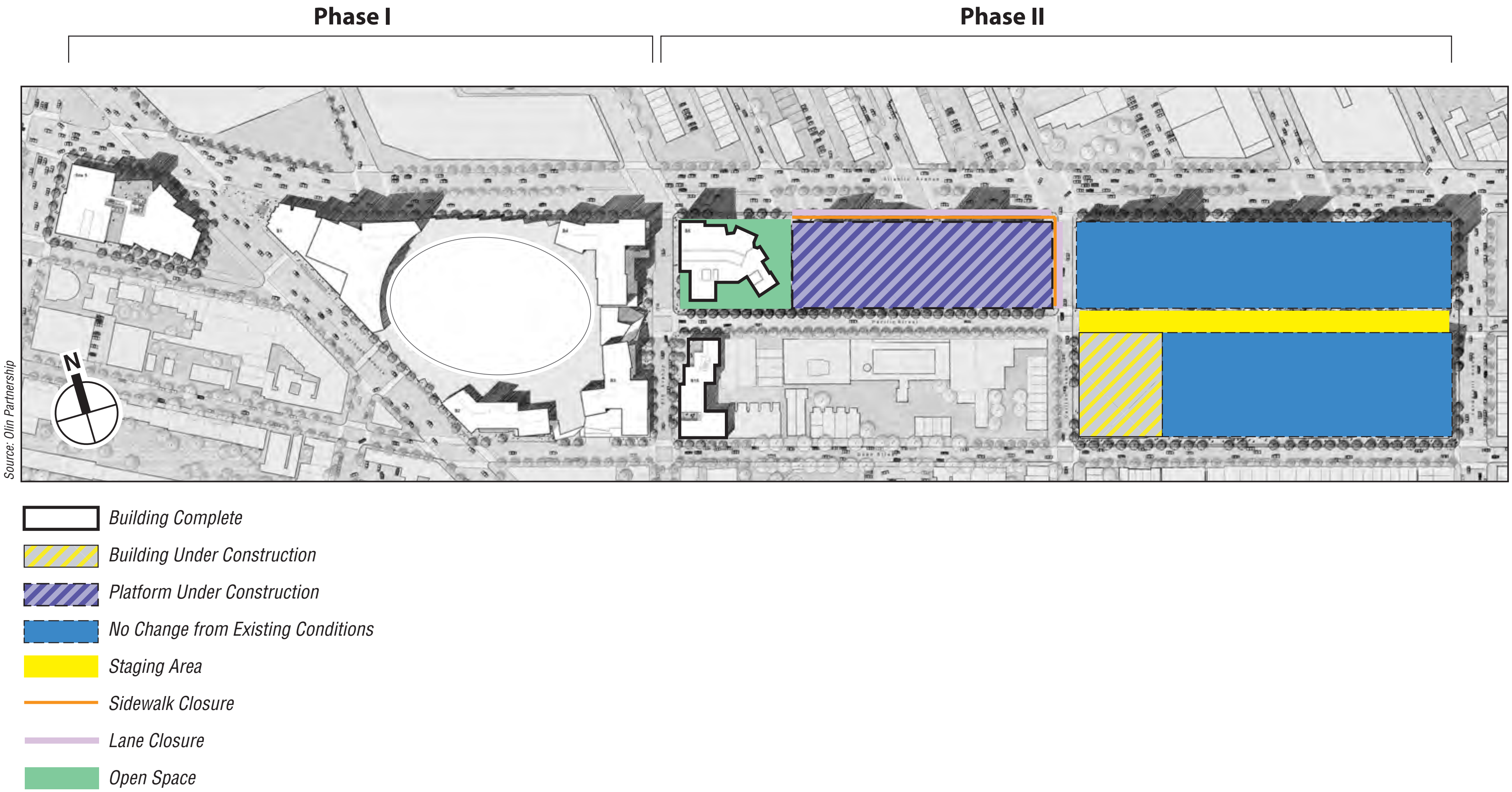
Note: [1] Includes 6 months of site and amenities work on Blocks 1121 and 1129.
Source: Hunt Construction Group

the Vanderbilt Yard for Building 5, followed by Building 5 construction, platform construction for Buildings 6 and 7, Building 6 construction, and finally Building 7 construction. Block 1120 construction activities are assumed to take place from May 2019 through March 2028. During construction of Building 5, construction of Building 14 on Block 1129 would also commence due to a contractual agreement that construction of at least one building on this block must begin by May 2020. Construction of Building 14 is assumed to take place from May 2020 through April 2023. Construction on Block 1121 is assumed to start in February 2027 where a platform would be constructed over a portion of the Vanderbilt Yard to provide a base for the Block 1121 buildings. Building construction on Block 1121 is assumed to move from west to east, starting with the construction of Building 8 in August 2027, followed by Building 9 in September 2028, and Building 10 in February 2030. Activities on Block 1121 are assumed to be completed by November 2031. The remaining portion of Block 1129 is assumed to be constructed starting in June 2030 with Building 13, followed by Buildings 12 and finally Building 11, with all activities completed by December 2035.

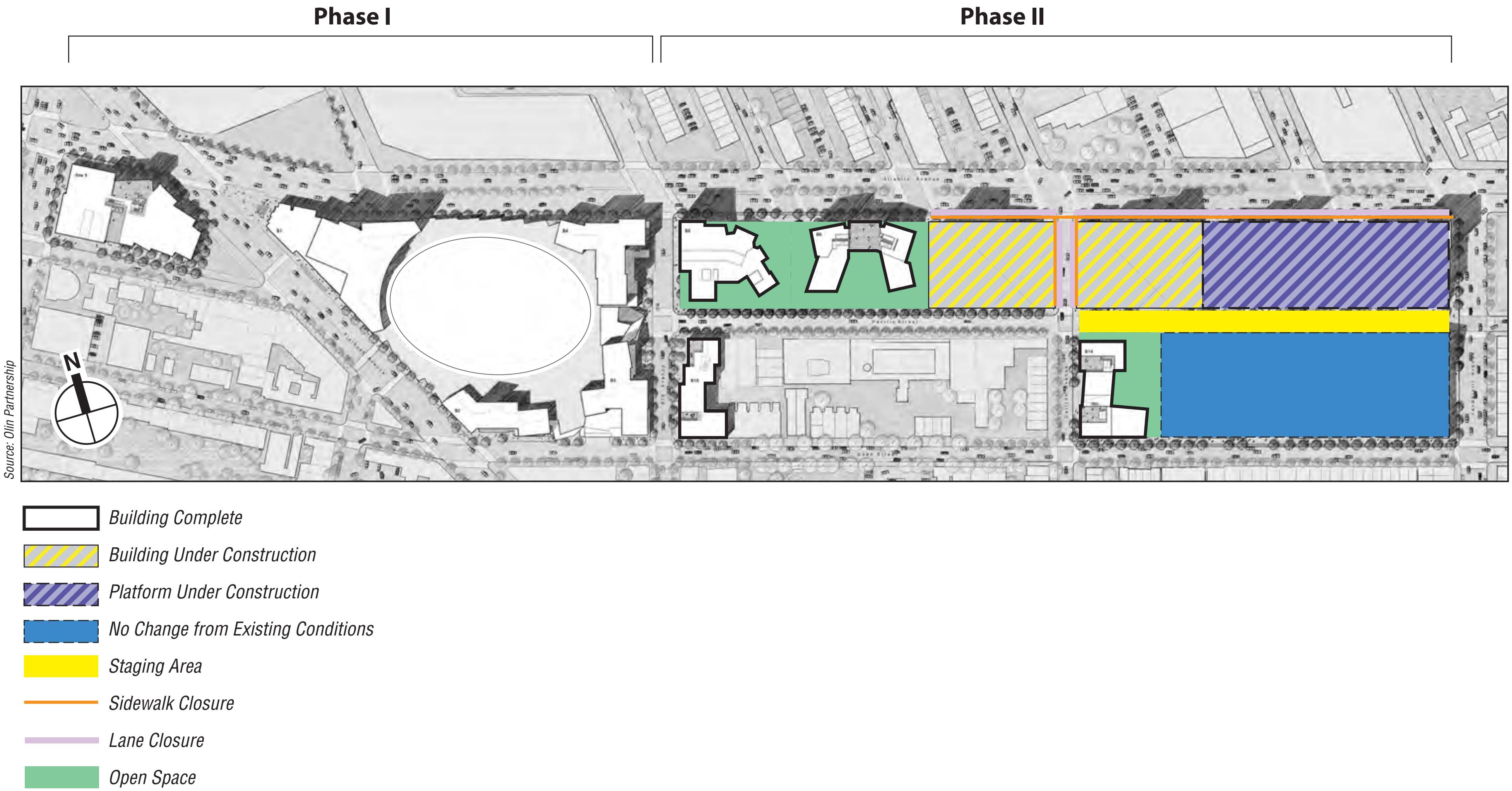
Figures S-11 through S-13 depict the Phase II project site through early, intermediate, and late stages of construction under Construction Phasing Plan 2.

CONSTRUCTION PHASING PLAN 3

The illustrative construction schedule for Construction Phasing Plan 3 is shown on **Figure S-14** and in **Table S-5**. This third illustrative construction phasing plan is designed to illustrate construction that would start as described in Construction Phasing Plan 1, stop for a period of time for unforeseen reasons, and then restart with concentrated construction until project completion in 2035. The analysis of Construction Phasing Plan 3 is intended to assess the effects of stalled construction followed by a period of intense construction activities. Construction under this phasing plan would proceed in the same general sequence as described for Construction

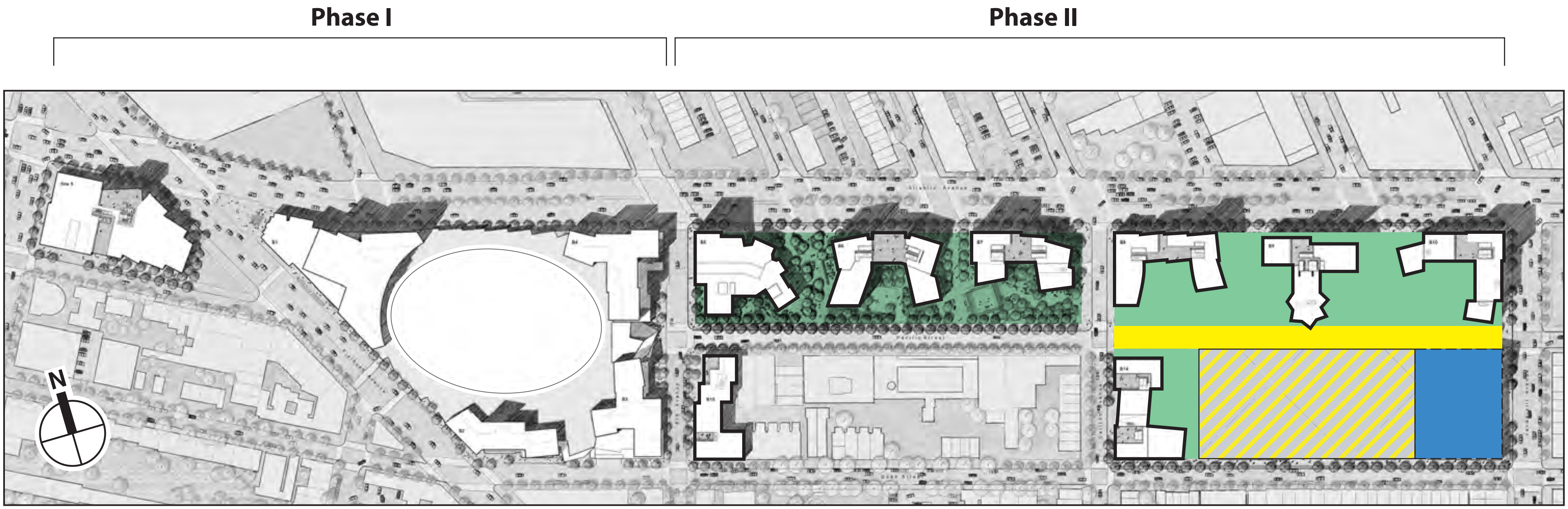


Construction Phasing Plan 2 – Early Stage (Late 2022)
Figure S-11



Construction Phasing Plan 2 – Intermediate Stage (Late 2027)
Figure S-12

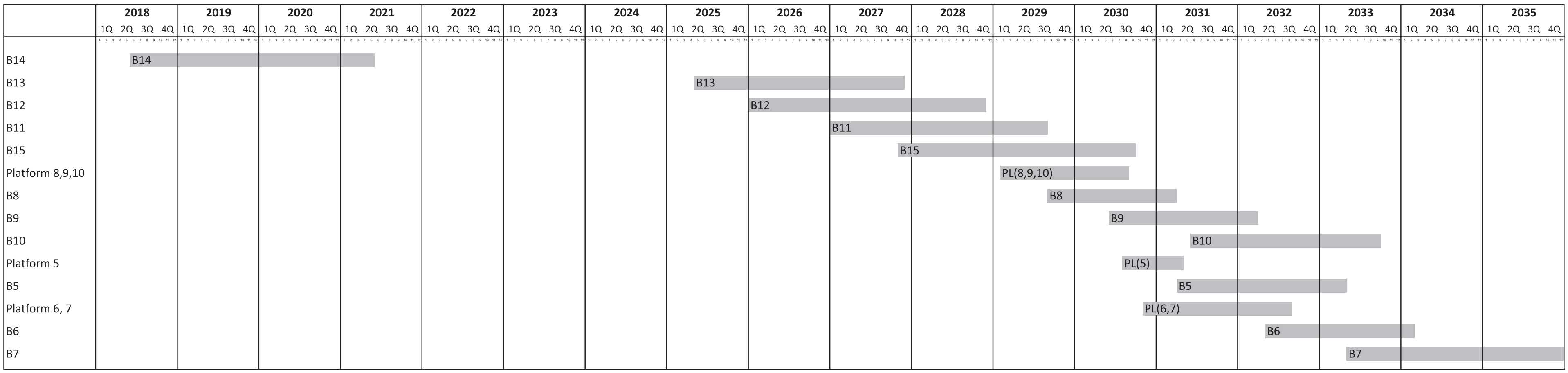
3.13.14



Source: Olin Partnership

- Building Complete
- Building Under Construction
- No Change from Existing Conditions
- Staging Area
- Sidewalk Closure
- Lane Closure
- Open Space

Construction Phasing Plan 2 – Late Stage (Late 2031)
Figure S-13



Illustrative Construction Phasing Plan 3
Figure S-14

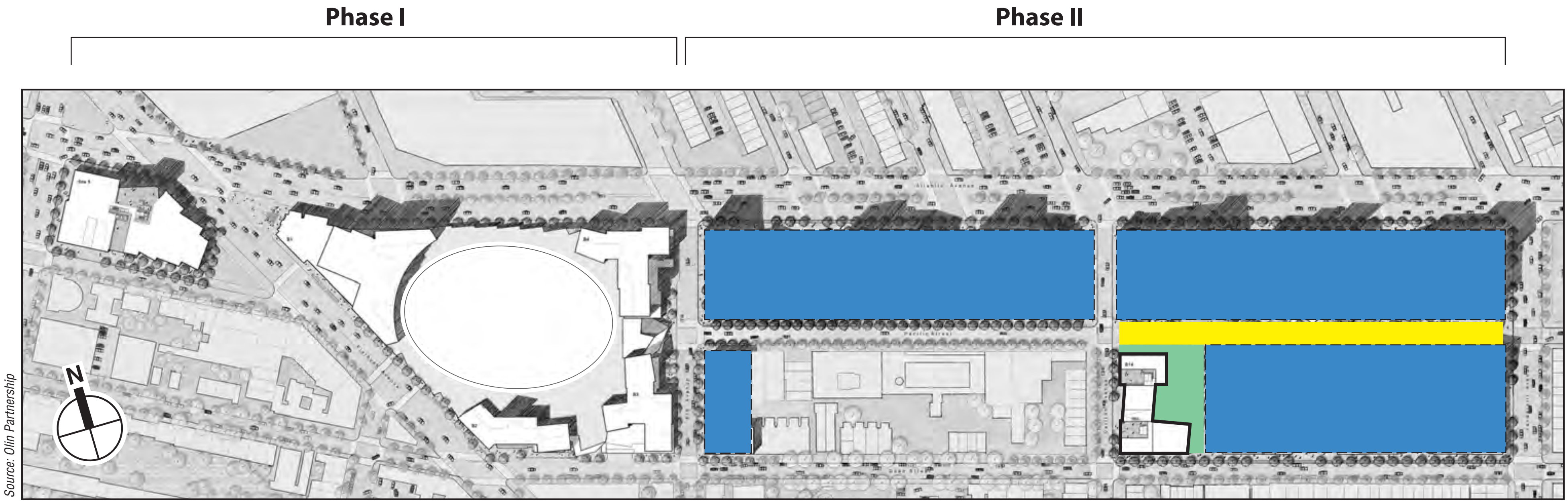
Table S-5
Phase II Illustrative Construction Phasing Plan 3

Building	Block	Start Month	Finish Month	Approximate duration (months)
Building 14	1129	June 2018	May 2021	36
Building 13	1129	May 2025	November 2027	31
Building 12	1129	January 2026	November 2028	34
Building 11	1129	January 2027	August 2029	31
Building 15	1128	November 2027	September 2030	34
Platform for Buildings 8, 9, and 10	1121	February 2029	August 2030	18
Building 8	1121	September 2029	March 2031	18
Building 9	1121	June 2030	March 2032	21
Building 10	1121	June 2031	September 2033	27[1]
Platform for Building 5	1120	August 2030	April 2031	8
Building 5	1120	April 2031	April 2033	24
Platform for Buildings 6 and 7	1120	November 2030	August 2032	21
Building 6	1120	May 2032	February 2034	21
Building 7	1120	May 2033	December 2035	32

Note: [1] Includes 6 months of site and amenities work on Blocks 1121 and 1129.
Source: Hunt Construction Group

Phasing Plan 1 above, with Block 1129 in an earlier build-out to fulfill the aforementioned contractual obligation. However, under this illustrative phasing plan, construction is assumed to stop for several years. Construction activities under illustrative Construction Phasing Plan 3 would be more staggered with more overlapping construction activities than the other two phasing plans. Under Construction Phasing Plan 3, construction is assumed to begin on Block 1129, moving from west to east. Construction of Building 14 is assumed to commence in June 2018 and would be completed by May 2021. No construction activities are anticipated between June 2021 and April 2025. Construction activities on Block 1129 are assumed to resume in May 2025 for the construction of Building 13, followed by the construction of Buildings 12 in January 2026 and finally Building 11 in January 2027. Building construction on Block 1129 is assumed to be completed by August 2029. In November 2027, construction of Building 15 on Block 1129 is assumed to commence, with all activities to be complete by September 2030. Construction is then assumed to proceed to Block 1121 in February 2029 where a platform would be constructed over a portion of the Vanderbilt Yard to provide a base for the Block 1121 buildings. Building construction on Block 1121 is assumed to move from west to east, starting with the construction of Building 8 in September 2029, followed by Building 9 in June 2030 and Building 10 in June 2031. Activities on Block 1121 are assumed to be completed by September 2033. While construction activities are occurring simultaneously for the Block 1121 platform, Building 8, and Building 9, activities on Block 1120 are assumed to commence. Platform construction for Building 5 is assumed to begin in August 2030 and would be completed by April 2031. Platform construction for Buildings 6 and 7 is assumed to soon follow and is assumed to take place between November 2030 and August 2032. Construction of Buildings 5, 6, and 7 is assumed to begin in April 2031, May 2032, and May 2033 respectively, with all activities on Block 1120 to be complete by December 2035.

Figures S-15 through S-17 depict the Phase II project site through early, intermediate, and late stages of construction under Construction Phasing Plan 3.



Building Complete

No Change from Existing Conditions

Staging Area

Sidewalk Closure

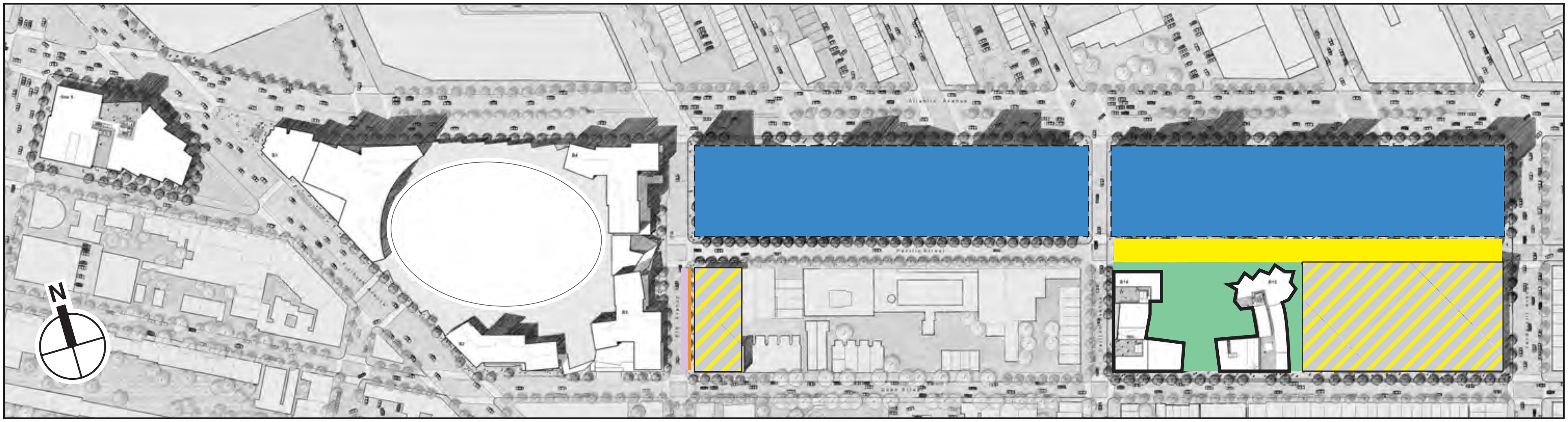
Lane Closure

Open Space

Construction Phasing Plan 3 – Early Stage (Late 2022)
Figure S-15

2.24.14

Phase I **Phase II**

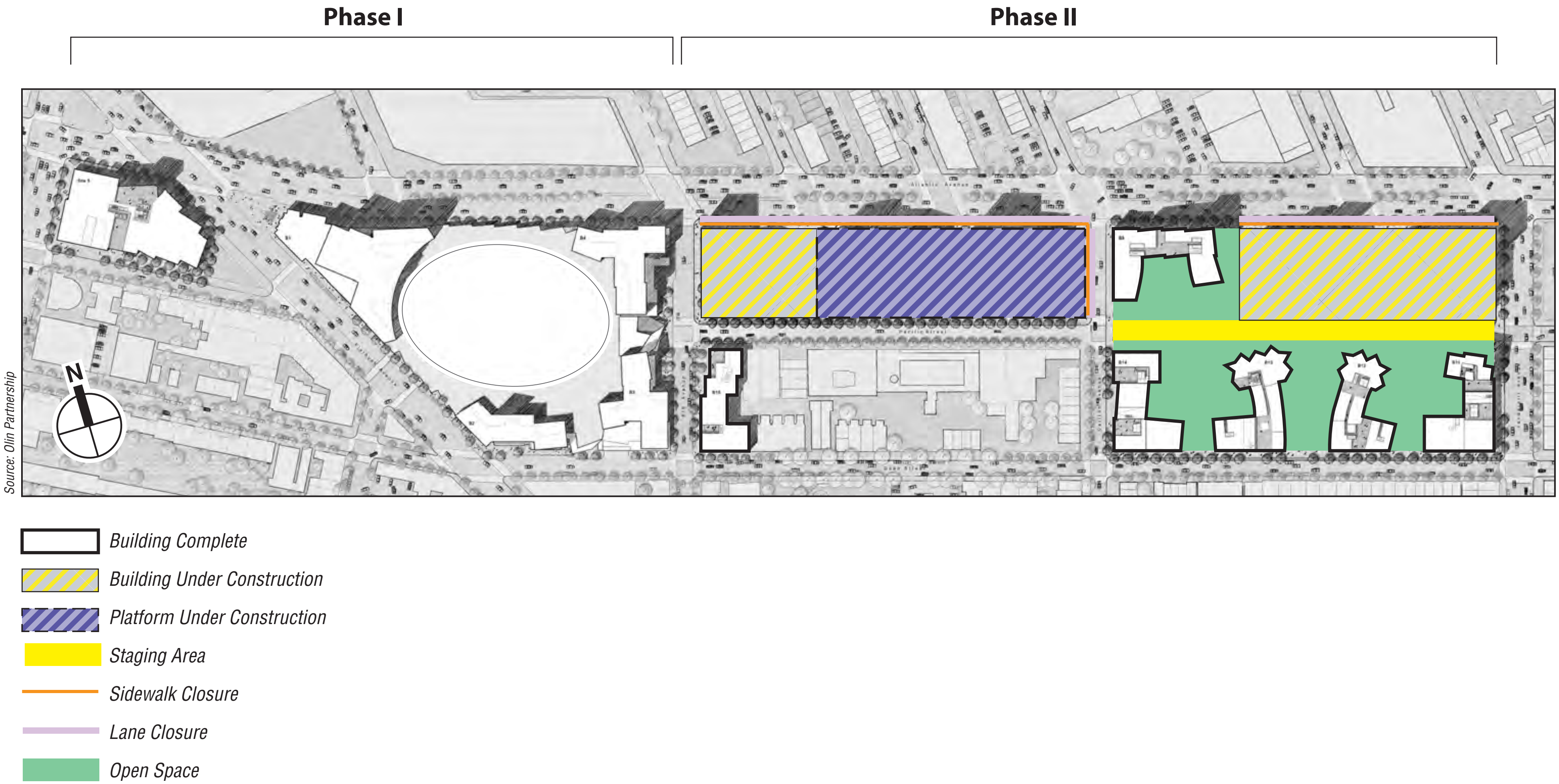


Source: Olin Partnership

- Building Complete
- Building Under Construction
- No Change from Existing Conditions
- Staging Area
- Sidewalk Closure
- Lane Closure
- Open Space

Construction Phasing Plan 3 – Intermediate Stage (Late 2027)

Figure S-16



Construction Phasing Plan 3 – Late Stage (Late 2031)
Figure S-17

E. POTENTIAL IMPACTS OF PHASE II OF THE PROJECT DURING CONSTRUCTION

INTRODUCTION

This SEIS includes a detailed analysis of the construction of Phase II of the Project under the Extended Build-Out Scenario using the three illustrative construction phasing plans identified above to evaluate the impacts of prolonged Phase II construction. However, there are technical areas of the construction analyses that would not be affected by the extended construction period for the Phase II development. The areas not affected by the extended construction period for the Phase II development are cultural resources, shadows, hazardous materials, and infrastructure, and these are not included in the discussion below.

CONSTRUCTION ZONING AND PUBLIC POLICY

The SEIS concludes that construction of Phase II of the Project under the Extended Build-Out Scenario would not result in significant adverse impacts with respect to Zoning and Public Policy.

The 2006 FEIS analyzed the consistency of the Project with zoning and public policy and found that, upon completion, the Project would not result in any significant adverse impacts associated with those categories. The 2006 FEIS found that the Project would offer the opportunity to further some of the City’s policies for housing and commercial development in Brooklyn, including removing blight and eliminating negative environmental conditions; maximizing the development of appropriate land use; strengthening the tax base of the City by encouraging development and employment opportunities; providing affordable housing and market-rate housing of high quality; and providing appropriate community facilities, parks and recreational uses, retail shopping, and parking. The completion of Phase II of the Project at a later date would delay the delivery of some of the aforementioned Project benefits. Under the Extended Build-Out Scenario, Phase II would be completed by 2035, compared with the 2016 completion date assumed in the 2006 FEIS. However, none of the benefits related to Phase II would be achieved in the No Build condition (i.e., the Future Without Phase II). As Phase II of the Project, even under the Extended Build-Out Scenario, would provide numerous benefits related to public policies analyzed in the 2006 FEIS, it would not be inconsistent with the goals and objectives of those policies. In addition, as described below, construction of Phase II of the Project under the Extended Build-Out Scenario would not result in any conflicts with zoning or other public policy changes that have been implemented in the ¾-mile study area since the completion of the 2006 FEIS.

ZONING

Since the 2006 FEIS, three contextual rezonings within the study area have been approved: the Fort Greene/Clinton Hill Rezoning, the Boerum Hill Rezoning, and the Crown Heights West Rezoning. These contextual rezonings impose additional restrictions on development, as their objectives are to prevent out of scale development in those neighborhoods, match new zoning to existing built character and land uses, and incentivize the development of modest amounts of new affordable housing. Therefore, these rezonings would further strengthen the 2006 FEIS conclusion that the Project would not be expected to spur substantial changes in the firmly established neighborhoods that surround the project site. The completion of Phase II of the Project at a later date would not alter the conclusions of the 2006 FEIS.

As Phase II is incrementally constructed, it would also provide a higher proportion of affordable units than would the Inclusionary Housing Program in the designated areas under the Fort Greene/Clinton Hill Rezoning and Crown Heights West Rezoning. The affordable housing provided by Phase II would be targeted to a greater range of incomes than the Inclusionary Housing Program (which is targeted to households earning up to 80 percent Area Median Income [AMI]), because the affordable housing in Phase II, based on currently available programs, would be targeted towards five income bands (see **Table S-2**). Construction of Phase II of the Project would be supportive of the City's goal to create new units of affordable housing.

In 2012, the Downtown Brooklyn Parking Text Amendment was approved, which reduces parking requirements in Downtown Brooklyn, including portions of the Phase I project site. The text amendment is expected to result in the provision of parking supply that better reflects actual parking demand in Downtown Brooklyn, which—like the project site—features some of the best transit access in the city, including numerous subway and bus lines. Phase II of the Project is not within the area covered by the Downtown Brooklyn Parking Text Amendment, and therefore this text amendment is not relevant to the analysis of a delay in the construction of Phase II. However, since the project site exhibits many of the characteristics of Downtown Brooklyn, that text amendment is discussed in the assessment of a Reduced Parking Alternative in Chapter 6, "Alternatives."

PUBLIC POLICY

At the time of the publication of the 2006 FEIS, both the State and National Register (SN/R)-listed Prospect Heights Historic District and the New York City Landmark (NYCL)-eligible Prospect Heights Historic District were included in the analysis of impacts. Since the 2006 FEIS, the NYCL Prospect Heights Historic District has been designated by the New York City Landmarks Preservation Commission (LPC), and the boundaries have been defined slightly differently than those analyzed in the 2006 FEIS. Accordingly, the Construction Protection Plan (CPP) required under the Letter of Resolution with the New York State Office of Parks, Recreation and Historic Preservation (OPRHP) was modified to include new historic resources within the expanded boundaries of the Prospect Heights Historic District that are within 90 feet of future construction activity associated with the Project. In light of the adjustments made to the CPP, construction of Phase II under the Extended Build-Out Scenario would not have a significant adverse construction impact on the expanded district.

PlaNYC was established in 2007, and provides a policy framework for sustainable planning in New York City. Even with a prolonged period of construction, the Project would assist in meeting many of the goals and objectives established in PlaNYC, such as by providing new affordable and market-rate housing to meet the needs of current and future residents at a transit-accessible location, providing new open spaces, and utilizing public land to facilitate development that would eliminate blighted conditions. The completion of Phase II of the Project at a later date would delay the delivery of some of the Project benefits that would be supportive of PlaNYC, but would not conflict with the goals of PlaNYC. Under the Extended Build-Out Scenario, Phase II is assumed to be completed in 2035, compared with the 2016 completion date assumed in the 2006 FEIS. Thus, the full achievement of the Project's benefits related to PlaNYC would be delayed under the Extended Build-Out Scenario. However, none of the benefits related to Phase II would be achieved in the No Build condition (i.e., the Future Without Phase II). Because Phase II of the Project, even in the Extended Build-Out Scenario, would provide benefits related to PlaNYC, it would not be inconsistent with the goals and objectives of PlaNYC.

CONSTRUCTION SOCIOECONOMIC CONDITIONS

This analysis finds that construction activities of Phase II under the Extended Build-Out Scenario would not result in any significant adverse socioeconomic impacts. Based on *CEQR Technical Manual* criteria, the preliminary assessment does not indicate the potential for significant adverse socioeconomic impacts due to extended construction. Construction would not impede access to businesses surrounding the project site or reduce the visibility of their signage, and curbside deliveries to surrounding businesses are not expected to be significantly affected. It is possible that some limited reduction in pedestrian flow could occur along Vanderbilt Avenue at times during the construction period if some pedestrians choose alternate routes to avoid walking past the Phase II project site. However, any such reduction in pedestrian flow would be countered by the presence of construction workers and by new residential population as the Phase II buildings are completed, and would not substantially affect the vast majority of businesses or lead to business failures that could in turn affect neighborhood character.

While *CEQR Technical Manual* criteria do not indicate the potential for significant adverse socioeconomic impacts, a more detailed analysis was conducted in response to public concerns raised with respect to the effects of prolonged construction of Phase II of the Project on socioeconomic conditions in the area. This additional analysis of socioeconomic conditions surrounding the Atlantic Yards project site indicates that Project development to date has not led to business or residential disinvestment in the ¼-Mile Study Area around the project site. Residential trends in the ¼-Mile Study Area have generally followed trends in the surrounding neighborhoods, with average sales prices and rents increasing. For most property types between 2003 and 2012, increases in average residential sales prices in the ¼-Mile Study Area outpaced trends in the ¾-mile area surrounding the site (the Control Area).

Retail corridors closest to the Arena site have experienced increased investment since the announcement of the Project. While retail vacancy has increased, based on discussions with brokers these vacancies are the result of renovation of storefronts for new tenants rather than retail disinvestment. Increases in both retail employment and total employment in the ¼-Mile Study Area outpaced those in the ¾-Mile Control Area over the analysis period. Overall, demographic trends, real estate and employment data, and discussions with brokers in the area indicate that ongoing construction on the project site has not resulted in any substantial negative effect on neighborhood conditions or property values in the ¼-Mile Study Area as compared with the ¾-Mile Control Area.

Findings from case studies of other development sites in New York City that have experienced prolonged construction and/or periods of construction delay, including Riverside South, First Avenue Properties, Battery Park City, and Metro Tech, are consistent with findings on the effects of the Atlantic Yards Project to date. The case studies indicate that prolonged construction—in some cases construction that lasted for decades and is still ongoing—has not led to decreased property values or other signs of disinvestment in the ¼-Mile Study Area compared with the ¾-Mile Control Area for each of the case studies. Across all case studies, demographic and housing trends indicate that population and income growth and residential property values in the ¼-Mile Study Area kept pace with or exceeded growth in the ¾-Mile Control Areas over the course of the analysis period. Trends in commercial office and retail rents and sale values also indicate that prolonged construction or periods of delay for case study developments did not have any detrimental effect on commercial property values in the ¼-Mile Study Areas compared with the ¾-Mile Control Areas.

The construction of the Phase II development would generate substantial economic and fiscal benefits for the city and the state. Investment for construction of Phase II of the Project is estimated at approximately $2.43 billion in 2013 dollars, exclusive of financing, insurance, land value, and other costs that are not directly part of the expenditures for construction. Direct employment generated by construction of Phase II is estimated at 9,148 person-years of employment. Total employment, including jobs in business establishments providing goods and services to the contractors and jobs resulting from spending of construction wages, is estimated at 16,765 person-years of employment in New York State, of which 13,909 person-years would be in New York City. Construction activity would generate an estimated $173.41 million in tax revenues for New York City, the MTA, and New York State. New York State would receive about $109.54 million, the MTA would receive about $7.26 million, and New York City would receive about $56.61 million in tax revenues from construction of Phase II. In addition, New York City would receive revenue from the mortgage recording fees and real property transfer tax from the condominium units. The use of the modular construction method would result in different economic and fiscal benefits as discussed under “Modular Construction” below.

CONSTRUCTION COMMUNITY FACILITIES

The construction community facilities analysis in the SEIS considers the potential for indirect and direct effects on public schools and child care facilities. An “indirect impact” on such community facilities may occur if utilization of those facilities is expected to be in excess of available capacity and if a proposed action may result in an exceedance of school-seat or day-care capacity in the relevant study area by certain significance criteria recommended in the *CEQR Technical Manual*.

INDIRECT EFFECTS

Public Schools

As with the 2006 FEIS, this SEIS identifies a significant adverse impact on elementary and intermediate schools. Under the SEIS analysis, the significant adverse indirect impact on study area elementary schools would occur with the completion of the first Phase II building, under any of the three construction phasing plans. With regard to intermediate schools, a significant adverse impact would first occur beginning with the completion of the second Phase II building under both Construction Phasing Plan 1 and Construction Phasing Plan 3 and upon completion of the first Phase II building under Construction Phasing Plan 2. However, the delayed completion of Phase II of the Project would not itself create additional demand on schools, and the magnitude of the significant adverse impact identified in this SEIS reflects conservative methodology that does not account for long-term projections for increasing study area school capacity, possible future shifts in Community School District (CSD) boundaries or sub-district boundaries, or construction of additional school facilities. The impact to public school capacity would gradually increase over time until Phase II is completed, as additional students are introduced to the study area by additional Phase II buildings. The elementary and intermediate school seat shortfalls would be partially mitigated by the construction of a new public school on the Phase II project site, at the election of DOE. There would not be a shortfall of high school seats in Brooklyn under any of the construction phasing plans.

Child Care

The SEIS concludes that construction of Phase II of the Project under the Extended Build-Out Scenario would not result in significant adverse impacts with respect to child care facilities. Utilization of publicly funded child care services would steadily increase until such time as the 100 slots that the project sponsors are obligated to provide, as per the MEC, become operational. Consistent with *CEQR Technical Manual* methodology, a significant adverse impact on child care facilities may result if, in the Future With Phase II, there would be a 5 percent increase in utilization, compared with the Future Without Phase II, and overall utilization is above 100 percent. Prior to the completion of the new child care facility, utilization could increase by up to 5.98 percent, in 2032 under Construction Phasing Plan 1 and 2033 under Construction Phasing Plan 3. Once the child care facility is provided, however, any increase in utilization would diminish. Upon completion of Phase II in 2035, the increase in child care utilization attributable to the Phase II would be 1.56 percent, well below the 5 percent significance threshold. During the construction of Phase II under the Extended Build-Out Scenario, there could be a temporary condition where the increase in child care utilization attributable to Phase II would exceed the *CEQR Technical Manual* threshold for a significant adverse impact of 5 percent, but due to the short duration of this shortfall (approximately two years, in the Extended Build-Out Scenario) and the 100 new child care slots that would be provided by the project sponsors, this temporary condition would not be considered a significant adverse impact. In addition, the project sponsors have committed to monitoring child care enrollment and capacity in the study area as the project progresses, and to the extent necessary to avoid a significant adverse impact, make arrangements with one or more duly licensed day care providers for the long-term operation of a duly licensed child care center (or centers) to provide up to approximately 250 additional child care slots, either on or in the vicinity of the project site.

DIRECT EFFECTS

With respect to direct effects on community facilities, the construction of Phase II under the Extended Build-Out scenario would not displace any existing community facilities. No significant adverse impacts to air quality would result from construction of Phase II of the Project at any sensitive receptor locations, including community facilities.

The proposed on-site school and intergenerational community center would be constructed with adequate noise attenuation, and therefore would not experience significant construction noise impacts.

One existing public school (P.S. 753, located at 510 Clermont Avenue) would be expected to experience significant adverse noise impacts during the construction of certain Phase II buildings. Under Construction Phasing Plan 1, one or more floors along the south and west facades of the school building would be expected to experience exterior noise level increments exceeding CEQR impact criteria for up to nine years. Under Construction Phasing Plan 2, one or more floors along the east, south and west facades of the school building would be expected to experience exterior noise level increments exceeding CEQR impact criteria for up to seven years. Under Construction Phasing Plan 3, one or more floors along the south and west facades of the school building would be expected to experience exterior noise level increments exceeding CEQR impact criteria for up to eleven years. P.S. 753 already has double-glazed windows and an alternate means of ventilation. In light of the noise levels predicted on the exterior of the school facades, and the typical noise attenuation provided by double-glazed windows and alternate ventilation, it is expected that the resulting interior noise levels in the public school would be below 45 dBA $L_{10(1)}$ (the *CEQR Technical Manual*'s acceptable interior noise level criteria for schools), except during an approximately one year period under Construction Phasing Plans 1 and 3 or an approximately two year period under Construction Phasing Plan 2, when noise levels are predicted to slightly exceed this threshold. Because interior noise levels would be acceptable except during limited periods when the acceptable threshold would be slightly exceeded, the temporary construction noise impacts on P.S. 753 would not impair the operation of the school, and therefore would not be considered a significant adverse community facilities impact.

Construction of Phase II under the Extended Build-Out Scenario would not result in the temporary or permanent closure or displacement of any community facilities. During the construction of Phase II, construction activities would not be expected to adversely affect any libraries, police or fire stations, publicly funded day care facilities, or health facilities, as none are located in close proximity to the Phase II construction sites.

CONSTRUCTION OPEN SPACE

The construction open space analysis consists of two components. Since the 2006 FEIS identified a temporary significant adverse impact on passive open space resources in the non-residential study area upon the completion of Phase I, the analysis first compares the duration of that impact under the Extended Build-Out Scenario with the duration that would have been expected under the schedule anticipated in the 2006 FEIS. The analysis then assesses the potential for impacts from construction activities during a prolonged construction period for Phase II under the Extended Build-Out Scenario, including potential direct and indirect effects on open space resources in the study area.

ANALYSIS OF TEMPORARY SIGNIFICANT ADVERSE IMPACT ON PASSIVE OPEN SPACE RESOURCES IN NON-RESIDENTIAL STUDY AREA IDENTIFIED IN THE 2006 FEIS

Under the Extended Build-Out Scenario, the temporary significant adverse impact on the ratio of acres of passive open space per 1,000 workers (the passive worker ratio) in the non-residential study area associated with Phase I of the Project would be eliminated during construction of Phase II by 2029 or 2031 (depending on the illustrative construction phasing plan being analyzed), when approximately 3.36 to 3.41 acres of new publicly accessible passive open space would be provided by the Phase II development.

Therefore, compared with the Phase II schedule analyzed in the 2006 FEIS, the Extended Build-Out Scenario would prolong the temporary significant adverse impact on the passive worker ratio in the non-residential study area that was identified in the FEIS by between approximately 7 and 9 years. The analysis uses the commercial mixed-use variation and assumes that all of the Phase I buildings are built by 2018, as it is the worker population in the Phase I buildings that would cause the Phase I impact identified in the 2006 FEIS.

ANALYSIS OF ADEQUACY OF OPEN SPACE RESOURCES DURING THE PHASE II CONSTRUCTION PERIOD UNDER THE EXTENDED BUILD OUT SCENARIO

There would be no significant adverse indirect or direct open space impacts due to the construction of Phase II.

Indirect Effects Within the ¼-Mile Non-Residential Study Area

Under all three construction phasing plans, the ratio of acres of passive open space in the non-residential study area per 1,000 workers (the passive worker ratio) would gradually increase as Phase II buildings come online and add new passive open space resources to the ¼-mile non-residential study area. Overall, Phase II of the Project would improve the passive worker ratio, and at no point during the build out of Phase II would the percentage change in the passive worker ratio from the Future Without Phase II to the Future With Phase II be negative. Therefore, there would be no significant adverse indirect impacts in the non-residential open space study area due to the construction of Phase II.

Indirect Effects Within the ½-Mile Residential Study Area

In the ½-mile residential study area, the ratio of total acres of open space (i.e., combined passive and active publicly accessible open space) in the residential study area per 1,000 residents (the total residential ratio) and the ratio of acres of passive open space in the residential study area per 1,000 residents (the passive residential ratio) would each gradually increase over time. By contrast, the ratio of acres of active open space in the residential study area per 1,000 residents (the active residential ratio) would gradually decrease with time.

At no point during the build out of Phase II under the Extended Build-Out Scenario would the percentage change in the total residential ratio from the Future Without Phase II to the Future With Phase II be negative, under Construction Phasing Plan 1 and 3. Under Construction Phasing Plan 2, there would be a 0.3 percent decrease in the total residential ratio after the completion of the first Phase II building (Building 15, which would provide 0.13 acres of open space) in 2021, after which the ratio would steadily increase. This temporary decrease of less than 1 percent in the total residential ratio would not be considered a significant adverse impact, due to the small size of the decrease, the relatively short duration of this condition, the new open space resources that would be provided as Phase II buildings are constructed, and the availability of open space resources not included in the quantitative analysis, including Prospect Park and Fort Greene Park.

The passive residential ratio would increase over the construction period of Phase II under the Extended Build-Out Scenario. Compared with the Future Without Phase II, at no point during the build out of Phase II would the percentage change in the passive residential ratio from the Future Without Phase II to the Future With Phase II be negative, under all three Construction Phasing Plans. Upon the completion of Phase II in 2035, the overall increase in the passive residential ratio would be 36 percent.

The active residential ratio would gradually decrease over the Phase II construction period under the Extended Build-Out Scenario, with a maximum decrease of approximately 6.9 percent under Construction Phasing Plans 1 and 3 (occurring after the completion of Building 9, the seventh Phase II building to be completed), and with a maximum decrease of approximately 10.4 percent under Construction Phasing Plan 2 (occurring after the completion of Building 12, the second to last Phase II building). However, as additional active features come online, the active residential ratio would improve slightly, and under all three construction phasing plans, at the completion of Phase II in 2035, would decrease by approximately 5.6 percent.

Residents would continue to have access to resources that are not included in the quantitative analysis, including two destination open space resources (Fort Greene Park and Prospect Park) that are within walking distance of the Phase II project site, but are not within the ½-mile study area.

The overall effect of Phase II of the Project would be to improve the availability of publicly accessible open space in the study area. Due to the new open space resources that would be provided by Phase II, and the availability of open space resources not included in the quantitative analysis (in particular, Prospect Park and Fort Greene Park, two destination parks within walking distance of the Project site), the decreases in the active residential ratio would not be considered a significant adverse impact. Overall, there would be no significant adverse indirect open space impacts associated with Phase II of the Project under the Extended Build-Out scenario, under any of the three construction phasing plans.

Direct Effects

Phase II would not result in any direct displacement of existing open space resources. No significant adverse impacts on existing open spaces due to air emissions, noise, or vibration are anticipated during the construction of Phase II. Therefore, there would not be any significant adverse impacts due to direct effects on study area open spaces during the Extended Build-Out Scenario under any of the illustrative construction phasing plans.

Noise levels in areas where new Project open spaces would be developed would exceed *CEQR Technical Manual* guidelines due to existing traffic noise from nearby roadways, with or without Phase II construction activities, but the Phase II construction activities under any of the three analyzed illustrative construction phasing plans would result in noise level increases at Project open space locations during certain time periods. Open space areas with a line of sight to active construction activities would experience more elevated noise levels during those activities. While these noise levels are not desirable, there is no effective practical mitigation that could be implemented to avoid these levels during construction. Noise levels in many of the city's parks and open space areas that are located near heavily trafficked roadways and/or near construction sites experience comparable and sometimes higher noise levels.

CONSTRUCTION URBAN DESIGN AND VISUAL RESOURCES

Construction activities of Phase II under the Extended Build-Out Scenario would not result in any significant adverse impacts on urban design and visual resources.

The Phase II project site does not include any visual resources. Construction of the Phase II buildings would not obstruct views to any identified visual resources in the area. Therefore the construction of Phase II of the Project would not result in significant adverse impacts to visual resources under the *CEQR Technical Manual* criteria.

The delayed completion of Phase II under the Extended Build-Out Scenario would prolong interim site conditions that were identified in the 2006 FEIS, including a surface parking lot on Block 1129 and the presence of the open rail yard. The surface parking spaces would be provided in a temporary condition until they are located below-grade in conjunction with the build-out of the project buildings (Buildings 11, 12, 13, and 14) on Block 1129. Views to surface parking areas are common in mixed-use neighborhoods in New York City. As per the MEC, the interim surface parking lot and construction staging area on Block 1129 would continue to be screened and landscaped around its perimeter under the Extended Build-Out Scenario, similar to its appearance in existing conditions. The design of the fence along with the landscaping would continue to provide a visual buffer for pedestrians and residents of the adjacent neighborhood. The approximately 10-foot tall metal fence is set back approximately four feet from the property line to establish a landscaping zone. The fence allows for some pedestrian visibility into the parking facility from the sidewalk. Blooming shrubs and evergreens are also located in the landscape buffer to provide a soft edge and layers of screening. The existing directional lighting would continue to minimize off-site light intrusion into the surrounding neighborhood. Moreover, views of the parking lot would be limited to immediately proximate areas. Due to these factors, the prolonged presence of the interim parking use on Block 1129 under the Extended Build-Out Scenario would not result in significant adverse urban design impacts.

Under the Extended Build-Out Scenario, the prolonged construction of Phase II would delay the point at which views to Blocks 1120 and 1121 would include an active mixed-use development with open spaces and other amenities, as compared with the open rail yard that exists under current conditions. Therefore, a portion of—or the entire rail yard—on Blocks 1120 and 1121 would be visible for a longer period of time. As the rail yard is located below-grade, existing views are limited to immediately proximate areas. In addition, views to the open rail yard exist currently and will continue in the Future Without Phase II, and the elimination of these views is considered a benefit of the Project. Therefore, the delayed completion of the Phase II development on these blocks would not be considered a significant adverse urban design impact.

With regard to the assessment of views, at any moment in time during construction of Phase II under the Extended Build-Out Scenario, irrespective of the construction phasing plan, views of the Phase II project site would depend highly on the pedestrian’s viewpoint. The Urban Design analysis considers the appearance of the project site from multiple pedestrian vantage points during an extended construction period.

From a pedestrian’s perspective, the appearance of areas of the Phase II project site under active construction would be similar to other construction sites in the city. Portions of adjacent streets and sidewalks would be used for staging activities; active construction sites would be surrounded by protective fencing; and for periods of time, large pieces of construction equipment would be seen beyond the protective fencing, followed by building superstructures. Throughout the construction period, access to surrounding residences, businesses, and institutions in the study area would be maintained, and thus there would continue to be pedestrian activity around the Phase II project site. To the extent practicable, measures outlined in the Maintenance and Protection of Traffic (MPT) Plans would be designed so that vehicle lane and sidewalk closures are kept to a minimum and that adequate pedestrian access is provided subject to New York City Department of Transportation (NYCDOT) approval. Phase II sites would be maintained in their existing conditions until right before demolition. Further, the project sponsors are obligated under the 2009 MGPP and MEC to maintain the sites in a clean and secure manner.

Open space on the Phase II project site would be iteratively created as each proposed building is completed. Street trees would be provided along the perimeter of the site consistent with New York City Department of Parks and Recreation (DPR) requirements and regulations. The new Project open spaces in interim and permanent conditions and the replacement street trees would incrementally enhance the pedestrian experience.

VIEWS ANALYSIS FROM ONE BLOCK AWAY FROM THE PROJECT SITE

Other than from Atlantic Avenue east of the Phase II project site, street-level views to the Phase II project site from one city block away are highly constrained. Most eye-level views are limited to a narrow portion of the project site. Views of the project site along Atlantic Avenue from one block east show the Phase II building sites along Atlantic Avenue, which would be viewed in the context of the intensely urban and heavily trafficked character of Atlantic Avenue. Skyward views from the pedestrian perspective could include construction cranes and the superstructures of Phase II buildings under construction and/or completed Phase II buildings, depending on the vantage point, the point in time, and the construction phasing plan. However, skyward views of these construction conditions would not adversely affect the pedestrian experience on these blocks as the changed views would not significantly affect the streetscape at the pedestrian level. Skyward views of cranes and construction would be temporary and would change as construction proceeds. While the duration of these views would be extended due to the prolonged construction period for Phase II, such views would be typical of skyward-facing views of construction sites for tall buildings in New York City, and would be similar in nature to views currently available, when looking up, of numerous construction sites in the downtown Brooklyn area. In addition, pedestrian views of the Phase II buildings under construction and associated construction equipment would not obstruct views of any visual resources in the area.

VIEWS ANALYSIS FROM 100 FEET OF THE PROJECT SITE

From many vantage points 100 feet from the project site, pedestrian views of Phase II construction activities would be highly constrained. These would include views from south along Carlton and 6th Avenues and views from the north along South Portland and South Oxford Streets and views from the east and west along Dean Street. More expansive views of the project site are available from the east and west along Atlantic Avenue as well as views to the south from 100 feet north of Atlantic Avenue along Carlton and Clermont Avenues. At any point these views are likely to include interim site conditions and a larger amount of construction activity than views from the narrower streets with more limited viewsheds. The more expansive views would include large portions of the Phase II project site, which could include conditions similar to existing conditions (including interim conditions), active construction, and completed buildings. Pedestrian-level views to the site would be mainly of completed buildings or sites remaining as in the Future Without Phase II, rather than active construction sites because active construction would take place at only a limited number of buildings sites at any one time under the Extended Build-Out Scenario. While views from locations along the Atlantic Avenue corridor, and some locations 100 feet north of Atlantic Avenue would include Phase II construction activity for a prolonged time period under the Extended Build-Out Scenario, these views are already intensely urban in character and are already heavily influenced by high volumes of traffic and activity. In addition, as Project buildings are completed, views to the project site will include those completed buildings, which will partially obscure construction activities and interim conditions located behind them.

VIEWS ANALYIS FROM ADJACENT SIDEWALK LOCATIONS

Pedestrian views from sidewalks on streets adjacent to active construction would consist of conditions that would be typical of any construction site in the City. Those views would include construction workers, equipment and activities taking place above the construction fence, truck traffic entering and leaving the project site, large pieces of equipment such as cranes, and the MPT elements including barriers and fences and sidewalk bridges. Prior to the start of construction activities, adjacent sidewalks would provide views to certain portions of the project site, depending on a pedestrian’s vantage point. Construction fencing would be installed at the perimeter of the site under construction and would limit views into certain areas of the project site, while views to areas of the site not under construction would remain available. Once project site buildings are complete, views from adjacent sidewalks would include the nearest completed building, along with other more distant completed buildings, on-going construction activities elsewhere on the project site, and longer views that would include the surrounding streetscapes.

Under the Extended Build-Out Scenario, construction activities would be concentrated on some blocks and would be visible from certain adjacent viewpoints for an extended period of time. Views of the interim parking use would be screened by landscaping and fencing, until such time as the surface parking lot would be incrementally replaced with below-grade parking facilities. From sidewalks on the streets adjacent to the project site prior to the beginning of construction activities, a pedestrian would have expansive views of the project site, including of the open rail yard, which would extend to intervening buildings and the buildings adjacent to (or across the street from) the Phase II project site boundaries. These wide views would gradually be changed by construction activities (including, eventually, platforms over the rail yard) and then new Phase II buildings. As Phase II buildings are constructed, they would partially obscure views to other buildings under construction and other construction staging activities. Phase II construction activities, and new Phase II buildings, would also incrementally obscure or partially obscure views to buildings beyond the project site boundaries. Therefore, the existing wide views that are available from project site-adjacent locations would be reduced over time, as new construction activities and buildings are incrementally introduced to the Phase II project site.

Compared with views 100 feet from the project site, Phase II construction activities would have a substantial effect on views from locations adjacent to the project site, due to the close proximity and focused character of these views. Due to the localized nature of these views, a relatively low number of pedestrians would be affected by these changes. No unique views, or views of any important visual resources, would be impacted.

SUMMARY OF EFFECT OF PROLONGED PHASE II CONSTRUCTION ON VIEWS

Views of the project site from more than one block away are extremely limited and would not be significantly affected by extended construction activities. Views from 100 feet of the project site are generally constrained except along the Atlantic Avenue corridor and in certain locations from north of Atlantic Avenue. Views from these vantage points would be experienced in the context of the urban character of Atlantic Avenue. Construction activities would be visually prominent from sidewalk locations on streets adjacent to the project site. Although construction activities on individual building sites would be typical of those on numerous other construction sites throughout the City, the Phase II construction activity would occur at multiple building sites and would be visible for a prolonged duration from many nearby vantage points under the Extended Build-Out Scenario. However, as Project buildings are completed, views to the project site will include those completed buildings, which will partially obscure construction activities and interim conditions located behind them. No unique views, or views of any important visual resources, would be impacted, and the Phase II construction would incrementally replace views of the below-grade rail yard, interim surface parking lot and existing warehouse buildings and other structures as construction proceeds. Therefore, Phase II construction under the Extended Build-Out Scenario would affect views from areas with a limited geographic scope and would not adversely affect a large number of people. For these reasons, construction of Phase II of the Project under the Extended Build-Out Scenario would not result in significant adverse impacts to Urban Design. However, the visual effects of construction activities at sidewalks on streets adjacent to the project site would contribute to the localized significant adverse neighborhood character impacts discussed below.

CONSTRUCTION HAZARDOUS MATERIALS

The 2006 FEIS concluded that the Project would not result in significant adverse impacts with respect to hazardous materials. Construction activities on the project site since the 2006 FEIS have been substantially consistent with the procedures set forth in the 2006 FEIS and MEC. The same procedures for assessing and managing contamination, and measures to avoid impacts, would be implemented during the Phase II work (with certain improvements to minimize noncompliance as discussed in Chapter 3A, “Construction Overview”), and the longer construction period assumed for the Extended Built-Out Scenario would not result in additional impacts with respect to hazardous materials. Therefore, no significant adverse impacts would occur for Phase II of the Project under the Extended Build-Out scenario.

CONSTRUCTION TRANSPORTATION

TRAFFIC

During peak construction under all three illustrative construction phasing plans, the project-generated trips would generally be fewer than the project-generated trips that would be expected upon the full build-out of Phase II of the Project. An exception would be during the peak construction periods for Construction Phasing Plan 3, when multiple buildings and certain railroad yard platform segments would be under concurrent construction at the project site and a number of the Phase II buildings would also be in operation. The detailed construction traffic analysis of two peak construction periods for Construction Phasing Plan 3, which represent the reasonable worst case periods for construction traffic impacts, shows that significant adverse traffic impacts would occur at numerous locations. While these analyses considered specific points in time during Phase II construction under Construction Phasing Plan 3 (primary worst-case in 2032 and secondary worst-case in 2027), the impact findings and determination of mitigation requirements would be applicable to other construction periods during which comparable activities would occur. Overall, significant adverse traffic impacts were identified at 36 intersections during the 1st quarter of 2032 (when Buildings 5, 9, and 10, and the platform segments for Buildings 6 and 7 are assumed to be under concurrent construction at the project site) and at 15 intersections during the 4th quarter of 2027 (when Buildings 11, 12, 13, and 15 are assumed to be under concurrent construction at the project site) under the illustrative construction schedule for Construction Phasing Plan 3. The proposed operational traffic mitigation measures as described in Chapter 5, “Mitigation,” would mitigate most construction impacts during these peak periods. In some cases, variations of the operational mitigation measures or additional measures have been recommended to fully mitigate certain impacts during construction. Similar to the operational traffic impact analysis and findings from the 2006 FEIS, there would be locations where impacts could not be mitigated or could only be partially mitigated.

PARKING

In the Extended Build-Out Scenario, peak parking demand for construction workers is assumed to occur during the peak construction period under the illustrative construction schedule for Construction Phasing Plan 3 when, on average, 314 construction worker vehicles are projected to arrive at the project site during the 6 to 7 AM morning peak hour. Since this volume represents 80 percent of the total projected day shift vehicle trips for construction workers, the total peak parking demand would be 392 vehicles. As the 300 on-site parking spaces available to accommodate Arena demand would generally be available to construction workers, most of the projected peak construction worker parking demand could be accommodated by these 300 on-site parking spaces. While some construction workers are expected to find nearby on-street and off-street parking, the overall projected demand could be accommodated by the Project’s on-site parking facilities. Based on the off-street and on-street parking utilization in the ¼ mile study area of the Project, should fewer on-site parking spaces be provided for construction workers, the construction peak parking demand could be accommodated by the available off-street parking facilities in the ¼ mile study area of the Project. Since all projected construction worker parking demand would be met, no parking shortfall is anticipated during Phase II construction of the Project under the Extended Build-Out Scenario. These findings are generally consistent with those of the 2006 FEIS.

TRANSIT AND PEDESTRIAN

Construction workers who do not travel via auto would be distributed among the various subway and bus routes, station entrances, and bus stops near the project site. These trips would also occur predominantly during construction peak hours that are outside of the typical commuter peak periods. Furthermore, appropriate measures for maintaining temporary sidewalks and overhead protections would be provided throughout Phase II construction of the Project. However, during construction on Blocks 1120 and 1121, due to the anticipated staging areas and MPT plans, there may be times when pedestrian access along the south side of Atlantic Avenue east of 6th Avenue would be restricted to facilitate construction activity. Consultation with NYCDOT's OCMC would be undertaken to determine the feasibility of closing pedestrian access for the affected segments during periods of Phase II construction when Blocks 1120 and 1121 are under construction. Diverting pedestrian flow to other sidewalks in the area is not expected to result in a substantial increase in pedestrian traffic at those locations. At other sidewalks bordering the project site, more limited closures are anticipated and, where necessary, temporary sidewalks would be provided to maintain pedestrian flow. Therefore, no significant adverse construction-related transit or pedestrian impacts are expected to occur during Phase II construction of the Project under the Extended Build-Out Scenario. These findings are generally consistent with those of the 2006 FEIS.

CONSTRUCTION AIR QUALITY

Consistent with the conclusions of the 2006 FEIS, no significant adverse impacts on air quality are predicted during Phase II construction. Measures would be taken to reduce pollutant emissions during construction in accordance with applicable laws, regulations, and building codes, including dust suppression measures and the idling restriction for on-road vehicles. In addition, the project sponsors have committed to a robust emissions reduction program, including early electrification, the use of ultra-low sulfur diesel (ULSD) fuel, best available tailpipe reduction technologies, and utilization of newer equipment. With the implementation of these emission reduction measures, the analysis of construction-related air emissions determined that $PM_{2.5,}$ $PM_{10,}$ annual-average NO_2, and CO concentrations would be below their corresponding *de minimis* thresholds or National Ambient Air Quality Standards (NAAQS) respectively. Therefore, the construction of Phase II of the Project under the Extended Build-Out Scenario would not result in significant adverse air quality impacts due to construction sources.

CONSTRUCTION NOISE AND VIBRATION

NOISE

Consistent with the findings of the 2006 FEIS, construction of Phase II of the Project under the Extended Build-Out Scenario would have the potential to result in significant adverse impacts with respect to construction noise. This conclusion is based on an analysis of each of the three illustrative construction phasing plans, using a modeling analysis that conservatively predicts noise levels by assuming that peak hourly noise levels represent the entire day of construction and peak monthly levels represent the entire year in most years. Since the results of this analysis reflect peak hourly noise levels during peak months of construction, the noise levels predicted by this analysis would not occur constantly throughout the predicted duration of impact.

Construction on the proposed building sites would include noise control measures beyond those required by the New York City Noise Control Code, including both path and source controls. With the implementation of these measures, and accounting for the assumptions mentioned above, the results of the detailed construction noise analysis indicates that of the 489 buildings in the study area, elevated noise levels are predicted to occur at one or more floors of approximately 124 buildings under Construction Phasing Plan 1, at one or more floors of approximately 160 buildings under Construction Phasing Plan 2, and at one or more floors of approximately 134 buildings under Construction Phasing Plan 3. This is as compared with the approximately 176 buildings predicted to experience significant adverse noise impacts resulting from construction of Phase II of the Project at one or more floors in the 2006 FEIS. Thus, certain buildings predicted to experience significant adverse construction noise impacts in the 2006 FEIS would not be predicted to experience impacts in this SEIS construction noise analysis under the Extended Build-Out Scenario. Most of the locations predicted to experience significant adverse construction noise impacts according to this SEIS analysis are the same as those predicted to experience impacts in the 2006 FEIS, but there are 15 buildings under Construction Phasing Plan 1, 21 buildings under Construction Phasing Plan 2, and 24 buildings under Construction Phasing Plan 3 predicted to experience significant adverse construction noise impacts at one or more floors that were not predicted to experience significant adverse construction noise impacts in the 2006 FEIS.

The Extended Build-Out Scenario would result in construction occurring over a longer overall period of time, and result in noise level increases occurring over a longer duration. In addition to resulting in significant adverse construction noise impacts at some locations not predicted to experience significant adverse construction noise impacts in the 2006 FEIS, this also would result in longer durations of impact at some locations that were predicted to experience significant adverse construction noise impacts in the 2006 FEIS. At locations with line of sight to several Phase II buildings the increased duration of construction at those building sites would extend the overall duration of construction noise level increases.

The elevated noise levels resulting from construction would be reduced at a receptor location as construction activities move out of the line of sight of that receptor location. The construction noise impacts described in this SEIS would not be expected to occur over the entire duration of construction at any noise receptor, because while construction activities are occurring at buildings to which a receptor does not have a direct line of sight, the receptor would tend not to experience the elevated noise levels due to construction. Furthermore, many of the loudest pieces of construction equipment, including excavators, asphalt paving equipment, concrete trowels, concrete trucks, portable cement mixers, etc., are mobile, and move about the site throughout the days and months of construction, resulting in a range of construction noise levels at a particular receptor location.

Affected locations include residential and institutional areas adjacent or with a line of sight to the proposed development sites. However, most affected buildings have receptor noise control measures (i.e., double-glazed windows and air-conditioning) or have previously been offered receptor control noise measures by the project sponsors (in accordance with the mitigation requirements stipulated in the 2006 FEIS and MEC). Buildings with double-glazed windows and air conditioners would be expected to experience interior $L_{10(1)}$ values less than 45 dBA during most of the construction period, which would be considered an acceptable level according to CEQR criteria. For example, of the up to 160 buildings where significant impacts are predicted to occur at one or more floors during some portion of the construction period (as with Construction Phasing Plan 2), 150 of these receptor buildings already have receptor control measures or previously have been offered receptor control measures by the project sponsors. As such, no additional mitigation would be warranted at these 150 buildings. Overall, there are up to 13 buildings represented by six noise receptors predicted to experience significant adverse noise impacts as a result of construction of Phase II of the Project under one or more of the three Construction Phasing Plans analyzed that do not have and have not previously been offered receptor control measures. These 13 locations may not have sufficient receptor controls to consistently provide interior noise levels during construction considered acceptable according to CEQR criteria. These include one church building whose windows and alternate means of ventilation cannot be confirmed, and 12 residential buildings whose alternate means of ventilation cannot be confirmed. Receptor controls that could be used to partially mitigate these impacts are discussed below under “Mitigation.”

Additionally, there is one recently constructed residential building with outdoor balconies predicted to experience significant adverse noise impacts as a result of construction of Phase II of the Project under Construction Phasing Plan 1. At this location, there are no feasible or practicable mitigation to mitigate the construction noise impacts on the balconies.

As mentioned above, fewer buildings in the study area are predicted to experience significant impacts in this SEIS analysis compared with the number of buildings predicted to experience significant adverse impacts the 2006 FEIS construction noise analysis. The refinement of the analysis methodology for the SEIS, specifically using a greater number of receptor locations (instead of representing many buildings on one block by one receptor location, the methodology used in the 2006 FEIS) more precisely indicates which buildings and building façades would experience significant adverse construction noise impacts. Additionally, the refined analysis methodology more precisely calculated background (i.e., non-construction) noise levels at each noise receptor, particularly at the rear façades and upper elevations of buildings. This tended to indicate lower background noise levels at these locations, resulting in higher construction noise level increments at these receptor locations.

During certain Phase II construction activities, P.S. 753 (located at 510 Clermont Avenue), which was not predicted to experience a significant adverse construction noise impact in the 2006 FEIS analysis, would be expected to experience significant adverse noise impacts at one or more floors on the west and south façades under Construction Phasing Plans 1 and 3, and the west, south, and east façades under Construction Phasing Plan 2. The maximum impact duration at the school would be nine years under Construction Phasing Plan 1 (see Table 3J-3), seven years under Construction Phasing Plan 2 (see Table 3J-5), and eleven years under Construction Phasing Plan 3 (see Table 3J-7).

The school building has receptor control measures including double glazed windows and air conditioners. With these receptor control measures, interior L_{10} noise levels in rooms with windows along the east, south, and west façades of the school would be below the CEQR 45 dBA L_{10} recommended level during most periods of time (including most of the years in which the SEIS modeling analysis identifies significant adverse impacts on exterior facades). However, during some limited time periods, the school would experience exterior noise levels up to 77.7 dBA at certain floors. This would result in interior noise levels in the high 40s dBA, which would be above the 45 dBA $L_{10(1)}$ noise level recommended by the *CEQR Technical Manual* for schools. The school is predicted to experience exterior noise levels greater than 75 dBA for no more than two years under Construction Phasing Plan 2 and no more than one year under Construction Phasing Plans 1 and 3.

Construction of the proposed project would not result in any significant adverse noise impacts at existing open spaces within the study area. The combination of background noise levels in the area and on-site construction activities under any of the three analyzed illustrative construction phasing plans would produce $L_{10(1)}$ noise levels at certain new Project open space areas up to approximately the low 80s dBA during certain periods of construction. These noise levels would exceed those recommended by the *CEQR Technical Manual* for passive open spaces (55 dBA L_{10}). (Noise levels in these areas exceed the recommended values for existing and Future Without Phase II conditions.) Noise levels in many of the city's parks and open space areas that are located near heavily trafficked roadways and/or near construction sites experience comparable and sometimes higher noise levels.

Generally, throughout the study area, the absolute noise levels during construction predicted in this SEIS construction noise analysis are comparable to those predicted in the 2006 FEIS. Absolute noise levels predicted to occur at the analyzed noise receptor locations in the study area would generally be in the mid 50s to 70s dBA. These noise levels are comparable to noise levels throughout residential areas of New York City. At the upper levels of certain buildings immediately adjacent to the construction of one or more Project buildings, during the one or two years of the peak construction activity adjacent to these receptors, noise levels in the low 80s dBA would be expected. These noise levels are comparable to those that occur at receptors adjacent to heavily trafficked multi-lane avenues or roadways in New York City.

VIBRATION

The buildings of most concern with regard to the potential for structural or architectural damage due to vibration are the Swedish Baptist Church and nearby row houses along Dean Street, which are immediately adjacent to the site of Building 15. The 2006 FEIS vibration analysis determined that there would be no potential for significant adverse vibration impacts at these locations, but that a vibration monitoring program should be implemented to ensure that no architectural or structural damage will occur from construction activities. As per the MEC, the vibration monitoring program would continue to be implemented for Phase II of the Project under the Extended Build-Out Scenario.

For limited periods of time due to certain infrequently occurring construction activities, vibration levels will be perceptible in the vicinity of the construction site but would not rise to the level that would have the potential to result in structural or architectural damage and would not be considered significant adverse impacts.

CONSTRUCTION PUBLIC HEALTH

Phase II of the Project would not result in significant adverse impacts with respect to air quality (during construction or operation of Phase II) or with respect to operational noise. Phase II of the Project would result in significant adverse construction noise impacts, as defined by the thresholds recommended in the *CEQR Technical Manual*. However, the predicted magnitude and duration of absolute noise levels (i.e., the sum of construction noise levels with ambient background noise levels) would not be at a level that significantly affects public health at any receptor location. Therefore, Phase II of the Project under the Extended Build-Out Scenario would not result in significant adverse public health impacts.

CONSTRUCTION LAND USE AND NEIGHBORHOOD CHARACTER

LAND USE

Consistent with the 2006 FEIS, this SEIS finds that construction of Phase II of the Project under the Extended Build-Out Scenario would not result in significant adverse land use impacts. Construction of Phase II would affect land uses on the project site and in immediately adjacent areas, which would be affected during the construction period by intermittent sidewalk closures, travel lane closures, and relocation of bus stops in the vicinity of the Phase II project site. To facilitate pedestrian flow through these areas, temporary sidewalks or sidewalk bridges adjoining the project site would be maintained to the extent practicable. Sidewalk and travel lane closures and bus stop relocations would be intermittent and temporary and are not expected to result in any significant adverse impacts to the land uses surrounding the Phase II project site.

During the construction of Phase II, sites not under active construction would be maintained as under existing conditions, such as the continued existence of the open rail yard, or would have interim uses, such as for construction staging areas or surface parking for a prolonged period. The presence of these interim uses for an extended period of time would not be considered a significant adverse land use impact because these uses are not incompatible with surrounding land uses, and, in the case of the interim surface parking lot and open rail yard, would also be present in the Future Without Phase II condition. However, the Extended Build-Out Scenario would extend the duration of the surface parking lot and open rail yard compared with the construction schedule analyzed in the 2006 FEIS. The surface parking use that would be on Block 1129 for an extended period is a non-residential use, but the underlying manufacturing zoning that covers most of the block and most of the block immediately to the south allows a range of commercial and manufacturing uses. The surface parking use is also consistent with the mix of industrial, commercial and residential uses that are located on the block to the south. The perimeter of the surface parking lot on Carlton Avenue, Dean, Vanderbilt, would be fenced with a landscaped border, providing a visual buffer for pedestrians and residents.

Areas closest to the Phase II project site lack the cohesive character of the cores of their neighborhoods, indicative of the transitional character of these areas. As Phase II building are completed over the course of the Extended Build-Out Scenario, the existing uses on the Phase II project site (construction staging areas, interim parking areas, interim storage uses, and the open rail yard) would be replaced incrementally with permanent residential, commercial, community facility, open space, and below-grade parking uses. These new uses would incrementally integrate with adjacent neighborhoods, which include a mix of residential, commercial, community facility, open space, and parking uses, as well as some light industrial uses in certain areas.

Although Phase II under the Extended Build-Out scenario anticipates a prolonged construction schedule compared with the 2006 FEIS, the level of construction activity would vary and move throughout the Phase II project site, and no area would experience the immediate effects of the Project’s construction activities for the full project construction duration. Since, overall, construction would not significantly change or affect land use or land use trends in the surrounding area, there would be no significant adverse impacts to land use.

NEIGHBORHOOD CHARACTER

Construction of Phase II of the Project under the Extended Build-Out Scenario is not expected to result in significant adverse neighborhood character impacts in neighborhoods surrounding the Phase II project site; however, increased traffic, noise, and views of construction activity would result in significant adverse localized neighborhood character impacts in the immediate vicinity of the Phase II project site. During construction, the project site and the immediately surrounding area would be subject to added traffic from construction trucks and worker vehicles and partial sidewalk and lane closures; in particular, construction traffic and noise would change the quiet character of Dean Street, Pacific Street and Carlton Avenue in the immediate vicinity of the project site. In addition, staging activities, temporary sidewalks, construction fencing, and construction equipment and building superstructure would be visible to pedestrians in the immediate vicinity of the Phase II project site. Consistent with the 2006 FEIS, this SEIS concludes that Phase II construction would result in significant adverse localized neighborhood character impacts in the immediate vicinity of the project site.

These impacts would occur for a longer period of time than what was contemplated in the 2006 FEIS, as the duration of construction activities for Phase II under the Extended Build-Out Scenario would be 18 years, compared with six years in the 2006 FEIS. The impacts would be localized, confined largely to Dean Street, Pacific Street, and Carlton Avenue, and no immediate area would experience the effects of the Project's construction activities for the full project construction duration. Measures to control noise, vibration, and dust on construction sites, including the erection of construction fencing, would reduce views of construction sites and buffer noise emitted from construction activities, and sound barriers would be used to reduce noise from particularly noisy activities where practicable. However, significant traffic and noise impacts and the effects of views of the construction sites would affect neighborhood character in the areas immediately adjacent to the Phase II project site for a prolonged period under the Extended Build-Out Scenario.

Consistent with the 2006 FEIS, this SEIS finds that construction of Phase II of the Project would not result in significant adverse neighborhood character impacts beyond the impacts in the immediate vicinity of the project site. Phase II construction is not expected to result in significant adverse impacts to socioeconomic conditions or open space, technical areas which based on the *CEQR Technical Manual* have the potential to affect neighborhood character. Similarly, Phase II construction is not expected to result in significant adverse impacts to urban design or visual resources. While the visibility of Phase II construction activity would be prolonged under the Extended Build-Out Scenario compared with the schedule analyzed in the 2006 FEIS, a pedestrian would experience positive changes to the urban design and visual character of the Phase II project site over the course of the construction period, and there would be measures in place to minimize noise, vibration, and dust on construction sites—and thus to minimize the potential effects of such construction elements on the pedestrian experience—as well as to reduce views of construction sites. Views of the project site from more than one block away are extremely limited and would not be significantly affected by extended construction activities. Traffic impacts could be mitigated at all but five intersections in the ¼-Mile Primary Study Area, and noise impacts would occur primarily on blocks immediately adjacent to the Phase II project site. The significant adverse passive open space impact from Phase I within the ¼-mile study area would be temporary, and would be alleviated as the Phase II open space comes on line.

As detailed in Chapter 3C, “Construction Socioeconomic Conditions,” Project development to date has not led to disinvestment in the ¼-Mile Area, and case studies of other major multi-building development sites in New York City that have experienced prolonged construction and/or periods of construction delay indicate that such projects have not led to decreased property values or other signs of disinvestment in surrounding neighborhoods.

MODULAR CONSTRUCTION

The technical areas where differences in conventional and modular construction methods could result in different potential environmental impacts include socioeconomic conditions, transportation, air quality, and noise.

The construction of the Phase II development using modular techniques would generate substantial economic and fiscal benefits for the city and the state, though these benefits would be expected to be lower from modular construction than those from conventional construction. Based on the preliminary estimates, the investment for construction of Phase II of the Project using modular construction methods is estimated to equal about $1.90 billion in 2013 dollars. This would represent about a 22 percent reduction from costs using conventional construction methods. However, modular construction methods would allow for year-round (instead of seasonal) employment for construction workers and the opportunity for apprentices to receive training and practice in a controlled environment.

On-site building activities using modular techniques is expected to have shorter construction durations and fewer daily on-site workers and truck trips as compared with the use of conventional construction techniques, and would therefore be less disruptive overall. The MPT requirements for modular construction would be similar to the MPT requirements for conventional construction methods, although MPT areas for modular construction may be wider and longer than those for conventional construction methods in order to accommodate wide-load deliveries of modules. With respect to parking, transit, and pedestrians, no significant adverse impacts attributable to construction were identified for Phase II construction using conventional construction methods. Similarly, modular construction would not result in any significant adverse impacts in these areas. At intersections where Phase II of the Project is predicted to result in significant adverse construction traffic impacts, these impacts are expected to be less for construction under modular construction methods as compared with construction under conventional construction methods.

Demolition, excavation, and foundation activities under modular construction methods would be the same as those under conventional construction methods. Therefore, since the construction air quality analyses were conducted for the representative worst-case short-term and annual periods where demolition, excavation, and foundation activities would be the dominant activities at the project site, the maximum predicted air pollutant concentrations resulting from Phase II construction of the Project using modular construction methods would be similar to the results shown in the air quality analyses for conventional construction methods. Since no significant adverse construction-related air quality impacts were identified for conventional construction methods, no significant adverse construction-related air quality impacts are expected if Phase II of the Project is constructed using modular construction methods.

The construction tasks with the greatest potential to result in increased noise levels at most nearby noise receptors are the excavation and foundation tasks, which would occur in the same manner and over the same duration with either conventional or modular construction. With modular construction, less equipment would be used on-site and fewer trucks would travel to and from each building site during the superstructure, exterior façade, and interior finishing tasks. Therefore, noise levels with modular construction during these construction tasks would be somewhat lower than those predicted for conventional construction. Consequently, the calculated noise levels and resultant predicted construction noise impacts shown in the analysis of conventional construction are conservatively representative of the noise conditions that would be expected with modular construction. Modular construction would result in a shorter overall duration of construction for each building built using these methods. If one or more buildings included in Phase II were constructed using modular construction rather than conventional construction, elevated noise levels resulting from construction activities for that building would be expected to last for a shorter duration. While night-time delivery of modules would occur, these deliveries would not be expected to result in a perceptible increase in noise levels (as measured by $L_{eq(1h)}$). Operation of the trucks used for night-time module deliveries in close proximity to noise receptors would result in increases in noise level for short periods of time. Such increases in noise level would occur only when the trucks would operate adjacent to the noise receptor and would be comparable in magnitude and duration to that which would result from operation of any heavy truck on the roadway adjacent to the receptor. Consequently, these short-term increases in noise level during night-time module deliveries would not constitute a significant adverse noise impact. Overall, it is not expected that the use of modular construction for the Phase II buildings would result in significant adverse noise impacts beyond those identified for conventional construction in Chapter 3J, “Construction Noise.”

In summary, it is not expected that the use of modular construction for the Phase II buildings would result in significant adverse impacts in the relevant technical areas beyond those identified for conventional construction.

F. POTENTIAL IMPACTS OF PHASE II OF THE PROJECT DURING OPERATIONAL CONDITIONS

INTRODUCTION

A number of environmental impact analysis areas would not be affected by the operation of Phase II of the Project in the Extended Build-Out Scenario, as compared with the earlier completion date assumed in the 2006 FEIS. The analyses screened out on this basis and therefore not included for detailed assessment of the operational condition in the SEIS are land use, zoning, and public policy; cultural resources; urban design and visual resources; shadows; hazardous materials; and infrastructure.

OPERATIONAL SOCIOECONOMIC CONDITIONS

This analysis finds that the completion of Phase II by 2035 under the Extended Build-Out Scenario would not result in any new or different significant adverse socioeconomic impacts as compared with completion of Phase II by 2016, as assumed in the 2006 FEIS. The following summarizes the conclusions drawn from the analysis.

DIRECT RESIDENTIAL DISPLACEMENT

The 2006 FEIS analyzed the direct displacement of 171 residential units housing an estimated 410 residents. Of these 171 residential units, 137 were located on the Phase I project site, and 34 were located on the Phase II project site. The 2006 FEIS assumed that all of the direct residential displacement would occur during Phase I of the Project. Of the 171 residential units analyzed in the 2006 FEIS, four units remain, and all four are located on the Phase II project site. These units are located on Block 1128, Lots 85, 86, and 87, and house approximately 10 residents. Residents of these units would be directly displaced from the project site at a later date than assumed in the 2006 FEIS. These residents would still be offered relocation assistance in connection with the acquisition of the properties for Phase II of the Project. Their displacement during Phase II under the Extended Build-Out Scenario would not significantly alter the socioeconomic conditions in the study area and would not result in any significant adverse socioeconomic impacts.

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The 2006 FEIS analyzed the direct displacement of 27 businesses and 2 institutions, all of which was assumed to occur during Phase I of the Project. Of these 29 businesses and institutions, 13 businesses and one institution were located on the Phase II project site. Of the 27 businesses and 2 institutions analyzed in the 2006 FEIS, 2 businesses remain on Site 5 of the Phase I project site, no businesses remain on the Arena Block of the Phase I project site, and 2 businesses (Global Exhibition Services and Warburg Storagemart) remain on Block 1120 of the Phase II project site, on Lots 19 and 28. These two businesses are believed to be currently using the buildings on these lots for storage. In addition, a building located on Lot 4 of Block 1128 of the Phase II project site is privately owned and is believed to be used for storage. Though none of the business activities that were analyzed in the 2006 FEIS remain on the lot, the ownership of the building has not changed since the 2006 FEIS.

Under the Extended Build-Out Scenario these three businesses would be directly displaced at a later date than assumed in the 2006 FEIS, but the timing of their displacement would not significantly alter the socioeconomic conditions in the area. The business owners would still be offered relocation assistance in connection with the acquisition of the properties for Phase II of the Project. Their displacement would not significantly alter the socioeconomic conditions in the area and would not result in any significant adverse impacts due to direct business and institutional displacement.

INDIRECT RESIDENTIAL DISPLACEMENT

Similar to the conclusions in the 2006 FEIS, this SEIS analysis finds that the Extended Build-Out Scenario would not result in significant adverse impacts due to indirect residential displacement. The 2006 FEIS conclusions (in italics, below), and their applicability to the Extended Build-Out Scenario, are as follows:

- *The 2006 FEIS stated that the number of at-risk households in the study area had been decreasing and would probably continue to do so without the Project, concluding that it was probable that the number of at-risk households in the study area in 2010 and 2016 would be substantially lower.* Based on the SEIS analysis of income, housing, and recent development, it is evident that this trend has continued since the 2006 FEIS, and it is reasonable to assume that the number of at-risk households in the study area has decreased, and will continue to decrease, in the future independent of the development of Phase II under the Extended Build-Out Scenario.
- *In 2006, similarities between the Project housing mix and the housing mix present in the ¾-mile study area indicated that the Project would not substantially change the socioeconomic profile of the study area.* While background income conditions have changed since the 2006 FEIS, and would be different in 2035 as compared with 2016, the SEIS analysis indicates that the housing stock introduced by the Extended Build-Out Scenario would continue to be

similar in tenure to the housing stock in the broader ¾-mile study area. Phase II under the Extended Build-Out Scenario would add a higher proportion of affordable units than would be expected to be added to the study area in the Future Without Phase II. The anticipated income distribution of households introduced by Phase II of the Project would not shift the distribution of households across income brackets such that the overall socioeconomic character of the study area would change significantly. Further, in the Future Without Phase II, no affordable units would be added to the Phase II project site.

- *The 2006 FEIS stated that the substantial number of housing units to be added by the Project could serve to relieve market pressure in the study area by absorbing housing demand that might otherwise be expressed through increases in rents.* The delay in the completion of Phase II housing under the Extended Build-Out Scenario would not, in the shorter term, provide a supply of housing that could serve to relieve this market pressure. However, this delay would not have short- or long-term significant adverse impacts on future housing market conditions in the study area. Additional housing supply reflecting residential market trends would reduce any adverse effects of the delay in completion of Phase II housing units, and the residential units added by the development of Phase II under the Extended Build-Out Scenario could still serve to relieve upward rent pressure in the study area.
- *The 2006 FEIS stated that most identified at-risk households were more than ½ mile from the project site, and separated from the project site by intervening established residential communities with upward trends in property values and incomes and active commercial corridors.* Current household income data suggest that incomes have increased throughout the study area since the 2006 FEIS; that there are fewer at-risk households in the study area; and that remaining at-risk households are still concentrated in the same census tracts identified in the 2006 FEIS. Trends indicate that intervening established neighborhood and commercial corridors cited in the 2006 FEIS have become even more established and would continue to limit the potential for the proposed residential development in Phase II of the Project to affect rental rates in tracts containing potentially vulnerable populations. The SEIS analysis indicates that many of the remaining at-risk households are still more than ½ mile from the project site and separated by more established residential neighborhoods and commercial trends.

INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The Extended Build-Out Scenario would not alter the conclusions of the 2006 FEIS in regards to indirect business and institutional displacement.

As predicted in the 2006 FEIS, increases in commercial property values have already led to some indirect business and institutional displacement along retail corridors closest to the project site. The retail turnover that has occurred since the 2006 FEIS is in part attributable to well-established residential development trends in the study area, as well as indirect displacement pressures in the ¼-mile study area, that were predicted as a result of Phase I of the Project.

The development of Phase II under the Extended Build-Out Scenario has the potential to result in indirect business and institutional displacement along certain corridors within ¼ mile of the project site. This displacement could be limited to an even smaller number of vulnerable businesses and institutions than described in the 2006 FEIS, and would primarily consist of neighborhood services stores, light industrial or auto-related uses, and a small number of institutions located on Vanderbilt Avenue, Flatbush Avenue, and 4th Avenue. The delay in the completion of Phase II under the Extended Build-Out Scenario would not add any additional upward pressure on commercial rents beyond what was analyzed in the 2006 FEIS. The completion of Phase II over a longer time period would distribute its effects, potentially reducing the project-induced upward pressure on rents at any given point in time. Therefore, any indirect business and institutional displacement that may occur as a result of the development of Phase II under the Extended Build-Out Scenario would not result in adverse indirect business and institutional displacement effects beyond those disclosed in the 2006 FEIS.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

The development of Phase II under the Extended Build-Out Scenario would not result in significant adverse impacts on any specific industries. As noted above, it is believed that the three businesses currently operating on the Phase II site are in the storage business, which is not an industry specific or unique to the Phase II site. The development of Phase II under the Extended Build-Out Scenario would not result in any additional direct business displacement beyond what was analyzed in the 2006 FEIS, and would therefore not alter the conclusion of the 2006 FEIS regarding adverse effects on specific industries.

OPERATIONAL COMMUNITY FACILITIES

PUBLIC SCHOOLS

The 2006 FEIS found that there would be a shortfall of seats at elementary and intermediate schools in the 2016 future with the Project, and that these shortfalls would constitute a significant adverse impact on elementary and intermediate schools within the ½-mile study area. To partially mitigate the significant adverse impact on public schools, the Project sponsors committed to provide adequate space for the construction and operation of a 100,000 gsf elementary and intermediate school in the base of one of the Phase II residential buildings. The 2006 FEIS stated that additional mitigation measures, such as shifting the boundaries of school catchment areas within the CSDs, creating new satellite facilities in less crowded schools, or building new school facilities off-site would be required to fully mitigate the significant adverse impacts on public schools identified in the 2006 FEIS.

Subsequent to completion of the 2006 FEIS, the methodology recommended by the *CEQR Technical Manual* was revised to analyze capacity at a smaller, sub-district level, which provides a more localized level of analysis and considers far fewer schools compared with the CSD level or ½-mile study area used in the 2006 FEIS. The multipliers provided in the *CEQR Technical Manual* to estimate students generated by new housing units were also changed such that the Project would be assumed to introduce a greater number of students using the current *CEQR Technical Manual* guidance than the number of students assumed in the 2006 FEIS analysis, which was prepared in conformance with the 2001 version of the *CEQR Technical Manual*. With regard to background conditions, current existing utilization data and enrollment projection data forecast a deficit of seats in the Future Without Phase II, unlike the 2006 FEIS (although the study areas considered differ, as noted above).

CEQR methodology also requires utilizing enrollment projections prepared by the New York City School Construction Authority (SCA) for DOE. The most recently prepared projections only estimate enrollment up to 2021, and therefore have been used in this analysis to represent student enrollment in 2035. The school seat capacity assumptions are based only on DOE's *2015-2019 Proposed Five-Year Capital Plan, February 2014*. The analysis for the capital plan includes a multi-dimensional review and analysis of localized capacity and enrollment patterns within each CSD. This process results in a set of recommendations for each CSD that takes into account the needs within each area of the CSD. These recommendations are reviewed annually based on updated enrollment projections, capacity changes and housing information. Currently, DOE's 2015-2019 proposed capital plan is the most up to date document that has been reviewed to determine future capacity in CSD 13/Sub-District 1. In keeping with DOE's mandate to respond to local needs and provide new capacity where warranted, it is likely that new capacity would be created by 2035 to meet additional student demand that exceeds the 2019-based capacity assumptions used in this analysis. Each year, capital plan amendments are prepared, which allow DOE to reassess priorities, to take into account shifts in enrollments, variations in housing growth, changes in building conditions, new educational initiatives, and adjustments in the construction marketplace, and incorporate any impact from financial changes implemented by the City or State. In addition, DOE and SCA annually undertake a comprehensive assessment of conditions in order to determine the need for realignment strategies, such as increasing the utilization of existing facilities, changing grade configurations of schools, and adjustments to local school zones. The analysis does not account for future actions that could be taken by SCA and DOE to address capacity needs in the sub-district, such as possible future shifts in CSD boundaries or sub-district boundaries, or the construction of additional school facilities serving the sub-district through any of the four five-year capital plans that will be issued between the present day and the 2035 build year.

The Phase II project site is located in Sub-District 1 of CSD 13. Phase II of the Project would be expected to introduce approximately 2,712 students to the project site, comprising 1,430 elementary school students, 592 intermediate school students, and 690 high school students. As in the 2006 FEIS, Phase II of the Project would be expected to result in significant adverse impacts to elementary school and intermediate school capacities within Sub-District 1 of CSD 13. The Project would also create, at the election of DOE, a 100,000 gsf elementary and middle school public school on the project site that would be expected to accommodate a number of students equivalent to approximately one third of Phase II-generated demand, based on current projections.

Elementary Schools

Currently, CSD 13/Sub-District 1 contains two elementary schools with a combined capacity of 1,290 seats, which will increase by 326 seats to 1,616 seats in the Future Without Phase II. Based on current CEQR methodology, Phase II would introduce 1,430 elementary school students by 2035, increasing the elementary school utilization rate in CSD 13/Sub-District 1 by 88 percentage points, and bringing total utilization to 220 percent (assuming no new school capacity would be created between 2019 and 2035). Therefore, Phase II would exceed the *CEQR Technical Manual* threshold for a significant adverse impact on elementary schools. The 2006 FEIS also disclosed significant adverse impacts on elementary schools upon completion of the Project.

While the finding of a significant adverse school impact is consistent, the utilization and deficit of elementary school seats (which form the basis of the findings) are higher than was identified in the 2006 FEIS. These changes are due to changed *CEQR Technical Manual* methodology (e.g., the reduction in the size of the study area and changed multipliers for estimating school children), changed background conditions (which project a shortage of seats in the Future Without Phase II condition), and a shift of approximately 208,000 gsf of floor area from Phase I to Phase II of the Project. The delayed completion of Phase II of the Project would not itself create additional demand on elementary schools in the sub-district.

Intermediate Schools

Currently, CSD 13/Sub-District 1 contains three intermediate schools with a combined capacity of 850 seats, which is not assumed to change in the Future Without Phase II. Based on current CEQR methodology, Phase II would introduce 592 intermediate school students by 2035, increasing the intermediate school utilization rate in CSD 13/Sub-District 1 by 69 percentage points, and bringing total utilization to 160 percent (assuming no new school capacity would be created between 2019 and 2035). Therefore, Phase II would exceed the *CEQR Technical Manual* threshold for a significant adverse impact on intermediate schools. The 2006 FEIS also disclosed a significant adverse impact on intermediate schools.

While the finding of a significant adverse school impact is consistent, the utilization and deficit of intermediate school seats (which form the basis of the findings) are higher than was identified in the 2006 FEIS. These changes are due to changed *CEQR Technical Manual* methodology (e.g., the reduction in the size of the study area and changed multipliers for estimating school children), changed background conditions (which project a shortage of seats in the Future without Phase II condition), and a shift of approximately 208,000 gsf of floor area from Phase I to Phase II of the Project. The delayed completion of Phase II of the Project would not itself create additional demand on intermediate schools in the sub-district.

Elementary and Intermediate School Effects with the Proposed School

The Project would include the provision, at the election of DOE, of an approximately 100,000 gsf elementary and intermediate public school to partially mitigate the significant adverse impacts on elementary and intermediate school capacity in the study area. DOE’s 2015-2019 proposed Capital Plan allocates funds towards the development of this new public school on the Phase II project site. Although the grade-level mix has not yet been determined, the capital plan assumes that 757 seats will be created through the opening of this new school. Thus, the proposed school would be expected to accommodate a number of students equivalent to over one third of Phase II-generated demand for elementary and intermediate school seats, based on current projections and assumptions. These new school seats have not been included in the quantitative assessment of future school utilization provided above.

High Schools

In the Future With Phase II, Brooklyn high schools would operate with surplus capacity. As Phase II would not result in a collective utilization rate equal to or greater than 100 percent at the borough level, Phase II would not result in any significant adverse impacts on high schools. The 2006 FEIS also found no significant adverse high school impacts.

CHILD CARE SERVICES

At the time of the 2006 FEIS, a 100-seat child care facility was planned as part of the Project. The 2006 FEIS did not identify any significant adverse child care impacts. However, the analysis of publicly funded child care facilities in the 2009 Technical Memorandum found that the updated background conditions and updated methodologies (i.e., new *CEQR Technical Manual* generation rates for child care eligible children) would result in additional demand for publicly funded child care facilities in the study area, which could result in a shortfall of child care slots in the 2019 future with the Project. Therefore, in addition to the 100-seat facility that was planned as part of the Project and included in the 2006 FEIS, the Project sponsors are obligated to assess child care enrollment and capacity in the study area as the Project progresses and, if necessary, work with ACS to provide up to approximately 250 additional child care slots either on-site or in the vicinity of the site to meet Project-generated demand.

This SEIS considers whether changed background conditions or changed methodologies since the 2006 FEIS and 2009 Technical Memorandum would result in any new or changed significant adverse impacts resulting from construction of Phase II of the Project under the Extended Build-Out Scenario. The prolonged build-out of the Project to 2035 would not create additional demand on public child care services upon completion of the Project, compared with the construction duration assumed in the previous environmental analyses, as the delayed completion of Phase II would not increase the number of children eligible for public child care services introduced by the Project. Changed background conditions include new enrollment data and updated enrollment projections. With regard to methodology, the *CEQR Technical Manual* calls for an analysis for a 1.5 mile study area, whereas the 2006 FEIS and 2009 Technical Memorandum analyzed child care facilities within a 1-mile study area. The current multiplier for calculating demand for child care slots has also been changed. As a result of this change, the number of eligible children that would be introduced by Phase I and Phase II of the Project is lower than the number projected in the 2006 FEIS and the 2009 Technical Memorandum.

The SEIS analysis indicates that under the revised methodology, Phase II would introduce 160 children under the age of 6 who are eligible for public child care services. The addition of the these children is projected to increase in the utilization rate by 1.58 percentage points over the Future Without Phase II condition. *CEQR Technical Manual* guidelines indicate that a demand for slots greater than the remaining capacity of child care facilities and an increase in demand of 5 percent of the study area capacity could result in a significant adverse impact. Thus, the increase in the utilization rate attributable to Phase II of the Project would not exceed the *CEQR Technical Manual*'s 5 percent threshold for a significant adverse impact.

Moreover, CEQR methodology does not provide a basis for estimating new child care capacity in the Future Without Phase II. It is likely that new capacity would be created by 2035 to meet additional child care demand, although no new capacity is assumed in the SEIS analysis.

As noted above, the Project sponsor will monitor child care enrollment and capacity in the study area as the Project progresses, and to the extent necessary to avoid a significant adverse impact, make arrangements with one or more duly licensed day care providers for the long-term operation of a duly licensed child care center (or centers) that shall accommodate approximately 250 additional children, either on or in the vicinity of the project site. In light of the small, less than two percent increase in child care utilization attributable to Phase II identified in this SEIS, and the Project sponsor's commitment to monitor and, if necessary, provide approximately 250 additional child care slots, there would be no new significant adverse impacts on publicly funded day care facilities in the study area.

OTHER COMMUNITY FACILITIES

The 2006 FEIS found that the Project would not result in any significant adverse impacts with respect to police/fire protection services, health care facilities and libraries.

Although the construction of Phase II of the Project would be prolonged under the Extended Build-Out Scenario, and a shift of 208,000 gsf of residential space has been proposed from Phase I to Phase II, no changes to the Project have been proposed that would have the potential to affect police/fire protection services and health care facilities. Furthermore, background conditions have not changed such that they would materially affect the 2006 FEIS conclusions and from each building site during the superstructure, exterior façade, and interior finishing tasks. Therefore, noise levels with modular construction during these construction tasks would be somewhat lower than those predicted for conventional construction. Consequently, the calculated noise levels and resultant predicted construction noise impacts shown in the analysis of conventional construction are conservatively representative of the noise conditions that would be expected with modular construction. Modular construction would result in a shorter overall duration of construction for each building built using these methods. If one or more buildings included in Phase II were constructed using modular construction rather than conventional construction, elevated noise levels resulting from construction activities for that building would be expected to last for a shorter duration. While night-time delivery of modules would occur, these deliveries would not be expected to result in a perceptible increase in noise levels (as measured by $L_{eq(1h)}$). Operation of the trucks used for night-time module deliveries in close proximity to noise receptors would result in increases in noise level for short periods of time. Such increases in noise level would occur only when the trucks would operate adjacent to the noise receptor and would be comparable in magnitude and duration to that which would result from operation of any heavy truck on the roadway adjacent to the receptor. Consequently, these short-term increases in noise level during night-time module deliveries would not constitute a significant adverse noise impact. Overall, it is not expected that the use of modular construction for the Phase II buildings would result in significant adverse noise impacts beyond those identified for conventional construction in Chapter 3J, “Construction Noise.”

In summary, it is not expected that the use of modular construction for the Phase II buildings would result in significant adverse impacts in the relevant technical areas beyond those identified for conventional construction.

F. POTENTIAL IMPACTS OF PHASE II OF THE PROJECT DURING OPERATIONAL CONDITIONS

INTRODUCTION

A number of environmental impact analysis areas would not be affected by the operation of Phase II of the Project in the Extended Build-Out Scenario, as compared with the earlier completion date assumed in the 2006 FEIS. The analyses screened out on this basis and therefore not included for detailed assessment of the operational condition in the SEIS are land use, zoning, and public policy; cultural resources; urban design and visual resources; shadows; hazardous materials; and infrastructure.

OPERATIONAL SOCIOECONOMIC CONDITIONS

This analysis finds that the completion of Phase II by 2035 under the Extended Build-Out Scenario would not result in any new or different significant adverse socioeconomic impacts as compared with completion of Phase II by 2016, as assumed in the 2006 FEIS. The following summarizes the conclusions drawn from the analysis.

DIRECT RESIDENTIAL DISPLACEMENT

The 2006 FEIS analyzed the direct displacement of 171 residential units housing an estimated 410 residents. Of these 171 residential units, 137 were located on the Phase I project site, and 34 were located on the Phase II project site. The 2006 FEIS assumed that all of the direct residential displacement would occur during Phase I of the Project. Of the 171 residential units analyzed in the 2006 FEIS, four units remain, and all four are located on the Phase II project site. These units are located on Block 1128, Lots 85, 86, and 87, and house approximately 10 residents. Residents of these units would be directly displaced from the project site at a later date than assumed in the 2006 FEIS. These residents would still be offered relocation assistance in connection with the acquisition of the properties for Phase II of the Project. Their displacement during Phase II under the Extended Build-Out Scenario would not significantly alter the socioeconomic conditions in the study area and would not result in any significant adverse socioeconomic impacts.

DIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The 2006 FEIS analyzed the direct displacement of 27 businesses and 2 institutions, all of which was assumed to occur during Phase I of the Project. Of these 29 businesses and institutions, 13 businesses and one institution were located on the Phase II project site. Of the 27 businesses and 2 institutions analyzed in the 2006 FEIS, 2 businesses remain on Site 5 of the Phase I project site, no businesses remain on the Arena Block of the Phase I project site, and 2 businesses (Global Exhibition Services and Warburg Storagemart) remain on Block 1120 of the Phase II project site, on Lots 19 and 28. These two businesses are believed to be currently using the buildings on these lots for storage. In addition, a building located on Lot 4 of Block 1128 of the Phase II project site is privately owned and is believed to be used for storage. Though none of the business activities that were analyzed in the 2006 FEIS remain on the lot, the ownership of the building has not changed since the 2006 FEIS.

Under the Extended Build-Out Scenario these three businesses would be directly displaced at a later date than assumed in the 2006 FEIS, but the timing of their displacement would not significantly alter the socioeconomic conditions in the area. The business owners would still be offered relocation assistance in connection with the acquisition of the properties for Phase II of the Project. Their displacement would not significantly alter the socioeconomic conditions in the area and would not result in any significant adverse impacts due to direct business and institutional displacement.

INDIRECT RESIDENTIAL DISPLACEMENT

Similar to the conclusions in the 2006 FEIS, this SEIS analysis finds that the Extended Build-Out Scenario would not result in significant adverse impacts due to indirect residential displacement. The 2006 FEIS conclusions (in italics, below), and their applicability to the Extended Build-Out Scenario, are as follows:

- *The 2006 FEIS stated that the number of at-risk households in the study area had been decreasing and would probably continue to do so without the Project, concluding that it was probable that the number of at-risk households in the study area in 2010 and 2016 would be substantially lower.* Based on the SEIS analysis of income, housing, and recent development, it is evident that this trend has continued since the 2006 FEIS, and it is reasonable to assume that the number of at-risk households in the study area has decreased, and will continue to decrease, in the future independent of the development of Phase II under the Extended Build-Out Scenario.
- *In 2006, similarities between the Project housing mix and the housing mix present in the ¾-mile study area indicated that the Project would not substantially change the socioeconomic profile of the study area.* While background income conditions have changed since the 2006 FEIS, and would be different in 2035 as compared with 2016, the SEIS analysis indicates that the housing stock introduced by the Extended Build-Out Scenario would continue to be

similar in tenure to the housing stock in the broader ¾-mile study area. Phase II under the Extended Build-Out Scenario would add a higher proportion of affordable units than would be expected to be added to the study area in the Future Without Phase II. The anticipated income distribution of households introduced by Phase II of the Project would not shift the distribution of households across income brackets such that the overall socioeconomic character of the study area would change significantly. Further, in the Future Without Phase II, no affordable units would be added to the Phase II project site.

- *The 2006 FEIS stated that the substantial number of housing units to be added by the Project could serve to relieve market pressure in the study area by absorbing housing demand that might otherwise be expressed through increases in rents.* The delay in the completion of Phase II housing under the Extended Build-Out Scenario would not, in the shorter term, provide a supply of housing that could serve to relieve this market pressure. However, this delay would not have short- or long-term significant adverse impacts on future housing market conditions in the study area. Additional housing supply reflecting residential market trends would reduce any adverse effects of the delay in completion of Phase II housing units, and the residential units added by the development of Phase II under the Extended Build-Out Scenario could still serve to relieve upward rent pressure in the study area.
- *The 2006 FEIS stated that most identified at-risk households were more than ½ mile from the project site, and separated from the project site by intervening established residential communities with upward trends in property values and incomes and active commercial corridors.* Current household income data suggest that incomes have increased throughout the study area since the 2006 FEIS; that there are fewer at-risk households in the study area; and that remaining at-risk households are still concentrated in the same census tracts identified in the 2006 FEIS. Trends indicate that intervening established neighborhood and commercial corridors cited in the 2006 FEIS have become even more established and would continue to limit the potential for the proposed residential development in Phase II of the Project to affect rental rates in tracts containing potentially vulnerable populations. The SEIS analysis indicates that many of the remaining at-risk households are still more than ½ mile from the project site and separated by more established residential neighborhoods and commercial trends.

INDIRECT BUSINESS AND INSTITUTIONAL DISPLACEMENT

The Extended Build-Out Scenario would not alter the conclusions of the 2006 FEIS in regards to indirect business and institutional displacement.

As predicted in the 2006 FEIS, increases in commercial property values have already led to some indirect business and institutional displacement along retail corridors closest to the project site. The retail turnover that has occurred since the 2006 FEIS is in part attributable to well-established residential development trends in the study area, as well as indirect displacement pressures in the ¼-mile study area, that were predicted as a result of Phase I of the Project.

The development of Phase II under the Extended Build-Out Scenario has the potential to result in indirect business and institutional displacement along certain corridors within ¼ mile of the project site. This displacement could be limited to an even smaller number of vulnerable businesses and institutions than described in the 2006 FEIS, and would primarily consist of neighborhood services stores, light industrial or auto-related uses, and a small number of institutions located on Vanderbilt Avenue, Flatbush Avenue, and 4th Avenue. The delay in the completion of Phase II under the Extended Build-Out Scenario would not add any additional upward pressure on commercial rents beyond what was analyzed in the 2006 FEIS. The completion of Phase II over a longer time period would distribute its effects, potentially reducing the project-induced upward pressure on rents at any given point in time. Therefore, any indirect business and institutional displacement that may occur as a result of the development of Phase II under the Extended Build-Out Scenario would not result in adverse indirect business and institutional displacement effects beyond those disclosed in the 2006 FEIS.

ADVERSE EFFECTS ON SPECIFIC INDUSTRIES

The development of Phase II under the Extended Build-Out Scenario would not result in significant adverse impacts on any specific industries. As noted above, it is believed that the three businesses currently operating on the Phase II site are in the storage business, which is not an industry specific or unique to the Phase II site. The development of Phase II under the Extended Build-Out Scenario would not result in any additional direct business displacement beyond what was analyzed in the 2006 FEIS, and would therefore not alter the conclusion of the 2006 FEIS regarding adverse effects on specific industries.

OPERATIONAL COMMUNITY FACILITIES

PUBLIC SCHOOLS

The 2006 FEIS found that there would be a shortfall of seats at elementary and intermediate schools in the 2016 future with the Project, and that these shortfalls would constitute a significant adverse impact on elementary and intermediate schools within the ½-mile study area. To partially mitigate the significant adverse impact on public schools, the Project sponsors committed to provide adequate space for the construction and operation of a 100,000 gsf elementary and intermediate school in the base of one of the Phase II residential buildings. The 2006 FEIS stated that additional mitigation measures, such as shifting the boundaries of school catchment areas within the CSDs, creating new satellite facilities in less crowded schools, or building new school facilities off-site would be required to fully mitigate the significant adverse impacts on public schools identified in the 2006 FEIS.

Subsequent to completion of the 2006 FEIS, the methodology recommended by the *CEQR Technical Manual* was revised to analyze capacity at a smaller, sub-district level, which provides a more localized level of analysis and considers far fewer schools compared with the CSD level or ½-mile study area used in the 2006 FEIS. The multipliers provided in the *CEQR Technical Manual* to estimate students generated by new housing units were also changed such that the Project would be assumed to introduce a greater number of students using the current *CEQR Technical Manual* guidance than the number of students assumed in the 2006 FEIS analysis, which was prepared in conformance with the 2001 version of the *CEQR Technical Manual*. With regard to background conditions, current existing utilization data and enrollment projection data forecast a deficit of seats in the Future Without Phase II, unlike the 2006 FEIS (although the study areas considered differ, as noted above).

CEQR methodology also requires utilizing enrollment projections prepared by the New York City School Construction Authority (SCA) for DOE. The most recently prepared projections only estimate enrollment up to 2021, and therefore have been used in this analysis to represent student enrollment in 2035. The school seat capacity assumptions are based only on DOE's *2015-2019 Proposed Five-Year Capital Plan, February 2014*. The analysis for the capital plan includes a multi-dimensional review and analysis of localized capacity and enrollment patterns within each CSD. This process results in a set of recommendations for each CSD that takes into account the needs within each area of the CSD. These recommendations are reviewed annually based on updated enrollment projections, capacity changes and housing information. Currently, DOE's 2015-2019 proposed capital plan is the most up to date document that has been reviewed to determine future capacity in CSD 13/Sub-District 1. In keeping with DOE's mandate to respond to local needs and provide new capacity where warranted, it is likely that new capacity would be created by 2035 to meet additional student demand that exceeds the 2019-based capacity assumptions used in this analysis. Each year, capital plan amendments are prepared, which allow DOE to reassess priorities, to take into account shifts in enrollments, variations in housing growth, changes in building conditions, new educational initiatives, and adjustments in the construction marketplace, and incorporate any impact from financial changes implemented by the City or State. In addition, DOE and SCA annually undertake a comprehensive assessment of conditions in order to determine the need for realignment strategies, such as increasing the utilization of existing facilities, changing grade configurations of schools, and adjustments to local school zones. The analysis does not account for future actions that could be taken by SCA and DOE to address capacity needs in the sub-district, such as possible future shifts in CSD boundaries or sub-district boundaries, or the construction of additional school facilities serving the sub-district through any of the four five-year capital plans that will be issued between the present day and the 2035 build year.

The Phase II project site is located in Sub-District 1 of CSD 13. Phase II of the Project would be expected to introduce approximately 2,712 students to the project site, comprising 1,430 elementary school students, 592 intermediate school students, and 690 high school students. As in the 2006 FEIS, Phase II of the Project would be expected to result in significant adverse impacts to elementary school and intermediate school capacities within Sub-District 1 of CSD 13. The Project would also create, at the election of DOE, a 100,000 gsf elementary and middle school public school on the project site that would be expected to accommodate a number of students equivalent to approximately one third of Phase II-generated demand, based on current projections.

Elementary Schools

Currently, CSD 13/Sub-District 1 contains two elementary schools with a combined capacity of 1,290 seats, which will increase by 326 seats to 1,616 seats in the Future Without Phase II. Based on current CEQR methodology, Phase II would introduce 1,430 elementary school students by 2035, increasing the elementary school utilization rate in CSD 13/Sub-District 1 by 88 percentage points, and bringing total utilization to 220 percent (assuming no new school capacity would be created between 2019 and 2035). Therefore, Phase II would exceed the *CEQR Technical Manual* threshold for a significant adverse impact on elementary schools. The 2006 FEIS also disclosed significant adverse impacts on elementary schools upon completion of the Project.

While the finding of a significant adverse school impact is consistent, the utilization and deficit of elementary school seats (which form the basis of the findings) are higher than was identified in the 2006 FEIS. These changes are due to changed *CEQR Technical Manual* methodology (e.g., the reduction in the size of the study area and changed multipliers for estimating school children), changed background conditions (which project a shortage of seats in the Future Without Phase II condition), and a shift of approximately 208,000 gsf of floor area from Phase I to Phase II of the Project. The delayed completion of Phase II of the Project would not itself create additional demand on elementary schools in the sub-district.

Intermediate Schools

Currently, CSD 13/Sub-District 1 contains three intermediate schools with a combined capacity of 850 seats, which is not assumed to change in the Future Without Phase II. Based on current CEQR methodology, Phase II would introduce 592 intermediate school students by 2035, increasing the intermediate school utilization rate in CSD 13/Sub-District 1 by 69 percentage points, and bringing total utilization to 160 percent (assuming no new school capacity would be created between 2019 and 2035). Therefore, Phase II would exceed the *CEQR Technical Manual* threshold for a significant adverse impact on intermediate schools. The 2006 FEIS also disclosed a significant adverse impact on intermediate schools.

While the finding of a significant adverse school impact is consistent, the utilization and deficit of intermediate school seats (which form the basis of the findings) are higher than was identified in the 2006 FEIS. These changes are due to changed *CEQR Technical Manual* methodology (e.g., the reduction in the size of the study area and changed multipliers for estimating school children), changed background conditions (which project a shortage of seats in the Future without Phase II condition), and a shift of approximately 208,000 gsf of floor area from Phase I to Phase II of the Project. The delayed completion of Phase II of the Project would not itself create additional demand on intermediate schools in the sub-district.

Elementary and Intermediate School Effects with the Proposed School

The Project would include the provision, at the election of DOE, of an approximately 100,000 gsf elementary and intermediate public school to partially mitigate the significant adverse impacts on elementary and intermediate school capacity in the study area. DOE's 2015-2019 proposed Capital Plan allocates funds towards the development of this new public school on the Phase II project site. Although the grade-level mix has not yet been determined, the capital plan assumes that 757 seats will be created through the opening of this new school. Thus, the proposed school would be expected to accommodate a number of students equivalent to over one third of Phase II-generated demand for elementary and intermediate school seats, based on current projections and assumptions. These new school seats have not been included in the quantitative assessment of future school utilization provided above.

High Schools

In the Future With Phase II, Brooklyn high schools would operate with surplus capacity. As Phase II would not result in a collective utilization rate equal to or greater than 100 percent at the borough level, Phase II would not result in any significant adverse impacts on high schools. The 2006 FEIS also found no significant adverse high school impacts.

CHILD CARE SERVICES

At the time of the 2006 FEIS, a 100-seat child care facility was planned as part of the Project. The 2006 FEIS did not identify any significant adverse child care impacts. However, the analysis of publicly funded child care facilities in the 2009 Technical Memorandum found that the updated background conditions and updated methodologies (i.e., new *CEQR Technical Manual* generation rates for child care eligible children) would result in additional demand for publicly funded child care facilities in the study area, which could result in a shortfall of child care slots in the 2019 future with the Project. Therefore, in addition to the 100-seat facility that was planned as part of the Project and included in the 2006 FEIS, the Project sponsors are obligated to assess child care enrollment and capacity in the study area as the Project progresses with respect to police/fire protection services and health care facilities; the same police/fire protection and health care facilities are expected to continue to serve the project site. Therefore, Phase II under the Extended Build Out Scenario would not result in any significant adverse impacts to police and fire protection services and health care facilities.

With respect to libraries, while there may be changes in the locations of libraries in the study area by 2035, none have been proposed at this time, and background population growth in the study area would not be expected to adversely affect library resources in the study area. Therefore, Phase II under the Extended Build Out Scenario would not result in any significant adverse impacts to libraries.

OPERATIONAL OPEN SPACE

Consistent with the 2006 FEIS, the SEIS finds that Phase II of the Project would not result in significant adverse impacts related to open space upon the Project's completion (assumed to be 2035 in the Extended Build-Out Scenario). Open space impacts during the construction period are discussed above under "Construction Open Space."

Phase II of the Project would not result in direct impacts on open space resources, because there are no existing open space resources on the Phase II site. With respect to indirect impacts, while Phase II would introduce large new residential and non-residential (worker) populations, upon completion it would also provide eight acres of new publicly-accessible open space.

NON-RESIDENTIAL (¼-MILE) STUDY AREA

In the Future With Phase II, the passive open space ratio would increase by 181.4 percent as compared with the Future Without Phase II, from 0.237 acres to 0.667 acres per 1,000 workers. Therefore, Phase II of the Project would not result in any significant adverse impacts to open space resources in the non-residential study area upon completion of Phase II. The passive open space ratio would continue to exceed the city's recommended guideline minimum of 0.15 acres of passive open space per 1,000 workers.

RESIDENTIAL (½-MILE) STUDY AREA

In the Future With Phase II, the total open space ratio would increase by 17.5 percent as compared with the Future Without Phase II, from 0.308 acres to 0.362 acres per 1,000 residents. The active open space ratio would decrease by 5.6 percent as compared with the Future Without Phase II, from 0.144 to 0.136 acres per 1,000 residents. The passive open space ratio would increase by 37.7 percent as compared with the Future Without Phase II, from 0.164 to 0.226 acres per 1,000 residents.

Although the total open space ratio would remain below the city's recommended guideline of 2.5 acres per 1,000 residents, this ratio would increase as a result of Phase II of the Project, due to the eight acres of new publicly-accessible open space that would be created. Likewise, although the passive open space ratio would remain below the city's recommended guideline of 0.5 acres per 1,000 residents, Phase II of the Project would have a beneficial impact on this ratio by providing new publicly-accessible open space. With regard to active open space, Phase II of the Project would result in a decrease of 5.6 percent, compared with the Future Without Phase II, and the active open space ratio would remain below the City's guideline. As noted in the *CEQR Technical Manual*, the city guidelines are seldom achieved in densely built portions of New York City, and therefore do not constitute impact thresholds. While the total, passive, and active open space ratios would be below city guidelines in the Future With Phase II, the overall effect of Phase II of the Project on the availability of open space resources in the study area would be beneficial. Therefore, Phase II of the Project under the Extended Build-Out Scenario would not result in any significant adverse open space impacts in the ½-mile study area upon completion of Phase II.

In addition, numerous open space resources that have not been included in the quantitative analysis would be expected to provide additional opportunities for active and passive recreation in the Future With Phase II. Such resources include community gardens, school yards that are not consistently open to the public, resources associated with private developments that could offset demand on public open space resources, and Prospect and Fort Greene Parks (totaling over 615 acres of active and passive open space), which are located just outside the open space study area boundary. Prospect Park and Fort Greene Park are flagship resources that draw residents from the study area, despite being located outside of the study area.

OPERATIONAL TRANSPORTATION

TRAFFIC

The traffic analysis in the 2006 FEIS analyzed conditions at a total of 93 intersections along local streets proximate to the project site or that would be affected by Project-related changes to the street network, as well as along arterials that would provide access to and from the site. Intersections analyzed in the 2006 FEIS were selected for analysis in this SEIS if they were locations where development of Phase II is expected to result in the addition of 50 or more peak hour vehicle trips based on the FEIS, or they were identified in the FEIS as being significantly adversely impacted by project-generated traffic in one or more of the peak hours included for analysis in this SEIS. Based on these criteria, a total of 71 of the 93 intersections analyzed in the 2006 FEIS were selected for detailed analysis.

The peak hours selected for analysis in this SEIS include the weekday 8-9 AM and 5-6 PM commuter periods, as well as the weekday 12-1 PM midday (lunch time) period. Although the substantial amount of travel demand generated by the Arena itself is reflected in the Future Without Phase II condition, an analysis of the weekday 7-8 PM and Saturday 1-2 PM pregame peak hours is included to assess the potential effects of Phase II residential and retail demand during periods of peak Arena activity. To be conservative, the traffic analysis for the Saturday pregame peak hour assesses conditions resulting from Phase II with an afternoon Nets game at the Arena, even though other types of events with lower attendance than a Nets game are typically scheduled on a Saturday afternoon and Nets games rarely occur at that time. All of these peak hours are consistent with those analyzed in the 2006 FEIS. The weekday and Saturday post-game peak hours for Arena demand that were analyzed in the 2006 FEIS are not included, as Project demand during these periods is primarily Arena-related and they are not typically considered peak travel periods for the residential, retail and public school uses that comprise Phase II of the Project.

Travel Demand

Vehicle trips generated by Phase II development would total approximately 519, 338, 446, 281 and 689 during the analyzed weekday AM, midday, PM and pregame and Saturday pregame peak hours, respectively. Auto trips during these periods would range from 200 (in the weekday midday peak hour) to 609 (in the Saturday pregame peak hour), while taxi trips would range from 18 (in the weekday pregame peak hour) to 102 (in the weekday midday peak hour). Truck trips would range from none (in the weekday pregame PM peak hour) to 42 (in the weekday AM peak hour).

Impact Analyses

Of the 71 intersections analyzed, a total of 56 intersections would have significant adverse impacts in one or more peak hours in the Future With Phase II under the Extended Build-Out Scenario. A total of 41 intersections would have significant adverse impacts in the weekday AM peak, 21 in the midday, 38 in the PM, 28 in the 7-8 PM pregame peak hour, and 47 in the Saturday 1-2 PM pregame peak hour. As discussed in detail in Chapter 5, "Mitigation," with implementation of the Project's traffic mitigation plan, unmitigated impacts would remain in one or more peak hours at a total of ten intersections in the Future With Phase II With Mitigation. There would be four intersections with unmitigated significant adverse impacts in the weekday 8-9 AM peak hour, none in the midday, seven in the 5-6 PM, none in the weekday 7-8 PM pregame peak hour, and eight in the Saturday pregame peak hour.

Bicycles

In the Future With Phase II under the Extended Build-Out Scenario, it is anticipated that the residential, retail and public school uses that would be built on the project site would likely generate some new trips by bicycle in the weekday peak commuter periods, as well as recreational and discretionary trips during other weekday periods and on weekends. Phase II of the Project would also generate new vehicular traffic along many study area roadways, including those used by bicyclists. In addition, a bicycle path would be provided through portions of the Project's open space under Phase II to improve connections between existing and planned north-south and east-west bike lanes.

TRANSIT

Subway

The analysis of subway station conditions in this SEIS focuses on the Atlantic Avenue – Barclays Center station as well as the Bergen Street station, with conditions at these stations analyzed for the weekday 8-9 AM, 5-6 PM and 7-8 PM (pregame) peak hours, consistent with the subway station analysis in the 2006 FEIS. The analysis assesses conditions at those station elements (stairways, escalators, ramps, and fare arrays) analyzed in the 2006 FEIS. The Fulton Street and Lafayette Avenue subway stations analyzed in the 2006 FEIS are not included in the SEIS analysis as Phase II demand at these stations is not expected to total 200 or more trips (the *CEQR Technical Manual* threshold for detailed analysis) in any analyzed peak hour. The analysis of the potential for crowding on the platforms at the Atlantic Avenue – Barclays Center subway station during the weekday 10-11 PM and Saturday 4-5 PM peak hours following a Nets game or other major event at the Arena that was provided in the 2006 FEIS is also not included as these are not considered peak periods for Phase II residential, retail and public school demand.

The findings of this SEIS analysis of Future With Phase II conditions under the Extended Build-Out Scenario are that all analyzed stairways, escalators, ramps and fare arrays at the Atlantic Avenue – Barclays Center and Bergen Street subway stations would operate at acceptable levels of service and would not be considered significantly adversely impacted by Phase II demand with the exception of escalator ES359X at the Barclays Center entrance to the Atlantic Avenue – Barclays Center subway station. This up escalator is expected to operate at a v/c ratio of 1.13

(level of service, or LOS D) in the 7-8 PM pregame peak hour, compared with a v/c ratio of 0.79 (LOS C) in the Future Without Phase II, and would therefore be considered significantly impacted under current *CEQR Technical Manual* criteria. This impact would be fully mitigated by operating adjoining escalator ES358X in the up direction during the pregame period when there is a Nets game or other major event at the Arena. (Escalator ES358X currently operates in the down direction in all periods.)

It should be noted that much of the pregame peak hour demand on escalator ES359X is the result of trips exiting the subway en route to a basketball game or other event at the Arena. The analysis results reflect the fact that most pedestrians would select to use the escalator for convenience (as they do now), resulting in capacity conditions on the escalator during periods of peak demand even with uncongested LOS A conditions on adjacent 24-foot-wide stair S1. It is therefore expected that, as queuing at this escalator increased, pedestrian demand would increasingly shift to uncongested stair S1. As the two escalators and stair S1 at this entrance operate as a combined system, and as stair S1 is projected to have substantial available capacity in the pregame peak hour in the Future with Phase II, the projected LOS D condition at up escalator ES359X is not necessarily considered an unacceptable condition for a special event condition such as the pregame peak hour prior to a Nets basketball game. (This was also acknowledged in the 2006 FEIS which projected LOS E conditions on this escalator during the weekday pregame peak hour.)

With respect to subway line haul conditions, all subway routes through Downtown Brooklyn are expected to continue to operate below their practical capacity in the peak direction in each peak hour in the Future With Phase II, and the Project would not generate more than an average of 3.7 new subway riders per car on any one route, less than the *CEQR Technical Manual* impact threshold of five new trips per car per hour. Development of Phase II under the Extended Build-Out Scenario is therefore not expected to result in significant adverse impacts to subway line haul conditions in Downtown Brooklyn under *CEQR Technical Manual* guidelines.

Local Bus

This SEIS analyzes conditions on the 11 MTA New York City Transit (NYCT) local bus routes operating within ¼-mile of Phase II developments sites. The analysis focuses on the weekday 8-9 AM and 5-6 PM commuter peak hours under the Project's commercial mixed-use variation, consistent with the analysis in the 2006 FEIS. Development of Phase II of the Project under the Extended Build-Out Scenario would add up to 11 peak direction passengers to each analyzed bus route in the AM peak hour, and up to 12 additional passengers in the PM peak hour. With this added demand, all analyzed local bus routes would continue to operate with available capacity at their peak load points in both the weekday AM and PM peak hours in 2035, and therefore, development of Phase II under the Extended Build-Out Scenario is not expected to result in any significant adverse impacts to local bus conditions.

Long Island Rail Road

In the Future With Phase II under the Extended Build-Out Scenario, the proposed residential buildings located on Blocks 1120 and 1121 would be constructed on a platform that would be built over the below-grade Long Island Rail Road (LIRR) yard on these blocks. Operation of this yard would otherwise remain unchanged from conditions in the Future Without Phase II. Development associated with Phase II of the Project is expected to generate an estimated 43 new trips on the LIRR in the AM peak hour, 17 trips in the midday, 36 trips in the PM peak hour, 26 trips in the weekday pregame peak hour and 30 trips in the Saturday pregame peak hour. Most if not all of these Phase II LIRR trips are expected to utilize existing entrances to the LIRR's Atlantic Terminal located on the north side of Atlantic Avenue as there is no direct access to the LIRR platforms (without paying a subway fare) from the new on-site entrance to the Atlantic Avenue – Barclays Center subway station. The relatively small numbers of new LIRR trips that would be generated by development of Phase II are not expected to adversely affect LIRR line haul conditions.

PEDESTRIANS

Pedestrian trips generated by Phase II under the Extended Build-Out Scenario are expected to be most concentrated on those sidewalks, corner areas and crosswalks located immediately adjacent to the Phase II development sites as well as along pathways between these sites and the new entrance to the Atlantic Avenue – Barclays Center subway station. The pedestrian analysis in this SEIS therefore focuses on sidewalks, corner areas and crosswalks adjacent to Blocks 1120, 1121, 1128 and 1129, as well as those adjacent to the Arena Block that would be used by the majority of Phase II subway trips. Pedestrian facilities adjacent to Site 5 and along 6th Avenue on the Arena Block that were analyzed in the 2006 FEIS are not analyzed in this SEIS, as Phase II pedestrian trips are not expected to be as concentrated along these facilities. Sidewalks along 6th Avenue between Dean Street and Flatbush Avenue were also included in the 2006 FEIS to assess the effects of a proposed narrowing under the Project in order to better accommodate two-way traffic flow along the adjacent roadway. As NYCDOT subsequently decided not to implement this widening, these sidewalks are also not analyzed in this SEIS.

The peak hours selected for analysis include the weekday 8-9 AM and 5-6 PM commuter periods. Although the substantial amount of travel demand generated by the Arena itself is reflected in the Future Without Phase II condition, an analysis of the weekday 7-8 PM and Saturday 1-2 PM pregame peak hours is also included to assess the potential effects of Phase II residential and retail demand during periods of peak Arena activity. To be conservative, the pedestrian analysis for the Saturday pregame peak hour assesses conditions resulting from Phase II with an afternoon Nets game at the Arena, even though other types of events with lower attendance than a Nets game are typically scheduled on a Saturday afternoon, and Nets games rarely occur at that time. All of these peak hours are consistent with those analyzed in the 2006 FEIS.

The findings of this SEIS analysis are that Phase II demand under the Extended Build-Out Scenario would significantly adversely impact four crosswalks in one or more peak hours under current *CEQR Technical Manual* impact criteria for a central business district (CBD) area, and that two sidewalks and one additional crosswalk would be considered impacted if non-CBD criteria were used. Impacted pedestrian facilities would include:

- The south sidewalk on Atlantic Avenue west of 6th Avenue in the weekday PM and pregame and Saturday pregame peak hours (non-CBD criteria only);
- The north sidewalk on Dean Street between 6th and Carlton Avenues in the weekday PM and Saturday pregame peak hours (non-CBD criteria only);
- The west crosswalk on Atlantic Avenue at 6th Avenue in the weekday PM and Saturday pregame peak hours (CBD and non-CBD criteria);
- The south crosswalk on 6th Avenue at Atlantic Avenue in the weekday AM and PM and Saturday pregame peak hours (CBD and non-CBD criteria), and the weekday pregame peak hour (non-CBD criteria only);

- The east crosswalk on Atlantic Avenue at 6th Avenue in the weekday PM peak hour (non-CBD criteria only);
- The north crosswalk on Carlton Avenue at Dean Street in the weekday PM peak hour (non-CBD criteria) and Saturday pregame peak hour (CBD and non-CBD criteria); and
- The north crosswalk on 6th Avenue at Dean Street in all periods (CBD and non-CBD criteria).

Given that Atlantic Avenue is a major retail and commercial corridor, and a pedestrian access route for both the Barclays Center Arena and a major intermodal transit hub, the *CEQR Technical Manual* CBD impact criteria should be considered applicable for the analyzed sidewalks and crosswalks along this corridor. Under the CBD impact criteria, neither the south sidewalk on Atlantic Avenue west of 6th Avenue nor the east crosswalk on Atlantic Avenue at 6th Avenue would be considered significantly adversely impacted. Therefore, Phase II of the Project would not result in significant adverse impacts to the south sidewalk on Atlantic Avenue west of 6th Avenue and the east crosswalk on Atlantic Avenue at 6th Avenue.

PEDESTRIAN AND VEHICULAR SAFETY

Development of Phase II under the Extended Build-Out Scenario would increase vehicular, pedestrian, and bicycle traffic in the vicinity of the project site. The combination of new pedestrian trips on crosswalks and new vehicular and bicycle traffic may increase the potential for conflicts between these modes at intersections in proximity to the project site, and thereby potentially increase vehicular and pedestrian exposure to accidents.

The Project incorporates a number of design features that enhance overall safety, many of which have already been implemented as part of Phase I. These have included the elimination of several roadway segments through the project site; a major new on-site entrance to the Atlantic Avenue – Barclays Center subway station to eliminate the need for subway riders en route to and from the south to cross Atlantic Avenue; a major restructuring of the Atlantic Avenue/Flatbush Avenue/4th Avenue intersection designed to improve traffic flow and reduce the potential for vehicle/pedestrian conflicts; a new traffic signal and crosswalk on Flatbush Avenue at Pacific Street; and new high visibility crosswalks at key intersections in the vicinity of the project site. A new off-street bike route segment through the project site would be implemented under Phase II to more safely connect existing and planned on-street bike routes. Additional measures would likely be implemented in consultation with NYCDOT-School Safety to enhance safety in the vicinity of the public school proposed as part of Phase II, such as the installation of designated school crossings with high visibility crosswalks and additional school crossing pavement markings and signage.

PARKING

As described in Chapter 1, “Project Description,” a total of approximately 2,896 parking spaces are proposed on the project site to accommodate the parking demand from the residential and commercial uses developed under Phase I, New York City Police Department (NYPD) demand from the nearby 78th Precinct station house (24 spaces), the parking demand from the residential, retail, and public school uses that would be developed under Phase II, and a portion of the demand generated by the Arena. This would include a 400-space parking garage beneath Site 5 and a parking garage with 50 to 100 spaces beneath Building 3 on the Arena block (both to be provided in Phase I), along with a 450-space below-grade garage on Block 1120, a 150-

space below-grade garage beneath Building 15 on Block 1128, and a 1,846-space below-grade garage on Block 1129 (to be provided in Phase II).

The findings of this SEIS analysis are that the proposed 2,896 on-site parking spaces provided with full build-out of the Project would be sufficient to accommodate all of the demand generated by the Project's residential, commercial and public school uses plus NYPD parking under both the residential mixed-use and commercial mixed-use variations of the Project. In addition, the projected amount of parking capacity available at off-street public parking facilities within ½-mile of the Barclays Center Arena in 2035 is expected to be sufficient to accommodate all of the demand generated by a Nets game at the Arena irrespective of the amount of parking provided for Arena patrons on the project site. Therefore, no significant adverse parking impacts would occur in the Future With Phase II under the Extended Build-Out Scenario.

COMPARISON OF SEIS FINDINGS AND PREVIOUS FINDINGS

Traffic

Forty-one of the 71 intersections analyzed for this SEIS would experience one or more significant adverse impacts in the AM peak hour with development of Phase II under the Extended Build-Out Scenario. By contrast, the 2006 FEIS disclosed a total of 46 impacted intersections in the AM peak hour with full build-out of the project in 2016 out of the 70 intersections common to both the SEIS and the FEIS analyses.[1] There would be 21 impacted intersections in the midday peak hour (27 in the FEIS), 38 in the PM peak hour (45 in the FEIS), 27 in the weekday pregame peak hour (39 in the FEIS) and 47 in the Saturday pregame peak hour (41 in the FEIS).

The results of the analysis of traffic conditions and potential significant impacts in this SEIS are not directly comparable to the findings of the 2006 FEIS as this SEIS examines only the incremental effects of Phase II of the Project under the Extended Build-Out Scenario, with Phase I of the Project reflected in the background condition. By contrast, the 2006 FEIS assessed the incremental effects of Phase I and Phase II combined. In addition to the proposed shift in residential floor area and proposed reduction in parking spaces (as described in Chapter 1, "Project Description"), the traffic analyses also differ with respect to travel demand factors, background conditions and growth rates, impact criteria and the Project development program. The differences between the findings of this SEIS and previous environmental reviews with respect to traffic conditions are generally related to these variables and are not directly attributable to the delay in the Project under the Extended Build-Out Scenario. It should also be noted that the amount of traffic generated by the Project (Phase I and Phase II) is not dependent upon the year of completion of the Project.

Transit

Subway

The conditions projected in this SEIS at the Atlantic Avenue – Barclays Center and Bergen Street subway stations for the Future With Phase II under the Extended Build-Out Scenario are

[1] The intersection of Flatbush Avenue and Pacific Street was uncontrolled in 2006 and was therefore not included as an analysis location in the FEIS. This intersection was subsequently signalized as part of the Project, and is therefore included in the SEIS analysis.

generally consistent with those projected in the previous environmental reviews. They reflect acceptable levels of service at all analyzed elements with the exception of congestion on up escalator ES359X at the Atlantic Avenue – Barclays Center subway station during the pregame peak hour. Although identified in this SEIS as a significant adverse impact under current *CEQR Technical Manual* guidelines, this impact would not be the result of any delay in constructing Phase II of the Project. This escalator was built as part of Phase I of the Project, and consequently the LOS E condition projected in the 2006 FEIS for the pregame peak hour with full build-out of the Project was not considered a significant adverse impact. This SEIS analysis actually projects a better level of service (LOS D) at escalator ES359X during the pregame period than was projected in the 2006 FEIS (LOS E). Both the SEIS and the 2006 FEIS also show adjacent stair S1 operating at an uncongested LOS B or better in the pregame peak hour, reflecting the fact that substantial additional capacity would be available on this stair to relieve any future queuing at escalator ES359X.

The SEIS analysis of subway line haul conditions shows that full build-out of the Project would not result in significant adverse impacts in the peak direction in the AM and PM peak hours on any subway route serving Downtown Brooklyn. These findings are also consistent with those disclosed in the 2006 FEIS.

The results of the analyses of subway station and line haul conditions and potential significant impacts in this SEIS are not directly comparable to the findings of previous environmental reviews as this SEIS examines only the incremental effects of Phase II of the Project under the Extended Build-Out Scenario, with Phase I of the Project reflected in the background condition. By contrast, previous reviews assessed the incremental effects of Phase I and Phase II combined. In addition to the proposed shift in residential floor area and proposed reduction in parking spaces (as described in Chapter 1, "Project Description"), the subway analyses also differ with respect to travel demand factors, analysis methodologies, background conditions and growth rates, and the Project development program.

Local Bus

The analysis of local bus conditions in the 2006 FEIS identified a significant adverse impact to westbound B38 buses in the AM peak hour. The findings of this SEIS analysis—that development of Phase II under the Extended Build-Out Scenario would not result in any significant adverse local bus impacts—are, however, generally consistent with those of the 2006 FEIS. The one route projected to be impacted in the 2006 FEIS as a result of full build-out of the Project—the westbound B38—is not expected to experience appreciable numbers of new trips in either the AM or PM peak hours as a result of Phase II demand under the Extended Build-Out Scenario.

The findings of this SEIS with respect to local bus conditions and potential significant impacts are not directly comparable to those of the 2006 FEIS as this SEIS examines only the incremental effects of Phase II of the Project under the Extended Build-Out Scenario, with Phase I of the Project reflected in the background condition. By contrast, the 2006 FEIS assessed the incremental effects of Phase I and Phase II combined. In addition to the proposed shift in residential floor area and proposed reduction in parking spaces (as described in Chapter 1, "Project Description"), the local bus analyses also differ with respect to travel demand factors, analysis methodologies, background conditions (including changes in bus routes and service levels since 2006), background growth rates, and changes to the Project development program.

Long Island Rail Road

Under the Extended Build-Out Scenario, the relatively small numbers of new LIRR trips generated by Phase II of the Project (17 to 43 in any one peak hour) are not expected to adversely affect LIRR line haul conditions, and the development of Phase II is not expected to adversely affect operations at the upgraded Vanderbilt Yard. These findings are generally consistent with those of the 2006 FEIS.

Pedestrians

The analysis of pedestrian conditions in the 2006 FEIS identified significant adverse impacts to two crosswalks – on 6th Avenue at Dean Street and on Carlton Avenue at Dean Street – in the weekday and/or Saturday pregame peak hours with full build-out of the Project. Widening these crosswalks by one foot and four feet, respectively, was recommended in the 2006 FEIS to fully mitigate these impacts.

The findings of this SEIS analysis are that Phase II demand under the Extended Build-Out Scenario would significantly adversely impact four crosswalks in one or more peak hours under current *CEQR Technical Manual* impact criteria for a central business district (CBD) area, and that two sidewalks and one additional crosswalk would be considered impacted if non-CBD criteria are used. However, these findings are not directly comparable to those of the previous environmental reviews as this SEIS examines only the incremental effects of Phase II of the Project under the Extended Build-Out Scenario with Phase I of the Project reflected in the background condition. By contrast, the 2006 FEIS assessed the incremental effects of Phase I and Phase II combined. In addition to the proposed shift in residential floor area and proposed reduction in parking spaces (as described in Chapter 1, "Project Description"), the pedestrian analyses also differ with respect to analysis methodologies, impact criteria, the Project development program, travel demand factors, background conditions and annual growth rates. (These include substantially lower impact thresholds for this SEIS analysis than were required under the *CEQR Technical Manual* guidelines used for the 2006 FEIS). The differences between the findings of this SEIS and the previous environmental reviews with respect to pedestrian conditions are generally related to these variables and are not directly attributable to the delay in the Project under the Extended Build-Out Scenario.

Pedestrian and Vehicular Safety

In general, the findings of this SEIS with regard to pedestrian and vehicular safety are comparable to those of the 2006 FEIS, in that both assessments disclosed the potential for increased conflicts between motorists, cyclists and pedestrians at high crash locations in proximity to the project site as a result of increased travel demands associated with full build-out of the Project. The delay in Phase II of the Project under the Extended Build-Out Scenario is not expected to result in a substantially greater number of vehicle, pedestrian and bicycle trips through high crash locations. This SEIS recommends additional potential pedestrian safety measures (i.e., installation of designated school crossings) that were not recommended in the 2006 FEIS.

Parking

The 2006 FEIS assessed future parking conditions with a total of 3,670 parking spaces on the project site and concluded that sufficient off-street parking capacity would be available both on-site and at existing public off-street facilities within ½-mile of the Arena to fully accommodate peak demand from full build-out of either of the Project's two variations (residential mixed-use and commercial mixed-use), and that no significant adverse impacts to off-street or on-street parking conditions would result from the Project.

Compared with the 2006 FEIS, this SEIS analysis reflects a proposed reduction (to 2,896 spaces) in the amount of on-site parking capacity that would be provided with full build-out of the Project. In addition, this SEIS analysis differs from the 2006 FEIS analysis with respect to travel demand factors, analysis methodologies, impact criteria, background conditions, background growth rates, and the Project development program. For example, the forecasts of residential parking demand in the 2006 FEIS assumed an overnight rate of 0.4 spaces per dwelling unit whereas this SEIS analysis assumes an overnight rate of 0.2 spaces per dwelling unit, consistent with recent survey data which indicate lower levels of residential parking demand in Downtown Brooklyn.

The results of the analysis in this SEIS are that the on-site parking capacity now proposed with full build-out of the Project would be sufficient to accommodate all non-Arena Project demand in the Future With Phase II, and that the projected amount of parking capacity available at off-street public parking facilities under the Extended Build-Out Scenario would be sufficient to accommodate parking demand from a Nets game at the Arena irrespective of the amount of on-site parking provided for Arena patrons. Therefore, the findings of this SEIS are that no significant adverse parking impacts would occur in the Future With Phase II under the Extended Build-Out Scenario, consistent with the findings of the 2006 FEIS.

OPERATIONAL AIR QUALITY

As discussed below, the maximum predicted pollutant concentrations and concentration increments from mobile sources with Phase II of the Project would be below the corresponding ambient air quality standards and guidance thresholds. The Phase II development's parking facilities would also not result in any significant adverse air quality impacts. Therefore, Phase II of the Project would not have significant adverse impacts from mobile source emissions.

Delayed completion of Phase II of the Project would not increase air emissions from any of the Project buildings. Based on a quantitative air dispersion modeling analysis, the 2006 FEIS analysis of air quality impacts concluded that because of the low emissions from Phase II of the Project, which has committed to the use of natural gas as its boiler fuel and the use of burners with low emissions of nitrogen oxides (NO_x), the impacts of emissions of particulate matter less than 2.5 microns in diameter ($PM_{2.5}$), carbon monoxide (CO), annual average nitrogen dioxide (NO_2) and sulfur dioxide (SO_2) would be insignificant. In the Extended Build-Out Scenario, the proposed gas-fired Phase II boilers would each be smaller in capacity than the boiler capacities modeled in the 2006 FEIS, even after accounting for the proposed shift in floor area from Phase I to Phase II. Therefore no additional quantitative air dispersion modeling analysis of these pollutants was performed in the SEIS. A new quantitative air dispersion modeling analysis of the emissions and dispersion of 1-hour average NO_2 from the Project's stationary sources indicate that such emissions would not result in violation of the 1-hour average NO_2 NAAQS that was promulgated after the publication of the 2006 FEIS. Therefore, no significant adverse air quality impacts are anticipated from the stationary sources from Phase II of the Project under the Extended Build-Out Scenario.

GREENHOUSE GAS EMISSIONS

Phase II of the Project upon completion under the Extended Build-Out Scenario would result in annual GHG emissions of approximately 82,163 metric tons of CO_2 equivalent (CO_2e) from the operation of the buildings. Of that amount, approximately 72,840 metric tons of CO_2e would be emitted as a result of grid electricity use and natural gas consumption on-site, while the remainder would be emitted as a result of project-generated vehicle trips. During the construction period and as a result of off-site production of construction materials for Phase II of the Project an estimated 195,785 metric tons of CO_2e would be emitted.

As per the MEC, all Phase II buildings would obtain the United States Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) certification for new construction with the goal of achieving a Silver rating for each proposed building. Specific sustainable measures would be incorporated into the design and construction of the Project, which would decrease the potential GHG emissions. Based on the sustainable measures that would be included, Phase II of the Project would be consistent with the City's emissions reduction goal, as defined in the *CEQR Technical Manual*. In addition, as discussed in the 2006 FEIS, the project site is located at one of the largest transportation hubs in the City and construction of this high density transit-oriented development at this location would encourage use of mass transit, thereby reducing GHG emissions from automobile travel. The Project would also promote non-motorized modes of transportation, including cycling and walking. This assessment concludes that Phase II of the Project would be consistent with the City's GHG emission reduction goal.

OPERATIONAL NOISE

The analysis concludes that traffic generated by Phase II of the Project upon completion under the Extended Build-Out Scenario would not be expected to result in any significant increases in noise levels. Furthermore, the building attenuation specified in the 2006 FEIS for the Phase II buildings would continue to be adequate. Consistent with the findings of the 2006 FEIS, noise levels in the newly created open spaces would be greater than the 55 dBA $L_{10(1)}$ prescribed by CEQR criteria, but would be comparable to other parks around New York City, and would not constitute a significant impact.

OPERATIONAL NEIGHBORHOOD CHARACTER

Consistent with the 2006 FEIS and 2009 Technical Memorandum, this SEIS analysis finds that while Phase II of the Project would result in localized adverse neighborhood character impacts along Dean Street due to increased activity and significant adverse traffic and pedestrian condition impacts, and along Bergen Street due to significant adverse traffic impacts, these impacts would be highly localized and would not result in significant adverse neighborhood character impacts. While a delay in construction of Phase II of the Project under the Extended Build-Out Scenario would defer temporarily the benefits of Phase II, the benefits would nevertheless improve the character of the neighborhood when construction is completed. Overall, Phase II of the Project under the Extended Build-Out Scenario would have a beneficial effect on neighborhood character, creating a vibrant mixed use area, improving the streetscape in and around the project site and knitting together the neighborhoods north and south of the rail yard.

G. MITIGATION

This SEIS identifies significant adverse impacts in the areas of community facilities (public schools), construction-period open space, transportation (operational and during construction) and construction noise.

COMMUNITY FACILITIES

Phase II of the Project under the Extended Build-Out Scenario would result in a significant adverse impact on elementary and intermediate schools upon the completion of the first or second Phase II building. More rapid construction of the Phase II buildings would result in the significant adverse impact occurring earlier.

Mitigation for the projected shortfall in school seats for elementary and intermediate schools in CSD 13/Sub-District 1 could consist of one or a combination of the following measures:

- Building a new school on the project site;
- Shifting the boundaries of school catchment areas within the CSDs to move students to schools with available capacity;
- Creating new satellite facilities in less crowded schools; and/or
- Building new school facilities off-site.

To partially mitigate the significant adverse impact on public schools, the project sponsors have committed to provide adequate space for the construction and operation of a 100,000 gsf elementary and intermediate school facility on the Phase II project site. The project sponsors' obligation to provide space for an elementary and intermediate public school on the Phase II project site was included in 2006 and 2009 MGPP and the MEC.

If built at the election of DOE, the new school facility on the Phase II project site would partially mitigate the projected shortfall in school seats for elementary and intermediate schools located within CSD 13/Sub-District 1. While the final school program and capacity would be developed at a later date, based on DOE's 2015-2019 Proposed Capital Plan, it is anticipated that this school would provide approximately 757 seats for elementary and/or intermediate students.

The other potential mitigation measures identified above—shifting the boundaries of school catchment areas within the CSDs; creating new satellite facilities in less crowded schools; and building new school facilities off-site—could be implemented at the discretion of DOE. If not implemented, the significant adverse impacts on elementary schools within CSD 13/Sub-District 1 would remain.

OPEN SPACE

Phase II of the Project under the Extended Build-Out Scenario would not result in significant adverse impacts related to open space upon the Project's completion. However, the 2006 FEIS identified a temporary significant adverse impact on passive open space resources in the non-residential (¼-mile) study area during Phase II construction. This impact would continue until a portion of the Phase II open space is phased in. The Extended Build-Out Scenario would prolong the temporary significant adverse impact on the passive worker ratio in the non-residential study area that was identified in the 2006 FEIS by between approximately 7 and 9 years, compared with the Phase II schedule analyzed in the 2006 FEIS.

In response to this finding, the project sponsors and ESD will explore additional mitigation measures between the Draft and Final Supplemental Environmental Impact Statement, which could be implemented to improve passive open space conditions in the non-residential study area in the event there is a prolonged delay in construction. Such mitigation is being considered for one of the following plaza or open space areas:

- Times Plaza: currently an approximately 0.17-acre triangle formed by Flatbush Avenue, Atlantic Avenue, and 4th Avenue is occupied by a paved sidewalk area, bike racks, and the Times Plaza Control House (an MTA structure, built in 1908 as a subway entrance, which today functions as a skylight for the Atlantic Avenue-Barclays Center subway station).
- Lowry Triangle: this 0.11-acre New York City Department of Parks and Recreation (DPR) open space is bounded by Atlantic Avenue, Underhill Avenue, Washington Avenue, and Pacific Street. It contains passive open space features such as seating and plantings.
- Cuyler Gore Park: this 1.16-acre DPR open space is bounded by Fulton Street, Carlton Avenue, and Greene Avenue. It contains passive open space features such as seating and plantings.

Improvements at the selected plaza or open space could include seating, plantings and other open space amenities.

In addition, if a Phase II building construction site were to remain undeveloped for an extended period of time, if practicable, the project sponsors would arrange for its utilization as temporary open space, until such time as construction is ready to resume, in accordance with the MEC.

OPERATIONAL TRANSPORTATION

TRAFFIC

With development of Phase II under the Extended Build-Out Scenario, a total of 56 intersections are expected to have one or more movements that would experience significant adverse impacts in one or more of the five peak hours analyzed. A range of operational changes to the surrounding street network are recommended to mitigate the significant adverse traffic impacts. These measures typically include signal phasing and timing modifications, parking regulation modifications, and changes to lane striping and pavement markings. Significant adverse operational traffic impacts would remain unmitigated at four of the 41 intersections impacted in the weekday AM peak hour, seven of the 38 intersections impacted in the PM peak hour, and eight of the 47 intersections impacted in the Saturday pregame peak hour. The recommended traffic mitigation measures will be further reviewed with NYCDOT between the Draft SEIS (DSEIS) and the Final SEIS (FSEIS) potentially resulting in elimination or modification of certain mitigation measures. Additional measures will also be explored between the DSEIS and FSEIS in coordination with NYCDOT to reduce or eliminate any unmitigated significant impacts. In the absence of NYCDOT approval and implementation of mitigation measures, additional unmitigated conditions would remain.

TRANSIT

Phase II of the Project under the Extended Build-Out Scenario would result in a significant adverse impact with respect to up escalator ES359X at the Barclays Center entrance of the Atlantic Avenue—Barclays Center Subway Station. The impact would be fully mitigated by operating adjoining escalator ES358X in the up direction during the pregame period when there is a Nets game or other major event at the Arena.

PEDESTRIANS

Phase II demand under the Extended Build-Out Scenario would significantly adversely impact four crosswalks in one or more peak hours under current CEQR Technical Manual impact criteria for a CBD area, and one additional sidewalk (along Dean Street) if non-CBD criteria were used. (Sidewalks and crosswalks along the Atlantic Avenue corridor that would be impacted only under the non-CBD criteria are not considered significantly adversely impacted as Atlantic Avenue is a major retail and commercial corridor where the CBD criteria should be considered applicable.) Standard mitigation for projected significant pedestrian impacts can include providing additional signal green time or new signal phases; widening crosswalks; relocating or removing street furniture; providing curb extensions, neck-downs or lane reductions to reduce pedestrian crossing distance; sidewalk widening; and providing direct pedestrian connections from adjacent transit stations.

With the recommended mitigation measures, all significant adverse impacts under the CBD criteria would be fully mitigated, while the significant adverse sidewalk impacts along Dean Street (in the PM and Saturday pregame peak hours) would remain unmitigated.

The recommended pedestrian mitigation measures will be further reviewed with NYCDOT between the DSEIS and the FSEIS potentially resulting in elimination or modification of certain mitigation measures. Additional measures will also be explored between the DSEIS and FSEIS in coordination with NYCDOT to reduce or eliminate any unmitigated significant impacts. In the absence of NYCDOT approval and implementation of mitigation measures, additional unmitigated conditions would remain.

CONSTRUCTION TRAFFIC

The recommended operational traffic mitigation measures would be able to mitigate most construction impacts at the 36 intersection at which significant adverse traffic impacts were identified during peak construction periods. In some cases, variations of the operational mitigation measures or additional measures have been recommended to fully mitigate certain impacts during construction. However, there would be seven intersections—one during the 6-7 AM and six during the 3-4 PM construction traffic analysis peak hours—where impacts could not be mitigated or could only be partially mitigated.

CONSTRUCTION NOISE

Overall, there are approximately 13 buildings predicted to experience significant adverse noise impacts as a result of construction of Phase II of the Project under one or more of the three Construction Phasing Plans analyzed that may not have and have not previously been offered receptor control measures. Some potential receptor controls that could be used to partially mitigate the impacts at these 13 buildings include the provision of air-conditioning so that the impacted structures can maintain a closed-window condition and the provision of storm windows to a building without double-glazed windows to increase the amount of noise attenuation provided by the building façades.

Additionally, there is one recently constructed residential building with outdoor balconies predicted to experience significant adverse noise impacts as a result of construction of Phase II of the Project under Construction Phasing Plan 1. At this location, there are no feasible or practicable mitigation to mitigate the construction noise impacts.

H. ALTERNATIVES

Project alternatives that are assessed in the SEIS include:

- Reduced Parking Alternative—This alternative would consider modified parking requirements that would reduce the amount of accessory parking provided for the Project's residential uses. As noted in Chapter 1, "Project Description," ESD is evaluating a proposed reduction in the parking requirements for the Project from the 3,670 spaces analyzed in the 2006 FEIS to 2,896 parking spaces, and this proposal is included in the program for Phase II analyzed in the Extended Build-Out Scenario. The "Reduced Parking Alternative" would be an alternative that would further reduce on-site parking to reflect the recent zoning changes for Downtown Brooklyn, which eliminated accessory parking requirements for affordable housing units and reduced accessory parking requirements for market-rate housing.
- A No Unmitigated Significant Adverse Impact Alternative—This alternative considers development that would not result in any identified unmitigated significant adverse impacts.

In addition, in response to public comments, this SEIS assesses the feasibility of requiring Phase II of the Project to be constructed by multiple developers. This assessment also evaluates whether such an approach to the Project, if determined to be feasible, would be effective in speeding the construction of Phase II.

REDUCED PARKING ALTERNATIVE

Under the Reduced Parking Alternative, with respect to operational traffic, there would be one additional impacted intersection in the AM peak hour as compared with Phase II under the Extended Build-Out Scenario. Overall, the numbers and locations of impacted intersections and the types of impacts that would occur under the Reduced Parking Alternative would generally be similar to those under Phase II of the Project under the Extended Build-Out Scenario. The Reduced Parking Alternative would impact the same sidewalks and crosswalks as the Phase II of the Project under the Extended Build-Out Scenario; however, two of the impacted crosswalks would also be impacted in additional peak hours.

With respect to construction transportation, the Reduced Parking Alternative would result in significant impacts at the same locations identified with Phase II of the Project under the Extended Build-Out Scenario; however, at one location additional mitigation would be required to fully mitigate the impacts.

Impacts of the Reduced Parking Alternative in all other analyzed technical areas would be comparable to those identified for Phase II of the Project under the Extended Build-Out Scenario.

OPERATIONAL TRANSPORTATION

Traffic

There would be no change in the amount of travel demand or the numbers of vehicle trips generated by Phase II or the Project as a whole under the Reduced Parking Alternative compared with the Future With Phase II conditions under the Project. Rather, the amount of on-site parking capacity would be reduced to a total of approximately 1,200 permanent spaces compared with 2,896 spaces with the Project. As a consequence, under the Reduced Parking Alternative there would be some localized redistribution of auto trips at intersections in the immediate vicinity of the project site compared with the Project.

With development of Phase II under the Project, 41 of the 71 analyzed intersections would have significant adverse impacts in the weekday AM peak hour, 21 in the midday, 38 in the PM, 28 in the weekday pregame peak hour, and 47 in the Saturday pregame peak hour. By comparison, under the Reduced Parking Alternative there would be one additional impacted intersection in the AM peak hour (42 total). The numbers of intersections operating at LOS E or F would total 36, 17, 31, 19 and 38 in the weekday AM, midday, PM and pregame and Saturday pregame peak hours under the Reduced Parking Alternative, a decrease of one in the PM peak hour compared with future conditions with the Project. Overall, the numbers and locations of impacted intersections and the types of impacts that would occur under the Reduced Parking Alternative would generally be similar to those under the Project.

Like conditions for the Future With Phase II under the Project, many of the significant adverse traffic impacts that would occur with development of Phase II under the Reduced Parking Alternative could be fully mitigated. Recommended operational improvements would fully mitigate all significant adverse traffic impacts from the Reduced Parking Alternative at a total of 46 out of 56 impacted intersections, the same as for the Project. Compared with the traffic mitigation plan recommended for the Future With Phase II under the Project, the mitigation plan recommended for the Reduced Parking Alternative would include implementation of an additional curbside parking restriction at the intersection of Atlantic Avenue and Fort Greene Place, additional lane restriping at the intersection of Atlantic and Clermont Avenues, and modifications to the recommended signal timing changes at these and seven other intersections.

Transit

There would be no change in the amount of travel demand generated by Phase II or the Project as a whole under the Reduced Parking Alternative compared with the conditions analyzed for the Future With Phase II under the Project. While there may be some potential for a shift from the auto mode to the transit modes as a result of the reduction of on-site parking under this alternative, any such shift, should it occur, is expected to be relatively minor and unlikely to result in material changes in the numbers of trips to individual subway stations and station elements, and subway and bus routes. Therefore, subway station, subway line haul and local bus conditions under the Reduced Parking Alternative would be similar to those disclosed for the Future With Phase II under the Project.

Pedestrians

The elimination of the proposed parking garages on Blocks 1120 and 1128 and the reduction in parking capacity at other on-site facilities under the Reduced Parking Alternative would likely result in an increase in pedestrian trips on analyzed sidewalks and crosswalks since persons traveling by auto who would otherwise have parked on-site would need to walk between the project site and off-site parking facilities.

In the Future With Phase II under the Project, Phase II demand would significantly adversely impact four crosswalks in one or more peak hours under current *CEQR Technical Manual* impact criteria for a CBD area, and two sidewalks and one additional crosswalk would be considered impacted if non-CBD criteria were used. Impacted pedestrian facilities would include:

- The south sidewalk on Atlantic Avenue west of 6th Avenue in all but the weekday AM peak hour (non-CBD criteria only);
- The north sidewalk on Dean Street between 6th and Carlton Avenues in the weekday PM and Saturday pregame peak hours (non-CBD criteria only);
- The west crosswalk on Atlantic Avenue at 6th Avenue in the weekday PM and Saturday pregame peak hours (CBD and non-CBD criteria);
- The south crosswalk on 6th Avenue at Atlantic Avenue in the weekday AM and PM and Saturday pregame peak hours (CBD and non-CBD criteria), and the weekday pregame peak hour (non-CBD criteria only);
- The east crosswalk on Atlantic Avenue at 6th Avenue in the weekday PM peak hour (non-CBD criteria only);
- The north crosswalk on Carlton Avenue at Dean Street in the weekday PM peak hour (non-CBD criteria) and Saturday pregame peak hour (CBD and non-CBD criteria); and
- The north crosswalk on 6th Avenue at Dean Street in all periods (CBD and non-CBD criteria).

These same impacts would occur under the Reduced Parking Alternative, and two of the impacted crosswalks would also be impacted in additional peak hours—the west crosswalk on Atlantic Avenue at 6th Avenue in the weekday pregame peak hour (under CBD and non-CBD criteria) and the east crosswalk on Atlantic Avenue and 6th Avenue in the Saturday pregame peak hour (non-CBD criteria-only).

Given that Atlantic Avenue is a major retail and commercial corridor, and a pedestrian access route for both the Barclays Center Arena and a major intermodal transit hub, the *CEQR Technical Manual* CBD impact criteria should be considered applicable for the analyzed sidewalks and crosswalks along this corridor. Under the CBD impact criteria, neither the south sidewalk on Atlantic Avenue west of 6th Avenue nor the east crosswalk on Atlantic Avenue at 6th Avenue would be considered significantly adversely impacted. Therefore, Phase II of the Project would not result in significant adverse impacts to the south sidewalk on Atlantic Avenue west of 6th Avenue and the east crosswalk on Atlantic Avenue at 6th Avenue under both the Project and the Reduced Parking Alternative. Consequently, the Reduced Parking Alternative would not result in any significant adverse impacts at additional pedestrian facilities compared with the Project.

As was the case for Future With Phase II conditions under the Project, mitigating the significant crosswalk impacts under the Reduced Parking Alternative would typically involve widening the impacted crosswalk, combined in some cases with minor signal timing changes. Recommended mitigation measures under this alternative would include:

- Widening the west crosswalk on Atlantic Avenue at 6th Avenue from 12 feet to 14 feet in width (the same as for the Project);
- Widening the south crosswalk on 6th Avenue at Atlantic Avenue from 18 feet to 28 feet in width (versus 27 feet with the Project);

- Widening the north crosswalk on Carlton Avenue at Dean Street from 17 feet to 19 feet in width (versus 18 feet with the Project) along with signal timing changes of four seconds in the PM and three seconds in the Saturday pregame period; and
- Widening the north crosswalk on 6th Avenue at Dean Street from 17 feet to 28 feet in width (versus 27 feet with the Project) along with one second of signal timing change in the AM and four seconds in the PM and Saturday pregame periods.

These recommended measures would fully mitigate all of the significant crosswalk impacts under the Reduced Parking Alternative.

Signal timing changes associated with traffic mitigation under the Reduced Parking Alternative would result in a new significant impact to the west crosswalk on Atlantic Avenue at Vanderbilt Avenue in the Saturday pregame peak hour under the non-CBD criteria. As discussed previously, the CBD criteria should be considered applicable for pedestrian facilities along the Atlantic Avenue corridor. Based on the CBD criteria, this crosswalk would not be considered significantly adversely impacted in any peak hour under both the Project and the Reduced Parking Alternative.

Lastly, no mitigation is proposed for the non-CBD criteria impacts to the north sidewalk on Dean Street between 6th and Carlton Avenues as it is expected that mitigating these impacts would require relocating existing tree pits along the block which would likely not be practicable. The impacts to this sidewalk under the non-CBD criteria would therefore remain unmitigated in the Future With Phase II under both the Project and the Reduced Parking Alternative.

Pedestrian and Vehicular Safety

The Reduced Parking Alternative is not expected to result in substantial changes to vehicular or pedestrian flow at two of the three intersections in proximity to the project site identified as high crash locations—Flatbush Avenue/Atlantic Avenue and Atlantic Avenue/4th Avenue—and would likely result in an overall reduction in the numbers of turning vehicles at the third high crash intersection—Atlantic Avenue and Vanderbilt Avenue—compared with the Future With Phase II condition under the Project. Therefore, compared with the Project, there would likely be a reduced potential for conflicts between turning vehicles and pedestrians and cyclists at this latter intersection under the Reduced Parking Alternative.

The numbers of turning vehicles at the Dean Street/6th Avenue intersection adjacent to the potential location of a proposed public school in Building 15 would likely be slightly higher under the Reduced Parking Alternative than under the Project. The measures to enhance safety at this intersection recommended for the Project (i.e., the installation of designated school crossings including high visibility crosswalks and additional school crossing pavement markings and signage) are expected to be similarly effective at enhancing safety at this location under the Reduced Parking Alternative.

Parking

Under the Reduced Parking Alternative, a total of 1,200 parking spaces would be provided on-site in 2035 compared with the 2,896 parking spaces analyzed for the Project. This would include approximately 876 spaces of accessory parking for demand from the residential, commercial, retail, hotel and public school uses (i.e., non-Arena uses) on the project site, 300 spaces to accommodate a portion of the demand from the Barclays Center Arena, and 24 spaces allocated to the NYPD’s 78th Precinct station house. The lower number of on-site parking spaces provided for non-Arena uses compared with the Project would be consistent with the parking required under zoning for the Special Downtown Brooklyn District.

In the Future With Phase II under the Project, on-site parking capacity would be more than sufficient to accommodate all of the Project's parking demand from non-Arena uses under both the residential mixed-use and commercial mixed-use variations. Under the Reduced Parking Alternative, parking demand from non-Arena uses that would need to be accommodated off-site during the weekday evening and overnight periods would total approximately 307 and 446 spaces, respectively, under the residential mixed-use variation and approximately 283 and 410 spaces, respectively, under the commercial mixed-use variation. (On-site capacity is expected to be sufficient to accommodate all non-Arena Project parking demand in the weekday midday and Saturday midday periods under both variations.) Available capacity at off-street public parking facilities within ¼-mile of the project site during the weekday evening and overnight periods would be sufficient to accommodate all non-Arena Project demand expected to park off-site during these periods under both variations. Therefore, under the Reduced Parking Alternative, no shortfalls in off-street public parking capacity are expected to occur as a result of demand from the residential, commercial, retail, hotel and public school uses developed under either Project variation.

Under both the Project and the Reduced Parking Alternative, a total of 300 on-site parking spaces would be provided on the project site to accommodate a portion of the demand from a Nets game or other major event at the Barclays Center Arena. Remaining Arena demand would park at off-site public parking facilities or on-street, as occurs at present. Therefore, off-street parking conditions during a weekday evening and a Saturday afternoon Nets game at the Arena are also assessed to determine the potential combined effects of demand from both Arena and non-Arena Project uses on the off-street public parking supply within a ½-mile study area (considered the maximum distance that persons en route to and from an event at the Arena would likely walk to access parking.)

Under both Project variations, off-site parking demand from a Nets game at the Barclays Center Arena is expected to total approximately 1,231 spaces and 1,289 spaces during the weekday evening and Saturday midday periods, respectively. Accounting for non-Arena parking demand that would also need to be accommodated off-site under the Reduced Parking Alternative, off-street public parking facilities are expected to operate with available capacity during both the weekday evening and Saturday midday periods when there is a Nets game scheduled at the Arena during these periods, irrespective of the Project variation. Therefore, under the Reduced Parking Alternative, no shortfalls in off-street public parking capacity are expected to occur as a result of demand from a Nets game at the Arena and other non-Arena uses at the project site.

As was the case for the Future With Phase II condition under the Project, the traffic mitigation plan for the Reduced Parking Alternative incorporates modifications to curbside regulations that would potentially affect existing curbside parking at a total of 28 locations throughout the traffic study area. Depending on the peak hour, it is estimated that the net number of on-street parking spaces within ½-mile of the Arena that would be displaced by the traffic mitigation measures recommended for the Reduced Parking Alternative would represent from 0.4 percent to 1.1 percent of the existing 9,395 on-street parking spaces in this area, the same as for the Project's traffic mitigation plan. It is estimated that a total of approximately 107, 53, 69, 36, and 58 on-street parking spaces would be displaced during the weekday AM, midday, PM and pregame and Saturday pregame peak periods, respectively. Compared with the Project's traffic mitigation plan, this would represent a total of two additional on-street parking spaces displaced during each peak period with the exception of the weekday PM which would remain unchanged. Approximately seven on-street parking spaces would potentially be created as a result of a lane re-striping recommended for Dean Street at Vanderbilt Avenue under both the Project and the Reduced Parking Alternative.

It is expected that drivers currently parking in the on-street spaces that would be displaced under both the Project and the Reduced Parking Alternative would need to find other on-street spaces or park in off-street public parking facilities in the vicinity. However, on-street parking capacity is expected to remain available in the overall study area with implementation of the traffic mitigation plan under the Project and the Reduced Parking Alternative.

OPERATIONAL AIR QUALITY

With the Reduced Parking Alternative, the Project's parking facilities would be smaller in overall capacity. Since there would be fewer on-site parking spaces available, there would be some localized redistribution of operational auto trips at intersections in the immediate vicinity of the Project site. However, as shown above in the "Transportation" section, this would result in similar traffic operations at the analyzed intersections presented in Chapter 4D, "Operational Transportation." Therefore, like the Project, no significant adverse operational-related air quality impacts would result from the Reduced Parking Alternative.

OPERATIONAL NOISE

Traffic levels during operation of the Reduced Parking Alternative would be comparable to those during operation of the Project on roadways adjacent to each of the noise receptor locations analyzed in Chapter 4G, "Noise" during each of the analyzed time periods. Based on the traffic levels associated with the Reduced Parking Alternative, the differences in noise levels at affected locations as compared with those with the Project would be minimal and would be less than the levels that would have the potential to result in a significant adverse impact. Consequently, as with the Project, the Reduced Parking Alternative would not be expected to result in any significant adverse operational noise impacts.

OPERATIONAL NEIGHBORHOOD CHARACTER

The Reduced Parking Alternative, like the Project, would not result in significant adverse neighborhood character impacts. The Reduced Parking Alternative and the Project would both result in significant adverse traffic impacts at 56 intersections in one or more peak hours, and the locations of the impacted intersections would be the same. Compared with the Project, the Reduced Parking Alternative would result in one additional impacted intersection in the AM peak hour (42 in the AM peak hour under the Reduced Parking Alternative compared with 41 under the Project). As with the Project, mitigation measures for the Reduced Parking Alternative would fully mitigate significant adverse traffic impacts at 46 of the 56 impacted intersections. Compared with the traffic mitigation plan recommended for the Future With Phase II under the Project, the mitigation plan recommended for the Reduced Parking Alternative would include implementation of an additional curbside parking restriction at the intersection of Atlantic Avenue and Fort Greene Place, additional lane restriping at the intersection of Atlantic and Clermont Avenues, and modifications to the recommended signal timing changes at these and seven other intersections. Under the Reduced Parking Alternative, compared with the Project, there would be one additional intersection with unmitigated traffic impacts in the AM peak hour and in the Saturday pregame peak hour, and one fewer in the PM peak hour.

In terms of pedestrians, two of the crosswalks identified as being impacted by the Project would, under the Reduced Parking Alternative, be impacted in additional peak hours. Under either the Project or the Reduced Parking Alternative, all pedestrian impacts to crosswalks could be fully mitigated through a combination of signal timing changes and crosswalk widening. Under both the Project and the Reduced Parking Alternative, there would be unmitigated sidewalk impacts on Dean Street between 6th and Carlton Avenues. It is expected that mitigating these impacts would require relocating existing tree pits along the block which would likely not be practicable.

No shortfalls in off-street public parking capacity are expected to occur as a result of either the Project or the Reduced Parking Alternative. The traffic mitigation plan for either the Project or the Reduced Parking Alternative would incorporate modifications to curbside regulations that would potentially affect existing curbside parking at a total of 28 locations throughout the traffic study area. Compared with the Project's traffic mitigation plan, the Reduced Parking Alternative would displace two additional on-street parking spaces during each peak period with the exception of the weekday PM which would remain unchanged. It is expected that drivers currently parking in the on-street spaces that would be displaced under both the Project and the Reduced Parking Alternative would need to find other on-street spaces or park in off-street public parking facilities in the vicinity. However, on-street parking capacity is expected to remain available in the overall study area with the implementation of the traffic mitigation plan under either the Project or the Reduced Parking Alternative.

The minor differences in traffic and pedestrian impacts and on-street parking availability associated with the Reduced Parking Alternative compared with the Project would not affect conclusions regarding neighborhood character; neither the Project nor the Reduced Parking Alternative would result in significant adverse neighborhood character impacts.

CONSTRUCTION TRANSPORTATION

Traffic

Under this alternative, the 300 on-site Arena parking spaces would also be available to accommodate construction worker parking demand. Therefore, there would be no change in the construction vehicle trip assignments. With respect to construction transportation, the Reduced Parking Alternative would result in significant impacts at the same locations identified with Phase II of the Project under the Extended Build-Out Scenario; however at one location additional mitigation would be required to fully mitigate the impacts. Accounting for the localized redistribution of operational auto trips during the construction peak hours in the 1st quarter of 2032 under Construction Phasing Plan 3, an additional shift of one second of green time would be needed to fully mitigate the construction-related significant adverse impacts at one intersection during the 3 to 4 PM construction analysis peak hour, as compared with the recommended mitigation measures presented in Chapter 3H, "Construction Transportation." At other analysis intersections, the measures presented in Chapter 3H, "Construction Transportation," would also mitigate the construction impacts that could occur during the same construction quarters under this alternative.

Parking

Accounting for the parking supply and demand generated by the completed Project buildings, construction worker parking demand from Site 5 and Building 1 construction, and the Phase II peak construction worker parking demand during the 1st quarter of 2032 under Construction Phasing Plan 3, there would be sufficient off-street public parking spaces to accommodate the anticipated future parking demand such that there would be no shortfall during Phase II construction of the Project under this alternative.

CONSTRUCTION AIR QUALITY

There would be no change to the number of construction vehicle trips generated by the Project or to the construction vehicle trip assignments under the Reduced Parking Alternative. Since there would be fewer on-site parking spaces available, there would be some localized redistribution of operational auto trips at intersections in the immediate vicinity of the Project site. However, as shown above in the “Transportation” portion of the “Construction” section, this would result in the same or comparable traffic operations at the analyzed intersections presented in Chapter 3H, “Construction Transportation.” Therefore, like the Project, no significant adverse construction-related air quality impacts would result from the Reduced Parking Alternative.

CONSTRUCTION NOISE AND VIBRATION

As described in Chapter 3J, “Construction Noise,” the primary source of noise and vibration associated with construction of Phase II of the Project would be the operation of on-site equipment, rather than construction-related vehicle trips, including construction trucks and construction worker autos, traveling to and from the project site. The types and amount of on-site construction equipment under the Reduced Parking Alternative would be comparable to that analyzed for construction of Phase II of the Project because the structures to be constructed under the Reduced Parking Alternative would be the same as those to be constructed as part of Phase II of the Project, with the exception of some of the parking structures, which would not be constructed. Consequently, the Reduced Parking Alternative would be expected to result in the same or fewer significant adverse construction noise impacts as described for Phase II of the Project in Chapter 3J, “Construction Noise.” Additionally, as with construction of Phase II of the Project, construction of the Reduced Parking Alternative would not result in any significant adverse vibration impacts.

CONSTRUCTION PUBLIC HEALTH

As described above under Construction Noise and Vibration, the Reduced Parking Alternative would be expected to result in the same or fewer significant adverse construction noise impacts as described for Phase II of the Project in Chapter 3J, “Construction Noise.” Therefore, the Reduced Parking Alternative would not affect the conclusions of the public health analysis presented in Chapter 3K, “Construction Public Health.”

CONSTRUCTION NEIGHBORHOOD CHARACTER

As described in Chapter 3L, “Construction Land Use and Neighborhood Character,” Construction of Phase II of the Project under the Extended Build-Out Scenario is not expected to result in significant adverse neighborhood character impacts in neighborhoods surrounding the Phase II project site; however, increased traffic, noise, and views of construction activity would result in significant adverse localized neighborhood character impacts in the immediate vicinity of the Phase II project site.

The Reduced Parking Alternative would result in some localized redistribution of operational auto trips during peak construction compared with the Project; however this would not alter the analysis conclusions presented in Chapter 3H, “Construction Transportation.” There would be no material change in the number of construction workers using transit or how they would be distributed among the available transit options under the Reduced Parking Alternative, and there would be no material change in construction worker pedestrian trips. Similar to the peak construction parking analysis presented in Chapter 3H, "Construction Transportation," there would be no shortfall of off-street parking anticipated during Phase II construction of the Project under the Reduced Parking Alternative. Likewise, the Reduced Parking Alternative would be expected to result in the same or fewer significant adverse construction noise impacts as described for Phase II of the Project in Chapter 3J, "Construction Noise." Views of construction activities during the Phase II construction period would be materially the same under both the Reduced Parking Alternative and the Project.

As the construction period effects with respect to transportation, noise, views of construction activity and the other technical areas considered in a neighborhood character analysis would be materially the same under both Phase II of the Project and the Reduced Parking Alternative, the neighborhood character impacts would be the same. Like Phase II of the Project during the construction period, construction under the Reduced Parking Alternative would result in a significant adverse localized neighborhood character impact in the immediate vicinity of the Phase II project site, but would not alter the character of the larger neighborhoods surrounding the project site.

NO UNMITIGATED SIGNIFICANT ADVERSE IMPACT ALTERNATIVE

The No Unmitigated Significant Adverse Impact Alternative would avoid some of the adverse environmental impacts of Phase II of the Project under the Extended Build-Out Scenario. However, the analysis of this alternative concludes that the alternative would fail to realize the Project's goals.

MULTIPLE DEVELOPER ALTERNATIVE

The analysis of the multi-developer alternative concludes that the alternative would not be practicable, and would not be effective in accelerating construction of Phase II of the Project.

I. UNAVOIDABLE SIGNIFICANT ADVERSE IMPACTS

As with the Project analyzed in the 2006 FEIS, Phase II of the Project under the Extended Build-Out Scenario would result in significant adverse impacts with respect to community facilities (public schools), construction-period open space, transportation (operational and during construction) and construction noise. To the extent practicable, mitigation has been proposed for these identified significant adverse impacts. However, with respect to public schools, operational traffic and pedestrians, construction traffic and construction noise, no practicable mitigation was identified to fully mitigate significant adverse impacts, and there are no reasonable alternatives to the Project that would meet its purpose and need, eliminate its impacts, and not cause other or similar significant adverse impacts. Therefore, Phase II of the Project under the Extended Build-Out Scenario would result in unavoidable impacts with respect to these technical areas. ✷

Exhibit D

NEW YORK STATE URBAN DEVELOPMENT CORPORATION
dba EMPIRE STATE DEVELOPMENT

ATLANTIC YARDS LAND USE IMPROVEMENT AND CIVIC PROJECT

March 2014 Proposed Amendment
to the 2009 Modified General Project Plan

Except as modified below, the Project's 2006 Modified General Project Plan, affirmed by the ESD Directors on December 8, 2006, as thereafter first amended in the 2009 Modified General Project Plan, affirmed by the ESD Directors on September 17, 2009 (collectively, the "2009 MGPP"), remains unmodified and in full force and effect. The Proposed Amendment is as follows:

1. In Exhibit C to the 2009 MGPP (entitled "Atlantic Yards Building Heights & Square Footages (revised)") delete "4,434,000" in the row entitled "Phase Two Total Not to Exceed" and insert in place thereof "4,642,000". This modification allows shifting up to 208,000 GSF of floor area from Phase I to Phase II of the Project, but it does not change: (a) the total maximum GSF of the Project (Phase I + Phase II) as a whole, which would remain at 7,125,000 GSF (excluding the arena); or (b) the maximum GSF of each or any individual Project building, inclusive of those Phase II buildings to which the GSF may be transferred.

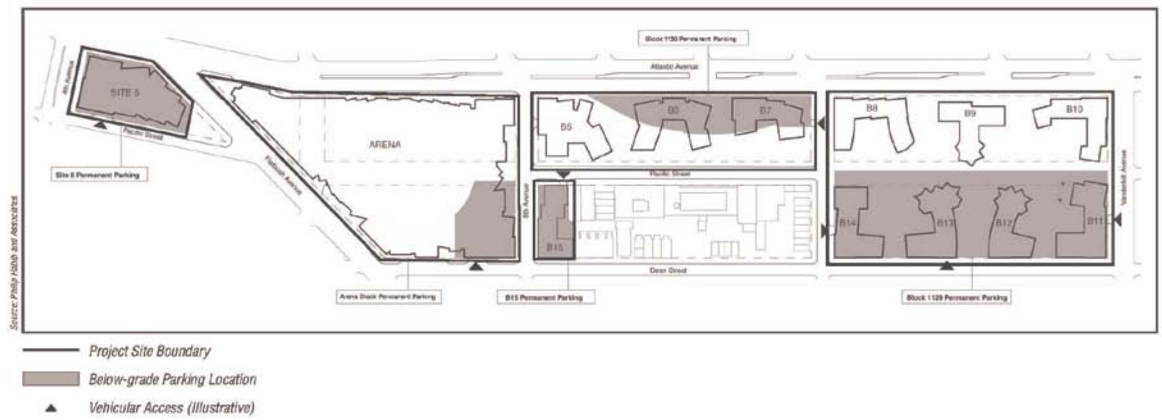
2. In Section E4 of the 2009 MGPP at page 15, delete "2,346 parking spaces" and insert in place thereof "no more than 1,160 parking spaces (inclusive of temporary surface parking in the Phase II area) and no less than the sum of 360 parking spaces and 0.2 parking spaces for each Phase I market-rate residential unit." In the last line of page 16 of the 2009 MGPP, delete "3,670 permanent parking spaces" and insert in place thereof "no more than 2,896 permanent parking spaces and no less than 1,200 permanent parking spaces." In the first sentence of Section E7 of the 2009 MGPP, at page 18, delete "3,670 below-grade parking spaces" and insert in place thereof "no more than 2,896 permanent parking spaces and no less than 1,200 permanent parking spaces."

3. Delete the Parking Key Plan attached as Exhibit D to the 2009 MGPP in its entirety and insert a new Parking Key Plan, as depicted in Exhibit D-1 ("Parking Key Plan, Base Case") or Exhibit D-2 ("Parking Key Plan, Reduced Parking Alternative") attached to this March 2014 Proposed Amendment to the 2009 MGP.[1]

[1] The parking requirements are stated as ranges and two Parking Key Plans have been presented because it is anticipated that the number of permanent parking spaces required for the Project and the Parking Key Plan to be selected will be specified in the 2014 Amendment to the 2009 MGPP as affirmed upon completion of the public review process.

Exhibit D-1

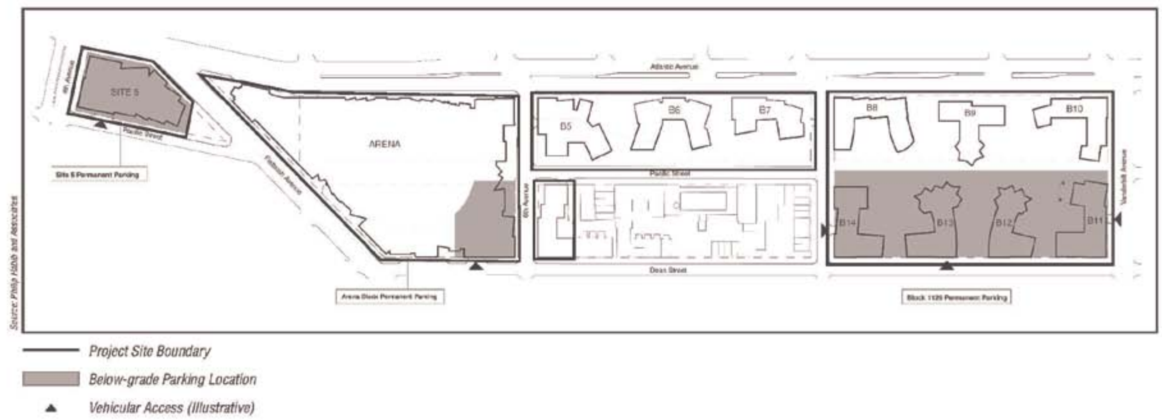
3.10.14



Atlantic Yards Parking Key Plan, Base Case

Exhibit D-2

3.13.14



Atlantic Yards Parking Key Plan, Reduced Parking Alternative

EXHIBIT E

Proposed FCR-Greenland Transaction

Background

In December 2013, Forest City Enterprises, Inc. ("**FCE**", the parent corporation of FCR) announced that FCE and Greenland Holding Group Co Ltd. ("**Greenland**") had signed a joint venture agreement pursuant to which portions of Phase I and all of Phase II of the Project would be assigned to and developed by an FCR-Greenland joint venture (the "**JV**"). Barclays Arena and Building 2 would not be assigned to the JV, but the JV would: complete construction of the LIRR Yard; build the platform over the new Yard; build Buildings 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 and Site 5; create the 8-acres of publicly accessible open space; and make certain modifications to the Barclays Arena roof. FCR expects that the joint venture transaction will close in 2014, but the closing of the agreement is subject to certain regulatory approvals, including the Committee on Foreign Investment in the United States and review by the government of China. As described by FCE, under the proposed JV, Greenland would acquire a 70 percent ownership interest in the Project (excluding the Arena and Building 2, as noted above), co-develop the Project with FCE and its affiliates, and pay for 70 percent of Project development costs going forward. In its filing with the Securities and Exchange Commission on December 10, 2013, FCE stated that the creation of the proposed JV "will help accelerate vertical development of the project, including the delivery of affordable housing." The SEC filing also noted that the proposed JV "would develop the project consistent with the approved master plan [i.e., the 2009 MGPP and Design Guidelines]."

Greenland is listed in Fortune magazine's "Global 500" (a listing of the largest 500 corporation in the world). Greenland is headquartered in Shanghai, China. According to its 2013 corporate brochure, Greenland was China's largest real estate enterprise in 2012, with more than $35 billion in revenues. Greenland or its affiliates have construction projects in more than 70 cities in China and have entered overseas real estate markets in Korea, Australia, and, recently, the United States. According to its corporate brochure, at of the end of 2012, Greenland had completed, or was building, 17 high-rise buildings, in which four ranked among the top ten tallest buildings in the world. On July 26, 2013, the *Wall Street Journal* reported that Greenland recently purchased a development parcel in Los Angeles for $1 billion and plans to build a hotel, office space and residential units at that site.

Proposed JV Structure

Based on ESD review of documents made available by FCR, the JV would be a Delaware limited liability company, with a majority-owned subsidiary of FCE owning a 30% interest and a wholly-owned subsidiary of Greenland owning a 70% interest. The JV would be managed by a five person Board of Managers, three appointed by Greenland (Chairman, CEO, and CFO) and two appointed by FCE (Vice Chairman and President). Decisions of particular importance ("**Major Decisions**"), including decisions about the commencement of construction of a new Project building or component, would require a majority vote of the Board of Managers including a vote of at least one appointee of Greenland and one of FCE, which, in effect requires that both Greenland and FCE agree to such decisions. The joint venture agreement includes provisions for a possible buy-out in the event of a deadlock among the members of the Board of Managers, after exhaustion of certain dispute resolution procedures, and also provides for dilution of a member's interest if it fails to meet certain obligations. Accordingly, the proposed 30%-70% split in equity interests between FCR and Greenland would be subject to change.

Also based on ESD review of documents made available by FCR, the day-to-day operations of the JV would be vested in a Management Team responsible for leading the Development Project and a Development Team responsible for design, construction, legal and governmental relations, and other matters. The Management Team will consist of seven named individuals who are executives at FCR, and up to five additional persons appointed by Greenland. The Development Team will include at least 14 current FCR employees who presently work on the Project, as well as other members who may be appointed by Greenland. At the closing of the transaction, the JV would purchase substantially all of the assets of the FCR affiliate that has ownership interests in certain other FCRC affiliates holding the agreements and leases with ESD and MTA relating to the Project elements (excluding Barclays Arena and Building 2).

Relevant Provisions of Project Documents

Section F.6 of the 2009 MGPP provides that "agreements with the Project Sponsors will provide that until the applicable building or improvement within Phase I is substantially completed, the applicable portion of each Parcel may not be transferred by the Project Sponsors, without the consent of ESDC and the City, except to affiliates of FCRC, and in connection with financing transactions and/or the enforcement of rights of lenders under these financing transactions." The Phase I parcels where construction is not "substantially completed" and which are proposed for transfer to the JV are Buildings 1, 3 and 4 and Site 5.

Pursuant to the terms of the Development Agreement, dated March 4, 2010 (the "**Development Agreement**"), by and among ESD and three FCR affiliates, the parties defined an "Affiliate" of FCR as either: (a) "a director, officer, general partner, member or manager"; or (b) an entity "that, directly or indirectly, Controls, is Controlled by or is under common ownership or Control." "Control" is defined (in addition to majority ownership) as "the power, exercisable jointly or severally, to manage and direct … through the direct, indirect, or beneficial ownership of partnership interest, membership interests, … or other beneficial interests and/or management or voting rights." Further, after the affirmation of the 2009 MGPP and execution of the Development Agreement, ESD and the City entered into certain contracts, including an ESD-City Project Agreement dated as of May 12, 2010 formalizing City consent and consultation rights.

Under the Development Agreement, transfers made in accordance with the applicable Project Leases (*i.e.*, the applicable Interim Leases and Development Leases) are permitted without further ESD consent.

Under the Development Leases, an “Equity Interest Disposition” is permitted without further ESD consent if a number of specified conditions are met, including the following:

1) ESD receives at least 30 days’ prior written notice;
2) The transferee is not a Prohibited Person;
3) No event of default exists under the applicable Development Lease;
4) The transferee is a Permitted Developer or an Affiliate of a Permitted Developer;
5) ESD receives either (i) a reaffirmation of the obligations of the guarantor under the Completion Guaranty, or (ii) a substitute guarantor acceptable to ESD; and
6) ESD receives such other information/documents as ESD may reasonably request.

A “Prohibited Person” is defined as any person or entity that controls or is controlled by or under common control with such Person:

1) who is in monetary default or breach of any non-monetary obligation under any written agreement with the State of New York;
2) who has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude or that is or is related to an organized crime figure or has had a contract terminated by any governmental agency for breach of contract;
3) Any government or Person controlled by a government that is in violation of the Export Administration Act of 1979;
4) Any government or Person controlled by a government that effects of the activities of which are regulated or controlled pursuant to regulations of the US Treasury Department or executive orders of the President;
5) that has received written notice of default in payment to the City of any real property taxes, sewer rents or water charges in an amount greater than $10,000; or
6) that has owned any property at any time in the 5 years preceding a determination of whether such Persons is a Prohibited Person, which such property both (i) was acquired by such Person following a foreclosure and (ii) was reacquired during such 5 year period from such Person by the City in a foreclosure.

A "Permitted Developer" is defined as: (i) Forest City Enterprises, Inc., or an Affiliate thereof; (ii) a Person that is or retains (as Construction Manager) a Person with no less than ten years of experience in the development and construction of high-rise residential office, hospitality and/or mixed use projects (or, for purposes of the Interim Leases, large scale demolition, site preparation, infrastructure development and environmental remediation) in an urban environment; or (iii) a Person that is reasonably acceptable to Landlord; provided, in each case, that the applicable Person is not a Prohibited Person.

Under the Interim Leases, an “Equity Interest Disposition” is permitted without further ESD consent under the same circumstances, and subject to the same conditions, as under the Development Leases, except that no reaffirmation of any completion guaranty is required (but ESD has the right to request a reaffirmation of the guaranty delivered pursuant to the Development Agreement in the event of an Equity Interest Disposition of 10% or more).

Assignee Obligations

It should be noted that, under the Project Documents, any permitted assignee would be bound by and subject to the contractual obligations set forth in the Project Documents. In other words, any such permitted assignee would be required to comply with all Project Document terms and conditions including, but not limited to, construction schedule, construction procedures and mitigations, Design Guidelines, and Interim and Development Lease terms.

Continuing FCR Obligations

In addition to the foregoing, it also should be noted that, notwithstanding any transfer: (A) pursuant to Development Agreement Section 10.3, FCR affiliates remain obligated: (i) to pay Liquidated Damages; and (ii) to cause the performance of the Project's Programmatic Obligations; and (B) pursuant to Development Agreement Section 10.4, if FCR defaults in its obligations to either: (i) comply with the Affordable Housing Application Requirements relating to Combination Housing Subsidies; or (ii) construct the first building to be constructed on the Arena Block (other than the Arena) utilizing the Combination Housing Subsidies, then until 300 Affordable Housing Units are Substantially Completed on the Arena Block, FCR may not Transfer a Development Parcel upon which at least 79% of all units to be built within a Project Building could be market rate units. These provisions indicate that FCR affiliates will remain legally obligated to comply with certain Project Document requirements regardless of FCR's remaining interest in the Project.

Further Transfers

As noted above, the Directors also should be aware that additional transfers could take place in the future under the buy-out and other provisions of the proposed FCR-Greenland joint venture agreement, although no such transfer has been proposed at this time.

Next Steps

ESD staff is continuing its review of the proposed joint venture transaction. No Director action is requested with respect to the transaction at the present time.

FOR CONSIDERATION
March 28, 2014

TO:	The Directors
FROM:	Kenneth Adams
SUBJECT:	Patchogue (Long Island Region – Suffolk County) – Downtown Patchogue Redevelopers DRF Capital – Downstate Revitalization Fund – Downtown Redevelopment (Capital Grant)
REQUEST FOR:	Findings and Determinations Pursuant to Sections 16-r and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Adoption of Findings Pursuant to the State Environmental Quality Review Act

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General Project Plan

I. Project Summary

Grantee: Downtown Patchogue Redevelopers, LLC ("DPR" or the "Company")

ESD* Investment: A grant of up to $1,000,000 to be used for a portion of capital expenses related to the construction of a mixed-use, transit-oriented project consisting of office, retail, and rental apartments.

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

Project Location: 10 Lake Street, Patchogue, Suffolk County ("Building 1")

Proposed Project: The project will support a larger mixed-use, transit-oriented development consisting of office, retail and rental apartments on a 3.28-acre site located on the western edge of downtown Patchogue. The project also includes the relocation of a 100+ year old library from the Project Location to a separate, adjacent, Village-owned site.

Project Type:	Downtown redevelopment
Regional Council:	The Long Island Regional Council has been made aware of this item. The Incentive Proposal was accepted in February 2010, predating the Regional Council Initiative. The project is consistent with the Long Island Region Economic Development Council's Strategic Economic Development Plan for Suffolk and Nassau Counties because it is located in the Downtown Redevelopment District ("DRD"), which was established by the Village of Patchogue (the "Village") for the growth and revitalization of the downtown business district. The Village encourages retail and destination uses in the downtown core, residential units within walking distance of the downtown, and improvement to the economic base by creating jobs, expanding the tax base, and encouraging the business district to become a more appealing and interesting place to live, walk, eat, shop and do business.

II. Project Cost and Financing Sources

Financing Uses	Amount
Demolition	$1,460,219
Hard costs including contingency	565,490
Infrastructure costs (drainage, parking, building relocation)	6,043,234
Soft costs including contingency (general conditions)	195,025
Developer's fee	330,559
Utility relocations	192,982
Total Project Costs	$8,787,509

Financing Sources	Amount	Percent	Rate/Term/Lien
ESD – Grant	$1,000,000	11%	
Suffolk County – Grant	937,500	11%	
Private Investor – Loan*	1,962,509	22%	4.5%/36 months/first lien on the property
Company Equity	4,887,500	56%	
Total Project Financing	$8,787,509	100%	

* The source of the loan is confidential due to a confidentiality agreement between the private investor and the Company. This loan will convert to equity after the Company receives its final Certificate of Occupancy which is anticipated in June 2014.

III. Project Description

A. Company

Industry: Commercial real estate development

Company History: Downtown Patchogue Redevelopers, LLC, was formed in 2007 to develop the project.

Ownership: The Company is a limited liability corporation created by TRITEC Real Estate Company, Inc.

Size: All facilities are located in East Setauket, NY.

ESD Involvement: In 2009, ESD solicited communities statewide to submit potential projects under the Downstate Revitalization Program. ESD actively solicited municipalities and developers seeking strong downtown projects to apply for these competitive funds. To induce the Village of Patchogue and DPR to move forward with the project, ESD made an offer of a $1,000,000 capital grant to help bridge a financing gap. The Incentive Proposal was accepted in February 2010.

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

B. The Project

Completion: March 2014

Activity: In cooperation with the Village of Patchogue, DPR assembled a 3.28-acre site through the purchase of multiple properties surrounding a municipal parking lot located in the center of the Village's Central Business District to build a mixed-use, transit-oriented development. The ESD grant will fund Building 1 which is one of five mixed-used buildings at the site. In addition, a 103-year-old library will be relocated from the assembled site to an adjacent Village-owned site to protect the historic library building and to create continuity among the newly constructed buildings.

Results: Building 1 will include 74 new residences and 3,298 square feet of retail space. The entire assembled site will create 291 new residential homes, 45,685 square feet of retail, and 17,000 square feet of office space, with 6 different community amenity areas. The project costs for the entire mixed-use development site are expected to exceed $100,000,000.

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 $497,693;
- Fiscal cost to NYS government is estimated at $1,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.50:1;
- Fiscal benefits to all governments (state and local) are estimated at $900,951;
- Fiscal cost to all governments is $1,937,500;
- The fiscal benefit to cost ratio for all governments is 0.47:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $4,814,877;
- The economic benefit to cost ratio is 2.49:1;
- Project construction cost is $8,263,968, which is expected to generate 58 direct job years and 37 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.64 indirect job is anticipated in the state's economy.

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

Grantee Contact: Robert Loscalzo, Chief Operating Officer
45 Research Way, Suite 100
East Setauket, NY 11733
Phone: (631) 706-4133

ESD Project No.: W987

Project Team:	Origination	Andrea Lohneiss
	Project Management	Glenda Wenerski
	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 $1,000,000 ($10,000) 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. Up to $1,000,000 will be disbursed to Grantee in lump sum upon documentation of project costs totaling $8,000,000, and upon completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy, 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 February 2, 2010, to be considered eligible project costs. All disbursements must be requested by January 1, 2016.

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.

6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer 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 transfer 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 transfer occurred in the second full calendar year after the disbursement was made;
(iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
(iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
(v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

IV. Statutory Basis

This project is authorized under Section 16-r of the New York State Urban Development Corporation Act (the "Act") and satisfies the eligibility criteria in the Act and the rules and regulations for the Downstate Revitalization Fund Program. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD (the "Corporation"), pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), ratifies and makes the following findings based on the Final Environmental Impact Statement ("FEIS") certified as complete on March 24, 2009 and supplemental environmental review conducted in March 2011 by the Board of Trustees of the Incorporated Village of Patchogue, as lead agency, in connection with the Mixed-Use Development of Downtown Patchogue Redevelopers, LLC (the "proposed action").

SEQRA requires the adoption of written findings, supported by a statement of relevant facts and conclusions considered, prior to agency decisions on actions that have been the subject of an FGEIS. The Findings Statement, attached as Exhibit A, contains the facts and conclusions in the Draft Environmental Impact Statement ("DEIS") and FEIS relied upon to support the Corporation's decision on the action that is the subject of the requested authorization.

The findings that the Corporation hereby ratify and make are that:

- The Corporation has given consideration to the DEIS , FEIS and supplemental environmental review;
- 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 proposed action is one that avoids or minimizes significant adverse environmental effects to the maximum extent practicable, including the effects disclosed in the relevant environmental impact statement;

- Consistent with social, economic and other essential considerations to the maximum extent practicable, any significant adverse environmental effects revealed in the environmental impact statement process as a result of the proposed action will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigative measures which were identified as practicable;
- The proposed action is in compliance with Section 14.09 of the State Historic Preservation Act.

Therefore it is recommended that the Corporation ratify and adopt the SEQRA Findings Statement attached as Exhibit A.

VI. Smart Growth Public Infrastructure Review

Pursuant to the requirements of the State Smart Growth Public Infrastructure Policy Act (the "SG Act"), ESD's Smart Growth Advisory Committee has reviewed a Smart Growth Impact Statement for the project and found that the project is consistent with the State Smart Growth Public Infrastructure Criteria ("Smart Growth Criteria"). The designee of the Chief Executive Officer of the Corporation has attested that the project, to the extent practicable, meets the relevant Smart Growth Criteria set forth in the SG Act.

VII. 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% related to the total value of ESD's funding.

VIII. ESD Employment Enforcement Policy

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

IX. 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.

X. Additional Submissions to Directors

Resolutions
New York State Map
Project Photographs
Project Finance Memorandum
Benefit-Cost Analysis
Exhibit A — State Environmental Quality Review Findings Statement

March 28, 2014

Patchogue (Long Island Region – Suffolk County) – Downtown Patchogue Redevelopers DRF Capital – Downstate Revitalization Fund – Downtown Redevelopment (Capital Grant) – Findings and Determinations Pursuant to Section 16-r and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Downtown Patchogue Redevelopers DRF Capital – Downstate Revitalization Fund – Downtown Redevelopment (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 Downtown Patchogue Redevelopers, LLC a grant for a total amount not to exceed One Million Dollars ($1,000,000) from the Downstate Revitalization 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 consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

March 28, 2014

Patchogue (Long Island Region – Suffolk County) – Downtown Patchogue Redevelopers DRF Capital – Downstate Revitalization Fund – Downtown Redevelopment (Capital Grant) – Adoption of Findings Pursuant to the State Environmental Quality Review Act

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RESOLVED, that with respect to the Mixed-Use Development of Downtown Patchogue Redevelopers, LLC (the "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 Environmental Impact Statement ("DEIS" and "FEIS", respectively) and supplemental environmental review prepared for the Mixed-Use Development of Downtown Patchogue Redevelopers, LLC;
- 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 FEIS 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 FEIS 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 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.

* * *

Empire State Development

FOR CONSIDERATION
March 28, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Middletown (Mid-Hudson Region – Orange County) – Crystal Run Healthcare Capital – Economic Development Purposes 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; Determination of No Significant Effect on the Environment

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General Project Plan

I. Project Summary

Grantee: Crystal Run Healthcare LLP ("CRH") and CRH Realty VI, LLC, an affiliate of CRH

ESD* Investment: A grant of up to $1,000,000 to be used for a portion of the cost of land acquisition, machinery, and equipment.

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

Project Locations:
Rykowski Lane, Town of Wallkill, Middletown, Orange County**
30 Hatfield Lane, Goshen
7 Hatfield Land, Goshen
1987 Route 52, Liberty
100 Crystal Run Road, Middletown
109 Rykowski Lane, Middletown
155 Crystal Run Road, Middletown
300 Crystal Run Road, Middletown

95 Crystal Run Road, Middletown
807 Route 17M, Monroe
9 Hudson Valley Professional Plaza, 547 Gidney Avenue, Newburgh
59 Windsor Hwy, Rt. 32, New Windsor
61 Emerald Place, Rock Hill
75 Ronald Regan Bvld., Warwick
81 Ronald Regan Bvld., Warwick
79 Ronald Regan Bvld., Warwick

**Project activity site; others are job retention sites

Proposed Project: Land acquisition, building construction, and purchase of machinery and equipment involving job retention

Project Type: Business expansion involving job retention

Regional Council: The Mid-Hudson Regional Council has been made aware of the project. The Incentive Proposal was accepted in August 2012. The project is consistent with the Mid-Hudson Regional Plan to retain and stimulate more mature professional services in the region including health care.

Employment:

Initial employment at time of Incentive Proposal:	1,189
Current employment level:	1,528
Minimum employment through January 1, 2018:	1,189

II. Project Cost and Financing Sources

Financing Uses	Amount
Land Acquisition	$895,000
Construction	9,798,852
Furniture and Fixtures	1,264,000
Machinery and Equipment	911,546
Soft Costs including Planning and Design	843,194
Total Project Costs	$13,712,592

Financing Sources	Amount	Percent	Rate/Term/Lien
ESD – Grant	$1,000,000	7%	
Orange County Trust Company – Loan	9,718,418	71%	4.75%/20 yrs/first lien on RE
Company Equity	2,994,174	22%	
Total Project Financing	$13,712,592	100%	

III. Project Description

A. Grantee

Industry:	CRH is a multi-specialty medical provider.
Grantee History:	CRH is a physician-owned multi-specialty group medical practice providing primary care and sub-specialty medical services in the Mid-Hudson Valley region. The practice has been in operation since 1982. CRH Realty VI, LLC, formed on May 18, 2012, owns the 7.6-acre parcel of land and building located at Rykowski Lane in the Town of Wallkill. CRH Realty VI, LLC, leases the real estate property to Crystal Run Healthcare, LLC.
Ownership:	CRH is a privately owned medical practice partnership.
Size:	CRH's main office is located in the Town of Wallkill. CRH currently includes more than 250 physicians in over 40 specialties practicing in 15 locations.
Market:	CRH offers integrated, coordinated care to patients with common medical conditions like diabetes, high blood pressure, coronary artery disease, and congestive heart failure. CRH primary care physicians work with patients on prevention and wellness strategies and coordinate appropriate health screening test such as mammogram, pap smears, immunization and colonoscopies. In addition, CRH offers fully accredited all-digital radiology and laboratory services.
ESD Involvement:	CRH's continued and consistent growth resulted in a need to expand its back office space to centralize its business and administrative operations. These back office functions did not need to be located close to the point of service; therefore, CRH considered outsourcing current back office jobs to another company if the Rykowski building project could not move forward. Another option under consideration was to construct a back office building in North Carolina, which would result in a loss of 300 jobs and a $14 million capital investment in the Mid-Hudson area. In July 2012, CRH approached ESD for assistance to purchase a parcel of land in the Town of Wallkill in order to build a new office facility. To induce the project to occur in New York, ESD offered CRH a capital grant of $1,000,000 to assist with the building costs and $3,200,000 in

refundable Excelsior tax credits to support creation of 200 new jobs. CRH accepted ESD's Incentive Proposal in August 2012.

Competition: The Company considered moving its NYS back office operations to North Carolina.

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

B. The Project

Completion: August 2013

Activity: CRH Realty VI, LLC, acquired a 7.6-acre parcel in the Town of Wallkill to build a new 60,000-square-foot office building. The project started in October 2012, and a final certificate of occupancy was issued by the Town of Wallkill in October 2013. CRH will house its business support functions including communications, finance/accounting, material management, health information management, provider resources, insurance, human resources and marketing in the new office facility.

Results: The project will retain 1,189 existing jobs.

Business 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 $11,212,071;
- Fiscal cost to NYS government is estimated at $3,716,150;
- Project cost to NYS government per direct job is $17,274;
- Project cost to NYS government per job (direct plus indirect) is estimated at $14,338;

- Ratio of project fiscal benefits to costs to NYS government is 3.02:1;
- Fiscal benefits to all governments (state and local) are estimated at $19,229,547;
- Fiscal cost to all governments is $3,716,150;
- All government cost per direct job is $17,274;
- All government cost per total job is $14,338;
- The fiscal benefit to cost ratio for all governments is 5.17:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $88,674,830, or $342,126 per job (direct and indirect);
- The economic benefit to cost ratio is 23.86:1;
- Project construction cost is $10,419,000, which is expected to generate 71 direct job years and 36 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.21 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is three years.

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

Grantee Contact:	Dr. Hal Teitelbaum, CEO 155 Crystal Run Road Middletown, NY 10941 Phone: (845) 703-6101	
ESD Project No.:	X942	
Project Team:	Origination	Charles Radier
	Project Management	Javier Roman-Morales
	Contractor & Supplier Diversity	Denise Ross
	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 $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 be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.

3. Crystal Run Healthcare, LLP, will guarantee the grant repayment obligation of its subsidiary, CRH Realty VI, LLC, in the event of an Employment Shortfall or other default, as defined in these materials or the Grant Disbursement Agreement.

4. 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.

5. 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.

6. 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 1/3 of the grant ($333,333) will be disbursed upon documentation of purchase of property, $3,000,000 in construction expenses, and documentation of the employment of at least 1,189 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 1/3 of an amount equal to the grant ($333,333) will be disbursed no sooner than 12 months after the date the Initial Disbursement was made, upon documentation of additional project expenses of $11,647,700 (cumulative $14,647,700), a certificate of occupancy, and the employment of at least 1,189 Full-time Permanent Employees at the Project Location, provided Grantee is otherwise in compliance with program requirements;
   c) a Third Disbursement of an amount equal to 1/3 of the grant ($333,334) will be disbursed no sooner than 24 months after the date the Initial Disbursement was made, upon documentation of the employment of at least 1,189 Full-time Permanent Employees 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. Expenses reimbursed by ESD's grant must be incurred on or after August 8, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

7. 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.

8. 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	1,189

A	**B**
Date	Employment Goals
February 1, 2015	1,189
February 1, 2016	1,189
February 1, 2017	1,189
February 1, 2018	1,189

IV. Statutory Basis - Economic Development Purposes Fund

The project was authorized in the 2012-13 New York State budget and 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.

V. Environmental Review

The Town of Wallkill 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 June 21, 2012. 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.

VII. 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 an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 20%, Minority Business Enterprise ("MBE") Participation goal of 10% 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.

IX. 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.

X. Additional Submissions to Directors

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

March 28, 2014

Middletown (Mid-Hudson Region – Orange County) – Crystal Run Healthcare 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Crystal Run Healthcare 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 Crystal Run Healthcare, LLP a grant for a total amount not to exceed One Million Dollars ($1,000,000) 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.

* * *

March 28, 2014

Middletown (Mid-Hudson Region – Orange County) – Crystal Run Healthcare Capital – Economic Development Purposes Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

FOR CONSIDERATION
March 28, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Buffalo Billion Initiative – Various Locations (Western New York Region – Allegany, Cattaraugus, Chautauqua, Erie, and Niagara Counties) – Edison Welding Institute Working Capital – Phase II – Economic Development Purposes Fund (Working Capital)

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

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I. Project Summary

Grantee: Edison Welding Institute, Inc. ("EWI" or the "Institute")

ESD* Investment: A grant of up to $800,000 to be used for reimbursement for start-up activities including personnel, marketing, interim location base/operating costs, and finalizing partnership agreements necessary to establish a sustainable Buffalo-Niagara Institute for Advanced Manufacturing Competitiveness ("BNIAMC").

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

Project Location: 847 Main Street, Buffalo, Erie County

Proposed Project: Start-up activities including personnel, marketing, location development, and finalization of partnership agreements necessary to establish a sustainable BNIAMC

Project Type: Working Capital

Regional Council:	The project is a signature initiative of the Buffalo Billion Investment Development Plan and is consistent with the Western New York ("WNY") Regional Economic Development Council ("REDC") Regional Plan to promote advanced manufacturing capabilities, job growth, and economic development. The Incentive Proposal was accepted in January 2014.

II. Project Cost and Financing Sources

Financing Uses	Amount
Working Capital	$800,000
Total Project Costs	$800,000

Financing Sources	Amount	Percent
ESD – Grant	$800,000	100%
Total Project Financing	$800,000	100%

III. Project Description

A. Grantee

Industry:	EWI is a member-based organization that assists mid- to large-sized manufacturers with improving operational efficiencies through innovative welding and materials joining, allied technologies, manufacturing support and strategic services. EWI holds numerous patents for various materials joining technologies and is a leading engineering and technology organization in North America dedicated to materials joining.
Grantee History:	The Institute was founded in 1984 as a partnership between Ohio State University, Battelle Memorial Institute, and fifteen industry and governmental partners. The Institute's goal was to promote interaction of business, government, educational institutions and research organizations to stimulate the development, implementation, and transfer of advancements in welding and allied technologies. By the end of its first year, EWI had 125 members. Today, it has over 240 members serving over 1,200 locations worldwide.
Ownership:	EWI is a 501(c)(3) not-for-profit organization.
Size:	Located within a research park at Ohio State University in Columbus, Ohio, EWI's headquarters employ over 90 highly-skilled engineers, scientists, technicians, industry experts, and project managers. EWI also operates a number of centers and consortia that act as hubs to improve

collaboration, strengthen United States manufacturing supply chains, and make American manufacturers more globally competitive. These centers and consortia include the Additive Manufacturing Consortium, EWI Energy Center, EWI Nuclear Fabrication Center, and EWI Rail Manufacturing Technology Center, all of which are located in Columbus, Ohio.

Market: EWI provides services to over 1,200 member companies worldwide, many of which are world-leaders in their particular manufacturing sector including aerospace, automotive, defense, heavy fabrication, consumer products, light industrial, energy, primary materials, medical devices, and rail.

ESD Involvement: During Governor Cuomo's 2012 State of the State address, he committed a $1 billion investment (the "Buffalo Billion") in the Buffalo area economy to create thousands of jobs and spur $5 billion in new investment and economic activity over several years. In mid-2012, ESD selected McKinsey & Company, Inc. ("McKinsey"), through a competitive solicitation, to create and implement a strategy for the $1 billion, specifically to drive investment, create jobs, leverage Buffalo area assets, while overcoming the area's challenges. In March 2012, the WNY REDC, through the efforts of McKinsey and local stakeholders, unveiled the Buffalo Billion Investment Development Plan (the "Plan"). The Plan concluded that despite steady job losses over the last four decades, manufacturing is still the third largest employment sector in WNY's economy. WNY has lost manufacturing jobs at a faster rate over the last decade than the rest of the country, but manufacturing sectors like materials, pharmaceuticals, medical devices, machinery, and food processing have continued to show competitive strength. Many WNY manufacturers have expressed concern that they do not believe they can meet hiring needs from the local talent pool. These manufacturers do not connect with local schools and colleges directly and are not aware of workforce development institutions and programs. To address this situation, the BNIAMC was conceived as a Wave I Signature Initiative in the Plan.

Past ESD Support: In July 2013, ESD Directors approved $316,605 in funding to support Phase I planning activities such as obtaining critical stakeholder input and developing technology focus areas; compilation of a portfolio of research and development services; production of a list of prioritized needs of the manufacturing sector; preliminary determination of high-impact equipment to be purchased to support the BNIAMC; creation of an organizational and functional structure; placement of a staff made up of BNIAMC partner organizations and establishment of an Industry Advisory Board to identify emerging needs and set priorities; initiate efforts to repatriate experienced and qualified business leaders to WNY; and continuation of liaising, including weekly emails, bi-weekly teleconferences, and face-to-face discussions.

B. The Project

Completion: October 2014

Activity: Phase II of the project involves start-up activities necessary to establish the BNIAMC, 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. The project includes the recruitment of an Operations Manager, Technology Leader, and Executive Director/President. The Operations Manager has already been assigned from EWI's operations in Columbus, Ohio and will build relationships with the Institute's WNY and Ohio staff; facilitate the identification of a partner for market and branding strategy for the BNIAMC including website development; work with the industry to recruit members to the BNIAMC and develop a book of business for future operations; facilitate discussions with academic partners, including the State University of New York's Research Foundation, to develop formalized agreements; and work to identify long-term facilities options for the latter years of the BNIAMC's operations. The Technology Leader, also assigned from EWI's operations in Columbus, Ohio, will primarily be involved in developing an understanding of industry and academic partner capabilities to develop a roadmap of technical capabilities at the BNIAMC including both engineering staff requirements and specific capital equipment requirements and will aid in the development of BNIAMC partnerships and memberships. Once hired, the Executive Director/President will assist the Operations Manager and Technology Leader to efficiently complete the project.

A temporary facility for the BNIAMC has been identified within the former Smart Pill Building on the Buffalo Niagara Medical Campus. The Smart Pill Building acquisition and renovation will be funded by an $8 million Buffalo Billion grant to the Buffalo Niagara Medical Campus, Inc., approved by ESD Directors in January 2014. EWI will initially lease, at no cost, approximately 10,000-square-feet and is expected to expand to at least 20,000-square-feet within 12-18 months. EWI will assist in the identification of a permanent facility(ies) for the BNIAMC, which will likely house partner organizations such as a manufacturing training center in an effort to increase the local talent pool.

Results:	The BNIAMC, which is estimated to be self-sustaining through membership and fee for services provided within five years, will assist local manufacturers with the development, commercialization and implementation of leading-edge manufacturing technologies and solve manufacturing and production issues allowing for improved operational efficiencies and enabling the Buffalo area to be a nationally-recognized hub of manufacturing innovation with a particular emphasis on flexible automation and controls, advanced materials and testing, additive manufacturing and advanced fabrication. Additionally, the project will be an important catalyst to attract manufacturers, thus increasing job opportunities and increasing revenues in WNY.
Economic Growth Investment Project:	This is an Economic Growth Investment project which does not involve a permanent job commitment or construction spending. While it may generate significant long term fiscal and economic benefits, such benefits are not estimated within the short-term period used in the benefit cost analysis.
Grantee Contact:	Mr. Henry D. Cialone, PhD President and CEO 1250 Arthur E. Adams Drive Columbus, OH 43221 Phone: (614) 688-5122
ESD Project No.:	Y743

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

C. Financial Terms and Conditions

1. The Institute will demonstrate no materially adverse changes in its financial condition prior to disbursement.

2. Up to $800,000 will be disbursed in arrears, no more frequently than monthly, for working capital costs incurred, upon confirmation from ESD that the deliverables listed below are on schedule. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. The last ten percent (10%) of the Grant shall not be disbursed by ESD until all of the following deliverables have been completed to ESD's satisfaction:

a. Recruiting and on-boarding BNIAMC's leadership staff including, a Technology Leader, Operations Manager and Executive Director. (Three final candidates screened and selected.)
b. Developing a market and branding strategy for the BNIAMC including the naming/branding of the BNIAMC, launch of a website, and preparations for facility opening.
c. Interfacing with organizations and companies interested in joining membership, and starting pilot projects. At least two founding members secured.
d. Formalizing a partnership with SUNY Research Foundation who will own the facilities and capital equipment.
e. Formalizing partnerships with universities, community colleges, founding members, process excellence, and export assistance organizations. Agreement in place with InSyte Consulting, University at Buffalo, Alfred University and World Trade Center Buffalo Niagara.
f. Identifying and engaging national and local industry and scientific experts to serve on the BNIAMC's Advisory Board and Technology Focus Groups.
g. Evaluating potential BNIAMC facilities in WNY, securing lease rights (if necessary), and providing space/design advisory for the facility for Applied Research and Development services.
h. Maintaining alignment with the manufacturing workforce development activities under the Buffalo Billion by attending meetings, communicating industry needs, and transitioning the activities and knowledge currently underway within the workforce initiatives.

In addition, the following requirements must be met:

- ESD must approve EWI personnel assigned to Buffalo operation;
- ESD must approve EWI selection of Buffalo Executive Director/President;
- EWI shall use WNY-based vendors (unless otherwise approved by ESD) for all contracted services that are part of this grant.

Expenditures incurred prior to October 1, 2013, cannot be reimbursed by grant funds. Funds must be requested by May 1, 2015.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $800,000, 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.

IV. Statutory Basis – Economic Development Purposes Fund

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.

V. Environmental Review

ESD staff has determined that the project does not constitute an 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 Minority and Women Business Enterprise ("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 MWBE Participation Goal of 20% related to the eligible categories totaling approximately $400,000. As such, the overall MWBE utilization goal shall be no less than $80,000.

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

March 28, 2014

Buffalo Billion Initiative – Various Locations (Western New York Region – Allegany, Cattaraugus, Chautauqua, Erie, and Niagara Counties) – Edison Welding Institute Working Capital – Phase II – Economic Development Purposes Fund (Working Capital) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Edison Welding Institute Working Capital – Phase II – Economic Development Purposes Fund (Working 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; 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 Edison Welding Institute, Inc. a grant for a total amount not to exceed Eight Hundred Thousand Dollars ($800,000) 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.

* * *

FOR CONSIDERATION
March 28, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Statewide – Entrepreneurial Assistance Program (Training and Technical Assistance Grants)

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

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I. Project Summary

Grantees: Three New York State Entrepreneurial Assistance Program Centers (the "EAP Centers" or the "Centers") - See attached Schedule A

ESD* Investment: Grants totaling up to $222,621 will be awarded to eligible not-for-profit corporations and community colleges

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

Project Locations: See attached Schedule A

Proposed Projects: To support the ongoing operations of 3 EAP Centers

Regional Council: The Regional Councils have been made aware of its respective items.

Anticipated Appropriation Source: Entrepreneurial Assistance Program ("EAP")

II. Project Cost

See attached Schedule A for a breakdown of project costs.

III. Project Description

A. Background

The Omnibus Economic Development Law of 1987 authorized the Department of Economic Development d/b/a Empire State Development ("ESD"), through the Entrepreneurial Assistance Program ("EAP" or the "Program"), to issue contracts to not-for-profit corporations, community colleges and boards of cooperative educational services for the development of EAP Centers.

Encouraging the formation and growth of small businesses is an important strategic goal of New York State. Effective EAP programs provide intensive, community-based training, technical assistance and other related services to small business owners or entrepreneurs, particularly minorities and women, to stimulate new business development and to strengthen businesses in the early stages of development (1-5 years). Such assistance is especially important in economically distressed areas where high levels of unemployment and declining infrastructure further limit the ability for these young businesses to develop. Effective programs are built on a working knowledge of the needs and resources of a community and its region.

Since the collection of data began in 1990, the Program has provided services to more than 27,608 clients who have started, retained or expanded over 16,142 businesses, increased sales by $278.7 million, secured $137.6 million in financing, increased employment by 16,638 individuals including the 5,307 jobs created for new business owners.

B. The Project

There are currently twenty-four EAP Centers located throughout the state. These Centers provide comprehensive assistance in enterprise development to owners and prospective owners of small businesses, with a particular interest in serving minority group members, women, dislocated workers, and individuals with special needs.

Centers funded by ESD are required to provide the following:

A. One sixty-hour entrepreneurship training course supplemented by intensive technical assistance to help new entrepreneurs complete business plans and to help them develop viable businesses. Technical assistance encompasses refinement of business concepts, break-even analysis and financial management, marketing plans, and market development.

B. Enterprise expansion assistance for existing but still young businesses (under five years old). Centers assist these firms to make the transition into small-growth companies. Enterprise expansion technical assistance includes the following: working capital and cash-flow management; general management skills; new market development; hiring and managing employees; managing growth; and accessing credit and capital.

The 2013-2014 New York State budget included $1,764,000. An additional $16,968 funded from previous appropriations. Twenty-one projects were approved by the ESD board on November 18, 2013. At this time the 3 remaining projects are being submitted for approval. These projects required additional documentation and review. The Centers will be funded with an allocation of $222,621. The applicants will be required to match these funds one-to-one (50% or more in cash and no more than 50% in-kind). The contract period for the 3 EAP centers is June 1, 2013 through May 31, 2014.

EAP Centers will use allocated funds for expenses related to training and technical assistance as outlined above; operating expenses including, but not limited to, salaries of EAP coordinators and additional support staff; promotional and marketing materials; travel; classroom materials, and supplies.

EAP Centers are required to provide reports relating to their specific achievements during the contract period. In addition, financial reports and documentation of expenditures will be required for disbursement of funds. ESD will verify that each Center is in compliance with Program regulations and guidelines and is following all existing contractual arrangements by reviewing, verifying and approving the required documentation, including financial reports and payment requests.

ESD will enter into an agreement with each Center that will stipulate the manner in which Program funds will be disbursed. The attached Schedule A provides more detail on each recommended project.

ESD Project Nos.: Y524, Y534, Y544

Project Team:	Program Director	Joyce Smith
	Environmental	Rachel Shatz
	Contractor & Supplier Diversity	Vikas Gera

C. Financial Terms and Conditions

ESD may reallocate the project funds to another form of assistance, at an amount no greater than the amount approved, 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

The Entrepreneurial Assistance Program is authorized in the 2013-2014 New York State budget and Article 9 of the Economic Development Law. No residential relocation is required as there are no families or individuals residing on the sites.

V. Environmental Review

ESD staff has determined that the approval of the Entrepreneurial Assistance Program grants does not constitute an 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 action.

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 (MWBEs) in the performance of ESD projects. For purposes of this project, however, goals will not be established due to the nature of this initiative and the unavailability of certified MWBEs for performance of this Project.

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
Schedule A (3)

March 28, 2013

Statewide – Entrepreneurial Assistance Program (Training and Technical Assistance Grants); Findings and Determinations Pursuant to Section 10(g) of the Act; 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 Empire State Development ("ESD"), relating to the Entrepreneurial Assistance Program (Training and Technical Assistance Grants) Projects, (the "Projects"), ESD 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 or his designee(s) be, and each of them hereby is, authorized to make grants for a total amount not to exceed Two Hundred Twenty-Two Thousand Six Hundred Twenty-One ($222,621) from the Entrepreneurial Assistance 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 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 ESD 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.

* * *

Entrepreneurial Assistance Program

Schedule Listing

1. Brooklyn Economic Development Corporation (New York City Region - Kings County)
2. Project Enterprise, Inc. (New York City Region - New York County)
3. IBERO American Action League, Inc. (Southern Tier Region - Chemung County)

SCHEDULE A-1

Entrepreneurial Assistance Program, Brooklyn Economic Development Corporation (Y524)

Grantee:	Brooklyn Economic Development Corporation ("BEDC" or the "Corporation")
ESD Investment:	A grant of up to $74,207 to be used for a portion of the costs of operating expenses, training and technical assistance from June 1, 2013 through May 31, 2014.
Project Location:	Kingsborough Community College - 2001 Oriental Blvd, Room T-4162 Brooklyn, NY 11235
Proposed Project:	Business Training and Technical Assistance
Regional Council:	New York State's Entrepreneurial Assistance Program has provided business services for more than 2 decades in the region and is poised to assist the New York City Regional Economic Development Council's with its goals to assist small businesses with growth and development as well as their priority action to provide business development and assistance to Minority and Women-Owned businesses.

Background:

Company History – Brooklyn Economic Development Corporation was founded in 1979 with a mission to create and expand economic opportunity throughout Brooklyn by implementing business and neighborhood development.

Ownership – Brooklyn Economic Development Corporation is a 501(c) (3) not-for-profit corporation.

ESD Involvement – New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support - Brooklyn Economic Development Corporation was awarded its first grant in 1995. EAP grants are based on the availability of funds and have ranged from $35,000 and $99,593 since the program's inception. To date, BEDC has received approximately $1,011,593 in EAP grant funds.

The Project:

Completion – May 2014

Activity – BEDC will provide services to individuals seeking to start or expand their business, and programs and services designed to help them identify and implement good business planning practices and to instill the concept of continuous learning over the life of their business.

Results - The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

Financing Uses	Amount	Financing Sources	Amount	Percent
Salaries/Fringe	$61,000	ESD Grant	$74,207	48%
Contractual Services/Curriculum/Staff Development	47,700	Organization Cash Match	60,400	39%
Contractual (Training) and Technical Assistance	14,000	Organization In-kind Match	20,000	13%
Project Expenses	31,907			
Total Project Costs	$154,607	Total Project Financing	$154,607	100%

Grantee Contact(s): Rosalie Drago, Executive Director
Telephone: (718) 757-9165
Fax: (718) 368-6788
E-Mail: rdraggo@bedc.org

Project Team:

Program Director		Joyce Smith
Office of Contractor Supplier Diversity		Vikas Gera
Environmental		Rachel Shatz

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.

2. The Grantee will match the grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.

3. An advance of up to 50% of the Grant ($37,103) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the Grant ($37,104) will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant ($7,421) until all of the tasks and reports have been completed to ESD's satisfaction.

SCHEDULE A-2

Entrepreneurial Assistance Program - Project Enterprise, Inc. (Y534)

Grant Recipient:	Project Enterprise, Inc.
ESD Investment:	A grant of up to $74,207, will be awarded to cover operating expenses, training and technical assistance from June 1, 2013 through May 31, 2014.
Project Location:	Oberia Dempsey Center - Room 412 127 West 127th Street, New York, NY 10027
Proposed Project:	Business Training and Technical Assistance
Regional Council:	New York State's Entrepreneurial Assistance Program has provided business services for more than 2 decades in the region and is poised to assist the New York City Regional Economic Development Council's with its goals to assist small businesses with growth and development as well as their priority action to provide business development and assistance to Minority and Women-Owned businesses.

Background:

Company History - Project Enterprise is a nonprofit organization dedicated to increasing the economic self sufficiency of low-income New Yorkers. It supports and develops entrepreneurs and small businesses in under-resourced communities and helps build financial assets. The Entrepreneurial Assistance Program has served the Greater Harlem area (Central, East and West), and Staten Island past four years.

Ownership – Project Enterprise is a New York State 501 (c) 3 not-for-profit

ESD Involvement - New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support – Project Enterprise was awarded its first grant in 2008. EAP grants are based on the availability of funds and have ranged from $35,000 and $99,593 since the program's inception. To date, Project Enterprise has received approximately $276,500 in EAP grant funds.

The Project:

Completion - May 31, 2014

Activity – The EAP will be closely integrated with Project Enterprise's other program services which connect entrepreneurs to business training, capital and networking opportunities. It will provide an intensive ten week training as well as ongoing technical assistance to entrepreneurs to develop business plans in order to expand or form their own businesses.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

Financing Uses	Amount	Financing Sources	Amount	Percent
Salaries/Fringe	$125,255	ESD Grant	$74,207	47%
Contractual Services/Curriculum/Staff Development	707	Organization Cash Match	69,707	45%
Contractual (Training)	12,000	Organization In-kind Match	12,000	8%
Project Expenses	10,452			
Project Enterprise Lending	7,500			
Total Project Costs	$155,914	Total Project Financing	$155,914	100%

Grantee Contact(s):	Catherine Barnett, Executive Director
Telephone:	(917) 819-3182
Fax:	(917) 819-3186
E-Mail:	catherineb@projectenterprise.org

Project Team:	Program Director	Joyce Smith
	Office of Contractor Supplier Diversity	Vikas Gera
	Environmental	Rachel Shatz

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.

2. The Grantee will match the grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.

3. An advance of up to 50% of the Grant ($37,103) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. The final 50% of the Grant ($37,104) will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant ($7,421) until all of the tasks and reports have been completed to

ESD's satisfaction.

SCHEDULE A-3

Entrepreneurial Assistance Program – IBERO American Action League (Y544)

Grant Recipient: IBERO American Action League, Inc.

ESD Investment: A grant of up to $74,207, will be awarded to cover operating expenses, training and technical assistance from June 1, 2013 through May 31, 2014.

Project Location: 109 Chemung Street – Suite 1, Waverly, NY

Proposed Project: Business Training and Technical Assistance

Regional Council: New York State's Entrepreneurial Assistance Program has provided business services for more than 2 decades in the region and is poised to assist the Southern Tier Regional Economic Development Council's with its goals to develop the region's downtowns, commercial and retail opportunities by providing business services and other necessary assistance to new and aspiring entrepreneurs in the region.

Background:

Company History – IBERO American League, Inc. absorbed all operations and assets of Worker Ownership Resource Center which was the original grantee for the EAP in Waverly, New York. The program has been assisting women and low-income individuals located in distressed communities along the Southern Tier regions of Upstate New York since 1995.

IBERO American Action League, Inc. is a New York State 501(c) 3 not-for-profit

ESD Involvement - New York State's Entrepreneurial Assistance Program ("EAP") was created in 1987 by the NYS Omnibus Economic Development Act. The EAP establishes centers in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own business or are interested in starting a business.

Past ESD Support - EAP grants are based on the availability of funds and have ranged from $35,000 to $99,593 since the program began. To date, the EAP in Waverly has received approximately $973,153 in grant funds.

The Project:

Completion - May 31, 2014

Activity – EAP plays a crucial role in the continuing effort to develop and maintain small business owners in these areas. By providing 60-hour training and 10-hours of technical assistance.

Results – The Entrepreneurial Assistance Program encourages the start of new businesses and the continuous development of existing businesses. The aim is to help entrepreneurs develop a viable business and to assist new firms to make the transition to small growth companies. To track the performance of grantees funded under EAP, grantees are required to meet specific program goals such as number of clients served, businesses started, increases in sales and employment and financing secured.

Financing Uses	Amount	Financing Sources	Amount	Percent
Salaries/Fringe	$74,277	ESD Grant	$74,207	49%
Contractual Services/Curriculum/Staff Development	34,746	Organization Cash Match	40,643	27%
Consultant (Training)	4,800	Organization In-kind	37,500	24%
Project Expenses	38,527			
Total Project Costs	$152,350	Total Project Financing	$152,350	100%

Grantee Contact(s):	Zoraida Martinez, Director of Development & Communications	
Telephone:	(585) 256-8900 ext 631	
Fax:	(585) 256-0120	
E-Mail:	zory@iaal.org	
Project Team:	Program Director	Joyce Smith
	Office of Contractor Supplier Diversity	Vikas Gera
	Environmental	Rachel Shatz

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.

2. The Grantee will match the grant 100%, of which at least 50% must be cash. Matching funds may derive from any funding source except the State.

3. An advance of up to 50% of the Grant ($37,103) will be disbursed to the Grantee upon execution of the Grant Disbursement Agreement (“GDA”), assuming that all project approvals have been completed and funds are available. The final 50% of the Grant ($37,104) will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant ($7,421) until all of the tasks and reports have been completed to ESD’s satisfaction.

Empire State Development

FOR CONSIDERATION
March 28, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Statewide – Community Development Financial Institutions Assistance Program – Community Development Financial Institutions Program (Grants)

REQUEST FOR: Findings and Determinations Pursuant to Section 16-o, and 10 (g) of the Act; Authorization to Make Grants and to Take Related Actions

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I. Project Summary

Grantees: Federally certified Community Development Financial Institutions (See Schedule A attached)

ESD* Investment: Up to a total of $1,495,000 in grant assistance to be used as described on the attached schedules.

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

Project Locations: See Schedule A attached

Proposed Project: The Community Development Financial Institutions ("CDFI") Assistance Program (the "Program") will help to strengthen and expand the capacity of CDFIs to provide technical and financial assistance to small businesses and minority- and women-owned business enterprises ("MWBEs").

Regional Council: The New York Regional Councils have been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Councils support the CDFI Assistance Program.

Anticipated
Appropriation
Source: Community Development Financial Institutions Program ("CDFI")

II. Project Cost and Financing Sources

See Schedule A attached.

III. Project Description

A. Background

In 1994, the U.S. Government established the Community Development Financial Institutions Fund (the "Fund"), a program administered by the U.S. Department of Treasury. The Fund's purpose is to facilitate the flow of lending and investment capital into distressed communities and to targeted populations that have traditionally had difficulty accessing mainstream financial services. Each organization certified by the Fund as a CDFI is required to demonstrate that it serves these markets.

The term CDFI is applied by the federal government to credit unions and economic development organizations that provide access to capital for low-income communities and disadvantaged populations. CDFIs provide vital services to the communities they serve, but the lending process and labor-intensive pro-bono technical assistance they provide make it difficult for them to be self-sustaining from operating income alone. The Fund provides limited technical and financial assistance, but CDFIs, in general, are in need of additional grant support to fulfill their missions.

In an effort to enhance the impact of CDFIs in New York State, ESD has provided grants over the last fourteen funding cycles to support these organizations, approving a total of $21,916,193 in grants to forty-nine different CDFIs statewide to substantially increase both the quality and quantity of services. In the past reporting period, CDFI Assistance Program funds helped participating organizations close over 15,314 small business loans totaling over $59.4 million of which $44.6 million (75%) of loans were made to MWBEs.

CDFI was allocated $1,495,000 from the 2013-2014 CDFI Budget. In particular, these grants will allow recipient organizations the opportunity to initiate or expand small business lending programs in underserved areas, and to provide the technical assistance necessary to help budding entrepreneurs secure the financing they need and use it profitably.

In December 2013, through the New York Contract Reporter, direct mailing, and ESD's website, NYS Federally Certified CDFIs were invited to reply to the CDFI Request for Proposals ("RFP"). Normally proposals are submitted as individual applicants; however, this year's RFP encouraged organizations to participate in partnership collaborations, where there is a benefit to specializing in either loan underwriting and administration or deal sourcing and technical assistance.

Of the 82 Federally Certified organizations located in New York State, 24 CDFIs (collectively the "Organizations", individually the "Organization") submitted proposals to provide assistance to eligible businesses. Two applications are partnerships and the remaining 20 are individual submissions, for a total of 22 applications. Nineteen of the twenty-two applications are now being considered for funding. Proposals were evaluated primarily on each organization's ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant's past performance, including lending services and utilization of previous ESD grants, if any.

B. The Project

ESD will make grants to the Organizations, as set forth in Schedule A, to enhance the Organizations' capacity to provide technical and financial assistance to small businesses and MWBEs. These businesses represent a significant segment of the business communities served by CDFIs, but often lack access to traditional financial services for a variety of reasons. CDFIs attempt to bridge this gap through the provision of micro and small business loans and intensive technical assistance.

Approximately 50% of ESD's funding will be used to fund the provision of technical assistance to the Organizations' clientele. It is widely accepted in the community development field that technical assistance is a crucial component of any small business lending program, and CDFIs are in fact required to offer these services in order to maintain their federal certification. Because technical assistance programs are labor-intensive and generate little or no direct income, CDFIs are generally reliant upon grant funding to support these activities, and the proposals received by ESD reflect this need. The technical assistance offered by these Organizations has been and will continue to be especially valuable to small businesses confronting ongoing economic challenges. ESD's technical assistance funds are leveraged by the Organizations to support additional grant funding toward loan-related services.

Approximately 25% of ESD's funding will be used for loan capital, lines of credit and loan loss reserves. Grants for these lending services will enable CDFIs to take on additional credit risk while improving financial health. Loan loss reserves also help recipient organizations leverage additional loan capital from banks and other funding sources. Many CDFIs have enrolled into the ESD Capital Access Program that further enable organizations the ability to lend funds to struggling businesses. In addition, 15 of the 24 Organizations are recipients of funds from the $50 million ESD Small Business Revolving Loan Fund ("SBRLF") which will enhance their lending capacity. The use of ESD programs strengthens the organizations capacity to work with the small businesses within their targeted communities.

A maximum of 10% of ESD's grant funds will be used to support the Organizations' administrative services and operating expenses.

The remaining 15% of grant funds will be used for the development of the Organizations' institutional capacity. This initiative includes support for training of CDFI staff and for software upgrades to support lending and portfolio management.

ESD will enter into an agreement (no longer than 12 months) with each Organization that will stipulate the manner in which Program funds may be disbursed. In addition, each Organization will provide ESD with progress reports detailing the impact of technical assistance provided, deployment of loan capital and all expenditures and outcomes during the project period to ensure appropriate usage of funds.

In the aftermath of Hurricane Sandy, Irene and other storms, many of the organizations have launched programs to assist the MWBEs and small businesses that have suffered as a result weather related circumstances. As needed, CDFI funding will be used to support emergency loans and/or loan related services.

The attached Schedule A provides more detailed descriptions of each recommended project. The grant amounts for each Organization were determined after consideration of a number of factors, including each applicant's performance under previous Program grants, institutional capacity and need, and the merits of the proposed project. Together, these projects will lead to improved access to capital for Small Businesses and MWBEs throughout New York State.

ESD Project Nos.:	Y964-Y970, Y972-Y982, Z002 and Z004 (19 Projects)	
Project Team:	Project Management	Marion Samuels
	Contractor & Supplier Diversity	Diane Kinnicutt
	Environmental	Soo Kang

C. Financial Terms and Conditions

ESD may reallocate the project funds to another form of assistance, at an amount no greater than $125,000 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

The Community Development Financial Institutions Program is authorized pursuant to Section 16-o of the New York State Urban Development Corporation Act and is in the 2013-2014 New York State budgets. No residential relocation is required as there are no families or individuals residing at the Project Locations.

V. Environmental Review

ESD staff has determined that the authorization to make grants from the Community Development Financial Institutions Program 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 authorization.

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 (MWBEs) in the performance of ESD projects. The Office of Contractor and Supplier Diversity has reviewed this project and has determined that, due to the highly specialized and unique nature of this project, there exists no potential for MWBE participation. As such, participation goals will not be established or required for this project.

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
Schedule A (19)

March 28, 2014

Statewide – Community Development Financial Institutions Assistance Program – Community Development Financial Institutions (Grants) – Findings and Determinations Pursuant to Section 16-o and 10 (g) of the Act; Authorization to Make a Grants and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Community Development Financial Institutions Assistance Program – Community Development Financial Institutions (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; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make grants for a total amount not to exceed One Million Four Hundred Ninety-Five Thousand Dollars ($1,495,000) from the Community Development Financial Institutions 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 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

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.

* * *

ESD Community Development Financial Institution Assistance Program

CDFI 15

	Proposed Projects	Projected Award Amount
1.	ACCION USA, Inc. Parternship with CAMBA Economic Development Corporation	$150,000
2.	Alternatives Federal Credit Union Partnership with Syracuse Cooperative Federal Credit Union	$140,000
3.	Bethex Federal Credit Union	$85,000
4.	BOC Capital Corporation	$90,000
5.	Brooklyn Cooperative Federal Credit Union	$80,000
6.	Business Center for Community Development of New Americans	$85,000
7.	Chatauqua Opportunities for Development Inc.	$40,000
8.	Community Capital Resources	$80,000
9.	Community Loan Fund of Capital Region	$85,000
10.	Grameen America	$85,000
11.	Greater Jamaica Local Development Company	$45,000
12.	Harlem Entrepreneurial Fund, LLC.	$50,000
13.	La Fuerza Unida Community Development Corporation	$60,000
14.	Long Island Small Business Assistance Corporation	$45,000
15.	National Federation	$60,000
16.	Project Enterprise	$50,000
17.	Renaissance Economic Development Corporation	$90,000
18.	TruFund Financial Services Inc.	$85,000
19.	Washington Heights and Inwood Development Corporation	$90,000

SCHEDULE A-1

Accion East Inc. Partnership with CAMBA Economic Development Corporation (Z002)

Grant Recipient: Accion East ("Accion" or collectively the "Organizations" when referring to the partnership)

ESD Investment: A grant of up to $150,000 to be used for a portion of the costs of pre-post loan technical assistance and administrative costs

Project Locations: 115 E. 23rd Street, 7th Floor, New York, NY 10010
1720 Church Avenue, Brooklyn, NY 11226

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

Accion

Organization History – Accion East (formerly Accion USA) empowers low- to moderate-income small business owners through access to capital and financial education. Since the inception of Accion's lending office in 1991, has lent more than $95 million and provided support to over 15,000 small businesses. With economic opportunity, these entrepreneurs, often minorities and women—build assets, better provide for their families, create employment and strengthen their communities.

Providing technical assistance to its clients has been an integral piece of Accion's microlending model. The counseling services, help their clients overcome the typical financial barriers (and often language and cultural barriers) that preclude them from accessing capital to start or grow a small business. Accion counsels in the areas of cash flow management, personal credit development and repair, preparing for business financing, and understanding the financial and regulatory marketplace. Impact studies have shown that the counseling services support its clients in making informed financial decisions that lead to reduced debt, improved personal credit, access to business capital and the creation of assets.

CAMBA

Organization History – Since 1993, CAMBA's Small Business Services (SBS), has promoted economic revitalization through business development and lending services for low- and very low-income entrepreneurs. In 1999, CAMBA EDC ("CAMBA EDC") was established to support these small business services through a micro-lending initiative. CAMBA and CAMBA EDC work together seamlessly as CAMBA SBS, a program that provides substantial assistance to micro-entrepreneurs in New York City. The mission of CAMBA SBS is to promote a healthy economic environment in Flatbush and neighboring Brooklyn communities by providing loans and technical services to small businesses that: (1) create or retain jobs, and (2) enhance the economic vitality of the community by attracting new consumers and encouraging local spending.

Ownership – Accion East and CAMBA are Federally-Certified Community Development Financial Institutions.

ESD Involvement – In December 2013 NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals ("RFP"). Of the 82 Federally Certified organizations located in New York State, 22 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization's ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant's past performance, including lending services and utilization of previous ESD grants, if any.

Past ESD Support – Since 1998, ESD has provided Accion $958,600 in CDFI assistance; and CAMBA has received $623,800 in CDFI assistance.

The Project:

Completion date - December 31, 2014

Activity - Accion and CAMBA EDC's referral partnership will enable both partners to better serve more small business owners across New York City with much-needed financial education and capital. Accion, as the lead partner, will underwrite and disburse microloans. CAMBA EDC, as the secondary partner, will provide in-depth technical assistance services. CAMBA EDC will refer small business owners with capital needs to Accion. This referral partnership will allow CAMBA EDC to fulfill the capital needs of their clients and allow Accion to expand its reach to provide loans to more entrepreneurs across the City. Additionally, Accion will refer clients that need additional support in the areas of business formalization or business plan development to CAMBA EDC. With this deeper support, these small business owners can improve their financial recordkeeping and credit with the ultimate goal of improving their potential for accessing capital.

Although CAMBA EDC will continue to have their own loan program, there are many clients that they are unable to serve due to geographical and capital limitations which Accion would be able to help. CAMBA EDC's lending is limited to Brooklyn, yet they are frequently approached by clients seeking loans in other parts of New York City. Instead of turning away these clients, CAMBA EDC will refer them to Accion. Similarly, although Accion will continue to provide technical assistance, there are oftentimes clients who need additional support in areas that CAMBA EDC has a greater specialization. With the continued support of the ESD, they will be able to work together to better and more holistically meet the needs of New York City's small business owners.

Results – Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period.

Financing Uses	**Amount**	**Financing Sources**	**Amount**	**Percent**
Technical Assistance	$140,000.00	ESD Grant	$150,000.00	93%
Administrative Costs	$10,000.00			7%
Total Project Costs	$150,000.00	Total Project Financing	$150,000.00	100%

Grantee Contact: Libby Parsons, Development Associate
ACCION East
(646) 833-4554
(212) 387-0277
lparson@accionusa.org

Grantee Contact: Isaac Roldan, Program Director
CAMBA Economic Development Corporation
(718) 462-4244
(718) 256-4647
isaacr@camba.org

Project Team:

Program Director	Marion Samuels
Contractor Supplier Diversity	Diane Kinnicutt
Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. One agreement will be executed by both partners and the primary Grantee will be authorized to disburse funds to the secondary Grantee upon completion of project activities.

3. An advance of up to 50% of the grant will be disbursed to the primary Grantee up execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such

supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD's satisfaction.

4. ESD may reallocate the project funds to another form of assistance, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

SCHEDULE A-2

Alternatives Federal Credit Union Partnership with Syracuse Cooperative Federal Credit Union (Z004)

Grant Recipient: Alternatives Federal Credit Union ("Alternatives" or collectively the "Organizations" when referring to the partnership)

ESD Investment: A grant of up to $140,000 to be used for a portion of the costs of pre-post loan technical assistance, loan capital, loan loss reserve, institutional capacity, and administrative costs.

Project Locations: 125 N. Fulton Street, Ithaca, NY 14850
723 Westcott Street, Syracuse, NY 13210

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

Alternatives Federal Credit Union
Organization History - Alternatives is a Regional Cooperative Community Development Financial Institution ("CDFI"). Its mission is to build wealth and create economic opportunity for underserved people and communities. Originally formed in 1979 by microentrepreneurs, worker-owned businesses and cooperatives that were unable to obtain financing from traditional financial institutions, Alternatives has always had a focus on supporting business development through financing and technical assistance. Because its mission is to offer financial alternatives to the underserved, Alternative's business services have always focused on women- and minority-owned businesses. Alternative launched its first designated MWBE loan fund in 1991, became an SBA lender in 1995, and in 1998 introduced IDAs and took on leadership of a citywide training and advising program for low-income entrepreneurs. Today, Alternatives delivers these services to Ithaca, Tompkins County, and a low-income targeted population in 6 adjacent counties.

Syracuse Cooperative Federal Credit Union
Organization History - The mission of Syracuse Cooperative Federal Credit Union ("Cooperative Federal") is to rebuild the local economy in ways that foster justice, serve the financial needs of those underserved by conventional financial institutions, and manage members' assets responsibly.

Cooperative Federal's microbusiness lending program began in October 1982. By the late 1990s, Cooperative Federal formed partnerships with other nonprofits and the city's Development Office and began to offer formalized technical assistance, hands-on coaching, special-purpose revolving loan funds and IDAs.

Cooperative Federal serves the economically distresses urban core of Syracuse, NY as well as surrounding Onondaga County. It specialized approach to small business development fosters economic opportunity through a combination of hands-on advising, connections to business planning & training resources, and phased financing -- from nano, to micro, to traditional small business loans. In collaboration with Alternatives, Cooperative Federal will bring its program to scale across an 11-county combined target market and achieve new levels of economic impact.

Ownership – Alternatives FCU is a Federally-Certified Community Development Financial Institution.

ESD Involvement – In December 2013 NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals ("RFP"). Of the 82 Federally Certified organizations located in New York State, 24 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization's ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant's past performance, including lending services and utilization of previous ESD grants, if any.

Past ESD Support – Since 1998, ESD has provided $1,068,320 in CDFI assistance to Alternatives and Syracuse has received $1,122,258 in assistance.

The Project:

Completion date: December 31, 2014

Activity – By creating a collaborative small business development program, Alternatives Federal Credit Union and Syracuse Cooperative Federal Credit Union (dba Cooperative Federal) will take important steps toward establishing uniformity in lending functions, enhancing portfolio quality, aggregating market demand, and ultimately scaling-up the collective deployment of small and micro business capital. Together, this partnership will prototype several mechanisms that other CDFIs can use to build operational efficiencies that promote job growth and economic strength.

ESD funding will support the following goals: (a) Develop standardized small business underwriting criteria, a common application, and policies for participating loans and shared/exchanged underwriting services; (b) Facilitate peer learning between Alternatives and Cooperative Federal program staff; (c) Expand services to an 11-county area with a joint marketing campaign, a co-branded website, and basic online loan application; (d) Deliver training & advising to 210 entrepreneurs through Business CENTS; (e) Extend $10,000 in micro-lines-of-credit to Business CENTS trainees, mitigated by ESD LLR funds; and (f) Deploy over $2 million in micro and small business loans, as a result of capital grants and the development of a scaled, cost-effective, regional program collaboration.

Results – Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period.

Financing Uses	**Amount**	**Financing Sources**	**Amount**	**Percent**
Technical Assistance	$34,000.00	ESD Grant	$140,000.00	24%
Loan Capital	$57,000.00			41%
Loan Loss Reserve	$5,000.00			4%
Institutional Capacity	$30,000.00			21%
Administrative Costs	$14,000.00			10%
Total Project Costs	$140,000.00	Total Project Financing	$140,000.00	100%

Grantee Contact: Mary Beth Bunge, Development Director, Alternatives Federal
(607) 273-4611
(607) 277-6391
mbbunge@alternatives.org

Grantee Contact: Meagan Weatherby, Program Sustainability & Outreach Coordinator
(315) 471-1116
(315) 476-0567
meaganweatherby@coopfed.org

Project Team:

Program Director	Marion Samuels
Contractor Supplier Diversity	Diane Kinnicutt
Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. One agreement will be executed by both partners and the primary Grantee will be authorized to disburse funds to the secondary Grantee upon completion of project activities.

3. An advance of up to 50% of the grant will be disbursed to the primary Grantee up execution of the Grant Disbursement Agreement ("GDA"), assuming that all project

approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD's satisfaction.

4. ESD may reallocate the project funds to another form of assistance for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

SCHEDULE A-3

Bethex Federal Credit Union (Y964)

Grant Recipient: Bethex Federal Credit Union ("Bethex FCU" or the "Organization")

ESD Investment: A grant of up to $85,000 to be used for a portion of the costs of pre-post loan technical assistance, loan capital, institutional capacity, and administrative costs.

Project Location: 20 East 179 Street, Lower Level, Bronx, NY 10453

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

Organization History – The mission of Bethex FCU is to provide for the financial product and service needs of its low-income membership; as well as to educate Bethex FCU members in the use of these products and services, with the ultimate aim of bringing them into the financial mainstream and contributing to the revitalization of its community. Bethex FCU has been providing small business financing and technical assistance to its members since 1989. The credit union's business lending program was started with the assistance of ESD and has blossomed into a core product and service. Bethex was the first credit union in New York City to be an SBA-approved lender (currently Bethex is an Express Lender and 7a loan provider), and almost all of the business loans that originate are SBA-guaranteed.

Ownership – Bethex is a Federally-Certified Community Development Financial Institution.

ESD Involvement – In December 2013 NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals ("RFP"). Of the 82 Federally Certified organizations located in New York State, 22 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization's ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant's past performance, including lending services and utilization of previous ESD grants, if any.

Past ESD Support – Since 1998, ESD has provided $615,800 in CDFI assistance to the Organization.

The Project:

Completion date – December 31, 2014

Activity – Bethex is requesting funds to finance a part-time small business loan consultant, loan loss reserves, and financial literacy classes. The part-time small business loan consultant and loan loss reserve should leverage at least 25 new small business loan originations for at least $2.3 million, including 18 loans for $1.4 million to women and minority borrowers. In addition, approximately 40 perspective or successful loan applicants will take advantage of the consultant's TA services.

Results – Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period.

Financing Uses	**Amount**	**Financing Sources**	**Amount**	**Percent**
Technical Assistance	$41,500.00	ESD Grant	$85,000.00	49%
Loan Capital	$30,000.00			35%
Institutional Capacity	$5,000.00			6%
Administrative Costs	$8,500.00			10%
Total Project Costs	$85,000.00	Total Project Financing	$85,000.00	100%

Grantee Contact: Greg Gemerer, Director of Development
(718) 299-9100
(718) 294-5242
ggemerer@bethexfcu.org

Project Team:

Program Director	Marion Samuels
Contractor Supplier Diversity	Diane Kinnicutt
Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. An advance of up to 50% of the grant will be disbursed to the Grantee up execution of the Grant Disbursement Agreement (“GDA”), assuming that all project approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD’s satisfaction.

3. ESD may reallocate the project funds to another form of assistance for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

SCHEDULE A-4

BOC Capital Corp. (Y965)

Grant Recipient: BOC Capital Corp. (“BCC” or the “Organization”)

ESD Investment: A grant of up to $90,000 to be used for a portion of the costs of pre-post loan technical assistance, loan loss reserve and administrative costs.

Project Location: 85 South Oxford Street, Brooklyn, NY 11217

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

Organization History – BOC Capital Corp. is a micro/small business loan fund that provides technical and financial assistance to MWBEs and small businesses in low/moderate income areas, and to minority, immigrant and low-income populations in NYC, Westchester and LI, through BOC offices in Brooklyn, Queens and Bronx and partners in SI (W. Brighton Community LDC), Chinatown (CMP) and Westchester (Women’s Enterprise Dev. Center).

BCC maintained positive growth, providing technical and financial assistance to underserved entrepreneurs with limited or no credit histories, early stage businesses, MWBE contractors, and businesses locked out of credit markets. Through June 2013, BCC invested $7,875,869 through 568 loans (90% MWBE borrowers). BCC increased lending from $1.06M in FY11 (55) to $2.1M (113) in FY13, a 43.7% avg. growth rate. Products include microloans to $50K, green loans to $75K, short-term contract-based loans to $150K for construction, wholesale and manufacturing and Sandy recovery loans to 10K. In 2011 BCC partnered with NYC to assist MWBEs mobilize for City contracts, financing 15 loans for $783,769, leveraging $2.7M in contracts. Bilingual TA is a core service that builds credit and management capacity, supports the lending process and connects businesses with mainstream resources, guaranteeing the impact of financing. TA is delivered 1-1 to over 200 clients and workshops to over 400 annually including training for industry groups i.e. construction and child care.

Ownership – BOC Capital is a Federally-Certified Community Development Financial Institution.

ESD Involvement – In December 2013 NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals ("RFP"). Of the 82 Federally Certified organizations located in New York State, 24 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization's ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant's past performance, including lending services and utilization of previous ESD grants, if any.

Past ESD Support – Since 1998, ESD has provided $850,000 in CDFI assistance to the organization.

The Project:

Completion date – December 31, 2014

Activity – The requested funding will be used by BCC to continue to expand on its provision of bilingual technical assistance and micro and small business loan products to low-income, minority or women-owned microenterprises and/or small businesses in underserved communities throughout New York City, Westchester and Long Island by expanding its network of offices in Brooklyn, the Bronx, Queens, Chinatown, Staten Island, and Westchester.

BCC's work that aligns with this request includes service delivery and resource development as follows:

• Provide bilingual one-on-one pre- and post-loan technical assistance that facilitates small business growth and development to 125-150 low income, minority, or women microentrepreneurs and/or small business owners

• Approve and deploy 80-90 micro and small business loans for a total of $1.6 million disbursed to low income, minority, or women microentrepreneurs and/or small business owners.

• Use $22,500 of the ESD Funds for loan loss reserves to leverage up to $150,000 in new SBA microloan capital.

• Conduct workshops in credit and business management, financial literacy, home-based child care microenterprise training, and Financial Management for Contractors.

Results – Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period.

Financing Uses	Amount	Financing Sources	Amount	Percent
Technical Assistance	$58,500.00	ESD Grant	$90,000.00	65%
Loan Loss Reserve	$22,500.00			25%
Administrative Costs	$9,000.00			10%
Total Project Costs	$90,000.00	Total Project Financing	$90,000.00	100%

Grantee Contact: Ms. Nancy Carin, Executive Director
(718) 624-9115
(718) 246-1881
ncarin@bocnet.org

Project Team:

Program Director	Marion Samuels
Contractor & Supplier Diversity	Diane Kinnicutt
Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. An advance of up to 50% of the grant will be disbursed to the Grantee up execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD's satisfaction.

3. ESD may reallocate the project funds to another form of assistance for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

SCHEDULE A-5

Brooklyn Cooperative Federal Credit Union (Y966)

Grant Recipient: Brooklyn Cooperative Federal Credit Union ("Brooklyn Coop" or the "Organization")

ESD Investment: A grant of up to $80,000 to be used for a portion of the costs of pre-post loan technical assistance, loan loss reserve, and administrative costs.

Project Location: 1474 Myrtle Avenue, Brooklyn, NY 11237

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

Organization History - Brooklyn Coop's mission is to further wealth building, resilience, and opportunity in the communities they serve by offering access to fair and affordable financial services. Like residents in so many low-income neighborhoods, its members have few options when it comes to basic savings accounts, checking accounts, reasonably priced personal or mortgage loans, or working capital to either start or expand their small businesses. In response to these needs, the credit union has evolved a wide range of products and services, operates out of two full-time branches, and has emerged as a model community development credit union nationwide.

Brooklyn Coop began lending to small businesses in 2003. Since then, has lent millions of dollars, creating jobs and strengthening local economic development; with its current loan portfolio of $3.3 million and average business loan size currently is $24,832. This is an indication that their focus remains on the smaller enterprises that generally seek less than $50,000.

Ownership – Brooklyn Coop is a Federally-Certified Community Development Financial Institution.

ESD Involvement – In December 2013 NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals ("RFP"). Of the 82 Federally Certified organizations located in New York State, 22 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization's ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant's past performance, including lending services and utilization of previous ESD grants, if any.

Past ESD Support – Since 1998, ESD has provided $878,819 in CDFI assistance to the organization.

The Project:

Completion date – December 31, 2014

Activity - The specific technical assistance proposed is small business tax preparation, a service not offered by any other microenterprise TA provider in New York City. Brooklyn Coop will aim for the following goals: (1) to prepare at least 200 tax returns; (2) 30% of the clients will be first-time business tax filers; (3) two-thirds of these will have annual incomes below $30,000; (4) two-thirds will be MWBE.

Preparing 200 tax returns at approximately 3 hours per return (including discussions with clients, actual preparation, and training), is a dedication of about 600 hours per year, equivalent to $22,400 in compensation.

A loan loss reserve grant will back Brooklyn Coop's efforts to close at least 70 new microenterprise loans, totaling at least $2,000,000 at least 60 of which will be made to women/minority owned businesses, during the expected 12 month grant period.

Results - Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period.

Financing Uses	**Amount**	**Financing Sources**	**Amount**	**Percent**
Technical Assistance	$22,000.00	ESD Grant	$80,000.00	28%
Loan Loss Reserve	$50,000.00			63%
Administrative Costs	$8,000.00			10%
Total Project Costs	$80,000.00	Total Project Financing	$80,000.00	100%

Grantee Contact: Samira Rajan, Chief Executive Officer
(718) 418-8232
(718) 418-8252
samira@brooklyn.coop

Project Team:

Program Director	Marion Samuels
Contractor & Supplier Diversity:	Diane Kinnicutt
Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. An advance of up to 50% of the grant will be disbursed to the Grantee up execution of the Grant Disbursement Agreement (“GDA”), assuming that all project approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD’s satisfaction.

3. ESD may reallocate the project funds to another form of assistance for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

SCHEDULE A-6

Center for Community Development for New Americans d/b/a Business Center for New Americans (Y969)

Grant Recipient: Business Center for New Americans ("BCNA" or the "Organization")

ESD Investment: A grant of up to $85,000 to be used for a portion of the costs of pre-post loan technical assistance, loan loss reserve and administrative costs.

Project Location: 120 Broadway, Suite 230, New York, NY 10271

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

Organization History – The Business Center for New Americans is a 501©3 nonprofit with offices in Manhattan and Queens. Its mission is to help refugees, immigrants, women and other disadvantaged New Yorkers achieve economic self-sufficiency and wealth creation through education, financial services, individualized technical assistance, and coaching to successfully establish and run small businesses, save money, and invest in a first home.

The Business Center for New Americans began as a program of the New York Association for New Americans (NYANA), which was founded in 1949 to resettle World War II refugees. After NYANA closed in 2009, the Business Center became an independent 501 (c) 3 Economic Development Corporation.

Ownership – BCNA is a Federally-Certified Community Development Financial Institution.

ESD Involvement – In December 2013 NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals ("RFP"). Of the 82 Federally Certified organizations located in New York State, 22 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization's ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant's past performance, including lending services and utilization of previous ESD grants, if any.

Past ESD Support – Since 1998, ESD has provided $195,000 in CDFI assistance to the Organization.

The Project:

Completion date – December 31, 2014

Activity – ESD's funding will support the following:
Increase knowledge of at least 110 aspiring refugees and immigrant business owners about accessing and establishing good credit for their business by the end of the project period.

Increase knowledge and ability of at least 55 aspiring immigrant and refugee business owners take concrete steps towards starting or strengthening a small business by the end of the project period.

Provide at least 40 micro-loans (total value $250,000) to immigrant and refugee micro-entrepreneurs in New York City by the end of the project period.
Increase micro-enterprise investments of at least 40 refugee micro-entrepreneurs for a total of $240,000 in matched savings by the end of the project period.

Results – Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period.

Financing Uses	Amount	Financing Sources	Amount	Percent
Technical Assistance	$51,500.00	ESD Grant	$85,000.00	61%
Loan Loss Reserve	$25,000.00			29%
Administrative Costs	$8,500.00			10%
Total Project Costs	$85,000.00	Total Project Financing	$85,000.00	100%

Grantee Contact: Ms. Yanki Tshering, Executive Director
(212) 898-4112
(646) 723-1399
ytshering@nybcna.org

Project Team:

Program Director	Marion Samuels
Contractor & Supplier Diversity	Diane Kinnicutt
Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. An advance of up to 50% of the grant will be disbursed to the Grantee up execution of the Grant Disbursement Agreement (“GDA”), assuming that all project approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD’s satisfaction.

3. ESD may reallocate the project funds to another form of assistance for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

SCHEDULE A-7

Chautauqua Opportunities for Development, Inc. (Y970)

Grant Recipient: Chautauqua Opportunities for Development, Inc. (“CODI” or the “Organization”)

ESD Investment: A grant of up to $40,000, to be used for a portion of the costs of pre-post loan technical assistance, loan capital, and administrative costs.

Project Location: 17 W Courtney Street, Dunkirk, NY 14048

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

Organization History – Chautauqua Opportunities for Development, Inc.’s (CODI's) mission is to lead the fight against poverty by mobilizing resources and creating partnerships to promote and create economic independence through small business development opportunities. CODI’s vision is to make capital, training and technical assistance available to entrepreneurs and start-up businesses in and around Chautauqua County, NY.

CODI also provides technical assistance in one-on-one and group formats and will continue to expand services in each of these areas and programs moving forward.

Ownership – CODI is a Federally-Certified Community Development Financial Institution.

ESD Involvement – In December 2013 NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals (“RFP”). Of the 82 Federally Certified organizations located in New York State, 22 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization’s ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant’s past performance, including lending services and utilization of previous ESD grants, if any.

Past ESD Support – Since 1998, ESD has provided $120,000 in CDFI assistance to the Organization.

The Project:

Completion date – December 31, 2014

Activity – Using ESD grant funds, CODI will provide the following services: Lending: CODI will make two (2) new loans to MWBES with an average principal loan of $12,500. CODI will fund two (2) new small business loans with an average principal loan amount of $12,500. Lending goals will be achieved though outreach to present loan participants. Present CODI customer demographic data indicates that 61% of CODI's customer base is minorities or women.

Technical Assistance: CODI will provide one-on-one technical assistance to all interested MWBES and small business participants. It is anticipated that 30 small business owners or potential owners, including 15 that are women or minorities, will receive technical assistance. Two workshop seminars will be held to assist in MWBES and Small Business recruitment and assistance. Log sheets will be retained to document attendance and for post seminar follow-up. Staff of CODI is employed by the affiliate, Chautauqua Opportunities, Inc. (COI) through a long term written agreement. Payroll services are contracted to Paychex, whose system allows for salary allocations to be distributed across several contracts by percentage. This will allow for staff time devoted to this contract to be accurately accounted for.

Results - Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period.

Financing Uses	**Amount**	**Financing Sources**	**Amount**	**Percent**
Technical Assistance	$11,000.00	ESD Grant	$40,000.00	28%
Loan Capital	$25,000.00			63%
Administrative Costs	$4,000.00			10%
Total Project Costs	$40,000.00	Total Project Financing	$40,000.00	100%

Grantee Contact: William Vogt, Director of Housing & Community Development
(716) 366-3333
(716) 366-7366
bvogt@chautopp.org

Project Team:

Program Director	Marion Samuels
Contractor & Supplier Diversity	Diane Kinnicutt
Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. An advance of up to 50% of the grant will be disbursed to the Grantee up execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD's satisfaction.

3. ESD may reallocate the project funds to another form of assistance for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

SCHEDULE A-8

Community Capital New York, Inc. (Y967)

Grant Recipient: Community Capital New York, Inc. ("CCNY" or the "Organization")

ESD Investment: A grant of up to $80,000, to be used for a portion of the costs of pre-post loan technical assistance, loan capital, loan loss reserve, institutional capacity, and administrative costs.

Project Location: 7 West Cross Street, Hawthorne, NY 10532

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

Organization History – CCNY's Small Business Program mission is to support the growth of diverse and vibrant small businesses in their six county footprint in the lower Hudson Valley and to create wealth for the business owner, jobs for the community, neighborhood revitalization and tax revenues. CCNY aims to achieve these objectives through a sustainable program of access to capital and related business development services targeting underserved, women, minority and financially excluded entrepreneurs.

CCNY's loan program is geared towards unbankable small businesses with an emphasis on outreach to MWBEs. CCNY has formed strategic alliances to help us reach low income, women and minority entrepreneurs. CCNY has a weekly office presence at the Dutchess County Regional Chamber of Commerce to facilitate the coverage of counties north and west of Westchester. CCNY has worked with the Business Council of Westchester, the City of Mount Vernon and PTAC this year on a series of MWBE certification workshops focused on helping women and minority entrepreneurs secure certification and to leverage that certification into new business. CCNY is represented on the board of the Westchester Community College Gateway to Entrepreneurship initiative directed at providing technical support services to disadvantaged entrepreneurs.

Ownership – CCNY is a Federally-Certified Community Development Financial Institution.

ESD Involvement – In December 2013 NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals ("RFP"). Of the 82 Federally Certified organizations located in New York State, 22 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization's ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant's past performance, including lending services and utilization of previous ESD grants, if any.

Past ESD Support – Since 1998, ESD has provided $714,695 in CDFI assistance to the Organization.

The Project:

Completion date – December 31, 2014

Activity – CCNY is seeking ESD funds to cover the organization, technical support and consulting expertise needed. 75% will be MWBEs. Lending - CCNY plans to disburse 40 loans to 20 individual borrowers for approximately $1,000,000 in loan capital in the 12-month period covered by this grant; to disburse two line of credit loans and to use the loan loss reserve to leverage a draw of $1,000,000 in loan capital from the SBA. Institutional Capacity Building – produce and distribute 12 English language e-newsletters as well as events notification; client assistance with marketing and social media; maintaining memberships to enable entrepreneurs to participate in business expos and events.

Results – Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period.

Financing Uses	**Amount**	**Financing Sources**	**Amount**	**Percent**
Technical Assistance	$24,500.00	ESD Grant	$80,000.00	31%
Loan Capital	$25,000.00			31%
Loan Loss Reserve	$20,000.00			25%
Institutional Capacity	$2,500.00			3%
Administrative Costs	$8,000.00			10%
Total Project Costs	$80,000.00	Total Project Financing	$80,000.00	100%

Grantee Contact: Carol Danziger, Business Manager
(914) 747-8020 x13
(917) 747-2049
cdanziger@communitycapitalny.org

Project Team:	Program Director	Marion Samuels
	Contractor & Supplier Diversity	Diane Kinnicutt
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. An advance of up to 50% of the grant will be disbursed to the Grantee up execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD's satisfaction.

3. ESD may reallocate the project funds to another form of assistance for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

SCHEDULE A-9

Community Loan Fund of the Capital Region (Y968)

Grant Recipient: Community Loan Fund of the Capital Region ("Community Loan Fund" or the "Organization")

ESD Investment: A grant of up to $85,000 to be used for a portion of the costs of pre-post loan technical assistance, loan capital, institutional capacity, and administrative costs.

Project Location: 255 Orange Street # 103, Albany, NY 12210

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

<u>Organization History</u> – For more than 28 years, Community Loan Fund has been driven by its desire to make capital accessible to people and communities in need. To date, Community Loan Fund has made more than 710 loans to community and economic development projects, totaling more than $36 million, resulting in more than 255 micro enterprises started or expanded (more than 75% to MWBEs), more than 1,500 jobs created or retained, more than 165 commercial facilities purchased or renovated and more than 1,080 units of affordable housing created or preserved. The Community Loan Fund financing has leveraged an additional $165 million in private and public financing, including from the U.S. Department of Treasury CDFI Fund. Community Loan Fund currently has approximately $9 million in loans outstanding to 200 community development projects and micro enterprises in the region.

In addition to lending activities, Community Loan Fund has provided technical assistance and training to thousands of low-income people and MWBEs. Community Loan Fund has a strong partnership with the Huether School of Business at the College of Saint Rose that has led to classroom training of more than 600 micro and social entrepreneurs since 2001. Other key small business partners include the Albany Center for Economic Success, where it managed its small business incubator since 2010, and The Legal Project of the Capital District Women's Bar Association which coordinates free Small Business Legal Clinics. Lending capital from ESD will provide support with affordable capital to take calculated risk on start-up and expanding micro enterprises. The ESD

resources also leverage additional private capital from socially-concerned investors, including individuals, banks and faith-based institutions.
Ownership – Community Loan Fund is a Federally-Certified Community Development Financial Institution.

ESD Involvement – In December 2013, NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals ("RFP"). Of the 82 Federally Certified organizations located in New York State, 22 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization's ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant's past performance, including lending services and utilization of previous ESD grants, if any.

Past ESD Support – Since 1998, ESD has provided $907,600 in CDFI assistance to the Organization.

The Project:

Completion date – December 31, 2014

Activity –Specific outcomes proposed for the ESD CDFI Round 15 project include: (1) make at least 6 loans to MWBEs, totaling at least $50,000; (2) provide technical assistance and appropriate referrals and resources to at least 20 MWBEs; (3) conduct at least 2 eight-week small business planning courses, in partnership with the Huether School of Business at the College of Saint Rose, providing intensive training to at least 20 MWBEs; and (4) co-sponsor at least 3 free Small Business Legal Clinics, providing free legal advice to at least 3 MWBEs.

Results – Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period.

Financing Uses	**Amount**	**Financing Sources**	**Amount**	**Percent**
Technical Assistance	$30,000.00	ESD Grant	$85,000.00	35%
Loan Capital	$36,500.00			43%
Institutional Capacity	$10,000.00			12%
Administrative Costs	$8,500.00			10%
Total Project Costs	$85,000.00	Total Project Financing	$85,000.00	100%

Grantee Contact: Linda Chandler, Director of Development
(518) 436-8586
(518) 689-0086

Linda@mycommunityloanfund.org

Project Team:	Program Director	Marion Samuels
	Contractor & Supplier Diversity	Diane Kinnicutt
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. An advance of up to 50% of the grant will be disbursed to the Grantee up execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD's satisfaction.

3. ESD may reallocate the project funds to another form of assistance for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

SCHEDULE A-10

Grameen America (Y972)

Grant Recipient: Grameen America ("Grameen" or the "Organization")

ESD Investment: A grant of up to $85,000 to be used for a portion of the costs of pre-post loan technical assistance.

Project Location: 1460 Broadway, 8th Floor, New York, NY 10036

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

Organization History – Grameen America made its first loan January 2008 and since then, has reached over 15,000 low-income entrepreneurs in New York alone. With a mission to build a nation without poverty, Grameen has employed a group of lending model to offer microloans, asset and credit building and financial education to its members. The majority of these members are Hispanic women, and all operate small businesses. Each member participates in a 10-hour financial training with the group before receiving a loan then continues with technical assistance through weekly meetings throughout the program.

Ownership – Grameen America is a Federally-Certified Community Development Financial Institution.

ESD Involvement – In December 2013 NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals ("RFP"). Of the 82 Federally Certified organizations located in New York State, 22 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization's ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant's past performance, including lending services and utilization of previous ESD grants, if any.

Past ESD Support – Since 1998, ESD has provided $230,000 in CDFI assistance to the Organization.

The Project:

Completion date – December 31, 2014

Activity – A CDFI grant from ESD will be used to provide technical assistance to low income New York City entrepreneurs by end of 2014. These entrepreneurs will then move on the group training and loan access.

Results – Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period.

Financing Uses	Amount	Financing Sources	Amount	Percent
Technical Assistance	$85,000.00	ESD Grant	$85,000.00	100%
Total Project Costs	$85,000.00	Total Project Financing	$85,000.00	100%

Grantee Contact: Ryan Strauss, Development Manager
(212) 735-4043
(212) 735-4090
R.Strauss@grameenamerica.org

Project Team:

Program Director	Marion Samuels
Contractor & Supplier Diversity	Diane Kinnicutt
Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. An advance of up to 50% of the grant will be disbursed to the Grantee up execution of the Grant Disbursement Agreement (“GDA”), assuming that all project approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD’s satisfaction.

3. ESD may reallocate the project funds to another form of assistance for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

SCHEDULE A-11

Greater Jamaica Local Development Company (Y973)

Grant Recipient: Greater Jamaica Local Development Company, Inc. ("Greater Jamaica LDC" or the "Organization")

ESD Investment: A grant of up to $45,000 to be used for a portion of the costs of loan loss reserve, institutional capacity and administrative costs.

Project Location: 90-04 161 Street, 7th Floor, Jamaica, NY 11432

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

Organization History – Greater Jamaica Development Corporation ("GJDC") is a not-for-profit local development corporation. GJDC's mission is to plan, promote, and facilitate responsible development and expand economic opportunity to revitalize Jamaica and strengthen the region. As a complement to its revitalization efforts, the Controlling Entity formed Greater Jamaica Local Development Company, Inc. ("LDC") to manage a Revolving Loan Fund (RLF). The LDC offers fixed-rate business loans from $10,000 to $300,000 with flexible rates and terms. The Fund is capitalized by the U.S. Economic Development Agency, ESD, and the City's Department of Small Business Services, with additional equity from JPMorgan Chase and Citigroup. In the previous 10 years ending December 21, 2011, the Applicant's RLF closed 20 loans totaling $3.07MM. These loans have leveraged $1.7MM in private investment; created a total of 188 jobs (including projected); and helped retain a total of 77 jobs. All loans were to small business and all were to MWBEs. Eighteen of 20 were to minority-owned firms and of these, two were woman minority owned; the remaining two loans were made to woman-owned firms.

Ownership – Greater Jamaica LDC is a Federally-Certified Community Development Financial Institution.

ESD Involvement – In December 2013 NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals ("RFP"). Of the 82 Federally Certified organizations located in New York State, 22 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization's ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant's past performance, including lending services and utilization of previous ESD grants, if any.

Past ESD Support – Since 1998, ESD has provided $229,750 in CDFI assistance to the Organization.

The Project:

Completion date – March 31, 2014

Activity – In order to address capital needs of businesses in the geographic areas served by Greater Jamaica LDC, a line of credit operation will be created. As a result of economic scars left by the national recession and more recently, the devastating impact of Super Storm Sandy, small businesses and MWBE companies were particularly unable to sustain their capital needs. This grant funding will allow Greater Jamaica LDC to create an institutional capacity to market, review, disburse and administer line of credit funds to qualified companies. This will result in these businesses retaining current employees, hiring additional employees and strengthening the financial foundation of their firms. The goal, simply stated, is the prevention of the demise of businesses resulting from the inability to access capital.

Results – Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period.

Financing Uses	**Amount**	**Financing Sources**	**Amount**	**Percent**
Loan Loss Reserve	$21,000.00	ESD Grant	$45,000.00	47%
Institutional Capacity	$19,500.00			43%
Administrative Costs	$4,500.00			10%
Total Project Costs	$45,000.00	Total Project Financing	$45,000.00	100%

Grantee Contact: Aron Kurlander
(718) 291-0882
(718) 291-7918
akurlander@gjdc.org

Project Team:

Program Director	Marion Samuels
Contractor & Supplier Diversity	Diane Kinnicutt
Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. An advance of up to 50% of the grant will be disbursed to the Grantee up execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD's satisfaction.

3. ESD may reallocate the project funds to another form of assistance for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

SCHEDULE A-12

Harlem Entrepreneurial Fund, LLC. (Y974)

Grant Recipient: Harlem Entrepreneurial Fund, LLC, ("Harlem Entrepreneurial Fund" or the "Organization")

ESD Investment: A grant of up to $50,000 to be used for a portion of the costs of loan capital and loan loss reserve.

Project Location: 361 W. 125 Street, New York, NY 10027

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

Organization History – The mission of Harlem Commonwealth Council, Inc., (HCC) the parent company of the Harlem Entrepreneurial Fund, LLC, (HEF) is to stimulate the economic development of the Harlem community through the creation of enterprises, the generation of jobs, the support of businesses and the education of residents. HCC particularly emphasizes serving low- and middle-income residents.

As it relates to small businesses, HCC has provided training to Harlem-area startups and pre-startups through the FastTrac® New Ventures program, developed by the Kauffman Foundation. Additionally, in 2012, Harlem Commonwealth was awarded a contract by the New York City Department of Small Business Services to operate the NYC Business Solutions Centers in Harlem and Washington Heights. These centers provide small businesses services, including financing assistance, employee recruitment and training, business courses, MWBE certification, legal clinics, and assistance with navigating and selling to New York City government.

HEF contributes to its parent company's mission through targeted lending activities. Specifically, HEF's mission is to serve low-income and minority populations by providing lending capital to facilitate small business expansion and job creation in the underserved communities of Harlem and the Bronx.

Ownership – HCC is a Federally-Certified Community Development Financial Institution.

ESD Involvement – In December 2013 NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals ("RFP"). Of the 82 Federally Certified organizations located in New York State, 22 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization's ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant's past performance, including lending services and utilization of previous ESD grants, if any.

Past ESD Support – Since 1998, ESD has provided $20,000.00 in CDFI assistance to the Organization.

The Project:

Completion date –December 31, 2014

Activity – HEF is seeking funds to provide a minimum of 10 small business micro loans of up to $7,000 each, and a minimum of 7 credit repair loans for up to $1,500 each. With this capital request, HEF projects a 60% increase in loans that are made to small businesses and a 40% increase in loans made to MWBEs, versus 2011 numbers.

HEF desires to increase its capacity in three areas: 1) augmenting risk assessment and loan decisions, 2) strengthening financial statements analysis associated with underwriting, and 3) improving the ability to measure outcomes and HEF's impact on the small businesses and MWBEs in its target area.

HEF has identified several technology-based CDFI and micro loan management solutions to meet the above objectives, and is seeking funding from the EDS to purchase and/or obtain licenses for these solutions. With the purchase of said technology, staff time dedicated to loan application review is projected to go from 20% to 10%, and the analysis of financials associated with underwriting is projected to go from an average of one week per application for two to three days of assistance. HEF would also go from having very limited quantitative and qualitative data about the economic impact on businesses and the community once loans are disbursed to a more fulsome picture that would satisfy both HEF funders and HEF.

Results – Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period.

Financing Uses	**Amount**	**Financing Sources**	**Amount**	**Percent**
Loan Capital	$25,000.00	ESD Grant	$50,000.00	50%
Loan Loss Reserve	$25,000.00			50%
Total Project Costs	$50,000.00	Total Project Financing	$50,000.00	100%

Grantee Contact:	Alexander Betancourt, Senior Vice President (212) 749-0900 (212) 663-1821 abetancourt@harlemcommonwealth.org	
Project Team:	Program Director	Marion Samuels
	Contractor & Supplier Diversity	Diane Kinnicutt
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. An advance of up to 50% of the grant will be disbursed to the Grantee up execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD's satisfaction.

3. ESD may reallocate the project funds to another form of assistance for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

SCHEDULE A-13

La Fuerza Unida Community Development Corporation (Y975)

Grant Recipient: La Fuerza Unida Community Development Corporation ("La Fuerza, "CDC" or the "Organization")

ESD Investment: A grant of up to $60,000 to be used for a portion of the costs of pre-post loan technical assistance, loan loss reserve, and administrative costs.

Project Location: 34 Muttontown Lane, East Norwich, NY 11732

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

Organization History – La Fuerza CDC was formed to address issues confronting minority entrepreneurs in Long Island. Its mission is to promote sustainable economic growth by providing minority and women owned business enterprises access to capital, business development services and other tools which will create jobs and community wealth.

Through the CDC, a small business revolving loan fund was established in 2003. Shortly thereafter, the CDC applied for and received certification by the U.S. Department of the Treasury as a Community Development Financial Institution (CDFI). La Fuerza also received a grant to begin providing technical assistance to eligible entrepreneurs.

Building viable business enterprises, coupled with access to quality educational opportunities, are key elements in moving underserved communities across the threshold to the economic mainstream. This understanding led the CDC to identify a gap in available capital funding from conventional lenders for minority and women entrepreneurs as a major impediment to the development of minority and women business enterprises (MWBEs). Lacking access to traditional means of capital forces many minority entrepreneurs to turn to loan sharks and high interest personal credit cards to finance their enterprises. In many instances they become suffocated under the burden of enormous debt, which hinders their ability to successfully grow their businesses and often leads to the collapse of their enterprises.

Ownership – La Fuerza is a Federally-Certified Community Development Financial Institution.

ESD Involvement – In December 2013 NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals ("RFP"). Of the 82 Federally Certified organizations located in New York State, 22 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization's ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant's past performance, including lending services and utilization of previous ESD grants, if any.

Past ESD Support – Since 1998, ESD has provided $425,000 in CDFI assistance to the Organization.

The Project:

Completion date – December 31, 2014

Activity – With the technical assistance grant, the La Fuerza CDC will provide one-on-one assistance to MWBEs in the area of business plan development and financial projections, best business and management practices, legal structure of the business, the identification of marketing opportunities and resolution of marketing issues.

La Fuerza CDC will provide assistance to all current clients on managing cash flows for staying current with loan responsibility sand prospective borrowers on access to capital. Technical assistance is a vital part of the loan fund program. These services will be delivered to La Fuerza target market. The ESD grant funds will be used to support the organization's outreach programs, to service its current borrowers and to provide workshops on topics such as: qualifying for government contracts, preparation for borrowing, preparation for tax reporting, business basics, email marketing & social media, as well as other topics needed and requested by the MWBE community. This grant will also provide funding to support the deployment of approximately five (5) loans with a cap loan amount of $25,000 and a loan loss reserve of 10% (2,500), and the technical assistance provided to MWBEs in the form of one-on-one, workshops, and entrepreneurship development education on Long Island.

Results – Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period.

Financing Uses	Amount	Financing Sources	Amount	Percent
Technical Assistance	$34,000.00	ESD Grant	$60,000.00	57%
Loan Loss Reserve	$20,000.00			33%
Administrative Costs	$6,000.00			10%
Total Project Costs	$60,000.00	Total Project Financing	$60,000.00	100%

Grantee Contact:	Giovana Ramirez, Director (516) 922-8100 (516) 922-8103 gramirez@lafuerzacdc.org	
Project Team:	Program Director	Marion Samuels
	Contractor & Supplier Diversity	Diane Kinnicutt
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. An advance of up to 50% of the grant will be disbursed to the Grantee up execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD's satisfaction.

3. ESD may reallocate the project funds to another form of assistance for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

SCHEDULE A-14

Long Island Small Business Assistance Corporation (Y976)

Grant Recipient: Long Island Small Business Assistance Corporation ("LISBAC" or the "Organization")

ESD Investment: A grant of up to $45,000 to be used for a portion of the costs of pre-post loan technical assistance, loan capital, loan loss reserve, institutional capacity, and administrative costs.

Project Location: 400 Post Avenue Suite 201 A, Westbury, NY 11590

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

Organization History – LISBAC is an economic development/community development organization whose mission is to assist small business, minority-owned business, women-owned businesses, other disadvantaged small businesses who lack adequate access to capital, credit and technical assistance often working in market niches that may be underserved by traditional financial institutions. LISBAC, currently one of two small business lenders (CDFIs) on Long Island, has just raised its lending cap from $10,000 to $25,000 to further serve the needs of LI's small businesses and MWBEs.

LISBAC's concentration has been to bring free financial education seminars and free technical assistance to small businesses and entrepreneurs including minority, women-owned and veteran-owned businesses located in Nassau and Suffolk Counties, Long Island, many conducted in low income communities, providing them with valuable information on how to succeed and grow their business in today's economic market in New York State, and providing one-on-one technical assistance, referrals and guidance with an emphasis on the importance of acquiring Certification as a WBE or MBE by New York State, Nassau County, Suffolk County and other entities. As a result of Superstorm Sandy, LISBAC's seminars covered critical information such as Disaster Relief - Resources through The Small Business Administration (SBA) and FEMA, and Disaster Preparedness and Contingency Planning in an effort to help small businesses & entrepreneurs develop pro-active planning for various unforeseen business interruptions, emergencies, and disasters, and where to find available help to get their businesses back on track.

Ownership – LISBAC is a Federally-Certified Community Development Financial Institution.

ESD Involvement – In December 2013 NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals ("RFP"). Of the 82 Federally Certified organizations located in New York State, 22 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization's ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant's past performance, including lending services and utilization of previous ESD grants, if any.

Past ESD Support – Since 1998, ESD has provided $445,000 in CDFI assistance to the Organization.

The Project:

Completion date – March 31, 2014

Activity – Technical Assistance, including but not limited to: Seminars sponsored by LISBAC/LIDC, Seminars co-sponsored, panelist, conference participation, and educational programs offering technical assistance;
one-on-one intensive small business counseling/mentoring;
one-one-one small business counseling, referrals, inquiries, information dissemination

Lending Activities including but not limited to:
LISAC projects the process of six loan applications; approving and disbursement of 5

Outreach methodologies will include:
Updated marketing to reflect increase in LISBAC's cap to $25,000
Individual one-on-one intensive counseling/mentoring
Group seminars & presentations
Electronic (email, webinars, specific & broadcast)
Newsletters
PR to local newspapers, Patch, showcasing borrowers
LinkedIn, Facebook, Other social media
Changes/updates to website featuring borrowers
Trade-specific forums and networking events

Results – Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period

Financing Uses	Amount	Financing Sources	Amount	Percent
Technical Assistance	$15,000.00	ESD Grant	$45,000.00	33%
Loan Capital	$15,000.00			33%
Loan Loss Reserve	$10,000.00			22%
Institutional Capacity	$500.00			1%
Administrative Costs	$4,500.00			10%
Total Project Costs	$45,000.00	Total Project Financing	$45,000.00	100%

Grantee Contact: Roslyn D Goldmacher, President
(516) 433-5000
(516) 433-5046
roz-goldmacher@lidc.org

Project Team:

Program Director	Marion Samuels
Contractor & Supplier Diversity	Diane Kinnicutt
Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. An advance of up to 50% of the grant will be disbursed to the Grantee up execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD's satisfaction.

3. ESD may reallocate the project funds to another form of assistance for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

SCHEDULE A-15

National Federation of Community Development Credit Unions (Y977)

Grant Recipient: National Federation ("National Federation" or the "Organization")

ESD Investment: A grant of up to $60,000 to be used for a portion of the costs of technical assistance and administrative cost.

Project Location: 199 Lincoln Avenue, Bronx, NY 10454

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

Organization History – The National Federation of Community Development Credit Unions was founded in 1974, and remains the only national organization dedicated to strengthening CDCUs and increasing access to capital and financial services for the residents and businesses of low-income and minority communities across the country. The Federation is a 501(c)(3) charitable organization and a certified Community Development Financial Institution.

Ownership – Project Enterprise is a Federally-Certified Community Development Financial Institution.

ESD Involvement – In December 2013 NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals ("RFP"). Of the 82 Federally Certified organizations located in New York State, 22 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization's ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant's past performance, including lending services and utilization of previous ESD grants, if any.

Past ESD Support – Since 1998, ESD has provided $378,100 in CDFI assistance to the Organization.

The Project:

Completion date – December 31, 2014

Activity – The Federation will use ESD funds to pursue a collaborative vision of providing more capital and services to New York State businesses in low and moderate-income communities. The small business-lending platform developed through this grant will eventually enable CDFIs across the state to get vitally needed capital out in their communities throughout the state

The collaborative vision for this proposal is a shared lending platform that supports New York State CDFI small business lenders, providing them with tools and products that help them do their work in a more efficient, cost-effective and impactful and expand their geographic reach. It will allow them to connect with each other to share tools and best practices, refer business borrowers for the most appropriate products including loan products that will enhance their credit eligibility. Over time by working in this collective way, the platform and the network grow and mature together, building a stronger field – in effect, the platform "raises" the quality and scale of services provided just as a physical platform raises all who are on it.

Results – Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period.

Financing Uses	**Amount**	**Financing Sources**	**Amount**	**Percent**
Technical Assistance	$50,000.00	ESD Grant	$60,000.00	83%
Administrative Costs	$10,000.00			17%
Total Project Costs	$60,000.00	Total Project Financing	$60,000.00	100%

Grantee Contact: Cathleen Mahon, President & CEO,
(212) 809-1850
(212) 809-3274
cmahon@cdcu.coop

Project Team:

Program Director	Marion Samuels
Contractor & Supplier Diversity	Diane Kinnicutt
Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. An advance of up to 50% of the grant will be disbursed to the Grantee up execution of the Grant Disbursement Agreement ("GDA"), assuming that all project approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD's satisfaction.

3. ESD may reallocate the project funds to another form of assistance for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

SCHEDULE A-16

Project Enterprise (Y979)

Grant Recipient: Project Enterprise ("PE" or the "Organization")

ESD Investment: A grant of up to $50,000 to be used for a portion of the costs of pre-post loan technical assistance and administrative costs.

Project Location: 199 Lincoln Avenue, Bronx, NY 10454

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

<u>Organization History</u> – Since 1997, Project Enterprise (PE) has supported and developed entrepreneurs and small businesses in under-resourced communities across New York City. By providing access to business loans, business development services and networking opportunities, Project Enterprise helps entrepreneurs increase their standard of living, create jobs in their communities and build financial assets.

Project Enterprise has disbursed nearly 900 loans totaling more than $2.1 million, with less than 15% written off since inception; during the same time PE provided more than 3,825 micro-entrepreneurs with business training and networking opportunities.

<u>Ownership</u> – Project Enterprise is a Federally-Certified Community Development Financial Institution.

<u>ESD Involvement</u> – In December 2013 NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals ("RFP"). Of the 82 Federally Certified organizations located in New York State, 22 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization's ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant's past performance, including lending services and utilization of previous ESD grants, if any.

<u>Past ESD Support</u> – Since 1998, ESD has provided $951,500 in CDFI assistance to the Organization.

The Project:

Completion date – June 30, 2014

Activity – Requested funding will allow (PE) to achieve the following technical assistance goals: 1) Provide 50 existing/potential borrowers with training on the topic Financial Record Keeping and Tax Prep for Sole Proprietors/Corporate Structure. 2) Provide 100 existing/potential borrowers with training on the topic Income/Expense Ledgers.
3) Provide 75 existing/potential borrowers with training on the topic Understanding Financial Statements. 4) Provide 75 existing/potential borrowers with training on the topic Market Competition Research. 5) Provide 80 existing/potential borrowers with training on the topic: How to use social media platforms to promote your business.

Results – Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period.

Financing Uses	Amount	Financing Sources	Amount	Percent
Technical Assistance	$45,000.00	ESD Grant	$50,000.00	90%
Administrative Costs	$5,000.00			10%
Total Project Costs	$50,000.00	Total Project Financing	$50,000.00	100%

Grantee Contact: Catherine Barnett, Executive Director
(917) 819-3182
(917) 819)-3186
catherineb@projectenterprise.org

Project Team:

Program Director	Marion Samuels
Contractor & Supplier Diversity	Diane Kinnicutt
Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. An advance of up to 50% of the grant will be disbursed to the Grantee up execution of the Grant Disbursement Agreement (“GDA”), assuming that all project approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD’s satisfaction.

3. ESD may reallocate the project funds to another form of assistance for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

SCHEDULE A-17

Renaissance Economic Development Corporation (Y980)

Grant Recipient: Renaissance Economic Development Corporation ("Renaissance" or the "Organization")

ESD Investment: A grant of up to $90,000 to be used for a portion of the costs of pre-post loan technical assistance and administrative costs.

Project Location: 1 Pike Street, New York, NY 10002

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

Organization History – Renaissance Economic Development Corporation ("Renaissance") is a nonprofit organization dedicated to providing financial and technical assistance to MWBEs in immigrant and low- to moderate-income communities throughout New York City where the barriers of language, culture, and conventional loan underwriting have altered the growth of micro and small businesses. As a US Department of Treasury-certified community development financial institution (CDFI) and a designated US Small Business Administration (SABA) Microlender, Renaissance offers direct short-and intermediate-term loans to entrepreneurs who need financing to grow or launch new businesses. Since inception in 1997, Renaissance has provided over $31 million in affordable loans to more than 850 small and micro businesses, over 90% of which are women-, immigrant-, and/or minority owned. Renaissance also provides financial literacy services and comprehensive technical assistance to over 600 small business owners and entrepreneurs each year via individual counseling and classroom/group training sessions. Renaissance has office locations in three boroughs of New York City -- Manhattan, Queens, and Brooklyn--, and employs a full-time staff of 17 with language capacity in English, Cantonese, Mandarin, Korean and Spanish.

Ownership – Renaissance is a Federally-Certified Community Development Financial Institution.

ESD Involvement – In December 2013 NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals ("RFP"). Of the 82 Federally Certified organizations located in New York State, 22 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization's ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant's past performance, including lending services and utilization of previous ESD grants, if any.

Past ESD Support – Since 1998, ESD has provided $995,700 in CDFI assistance to the Organization.

The Project:

Completion date – December 31, 2014

Activity   Renaissance expects to accomplish the following as a direct result of ESD CDFI funding: 1) Provide one-on-one business counseling to 105 MWBEs and small businesses; 2) Train and counsel 115 MWBEs and small businesses through business seminars, workshops, and training series; and 3) Leverage grant funds and/or borrowed capital to make 25-30 additional loans to small businesses in the target market, particularly to businesses affected by "Superstorm" Sandy through its Sandy Emergency Recovery Loan Program.

Results – Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period.

Financing Uses	**Amount**	**Financing Sources**	**Amount**	**Percent**
Technical Assistance	$81,000.00	ESD Grant	$90,000.00	90%
Administrative Costs	$9,000.00			10%
Total Project Costs	$90,000.00	Total Project Financing	$90,000.00	100%

Grantee Contact: Siu Kwan Chan
212-964-2288
(212) 964-6003
siukwanc@aafecdf.org

Project Team:

Program Director	Marion Samuels
Contractor & Supplier Diversity	Diane Kinnicutt
Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. An advance of up to 50% of the grant will be disbursed to the Grantee up execution of the Grant Disbursement Agreement (“GDA”), assuming that all project approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD’s satisfaction.

3. ESD may reallocate the project funds to another form of assistance for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

SCHEDULE A-18

TruFund Financial Services, Inc. (Y981)

Grant Recipient: TruFund Financial Services, Inc. ("TruFund" or the "Organization")

ESD Investment: A grant of up to $85,000 to be used for a portion of the costs of pre-post loan technical assistance, institutional capacity, and administrative costs.

Project Location: 915 Broadway, New York, NY 10010

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

Organization History – TruFund Financial Services, Inc. (SFS) is a 501(c)(3) national Community Development Financial Institution (CDFI) whose mission is to promote and foster economic development in underserved communities and among disadvantaged populations by offering affordable financial and technical assistance to small businesses and not-for-profit organizations that have difficulty accessing conventional capital markets. TruFund is headquartered in New York City, and has offices in Birmingham, New Orleans and Baton Rouge.

A vital component of TruFund's mission is to serve minority, women and/or immigrant entrepreneurs as they represent economically disadvantaged populations and those traditionally disconnected from mainstream financial institutions as well as small business owners who are located within or have a majority of employees who reside in a low- or moderate-income community. TruFund focuses on providing services to businesses that (i) operate within LMI communities, (ii) have been negatively affected by recent disasters and the economic crisis, (iii) provide jobs for LMI individuals, and/or (iv) are minority- and/or woman-owned (MWBEs). TruFund recognizes that the historic inequalities in educational opportunities for this targeted demographic require TruFund to invest additional time and resources to adequately assist them to become loan-ready and then, to navigate through the loan application and debt management process.

Ownership – TruFund is a Federally-Certified Community Development Financial Institution.

ESD Involvement – In December 2013 NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals (“RFP”). Of the 82 Federally Certified organizations located in New York State, 22 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization’s ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant’s past performance, including lending services and utilization of previous ESD grants, if any.

Past ESD Support – Since 1998, ESD has provided $785,000 in CDFI assistance to the Organization.

The Project:

Completion date – March 31, 2014

Activity – TruFund will implement its proposed TA services and capacity building activities over a one-year period. These proposed TA and capacity building activities will be integral to the organization’s ability to make affordable capital available to unbankable small MWBE contractors throughout the New York City metropolitan area and the Hudson Valley region. Provided below are the projected outcomes that will be a direct result of ESD grant funding.

- Provide one-on-one TA to 80 – 100 small contracting businesses
- Offer TA group events to serve 120 – 180 small contracting businesses
- Refer 100% of participants for MWBE certification

Additionally; the proposed TA and capacity building activities will contribute to TruFund’s ability to provide $2 million in financing to qualifying MWBE contractors during the 1-year grant period.

Results – Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period**.**

Financing Uses	**Amount**	**Financing Sources**	**Amount**	**Percent**
Technical Assistance	$40,000.00	ESD Grant	$85,000.00	47%
Institutional Capacity	$36,500.00			43%
Administrative Costs	$8,500.00			10%
Total Project Costs	$85,000.00	Total Project Financing	$85,000.00	100%

Grantee Contact: Aisha Benson, Vice President & Managing Director
(212) 994-2722

(646) 274-1165
Abenson@seedco.org

Project Team:	Program Director	Marion Samuels
	Contractor & Supplier Diversity	Diane Kinnicutt
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. An advance of up to 50% of the grant will be disbursed to the Grantee up execution of the Grant Disbursement Agreement (“GDA”), assuming that all project approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD’s satisfaction.

3. ESD may reallocate the project funds to another form of assistance for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

SCHEDULE A-19

Washington Heights Inwood Development Corporation (Y982)

Grant Recipient: Washington Heights Inwood Development Corporation ("WHIDC" or the "Organization")

ESD Investment: A grant of up to $90,000 to be used for a portion of the costs of pre-post loan technical assistance, loan capital, institutional capacity and administrative costs.

Project Location: 57 Wadsworth Avenue, New York, NY 10033

Proposed Project: Business Lending and Related Services

Regional Council: The New York Regional Council has been made aware of this item. The Project predates the Regional Council Initiative; however, the Regional Council supports the CDFI Assistance Program.

Background:

Organization History – WHIDC mission is to encourage the development/retention of businesses and jobs in its community through the provision of capital, research, technical, management and commercial revitalization services to entrepreneurs and business owners.

WHIDC was organized in 1978. Since 1992, WHIDC's BO$$ program has provided one-on-one business development assistance to entrepreneurs with limited educational attainment, English language skills or business management expertise. BO$$ has assisted in the creation of over 700 micro-enterprises in its community since 1992. The BO$$ Micro Business Loan Program was one of the first CDFI's certified by the US Treasury Department in NYS in 1996 and has made 381 loans totaling $5,498,000. BO$$ loans range from $400 to $50,000. Over 96% of its loans have gone to MWBEs.

Ownership – WHIDC is a Federally-Certified Community Development Financial Institution.

ESD Involvement – In December 2013 NYS Federally-Certified CDFIs were invited to reply to the CDFI Request for Proposals ("RFP"). Of the 82 Federally Certified organizations located in New York State, 22 CDFIs submitted proposals, of which two were partnership collaborations, to provide assistance to eligible businesses. Proposals were evaluated primarily on each organization's ability to demonstrate institutional capacity, including loan portfolio volume and performance, and an assessment of the applicant's past performance, including lending services and utilization of previous ESD grants, if any.

Past ESD Support – Since 1998, ESD has provided $1,043,700 in CDFI assistance to the Organization.

The Project:

Completion date – December 31, 2014

Activity – ESD will provide assistance to support the following activities: (1) one-on-one pre- and post-loan technical assistance to at least 50 eligible MWBEs. Also assisting eligible MWBEs become loan-ready, and effectively managed and profitable businesses that can create jobs. As well increase local equity among MWBEs in Upper Manhattan and the Western Bronx. (2) Funds will also be used toward loan capital to make at fifteen new BO$$ loans totaling at least $400,000. (3) WHIDC will assist at least 4 M/WBE clients with the development of their business plans. (4) In conjunction with Spring Bank, WHIDC will develop and implement a Bank Commercial Credit Training Course for 16-20 not-for-profit CDFI Loan Officers and/or EAP center staff from the Downstate/ NYC area to stimulate the effective referral of loan candidates between commercial lending institutions and the CDFI community to spur business development and job creation in the region.

Results – Awarded CDFI organizations are required to provide progress reports detailing the impact of deployment of loan capital, technical assistance services and all outcomes achieved during the project period.

Financing Uses	**Amount**	**Financing Sources**	**Amount**	**Percent**
Technical Assistance	$36,000.00	ESD Grant	$90,000.00	40%
Loan Capital	$40,000.00			44%
Institutional Capacity	$5,000.00			6%
Administrative Costs	$9,000.00			10%
Total Project Costs	$90,000.00	Total Project Financing	$90,000.00	100%

Grantee Contact: Dennis C. Reeder, Executive Director
(212) 795-1600
(212) 781-4051
WHIDC@aol.com

Project Team:

Program Director	Marion Samuels
Contractor & Supplier Diversity	Diane Kinnicutt
Environmental	Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.

2. An advance of up to 50% of the grant will be disbursed to the Grantee up execution of the Grant Disbursement Agreement (“GDA”), assuming that all project approvals have been completed and funds are available. 40% of the Grant will be disbursed approximately six months from the date of execution of the GDA together with such supporting documentation as ESD may require. ESD may withhold the final 10% of the Grant until all of the tasks and reports have been completed to ESD’s satisfaction.

3. ESD may reallocate the project funds to another form of assistance for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization 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.

Empire State Development

FOR CONSIDERATION
March 28, 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

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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	AMT Capital	X359	AMT 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

March 28, 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Empire State Economic Development Fund 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	AMT Capital	X359	AMT 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. AMT Capital (X359)
March 28, 2014

General Project Plan

Grantee:	AMT Inc. ("AMT" or the "Company")
ESD Investment:	A grant of up to $100,000 to be used for a portion of the cost to purchase machinery and equipment.
Project Location:	883 Chestnut Street, Sharon Springs, Schoharie County
Proposed Project:	Purchase of machinery and equipment and related upgrades to improve competitiveness and increase manufacturing capactiy
Project Type:	Business expansion involving job retention and creation
Regional Council:	The Mohawk Valley Regional Council has been made aware of this item. The Incentive Proposal was accepted in April 2011, predating the Regional Council Initiative. The project is consistent with the Regional Plan to promote and sustain a diverse, integrated, and dynamic economy that capitalizes on technology and innovation.

Employment:	Initial employment at time of ESD Incentive Proposal:	29
	Current employment level:	33
	Minimum employment through January 1, 2016:	39

Background:

Industry – AMT manufactures quality ferrous and non-ferrous metal and metal alloy precision investment castings. The term ferrous describes metal that contains iron. Investment casting, also known as lost wax-casting, is a modern industrial process which originated in the late 19th century to form metal into accurate, easily duplicated small shapes. The Company occupies a niche in the investment casting industry because it produces parts that typically fit in the palm of the hand, and require relatively low-volume production runs.

Company History – AMT began operations on Long Island in 1966. The Company was purchased in 1988 by Beth and Lanning Brandel who eventually moved the operation to Sharon Springs.

Ownership – Privately owned

Size – AMT operates one 21,571-square-foot facility in Sharon Springs.

A. AMT Capital (X359)
March 28, 2014

Market – AMT serves a small market of approximately 100 international customers in the aerospace, aviation, medical, and other industries.

ESD Involvement – In 2010, the Company sought to improve its Shell Automation room, which comprises its four manufacturing departments (wax, shell, foundry and finishing). The nature of the manufacturing, which involves etching, dipping and sanding procedures, required creation of a new, streamlined process to allow for production of larger parts, an expanded market range, and consistent processing. The spatial limitations of the existing department, made it difficult to maintain output that was comparable to other plant manufacturing operations.

The Shell Automation project represented a significant financial investment for AMT, and the Company needed financial assistance to close a funding gap and approached ESD. In March of 2011, ESD made AMT an offer of assistance, which the Company accepted in June. Without ESD's support, the project could not have taken place, and AMT would not have been able to automate and maintain pace with industry demands, risking lost sales, production volumes and ultimately jobs.

Competition – N/A

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

The Project:

Completion – July 2012

Activity – In 2010, AMT started researching the project, and with the assistance of experts in the field, came up with an automated process that would suit the Company's goal of improving its manual processes and space constraints. The Shell Department was identified as the area in which improvement was most needed due to its throughput and quality limitations. In order to facilitate the expansion of manufacturing capability, AMT purchased and installed an Automated Shell Processing System and an X-Ray cabinet. The last pieces of equipment were installed in July of 2012, and the facility was put into regular operation in October of 2012.

Results – As a result of the project, 29 jobs have been retained, and Company has committed to creating 10 jobs. The Company has already created 4 jobs.

A. AMT Capital (X359)
March 28, 2014

Financing Uses	Amount	Financing Sources	Amount	Percent
Machinery and Equipment	$600,046	ESD Grant	$100,000	16%
Training	20,000	Company Equity	128,000	20%
Container Transport	4,000	NBT Bank - Loan*	95,507	15%
Program Administration	15,461	Community Development Block Grant	150,000	23%
		Broome County IDA - Loan**	166,000	26%
Total Project Costs	$639,507	Total Project Financing	$639,507	100%

* 6%/7yrs./N/A
** 2.5%/7 yrs./N/A

Grantee Contact – Scott Stevens, General Manager
883 Chestnut Street
Sharon Springs, NY 13459
Phone: (518) 284-2910

Project Team –

Origination	Jane Kulczycki
Project Management	Simone Bethune
Contractor & Supplier Diversity	Denise Ross
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 disbursement.

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, 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 three installments as follows:
   a) an Initial Disbursement of an amount equal to 50% of the grant ($50,000) will be disbursed upon completion of the project and documentation of the purchase and installation of machinery and equipment project costs totaling $577,000, and documentation of the employment of at least 33 Full-time Permanent Employees (Employment Increment of 4) at the Project Location, and submission of documentation verifying project expenditures of approximately $637,000 assuming that all project approvals have been completed and funds are available;
   b) a Second Disbursement of 25% of an amount equal to the grant ($25,000) upon documentation of the employment of at least 36 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 ($25,000) upon documentation of the employment of at least 39 Full-time Permanent Employees at the Project Location (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 April 1, 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 $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 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	29
A	**B**
Reporting Date	Employment Goals
February 1, 2015	29+X+Y+Z
February 1, 2016	29+X+Y+Z
February 1, 2017	29+X+Y+Z
February 1, 2018	29+X+Y+Z

X = Grantee's Employment Increment that will be the basis of the Initial Disbursement of the Grant as described in section 5 above (i.e. X=4, and Employment Goals shall equal [29 + X = 33] if the Initial Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Initial 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 5 above (i.e. Y=3, and Employment Goals shall equal [29 + X + Y = 36] 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 5 above (i.e. Z=3, and Employment Goals shall equal [29 + X + Y + Z = 39] 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.

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 business in the performance of ESD contracts. For purposes of this Contract, however, project performance has already been completed, and therefore, Contact goals cannot be established.

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 29 and create 10 new jobs.

2. The project would be unlikely to take place in New York State without the requested assistance.
   Without ESD assistance to lower costs, 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.
   Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be $1,164,008, which exceed the cost to the State.

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

FOR CONSIDERATION
March 28, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Fort Schuyler Management Corporation/RiverBend Park Capital – Buffalo Regional Innovation Cluster (Capital Grant)

REQUEST FOR: 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

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General Project Plan

I. Project Summary

Grantee: Fort Schuyler Management Corporation (the "FSMC") on behalf of the State University of New York ("SUNY") College of Nanoscale Science and Engineering (the "CNSE")

Beneficiary Companies: Soraa, Inc. ("Soraa")
Silevo, Inc. ("Silevo")
Additional Beneficiaries to be identified in the future

ESD* Investment: A grant of up to $118 million to be used as reimbursement for design and planning costs and new machinery and equipment.

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

Project Location: 1339-1341 South Park Avenue, Buffalo, Erie County

Proposed Project: Establish the Buffalo High-Tech Manufacturing Innovation Hub at RiverBend Park ("RiverBend").

Project Type: Business attraction

Regional Council: The Western New York ("WNY") Regional Economic Development Council oversees the implementation of the Buffalo Billion Investment Development Plan. This project is part of Governor Cuomo's Buffalo Billion Initiative to promote advanced technology, manufacturing and smart growth; increase highly-skilled jobs; and maintain and attract young people to the WNY Region.

Employment Goals:

Initial employment at time of application to ESD:	0
Current employment level:	0
Minimum employment on January 1, 2020:	850*

* Employees will be on the Beneficiaries' payroll including Soraa, Silevo and additional Beneficiaries to be identified in the future.

II. Project Cost and Financing Sources

Financing Uses	Amount
Planning & Design	$5,000,000
Machinery & Equipment	113,000,000
Personnel	160,000,000
Operating Expenses	1,340,000,000
Total Project Costs	$1,618,000,000

Financing Sources	Amount	Percent
ESD – Grant	$118,000,000	7%
Grantee Equity*	1,500,000,000	93%
Total Project Financing	$1,618,000,000	100%

*Equity will be contributions from FSMC, Soraa, Silevo, and future Beneficiary Companies.

III. Project Description

A. Grantee

Industry: Real Estate Development

Company History: Authorized by Chapter 530 of the Laws of 2010, FSMC was formed by the State University of New York Research Foundation, in partnership with the State University of New York Institute of Technology ("SUNYIT") to facilitate nanotechnology and semiconductor development. 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.

The CNSE is a global education, research, development, and technology deployment resource dedicated to preparing the next generation of scientists and researchers in nanotechnology. Since its inception in 2004, it has been leveraging its resources in partnership with business and government to support accelerated high technology education and commercialization, and seeks to create jobs and economic growth for nanotechnology-related industries.

Ownership: The Grantee is a 501(c)(3) not-for-profit organization.

Market: Worldwide advanced technology industries

ESD Involvement: In November 2013, the Governor announced a $225 million award from the Buffalo Billion Initiative for RiverBend, a $1.7 billion public and private-sector partnership to convert a vacant former manufacturing site into a state-of-the-art hub campus for high-tech and green energy manufacturing businesses. RiverBend, which will be strategically located in a newly-developed “smart growth” urban commerce park with multi-modal transportation opportunities, will serve as a building block of continued growth in advanced manufacturing, which is a primary focus of the WNY REDC. Initially, two California-based clean energy companies, Soraa and Silevo, will serve as the anchor tenants in the newly-constructed RiverBend complex by relocating major parts of their respective operations to Buffalo. It is expected that once fully constructed, RiverBend will house multiple industry-related companies. $118 million of the $225 million award will reimburse FSMC for planning/design costs and machinery and equipment acquisition; the remaining $107 million will reimburse FSMC with the real estate acquisition, site and infrastructure development, and facility construction. The balance of $107 million will be presented for consideration by the ESD Directors at a later time.

Past ESD Support:

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 Computer Chip Commercialization Center ("Quad C").
Economic Transformation Program	X812	$15,000,000	November 2003	December 2014	Capital Grant for construction of the 253,000-square-foot Quad C.
State and Municipal Facilities Program	Y728	$20,000,000	January 2014	December 2014	Capital Grant – Purchase and install new advanced technology semiconductor packaging equipment and construction of the Quad C

B. Beneficiary – Soraa

Industry: Soraa is the only manufacturer of light-emitting diode ("LED") products made from pure gallium nitride substrates (GaN on GaN™), which are up to one thousand times more precise than other LEDs.

History: The Company was formed in 2008 by a team of engineering and semiconductor industry professors to manufacture the new GaN on GaN™ technology.

Ownership: The Company is privately owned.

Size: Soraa has one location in Galeta, California.

Market: The Company markets GaN on GaN™ LED products worldwide primarily to the restaurant, retail, hospitality, homeowners, and museums with need for high-grade, brilliant lighting.

Past ESD Support: This is Soraa's first project with ESD.

C. Beneficiary – Silevo

Industry: Silevo manufactures hybrid solar cells which convert solar energy into electricity, known as photovoltaic ("PV") applications, ultimately used in high-performance, low-cost solar panels.

History: The Company was founded in Fremont, California in 2007.

Ownership: Silevo is privately owned.

Size: The Company has a headquarters and research and development facility in Fremont, California, with 35 people and a high-volume manufacturing facility in Hangzou, China with approximately 165 employees.

Market: Silevo's technology is utilized in industrial solar and semiconductor applications.

Past ESD Support: This is Silevo's first project with ESD.

D. The Project

Completion: December 2019

Activity: The $1.6 billion project involves planning and design costs; the acquisition and installation of specialized machinery and equipment, furniture, fixtures and related equipment; personnel; and operating expenses. The specialized equipment costs will be incurred over a two-year period by FSMC. The personnel and operating expenses will be incurred over a five-year period by Soraa and Silevo and/or future Beneficiaries. FSMC will own the equipment, which will be utilized by Soraa and Silevo, the anchor tenants, initially, and will be offered for use by other industry-related companies expected to relocate or establish operations at RiverBend.

By mid-2014, FSMC will acquire a previously contaminated industrial property owned by the City of Buffalo and immediately begin site and infrastructure development, followed by the construction of an approximate 280,000-square-foot LEED-certified facility, which is expected to be complete in November 2015.

Soraa will relocate its corporate research and development (“R&D”) and manufacturing operations to RiverBend, investing $750 million for the build-out of 50,000-square-feet of space, including 35,000-square-feet of clean rooms. It will also acquire specialized equipment including lithography, deposition, inspection, etching, metallization, and wafer dicing equipment. It is expected that Soraa will employ or cause to employ through the recruitment of suppliers and associated companies, 375 jobs, including engineers, technicians, operators and maintenance and facilities staff.

RiverBend will be the home of Silevo’s first North American manufacturing operation, a 200 megawatt production facility. Silevo, will occupy 232,000 square feet, including 212,000 square feet for manufacturing and 20,000 square feet for administration and business offices, and will invest $750 million in facility build-out and manufacturing equipment. The Silevo plant will focus on the manufacturing of its innovative hybrid solar module technology, Triex, as well as continuing R&D functions to achieve next generation improvements to remain competitive in the marketplace. Silevo will employ or cause to employ through the recruitment of suppliers and associated companies, 475 jobs, including manufacturing engineers, operators, maintenance, and facility staff.

While Soraa and Silevo will be the anchor tenants, establishing operations in the initial 280,000-square-foot facility, it is expected that RiverBend will consist of at least six new structures which will be constructed over time to accommodate approximately 1,200 new manufacturing jobs in the field of biotech, high tech and green energy.

Results: The project is projected to create 850 jobs by January 1, 2020, and establish Buffalo as a nexus for advanced research and manufacturing for clean energy technologies and attract businesses from around the world. The RiverBend project will promote smart growth by transforming a vacant manufacturing site in a distressed area that was previously owned by Republic Steel into a vibrant hub of technology. Additionally, the project will spur adjacent private-sector investment for consumables, amenities, and services, increase demand for housing, and attract and retain people to the WNY Region by providing highly-skilled and unskilled employment options.

Business 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 $30,641,862;
- Fiscal cost to NYS government is estimated at $221,883,495;
- Project cost to NYS government per direct job is $650,033;
- Project cost to NYS government per job (direct plus indirect) is estimated at $280,505;
- Ratio of project fiscal benefits to costs to NYS government is 0.14:1;
- Fiscal benefits to all governments (state and local) are estimated at $53,338,115;
- Fiscal cost to all governments is $221,883,495;
- All government cost per direct job is $650,033;
- All government cost per total job is $280,505;
- The fiscal benefit to cost ratio for all governments is 0.24:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $407,424,224, or $515,066 per job (direct and indirect);
- The economic benefit to cost ratio is 1.84:1;
- Project construction cost is $107,000,000, which is expected to generate 962 direct job years and 604 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.21 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is five years.

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

Grantee Contact: Ms. Alicia Dicks, President
100 Seymour Drive
Utica, NY 13502
Phone: (315) 792-7306

Soraa Contact:	Mr. Tom Caulfield, President and Chief Operating Officer 6500 Kaiser Drive Fremont, CA 94555 Phone: (510) 456-2200	
Silevo Contact:	Mr. Jeff Osorio, Chief Financial Officer 45655 Northport Loop East Fremont, CA 94538 Phone: (510) 771-1360	
ESD Project No.:	Y962	
Project Team:	Origination	Christina Orsi
	Project Management	Jean Williams
	Legal	Steve Gawlik
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Ross Freeman
	Environmental	Soo Kang

E. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the $118,000,000 capital grant ($1,180,000) 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. Up to $118 million will be disbursed to the Grantee no more frequently than monthly, for invoices due and payable for planning and design costs and the acquisition and installation of equipment, incurred by FSMC. Requisitions for payment after the initial disbursement must include supporting documentation for the previous disbursement, including proof of payment for previously submitted payable invoices. The Grantee shall submit proof of payment for the final equipment disbursement within ninety (90) days of ESD's disbursement of these funds.

   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 June 1, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2020.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $118 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.

IV. Statutory Basis – Buffalo Regional Innovation Cluster

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.

V. Environmental Review

ESD staff has determined that the approval of funding to be used for the costs of design and planning and new machinery and equipment for the proposed RiverBend project constitutes a Type II action as defined in the New York State Environmental Quality Review Act ("SEQRA"), and therefore no environmental review is required in connection with the authorization. The development of the RiverBend project is subject to a review pursuant to SEQRA, which will be completed by a lead agency before it is undertaken, funded or approved by an agency.

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 meaningful MWBE Participation in the project. ESD will review and assign appropriate MWBE goal requirements at a later date as the details regarding specific project procurements emerge.

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

March 28, 2014

Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Fort Schuyler Management Corporation/RiverBend Park Capital – 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Fort Schuyler Management Corporation/Riverbend Park Capital – 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 Fort Schuyler Management Corporation a grant for a total amount not to exceed One Hundred Eighteen Million Dollars ($118,000,000) from the Buffalo Regional Innovation Cluster, 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 Evaluation[1]

Fort Schuyler Management Corporation-RiverBend Park – 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.

Initial Jobs:	**0**	**Construction Job Years (Direct):**	**962**
New Jobs:	**850 over five years**	**Construction Job Years (Indirect)**:	**604**

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks[2]	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs[3]	$221,883,495	$794,250	$221,883,495	$1,020,500
Fiscal Benefits[4]	$30,641,862	$2,085,600	$53,338,115	$4,271,980
Fiscal Cost /Direct Job	$650,033	$3,000	$650,033	$4,110
Fiscal Cost/Total Jobs	$280,505	$1,424	$280,505	$1,964
Fiscal B/C Ratio	0.14	3.00	0.24	10.60
	Project Results	**Benchmarks**		
Economic Benefits[5]	$407,424,224	$119,468,000		
Econ. Benefits/Total Jobs	$515,066	$147,600		
Economic B/C Ratio	1.84	30.00		

[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 75.00 (Economic). Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 30.00 (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
March 28, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Fort Schuyler Management Corporation/AMRI Capital – 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

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General Project Plan

I. Project Summary

Grantee: Fort Schuyler Management Corporation (the "FSMC") on behalf of the State University of New York ("SUNY") College of Nanoscale Science and Engineering (the "CNSE")

Beneficiaries: Albany Molecular Research, Inc. ("AMRI")
Additional Beneficiaries to be identified in the future

ESD* Investment: A grant of up to $50 million to be used for a portion of the cost of new equipment and real estate acquisition and build-out costs.

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

Project Locations: Temporary: The Jacobs Institute 875 Ellicott Street, 5th Floor, Buffalo
Permanent: 1001 Main Street, Buffalo

Proposed Project:	Establish a $250 million shared pharmaceutical research and development facility known as the Buffalo Medical Innovation and Commercialization Hub (the “BMIC Hub”).
Project Type:	Business establishment involving job creation
Regional Council:	The Western New York (“WNY”) Regional Economic Development Council oversees the implementation of the Buffalo Billion Investment Development Plan. This project is part of Governor Cuomo’s Buffalo Billion Initiative to create a hub for world-wide collaboration of scientific and medical invention and innovation.

Employment Goal*:	Initial employment at time of Application to ESD**:**	0
	Current employment level:	0
	Minimum employment on January 1, 2020:	250**

*New employees cannot be transferred from other NYS locations.
**Employees must be tenants of the BMIC Hub.

II. Project Cost and Financing Sources

Financing Uses	Amount
Building Acquisition/Build-Out	$15,000,000
New Equipment & Maintenance	68,000,000
Asset Transfer – Molecule Library	30,000,000
Personnel	112,500,000
Consumables & Research Funding	24,500,000
Total Project Costs	$250,000,000

Financing Sources	Amount	Percent
ESD – Grant	$50,000,000	20%
AMRI Asset Transfer[(a)]	30,000,000	12%
Grantee/Beneficiary Contributions[(b)]	170,000,000	68%
Total Project Financing	$250,000,000	100%

[(a)] Existing Molecule Library is being transferred from Washington State to Buffalo.
[(b)] Combination of contributions from FSMC, AMRI and future tenants of the BMIC Hub.

III. Project Description

A. Grantee

Industry:	Real Estate Development
History:	Authorized by Chapter 530 of the Laws of 2010, FSMC was formed by the SUNY Research Foundation, in partnership with the SUNY Institute of Technology (“SUNYIT”), to facilitate nanotechnology and semiconductor development. 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. The CNSE is a global education, research, development, and technology deployment resource dedicated to preparing the next generation of scientists and researchers in nanotechnology. Since its inception in 2004, it has been leveraging its resources in partnership with business and government to support accelerated high technology education and commercialization, and seeks to create jobs and economic growth for nanotechnology-related industries.
Ownership:	The Grantee is a 501(c)(3) not-for-profit organization.
Market:	Worldwide advanced technology industries
ESD Involvement:	In December 2012, Governor Cuomo announced a $50 million award from the Buffalo Billion Initiative to implement the BMIC HUB project, which involves a partnership between the FSMC-CNSE, AMRI and the Buffalo Niagara Medical Campus (the “Campus”) to establish a shared-user facility to support drug screening, pharmaceutical development, technology optimization, business attraction, workforce training, and bioinformatics operation research, development and technology. The newly-established operation will be housed on the Campus, which is a 120-acre healthcare complex providing research, analytical and clinical service to more than one million patients and visitors annually in collaboration with its member institutions. Approximately $35 million of the $50 million award will be used for equipment costs; the balance of approximately $15 million will be used for real estate acquisition and build-out costs.

Past ESD Support:

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 – Design and construction of the 300mm wafer clean room for the Computer Chip Commercialization Center ("Quad C").
Economic Transformation Program	X812	$15,000,000	November 2003	December 2014	Capital Grant – Construction of the 253,000-square-foot Quad C.
State and Municipal Facilities Program	Y728	$20,000,000	January 2014	December 2014	Capital Grant – Purchase and install new advanced technology semiconductor packaging equipment and construction of the Quad C

B. Beneficiary

Industry: AMRI is a fully integrated drug discovery, development, consultant and contract manufacturer.

History: AMRI was established in 1991. Since 2001, AMRI, in collaboration with pharmacology, biotech, not-for-profits, and academia, has been involved in 175 drug discovery projects resulting in 75 pre-clinical candidates in various therapeutic areas.

Ownership:	AMRI is publicly-traded on NASDAQ.
Size:	AMRI employs a total of 1,300 people at its Albany headquarters and satellite locations in Rensselaer and Syracuse, NY; Burlington, MA; Singapore; the United Kingdom; and India. 700 employees are located in New York State.
AMRI Market:	AMRI's major customers are primarily in the pharmaceutical and biotechnology industries.
Past ESD Support:	In 1999 and 2000, ESD Directors' approved a total of $2.25 million for the acquisition of machinery and equipment and related training costs requiring the retention of 142 jobs and the creation of 308 jobs by January 1, 2006. All funds were disbursed. AMRI did not meet the employment goals; however, ESD waived recapture of the two grants.

B. The Project

Completion:	Building Completion: December 2014 Equipment Acquisition and Molecule Library Transfer: June 2015 Personnel and Consumables: December 2019
Activity:	The $250 million project involves the purchase and build-out of approximately 47,000-square-feet on the seventh floor of the newly-constructed 340,000-square-foot Conventus Center for Collaborative Medicine Building ("Conventus"); the acquisition and installation of specialized equipment; the transfer of AMRI's existing chemical molecule library (the "Molecule Library") and support system from Washington State to Buffalo; consumables and research funding; and personnel necessary to establish a state-of-the-art pharmaceutical screening, biomarker development, and bioinformatics resource facility to support research and development programs. The specialized equipment will consist of robotics; mass spectrometry; fluorescent, luminescent and visual microscopy platforms; analytical testing and biological screening equipment; and bioinformatics tooling. The consumables and personnel expenses will be incurred over an approximate five-year period by AMRI and future tenants. FSMC will own the equipment, which will primarily be used by AMRI and future tenants of Conventus. However, given that the highly-specialized equipment is not readily accessible, it will be offered for use to pharmaceutical manufacturers, original equipment manufacturers and research partners with a cost recovery fee.

Results: The project, which is expected to create 250 jobs by January 1, 2020, will create a new state-of-the art, shared-user medical innovation hub to facilitate research, development, innovation, invention, workforce training, and collaboration to drive innovations and promote the development of new scientific advances, new products, and new methods.

FSMC has already acquired a portion of the equipment, which is being installed at the Temporary Location. Once Conventus is complete, FSMC will transfer the acquired equipment to the new, Permanent Location.

AMRI's Molecule Library consists of over 600,000 natural product and man-made compounds, biomarker tools, and datasets. Once the BMIC Hub is operational and the Molecule Library is transferred to the Permanent Location, AMRI plans to collaborate with existing and emerging pharmaceutical customers, suppliers, research partners, academia, health agencies, and national laboratories with the intent of combining and expanding its existing Molecule Library, which would then be marketed via a secure portal for utilization worldwide.

Conventus is the largest private sector-financed development on the Campus and following completion in late 2014, it will house various medical, clinical and research tenants, including Kaleida Health and UBMD Physicians Group as its anchor tenants. It will also be connected by a skywalk to the future University at Buffalo School of Medicine.

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 $182,981;

- Fiscal cost to NYS government is estimated at $50,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.004:1;
- Fiscal benefits to all governments (state and local) are estimated at $319,927;
- Fiscal cost to all governments is $50,000,000;
- The fiscal benefit to cost ratio for all governments is 0.01:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $2,412,650;
- The economic benefit to cost ratio is 0.05:1;
- Project construction cost is $3,000,000, which is expected to generate 27 direct job years and 17 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.57 indirect job is anticipated in the state's economy.

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

Grantee Contact: Ms. Alicia Dicks, President
100 Seymour Drive
Utica, NY 13502
Phone: (315) 792-7306

AMRI Contact: Mr. Michael Nolan, Vice President and Chief Financial Officer
c/o The Jacobs Institute
875 Ellicott Street
Buffalo, NY 14203
Phone: (518) 512-2211

ESD Project No.: Y365

Project Team:	Origination	Christina Orsi
	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 Company shall pay a commitment fee of 1% of the $50,000,000 capital grant ($500,000) and shall 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. Up to $50 million will be disbursed to the Grantee in installments as follows:
   a) Equipment: Up to $35 million will be disbursed, no more frequently than monthly, for invoices due and payable for the acquisition and installation of equipment incurred by FSMC. Requisitions for payment after the initial disbursement must include supporting documentation for the previous disbursement, including proof of payment for previously submitted payable invoices. The Grantee shall submit proof of payment for the final equipment disbursement within ninety (90) days of ESD's disbursement of these funds.
   b) Real Estate: Up to $15 million will be disbursed to the Grantee in installments as follows:
      a. Up to $12 million will be made upon presentation of an invoice and other documentation as ESD may require documenting the costs of the real estate acquisition for the seventh floor of Conventus. The disbursement will be made 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. This disbursement will be available solely for real estate acquisition costs.
      b. Up to $3 million will be disbursed, no more frequently than monthly, for invoices due and payable for Conventus build-out costs, incurred by FSMC. Requisitions for payment after the initial disbursement must include supporting documentation for the previous disbursement, including proof of payment for previously submitted payable invoices. The Grantee shall submit proof of payment for the final disbursement within ninety (90) days of ESD's disbursement of these funds.

   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 December 4, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $50 million, 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.

IV. Statutory Basis – Buffalo Regional Innovation Cluster

The project was authorized in the 2012-2013 New York State budget and re-appropriated in the 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) shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 25% related to the eligible categories totaling approximately $15,000,000. As such, the goal MWBE utilization shall be no less than $3,750,000.

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

March 28, 2014

Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Fort Schuyler Management Corporation/AMRI Capital – 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to Fort Schuyler Management Corporation/AMRI Capital – Buffalo Billion Investment 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 Fort Schuyler Management Corporation, a grant for a total amount not to exceed Fifty Million Dollars ($50,000,000) from the Buffalo Regional Innovation 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.

* * *

Project Summary
Benefit-Cost Evaluation[1]

Fort Schuyler Management Corporation-AMRI – 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): 27
Construction Job Years (Indirect): 17

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 Costs[3]	$50,000,000	$794,250	$50,000,000	$1,020,500
Fiscal Benefits[4]	$182,981	$2,085,600	$319,927	$4,271,980
Fiscal B/C Ratio	0.004	3.00	0.01	10.60
	Project Results	**Benchmarks for ESD Projects**		
Economic Benefits[5]	$2,412,650	$119,468,000		
Economic B/C Ratio	0.05	30.00		

[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 30.00 (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
March 28, 2014

TO:	The Directors
FROM:	Kenneth Adams
SUBJECT:	Regional Council Award – Perth (Mohawk Valley Region – Fulton County) – Fulton County - Tryon Technology Park and Incubator Center 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; Determination of No Significant Effect on the Environment;

General Project Plan

I. Project Summary

Grantee: Fulton County Board of Supervisors ("Fulton" or the "County")

ESD* Investment: A grant of up to $2,000,000 to be used for a portion of the cost of planning, design, engineering, and construction of multiple utilities (including road, water, sanitary sewer, and stormwater management) for the Tryon Park and Incubator Center (the "Park").

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

Project Location: County Road 107, Perth, Fulton County

Proposed Project: Fulton County will transform the former Tryon Park Juvenile Detention Facility (the "Facility") in the Town of Perth into a new business park called the Tryon Technology Park and Incubator Center.

Project Type: Infrastructure Development

Regional Council:	The project is consistent with the policy recommendation of the Mohawk Valley Regional Plan to redevelop the Tryon Park Juvenile Detention Facility. Richard Argotsinger, Chairman of the Fulton County Board of Supervisors, is a member of the Mohawk Valley Regional Economic Development Council. In conformance with the State's policy, this individual has recused himself on votes recommending this project. The Council includes some additional, ex-officio members who are elected officials but cannot vote on individual project recommendations.

II. Project Cost and Financing Sources

Financing Uses	Amount
Survey/Planning and Design	$200,000
Construction On-site	1,800,000
County Rt. 107 Off-site	1,140,000
Total Project Costs	$3,140,000

Financing Sources	Amount	Percent
ESD – Grant	$2,000,000	64%
Grantee Equity	1,140,000	36%
Total Project Financing	$3,140,000	100%

III. Project Description

A. Grantee

Industry:	Government
Grantee History:	Fulton County was created on April 18, 1838, by a partition of Montgomery County, resulting in a County with an area of 550 square miles. Fulton County has more than 1,200 businesses and industries that provide services and produce yogurt, cheese and other dairy products.
Ownership:	Municipality
Size:	All facilities located in Perth, NY.
ESD Involvement:	The Tryon Park Juvenile Detention Facility is one of eleven New York State correctional and juvenile facilities closed in 2011 as a part of Governor Cuomo's plan to consolidate state government services and increase the efficiency of the juvenile justice facility system. The New York State Office of General Services, the Office of Children and Family Services, the Department of Corrections and Community Supervision and

ESD were tasked with ensuring the disposition of these large institutional properties. It was determined that the transfer of the Facility to the Fulton County Industrial Development Agency (“FCIDA”) would produce the greatest economic benefit to the local area, creating jobs and expanding the tax base.

The plan includes a $3.14 million redevelopment of the Facility into a business park. Through the Governor’s Regional Economic Development Council Initiative and Round I of the Consolidated Funding Application, the County was awarded a $2 million grant toward Park development.

Past ESD Support: Since 1993, ESD has approved approximately $910,000 in grants to Fulton County for a variety of capital, feasibility and community development projects. All projects are complete and in compliance with ESD requirements.

B. The Project

Completion: August 2015

Activity: The project involves creation of a shovel ready site for the redevelopment of the former Facility into the Tryon Technology Park and Incubator Center. Project activities include: planning, design and engineering; physical alteration of 10+ acres of land; construction of new internal access roads and storm water collection systems; construction of new water and sewer lines; renovation of sewer pump stations; and installation of gas and electric and communications and fiber optics.

The Facility was officially transferred from New York State to the FCIDA on January 16, 2014. Fulton County is expecting to have the design work completed in early 2014 in anticipation of putting the project out to bid in March of 2014. Award of construction contracts is expected in April to allow for a spring 2014 start of construction.

Results: The project represents an opportunity to reuse the former Facility and get the property back on the local tax rolls. The job creation estimates for this project greatly exceed the number of jobs that were lost at the Facility. The site includes an estimated 327 acres of usable land available for the development of a new business park on the property. Using conservative build-out estimates based on two other industrial parks in Fulton County, approximately 2.6 million square feet of building space could be constructed on the property. In comparison, projects in the City of Johnstown Industrial Park and the Crossroads Industrial Park in the City of Gloversville have created 5.6 jobs per acre of developed land. If these same job creation figures occurred at the Park, the project could generate approximately 1,800 new jobs for the region.

Additionally, the location of the project along County Road 107 in the Town of Perth is ideally situated between the new GlobalFoundries Chip Fab facility in Malta, NY, the College of Nanoscience and Engineering at SUNY Albany and the proposed Marcy Nanocenter at SUNY IT in Utica. The proposed Park would be designed and marketed to technology and technology supply companies that will be looking for sites to service GLOBALFOUNDRIES U.S. Inc. and the Marcy Nanocenter site.

Infrastructure 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 $206,054;
- Fiscal cost to NYS government is estimated at $2,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.10:1;
- Fiscal benefits to all governments (state and local) are estimated at $347,988;
- Fiscal cost to all governments is $2,000,000;
- The fiscal benefit to cost ratio for all governments is 0.17:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $1,736,508;
- The economic benefit to cost ratio is 0.87:1;
- Project construction cost is $3,140,000, which is expected to generate 35 direct job years and 15 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.44 indirect job is anticipated in the state's economy.

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

Grantee Contact:	James E. Mraz, Planning Director 223 West Main Street Johnstown, NY 12095 Phone: (518) 736-5540	
ESD Project No.:	X617	
Project Team:	Origination	Jane Thelan
	Project Management	Glendon McLeary
	Contractor & Supplier Diversity	Denise Ross
	Finance	Ross Freeman
	Design & Construction	Scott Renzi
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of $10,000 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 the Grantee's acceptance of ESD's offer. 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. Up to $2 million will be disbursed to Grantee upon documentation of eligible expenses during the course of design and construction, in compliance with the Design & Construction requirements and in proportion to ESD's funding share (80% for the on-site portions of the project and approximately 17.5% for the off-site portions of the project), assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon project completion of both on-site and off-site portions of the project, as evidenced by a certificate of completion/compliance. 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 12, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $2,000,000, 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.

6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds, for purposes other than business park development. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer 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 transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
   (i) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
   (ii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
   (iii) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
   (iv) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

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 budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Design and Construction

Design & Construction (D&C) Staff will review the construction documents and, at its option, visit the site during construction. Payments will be reviewed and approved when D&C requirements have been met.

VI. Smart Growth Public Infrastructure Review

Pursuant to the requirements of the State Smart Growth Public Infrastructure Policy Act (the "SG Act"), ESD's Smart Growth Advisory Committee has reviewed a Smart Growth Impact Statement for the project and found that the project is consistent with the State Smart Growth Public Infrastructure Criteria ("Smart Growth Criteria"). The designee of the Chief Executive Officer of the Corporation has attested that the project, to the extent practicable, meets the relevant Smart Growth Criteria set forth in the SG Act.

VII. Environmental Review

The Fulton County Industrial Development Agency, 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, which was coordinated with ESD as an involved agency, found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on January 14, 2014. 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.

VIII. Non-Discrimination and Contractor & Supplier

ESD's Non-discrimination and Contractor Diversity policy will apply to the Project. Fulton County shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 20%, Minority Business Enterprise ("MBE") Participation goal of 10% 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.

IX. ESD Employment Enforcement Policy

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

X. 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.

XI. Additional Submissions to Directors

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

March 28, 2014

Regional Council Award – Perth (Mohawk Valley Region – Fulton County) – Fulton County - Tryon Technology Park and Incubator Center 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 Fulton County - Tryon Technology Park and Incubator Center 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 Fulton County a grant for a total amount not to exceed Two Million Dollars ($2,000,000) 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.

* * *

March 28, 2014

Regional Council Award – Perth (Mohawk Valley Region – Fulton County) – Fulton County - Tryon Technology Park and Incubator Center Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Fulton County - Tryon Technology Park and Incubator Center Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

FOR CONSIDERATION
March 28, 2014

TO:	The Directors
FROM:	Kenneth Adams
SUBJECT:	Regional Council Award – Priority Project – Rochester (Finger Lakes Region – Monroe County) – NY-BEST 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

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General Project Plan

I. Project Summary

Grantee:	New York Battery and Energy Storage Technology Consortium, Inc. ("NY-BEST" or the "Organization")
ESD* Investment:	A grant of up to $1,000,000 to be used for a portion of the cost to purchase and install state-of-the-art equipment.
	* The New York State Urban Development Corporation doing business as Empire State Development ("ESD" or the "Corporation")
Project Location:	Eastman Business Park, 1999 Lake Avenue, Building #308, Rochester, Monroe County
Proposed Project:	Building renovations and acquisition/installation of equipment to establish a facility to build, test, research, and evaluate batteries and other energy storage devices such as capacitors, fuel cells, compressed air technologies, and thermal energy storage.
Project Type:	New business venture to support energy storage technology

Regional Council:	The project is part of the Finger Lakes Regional Economic Development Council's Regional Plan, supporting a battery and energy storage technology cluster at the Eastman Business Park ("EBP"). Development of EBP is designated as the Finger Lakes Regional Economic Development Council's ("FLRDC") single highest priority project.

II. Project Cost and Financing Sources

Financing Uses	Amount
Design & Construction/Renovation	$1, 050,997
Machinery & Equipment	2,449,003
Working Capital*	500,000
Total Project Costs	$4,000,000

* Includes services provided by NY-BEST's private-sector partner, DNV GL, for facility/safety design, planning, IT design/networking, and operational/labor costs for facility fit-up.

Financing Sources	Amount	Percent
ESD – Grant	$1,000,000	25%
NYSERDA – Grant**	2,500,000	63%
Company Equity	500,000	12%
Total Project Financing	$4,000,000	100%

** A New York State Energy Research and Development Authority grant was awarded in December 2011 as part of the first round of FLREDC funding.

III. Project Description

A. Organization

Industry:	The Organization and its member companies actively seek to partner with startup companies in the industry to evaluate technologies and, when appropriate, commercialize products. Member organizations are represented by prominent industry executives, government officials and researchers on NY-BEST's board.
Organization History:	NY-BEST was incorporated in 2010. The Organization brings together industry, university and government partners with expertise in battery and energy storage technology, development, testing, and manufacturing.

Ownership: Not-for-profit business association under section 501(c)(6) of the tax code.

Size: There are over 120 members of NY-BEST representing all facets of the energy storage industries and spanning every region of New York State ("NYS") and beyond. Members include companies ranging in size from small entrepreneurial ventures to large global corporations with significant energy storage activities and investments, such as General Electric and Raymond Corporation, and leading research universities and government partners. NY-BEST's administrative offices are located in Albany, NY.

Market: Companies in the energy storage industry

ESD Involvement: NY-BEST sought a location in NYS for its commercialization center and considered the EBP site which provided the infrastructure to establish a laboratory and provide the prototyping and testing services to commercialize its products. Through the Regional Economic Development Council Consolidated Funding Application ("CFA") process, the Organization was awarded $3.5 million, consisting of $1 million in funding from ESD and $2.5 million from NYSERDA. ESD's assistance filled a financing gap that allowed the project to move forward. Without significant NYS assistance, the project would not have proceeded.

Competition: N/A

Past ESD Support: This is the Organization's first project with ESD.

B. The Project

Completion: March 2014

Activity: The project consists of design, renovations, and the purchase and installation of equipment to build, test, and evaluate batteries and energy storage devices to create NYS's first battery and energy-storage product commercialization center. Eastman Business Park, formerly Kodak's main film manufacturing location, provides an ideal venue. The infrastructure previously used to produce photographic film can be adapted to make tomorrow's advanced batteries and energy storage devices. Such capabilities are difficult for individual companies to procure and are not presently available in reasonable geographic proximity or at reasonable cost. Having the resources in one location allows existing NYS companies to compete globally and will attract new companies and investment to the region.

NY-BEST will partner with DNV GL, headquartered in Hovik, Norway. DNV GL provides classification and technical assurance along with software and independent expert advisory services to the maritime, oil and gas, and energy industries. Its expertise spans onshore and offshore wind power, solar, conventional generation, transmission and distribution, smart grids, and sustainable energy use as well as energy markets and regulations.

Results: NY-BEST will provide the key missing elements necessary for product commercialization and business growth in NYS, including test, validation, prototyping and pilot manufacturing capabilities that will accelerate commercial deployment of energy storage technologies. EBP is a major economic engine for the local community. NY-BEST's commercialization center will speed new, breakthrough energy storage technologies to market.

Environmental benefits include the transformation of commercial and passenger vehicle fleets to electric, resulting in dramatic reductions in consumption of oil. Also, the addition of power-related energy storage will improve electric grid efficiency, reliability and resiliency, allowing for significant increases in use of intermittent renewable sources of generation capacity, such as wind and solar, and serve to provide backup power that will directly displace thousands of diesel and gas generators.

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 $60,242;
- Fiscal cost to NYS government is estimated at $1,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.06:1;
- Fiscal benefits to all governments (state and local) are estimated at $101,924;

- Fiscal cost to all governments is $1,000,000;
- The fiscal benefit to cost ratio for all governments is 0.10:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $541,829;
- The economic benefit to cost ratio is 0.54:1;
- Project construction cost is $900,000, which is expected to generate eight direct job years and five 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: Denise Sheehan, Senior Advisor
1450 Western Avenue, Suite 101
Albany, NY 12203
Phone: (518) 463-8644 X 222

ESD Project No.: X810

Project Team:	Origination	Vincent Esposito
	Project Management	Edward Muszynski
	Contractor & Supplier Diversity	Vikas Gera/Elizabeth Gocs
	Finance	Jonevan Hornsby
	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 $1,000,000 capital grant ($10,000) 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 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 two installments as follows:
   a) an Initial Disbursement of an amount equal to 50% of the grant ($500,000) upon

documentation of project expenditures totaling at least $2,000,000 including at least $1,000,000 in machinery and equipment costs, substantially as described in these materials, 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 ($500,000) will be disbursed upon completion of the entire project substantially as described in these materials, documentation of additional machinery and equipment ("M&E") purchases of at least $1,449,003 (aggregate of at least $2,449,003 in M&E), and total project costs of at least $4,000,000 including a certificate of occupancy, and a report on the project's results.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD must be incurred on or after June 28, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

ESD will be entitled to recoup all or part of its grant if the Grantee fails to achieve the entire project, as described in these materials, at the Project Location.

5. Grant funds will be subject to pro rata recapture if the Grantee does not maintain business operations at or relocates from the Project Location within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer 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 transfer 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 transfer occurred in the second full calendar year after the disbursement was made;
(iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
(iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
(v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

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 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 Grantee 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 15% and a Women Business Enterprise ("WBE") Participation Goal of 10% 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

March 28, 2014

Regional Council Award – Priority Project – Rochester (Finger Lakes Region – Monroe County) – NY-BEST 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the NY-BEST 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 New York Battery and Energy Storage Technology Consortium, Inc. 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 Evaluation[1]

NY Battery & Energy Storage Technology Consortium-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): 8
Construction Job Years (Indirect): 5

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 Costs[3]	$1,000,000	$794,250	$1,000,000	$1,020,500
Fiscal Benefits[4]	$60,242	$2,085,600	$101,924	$4,271,980
Fiscal B/C Ratio	0.06	3.00	0.10	10.60

	Project Results	Benchmarks for ESD Projects
Economic Benefits[5]	$541,829	$119,468,000
Economic B/C Ratio	0.54	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
March 28, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Newburgh (Mid-Hudson Region – Orange County) – Mount Saint Mary College - Dominican Center Capital – Regional Council Capital Fund (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Sections 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

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General Project Plan

I. Project Summary

Grantee: Mount Saint Mary College ("MSMC" or the "College")

ESD* Investment: A grant of up to $1,000,000 to be used for a portion of the cost of construction.

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

Project Locations: 320 Powell Avenue, Newburgh, Orange County**
330 Powell Avenue, Newburgh, Orange County

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

Proposed Project: Mount Saint Mary College will renovate the Dominican Center, a historic building on campus, as a new residence hall and library.

Project Type: Building renovation involving job retention and creation.

Employment:	Initial employment at time of ESD Incentive Offer:	332
	Current employment level:	339
	Minimum employment through January 1, 2017:	344

II. Project Cost and Financing Sources

Financing Uses	Amount
Construction/Renovation	$26,650,000
Total Project Costs	$26,650,000

Financing Sources	Amount	Percent
ESD – Grant	$1,000,000	4%
Orange County Industrial Development Agency	150,000	1%
Orange County Funding Corporation*	20,635,910	77%
MSMC Equity	4,864,090	18%
Total Project Financing	$26,650,000	100%

* In 2012, the College issued 30 year tax-exempt bonds secured by a pledge and security interest in the pledged revenues of the college. The bonds were issued through the Orange County Funding Corporation. Interest rates on the bonds range from 2% to 5%.

III. Project Description

A. Company

Industry:	Mount Saint Mary College is an institution of higher education with eight academic divisions including undergraduate programs (Arts and Letters, Business, Education, Mathematics and Computer Science, Natural Sciences, Nursing, Philosophy and Religious Studies and Social Sciences) and graduate programs (Business, Education, and Nursing).
Company History:	The Sisters of Saint Dominic of Newburgh founded Mount Saint Mary College in 1930. Initially, the College was a teacher training school for members of the religious community. In 1959, the College's charter was amended by the Board of Regents of the State of New York to accept lay students and eventually expanded to include its eight academic divisions.
Ownership:	MSMC is a not-for-profit corporation.
Size:	Current undergraduate enrollment is approximately 2,000 students, while graduate enrollment is 340 full and part-time students. The college has nearly 1,000 students living on campus in six residential buildings. All facilities are located in Newburgh.

ESD Involvement: Mount Saint Mary College sought funding to transform the Dominican Center, a historic building in the City of Newburgh, into a new Library/Learning Commons and residence hall to accommodate 156 students. More students are seeking a residential experience than in the past. This multi-purpose facility will not only provide attractive housing options to attract potential new students but also will supply Newburgh with a place to bring the community together for cultural and academic events. The College's internal and external constituencies are providing strong support for this project; to date, the capital campaign for the Dominican Center has raised $7,390,452 toward the total renovation cost of approximately $26.5 million. ESD's $1,000,000 capital grant will bridge a financing gap for MSMC and will ensure that the project moves forward.

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

B. The Project

Completion: February 2014

Activity: The Dominican Center is a 100,000-square-foot building that required major interior renovations to be transformed into a living and learning space for students and guests. A new Library/Learning Commons occupies the first and second floors. The upper three floors will be used as a residence hall for 156 students, meeting a growing demand for on-campus housing. The building will have a dining facility and meeting rooms where both MSMC students and community groups may gather.

The first two floors had extensive demolition and construction to create the new campus library. The building's electrical, heating and cooling systems and roof were replaced, and ceilings and walls received new finishes. Bathrooms were renovated, and additional bathrooms were constructed. New water, sewer and, storm water infrastructure were installed. In addition, a new fire alarm and safety system was included. New state-of-the-art equipment, shelving and furniture was installed, and parking was provided.

In addition to providing additional housing opportunities during the academic year, the Dominican Center provides a unique conference rental space on campus – one that will accommodate summer groups seeking food service facilities, meeting spaces, library resources, and overnight accommodations in one facility.

Construction and renovations occurred from January 2013 until February 2014, with a Certificate of Occupancy received in December 2013.

Results: The project will retain 332 existing jobs and create 12 new jobs. Seven jobs have already been created. This renovation project will add 156 resident students (a 15% increase) to the current residential population. Groups using these accommodations will contribute to the local economy as tourists, further increasing the economic impact of the College.

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 $1,246,115;
- Fiscal cost to NYS government is estimated at $1,000,000;
- Project cost to NYS government per direct job is $120,275;
- Project cost to NYS government per job (direct plus indirect) is estimated at $101,455;
- Ratio of project fiscal benefits to costs to NYS government is 1.25:1;
- Fiscal benefits to all governments (state and local) are estimated at $2,287,160;
- Fiscal cost to all governments is $1,150,000;
- All government cost per direct job is $138,316;
- All government cost per total job is $116,673;
- The fiscal benefit to cost ratio for all governments is 1.99:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $16,522,252, or $1,676,258 per job (direct and indirect);
- The economic benefit to cost ratio is 14.37:1;
- Project construction cost is $20,066,355, which is expected to generate 143 direct job years and 71 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.19 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.)

Grantee Contact:	Cathleen Kenny, Vice President for Finance and Administration 330 Powell Avenue Newburgh, NY 12550 Phone: (845) 569-3211	
ESD Project No.:	Y322	
Project Team:	Origination	Charles Radier
	Project Management	Glenda Wenerski
	Contractor & Supplier Diversity	Denise Ross
	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 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 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 $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) will be disbursed upon documentation of construction and renovation project costs totaling $26,650,000, upon completion of the project substantially as described in these materials, including documentation verifying installation of a new library, Residence Hall, and a Certificate of Occupancy or other documentation verifying project completion as ESD may require, and documentation of the employment of at least 332 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 25% of an amount equal to the grant ($250,000) will be disbursed, upon documentation of the employment of at least 338 Full-time Permanent Employees at the Project Location (Employment Increment of 6), 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, upon documentation of the employment of at least 344 Full-time Permanent Employees at the Project Location (Employment Increment of 6), 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 April 23, 2013, 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 $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.

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	332

A	B
Reporting Date	Employment Goals
February 1, 2015	332+X+Y
February 1, 2016	332+X+Y
February 1, 2017	332+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=6, and Employment Goals shall equal [332 + X = 338] 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=6, and Employment Goals shall equal [332 + X + Y = 344] 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 – Regional Council Capital Fund

The project was authorized in the 2012-2013 New York State budget and 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.

V. Environmental Review

The City of Newburgh 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 June 19, 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.

Due to the site's potential eligibility for inclusion on the New York State and National Registers of Historic Places ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. No further consultation is required.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor Diversity policy will apply to the Project. The College shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 30%, Minority Business Enterprise ("MBE") Participation goal of 20% 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.

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 Photographs
Project Finance Memorandum
Benefit-Cost Analysis

Regional Council Award – Newburgh (Mid-Hudson Region – Orange County) – Mount Saint Mary College - Dominican Center 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Mount Saint Mary College - Dominican Center 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 Mount Saint Mary College 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.

* * *

Regional Council Award – Newburgh (Mid-Hudson Region – Orange County) – Mount Saint Mary College - Dominican Center Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Mount Saint Mary College – Dominican Center Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

FOR CONSIDERATION
March 28, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Watkins Glen & Montour Falls (Southern Tier Region – Schuyler County) – Schuyler County/Project Seneca Phase I 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

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General Project Plan

I. Project Summary

Grantee: Schuyler County (the "Grantee" or "County")

ESD* Investment: A grant of up to $150,000 to be used for a portion of the cost of a Phase I study and a scope of services plan.

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

Project Locations: Towns of Watkins Glen and Montour Falls, Schuyler County

Proposed Project: The Grantee will undertake a Phase I study and establish a scope of services plan for an overall project called Project Seneca, which includes decommissioning two existing municipal wastewater treatment plants ("WWTP") in Watkins Glen and Montour Falls to create one state of the art WWTP located south of Glen Creek in Watkins Glen. Phase I includes creating a municipal financing and indebtedness plan, SEQRA compliance and preliminary engineering, environmental investigation, agency coordination, long term organizational and ownership structure and public outreach strategy.

Project Type:	Infrastructure project study
Regional Council:	The Incentive Proposal was accepted on March 6, 2013. This is a priority project that is consistent with the Southern Tier Regional Plan to prepare the infrastructure of the region for economic growth.

II. Project Cost and Financing Sources

Financing Uses	Amount
Engineering/Technical Services	$275,000
Fiscal Advisory Services	25,000
County Project Administration	150,000
Total Project Costs	$450,000

Financing Sources	Amount	Percent
ESD – Grant	$150,000	33.3%
NYS Department of State – Grant	150,000	33.3%
County Equity*	150,000	33.3%
Total Project Financing	$450,000	100.0%

*The source of County Equity is private local business donations.

III. Project Description

A. County

History:	Schuyler County was named after Phillip John Schuyler, a general in the French and Indian War and a member of the Continental Congress. The County was established in April 1854 and encompasses a 342-square-mile area.
ESD Involvement:	The County applied to receive funding for this project through the Consolidated Funding Application. The current WWTP sites in Watkins Glen and Montour Falls are unable to comply with the terms of the State Pollutant Discharge Elimination System permit. Therefore, a coalition has been formed to create a new WWTP site for both Watkins Glen and Montour Falls. Without ESD funding, the coalition would have to look elsewhere for funding, which would have caused delays in completing this project.
Past ESD Support:	This is the County’s first project with ESD.

B. The Project

Completion: January 2014

Activity: Project Seneca is a joint project of Schuyler County, the Schuyler County Partnership for Economic Development, the Schuyler County IDA, the Village of Watkins Glen, and the Village of Montour Falls. The overall goal of Project Seneca is to decommission the Watkins Glen and the Montour Falls WWTPs and create a single state-of-the-art WWTP for Watkins Glen and Montour Falls. The Towns of Reading and Dix are connected to this water supply and will benefit from this WWTP. The project will also involve the redevelopment of the formerly industrial Seneca Lake waterfront into a mixed-use and recreational amenities area.

For Phase I of the project, the County will undertake a study and establish a scope of services plan for Project Seneca. The tasks include a Municipal Financing and Indebtedness Plan, SEQRA compliance, Preliminary Engineering, Environmental Investigation, Agency Coordination/Regulatory, Long Term Organizational and Ownership Structure, and Public Outreach Strategy.

Results: Establish a scope of services plan to create a WWTP.

Business Investment Project: This project is a scope of services and planning project related to a future infrastructure investment. The current project does not involve permanent job commitments or construction spending. While such projects support significant long term fiscal and economic benefits, such benefits are not estimated within the short-term period used in the benefit cost analysis. Therefore, no benefit cost analysis is provided.

Grantee Contact: Tim O'Hearn, County Administrator
105 Ninth Street
Watkins Glen, NY 14891
Phone: (607) 535-8106

ESD Project No.: Y296

Project Team:	Origination	Robin Alpaugh
	Project Management	Jared Walkowitz
	Contractor & Supplier Diversity	Denise Ross
	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 $150,000 capital grant ($1,500) and 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. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. 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. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $150,000, 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.

5. Up to $150,000 will be disbursed to the Grantee in two installments as follows:

   a) an Initial Disbursement of an amount equal to 90% of the grant ($135,000) upon documentation of Phase 1 and Scope of Services project completion and documentation verifying project expenditures of at least $300,000, assuming that all project approvals have been completed and funds are available;
   b) a Second Disbursement of an amount equal to 10% of the grant ($15,000) upon documentation verifying additional project expenditures (soft costs and project administration) of at least $150,000 ($450,000 total), 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 reimbursed by ESD's grant must be incurred on or after March 6, 2013, to be considered eligible project costs.

IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2012-2013 New York State budget and 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.

VI. 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.

VII. 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 business in the performance of ESD contracts. For purposes of this Contract, however, project performance has already been completed, and therefore, Contract goals cannot be established.

VIII. ESD Employment Enforcement Policy

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

IX. 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.

X. Additional Submissions to Directors

Resolutions
New York State Map

March 28, 2014

Regional Council Award – Priority Project – Watkins Glen & Montour Falls (Southern Tier Region – Schuyler County) – Schuyler County/Project Seneca Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Sections and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Schuyler County/Project Seneca 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 Schuyler County a grant for a total amount not to exceed One Hundred Fifty Thousand Dollars ($150,000) 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
March 28, 2014

TO:	The Directors
FROM:	Kenneth Adams
SUBJECT:	Regional Council Award – Priority Project – Calverton (Long Island Region – Suffolk County) – Satur Farms 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

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General Project Plan

I. Project Summary

Grantee: Satur Farms LLC (“Satur” or the “Company”)

ESD* Investment: A grant of up to $120,000 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: 4195 Middle Country Road, Calverton, Suffolk County

Proposed Project: Acquisition of machinery and equipment to expand vegetable processing and packing facility

Project Type: Business expansion involving job retention and creation

Employment:

Initial employment at time of ESD Incentive Proposal:	21
Current employment level:	21
Minimum employment through January 1, 2017:	31*

*New employees cannot be transferred from other NYS locations.

II. Project Cost and Financing Sources

Financing Uses	Amount	
Construction and renovation	$162,110	
Machinery and Equipment Acquisition	648,440	
Total Project Costs	$810,550	
Financing Sources	Amount	Percent
ESD – Grant	$120,000	15%
Company Equity	690,550	85%
Total Project Financing	$810,550	100%

III. Project Description

A. Company

Industry:	The Company is in the agriculture industry and grows, processes, and packs baby leafy green salads and specialty vegetables.
Company History:	Satur has operated on the North Fork of Long Island for over 16 years and currently leads the tri-state market for locally grown leafy salads. Its original farm was purchased in 1997 to grow vegetables and herbs for the owner's local restaurant.
Ownership:	Satur is a limited liability company owned by Chef Eberhard Müller and his wife Paulette Satur.
Size:	In addition to the North Fork site, Satur operates a 7,000-square-foot warehouse in Calverton. Satur also has a 200-acre farm in Florida where it also grows leafy greens and specialty vegetables.
Market:	Satur currently ships within the tri-state region. It has begun initial forays into the Florida market. Satur has a potential expansion opportunity with Whole Foods in the Florida-Georgia region to begin in the winter/early spring of the 2014 season. The Company's major customers include retailers (Whole Foods, Fresh Direct, and A/P-Food Emporium), restaurants (Fresh & Co. and Pret a Manger), and wholesalers (Baldor, Food Authority, R.L.B. and Uncle Vinnie).

Satur's competitors are large industrial producers of baby leaf salad in California and Arizona, including Earthbound and Fresh Express. Competitors in the northeast, including upstate New York and Massachusetts (such as Olivia's Garden), repack California/Arizona grown greens.

ESD Involvement: In order to expand its warehouse operations and minimize costs, Satur considered moving its warehouse to an existing facility in Florida or expanding its Long Island operations. To induce the Company to move forward with the project in New York State, ESD made an offer of a $120,000 capital grant based on its Consolidated Funding Application. The project originated during Round 1 of the Long Island Regional Council funding cycle and was deemed a priority project since it aligns and is consistent with the Long Island Regional Council Strategic Plan.

Competition: Florida

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

B. The Project

Completion: April 2014

Activity: This expansion project involves the acquisition of machinery and equipment for the growing and processing of leafy salads. All equipment is new and must be custom designed for retro-fitting into the Company's space. All equipment is to be installed at the current Calverton warehouse facility. The project is currently in its final stages.

Results: This expansion project will double the Company's refrigerated processing room and will increase Satur's total operation space to 40,000-square-feet. Additionally, Satur will retain 21 existing jobs and create 10 new jobs.

Grantee Contact: Paulette Satur, Managing Member
3705 Alvahs Lane
Cutchogue, NY 11935
Phone: (631) 734-4219

ESD Project No.: Y122

Project Team:		
	Origination	Aida Reyes-Kuehn
	Project Management	Glenda Wenerski
	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 $120,000 capital grant ($1,200) 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 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 $120,000 will be disbursed to the Grantee in two installments as follows:
   a) an Initial Disbursement of an amount equal to 50% of the grant ($60,000) will be disbursed upon documentation of machinery and equipment project costs totaling $405,000, and documentation of the employment of at least 26 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 50% of an amount equal to the grant ($60,000) will be disbursed, upon documentation of additional machinery and equipment project costs totaling $405,000 (cumulative $810,000), upon completion of the project substantially as described in these materials, and documentation of the employment of at least 31 Full-time Permanent Employees at the Project Location (Employment Increment of 5), 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 April 11, 2013, 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 $120,000, 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	21

A	B
Reporting Date	Employment Goals
February 1, 2015	21+X+Y
February 1, 2016	21+X+Y
February 1, 2017	21+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=5, and Employment Goals shall equal [21 + X = 26] 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=5, and Employment Goals shall equal [21 + X + Y = 31] 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 21 and create 10 new jobs.

2. The proposed 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 Florida.

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 $638,872;
- Fiscal cost to NYS government is estimated at $120,000;
- Project cost to NYS government per direct job is $4,884;
- Project cost to NYS government per job (direct plus indirect) is estimated at $4,565;
- Ratio of project fiscal benefits to costs to NYS government is 5.32:1;
- Fiscal benefits to all governments (state and local) are estimated at $1,113,010;
- Fiscal cost to all governments is $120,000;
- All government cost per direct job is $4,884;
- All government cost per total job is $4,565;
- The fiscal benefit to cost ratio for all governments is 9.28:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $3,785,189, or $143,992 per job (direct and indirect);
- The economic benefit to cost ratio is 31.54:1;
- Project construction cost is $162,110, which is expected to generate one direct job year and one indirect job year of employment;
- For every permanent direct job generated by this project, an additional 0.07 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is two years.

(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.

VI. 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.

VII. 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 ("MWBE") 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 of 25% related to the total value of ESD's funding.

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
Benefit-Cost Analysis

Regional Council Award – Priority Project – Calverton (Long Island Region – Suffolk County) – Satur 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Satur 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 "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 Satur Farms LLC a grant for a total amount not to exceed One Hundred Twenty Thousand Dollars ($120,000) 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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FOR CONSIDERATION
March 28, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: NY Works – Connect NY Broadband Program Consent Calendar

REQUEST FOR: 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

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General Project Plan

I. Project Summary

NY Works

	Project Name	Proj #	Grantee	Assistance up to
A	Connect WC Thurman White Space	Y595	Town of Thurman	$200,000
B	Tompkins and Cayuga Ubiquitous Last Mile Coverage	Y593	Clarity Connect, Inc.	$32,000
			TOTAL	**$232,000**

II. Program Description

A. Background

Accelerating the availability, affordability, and utilization of broadband technologies is a high priority for the State of New York. Access to the numerous benefits of broadband access, such as e-commerce, e-government, telemedicine and distance learning will result in job creation, improved healthcare, greater educational opportunities for our students and teachers, and enhanced economic development.

Recognizing that broadband services are vital to our state's economic well-being, in September 2012, Governor Cuomo Committed $25 million in funding to expand high-speed Internet access in rural upstate and underserved urban areas of New York through the Connect NY Broadband Grant Program. In March 2013, eighteen broadband projects were selected to receive Connect NY Broadband grants based on the support of the Regional Economic Development Councils that analyzed and ranked projects competing for the $25 million in funding. In addition, 4 North Country Broadband Project Sponsors received more than $6 million from Round 2 of the Regional Economic Development Council Grants to expand broadband in the North Country Region.

Together, these projects will bring broadband service to over 153,000 households, 8,000 businesses and 400 anchor institutions – many without any means to access the Internet, across more than 6,000 square miles of New York State. Most of the funding will be for the "last-mile" of broadband service, which means the projects will provide high speed Internet connections directly to New Yorkers. The last-mile is the most expensive portion of a broadband network, and often prevents many rural residents from receiving broadband service, even when service is available to nearby homes.

The $25 million Connect NY awards, combined with additional funding to advance broadband technologies and services, brings the total amount of funding awarded for broadband projects during Governor Cuomo's administration to more than $56 million, the largest statewide broadband funding commitment in the nation.

B. The Project

See attached Consent materials.

III. Statutory Basis

The projects were authorized in the 2012-13 New York State budget and 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.

IV. Environmental Review

Unless otherwise noted in the consent materials, ESD staff has determined that the project described in Schedule A constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

V. Smart Growth Public Infrastructure Review

Pursuant to the requirements of the State Smart Growth Public Infrastructure Policy Act (the "SG Act"), and in connection with the previous approval of funding for the Connect NY Broadband projects approved by the Directors on December 19, 2013, ESD's Smart Growth Advisory Committee reviewed a Smart Growth Impact Statement ("SGIS"). This review found that the projects are consistent with the State Smart Growth Public Infrastructure Criteria ("Smart Growth Criteria"). The designee of the Chief Executive Officer of the Corporation attested that the projects, to the extent practicable, meet the relevant Smart Growth Criteria set forth in the SG Act. Therefore, no further smart growth public infrastructure review is required in connection with this action.

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. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policies will apply to the project.

VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the projects will not directly create or retain jobs. The purpose of the grants is to extend broadband service to unserved households. Progress will be measured in terms of households and businesses served.

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
Project Summaries

March 28, 2014

NY Works – Connect NY – 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the 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

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	Connect WC Thurman White Space	Y595	Town of Thurman	$200,000
B	Tompkins and Cayuga Ubiquitous Last Mile Coverage	Y593	Clarity Connect, Inc.	$32,000
			TOTAL	**$232,000**

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. Connect WC Thurman White Space (Y595)

March 28, 2014

General Project Plan

Grantee: Town of Thurman (the "Town")

ESD Investment: A grant of up to $200,000 to be used for a portion of the cost to install and upgrade existing broadband networks to expand broadband access and increase capacity.

Project Location: Town of Thurman, Warren County

Proposed Project: Installation of a broadband network to provide increased capacity and access to 89 households and businesses in the Town of Thurman

Project Type: Infrastructure development

Regional Council: The Capital District Regional Council has been made aware of this item. The Incentive Proposal was accepted on September 6, 2013. The project is consistent with the Regional Council's plan to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

Background:

Industry – The Town of Thurman is a small town located in the Western part of Warren County.

History – Established in 1798, and named after an early landowner, the Town is bordered to the east by the Hudson River and is situated within the Adirondack Park.

Size – As of the 2000 census, the Town population numbered 1,199.

Market – Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. Download speeds refer to data which is received, such as accessing websites, receiving files through email, streaming video, and using cloud-based services. Upload speeds refer to data which is transmitted to another user or to a website or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

Broadband service is facilitated by either wireline or wireless technologies. Wireline services require a physical cable connection to provide connectivity, while wireless services are transmitted using antennas and wireless receivers similar to how radio transmissions are carried. Although there are a number of different wireless technologies, many wireless broadband providers use a hybrid model of providing service, as a wireline (usually fiber) connection is required at some point in the network.

In New York State, broadband service is provided by the following categories of service providers:

- Cable – 16 Providers, (Provides service to 94% of the state)
- DSL – 38 Providers, (Provides service to 92% of the state - Speeds: 768kbps – 25 mbps
- Fiber – 26 Providers, (12 business only)
- Fixed Wireless- 12 Providers reporting coverage, (Serves 5% of the state – Speeds - 1.5 mbps – 100 mbps
- Mobile Wireless- 6 providers (Speeds: 768 kbps – 12 mbps)
- Satellite Providers- 4 providers

ESD Involvement – In March 2013, eighteen broadband projects were selected to receive Connect NY Broadband grants totaling $25 million based on the support of the Regional Economic Development Councils. In addition, 4 North Country Broadband Project Sponsors received more than $6 million from Round 2 of the Regional Economic Development Council Grants to expand broadband in the North Country Region.

Past ESD Support – This is the first ESD grant to the Town of Thurman.

The Project:

Completion – March 2015

Activity – The project consists of two phases, the first of which involves radio propagation studies to identify backhaul and equipment locations. The second phase will utilize data from the first phase to design and build the wireless broadband network. Upon completion, the Town will have a production-ready network capable of providing broadband to approximately 89 subscribers. See Table A and B for Key Indicators and Milestones. The Town will also offer economically disadvantaged residents access to public computers and enhanced digital literacy training

Results – Expand broadband services to 80 households and 9 businesses. See Table A, which describes all Key Indicators.

A. Connect WC Thurman White Space (Y595)

March 28, 2014

Financing Uses	Amount	Financing Sources	Amount	Percent
Infrastructure/ Site Preparation	$38,000	ESD Grant	$200,000	80%
Engineering	41,900	Company Equity	50,300	20%
Construction				
Machinery & Equipment	170,400			
Total Project Costs	$250,300	Total Project Financing	$250,300	100%

Grantee Contact – Evelyn Wood
Town Supervisor
Town of Thurman
311 Athol Road
Athol, NY 12810
Phone: 518-623-9649

Project Team –

Origination	Angela Liotta
Project Management	Angela Liotta
Contractor & Supplier Diversity	Elizabeth Gocs
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. The Grantee will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Grantee's written acceptance of ESD's offer and contribute at least 10% of total project costs in the form of in-kind. 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. Up to $200,000 will be disbursed to the Grantee no more frequently than quarterly during the course of design and/or construction and upon completion of project key indicators, and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facility and upon meeting all project key

indicators, as evidenced by a certificate of occupancy. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

ESD will be entitled to recoup all or part of ESD's grant if the Recipient fails to reach, to a degree acceptable to ESD milestones as agreed upon in Table A, which lists key indicators for infrastructure work, and Table B, which lists the major network build-out phases and quarterly milestones of the entire project.

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 March 5, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

5. Grant Funds are to be used for the following:

(i) To fund the construction or improvement of all facilities required to provide broadband service.
(ii) For Installing or upgrading existing broadband facilities on a one-time, capital improvement basis in order to expand broadband access and increase capacity.
(iii) To fund the cost of long-term leases (greater than 1 year) of facilities required to provide broadband service.
(iv) To fund reasonable make-ready expenses incurred as a result of providing broadband service.

6. Eligible Expense Categories

(i) Network & Access Equipment Costs: Include switches, video headends, optical equipment, digital line concentrators, digital subscriber line access multiplexers, middleware, video-on-demand equipment, radio equipment, data routing equipment, etc.
(ii) Outside Plant Costs: Includes cable (aerial, buried, underground, and submarine), fiber, conduit systems, poles, network interface devices and reasonable make-ready costs.
(iii) Tower Costs: Includes the cost of constructing new buildings and renovating existing buildings, as well as any site preparation costs.
(iv) Customer Premises Equipment: Includes wireless subscriber units, modems, set-top boxes, and routers (if CPE will be provided at no cost to subscribers.)
(v) Professional Services: Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.

(vi) Testing: Includes items such as testing, network and IT systems, user devices, servers, lab furnishing and test generators.

(vii) Other Upfront Costs: Includes any other upfront costs not covered in the other categories, such as site preparation.

7. Grant funds will be subject to pro-rata recapture if property is sold within 5 years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer 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 transfer 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 transfer occurred in the second full calendar year after the disbursement was made;

(iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;

(iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;

(v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

8. Compliance with National Electrical Safety Code (NESC): All pole attachments shall comply with the National Electrical Safety Code (NESC) requirements. Connect NY grant recipients shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the National Electrical Safety Code (NESC) and all applicable and current electrical and safety requirements of any State or local governmental entity.

9. Broadband Mapping Program Compliance: Recipients shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the recipient's entire service area.

10. 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.

A. Connect WC Thurman White Space (Y595)
March 28, 2014

Non-Discrimination and Contractor and Supplier Diversity:
ESD's Non-discrimination and Contractor and Supplier Diversity policy will apply to the Project. The Grantee shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (MWBE) Participation goal of 15%, 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.

Environmental Review:
The Town of Thurman, 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 would not have a significant effect on the environment. ESD staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Statutory Basis – New York Works:
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.

Additional Submissions to Directors:
Table A – Key Indicators
Table B – Milestones
Resolution

A. Connect WC Thurman White Space (Y595)

March 28, 2014

Table A: Project Description: The following table lists the key indicators for your infrastructure project upon completion of your project. Indicators will be required to be reported cumulatively from award inception to the end of the project on a quarterly basis.

Project Description- Access and Subscriber Information	Key Indicator	Municipality	Total Number Upon Completion of Project
Residential/Business – the following information is for the last-mile services to homes and businesses	Number of Households Passed		80
	Number of New Residential Subscribers		80
	Number of Business Passed		9
	Number of New Business Subscribers		9
	Speed Tiers Available / Pricing		3Mb/s down, 384 Kb/s up - $49.95/mo 5Mb/s down, 1Mb/s up - $79.95/mo >6 Mbps – Pricing Model TBD
Community Anchor Institutions – the following information is for the last-mile service to Community Anchor Institutions	Number of Community Anchor Institutions Passed		0
	• Schools K-12		0
	• Colleges, Universities or other Institutions of Higher Education		0
	• Libraries		0
	• Medical/ Healthcare Providers		0
	• Public Safety Entities		0
	• Other		0
	Speed Tiers Available / Pricing		0
Infrastructure Key Indicators – the following information provides key indicators as they relate to your infrastructure project	New Network Miles Deployed		4
	Existing Network Miles Upgraded		0
	Number of Miles of New Fiber		0
	Number of New Wireless Links		3 point to point and 1 point to each customer
	Number of New Towers		0

A. Connect WC Thurman White Space (Y595)

March 28, 2014

	Number of New Interconnection Points		0
	Number of Wireless Hotspots Provided		0
Impact and Adoption – the following information demonstrates how the project addresses barriers to adoption	Subsidies • Assist with initial customer equipment purchase to lower the cost of the subscribers.		$28,000 includes subscriber match
	Digital Literacy • Make public computers available at the Town Hall and offer basic use instruction and/or assistance with use.		1
Company Employment Commitment	Permanent Full- Time Employees		0
	Temporary Full-Time Employees		0

A. Connect WC Thurman White Space (Y595)

March 28, 2014

Table B: Project Milestones: The following table lists the major network build-out phases and milestones that can demonstrate the entire project will be substantially complete by the end of March, 2015. The table considers project areas such as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) inside plant deployment; e) outside plan deployment; f) deployment of business & operational support systems; g) network testing; f) network operational.

Time Period	Quarter	Milestones	Narrative Explanation (if any)
Year 1	Qtr. 1	• Obtain FCC Experimental License • Order Equipment for Propagation Studies • FCC License and Equipment Received • Identify Backhaul Distribution Location • Install Test Hardware • Perform RF and Throughput Testing • Document Propagation Results • Document Network Topology • Phase 1 - Propagation Studies • Propagation Studies Complete • Municipal Working Capital Obtained	
	Qtr. 2	• Order Equipment for Production Network • Easements and Telephone Poles • Phase 2 - Infrastructure Installation	
	Qtr. 3	• Install Power and Electrical • Order Telco Backhaul	
	Qtr. 4	• Easements and Telephone Poles • Install Power and Electrical • Order Telco Backhaul • Install Network Equipment • Provision & Test PTP Links • Provision & Test Telco Backhaul • Provision Network Management • Verify CPE for Each Base Station • Phase 2 - Infrastructure Installation • Infrastructure Installation Complete • Subscriber Portal, Billing & Reporting • Town Training & Documentation • Phase 3 - Operations Infrastructure • Subscribers Connected	

March 28, 2014

Thurman (Capital District Region – Warren County) – Connect WC Thurman White Space – New York Works – Connect NY (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the materials submitted to the Directors with respect to the Connect WC Thurman White Space Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

B. Tompkins and Cayuga Ubiquitous Last Mile Coverage (Y593)
March 28, 2014

Amendment to the General Project Plan

Grantee: Clarity Connect, Inc. ("Clarity Connect" or the "Company")

Original ESD Investment: An grant of up to $2,216,000 to be used for a portion of the cost to install or upgrade existing broadband networks to expand broadband access and increase capacity

New ESD Investment: An additional grant of up to $32,000 to be used for a portion of the cost to install or upgrade existing broadband networks to expand broadband access and increase capacity. The $32,000 to be reallocated originates from a $24,010 grant that was declined by the original grantee, and $7,990 in funds which were reduced from a grant approved December 2013 to an additional grantee.

Original Project Locations: Towns of Caroline, Enfield, Newfield, Danby, Groton, Lansing, Ledyard, Genoa, Venice, Scipio, Niles, Sempronius, and Summerhill in Cayuga and Tompkins Counties; Zip codes:

14850	14854	14867	14883	14817	14881	14882	13021
13024	13026	13045	13068	13071	13073	13081	13092
13118	13147	13152	13864				

Additional Project Location: Town of Enfield, Tompkins County

Project Type: Infrastructure development

Regional Council: The project is consistent with the Central New York and Southern Tier Regional Councils Plans to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the regions.

Background:

Industry – Clarity Connect offers customers high speed wireless Internet service, website hosting and Internet-related services.

Ownership – Clarity Connect is a privately held New York C-Corporation.

B. Tompkins and Cayuga Ubiquitous Last Mile Coverage (Y593)
March 28, 2014

Size – With facilities based in Ithaca, Clarity Connect serves NYS residents Tompkins, Cayuga, Tioga, Otsego and Delaware Counties as well as the Towns of Athens and Sayre in PA.

Market – Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. Download speeds refer to data which is received, such as accessing websites, receiving files through email, streaming video, and using cloud-based services. Upload speeds refer to data which is transmitted to another user or to a website or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

Broadband service is facilitated by either wireline or wireless technologies. Wireline services require a physical cable connection to provide connectivity, while wireless services are transmitted using antennas and wireless receivers similar to how radio transmissions are carried. Although there are a number of different wireless technologies, many wireless broadband providers use a hybrid model of providing service, as a wireline (usually fiber) connection is required at some point in the network.

In New York State, broadband service is provided by the following categories of service providers:

- Cable – 16 Providers, (Provides service to 94% of the state)
- DSL – 38 Providers, (Provides service to 92% of the state - Speeds: 768kbps – 25 mbps
- Fiber – 26 Providers, (12 business only)
- Fixed Wireless- 12 Providers reporting coverage, (Serves 5% of the state – Speeds - 1.5 mbps – 100 mbps
- Mobile Wireless- 6 providers (Speeds: 768 kbps – 12 mbps)
- Satellite Providers- 4 providers

ESD Involvement. In March 2013, eighteen broadband projects were selected to receive Connect NY Broadband grants totaling $25 million based on the support of the Regional Economic Development Councils. In addition, 4 North Country Broadband Project Sponsors received more than $6 million from Round 2 of the Regional Economic Development Council Grants to expand broadband in the North Country Region.

Past ESD Support – This is the first ESD grant to Clarity Connect, Inc.

B. Tompkins and Cayuga Ubiquitous Last Mile Coverage (Y593)
March 28, 2014

The Project:

Completion – June 2014

Activity – Clarity Connect will leverage exisiting tower infrastructure to provide broadband services The project will use software-defined radios ("base stations") on telephone pole "towers" as the primary means of reaching some of the most remote neighborhoods. The telephone poles are largely being located in existing rights of way by partner FLTG, simplifying the question of easements. The project will also upgrade DSL services increasing existing speeds. Finger Lakes Technology Group is a partner using an upgraded version of DSL. Haefele TV, another partner will utilize fiber-to-the-home technology. Using WiMax, the fixed wireless project design initially makes 32 Mbps download speeds available to about 75% of the target territory. About 20% will be capable of between 32 Mbps and 6.6 Mbps while 5% will have 6.6 Mbps available.

In late 2013, the Company re-evaluated their project financing, and was able to generate financial assistance from a local business that allowed them to include the Town of Enfield, as an additional town to receive broadband upgrades under their existing project plan. Unfortunately, the town was unable to finance the power required to operate a local reception tower, and so the Company approached ESD for asisstance. ESD was able to reallocate funds from two Connect NY grants. One, an offer of assistance which was declined by Haefele TV, Inc. and an additional portion of funds from a grant to Time Warner Inc. which had been decreased due to that project's reduced scope.

Results – The Project will expand broadband services to over 5,700 households, 53 businesses, and 120 Community Anchor institutions. See Table A, which describes all Key Indicators.

Revised Budget –

Financing Uses	Amount	Financing Sources	Amount	Percent
Infrastructure/ Site Work	$477,800	ESD Grant	$2,248,000	75%
Equipment	2,511,613	Company Equity	741,413	25%
Total Project Costs	$2,989,413	Total Project Financing	$2,989,413	100%

Grantee Contact – Chuck Bartosch, CEO
Clarity Connect, Inc.
200 Pleasant Grove Road
Ithaca, NY 14850

	Phone: (607) 275-5002	
Project Team –	Origination	Angela Liotta
	Project Management	Angela Liotta
	Contractor & Supplier Diversity	Elizabeth Gocs
	Finance	John Bozek
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall 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 at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer and contribute at least 10% of total project costs in the form of in-kind. 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. An additional grant of up to $32,000 (total grant of $2,248,000) will be disbursed to the Grantee no more frequently than quarterly during the course of design and/or construction and upon completion of project key indicators, in compliance with Design & Construction requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facility and upon meeting all project key indicators, as evidenced by a certificate of occupancy. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

   ESD will be entitled to recoup all or part of ESD's grant if the Recipient fails to reach, to a degree acceptable to ESD milestones as agreed upon in Table A, which lists key indicators for infrastructure work, and Table B, which lists the major network build-out phases and quarterly milestones of the entire project.

   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 March 5, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

5. Grant Funds are to be used for the following:

   (i) To fund the construction or improvement of all facilities required to provide broadband service.
   (ii) For Installing or upgrading existing broadband facilities on a one-time, capital improvement basis in order to expand broadband access and increase capacity.
   (iii) To fund the cost of long-term leases (greater than 1 year) of facilities required to provide broadband service.
   (iv) To fund reasonable make-ready expenses incurred as a result of providing broadband service.

6. Eligible Expense Categories

   (i) Network & Access Equipment Costs: Include switches, video headends, optical equipment, digital line concentrators, digital subscriber line access multiplexers, middleware, video-on-demand equipment, radio equipment, data routing equipment, etc.
   (ii) Outside Plant Costs: Includes cable (aerial, buried, underground, and submarine), fiber, conduit systems, poles, network interface devices and reasonable make-ready costs.
   (iii) Tower Costs: Includes the cost of constructing new buildings and renovating existing buildings, as well as any site preparation costs.
   (iv) Customer Premises Equipment: Includes wireless subscriber units, modems, set-top boxes, and routers (if CPE will be provided at no cost to subscribers.)
   (v) Professional Services: Includes site engineering, project management, and consultant services costs involved in designing and constructing the proposed project.
   (vi) Testing: Includes items such as testing, network and IT systems, user devices, servers, lab furnishing and test generators.
   (vii) Other Upfront Costs: Includes any other upfront costs not covered in the other categories, such as site preparation.

7. Grant funds will be subject to pro-rata recapture if property is sold within 5 years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer 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 transfer 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 transfer occurred in the second full calendar year after the disbursement was made;
(iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
(iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
(v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

8. Compliance with National Electrical Safety Code (NESC): All pole attachments shall comply with the National Electrical Safety Code (NESC) requirements. Connect NY grant recipients shall ensure that the attachment of fiber and equipment is designed, constructed, operated, and maintained in accordance with all applicable provisions of the most current and accepted criteria of the National Electrical Safety Code (NESC) and all applicable and current electrical and safety requirements of any State or local governmental entity.

9. Broadband Mapping Program Compliance: Recipients shall provide to the NYS Broadband Program Office (or designated agent) address-level broadband build-out data that indicates the location of new broadband services within the recipient's entire service area.

10. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $2,248,000, 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.

Environmental Review:
The Town of Enfield, as lead agency has completed an environmental review for the installation of a tower at 1808 Mecklenburg Road in Enfield, 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 would not have a significant effect on the environment. ESD staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Non-Discrimination and Contractor and 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% 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. Tompkins and Cayuga Ubiquitous Last Mile Coverage (Y593)
March 28, 2014

Statutory Basis – New York Works:
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.

Additional Submissions to Directors:
Table A – Key Indicators
Table B – Milestones
Resolution
Project Finance Memorandum

March 28, 2014

Ithaca (Mid Hudson Region – Tompkins County) – Tompkins Cayuga Ubiquitous Last Mile Coverage – New York Works – Connect NY (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Tompkins Cayuga Ubiquitous Last Mile Coverage Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

Table A: Project Description: The following table lists the key indicators for your infrastructure project upon completion of your project. Indicators will be required to be reported cumulatively from award inception to the end of the project on a quarterly basis.

Project Description- Access and Subscriber Information	Key Indicator	Municipality	Total Number Upon Completion of Project
Residential/Business – the following information is for the last-mile services to homes and businesses	Number of Households Passed		5703
	Estimated Number of New Residential Subscribers		1996
	Number of Business Passed		53
	Estimated Number of New Business Subscribers		26
	Speed Tiers Available / Pricing		6 Mbps: $39.95/m to $49.95/m.
Community Anchor Institutions – the following information is for the last-mile service to Community Anchor Institutions	Number of Community Anchor Institutions Passed		120
	• Schools K-12		1
	• Colleges, Universities or other Institutions of Higher Education		1
	• Libraries		1
	• Medical/ Healthcare Providers		0
	• Public Safety Entities		1
	• Other (Agricultural)		141
	Speed Tiers Available / Pricing		TBD
Infrastructure Key Indicators – the following information provides key indicators as they relate to your infrastructure project	New Network Miles Deployed		0
	Existing Network Miles Upgraded		0
	Number of Miles of New Fiber		16
	Number of New Wireless Links		62
	Number of New Towers		58
	Number of New Interconnection Points		2
	Number of Wireless Hotspots Provided		14
Impact and Adoption – the following information demonstrates how the project addresses barriers to adoption	Subsidies		$19.95/m, no startup cost
	Digital Literacy Programs and Training Programs		3

Company Employment Commitment	Permanent Full- Time Employees		3
	Contract Full-Time Employees		

Table B: Project Milestones: The following table lists the major network build-out phases and milestones that can demonstrate the entire project will be substantially complete by approximately October2014. The table considers project areas such as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) inside plant deployment; e) outside plan deployment; f) deployment of business & operational support systems; g) network testing; f) network operational.

Time Period	Quarter	Milestones	Narrative Explanation (if any)
Year 1	Qtr. 1	• Build the Enfield Tower, mount equipment, test • Replace the Fognob tower, mount equipment, test • Set Utility Poles • Run electric to the poles • Mount equipment, equipment testing, backhaul alignment on poles • Test base station radios.	Not all poles will get electric service and not all equipment can be mounted on the poles in the first quarter. No equipment will likely be mounted on poles in Jan. and Feb. Current estimate is that 26 of the expected 68 towers will have service ready within 2 months of the final agreement with the State, with the remainder being completed in the ensuing 4 months. This is a new generation of equipment so actual installation rate could be between from 20 to 32 in the first two months.
	Qtr. 2	• Run electric to the poles • Mount equipment on the poles • Set Utility Poles • For poles that have point-to-point radio backhauls, align the backhaul • Test base station radios • Fiber to some telephone poles if required • Backbone (middle mile) fiber to the Locke tower.	An undetermined number of poles will be fed with direct fiber-we are trying to minimize this number.
	Qtr. 3		
	Qtr. 4		

FOR CONSIDERATION
March 28, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Non-Discretionary Projects

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

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

	Project Name	Proj #	Grantee	Assistance up to
	Empire Opportunity Fund (Executive)			
A	Lancaster Public Safety Center Capital	U815	Town of Lancaster	$0*
	* This grant was approved by the ESD Directors on November 15, 2006. The subject request is to reallocate the remaining grant to a revised project scope, and does not involve new funding.			
	Local Assistance (Senate)			
B	Adirondack North Country Association Working Capital	Y708	Adirondack North Country Association	250,000
	Local Assistance (Assembly)			
C	Brooklyn Alliance – Brooklyn Chamber of Commerce Working Capital	Y742	Brooklyn Alliance, Inc.	650,000
	TOTAL NON-DISCRETIONARY – 3 PROJECTS		**TOTAL**	**$900,000**

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

March 28, 2014

Empire Opportunity Fund - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Amend the General Project Plan; Authorization to Make a Grant and to Take Related Actions

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RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the amended 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, the Project is in compliance with Chapter 84 of the Laws of 2002 and the Corporation's guidelines established thereunder. Individual Project funding does not exceed 25 percent of the total project costs, or if project funding does exceed 25 percent of total project costs, the Director of the Division of the Budget has authorized the provision of such amount; and be it further

RESOLVED, that upon written findings of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from the Empire Opportunity 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

Empire Opportunity Fund – Senate – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
A	Lancaster Public Safety Center Capital	U815	Town of Lancaster	$0*
	* This grant was approved by the ESD Directors on November 15, 2006. The subject request is to reallocate the remaining grant to a revised project scope, and does not involve new funding.		**TOTAL**	**$0**

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

* * *

March 28, 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**
B	Adirondack North Country Association Working Capital	Y708	Adirondack North Country Association	$250,000
C	Brooklyn Alliance – Brooklyn Chamber of Commerce Working Capital	Y742	Brooklyn Alliance, Inc.	650,000
			TOTAL	**$900,000**

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.

* * *

March 28, 2014

Lancaster (Western New York Region – Erie County) – Lancaster Public Safety Center Capital – Empire Opportunity Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Lancaster Public Safety Center Capital Project – Empire Opportunity Fund (Capital Grant), the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

A. Lancaster Public Safety Center Capital (U815)
March 28, 2014

Authorization to Amend the General Project Plan

Grantee: Town of Lancaster ("Lancaster" or the "Town")

ESD Investment: A grant of up to $350,000 to be used as reimbursement for a portion of construction costs.

Original Project Location: 3949 Walden Avenue, Lancaster, Erie County

New Project Location: 525 Pavement Road, Lancaster, Erie County

Proposed Amendment: Reallocation of the grant funds from the renovation of an existing structure at 3949 Walden Avenue to the construction of a new facility at the New Project Location.

Project Type: Construction

Regional Council: The Western New York Regional Council has been made aware of this item.

Background:

ESD Involvement – These materials refer to and include in their entirety, the attached materials presented to and approved by the Directors on November 15, 2006 and December 18, 2006. Any substantive changes to the project or terms and conditions are noted in these materials.

Past ESD Support – ESD has given financial support to the Town for one previous project, summarized in the chart below:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
New York State Economic Development Assistance Program	X054	$100,000	December 2010	August 2010	Capital Grant - demolition of an existing building/construction of a two-story building

Lancaster Public Safety Center Capital (U815)
March 28, 2014

The Project:

Completion – March 2014

Activity – The original scope, approved on November 15, 2006, involved the consolidation of the merged Town of Lancaster Police Department and the Village of Lancaster Police Department, as well as Lancaster's Justice Court into one centrally located facility. The Town purchased a vacant 7,000-square-foot warehouse for $1.6 million and planned to complete a $5.85 million renovation project, converting the warehouse into a combined public safety headquarters. A public hearing was held on December 5, 2006 to afford the public an opportunity to comment on the project. Negative testimony was received questioning the appropriateness of the original site (3949 Walden Avenue) and the method of advance notice for the public hearing. ESD staff reviewed the testimony and the original scope was affirmed by the ESD Directors on December 18, 2006.

Subsequently, Lancaster reviewed the project and determined it was more cost effective to construct a new building on land already owned by the Town and sell the vacant warehouse.

This project involved the construction of a two-story, 27,000-square-foot building at 525 Pavement Road which was facilitated by the need to consolidate the Town and Village of Lancaster's police departments and meet the requirement for more secure police and court facilities in accordance with homeland security protocols.

Results – The project has enabled the Town to consolidate operations into one newly-constructed facility reducing the operating costs of maintaining three separate aging facilities.

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction Costs	$8,295,000	ESD Grant	$350,000	4%
Soft Costs	1,020,000	Grantee Equity	8,965,000	96%
Total Project Costs	$9,315,000	Total Project Financing	$9,315,000	100%

Grantee Contact – The Honorable Dino Fudoli, Supervisor
21 Central Avenue
Lancaster, NY 14086
Phone: (716) 683-1610

Project Team –
Origination/Project Management Jean Williams
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 $350,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy, and documentation of construction costs of approximately $8.295 million, assuming 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. All project expenditures must have been incurred after April 1, 2004, the date that the New York State budget, in which the project is authorized, was passed.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $350,000, 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.

Statutory Basis – Empire Opportunity Fund:
Section 10 Land Use Improvement Findings:

1. <u>That the area in which the project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest the sound growth and development of the municipality.</u>
   The project involved the construction of a two-story building which was facilitated by the need for more space due to the consolidation of the Town and Village of Lancaster Police Departments. The project will consolidate operations into one newly-constructed facility and enable it to be utilized as a resource to serve the community and stimulate economic revitalization in the area.

2. <u>That the project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.</u>
   The Town developed a plan to construct a new building which will house its police and court facilities.

3. <u>That the plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole</u>.
   The site is publicly owned by the Town, which sought private sector assistance for the

design, engineering and implementation of the project.

4. <u>That the proposed facilities or project is consistent with any existing local or regional comprehensive plan.</u>
   The project is consistent with the Town's plan to consolidate the police department and court into a single facility. The proposed project is consistent with the zoning for the site.

5. <u>The requirements of Section 10(g) of the Act are satisfied.</u>
   No residential relocation is required because there are no families or individuals residing on the site.

<u>Empire Opportunity Fund Determinations</u>
The Project is in compliance with Chapter 84 of the Laws of 2002 and the Corporation's guidelines established there under. Individual project funding does not exceed 25 percent of the total of that project's costs, or if project funding does exceed 25 percent of that project's total costs, the Director of the Division of the Budget has authorized the provision of such amount.

Environmental Review:
The Town of Lancaster, 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 April 13, 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.

Non-Discrimination & 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. For purposes of this grant, however, project performance has already been completed, and therefore, MWBE participation goals cannot be established.

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.

Attachments:
Photo of newly constructed facility
ESD Directors' Materials dated December 18, 2006
ESD Directors' Materials dated November 15, 2006

B. Adirondack North Country Association Working Capital (Y708)
March 28, 2014

Grantee: Adirondack North Country Association, Inc. ("ANCA" or the "Organization")

ESD Investment: A grant of up to $250,000 to be used for a portion of the cost of operations for providing assistance to small businesses and communities in the 14-county Adirondack North Country Region.

Project Locations: North Country Region and portions of the Mohawk Valley, Capital and Central New York regions.

Proposed Project: ANCA will assist communities and small businesses in securing funds and will support collaborative efforts to improve economic development in the regions.

Project Type: Working Capital

Regional Council: The North Country Regional Economic Development Council has been made aware of this item.

Background:

Industry — Economic Development

Organization History — Established in 1955, ANCA is an economic development organization that assists communities in obtaining grants for infrastructure and broadband projects. ANCA also supports entrepreneurial activity by providing programs and services to help start or grow small business. ANCA serves as a technical advisor and information clearinghouse for a wide range of economic and community development opportunities including: agriculture and local foods; tourism destination planning; small scale manufacturing; artisan crafts production and marketing; and clean energy production. ANCA works closely with ESD's regional offices and other state agencies serving the Upstate region.

Ownership — ANCA is a not-for-profit organization.

Size — ANCA serves the 14-county Adirondack North Country Region and assists approximately 100 communities, which includes 14 cities and 255 towns.

ESD Involvement — A $250,000 appropriation was included in the 2013-2014 New York State budget.

Past ESD Support — Since 2000, the ESD Directors have approved three grants to ANCA including, a $130,000 grant for a community enhancement loan fund, a $73,500 grant for a study on dairy manufacturing and a $100,000 grant for various ANCA program initiatives. All projects were completed and funds were fully disbursed.

The Project:

Completion — December 2016

Activity — ANCA will continue to perform as a leading administrative organization, creating, managing and directing multiple regional specialized projects to develop the North Country economy and quality of life. ANCA staff will undertake the following activities as a part of this project:

- Independent Theater project – Assist small, independent owners in obtaining grants and other financial assistance to purchase digital projection equipment for their movie theaters.
- Cleaner Greener Sustainability project – Coordinate a plan to develop and track support for green energy projects and submit reports on biomass, solar, and hydro projects to the North Country Economic Development Council.
- Clean Energy Conference – ANCA will produce an annual conference to promote the development of renewable and sustainable energy resources such as solar, wind, hydro, and biomass.
- Local Foods project – ANCA, in cooperation with Cornell Cooperative Extension, will develop and promote regional capacity and sustainability for local farms and agricultural products and other local food supply sources.
- Scenic Byways project – ANCA, in cooperation with the Federal Highway Administration, will develop corridor management plans, and develop and maintain a marketing website to promote tourism across communities in the North Country.
- Invisible Factory project – ANCA, in cooperation with Traditional Arts in Upstate New York, will develop and promote a resource network of support for North Country artisans to produce and market their craftworks at the annual "Buyer Days" tradeshow produced by ANCA.
- North Country Branding project – ANCA will develop a plan for a North Country products brand that will serve as an umbrella brand for the marketing and promotion of North Country goods and services.
- ANCA Staffing plan – ANCA will provide administrative support to communities to obtain grants, loans, and additional financing options. ANCA will also assist small business enterprises seeking grants, financing or other forms of business assistance from private, local, state, or federal resources.

  Upon completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.

Adirondack North Country Association Working Capital (Y708)
March 28, 2014

Results — The project will assist in building capacity to develop long term sustainability for multiple economic sectors in the North Country Region.

Financing Uses	Amount	Financing Sources	Amount	Percent
Independent Theaters	$299,000	ESD Grant	$250,000	18%
Sustainability Plan	200,500	Grantee Equity	1,117,000	82%
Energy Conference	70,000			
Local Foods	25,000			
Scenic Byways	85,000			
Invisible Factory	50,000			
Branding	100,000			
Indirect costs	50,000			
Staffing	487,500			
Total Project Costs	$1,367,000	Total Project Financing	$1,367,000	100%

Grantee Contact — Kate Fish, Executive Director
67 Main Street / Suite 201
Saranac Lake NY 12983
Phone: (518) 891-6200

Project Team —

Project Management	John Vandeloo
Contractor & Supplier Diversity	Elizabeth Gocs
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 $250,000 will be disbursed to Grantee upon documentation of eligible working capital expenses, no more frequently than quarterly, 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. All project expenditures must have been incurred after April 1, 2013, the date that the New York State budget, in which the project is authorized, 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 $250,000, 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 & 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 business in the performance of ESD contracts. For purposes of this contract, however, goals will not be established due to the unavailability of 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.

C. Brooklyn Alliance – Brooklyn Chamber of Commerce Working Capital (Y742)
March 28, 2014

Grantee: Brooklyn Alliance, Inc. ("Grantee" or the "Alliance")

ESD Investment: A grant of up to $650,000 to be used for a portion of the cost of personnel, trade shows and marketing costs.

Project Location: 335 Adams Street, Suite 2700, Brooklyn, Kings County

Proposed Project: The Alliance will provide programming and projects aimed at supporting the growth of small businesses.

Project Type: Working Capital

Regional Council: The New York City Regional Council has been made aware of this item.

Background:

Industry – Economic Development

Organization History - Founded in 1918, the Alliance provides key support programs structured to assist businesses to access services to grow. The Alliance is the economic development arm of the Brooklyn Chamber of Commerce ("Chamber"), a 501(c)(3) organization that promotes economic development and a healthy and robust business environment throughout Brooklyn.

In 2003, the Chamber was selected by the City of New York to operate the NYC Business Solutions Center ("Center") in Brooklyn, a walk-in Center that provides information and direct services to small businesses and startups. Today, the Chamber still operates the Brooklyn location of the Center and provides core programming for small businesses which includes: access to capital, loan packaging and financial projections; recruitment assistance; Minority and Women-owned Business Enterprise certification; access to city/state incentives; pro bono legal services; business courses; and business launch assistance.

Ownership – The Alliance is a not-for-profit organization.

Size – All facilities located in Brooklyn, NY.

ESD Involvement – A $650,000 appropriation was included in the 2013-2014 New York State budget.

Past ESD Support – Since 1998, the ESD Directors have approved $7.815 million in assistance to the Grantee.

Brooklyn Alliance – Brooklyn Chamber of Commerce Working Capital (Y742)
March 28, 2014

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 (Assembly)	W241	$650,000	May 21, 2009	March 12, 2010	Business assistance and services
Local Assistance (Assembly)	W667	$650,000	March 26, 2010	November 7, 2011	Business assistance and services
Local Assistance (Assembly)	Y038	$350,000	January 17, 2013	October 16, 2013	Program support

The Project:

Completion – December 2014

Activity – The Grantee will undertake the following projects:

Made in Brooklyn Food Distribution Cooperative – The Grantee will provide support in organizing industrial food and beverage makers by forming a food distribution cooperative. The cooperative will form a sustainable group of businesses to share workers, resources, warehouse space and delivery mediums in order to reduce the cost of delivering goods to retail and wholesale outlets in New York City.

Industrial and Manufacturing Assistance to Businesses – The Grantee will provide a full-time staff person to assist industrial and manufacturing firms throughout the borough with issues around zoning, incentives, real estate and government-related issues.

Brooklyn Goes Global – The Grantee will provide one-on-one technical assistance and working seminars to provide Brooklyn-based manufacturing firms with the tools they need to run a successful business and take their products to new markets.

BKLYN DESIGNS – The Grantee will organize and direct a trade show showcasing Brooklyn's design manufacturers.

Brooklyn Alliance – Brooklyn Chamber of Commerce Working Capital (Y742)
March 28, 2014

Brooklyn EATS – The Grantee will provide a venue for businesses to meet with buyers and the public. Billed as the first Brooklyn-based trade and export event, the Grantee expects approximately 100 businesses and a thousand buyers and members of the public to visit this showcase of Brooklyn-made food.

Neighborhood Entrepreneurship Project – The Grantee will assist Southern Brooklyn (Bensonhurst and Sheepshead Bay) businesses to organize and expand merchant associations, develop strategies for streetscape improvements, provide one-on-one technical assistance and organize events.

Explore Brooklyn – The Grantee will create the ExploreBK.com website, which will be a site dedicated to information on the boroughs' neighborhoods, including hotels, cultural hubs, events, restaurants, retailers, recreation and tourist attractions. The goal is to elevate the visibility of the Brooklyn brand for locals, tourists and people from other boroughs.

Good Help – The Grantee will support small and mid-sized Brooklyn-based companies with no cost pre-screening and hiring assistance.

Brooklyn Tourism – The Grantee will participate in two trade shows showcasing the Brooklyn brand in tourism industry trade events. One domestic and one international show will be part of this project including the International Pow Wow (Chicago, April 2014) and the World Travel Market tourism event (London, November 2014).

Upon completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.

<u>Results</u> – This project will impact approximately 1,000 small businesses by promoting their businesses and interests. The project will also be publicized widely through ibrooklyn.com, the Chamber website, and Brooklyn's Buzz, the daily email to more than 20,000 businesses and stakeholders in New York City. The promotion and publicity will give local Brooklyn businesses exposure, which is expected to have a positive economic impact on the borough.

Financing Uses	Amount	Financing Sources	Amount	Percent
Personnel	$445,072	ESD Grant	$650,000	86%
Trade Shows	109,000	Grantee Equity	105,189	14%
Marketing	78,000			
Occupancy	27,100			
OTPS	96,017			
Total Project Costs	$755,189	Total Project Financing	$755,189	100%

Brooklyn Alliance – Brooklyn Chamber of Commerce Working Capital (Y742)
March 28, 2014

Grantee Contact –	Jeanette G. Nigro, Vice President, Public Programs & Development 335 Adams Street, Suite 2700 Brooklyn, NY 11201 Phone: (718) 875-1000	
Project Team –	Project Management	Jared Walkowitz
	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 $650,000 will be disbursed to Grantee upon documentation of eligible working capital expenses, no more frequently than monthly, 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. All project expenditures must have been incurred after April 1, 2013, the date that the New York State budget, in which the project is authorized, 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 $650,000, 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
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 23% related to the eligible categories totaling approximately $175,000. As such, the goal MWBE utilization shall be no less than $40,250.

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.

March 28, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Hurricane Irene - Tropical Storm Lee Flood Mitigation Summary

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In 2011, the Hurricane Irene – Tropical Storm Lee Flood Mitigation Grant Program (the "Program") was established to provide assistance to counties that suffered damages as a result of Hurricane Irene and Tropical Storm Lee. The Program, administered by ESD in consultation with the Department of Environmental Conservation ("NYSDEC"), awarded grants to counties for flood mitigation or flood control projects in creeks, streams and brooks throughout New York State. The Program was funded with a $9 million allocation from the $50 million Hurricane Irene - Tropical Storm Lee Flood Recovery Grant Program and $7 million from New York State Department of Homeland Security and Emergency Services.

Projects that were eligible for grants under this Program included:

(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.

In 2011, **twenty-five (25)** counties were awarded grants from the Program as follows:

County	**Flood Recovery Grant Program ($9 Million)**	**Homeland Security ($7 Million)**
Albany	$434,256	$29,722
Broome	397,458	255,574
Chemung	370,000	0
Chenango	330,000	0
Clinton	305,000	0
Columbia	302,500	33,064
Delaware	500,000	173,462
Dutchess	307,683	0
Essex	500,000	0
Franklin	473,000	0
Greene	500,000	378,222
Hamilton	324,379	0
Herkimer	499,657	82,694
Montgomery	409,000	9,249
Oneida	391,494	45,157
Otsego	335,000	123,458
Renssealear	341,260	0
Schenectady	357,602	163,843
Schoharie	500,000	4,803,374
Sullivan	0	17,303
Tioga	410,959	386,322
Tompkins	0	13,117
Ulster	359,347	298,765
Warren	324,500	14,562
Washington	326,905	157,200
Westchester	0	14,047
Total	**$9,000,000**	**$6,999,135**

As of March 2014, the ESD Directors have approved grants to **nineteen (19)** counties totaling **$13,635,208**. **$7,226,942** has been approved from the Flood Recovery Grant Program and **$6,408,266** has been approved from Homeland Security. Some grants to individual counties have been adjusted from the original award amount to reflect the actual project costs to complete to project. ESD approved grants are as follows:

County	Flood Recovery Grant Program	Homeland Security
Albany	$415,797	$27,921
Broome	397,458	255,574
Clinton	305,000	0
Columbia	300,000	33,064
Delaware	500,000	173,462
Essex	500,000	0
Franklin	473,000	0
Greene	500,000	378,222
Herkimer	499,657	82,694
Montgomery	409,000	9,249
Oneida	391,494	16,717
Otsego	335,000	123,458
Renssealear	341,260	0
Schenectady	357,602	163,843
Schoharie	500,000	4,803,374
Tioga	410,959	155,809
Tompkins	0	13,117
Warren	324,500	14,562
Washington	266,215	157,200
Total	**$7,226,942**	**$6,408,266**

ESD will seek Directors approval for grants to Dutchess, Hamilton and Ulster counties totaling approximately **$1,290,174**.

Empire State Development

FOR CONSIDERATION
March 28, 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

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I. Project Summary

	Project Name	Proj #	Grantee	Assistance up to
	Local Assistance – Hurricane Irene-Tropical Storm Lee Flood Mitigation (Executive)			
A	Montgomery County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X907 & Y483	Montgomery County	$418,249
B	Tompkins County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X954	Tompkins County	13,117
	TOTAL HURRICANE IRENE-TROPICAL STORM LEE FLOOD MITIGATION – 2 PROJECTS		**TOTAL**	**$431,366**

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

March 28, 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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the 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

<u>Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation - Executive – Project Summary Table</u>

	Project Name	Proj #	Grantee	Assistance up to
	Local Assistance – Hurricane Irene-Tropical Storm Lee Flood Mitigation (Executive)			
A	Montgomery County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X907 & Y483	Montgomery County	$418,249
B	Tompkins County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X954	Tompkins County	13,117
			TOTAL	**$431,366**

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. Montgomery County - Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital (X907 & Y483)

March 28, 2014

General Project Plan

Grantee: Montgomery County (the "County" or "Grantee")

ESD Investment: A grant of up to $418,249 to be used for a portion of the cost of flood mitigation projects within the County.

Project Locations: Towns of Amsterdam, Florida and Glen, Montgomery County

Project Type: The project will entail flood mitigation activities to reduce future flooding at the Project Locations.

Regional Council: The Mohawk Valley Regional 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 – Montgomery County was first named as Tryon County in 1772 and its original boundaries extended north to the St. Lawrence River and south to the Pennsylvania border. The name of the County was changed to Montgomery County in 1784. The Erie Canal was constructed through the County, which attributed to the development of many towns. Grains were farmed throughout Montgomery County, but dairy farming took over as the main employer, which was the economic backbone of the County for many years.

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

ESD Involvement - A $418,249 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

Montgomery County - Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital (X907 & Y483)
March 28, 2014

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

Debris Assessment of Schoharie Creek: This project involves a debris assessment study that will determine the extent, location and amount of stream debris that has the potential to cause damage to public and private infrastructure. The report will summarize the overall costs and efforts required for this clean up.

Debris Clean Up at Two Sites: This project involves the flood debris removal from two sites on Schoharie Creek.

Cranes Hollow Repairs: This project involves stream bank stabilization along Cranes Hollow.

Kayaderosseras Creek Bank Stabilization: This project involves the installation of 200 linear feet of rip rap to stabilize the Kayaderosseras 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	$518,375	ESD Grant	$418,249	81%
		Local Funding	100,126	19%
Total Project Costs	$518,375	Total Project Financing	$518,375	100%

Grantee Contact - Heather Urwiller, Senior Planner
9 Park Street, P.O. Box 1500
Fonda, NY 12068
Phone: (518) 853-8334

Project Team -	Project Management	Jared Walkowitz
	Contractor & Supplier Diversity	Denise Ross
	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 $418,249 will be disbursed to Grantee upon as follows:

   Debris Assessment of Schoharie Creek: Up to $126,910 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 $126,910.

   Debris Clean Up at Two Sites: Up to $252,639 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 $280,000.

   Cranes Hollow Repairs: Up to $22,479 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 $50,225.

   Kayaderosseras Creek Bank Stabilization: Up to $16,221 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 $61,240.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $418,249, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the County 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 business in the performance of ESD projects. For purposes of this Project, however goals will not be established due to the unavailability of minority and women-owned businesses for performance of this 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.

Disclosure and Accountability Certifications:
The Grantee has provided ESD with the required Disclosure and Accountability Certifications. The Grantee's certification 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. Tompkins County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital (X954)

March 28, 2014

General Project Plan

Grantee: Tompkins County (the "County" or "Grantee")

Beneficiary: Town of Caroline

ESD Investment: A grant of up to $13,117 to be used for a portion of the cost of flood mitigation and flood control project within the County.

Project Location: Town of Caroline, Tompkins County

Project Type: The project will entail flood mitigation activities to reduce future flood at the Project Location.

Regional Council: The Southern Tier Regional 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 – Railroad development spurred Tompkins County's economy in 1832 and by 1870, four major railway lines ran through the County. The dramatic growth of Cornell University spurred a population boom in the 1960s. Historically, the economy of Tompkins County has been driven by education, with Cornell, Ithaca College, Tompkins Cortland Community College, six public school systems and several private schools in the area, which has been a significant employer for the County residents.

Size - The one proposed project is a known site where erosion is damaging property in Tompkins County.

ESD Involvement - A $13,117 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.

Tompkins County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital (X954)

March 28, 2014

The Project:

Completion – April 2014

Activity - Tompkins County will undertake the following project included in the application for Tompkins County. The project will conclude in April 2014.

Six Hundred Road: This project involves the construction of a modest adjustment to the stream channel path and will ensure that Six Hundred Road will not be flooded in a future flood event. It involves the installation of three rock structures that will stabilize the stream bed and slow the speed of water at the stream bank.

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

Financing Uses	Amount	Financing Sources	Amount	Percent
Flood Mitigation Project	$52,470	ESD Grant	$13,117	25%
		Local Funding	39,353	75%
Total Project Costs	$52,470	Total Project Financing	$52,470	100%

Grantee Contact - Joe Mareane, County Administrator
125 East Court Street
Ithaca, NY 14850
Phone: (607) 274-5551

Beneficiary Contact - Don Barber, Caroline Town Supervisor
2670 Slaterville Road
Caroline, NY 14881
(607) 539-3395

Project Team -	Project Management	Jared Walkowitz
	Contractor & Supplier Diversity	Denise Ross
	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 $13,117 will be disbursed to Grantee as follows:

   Disbursements shall be made 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 July 23, 2012 to be considered eligible project costs.

   <u>Six Hundred Road</u>: Up to $13,117 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 $52,470.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $13,117, 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 business in the performance of ESD projects. For purposes of this Project, however goals will not be established due to the unavailability of minority and women-owned businesses for performance of this Project.

Statutory Basis – Local Assistance:
The project was authorized in the 2011-2012 New York State budget and 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.

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
March 28, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: "New York is Open for Business": Amendment to Contract with Full Service Advertising, Marketing, Branding, Media, and Communications Agency for Continuation of Business Marketing Campaign.

REQUEST FOR: Authorization to Amend an Existing Contract with BBDO USA LLC; Authorization to Take Related Actions

I Contract Amendment Summary

Contractor: BBDO USA LLC ("BBDO").

Scope of Services: To serve as non-exclusive, full-service advertising, marketing, branding, media, and communications agency to promote the "New York State Open for Business" program.

Contract Term: Contract Expires November 30, 2014 subject to extension

Contract Amount: The Amendment will increase the contract amount from $136,500,000 to up to $186,500,000. All other contract terms will remain unmodified.

Funding Source: Power Authority of the State of New York: $50,000,000

II Background

Pursuant to November 4, 2011 Director authorization, the Corporation entered into a contract with BBDO pursuant to which BBDO is serving ESD as a non-exclusive, full-service, advertising, marketing, branding, media, and communications agency in connection with the "Open for Business" ("OFB") program of marketing and promotion designed to market New York State as an ideal place for business to invest and create jobs. The initial term of the existing ESD-BBDO contract ran through November 30, 2013, (with an option to extend for up to two additional years) and the initial amount of the contract was not to exceed $50,000,000. Funding for the initial $50,000,00 contract was secured from ESDC appropriations of $13.08MM, DED Appropriations of $15.62M and Cost Recoveries and other funding made available by DOB of $21.3MM.

Pursuant to December 20, 2012 Director authorization, ESD entered into an agreement with the Power Authority of the State of New York ("NYPA") pursuant to which NYPA would provide $50,000,000 for the OFB program in order to continue this vital marketing program as the initial amount had been spent or committed at that time. NYPA's $50,000,000 funded the First Amendment to the existing ESD-BBDO contract that increased the contract amount from $50,000,000 up to $100,000,000. The First Amendment also added "Schedule D-Supplemental Budget 2013," to supplement but not replace the Original Agreement.

A Second Amendment was subsequently entered into by ESD and BBDO, dated as of July 9, 2013, inter alia, adding to the Scope of Services for OFB set forth into the Original Agreement, as amended: (i) marketing and advertising campaign administered by ESD to promote tourism in the Hurricane Sandy Target area (as defined in the Second Amendment); and (ii) a campaign to launch and promote the State of New York Storm Recovery Program throughout various counties that have been declared disaster areas pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5121 et seq.); and (iii) amending Article II ("Terms and Contract Amount" of the Original Agreement as amended to increase the Compensation for all services to be performed by BBDO to $136,500,000), (collectively, the Original Agreement as amended by the First Amendment and the Second Amendment. Funding for the additional $36,500,000 was secured with HUD funds secured via a Community Development Block Grant Disaster Recovery Subrecipient Agreement with Housing Trust Fund Corporation.

III The NYPA Agreement

In connection with the Open for Business and related programs, and to enhance ESD's mission to promote a vigorous and growing economy and NYPA's mission to increase the number and quality of businesses that apply for benefits under NYPA programs, NYPA transferred $50,000,000 which was used to fund the First Amendment.

In the State fiscal year commending April 1, 2013, the State Legislature enacted Section 17 of Chapter 57 of the Laws of 2013, providing inter alia that NYPA was authorized and directed to make a contribution to the State Treasury to the credit of the General Fund, or as otherwise directed in writing by the Director of the Budget, in an amount of up to $90,000,000, the proceeds of which will be utilized to support energy-related initiatives of the State or for economic purposes; and the Director of the Budget has, by writing dated January 6, 2014, requested that NYPA transfer the sum of $50,000,000 to the credit of ESD in furtherance of ESD's Statewide economic development initiatives, which said sum has been so transferred to ESD by NYPA. This $50,000,000 is the funding source for this request for the third amendment to the BBDO contract.

IV The ESD-BBDO Contract Amendment

The upset amount of the existing ESD-BBDO contract would increase, from the current \$136,500,000 up to \$186,500,000. But for this modification, the existing contract, the terms of which were authorized by the Directors on November 4, 2011, would remain unchanged. BBDO's scope of work and fee/commission/compensation arrangement would remain the same.

BBDO has performed satisfactorily in the past year and the "Open for Business" campaign has been highly visible. Much of the \$136,500,000 current funding amount has been either spent or committed.

V Contractor Selection Process

These services were initially competitively bid via an ESD Request for Proposal to which twelve agencies responded. Responses were reviewed, six agencies were interviewed, and the six finalists provided additional requested documentation and interviews. ESD's selection committee recommended BBDO based on its best value combination of technical score and price.

ESD staff recommends that ESD enter into an amendment of the existing contract with BBDO because: (i) ESD is satisfied with BBDO's performance under the existing contract; (ii) BBDO retains specific knowledge relevant to creation, production, financing , and dissemination of the Open for Business campaign components; (iii) BBDO generally is part of an industry-leading, world-wide, advertising firm with expertise in marketing and promotion campaigns; and (iv) BBDO agrees to continue the same fee/commission/compensation arrangement as set forth in the existing contract. BBDO also has a specific expertise in developing business-to-business campaigns, a particularly critical component of the New York State Open for Business campaign.

Further, the process of soliciting for a potential new marketing firm and then familiarizing any such firm with the details and goals of the intended New York State campaigns, and then waiting while any such firm designed, produced, and placed further advertising and marketing materials, would produce a delay of at least many months and would distract from the focus and momentum of the existing campaigns at a time when the marketplace may be improving and the existing campaigns are otherwise ready to continue forward.

The Third Amendment is subject to review and approval by the Office of the New York State Comptroller pursuant to Public Authorities Law s. 2879-a and its implementing regulations.

VI Determination of Responsibility

Pursuant to State Finance Law Section 139-j and 139-k and ESD's policy related thereto, staff has: (a) considered BDDO's ability to continue the requested services; (b) consulted the list of offerers determined to be non-responsive bidders and debarred offerers by the New York State Office of General Services; and (c) conducted the appropriate responsibility analysis based on BBDO's responses to the Office of State Controller mandated Responsibility Questionnaire, and verified those responses from available resources. Based on the foregoing, staff considers BBDO to be a responsible contractor based on its financial and organizational capacity, its legal authority to do business, the integrity of the firm and its principals, and its past performance on contracts, including the existing ESD-BBDO contract.

VII Non-Discrimination and Contractor & Supplier Diversity

ESD's M/WBE Program will apply to the amended contract. BBDO has been and will be encouraged to use its best efforts to achieve a Minority Business Enterprise participation goal of 15% and a Women Business Enterprise participation goal of 5% of the total dollar value of the amended contract.

VIII Environmental Review

The requested action to amend a contract for full-service marketing 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 this action.

IX Requested Action

The Directors are being asked to authorize ESD to amend the existing contract with BBDO to increase the upset amount of the contract from $136,500,000 to up to $186,500,000; and take related actions.

X Recommendation

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

XI Attachments

Resolutions

March 28, 2014

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Authorized to Enter into Amendment of Existing Contract with BBDO USA LLC; Authorization to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting (the "Materials"), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds BBDO USA LLC ("BBDO") to be responsible; and be it further

RESOVED, that the Corporation is hereby authorized to enter into an Amendment of the existing ESD-BBDO contract, pursuant to which the contract amount would be increased for the current $136,500,000 to up to $186,500,000, and all other contract terms would remain unmodified and in full force and effect, substantially on the terms and conditions set forth in the Materials; and be it further

RESOLVED, that the ESD-BBDO contract amendment is expressly contingent upon receipts of all other necessary approvals; 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 execute such documents as may be necessary or appropriate to carry out the foregoing resolutions.

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FOR CONSIDERATION
March 28, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Amendment to Contract for Legal Services

REQUEST FOR: Authorization to Amend the Contract for Real Estate Legal Services with the Law Firm of Schoeman Updike Kaufman, Stern & Ascher LLP and Authorization to Take Related Actions

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CONTRACT NEED AND JUSTIFICATION

I. Contract Summary

Contractor: Schoeman Updike Kaufman, Stern & Ascher
551 Fifth Avenue
New York, NY 10176

Scope of Services: To provide real estate legal services and counsel to the New York State Urban Development Corporation d/b/a Empire State Development (the "Corporation") in connection with drafting agreements and other documents, and other matters related to the 121 West 125th Street (Urban League Empowerment Center) Land Use Improvement and Civic Project.

Contract Term: February 28, 2014

Proposed Term Extension: February 27, 2015

Contract Amount: No change to the original contract amount, which is not to exceed $349,500

Funding Source(s): Imprest account funded by the redevelopment project's conditionally designated private developer.

BACKGROUND AND STATEMENT OF NEED

II. Background

The 121 West 125th Street (Urban League Empowerment Center) Land Use Improvement and Civic Project (the "Project") is a comprehensive plan for the redevelopment of an approximately 42,000 square foot lot located at 121 West 125th Street (the "Property") between Adam Clayton Powell, Jr. Boulevard and Lenox Avenue/Malcolm X Boulevards, extending between 125th and 126th Streets in Harlem, New York City, currently improved with an approximately 160,000 square foot, four-story building that includes a 304-space public parking garage, which is operated by a garage operator, and six small retail spaces that front on 125th Street. The proposed Project includes the development of the Property into a mixed use facility that would become the national headquarters of the National Urban League and would include as well a Civil Rights museum, a conference center and community facility, housing and retail uses.

On June 27, 2013 the ESD Directors adopted a General Project Plan for the Project and findings in accordance with the New York State Environmental Quality Review Act ("SEQRA") and authorized the holding of a public hearing pursuant to UDC Section 16. ESD held public hearings on July 10, 2013 and November 7, 2013 at the Adam Clayton Powell, Jr. State Office Building, 163 West 125th Street, New York, NY. On November 18, 2013, the ESD Directors, having reviewed and considered the public comments, re-affirmed the General Project Plan. On November 20, 2013, the Public Authorities Control Board ("PACB") approved the project in accordance with Public Authorities Law Section 51.

ESD anticipates finalizing and executing the ground lease for the Project in the near future.

III. Contractor Selection Process

The Corporation maintains a competitively solicited list of counsel pre-qualified in various practice areas. The Firm is on the current prequalified list.

At their February 21, 2013 meeting the Directors authorized the Corporation to retain the Firm to provide specialized legal advice and counsel in connection with the Corporation's participation in the development of the Project site including the negotiation and drafting of Project related documents. Additional legal services are required to complete the transfers of title required in connection with the transfer to the interests in the Project site currently owned by the City and the State of New York and to finalize the drafting of a ground lease and related Project documents.

Pursuant to State Finance Law Section 139-j and 139-k and the Corporation's policy related thereto, staff has: a) considered the proposed contractor's ability to perform the services provided for in the proposed contract; and b) consulted the list of offerers determined to be non-responsible bidders and debarred offerers maintained by the New York State Office of General Services. Based on the foregoing and the Firm's excellent performance to date, staff considers the proposed contractor to be responsible.

IV. Scope of Work

The scope of work remains the same as under the original contract for legal services. The Firm will provide the Corporation with specialized legal advice and counsel in connection with finalizing the drafting of the ground lease and other Project related documents and such other actions as may be required to effectuate the goals and objectives of the Project.

V. Contract Term, Price and Funding

The contract had an initial term that began February 28, 2013 and had a term not to exceed one year. It is proposed that the expiration date be extended to February 27, 2015. The contract provides that the work will be performed on an hourly charge basis at ESD's standard rates for outside counsel. Payments will be made from the proceeds of the imprest account funded by the redevelopment project's designated private developer, Urban League Empowerment Center LLC. The total value of the contract remains unchanged and shall not exceed $349,500.

The Firm has engaged the law firm of Sive Paget & Reisel, P.C. ("Sive Paget") as its sub-contractor to provide advice with regard to any environmental issues in connection with the re-development of the Site. Sive Paget is also on the Corporation's list of pre-qualified legal counsel and has in the past provided direct environmental legal services to the Corporation. The services of environmental counsel have been minor and are expected to remain a minor portion of the total legal services rendered.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Contractor shall be required to (i) include minorities and women in any job opportunities created and (ii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8), where reasonable and feasible, to include Minority and Women Business Enterprises ("MWBEs") for any contractual opportunities generated in connection with this Project.

Schoeman Updike Kaufman Stern & Ascher is an ESD certified WBE firm.

VII. Environmental Review

ESD staff has determined that the requested authorization to enter into a contact constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is necessary.

VIII. Requested Action

The Directors are requested to (1) make a determination of responsibility with respect to Schoeman Updike Kaufman, Stern & Ascher LLP; and (2) and (2) authorize a contract amendment to extend the term to February 27, 2015 and to authorize related actions.

IX. Recommendation

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

XI. Attachment

Resolution

March 28, 2014

EMPIRE STATE DEVELOPMENT– Authorization to Amend the Contract for Real Estate Legal Service with the Law Firm of Schoeman Updike Kaufman, Stern & Ascher LLP; and to Take Related Actions

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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 Schoeman Updike Kaufman, Stern & Ascher LLP to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into an amendment to the contract for real estate legal services with Schoeman, Updike & Kaufman, Stern & Ascher LLP ”) to extend the expiration date to February 27, 2015 on the terms and conditions set forth in the Materials and with such amendments and modifications as the President, or his designee(s) shall deem necessary and appropriate; 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.

* * *

FOR CONSIDERATION
March 28, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: ESD and Subsidiaries Procurements Guidelines

REQUEST FOR: Adoption of Revised Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts

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Background

At its January 17, 2013 meeting, the Directors adopted updated and revised Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts, as mandated by §2879 of the Public Authorities Law (the “2013 Guidelines”). There have been a small number of changes to relevant laws, as well as Executive Orders and directions to authorities, in the past year. Accordingly, the Procurements Manager and staff from the Legal Department, supported by representatives of the Contracts Administration and Finance Departments, have engaged in a revision of the Guidelines. Approval of these Guidelines (the “proposed Guidelines”) is sought.

Procurement Contracts Guidelines Summary

The proposed Guidelines attached to this memorandum set forth the policies and procedures to be followed by the Corporation and its subsidiaries when seeking to contract for goods or services. It is required that, if approved by the ESD Directors, each subsidiary will approve its own Procurement Guidelines in terms virtually identical to the proposed Guidelines, with any departure therefrom fully explained by the subsidiary Board. It should be noted that these Guidelines do not have the force of law, and are intended as a statement of best practices and procedures. No contract is invalid merely because these guidelines have not been followed.

The proposed Guidelines define the universe of procurement transactions which are subject to the policies and procedures. Generally, all procurements by the Corporation must be competitive, except where State law provides for non-competitive sourcing (e.g., goods purchased from approved non-profit agencies for the blind, and procurements from the Office of General Services Centralized Contracts List). Based on the expected cost of procured goods and/or services, procurement contracts must be obtained after advertisement in the NYS Contract Reporter, except in limited instances where an exemption is obtained, generally for sole or single source procurements when only one vendor offers the desired goods or services or when a single vendor has unique qualities or experience that obviate a competitive process. The proposed Guidelines explain the various means of obtaining goods and services in an open, accountable and transparent manner, including incorporation of the Corporation's Bid Opening Guidelines and the compilation of a Procurements Record for every covered Procurement Contract.

The proposed Guidelines comply with the applicable provisions of the Public Authorities Law, the State Finance Law and the State Tax Law. They are consistent with the State Procurement Council's Guidelines and with the Governor's directive that all state agencies and public authorities make responsible spending decisions, and that they be accountable for sufficient monitoring of their spending to ensure the highest level of fairness, non-discrimination, openness and transparency.

The proposed Guidelines are intended to be user-friendly and are set forth in a logical and coherent fashion that will assist staff in understanding the procedures to be followed and the substantive rules that govern procurements. Many of the changes from the 2013 Guidelines are the result of efforts to make them more readable and to flow in a more coherent fashion.

Many sources of help to users and information are included as clickable links, and virtually all required forms and ESD policy and procedure documents can also be accessed from within the document by hyperlinks. For obvious reasons, the hard copy of the proposed Guidelines presented to the Directors for approval cannot contain these links, but they are shown in highlight form.

Proposed substantive and procedural changes to the 2010 Guidelines are as follows:

1. Following a recent directive from the Secretary to the Governor, all vendors of goods and services shall be encouraged to use New York suppliers and sub-contractors to the maximum extent possible. It should be noted that this is not a contractual requirement, and is not intended to discriminate against other states, but is rather a matter of encouragement to vendors to make use of New York's vibrant and first-class businesses.
2. In connection with certain of its real estate re-purposing projects, ESD may undertake a form of procurement advertising not specifically authorized in the 2013 Guidelines, the Request for Expressions of Interest ("RFEI"). This solicitation is intended to provide interested parties to propose to ESD options for development or re-development of (generally but not exclusively) real estate projects. After the responses are received, ESD may proceed with an RFP for one or a number of the visions submitted for the project in question.
3. Substantial changes have been made to the section on lobbying during the procurement period, to make the section easier to understand and to highlight the most important elements of the lobbying law (State Finance law '139).

4. Public bid openings are required for construction contracts, in accordance with State Finance Law '144.
5. Vendors are required to be "responsible" (i.e., to demonstrate integrity and continuing financial and other ability to carry out the contract) throughout the term of the contract.
6. Due to changes in the titles of officers of the corporation, the proposed Guidelines incorporate by reference a schedule of the officers whose approval is needed for various procurement actions. This schedule can readily be updated to reflect changes in management structure.

Recommendation and Requested Action

The Directors are requested to adopt the proposed Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts, effective as of the date of approval.

Attachments

Resolution
Proposed Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts

March 28, 2014

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Adoption of Revised Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts.

BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, the proposed Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts, a copy of which is attached to the materials, be and hereby is approved and adopted as of the date hereof, and the Chief Executive Officer or his designee is authorized to promulgate the said Guidelines in electronic form and other media for the use of the staff of the Corporation and its subsidiaries, and to take such other and further action as may be deemed necessary or appropriate to effectuate the foregoing Resolution.

* * *

FOR CONSIDERATION
March 28, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Property Disposition Guidelines

REQUEST FOR: Approval of Property Disposition Guidelines, Appointment of Contracting Officer and Authorization to Take Related Actions

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Background

The Public Authorities Accountability Act, Chapter 766 of the 2005 Laws of New York was signed into law by the Governor on January 13, 2006 and was amended by the Public Authorities Reform Act of 2009 (collectively, the "Act"). The Act establishes standards for the governance and operation of public authorities such as Empire State Development (the "Corporation").

Title 5-A of the Act requires the adoption of guidelines with respect to property disposition. The Act also requires that the guidelines must be annually reviewed and approved by the Corporation. Since 2006, the Corporation has adopted and implemented the guidelines that are described below (the "Guidelines"), which effectively incorporate all requirements of the Act. These Guidelines, without material change from 2012, are now proposed for re-adoption by the Corporation.

Guidelines Regarding Disposition of Property

In conformity with the Act, as recently amended and described below, the Guidelines Regarding Property Disposition for the Corporation generally provide for the following:

a. appointment of a contracting officer;
b. disseminating and posting the Guidelines;
c. inventory and reporting of status of corporation property; and

d. obligations of the corporation with respect to pricing and methods of disposition.

The obligations with respect to pricing generally require disposition of property at no less than fair market value as determined after publicly advertising for bids. Property consists of both real and personal property, and appraisals are required for disposition of real property and certain other not readily valued property.

The most significant exceptions to the bidding requirement are negotiated transfers to the State or any political subdivision and circumstances described in Section 7 of the Guidelines. These exceptions can permit sole sourcing.

Section 7 of the Guidelines provides for disposing of property for less than fair market value. If the transfer is to a government or other public entity or the purpose of the transfer is within the purpose or mission of ESD, disposal is permitted. If not, the transfer is subject to denial by the governor, senate or assembly. In any sale below fair market value certain transactional information must be submitted to the Board which must make a written determination that there is no reasonable alternative to the transfer.

Finally, for most larger negotiated transactions, including exchanges, leases and real property dispositions, an explanatory statement of the transaction must be sent 90 days in advance of such disposal to the Comptroller, Director of the Budget, Commissioner of General Services and the Legislature.

Environmental Review

ESD staff has determined that the requested approval of guidelines and appointment of an officer does not constitute an 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 approval.

Requested Action

The Directors are being asked to adopt the attached Guidelines, appoint the Vice President Contracts Administration, ESD and Subsidiary Finance, (or any successor Vice President) the Contracting Officer for purposes of the Guidelines and to authorize the taking of related actions.

Attachments
Resolution
Guidelines

March 28, 2014

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT – (the "Corporation") Approval of Property Disposition Guidelines, Appointment of Contracting Officer and Authorization to Take Related Actions

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WHEREAS, the Corporation wishes to comply with Title 5-A of the Public Authorities Accountability Act ("Law") as amended by the Public Authorities Reform Act of 2009 which mandates that public benefit corporations annually prepare the Corporation's Guidelines Regarding Disposition of Property (the "Guidelines") attached hereto.

WHEREAS, the Corporation has prepared the Guidelines in accordance with the Act as amended; and

WHEREAS, the Corporation has reviewed said Guidelines and found them to be satisfactory;

WHEREAS, the Guidelines require the appointment of a Contracting Officer;

NOW, THEREFORE, IT IS HEREBY RESOLVED that in accordance in the materials presented to this meeting and ordered filed in the records of the Corporation, the Guidelines as amended are hereby approved; and it is further

RESOLVED, that the Vice President Contracts Administration, ESD and Subsidiary Finance (or any successor Vice President) is hereby appointed as Contracting Officer as required and set forth in the Guidelines; and it is further

RESOLVED, that the President and Chief Executive Officer, the Chief Financial Officer, the Treasurer or their designees be, and each of them hereby is, authorized and empowered to submit and file the Guidelines, as required by law, and to take such action and execute such agreements and instruments as he or she may consider necessary or desirable or appropriate in connection with the implementation of the Guidelines and to take related actions.

* * *

NEW YORK STATE URBAN DEVELOPMENT CORPORATION

D/B/A EMPIRE STATE DEVELOPMENT CORPORATION

GUIDELINES REGARDING DISPOSITION OF PROPERTY

I. Definitions. As used herein, unless a different meaning is required by the context.

1. "Contracting officer" shall mean the Vice President Contracts Administration, ESD and Subsidiary Finance (or any successor Vice President) who shall be appointed by resolution of the Board of Directors to be responsible for the disposition of property.

2. "Dispose" or "disposal" shall mean transfer of title or any other beneficial interest in personal or real property in accordance with these guidelines.

3. "Property" shall mean personal property in excess of five thousand dollars in value, real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

II. Duties of the Corporation with respect to guidelines related to the disposal of property.

1. a. The contracting officer shall be responsible for the Corporation's compliance with, and enforcement of these guidelines.

b. The Corporation's contracting activities shall comply with Title 5-A of the Public Authorities Law, the New York State Urban Development Act (the "Act") and any other applicable law for the disposal of property.

c. These guidelines shall be annually reviewed and approved by the Board of Directors.

d. On or before the thirty-first day of March in each year, the Corporation shall file with the comptroller a copy of the guidelines most recently reviewed and approved by the Corporation, including the name of the Corporation's designated contracting officer. At the time of filing such guidelines with the comptroller, the Corporation shall also post such guidelines on the Corporation's internet website. Guidelines on the Corporation's internet website shall be maintained on such website at least until the procurement guidelines for the following year are posted on such website.

2. Inventory. The Corporation shall:

a. maintain adequate inventory controls and accountability systems for all property under its control;

b. periodically inventory such property to determine which property shall be disposed of;

c. produce a written report of such property in accordance with subdivision three of this section;

d. transfer or dispose of such property as promptly as possible in accordance with Section III.

3. Reporting

a. The Corporation shall publish, not less frequently than annually, a report listing all real property of the Corporation. Such report shall include a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Corporation and the name of the purchaser for all such property sold by the Corporation during such period.

b. The Corporation shall delivery copies of such report to the comptroller, the director of the budget, the commissioner of general services, the legislature and Authorities Budget Office.

III. Disposal of Corporation's property.

1. Supervision and direction. Except as otherwise provided in this section, the contracting officer shall have supervision and direction over the disposition of property of the Corporation.

2. Custody and control. The custody and control of the property of the Corporation, pending its disposition, and the disposal of such property, shall be performed by the Corporation or by the commissioner of general services when so authorized under this section.

3. Method of disposition. Subject to Section II of these guidelines, the Corporation may dispose of property for not less than the fair market value of such property by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the contracting officer deems proper, and it may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this section. Provided, however, that no disposition of real property, or any interest in real property, shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction and, provided further, that no

disposition of any property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar property, shall be made without a similar appraisal.

4. Sales by the commissioner of general services. When it shall be deemed advantageous to the state, the Corporation may enter into an agreement with the commissioner of general services where under such commissioner may dispose of property of the Corporation under terms and conditions agreed to by the Corporation and the commissioner of general services. In disposing of any such property of the Corporation, the commissioner of general services shall be bound by the terms of this title and references to the contracting officer shall be deemed to refer to such commissioner.

5. Validity of deed, bill of sale, lease or other instrument. A deed, bill of sale, lease, or other instrument executed by or on behalf of the Corporation, purporting to transfer title or any other interest in property under these guidelines shall be conclusive evidence of compliance with the provisions of these guidelines insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to the closing.

6. Bids for disposal; advertising; procedure; disposal by negotiation; explanatory statement.

a. all disposals or contracts for disposal of property of the Corporation made or authorized by the contracting officer shall be made after publicly advertising for bids except as provided in paragraph c of this subdivision.

b. Whenever public advertising for bids is required under paragraph a of this subdivision:

(i) the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the property;

(ii) all bids shall be publicly disclosed at the time and place stated in the advertisement; and

(iii) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the state, price and other factors considered; provided, that all bids may be rejected when it is in the public interest to do so.

c. Disposals and contracts for disposal of property may be negotiated or made by public auction without regard to paragraphs a and b of this subdivision but subject to obtaining such competition as is feasible under the circumstances, if:

(i) the personal property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity, or other quality of similar effect, that would tend to increase its value, or if the personal property is to be sold in such quantity that, if it were disposed of under paragraphs a and b of this subdivision, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;

(ii) the fair market value of the property does not exceed fifteen thousand dollars;

(iii) bid prices after advertising therefore are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;

(iv) the disposal will be to the state or any political subdivision, and the fair market value of the property and other satisfactory terms of disposal are obtained by negotiation; or

(v) under the circumstances permitted by section 7; or

(vi) such action is otherwise authorized by law.

d. (i) An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:

(A) any personal property which has an estimated fair market value in excess of fifteen thousand dollars;

(B) any real property that has an estimated fair market value in excess of one hundred thousand dollars, except that any real property disposed of by lease or exchange shall only be subject to clauses (C) and (D) of this subparagraph;

(C) any real property disposed of by lease if the estimated annual rent over the term of the lease is in excess of fifteen thousand dollars;

(D) any real property or real and related personal property disposed of by exchange, regardless of value or any property any part of the consideration for which is real property.

(ii) Each such statement shall be transmitted to the persons entitled to receive copies of the report required under section II of these guidelines not less than ninety days in advance of such disposal, and a copy thereof shall be preserved in the files of the Corporation.

e. For purposes of Section c(ii), (v) and Section d of this paragraph 6 when an appraisal is not feasible or practical, fair market value shall be determined by the board of directors based on the recommendation of the contracting officer. In making such recommendation, the contracting officer shall make due inquiry of values of comparable property including, as appropriate, geographic location, use, occupancy, condition, obsolescence, outstanding debts, taxes and liens and intended future use.

7. Disposal of property for less than fair market value.

a. No asset owned, leased or otherwise in the control of a public authority may be sold, leased, or otherwise alienated for less than its fair market value except if:

(i) the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the asset will remain with the government or any other public entity;

(ii) the purpose of the transfer is within the purpose, mission or governing statute of the public authority; or

(iii) in the event a public authority seeks to transfer an asset for less than its fair market value to other than a governmental entity, which disposal would not be consistent with the authority's mission, purpose or governing statutes, such authority shall provide written notification thereof to the governor, the speaker of the assembly, and the temporary president of the senate, and such proposed transfer shall be subject to denial by the governor, the senate, or the assembly. Denial by the governor shall take the form of a signed certification by the governor. Denial by either house of the legislature shall take the form of a resolution by such house. The governor and each house of the legislature shall take any such action within sixty days of receiving notification of such proposed transfer during months of January through June, provided that if the legislature receives notification of such proposed transfer during the months of July through December, the legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed with sixty days of such notification of the proposed transfer to the governor, senate and assembly, the public authority may effectuate such transfer. Provided, however, that with respect to a below market transfer by a local authority that is not within the purpose, mission or governing statute of the local authority, if the governing statute provides for the approval of such transfer by the executive and legislative branches of the political subdivision in which such local authority resides, and the transfer is of property obtained by the authority from that political subdivision, then such approval shall be sufficient to permit the transfer.

(b) In the event a below fair market value asset transfer is proposed, the following information must be provided to the authority board and the public:

(i) a full description of the asset;

(ii) an appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the board.

(iii) a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the asset is situated as are required by the transfer.

(iv) a statement of the value to be received compared to the fair market value;

(v) the names of any private parties participating in the transfer, and if different than the statement required by subparagraph (iv) of this paragraph, a statement of the value to the private party; and

(vi) the names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

(c) Before approving the disposal of any property for less than fair market value, the board of an authority shall consider the information described in paragraph b of this subdivision and make a written determination that there is no reasonable alternative to the proposed below market transfer that would achieve the same purpose of such transfer.

Dated: March 28, 2014