

PLEASE NOTE - We welcome public comment on the items on the following agenda. To ensure maximum opportunity for participation, speakers representing themselves may speak for up to 2 minutes each, and those representing groups may speak for up to 4 minutes (1 speaker per group). Speakers' comments may address only items considered at today's meeting. Materials relating to matters that are scheduled for discussion in open session will be available at the meeting and will be posted on ESD's website prior to the meeting in accordance with the Public Officers Law

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

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

Meeting of the Directors

Thursday

May 16, 2013 – 9:30 a.m.

AGENDA

FOR CONSIDERATION

I. CORPORATE ACTION

- A. Approval of Minutes of the April 26, 2013 Directors' Meeting

II. DISCRETIONARY PROJECTS

WESTERN NEW YORK REGION

- A. Buffalo (Western New York Region - Erie County) – Richardson Center Corporation Working Capital – Economic Development Purposes Fund (Working Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

LONG ISLAND REGION

- B. Commack (Long Island Region – Suffolk County) – Bren-Tronics DRF Capital – Downstate Revitalization Fund – Business Investment (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 to Take Related Actions

III. NON-DISCRETIONARY PROJECT CONSENT CALENDAR

- A. Non-Discretionary Project – Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c) and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

Upstate City-by-City (Executive)

- A. City of Buffalo – Statler Upstate City-by-City Capital (Erie County) - \$5,300,000

IV. ADMINISTRATIVE ACTIONS

- A. City of Buffalo (Erie County) – Sublease of Space – 95 Perry Street – Authorization to Enter into Sublease and Take Related Actions
- B. Procurement of Consulting Services - Buffalo Investment Development Strategy – Authorization to Enter into a Contract for Consultant Services relating to the Buffalo Strategy Implementation Support Services; and Authorization to Take Related Actions

V. INFORMATION

- A. President’s Report (Oral)

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NEW YORK STATE URBAN DEVELOPMENT CORPORATION

d/b/a Empire State Development
Meeting of the Directors
New York City Regional Office
633 Third Avenue
37th Floor Conference Room
New York, New York 10017

and

Buffalo Regional Office
95 Perry Street, Suite 500
Buffalo, New York 14203

and

Albany Regional Office
625 Broadway
Albany, New York 12245

April 26, 2013

MINUTES

In Attendance

Directors:

Kenneth Adams (Acting Chair)
Derrick D. Cephas
Paul F. Ciminelli
Anthony Albanese – Designee for Superintendent – Department
of Financial Services

Present for ESD:

Maria Cassidy, Deputy General Counsel
Andrew Flamm, Economic Development Program Specialist
Robert Godley, Treasurer
Steve Gold, Vice President – Industry Development
Eunice Jackson, Senior Counsel
Laurence Jacobs, Executive Vice President – Legal and
General Counsel
Edwin Lee, Assistant Vice President – Discretionary Projects
Sheri Lippowitsch, Vice President – Loans and Grants
Eileen McEvoy, Corporate Secretary
Kathleen Mize, Deputy CFO and Controller

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Mehul Patel, Chief of Staff
Paul Roy, Vice President – Portfolio Management and Project Finance
Susan Shaffer, Vice President – Loans and Grants
Rachel Shatz, Vice President – Planning and Environmental Review
Joseph Tazewell, Regional Director – New York City Region
Frances A. Walton, Chief Financial and Administrative Officer

Also Present:

Curtis Archer, President – Harlem Community Development Corporation
Michael Ball, Deputy Director – Regional Economic Development Council – Western New York
James Fayle, Director – Central New York Regional Office
Patrick Hooker, Senior Director – Industry Development, Agribusiness
Andrea Lohneiss, Director - Long Island Regional Office
Michael Morse, Director – Industry Development, SBD
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 9:38 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 Director’s to approve the Minutes of the March 20,

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2013 Directors’ meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE MARCH 20, 2013 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on March 20, 2013, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

Acting Chair Adams then asked the Directors to approve the appointment of Lawrence A. Jacobs as the Executive Vice President – Legal and General Counsel of ESD.

Upon motion duly made and seconded, the following resolution was unanimously adopted:

APPOINTMENT OF OFFICER – Executive Vice President – Legal and General Counsel, ESD

BE IT RESOLVED, that the following individual be, and he hereby is, appointed to the office that appears opposite his name, until his resignation or removal:

<u>NAME</u>	<u>OFFICE</u>
Lawrence A. Jacobs	Executive Vice President - Legal and General Counsel, ESD;

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

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but not limited to the indemnification provisions thereof, the foregoing individual is an “officer” of the Corporation; and be it further

RESOLVED, that any and all actions taken by the foregoing individual since his nomination, on April 1, 2013, to the office identified herein be and hereby are ratified as the acts and deeds of the Corporation.

* * *

The Acting Chair then asked Mr. Lee to present a summary of the Discretionary Project items on the Agenda. The Acting Chair explained that following this brief presentation, he will 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 approve 12 discretionary items including two Economic Development Purposes Fund grants totaling \$293,600 ; three Economic Development Fund grants totaling \$1,310,000; two JOBS Now grants totaling approximately \$7,500,000; one Restore grant for \$1,685,000 and two Urban and Community Development Program grants totaling approximately \$350,000. Mr. Lee added that three Regional Council Capital Fund grants totaling \$2,910,000 will also be presented for consideration.

Mr. Lee noted that these projects will leverage over \$500 million in additional investments and will assist in retaining 3,683 jobs and in creating approximately 584 jobs in New York State.

Following Mr. Lee’s full report, the Acting Chair asked Mr. Tazewell, the Director of

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ESD’s New York City Regional Office, to present the GrowNYC Urban and Community Development Program Grant item for the Directors’ consideration.

Mr. Tazewell explained that the Directors were being asked to approve a \$250,000 grant to GrowNYC for the establishment of a new open-air wholesale farmers’ market and distribution hub in the Hunts Point Section of the Bronx.

Mr. Tazewell further explained that GrowNYC was founded 43 years ago as the Council on the Environment for New York City. Mr. Tazewell added that GrowNYC operates 53 green farmers markets, 11 youth-operated urban farm stands, over 70 community school gardens and four education programs that teach children healthy eating, gardening and recycling.

Mr. Tazewell went on to explain that in his 2011 State-of-the-State address, the Governor pledged to increase downstate market access for Upstate farmers to promote food distribution across New York State by investing in a large distribution hub that would expand food distribution in the underserved communities. With the assistance of this grant, Mr. Tazewell continued, GrowNYC will help to fulfill that pledge.

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:

Bronx (New York City Region – Bronx County) – GrowNYC Working Capital – Urban and

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Community Development Program – Urban and Community Technical Assistance (Working Capital Grant) – Findings and Determinations Pursuant to Sections 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the GrowNYC Working Capital - Urban and Community Development Program (Working Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the Council on the Environment of New York, Inc. d/b/a GrowNYC a grant for a total amount not to exceed Two Hundred and Fifty Thousand Dollars (\$250,000) 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 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.

* * *

Bronx (New York City Region – Bronx County) – GrowNYC Working Capital – Urban and Community Development Program – Urban and Community Technical Assistance (Working Capital grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the GrowNYC

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Working Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Next, Mr. Gold asked the Directors to authorize ESD to make a \$6,000,000 JOBS Now Program grant to JetBlue Airways for the construction, renovation and capital costs associated with relocating its central office to Long Island City, Queens, New York.

Mr. Gold provided the relevant background information noting, in part, that in June of 2009, JetBlue began to evaluate its relocation options and engaged several cities around the country in its extensive selection process to determine where to locate and expand its central office over the long term. Mr. Gold went on to explain the selection process in detail and noted that in March of 2010, JetBlue announced the new central office would be located in Long Island City, Queens.

Mr. Gold added that to date, JetBlue employs 1,110 at the new office and has made over \$40 million in capital improvements at the facility.

The Acting Chair spoke positively with regard to the project. He then discussed various aspects of previously approved grants to JetBlue with Mr. Gold and Ms. Miller.

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

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unanimously adopted:

Long Island City (New York City Region – Queens County) – JetBlue Airways Capital – JOBS Now Program (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 JetBlue Airways Capital - JOBS Now Program (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 JetBlue Airways Corporation a grant for a total amount not to exceed Six Million Dollars (\$6,000,000) from the JOBS Now Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

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

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of

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them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Next, Mr. Morse asked the Directors to authorize ESD to make a \$1.5 million JOBS Now Program grant to Corning Incorporated.

Mr. Morse explained that Corning is a world leader in specialty glass and ceramics. Corning, he added, creates and makes keystone components that enable high technology systems for consumer electronics, mobile emissions control and telecommunications and life sciences.

Mr. Morse explained that the project entailed the construction of 170,000 square feet of space adjacent to Corning's existing 328,000 square foot global R&D Center. In addition, he continued, Corning has undertaken significant renovations and equipment upgrades of preexisting lot space.

Mr. Morse went on to explain that the project costs will ultimately total \$431.7 million and retain 1500 jobs at the site through 2017. Additionally, Mr. Morse stated, Corning is required to create 300 new jobs.

The Acting Chair asked Mr. Morse to confirm that the project is located in Sullivan Park and Mr. Morse stated that it is located there. The Acting Chair then asked if it was correct that

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there are over 2,000 people working there now. Mr. Morse stated that there are presently 2,015 employees. He added that Corning has already exceeded its job creation requirement and that 215 of those jobs are salaried at close to \$100,000 a year.

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

Painted Post (Southern Tier Region – Steuben County) – Corning Global Innovation Center Capital – JOBS Now Program (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 Corning Global Innovation Center Capital - JOBS Now Program (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 Corning Incorporated a grant for a total amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) from the JOBS Now 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

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RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

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

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

* * *

Painted Post (Southern Tier Region– Steuben County) – Corning Global Innovation Center Capital – JOBS Now Program (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

Mr. Fayle then asked the Directors to authorize ESD to make a grant of \$900,000 to Anheuser Busch to assist in construction, renovation and the purchase of machinery and equipment related to its facility in Baldwinsville to move a 24-ounce canning line from its Newark, New Jersey plant to Baldwinsville.

Mr. Fayle added that when the Company approached ESD, there were 12 breweries across the United States and the Company was going to be closing one of them. At that time, he further stated, this brewery was the most expensive operating brewery as well as the least

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utilized. As a result of this project, Mr. Fayle stated, the brewery’s capacity has been up to 85 percent and it has become the fourth most efficient cost effective brewery in the United States.

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:

Baldwinsville (Central New York Region – Onondaga County) – Anheuser-Busch Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Anheuser-Busch Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

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

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

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the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Anheuser-Busch, Inc., a grant for a total amount not to exceed Nine Hundred Thousand Dollars (\$900,000) 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.

* * *

Baldwinsville (Central New York Region – Onondaga County) – Anheuser-Busch Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

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

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Next, Mr. Fayle asked the Directors to authorize ESD to make a \$250,000 capital grant to D&W Diesel to assist in the construction of a 30,000 square foot manufacturing warehouse and in the purchase of new machinery and equipment. He noted that the total project cost was \$1,293,000.

Mr. Fayle also explained that the Company distributes and remanufactures and repairs diesel engines and related components that it sells to trucking, transportation and other industries.

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

Auburn (Central New York Region – Cayuga County) – D&W Diesel Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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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 D&W Diesel, Inc., a grant for a total amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) 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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Auburn (Central New York Region – Cayuga County) – D&W Diesel Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

Mr. Fayle then asked the Directors to authorize ESD to make a \$160,000 Capital grant to the International Control Corporation to support a \$1.6 million machinery and equipment upgrade. This upgrade, he added, will allow the Company to become more competitive especially with the overseas market.

Mr. Fayle explained that the Company manufactures electronic controls for heating and ventilation air conditioning, cooling and refrigeration industries.

Mr. Fayle added that this project will allow the Company to retain 30 jobs and to create an additional 25 jobs.

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

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

North Syracuse (Central New York Region – Onondaga County) – International Controls Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of

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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 International Controls 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 International Controls Corporation a grant for a total amount not to exceed One Hundred Sixty Thousand Dollars (\$160,000) 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)

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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.

* * *

Ms. Lohneiss, the Director of the Long Island Regional Office, then asked the Directors to approve a \$250,000 grant to GSE Dynamics, located in Hauppauge, Long Island.

Ms. Lohneiss explained that this is a second generation, family-run New York State Women-Owned Business that manufactures mechanical and structural components for the military.

Ms. Lohneiss further noted that GSE will spend \$1.75 million in building renovations and have special-edge equipment used for composite manufacturing.

ESD's grant, she added, will reimburse GSE for building renovations and equipment. Ms. Lohneiss further noted that ten new jobs were added as a result of this project.

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

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

unanimously adopted:

Hauppauge (Long Island Region – Suffolk County) – GSE Dynamics Capital – Economic Development Purposes Fund 12-13 – Business Investment (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 GSE Dynamics Capital - Economic Development Purposes Fund 12-13 – Business Investment (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 GSE Dynamics, Inc., a grant for a total amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) from the Economic Development Purposes Fund 12-13, 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

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necessary approvals; and be it further

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

* * *

Next, Mr. Lee presented the Discretionary Projects Consent Calendar for the Directors' consideration. Mr. Lee noted that there was one item for consideration – a \$100,000 grant to The New York Philharmonic.

Mr. Lee explained that in order to expand its performance to underserved areas in New York State, the Philharmonic is currently exploring opportunities to build a new amphitheater.

Mr. Lee further explained that the Philharmonic engaged a consultant group to conduct a feasibility study of park land along the Hudson River and a privately-owned parcel across from the Culinary Institute in Hyde Park to determine a potential location for the amphitheater.

ESD's grant, he continued, will fund up to \$100,000 or 50% of the feasibility study, whichever is less.

The Acting Chair then noted, among other things, that this grant is very supportive of the Governor's emphasis on cultural tourism.

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

Urban and Community Development Program - Findings and Determinations Pursuant to Sections 10(g), 5(4) and 16-d of the Act; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Urban and Community Development Program Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area(s); and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the amount listed below from the Urban and Community Development Program, for the purposes, and substantially on the terms and conditions, set forth in the Materials, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

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

Urban and Community Development Program

	Project Name	Proj #	Grantee	Assistance up to
	Urban and Community Development Assistance			
A.	New York Philharmonic Working Capital	Y175	New York Philharmonic	\$100,000
			TOTAL	\$100,000

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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 two grant items related to the Growing Upstate Food Hub Initiative.

Mr. Fayle explained that the Growing Upstate Food Hub is a consortium of farmer owned agribusiness entities that have joined forces to address capital expense, management and logistical challenges associated with the processing of agricultural products.

Mr. Fayle went on to explain that the first phase of the initiative involves a \$1,685,000 Restore grant that will go to the Village of Canastota for the benefit of Growing Upstate Food Hub.

Mr. Fayle then explained that the \$810,000 working capital grant will go for building out and providing equipment for this facility.

The Acting Chair stressed the importance of this project in meeting the challenge of connecting upstate agricultural communities and growers of various New York State products with the power of the downstate market.

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

Regional Council Award – Priority Project – Canastota (Central New York Region – Madison County) – Growing Upstate Food Hub Capital and Working Capital – Regional Council Capital Fund and Economic Development Purposes Fund 12-13 (Capital and Working Capital Grant) – 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

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 Growing Upstate Food Hub Capital and Working Capital -- Regional Council Capital Fund and Economic Development Purposes Fund 12-13 Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the Growing Upstate Food Hub, LLC a grant for a total amount not to exceed Forty-three Thousand Six Hundred Dollars (\$43,600) from the Economic Development Purposes Fund 12-13 and a grant for a total amount not to exceed Eight Hundred Ten Thousand Dollars (\$810,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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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 – Priority Project – Canastota (Central New York Region – Madison County) – Growing Upstate Food Hub Capital and Working Capital – Regional Council Capital Fund and Economic Development Purposes Fund 12-13 (Capital and Working Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Growing Upstate Food Hub Capital and Working Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Canastota (Central New York Region – Madison County) – Canastota – RESTORE III – Growing Upstate Food Hub – Restore NY Communities 08-09 (Capital Grant) – 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

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 Canastota – RESTORE III – Growing Upstate Food Hub – Restore NY Communities 08-09 Project (the “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

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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 finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the Village of Canastota a grant for a total amount not to exceed One Million Six hundred Eighty-Five Thousand Dollars (\$1,685,000) from Restore NY Communities 08-09, 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.

* * *

Canastota (Central New York Region – Madison County) – RESTORE III – GrowingUpstate Food Hub – Restore NY Communities 08-09 (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Canastota - RESTORE III – Growing Upstate Food Hub Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Mr. Ball then presented the Niagara Community College Regional Council Awards item for the Directors' consideration.

Mr. Ball explained that this \$21 million project involves Niagara Community College developing and fitting out approximately 90,000 square feet of space which would be adaptive re-use of the former Rainbow Center Mall in Niagara Falls as their Culinary Institute. The grant, he continued, is to be used for reimbursement of a portion of the construction costs of a Small Business Development Center, Business Incubator and Test Kitchen.

Mr. Ball went on to note that the Community College and the Small Business Development Center will work closely together to develop and promote economic growth and entrepreneurs in the urban core of Niagara Falls and Western New York.

Mr. Ball further noted that the project is expected to be completed in May 2013 and will

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retain 365 jobs and create 30 new jobs.

The Acting Chair then spoke positively with regard to this project. He then 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 – Niagara Falls (Western New York Region – Niagara County) – Niagara County Community College Culinary Institute Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Niagara County Community College Culinary Institute Capital – Regional Council Capital Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Niagara County Community College 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)

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

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

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

* * *

Next, Ms. Lippowitsch presented the Regional Council Awards Consent Calendar for the Directors' consideration.

Ms. Lippowitsch explained that the Directors were being asked to approve a \$100,000 grant to Val Tech Holdings in Monroe County. She further explained that the Company designs and manufactures plastic injection molds and the parts produced are used in a variety of industries, including medical and automotive.

Val Tech, she added, needed to purchase an injection molding machine to increase its capacity in order to accept new business from one of its automotive customers and considered sub-contracting the work out to a business partner in Indiana.

Val Tech, Ms. Lippowitsch further noted, has invested more than \$450,000 in the project and will retain 189 jobs and create 18 new jobs as a result of the project.

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

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

unanimously adopted:

Regional Council Capital Fund – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Regional Council Capital Fund Project identified below (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

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

Regional Council Capital Fund

	Project Name	Proj #	Grantee	Assistance up to
A	Val Tech Holdings Capital	Y097	Val Tech Holdings, 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.

* * *

Regional Council Award – Rochester (Finger Lakes – Monroe County) – Val Tech Holdings Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

Following the approval of the Val Tech resolutions, the Acting Chair noted that this was Ms. Lippowitsch’s last ESD Directors’ meeting as she was leaving the Corporation to pursue other endeavors. Acting Chair Adams thanked Ms. Lippowitsch for her 15 years of dedicated service to ESD and to New York State.

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Next, Ms. Roy asked the Directors to authorize the transfer of UDC’s remaining Mitchell Lama Housing Portfolio along with certain related accounts with revenue from ESD to the New York State Housing Finance Agency (“HFA”).

Ms. Roy opened her presentation by providing a detailed account of ESD’s historical involvement with Mitchell Lama to date.

Ms. Roy went on the note that at the request of the Governor, ESD’s remaining housing portfolio will be assigned to the HFA on or about June 1, 2013 to allow for the consolidation of the State’s portfolio subsidized mortgages for affordable housing.

Among other things, Ms. Roy noted that an appraisal conducted of ESD mortgage interest determined that the discounted value of the portfolio is approximately \$200 million.

Ms. Roy explained that the basic terms of the transfer as agreed to by the HFA and ESD include the one-time payment to ESD of approximately \$45 million which may be used by ESD for operations. Ms. Roy further noted that the projects that have previously closed or refinanced in the past and that have continuing obligations to ESD in the form of cash flow payments, will remain at ESD and ESD will be entitled to those revenues in the future.

Ms. Roy then noted that in order to complete this transfer, ESD required specialized counsel to ensure bond holders and the Corporation are in compliance with the bond

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documents and to provide further assistance on the assignment of the individual loan documents.

Ms. Roy explained that a Contract Reporter advertisement was posted on September 12, 2012 and that Harris Beach was selected for this task.

Mr. Godley then provided the Directors with a detailed synopsis of the relevant information regarding the specifics of the housing portfolio related bonds.

Following the presentation, the Acting Chair called for questions or comments. Director Cephas asked when this transfer was first started and if it was done in stages.

Ms. Walton explained that as the projects have been refinanced by HFA they have left the portfolio one by one but that this transfer is the whole scale.

Ms. Roy added that conversations on the transfer were entered into with the Division of Budget in December 2012 and that the Governor made the announcement in January and that is when negotiations were entered into.

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

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EMPIRE STATE DEVELOPMENT – Authorization to (I) Transfer the Housing Portfolio from Empire State Development to the New York State Housing Finance Agency in accordance with the Public Authorities Law, (II) Enter into a Contract for Bond Counsel and Real Estate Counsel Services, and (III) Take All Related Actions.

RESOLVED, that, based on the materials submitted to this meeting and ordered filed with the records of the New York State Urban Development Corporation (“Corporation”) relating to the transfer of the Housing Portfolio to the New York State Housing Finance Agency, the Corporation be and hereby is authorized to transfer the Housing Portfolio to the New York State Housing Finance Agency (“HFA”), and be it further

RESOLVED, that there is no reasonable alternative to the proposed below market value transfer without bids that would achieve the same purpose of revitalizing affordable housing; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract for bond counsel and real estate counsel in an amount not to exceed Eighty Thousand (\$80,000) Dollars for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the Officers of the Corporation, be, and each of them hereby is authorized and directed to take any and all actions necessary to carry out the foregoing resolutions and to carry out any authority or delegation granted to the Corporation or in conjunction with such authorizations, including, but not limited to, the preparation and execution of any agreements, instrumentation and/or documents as such authorized officer may deem necessary or appropriate. Any and all acts or determinations heretofore taken or made by any officer or other employee of the Corporation in furtherance of, or related to, any action authorized herein is hereby authorized and ratified.

* * *

Mr. Hooker then asked the Directors to authorize ESD to sell 28.6 acres of land in the Radisson Community to Agrana Fruit U.S., Inc. Mr. Hooker noted that Agrana is a worldwide leader in the manufacture of stabilized fruit preparations for chilled and frozen dairy desserts and yogurt.

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Mr. Hooker noted that the Company is headquartered in Ohio but needed to move into the northeastern part of the United States to fulfill contracts that they have in the yogurt industry there. He added that they chose New York over Pennsylvania and New Hampshire.

Mr. Hooker went on to note the proposed sale price is \$472,000 which is the fair market as-is value, as determined by an independent appraisal performed on behalf of ESD.

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:

Lysander (Onondaga County) – Radisson Community – Authorization to Sell Land to Agrana Fruit U.S. Inc.; Authorization to Hold Public Hearing Thereon; and Authorization to Take Related Action

RESOLVED, that based on 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 (the “Materials”), the Corporation is hereby authorized to sell and convey to Agrana Fruit U.S. Inc. (“Purchaser”), or any corporation or other business entity affiliated or controlled by Purchaser and satisfactory to the President and Chief Executive Officer of the Corporation or his designee(s), for business development purposes, an approximately 28.6 acre parcel of vacant land owned by the Corporation and located within the Radisson Community as shown on the map presented to this meeting (the “Property”), substantially on the terms and conditions set forth in the Materials; and be it further

RESOLVED, that the Corporation hereby finds, pursuant to Section 6(1) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that such sale as proposed and approved herein is in conformity with a plan or undertaking of the clearance, replanning, reconstruction or rehabilitation of substandard and insanitary areas within the Town of Lysander and County of Onondaga; 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 such

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actions as are necessary or appropriate to schedule and hold public hearing as required by the UDC Act or other applicable law (which hearings may be held simultaneously); 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, and affix the seal of the Corporation to, all such agreements, contracts, deeds, certificates and instruments and to take any such action as may be considered to be necessary or proper to effectuate the sale of the Property.

* * *

Ms. Shatz then asked the Directors to accept and approve the Final Environmental Impact Statement (“FEIS”) for Victoria Theatre Redevelopment Land Use Improvement and Civic Project.

Ms. Shatz stated that the Directors were specifically being asked to approve the FEIS as complete with respect to its scope, content and adequacy, and to authorize its publication, filing and circulation in accordance with applicable law.

The Directors, Ms. Shatz further noted, are not being asked to approve the projects at this time but will be asked to do so at a later date.

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 (NEW YORK COUNTY) – Victoria Theater Redevelopment Land Use Improvement and Civic Project – Authorization to Accept and Approve the Final Environmental Impact Statement (“FEIS”); Authorization to Publish, File and Circulate

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the FEIS; and to take Related Actions

RESOLVED, that, in connection with the Victoria Theater Land Use Improvement Project (the “Project”) and on the basis of the materials submitted prior to and during this meeting, the Corporation hereby determines that the Final Environmental Impact Statement (“FEIS”) is complete with respect to scope, content and adequacy, adequately assesses the environmental impacts of the Project, and otherwise meets the requirements of the New York State Environmental Quality Review Act and is in proper form for publication, filing and circulation to the public; and be it further

RESOLVED, that the President and Chief Executive Officer or his designee, and each of the same, hereby is authorized to publish, file and circulate the FEIS and to take any and all such other action as may be deemed necessary or appropriate in connection with the distribution of the FEIS and the receipt of comments thereon, including, without limitation, the publication of a notice relating to such issuance and comment period and, if such Officer or designee so determines, the making of a report or reports to the Directors on comments received; and be it further

RESOLVED, that the Chairman 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 all documents and to take all such further actions as may be considered necessary or appropriate to effectuate the foregoing resolutions; and be it further

RESOLVED, that any and all acts performed by any officers of the Corporation prior to the date of these resolutions in furtherance of these resolutions, are hereby ratified, adopted, confirmed and approved in all respects.

* * *

Next, Ms. Jackson asked the Directors to approve the essential terms of ESD’s renewal lease for office space at 633 Third Avenue.

Ms. Jackson provided the relevant background information with regard to this request outlining, among other things, the proposed essential terms of the lease.

Following the full presentation, Directors Cephias and Albanese asked why the rent was

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so reasonable as opposed to the when the lease was originally entered into. Ms. Jackson stated that it is most likely because the rent that ESD was paying was so much above what the current market requires.

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

NEW YORK CITY (NEW YORK COUNTY) – Approval of the Essential Terms of a Lease for Condominium Units 33-37 and SC4 located at 633 Third Avenue, New York, NY; Authorization to Negotiate Final Terms of the Lease; Authorization to Enter Into a Lease for Condominium Units 33-37 and SC4 located at 633 Third Avenue, New York, NY based upon the Essential Terms; Authorization to Take Related Actions

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 approves the essential terms of the lease for condominium units 33-37 and SC4 located at 633 Third Avenue, New York (the “Premises”); and be it further

RESOLVED, that in accordance with the Materials, the Corporation is hereby authorized to negotiate the final terms and enter into a lease for the Premises with 633 Third TEI Equities LLC substantially in accordance with the essential terms, as set forth in the Materials; 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.

* * *

Next, Mr. Flamm provided a report for the Directors’ information regarding the various aspects of New York State’s Sandy Small Business Recovery Program.

In connection with Mr. Flamm’s report, Ms. Lim then asked the Directors to authorize

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ESD to enter into an agreement with New York State Housing Trust Fund Corp. (“HTFC”) by which HTFC will direct funds to ESD to be used for a second amendment to the BBDO contract for two marketing campaigns.

Ms. Lim then outlined the two marketing campaigns relevant to the request.

The first campaign, Ms. Lim explained, is to promote seasonal businesses and tourism to areas impacted by Hurricane Sandy. The second campaign, she explained, will be to launch and promote the Sandy Small Business Recovery Program previously explained by Mr. Flamm.

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 Agreement with New York State Housing Trust Fund Corporation (“HTFC”); Authorization to direct monies received from HTFC to other State agencies with Contracts for advertising; Authorization to Enter into Amendment of Existing Contract with BBDO USA LLC; Authorization to Take Related Actions

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 New York State Urban Development Corporation d/b/a Empire State Development (“ESD”), ESD hereby finds BBDO USA LLC (“BBDO”) to be responsible; and be it further

RESOLVED, that ESD is hereby authorized to enter into an Agreement with the HTFC substantially on the terms and conditions set forth in the Materials, pursuant to which HTFC would disburse: (i) up to \$37,500,000 to ESD for use in the “Open for Business” and related marketing programs, and (ii) up to \$3,000,000 to support certain activities related to The State of New York Small Business Storm Recovery Program; and be it further

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RESOLVED, that ESD is hereby authorized to direct monies received from HTFC to other State agencies with contracts for advertising, including but not limited to DED; and be it further

RESOLVED, that ESD is hereby authorized to enter into an Amendment of the existing ESD-BBDO contract, pursuant to which the contract amount could be increased from the current \$100,000,000 up to \$137,500,000 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 total of the funds which ESD anticipates that it shall expend pursuant to these Materials shall not exceed the amounts funded by HTFC; and be it further

RESOLVED, that the ESD-BBDO contract amendment is expressly contingent upon receipt of all other necessary approvals; and be it further

RESOLVED, that the President and Chief Executive Officer of ESD 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.

* * *

There being no further business, the meeting was adjourned at 11:06 a.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary

FOR CONSIDERATION

May 16, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Buffalo (Western New York Region – Erie County) – Richardson Center Corporation Working Capital – Economic Development Purposes Fund (Working Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

I. Project Summary

Grantee: Richardson Center Corporation (“RCC”)

ESD* Investment: A grant of up to \$2,020,000 to be used for the reimbursement for operating expenditures associated with the stabilization and renovation of the Richardson Olmsted Complex (“ROC” or the “Complex”).

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

Project Location: 400 Forest Avenue, Buffalo, Erie County

Proposed Project: Operations and administration related to the adaptive reuse of the ROC.

Project Type: Working Capital

Regional Council: The Western New York Regional Council has been made aware of this item. The project is consistent with the Regional Plan as it will improve the Region’s image by increasing tourism and marketing. Howard Zemky is the President of the Richard Center Corporation and co-chair of the 21-member Western New York Regional Council (“Regional Council”). ESD’s assistance was not offered though the Regional Council/Consolidated Funding Application process, and Mr. Zemky was not involved in evaluation of the project for assistance.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Salary/Wages	\$ 450,000	
Equipment, Supplies, Postage, Printing, and Website	19,000	
Miscellaneous Expenses	7,300	
Legal, Accounting, Taxes, Insurance, Appraisals, Inspections & Fees	761,000	
Conference, Convention, Meeting, Travel	24,200	
Fundraising/Marketing & Communications	33,000	
Security	385,000	
Utilities and Maintenance	<u>565,000</u>	
 Total Project Costs	 <u>\$2,244,500</u>	
 <u>Financing Sources</u>	 <u>Amount</u>	 <u>Percent</u>
ESD-Grant	\$2,020,000	90%
Grantee Equity	<u>224,500</u>	<u>10%</u>
 Total Project Financing	 <u>\$2,244,500</u>	 <u>100%</u>

III. Project Description

A. Company

- Industry:** The RCC, a not-for-profit corporation, is coordinating and undertaking extensive planning to stabilize, prepare, and transform the ROC. The RCC has advanced a sound planning process and is implementing a reuse plan for the Complex.
- Grantee History:** RCC was formed in June 2006 to fulfill the state-established public purpose to renovate the ROC buildings and grounds. The RCC administers activities to preserve the history and architecture of the site and the future functions of the buildings and grounds.
- Complex History:** The ROC, a 91-acre site, began development in 1871 and was completed in 1895. Portions of the ROC, including the H. H. Richardson-designed Buffalo State Hospital and the Frederick Law Olmsted and Calvert Vaux-designed grounds, which were previously used as a psychiatric treatment facility, are designated as a National Historic Landmark and are on the State and National Registers of Historic Places. National Historic Landmark's are nationally significant historic places designated by the Secretary of the U.S. Department of Interior because they possess exceptional value or quality in illustrating or interpreting the heritage of the United States.

Ownership: RCC is a not-for-profit corporation.

Complex Size: The ROC encompasses approximately 91 acres of New York State Office of Mental Health-owned land situated in the northwest portion of the City of Buffalo. The ROC is composed of many individual buildings, including the former Buffalo State Asylum for the Insane, also referred to as the “Buffalo State Hospital,” the newer Buffalo Psychiatric Center (“BPC”), buildings leased by the NYS Office of Mental Health tenants, landscaped open space, surface parking lots, and internal roadways and pathways.

Approximately 42 acres of land at the ROC site are vacant, substandard and underutilized. Fourteen buildings are contained on this land, including the Buffalo State Hospital (480,000 square feet of vacant building space), that have been unattended for approximately 40 years. The land has been designated as surplus property by NYS Office of Mental Health and is available for redevelopment.

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

ESD Involvement: Pursuant to legislation adopted in the 2006-2007 New York State budget, \$76.5 million was appropriated to rehabilitate the Complex into a mixed-use, multi-purpose civic campus for both public and private activities. The RCC was designated to oversee the rehabilitation effort. This initiative is supported by the local community and state and local elected officials. The Richardson Olmsted Complex has received wide public support as a result of an active public process through all phases of the effort, including the assembling of a Community Advisory Group that meets regularly, and multiple public meetings and stakeholder sessions.

The \$2.02 million grant will reduce the \$76.5 million 2006-2007 New York State Budget appropriation to \$74.8 million for this project. The \$2.02 million from the 2006-2007 New York State Budget appropriation will be directed to other Western New York capital projects.

Past ESD Support: Since 2006, the ESD Directors have approved four grants totaling \$62,262,796 of the \$76.5 million appropriation for pre-construction, stabilization, relocation of parking facilities and a nine-acre landscaped entry, and development and construction to convert vacant buildings at the site. To date, the Grantee has completed over \$5 million in pre-construction activities and completed the relocation of parking facilities in mid-2012. In addition, it will complete the stabilization activities in mid-2013, complete the landscaped grounds in late-2013, and anticipates completing the core buildings in mid-2015.

The ESD Directors have also approved two working capital grants totaling

\$350,000 to assist with operating expenses in support of stabilization and rehabilitation of the Complex. Both projects are closed.

The Grantee is in compliance with the terms of the aforementioned grants.

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
Suballocation from SUNY	V755	\$2,100,000	August 30, 2007	June 2013	Capital Grant – Stabilization Activities
	V755	\$7,840,800	January 15, 2009	June 2013	Capital Grant – Stabilization Activities
	X361	\$4,939,957	May 23, 2011	December 2013	Capital Grant – Parking Relocation and Landscaping
	X584	\$37,382,039	February 16, 2012	June 2015	Capital Grant – Renovation of Core Buildings
Urban and Community Development Program	W888	\$150,000	November 19, 2009	October 2012	Working Capital Grant – Operations

B. The Project

Completion: December 2016

Activity: The project will facilitate RCC's efforts to continue to stabilize and renovate the ROC to prepare the site for further development. The redevelopment of the ROC will contribute to the economic revitalization of Buffalo and the Western New York Region. Once this project is complete and the planned facilities are fully operational, it is expected the RCC will be self-sustaining.

Results: The redevelopment of the ROC will include a boutique hotel, conference and event space, Buffalo Architecture Center, and Visitor Center – in the iconic Towers Administration Building and two flanking wards, into a fully operational mixed-use project.

This project supports operations within a multi-phase Economic Growth Investment project and does not involve a permanent job commitment or construction spending. Therefore, no benefit cost analysis is provided.

Grantee Contact: Christopher T. Greene, Board Member
Damon & Morey, LLP
Avant Building, 200 Delaware Avenue, Suite 1200
Buffalo, NY 14202
Phone: (716) 858-3730 Fax: (716) 856-5221

ESD Project No.: Y079

Project Team:	Origination/Project Management	Jean Williams
	Contractor & Supplier Diversity	Vikas Gera
	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 \$2,020,000 working capital grant (\$20,200).
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. 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 \$2,020,000 will be disbursed to the Grantee, for working capital expenditures, no more frequently than quarterly, 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 to the Grantee upon completion of the project as evidenced by a Final Report outlining the project's goals, implementation, results and challenges. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures must be incurred on or after September 7, 2012, to be considered eligible project costs. All disbursements must be requested by no later than April 1, 2017.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,020,000, 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 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD, as lead agency, issued a Findings Statement pursuant to the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation for the project at its meeting of May 23, 2011. By adoption of SEQRA Findings, the Directors certified that the requirements of 6 NYCRR Part 617 have been met. The present request for ESD funding for operating expenditures associated with the project constitutes a Type II action as defined by SEQRA. Therefore, no further environmental review is required in connection with the project.

In addition, because the property is listed on the State and National Registers of Historic Places (“S/NRHP”), is designated as a National Historic Landmark, and could contain S/NRHP-eligible archaeological resources, ESD consulted with the New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”) in accordance with Section 14.09 of the New York State Historic Preservation Act. This consultation resulted in ESD, OPRHP and RCC entering into a Letter of Resolution (“LOR”) on April 11, 2011 outlining stipulations that RCC will employ to manage potential impacts to the listed and/or S/NRHP-eligible resources, as well as additional public/stakeholder involvement to be carried out as selected components of the master plan are refined in final design, prior to actual construction. To date, RCC has complied with all applicable stipulations of the LOR; ESD will ensure that RCC continues to adhere to such stipulations prior to implementation of any project components.

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: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 20% 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

May 16, 2013

Buffalo (Western New York Region – Erie County) – Richardson Center Corporation
Working Capital – Economic Development Purposes Fund (Working Capital Grant) –
Findings and Determinations Pursuant to Sections 16-m 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 Richardson Center Corporation Working Capital – Economic Development Purposes Fund (Working Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Richardson Center Corporation a grant for a total amount not to exceed Two Million Twenty Thousand Dollars (\$2,020,000) 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

May 16, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Commack (Long Island Region – Suffolk County) – Bren-Tronics DRF Capital – Downstate Revitalization Fund – Business Investment (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;

General Project Plan

I. Project Summary

Grantee: Bren-Tronics, Inc. (“Bren-Tronics” or the “Company”)

ESD* Investment: A grant of up to \$500,000 to be used for a portion of the cost of leasehold improvements, and the purchase and installation of machinery and equipment.

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

Project Locations: 8 Brayton Court, Commack, Suffolk County**
10 Brayton Court, Commack, Suffolk County
15910 State Highway 30, Downsville, Delaware County

** Project activity site; jobs will be retained at two additional sites.

Proposed Project: Facility expansion involving the establishment of a lithium-ion battery manufacturing plant in a new 32,000 square-foot building, purchase of machinery and equipment, leasehold improvements and job creation and retention.

Project Type: Facility expansion involving job retention and creation.

Regional Council: The Long Island Regional Council has been made aware of this item. The Incentive Offer was accepted in March 2010, predating the Regional Council Initiative. The project is consistent with the Regional Plan because the Long Island Regional Council's vision for long-term economic growth was characterized, in part, by supporting the growth and innovation of its advanced manufacturing base.

Employment:	Initial employment at time of ESD Incentive Offer:	197
	Current employment level:	216
	Minimum employment through January 1, 2017:	244

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Machinery & Equipment	\$4,304,561	
Leasehold Improvements	324,386	
Furniture & Fixtures	<u>371,053</u>	
Total Project Costs	<u>\$5,000,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$500,000	10%
Company Equity	<u>4,500,000</u>	<u>90%</u>
Total Project Financing	<u>\$5,000,000</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Bren-Tronics is a privately-owned, small business that designs and manufactures rechargeable batteries, chargers, and related devices for the United States and international defense forces.

Company History: The Company was founded in 1973 by Vietnam-era veteran Leo Brenna. Since its founding, the Company has shipped more than 2 million lithium-

ion and nickel based batteries and more than 50,000 chargers and 500,000 related support devices to its U.S. and global customers. The lithium-ion battery is the Company's most popular product.

Ownership: The Company is privately-owned.

Size: The Company had been operating a 35,000-square-foot facility in Commack. In addition, it operates a 6,000-square-foot facility in Downsville, NY.

Market: The Company serves a global clientele of military and industrial customers in the U.S. and over 70 foreign countries.

ESD Involvement: In 2009, Bren-Tronics sought to expand its portfolio by vertically integrating the production of renewable energy harvesting devices (products that store power generated from renewable sources for future use) and energy storage devices, including Lithium-Ion batteries. Lithium-ion rechargeable batteries are often used in portable consumer electronics (including almost all cell phones, tablets and laptop computers) and are increasingly being used for military applications. Previously, Bren-Tronics had used lithium-ion batteries imported from Asia. However, the batteries did not meet specialized requirements of low temperature, high capacity and other key performance parameters upon which Bren-Tronics sought to improve. In addition, the Company wanted to incorporate features that would be compatible with renewable energy devices using wind and solar technology. The Company hoped a new production line would generate work with renewable energy platforms for advanced electric and hybrid vehicles and other machines.

The Company's owner had purchased land adjacent to the Company's established facility at 10 Brayton Court in September 2005 and planned to increase the value of the land by constructing a building. At that time, it was not determined how the building would be utilized. The Company was considering expanding its operations to include the production of renewable energy harvesting and energy storage devices including Lithium-Ion batteries. States considered for this expansion included Michigan, North Carolina and Florida. Florida, in particular, was a strong possibility because the state's expertise in renewable energy technology would have allowed immediate production of lithium-ion cells with existing equipment. Despite this, Bren-Tronics wished to remain on Long Island and to retain its New York State business connections.

In order to expand its business in New York, the Company sought ESD's assistance to renovate the new building adjacent to its established facility

in Commack and install machinery and equipment that could manufacture the new energy storage devices. The Company identified a significant funding gap in carrying out this goal, and in August 2009 applied for assistance through the Downstate Revitalization Fund Request for Proposals to help it make the requisite building improvements that would allow this manufacturing. In February 2010, ESD made the Company an offer of financial assistance, which the Company accepted in March 2010. The scope of the project was subsequently reduced and the financial assistance was revised in July 2012. ESD's funding allowed the Company to remain in New York.

Competition: The Company considered relocating to Florida.

Past ESD Support: In 1995, ESD awarded Bren-Tronics, Inc., a \$24,575 grant from the Empire State Economic Development Fund. The funds were fully disbursed and the terms were fulfilled.

In the past five years, the Company has received the following support:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
Empire Zone Benefits	N/A	\$514,325	2010	2019	Wage tax credit, QEZE tax reduction credit, QEZE real property tax credit, EZ ITC/EIC

B. The Project

Completion: December 2014.

Activity: In order to expand its services and establish its new product line, the Company has made leasehold improvements to a 32,000 square-foot building adjacent to the Company's original, and still operational, facility in Commack. To date, the Company has completely renovated the building and installed new machinery and equipment. The Company will purchase and install additional machinery and equipment by December 2014.

Results: The Company will retain 197 jobs and create 47 jobs. The Company has already created 19 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 \$8,952,261;
- Fiscal cost to NYS government is estimated at \$500,000;
- Project cost to NYS government per direct job is \$2,844;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$1,500;
- Ratio of project fiscal benefits to costs to NYS government is 17.90:1;
- Fiscal benefits to all governments (state and local) are estimated at \$16,101,491;
- Fiscal cost to all governments is \$500,000;
- All government cost per direct job is \$2,844;
- All government cost per total job is \$1,500;
- The fiscal benefit to cost ratio for all governments is 32.20:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$78,261,753, or \$234,825 per job (direct and indirect);
- The economic benefit to cost ratio is 156.52:1;
- Project construction cost is \$324,386, which is expected to generate two direct job years and two indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.91 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: Kyle Roelofs, Director, Business Development
10 Brayton Court
Commack, NY 11725
Phone: (631) 499-5155 x166 Fax: (631) 499-5504

ESD Project No.: W980

Project Team:	Origination	Barry Greenspan
	Project Management	Simone Bethune
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Amit Nihalani
	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 \$500,000 capital grant (\$5,000) 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. Leo Brenna will guarantee the grant repayment obligation of Bren-Tronics, Inc., 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 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.
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 \$500,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$250,000) upon completion of the project substantially as described in these materials, documentation of the purchase and installation of at least \$3,000,000 in machinery and equipment, documentation verifying project expenditures of at least \$3,000,000, and documentation of the employment of at least 197 Full-time

Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;

- b) a Second Disbursement of an amount equal to 25% of the grant (\$125,000) will be disbursed upon documentation verifying additional project expenditures of \$1,000,000 (\$4,000,000 cumulative expenditure), and documentation of the employment of at least 217 Full-time Permanent Employees at the Project Location (Employment Increment of 20), provided Grantee is otherwise in compliance with program requirements;
- c) a Third Disbursement of an amount equal to 25% of the grant (\$125,000) will be disbursed upon documentation verifying additional project expenditures of \$1,000,000 (\$5,000,000 cumulative expenditure), and upon documentation of the employment of at least 244 Full-time Permanent Employees at the Project Location (Employment Increment of 27), 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 8, 2010, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

- 7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$500,000, 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	197
A	B
Reporting Date	Employment Goals
February 1, 2014	197+X+Y
February 1, 2015	197+X+Y
February 1, 2016	197+X+Y
February 1, 2017	197+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=20, and Employment Goals shall equal [197 + X = 217] 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=27, and Employment Goals shall equal [197 + X + Y =244] 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

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 staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

VI. Non-Discrimination and Contractor & Supplier Diversity

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

VII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

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

X. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

Benefit-Cost Analysis

Commack (Long Island Region – Suffolk County) – Bren-Tronics DRF Capital – Downstate Revitalization Fund – Business Investment (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 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 Bren-Tronics DRF Capital – Downstate Revitalization Fund – Business Investment (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 Bren-Tronics, Inc., a grant for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) 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

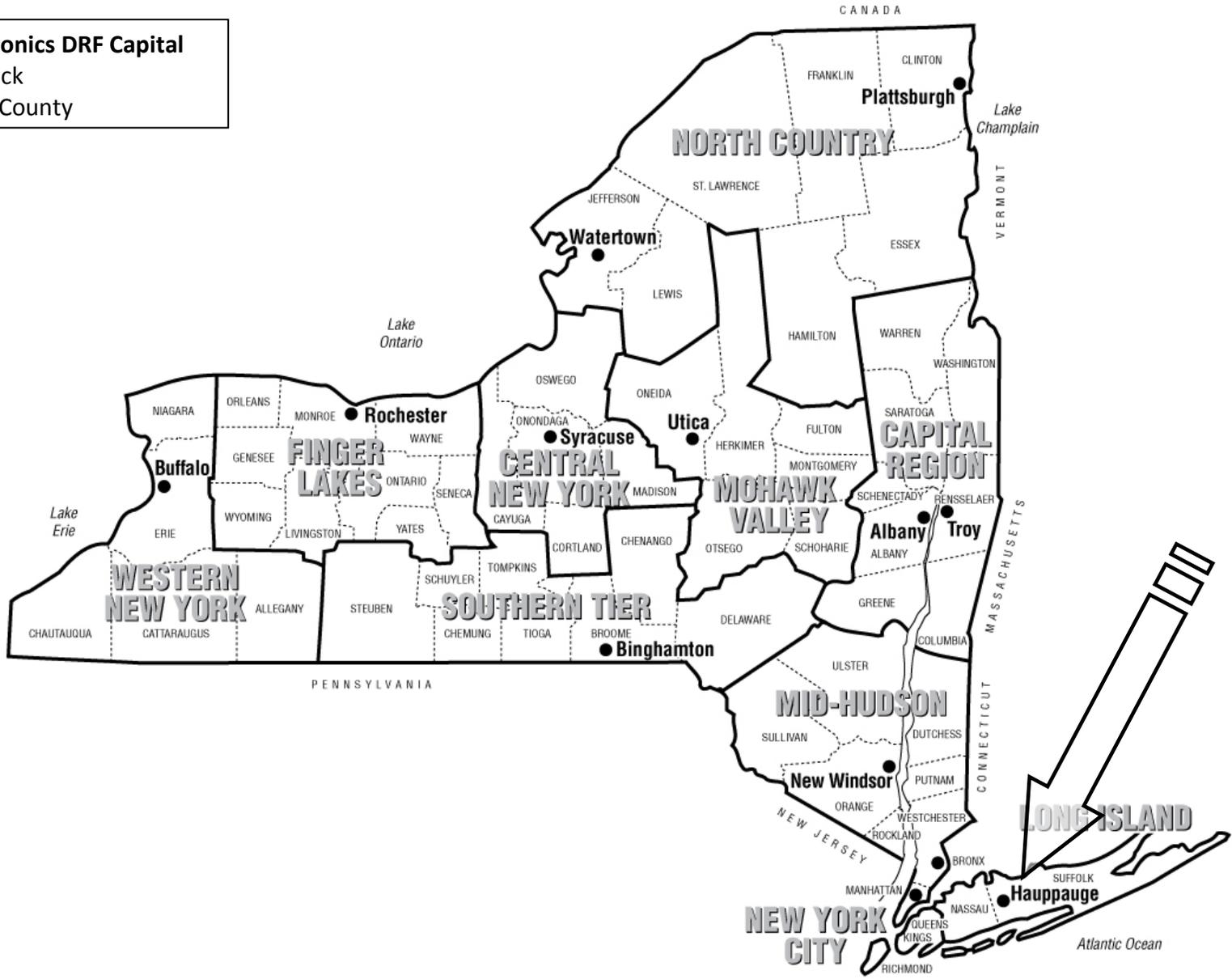
RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in 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.

* * *

Bren-Tronics DRF Capital
Commack
Suffolk County





FOR CONSIDERATION

May 16, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Non-Discretionary Projects

REQUEST FOR: Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c) and 10 (g) of the Act; Authorization to Adopt the General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

	Project Name	Proj #	Grantee	Assistance up to
	Upstate City-by-City (Executive)			
A	City of Buffalo – Statler Upstate City-by-City Capital	X834	The City of Buffalo	5,300,000
	1 project		Sub-total	\$5,300,000
	TOTAL NON-DISCRETIONARY – 1 PROJECT		TOTAL	\$5,300,000

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 25% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 15% 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.

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

May 16, 2013

Upstate City-by-City – Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c) and 10 (g) of the Act; Authorization to Adopt the 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 Upstate City-by-City 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 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:

Land Use Improvement Project

- 1) 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;
- 2) 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;
- 3) That the plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole;
- 4) That the proposed facilities or project is consistent with any existing local or regional comprehensive plan; and
- 5) The requirements of Section 10(g) of the Act are satisfied.

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 Upstate City-by-City, 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

Upstate City-by-City – Executive - Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
A	City of Buffalo – Statler Upstate City-by-City Capital	X834	The City of Buffalo	5,300,000
			TOTAL	\$5,300,000

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

* * *

A. City of Buffalo – Statler Upstate City-by-City Capital (X834)

May 16, 2013

General Project Plan

- Grantee:** The City of Buffalo (“Buffalo” or the “City”)
- Beneficiary Company:** Statler City LLC (“Statler City”)
- ESD Investment:** A grant of up to \$5.3 million to be used for a portion of the cost of building renovations.
- Project Location:** 107 Delaware Avenue, Buffalo, Erie County
- Proposed Project:** Redevelopment of a vacant historic structure into a hospitality center with office and retail space.
- Project Type:** Building renovations
- Regional Council:** The Western New York Regional Economic Development Council (“WNYREDC”) has been made aware of this item. The project is consistent with the WNYREDC’S Regional Plan as it will improve the region’s image by increasing tourism and marketing.

Background:

Beneficiary Industry – Statler City is a hospitality and entertainment center which caters to special events including weddings, conferences, holiday parties, dance recitals, and corporate luncheons.

Grantee History - The City, incorporated in 1832, is located in Erie County in Western New York State. The City is approximately 41 square miles in area and has a current population of about 262,000 people. At the turn of the twentieth century, Buffalo was the eighth most populous city and hosted the fifth largest economy in the United States. The City, which is located at the western terminus of the Erie Barge Canal, became known as the “Queen City” of the Great Lakes. It developed as a major transportation hub and contained a vibrant industrial base, which produced innovations in energy, chemicals and aeronautics. Today, as a result of shifts in transportation trends and a decline of its industrial base, Buffalo is one of the poorest of the largest 100 cities in the United States based on household income, unemployment and percentage of population on public assistance. In the 1990s more jobs were lost in Buffalo than any other urban community of comparable size in the country. The City has lost over 50% of its population since the 1950s. The current poverty rate in the City is 29%. Buffalo is also ranked one of the top seven cities based on the number of vacant housing units, which currently involve over 22,000 properties.

City of Buffalo – Statler Upstate City-by-City Capital (X834)

May 16, 2013

Beneficiary History – Statler City was formed in August 2010 to acquire and redevelop the vacant former Statler Towers (the “Statler”), an 18-story, 800,000-square-foot historic structure built in 1923 by Ellsworth Statler as his flagship hotel. The Statler, originally called the Buffalo Statler, was gradually converted to offices in 1948 as Buffalo had an abundance of hotel rooms; the last hotel rooms were closed in 1984. The Statler’s ballrooms continued to be used for catered events and banquets. The Statler went into bankruptcy in the late 2000s, at which time a majority of the building was vacant after several failed attempts to renovate it into a mixed-use structure. In January 2010, the Statler officially closed. Subsequently, the City closed adjacent sidewalks due to falling façade debris. In August 2010, the U.S. Bankruptcy Court accepted the bid from Statler City, which acquired the building on March 15, 2011 and immediately began building stabilization and renovations. The lower floor public rooms, including the lobby and ballrooms, were reopened on December 31, 2011 with a New Year’s Eve Gala.

The Beneficiary’s owner, Mark Croce, has a proven history in the renovation of blighted properties including the five-Star Chophouse restaurant; the multi-level entertainment building, The Coliseum, which includes a bar and rooftop patio; the Brownstone restaurant which was a boarded up rooming house at time of purchase; and many future plans for renovating buildings such as the Curtiss Building, the Hertz Garage and the Saturn Rings Building. New buildings on properties owned by Mr. Croce will be located throughout the City, including a three-level mixed-use space at the corner of Pearl and Chippewa Streets. Mr. Croce is also a dedicated member of the Buffalo Community, serving on the Niagara Frontier Transportation Authority’s Board of Commissioners as a Member of the Audit & Governance, Surface Transportation, Property Risk Management, and Aviation and Human Resource Committees. He also serves as a Board Member of Buffalo Place, and Vice President of the Buffalo Police Foundation.

Beneficiary Ownership – Privately owned

Beneficiary Size – Statler City LLC currently has one employee.

Beneficiary Market – The Statler, once completely renovated, will provide banquet and conferences facilities, restaurants and small retail outlets. A hotel is being contemplated, which would provide additional accommodations for the immediately adjacent Buffalo Niagara Convention Center (the “Convention Center”).

ESD Involvement – In mid-2012, the City advised ESD that although Statler City had completed preliminary stabilization and renovations to the ground floors, it lacked sufficient funds to continue stabilization and interior and exterior renovations necessary

City of Buffalo – Statler Upstate City-by-City Capital (X834)

May 16, 2013

to return the 18-story vacant structure to full use. Infrastructure issues needed to be addressed for Statler City to qualify for financing and to attract the hotel operator.

Past ESD Support - ESD’s financial support to the City began in 1999. Since then, total financial support has been \$32,876,984 for 16 projects. Nine of the projects have been completed, with funds fully disbursed.

Statler City, LLC is Empire Zone certified in the Buffalo zone, effective June 2010. It has not reported using any tax credits in 2010 and 2011. It will be eligible for various tax credits through 2019. Statler City is not a participant in the Excelsior Jobs Program.

ESD’s financial support to the City in the last five years is summarized in the chart below. Several grants have been fully disbursed, and others are underway.

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
RESTORE NY	W089	\$5,072,000	April 2008	December 2010	Capital Grants– demolition, deconstruction, rehabilitation, or reconstruction of vacant, obsolete or surplus structures
	W090	\$4,500,000	July 2008	December 2012	
	W848	\$2,000,000	December 2009	March 2017	
	W896	\$1,350,000	February 2010	September 2011	
	W839	\$7,635,526	November 2010	December 2016	
	W898	\$2,634,474	June 2011	December 2016	
	W897	\$320,000	November 2012	October 2013	
	X110	\$500,000	January 2013	December 2018	
Upstate City-by-City	W904	\$1,000,000	March 2010	December 2015	Capital Grant – construction
	W905	\$1,000,000	March 2010	February 2013	Capital Grant – construction
	X956	\$3,000,000	December 2012	Ongoing	Capital Grant – regional revolving loan fund

City of Buffalo – Statler Upstate City-by-City Capital (X834)

May 16, 2013

The Project:

Completion – June 2014

Activity – The project involves the acquisition of the Statler; interior and exterior renovations including roof replacement, masonry restoration and stabilization, electrical and water/waste service upgrades, the installation of new fire alarm and sprinkler systems, asbestos abatement, interior demolition and reconstruction, entrance and canopy restoration, and related soft costs.

Results – The project will increase Buffalo’s marketability for conventions and growing tourism industry by renovating the vacant Statler into a leading hospitality center for upscale entertainment, and allowing for the full development of the interior spaces for lease to new businesses, as well as paving the way for a name brand hotel. The Statler is one of the only area facilities that can meet the needs for large events as it can hold up to 2,000 people. With its close proximity to the Convention Center, it also enables the Buffalo Niagara Convention and Visitor’s Bureau to market major events that it otherwise might not attract, thereby increasing business and tourism. The stabilization of the exterior of the Statler will also allow for development of the interior spaces for lease to new businesses.

Financing Uses	Amount	Financing Sources	Amount	Percent
Building Improvements	\$ 8,049,839	ESD Grant	\$ 5,300,000	41%
Furniture, Fixtures, & Equipment	2,294,746	Beneficiary Equity	7,500,000	59%
Real Estate Acquisition	611,775			
Soft Costs	1,843,640			
Total Project Costs	\$12,800,000	Total Project Financing	\$12,800,000	100%

Grantee Contact - Mr. Michael Breen, Communications Manager
Buffalo Urban Renewal Agency
913 City Hall
Buffalo, NY 14202-3376
Phone: (716) 851-5468 Fax: (716) 842-6942

Beneficiary Contact - Mr. Mark D. Croce, Owner
257 Franklin Street
Buffalo, NY 14202
Phone: (716) 208-1215 Fax: (716) 847-6296

City of Buffalo – Statler Upstate City-by-City Capital (X834)

May 16, 2013

<u>Project Team</u> -	Origination	Christina Orsi
	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 \$5.3 million will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of \$2 million will be disbursed upon documentation of project costs totaling \$5 million, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of \$1.6 million will be disbursed upon documentation of additional project costs of \$3 million (aggregate total \$8 million), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of \$1.7 million will be disbursed upon completion of the project substantially as described in these materials and documentation of additional project costs of \$4 million (aggregate total \$12 million), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures must be incurred on or after April 1, 2008 to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

4. If a hotel is developed at the Project Location, the Grantee will be required to comply with the Labor Peace Agreement provisions contained in NYS Public Authorities Law Section 2879-b.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$5.3 million, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the City 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.

City of Buffalo – Statler Upstate City-by-City Capital (X834)

May 16, 2013

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.

Due to the building's inclusion in the State and National Registers of Historic Places, ESD has confirmed that the project sponsor initiated consultation with the New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”) pursuant to Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. ESD will ensure that consultation is completed with OPRHP in accordance with a Letter of Understanding.

Non-Discrimination and Contractor & Supplier Diversity:

ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 25%. 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.

Statutory Basis – Section 10 Findings – Upstate City-by-City Project:

Land Use Improvement Project

1. 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.
The project involves the re-use of a vacant and underutilized building in the City, transforming it into much desired downtown hotel and conference center consistent with increasing regional tourism. The building, if left vacant, would continue to deteriorate, further prohibiting economic development efforts within the City.
2. 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.
The project includes renovation of a vacant historical structure. There are no recreational or other facilities affected.
3. That the plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.

City of Buffalo – Statler Upstate City-by-City Capital (X834)

May 16, 2013

Work for the design and construction phases of the project will include requests for proposals to local suppliers and contractors. Award for contracts will be consistent with regulations governing municipal bid processes.

4. That the proposed facilities or project is consistent with any existing local or regional comprehensive plan.

The proposed project is consistent with The Queen City Hub Plan, the adopted master plan for Buffalo's downtown, to improve the competitiveness of downtown Buffalo in capturing new job and investment decisions, as well as to establish a process and management capacity for long term downtown sustainable development.

5. 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 sites.

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 the 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

May 16, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: City of Buffalo (Erie County) – Sublease of Space - 95 Perry Street

REQUEST FOR: Authorization to Enter into a Sublease and Take Related Actions

I. Background

In March of 2008, ESD entered into a lease with Michigan Street Development, LLC for the entire fourth and fifth floors consisting of 30,610 square feet of space in a newly renovated warehouse located on 95 Perry Street, Buffalo, New York. ESD took possession of the premises on October 1, 2008. The leased premises currently houses staff of ESD and its subsidiary, the Erie Canal Harbor Development Corporation. The lease is for a ten-year term with rent at a rate of \$15 per square foot per annum for years 1 through 3, \$15.50 per square foot per annum for years 4 through 7 and \$16 per square foot per annum for years 8 through 10. In addition, ESD is required to pay utilities (gas and electric) for the lease premises.

II. Proposed Transaction

The Erie County Industrial Development Agency (“ECIDA”) is currently located at 143 Genesee Street in the City of Buffalo. Extensive talks between ESD and the ECIDA have resulted in an agreement whereby the ECIDA will relocate its office to available space on the fourth floor of 95 Perry Street. This arrangement will permit ESD and the ECIDA to provide a one-stop economic development facility servicing Erie County.

It is expected that the ECIDA will lease approximately 8,600 square feet of space on the fourth floor. The actual square footage will be calculated once the ECIDA confirms its space needs. In addition, the ECIDA will share common space on the floor with other tenants. Currently, the New York State Power Authority subleases space and it is expected that the ECIDA will sublease part of its space to the Buffalo Urban Development Corporation (“BUDC”). In the event that BUDC does not locate at 95 Perry Street or leaves the space after the sublease commences, the ECIDA will be given the option of reducing its space accordingly.

The terms of the sublease will require the ECIDA to pay an annual rate of \$11.75 per square foot of space occupied and for its proportionate share of common space. The rent will increase to \$12.25 per square foot in October of 2015 upon ESD's next scheduled rent escalation. The ECIDA will pay for its utility use based on its proportionate share of space occupied and will pay for any build-out required. The term of the sublease will coincide with ESD's remaining term of the leased premises. In addition, the ECIDA will be permitted to use any surplus furniture present on the fourth floor that is not currently being used by ESD and will have access to ESD's main conference room on the fifth floor.

III. Compliance with the Public Authorities Law

Pursuant to the provisions of the Public Authorities Law ("PAL"), ESD is required to dispose of property through a competitive bid process unless a specific statutory exception applies. For negotiated transactions, the relevant exceptions include situations when: 1) 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; or 2) the purpose of the transfer is within the purpose, mission or governing statute of the public authority.

ESD's mission includes:

- (i) promote a vigorous and growing economy, to prevent economic stagnation and to encourage the creation of new job opportunities in order to protect against the hazards of unemployment, reduce the level of public assistance to now indigent individuals and families, increase revenues to the state and its municipalities and to achieve stable and diversified local economies.
- (ii) encourage maximum participation by the private sector of the economy, including the sale or lease of the corporation's interest in projects at the earliest time deemed feasible.
- (iii) provide or obtain the capital resources necessary to acquire, construct, reconstruct, rehabilitate or improve such industrial, manufacturing, commercial, educational, recreational and cultural facilities, and housing accommodations for persons and families of low income, and facilities incidental or appurtenant thereto.

The sublease of space to the ECIDA will be to a public entity, namely an industrial development agency formed pursuant to the NYS General Municipal Law. In addition, the sublease will permit cooperation and collaboration between the ECIDA and ESD furthering the missions of both entities, namely supporting economic development opportunities in Western New York. Accordingly, the conditions of the PAL for the sublease of the premises to the ECIDA are satisfied.

Additional information required by the PAL to support the proposed below fair market transfer without bids is as follows:

- (i) A full description of the asset: Office building located at 95 Perry Street, Buffalo New York. ESD leases two floors of the building comprising 15,305 square feet per floor.
- (ii) An appraisal of the fair market value of the asset: Pursuant to independent appraisal completed by ESD, the fair market rent for the space is \$12.50 per square foot per year.
- (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 are required by the transfer, and the benefits, if any to the communities in which the asset is situated as are required by the transfer: As more fully described in these materials, the public benefit expected includes the creation of a one-stop economic develop facility that will better serve the public.
- (iv) A statement of the value to be received compared to the fair market value: The ECIDA will pay \$11.75 per square foot of space which will increase to \$12.25 per square foot in October of 2015. The fair market value of the lease premises is estimated at \$12.50 per square foot based on an independent appraisal.
- (v) The names of the private parties participating in the transfer: ESD's landlord will be required to approve the sublease between ESD and the ECIDA. No other private parties are participating in the transaction.
- (vi) The names of the 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: ESD has received no offers for the sublease of the space.

The goal of the sublease is to better serve the Western New York region by co-locating two public entities charged with providing economic development assistance. The terms of the lease were negotiated to enable ESD to maximize the amount received for the space while keeping the space affordable to permit the ECIDA's relocation. As described in these materials, there is no reasonable alternative to the negotiated transfer that would achieve the same purpose of such transfer.

IV. Environmental Review

ESD staff has determined that the action, which involves the transfer (i.e., subletting) of a portion of an existing office lease with no material change in the scope of the office use, 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 action.

V. Requested Action

The Directors are requested to: (1) authorize the corporation to enter into a sublease with the Erie County Industrial Development Agency; and (2) authorize the corporation to take all related actions.

VI. Recommendation

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

Attachment

Resolution

May 16, 2013

City of Buffalo (Erie County) – Sublease of Space- 95 Perry Street - Authorization to Enter into a Sublease and Take Related Actions.

RESOLVED, that based on the materials presented to this meeting and ordered filed with the records of the New York State Urban Development Corporation d/b/a Empire State Development (the "Corporation") relating to the sublease of space at 95 Perry Street, Buffalo New York, the Corporation be and hereby is authorized to enter into a sublease with the Erie County Industrial Development Agency and to take all related actions substantially on the terms and conditions set forth in these materials; and be it further

RESOLVED, that on the basis of the materials submitted to the Directors, the Directors hereby find that there is no reasonable alternative to the proposed below market transfer that would achieve the same purpose of such transfer, and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designees be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

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