NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d/b/a Empire State Development Corporation
Meeting of the Directors
New York City Regional Office
633 Third Avenue
37th Floor Conference Room
New York, New York 10017

and

Syracuse Regional office
620 Erie Boulevard West
Syracuse, New York 13204

April 26, 2012

MINUTES

In Attendance
Directors: Julie Shimer - Chair
            Derrick Cephas
            Joyce Miller
            Anthony Albanese – Designee for Superintendent – Department of Financial Services

ESD Officers: Maria Cassidy, Deputy General Counsel
              Justin Ginsburgh, Chief of Staff
              Sheri Lippowitsch, Vice President – Loans and Grants
              Eileen McEvoy, Corporate Secretary
              Frances A. Walton, Chief Financial and Administrative Officer

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 3:00 p.m. by Chair Shimer. It was noted for the record that the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

Next, Chair Shimer set forth the guidelines regarding comments by the public on matters on the Agenda.

Chair Shimer then asked Justin Ginsburgh to present the one item on the meeting agenda being the Military Base Retention and Expansion item.

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

Among other things, Mr. Ginsburgh explained that State military bases account for more than 10,000 direct jobs and $1.9 billion in annual economic impact in the State of New York.

Mr. Ginsburgh went on to explain that the economic benefits created by State military bases continue to be threatened by ongoing budgetary constraints by the Department of Defense, its modernization activities and future rounds of the Base Realignment and Closure (“BRAC”) Commission. Mr. Ginsburgh further noted that on March 9, 2012, ESD and the
Governor’s Washington office initiated a request for a proposal process to select a consultant to help protect our military bases.

Mr. Ginsburgh then outlined the process involved in selecting Hyjek & Fix, Inc.

Mr. Ginsburgh then asked the Directors to authorize ESD to enter into a contract for consultant services relating to Military Base Retention and Expansion. The Directors, he further noted, were also being asked to delegate to ESD’s President and CEO to exercise contract renewal options on behalf of the Corporation.

Following the full presentation, the Chair called for questions or comments. Director Miller asked for information with regard to the selected Company, as well as, the two other respondents. She also asked why it went to only three potential responders.

Mr. Ginsburgh reiterated the information he provided earlier regarding the selection process explaining that the distribution of the RFP was mentioned in the Corporation’s press release, published in the Contract Reporter and also posted on ESD’s website.

Mr. Ginsburgh further explained that ESD identified three very strong potential respondents and sent the RFP directly to them. He added that while everyone had an opportunity to respond, there were only three respondents.
Mr. Ginsburgh explained that part of the reason for the limited responses lies in the fact that many of these firms may have conflicts as they have been performing these services for other states.

Mr. Ginsburgh went on to note that the selected firm, Hyjek & Fix, Inc. has been doing this type of work for New York State for 16 years and has a very strong track record in working with New York State military installations. He continued and explained that both the military and the communities are familiar with the Company.

Mr. Ginsburgh then explained that the other two firms, the Roosevelt Group and HM&A, which are both Washington D.C. lobbying groups with strong military experience, did not have as many New York State contacts. Additionally, he noted, ESD identified some potential conflicts with other states which may have negatively influenced their sole focus and duty to serve New York State.

Director Miller then stated that there is an advantage in dealing with an organization that is familiar with New York State and its special needs. She then asked if there had been any difficulties in terms of ESD’s previous experience and contracts with the firm.

Mr. Ginsburgh stated that their previous work has been reviewed and that it is of high quality and there have been no difficulties in connection with their previous contracts.
Director Miller then asked if there was anything in the contract that the Directors should be wary of and Mr. Ginsburgh stated that ESD will not negotiate the contract until the item is approved. He added that ESD plans to use its standard consulting services contract.

Ms. Walton added that the procurement contracts over $50,000 are not acted on before the item comes to the Directors for approval.

Director Miller noted her concern with regard to the details of the contract and suggested that ESD provide a general education session regarding contracts so from a fiduciary perspective the Directors are more familiar with what is in ESD’s standard contract.

Director Cephas suggested that it may be a better idea to have the standard contract distributed so that the Directors can see the terms and how they are laid out.

Ms. Cassidy stated that the standard contract can certainly be distributed to the Directors. Ms. Cassidy further noted that there are two schedules to the contract – one is the compensation structure as set forth in the Directors materials and the second is a separate Schedule B which is the scope of service which is basically the scope of work that corresponds to that section of the Directors materials.

Director Miller stated that that is the information that she was seeking. Chair Shimer stated that all of the Directors should receive the standard contract as part of the monthly
Chair Shimer called for any further questions or comments from the Directors and
Director Miller commented positively on the fact that something was being done proactively in
terms of base retention for the State because it is an important economic issue and other states
have been very active on this front.

Chair Shimer then called for comments from the public. Hearing none, and upon
motion duly made and seconded, the following resolution was unanimously adopted:

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the
“Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the
Corporation hereby finds Hyjek & Fix, Inc. to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Hyjek & Fix,
Inc. Inc. for the initial one year term in an amount not to exceed Three Hundred Fifty Thousand
Dollars ($350,000), and up to three one year options, at amounts not to exceed: Three
Hundred Thirteen Thousand Dollars ($313,000) in option year one; and Three Hundred Seventy
Five Thousand Dollars ($375,000) in each of option years two and three, for a total contract
amount, if all options are exercised, not to exceed One Million Four Hundred Thirteen
Thousand Dollars ($1,413,000), and substantially on the terms and conditions, set forth in the
Materials; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation is hereby
authorized to exercise the contract renewal options provided for in these Materials on behalf of
the Corporation; and be it further

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

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There being no further business, the meeting was adjourned at 3:15 p.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary
NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d/b/a Empire State Development Corporation
Meeting of the Directors
New York City Regional Office
633 Third Avenue
37th Floor Conference Room
New York, New York 10017

and

Syracuse Regional Office
620 Erie Boulevard West
Syracuse, New York 13204

and

Buffalo Regional Office
95 Perry Street
Buffalo, New York 14203

May 17, 2012

MINUTES

In Attendance
Directors:
Julie Shimer – Chair
Kenneth Adams
Derrick Cephas
Paul Ciminelli
Joyce Miller
Anthony Albanese – Designee for Superintendent – Department of Financial Services
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 10:36 a.m. by Chair Shimer. It was noted for the record that the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

Next, Chair Shimer set forth the guidelines regarding comments by the public on matters on the Agenda.
Chair Shimer then asked the Directors to approve the Minutes of the April 17, 2012 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 APRIL 17, 2012 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on April 17, 2012, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

The Chair then asked Mr. Lee to present a summary of the Discretionary Project items on the Agenda. Chair Shimer explained that following Mr. Lee’s brief presentation, she would call upon the individual Regional Directors or their representatives to present the projects from their region.

Mr. Lee noted that the Directors are being asked to approve six projects in total. One Downstate Revitalization Fund convertible loan in the amount of $1,000,000 and five grants totaling $571,000 from the Economic Development Fund for projects located in the Finger Lakes, the Mohawk Valley and Western New York Regions. Mr. Lee added that these projects will leverage over $63 million of additional investments and will assist in retaining 1,110 jobs and in creating approximately 119 jobs in New York State.
Following Mr. Lee’s summary, the Chair asked Mr. Tazewell to present the New York Botanical Garden Downtown Revitalization Fund item for the Directors’ consideration.

Mr. Tazewell explained that the Directors were being asked to authorize ESD to make a $1,000,000 convertible loan to the New York Botanical Garden to be used for the $48.5 million in construction costs of the Garden’s new intermodal parking facility.

Mr. Tazewell further explained that the facility is now complete and consists of a LEED-certified structure with seven parking levels, and space to accommodate 825 cars.

The facility, he added, is directly adjacent to the Metro-North Harlem Line Botanical Garden Station and will facilitate transit usage by providing a Park-and-Ride option.

Mr. Tazewell went on to explain that the facility is particularly important to accommodate patrons of the Garden during the peak periods associated with popular exhibits and will also serve as a cornerstone of redevelopment along the Webster Avenue Corridor.

In closing, Mr. Tazewell noted that since the project is complete, it has already resulted in 196 construction jobs and will also result in 10 new full time jobs.

Following the full presentation, Chair Shimer called for any further questions or comments. Director Miller noted that the new exhibit is exquisite from the pictures that she
has seen.

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

Bronx (New York City Region – Bronx County) – New York Botanical Garden DRF Capital – Downstate Revitalization Fund – Infrastructure Investment (Convertible Loan) – Findings and Determinations Pursuant to Sections 16-r and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions

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 New York Botanical Garden DRF Capital – Downstate Revitalization Fund – Infrastructure Investment (Convertible Loan) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to New York Botanical Garden a loan for a total amount not to exceed One Million Dollars ($1,000,000) from the Downstate Revitalization Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Chair Shimer then asked Mr. Welisevich, representing the Western New York Regional
Office, to present the Alliance Innovative Marketing Manufacturing EDF capital grant item for
the Directors’ approval.

Mr. Welisevich asked the Directors to approve a $181,000 grant to the Company to be
used for a portion of the costs associated with the acquisition and installation of new
machinery and equipment.

Mr. Welisevich explained that the Company specializes in high precision contract
manufacturing for the aerospace, compression, energy and industrial markets.

Mr. Welisevich further explained that the total project cost is $2.2 million and includes
the renovation of a 35,000 square foot facility as well as installation of new machinery and
equipment.
The Project Mr. Welisevich added, is expected to retain 33 jobs and create six new jobs by January 1, 2014.

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

Lackawanna (Western New York Region – Erie County) – Alliance Innovative Manufacturing 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 Alliance Innovative Manufacturing 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 Alliance Innovative Manufacturing, Inc. a grant for a total amount not to exceed One Hundred Eighty-One Thousand Dollars ($181,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Next, Mr. McNary asked the Directors to authorize ESD to make a $150,000 capital grant to Pliant, a major producer of plastic films used for packaging and food products. He added that the plant is located in Macedon, Wayne County.

Mr. McNary then explained that the project dates back to 2007 when Pliant decided to close its plant in British Columbia and consolidate certain operations to the US plant. ESD, he
continued, offered the incentive so that the project could go forward at the Macedon facility.

Mr. McNary also noted that the project involves retaining 461 jobs and creating 50 new jobs. Mr. McNary added that the Company has already created the 50 new jobs.

Mr. McNary further stated that a $40,000 grant for another expansion by this Company is included on the consent calendar to be provided to the Directors for consideration later in this meeting.

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

Macedon (Finger Lakes – Wayne County) – Pliant Capital I – 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 Pliant Capital I – 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 Pliant, LLC a grant for a total amount not to exceed One Hundred Fifty Thousand Dollars ($150,000) 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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Mr. Lee then presented the Discretionary Projects Consent Calendar for the Directors approval.

Mr. Lee explained that there were three projects for consideration.

The first project, he continued, is a request for a $100,000 grant to Bonide Products located in Oneida County. The Company, he noted, produces and packages weed control and insect repellent products.

In order to remain competitive, Mr. Lee explained, the Company has completed a 75,000 square foot warehouse expansion. The $4.5 million project, Mr. Lee noted, was completed in November 2011. He added that the company has retained 98 jobs and has created 14 of the 15 jobs that it had committed to create.

The second project, Mr. Lee continued, is a request for a $100,000 grant to Liberty Fresh Farms, Inc. The Company, he noted, packs, sells and distributes sweet onions to food service, retail and wholesale sectors.

Mr. Lee further explained that the Company has established a new 38,000 square foot facility in Orleans County to process locally grown onions.
Mr. Lee also stated that the Company has committed to creating 26 new jobs by 2014. Mr. Lee added that the Company has created 18 jobs to date.

Mr. Lee noted that the third project involves a $40,000 grant to Pliant LLC, a major producer of film and flexible packaging. Mr. Lee added that the funds will assist with the costs associated with facility renovations, relocation of machinery and equipment, and new tower buildout to accommodate manufacturing operations moved from Massachusetts.

Mr. Lee added that the Project will allow the Company to retain 518 existing jobs and create 12 new jobs. The 12 new jobs, he continued, have already been created.

Mr. Lee also noted that a $150,000 grant to Pliant was approved earlier. Among other things, he noted, that that grant was for a separate project.

Following the full presentation, Chair Shimer asked with regard to Pliant, when staff does the analysis of the economic benefit of providing the funding does it involve double counting.

Mr. Lee stated that there is a separate analysis done for each grant provided to the Company so it does not involve double counting.

Director Adams then asked why in the case of Pliant, ESD is applying two different
approaches to assisting the same company.

Mr. Lee explained that the offers came at two different times. The $150,000 grant relates to the Company’s move from Canada and the $40,000 grant relates to a Massachusetts line that is being closed down.

Mr. Muszynski added that the projects happened to occur within a year of each other but they involve two separate site competitions. Mr. Muszynski added that on the first project, the Company went from 461 to 511 jobs and on the second one, went from 518 to 530 jobs indicating that there has been no double counting involved.

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

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

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

1. The Projects would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.

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

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

4. There are no families or individuals to be displaced from the project area(s); and be it further

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

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

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

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

**Empire State Economic Development Fund**

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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.

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Oriskany (Mohawk Region – Oneida County) Bonide Products 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 Howe Caves Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Next, Ms. Lippowitsch presented the May Non-Discretionary Consent Calendar for approval.

Ms. Lippowitsch noted that the Directors were being asked to approve five projects totaling $275,000 in assistance authorized or re-appropriated in the fiscal year 2012-2013 New York State budget.

Ms. Lippowitsch went on to explain that due diligence has been exercised by ESD staff and that the recipients have provided ESD with the required disclosure and accountability
Ms. Lippowitsch provided a brief outline of each of the projects to be approved.

The first project, Ms. Lippowitsch explained, is a $275,000 Executive sponsored grant for the Syracuse IDA for a portion of building improvements and machinery and equipment for a full-service TOPS Market grocery store in Onondaga County.

Ms. Lippowitsch explained that the Directors had previously approved a $2,000,000 grant to the IDA in April of 2008 for the construction of a mixed-use facility in the Franklin Square District of Syracuse. That project did not go forward and the IDA requested that the funds be reallocated.

Ms. Lippowitsch further explained that the Directors approved the reallocation of $500,000 of the $2,000,000 in December of 2010 and that this is the second request for reallocation. This authorization therefore does not involve new funding.

Ms. Lippowitsch stated that the remaining four requests were Senate sponsored.

The first of those projects, she noted, was a request for a $125,000 grant for Griffiss Local Development Corporation for rehab, abatement, engineering and marketing activities at Griffiss Business and Technology Park in Oneida County.
Next, the Directors were asked to authorize a $50,000 grant for the Handicapped Children’s Association of Southern New York for rehab and repairs of the organization’s two facilities in Broome County.

Ms. Lippowitsch then asked the Directors to authorize a $50,000 grant for the Smithtown Performing Arts Council for equipment and renovations at its facility in Suffolk County.

Lastly, Ms. Lippowitsch asked the Directors to authorize a $50,000 grant to the Village of Airmont for infrastructure improvements to Church Road in Rockland County.

Following the full presentation, the Chair called for questions or comments. Director Ciminelli asked with regard to the TOPS Market grant if ESD provides funds to the IDA which distributes the funds. Ms. Lippowitsch stated that ESD acts as the pass through to the IDA, which in turn provides it to TOPS.

Director Ciminelli stated that he was asking the question because in Western New York there has been controversy with regard to IDA policies and who they provide funding to, with retail being a very controversial recipient. Since ESD is just acting as intermediary, he continued, there does not appear to be a problem.
Director Adams added that this is not a policy choice on the part of ESD. With the Non-Discretionary projects, Director Adams continued, ESD serves as a contracting arm for the State and is not involved in policy decisions with regard to the projects.

Director Miller then inquired as to the process involved in the Non-Discretionary Projects going before ESD Directors and Ms. Lippowitsch explained some of the process, as well as Susan Shaffer.

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

Empire Opportunity Fund – Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c) and 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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, the Project is in compliance with Chapter 84 of the Laws of 2002 and the Corporation’s guidelines established thereunder. Individual Project funding does not exceed 25 percent of the total project costs, or if project funding does exceed 25 percent of total project costs, the Director of the Division of the Budget has authorized the provision of such amount; and be it further

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

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

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

**Empire Opportunity Fund – Executive - Project Summary Table**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Proj #</th>
<th>Grantee</th>
<th>Assistance up to</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIDA – Tops Markets – Upstate City-by-City EOF Capital</td>
<td>X753</td>
<td>Syracuse Industrial Development Agency</td>
<td>0²</td>
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<tr>
<td>1 – a $2 million grant was approved for this grantee by the ESD Directors on April 17,</td>
<td></td>
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</table>
2008, but that project did not move forward. This request is to reallocate $275,000 of the $2 million for the subject project, and does not involve new funding.

<table>
<thead>
<tr>
<th></th>
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<th>$0</th>
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</table>

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

* * *

Local Assistance - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to 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 Local Assistance Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area(s); and be it further

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

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

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

Local Assistance – Senate – Project Summary Table

<table>
<thead>
<tr>
<th>Project Name</th>
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<tbody>
<tr>
<td>GLDC – Griffiss Air Force Base Redevelopment Capital</td>
<td>X641</td>
<td>Griffiss Local Development Corporation</td>
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<tr>
<td>TOTAL</td>
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<td>$125,000</td>
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RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Community Capital Assistance Program – Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Community Capital Assistance Program Projects (the “Projects”), in accordance with Chapter 84 of the Laws of 2002 for the Community Capital Assistance Program, 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 General Project Plans (the “Plans”) for the Projects submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plans, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further
RESOLVED, that upon written 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 hearings held on the Plans, such Plans shall be effective at the conclusion of such hearing, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make grants to the parties and for the amounts listed below from the Community Capital Assistance Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

**Community Capital Assistance Program – Senate - Project Summary Table**

<table>
<thead>
<tr>
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<th>Proj #</th>
<th>Grantee</th>
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<tbody>
<tr>
<td>C HCA – Safety Improvements Capital</td>
<td>W557</td>
<td>The Handicapped Children’s Association of Southern NY, Inc.</td>
<td>50,000</td>
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<tr>
<td>D Smithtown Performing Arts Council – Facility Improvements Capital</td>
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<td>Smithtown Performing Arts Council, Inc.</td>
<td>50,000</td>
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<tr>
<td>E Village of Airmont – Road Improvements Capital</td>
<td>V535</td>
<td>Village of Airmont</td>
<td>50,000</td>
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</table>

**TOTAL** $150,000

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.

* * *

Ms. Shaffer then asked the Directors to accept ESD’s Annual Performance
Measurements Report for FY 2011-2012. As required by the Public Authorities Law, Ms. Shaffer explained, ESD adopts a Mission Statement and provides an Annual Report of Performance Measurements which summarizes the activity of the Directors during the past fiscal year. The report, she continued, reflects the funding that the Directors approved last year. Projects, Ms. Shaffer further noted, are typically presented for Directors’ approval when they are completed so that means they have met job investment, job retention and creation targets. Therefore, she continued, the activity contained in the report is almost exclusively for projects that have incentives offered in prior years.

Ms. Shaffer then provided a brief synopsis of the information contained in the current report. Among other things, she noted that ESD assisted 180 companies/organizations last year; created 5,405 jobs; retained 20,000 jobs; and had a total of $6.87 billion in capital investment.

Director Miller then asked for clarification with regard to several aspects of the report, including the Non-ESD Public Investment category. Ms. Shaffer explained that that refers to any additional governmental funding, including State and federal funding.

Ms. Shaffer provided further guidance with regard to other queries raised by Director Miller and Director Ciminelli with regard to portions of the report.

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION - Acceptance of Annual Performance Measurement Report for FY 2011 – 2012; Authorization to Take Related Actions

BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is ordered filed with the records of the Corporation (the “Materials”), the annual performance measurement report for FY 2011 – 2012 be and it hereby is accepted; 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 and directed to post all of the above referenced documents on the website of the Corporation, to file all such documents with the Authorities Budget Office in accordance with the requirements of the Public Authorities Accountability Act, as amended, and to take any and all such other actions as may be necessary or proper in connection with the foregoing.

* * *

Next, Mr. Heilbrunn asked the Directors to authorize ESD to amend its contract with BLX Group for Arbitrage Compliance Services.

Mr. Heilbrunn explained, in part, that federal tax law prohibits issuers such as ESD from earning arbitrage profits on the investment of proceeds from tax exempt bond issues.

Compliance with these laws, he added, requires detailed monitoring of current tax regulations and rules and their application to specific bond transactions.

Because knowledge of both tax law and bond law is required to ensure both compliance as well as minimize any potential tax liability, Mr. Heilbrunn continued, ESD employs an
Mr. Heilbrunn went on to note that BLX Group LLC has been providing arbitrage compliance services to ESD since February 1999.

Mr. Heilbrunn further explained that in February of 2012, a Request for Proposals was advertised through the New York State Contract Reporter and also placed in the procurement section on ESD’s website.

Among other things, Mr. Heilbrunn went on to explain that proposals were received from five firms and after reviewing each firm’s experience, tax and bond law proficiency and fees, staff recommends that BLX be selected to continue to provide these services to ESD as they received the best overall ranking, including being the lowest cost provider.

Following Mr. Heilbrunn’s representation of the specifics of this request, the 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 Amend the Contract with BLX Group LLC to provide Arbitrage Compliance Services and to Take Relate Actions**

RESOLVED, that on the basis of the materials presented at this meeting (the “Materials”), a copy of which is hereby ordered to be filed with the records of the Corporation, the Directors hereby approve an amendment to the existing contract (the “Contract”) with BLX Group LLC;
and the Corporation hereby finds BLX Group LLC to be responsible; and be it further

RESOLVED, that the Chief Executive Officer, or other officer of the Corporation, or his or her designee(s) are authorized to amend the Contract with BLX Group LLC for an additional $200,000 such that the total amount of the Contract shall not exceed $672,000 for services covering a four year term commencing June 16, 2012 (with two year renewal option with the consent of the CFO or Treasurer) and be it further

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

* * *

Mr. Gawlik then asked the Directors to approve certain applications and to also make a Determination of No Significant Effect on the Environment in connection with ESD’s Land Bank Program.

Mr. Gawlik provided the relevant background information with regard to this request, including an outline of ESD’s guidelines with regard to this program.

Per those guidelines, Mr. Gawlik explained, ESD will approve up to five locations in Round One.

Mr. Gawlik further explained that ESD limited the number to five to ensure that the municipalities that did not make the application deadline will have a second chance at procuring this funding.
Mr. Gawlik then provided the relevant background information with regard to the seven applications that were received and the five sites selected for funding. He also explained that the two sites that were not selected will have an opportunity to re-submit their applications for Round Two.

Following the full presentation, the Chair called for questions or comments. Director Cephas asked what the practical impact was on the two locations – Suffolk County and Broome County – that were not selected for funding in Round One. He asked if these properties will go into further disrepair resulting in a negative impact on the communities.

Mr. Gawlik stated that they will not be able to utilize this assistance. He further stated, however, that they hopefully will be approved for funding in the next round.

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

Land Bank Program – Approval of Land Bank Applications; Determination of No Significant Effect on the Environment; and Authorization to Take All Related Actions

RESOLVED, that on the basis of the materials (the “Materials”) presented at this meeting, 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 (the “Corporation”), relating to the Land Bank Program (the “Program”), the Corporation hereby approves creation of a land bank by the following applicants: i) Cities of Buffalo, Lackawanna, Tonawanda and Erie County; ii) the City of Syracuse and Onondaga County; iii) City of Schenectady, County of Schenectady and City of Amsterdam; iv) Chautauqua County; and v) City of Newburgh for the purposes and substantially in the form set forth in the Materials, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate; and be it
further

RESOLVED, that based on the materials submitted presented at this meeting, the Corporation hereby determines that the proposed action will not have a significant effect on the environment; and be it further

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

* * *

Ms. Cassidy provided an informational report with regard to ESD’s Standard Contract and Standard Retainer Agreement, copies of which had been previously provided to the Directors.

Ms. Cassidy noted that a request was made by the Directors at their April 26, 2012 meeting for information on the terms of the contracts ESD utilizes for goods and services from outside vendors.

Ms. Cassidy further noted that in addition to the Standard Form of Contract, staff had provided the form of Retainer Agreements used by the Corporation.

Ms. Cassidy then explained the contracts and related attachments in detail.

Ms. Cassidy then noted that the Retainer Agreement is based on ESD’s standard procurement contract form but is more tailored to the rendering of professional services.
Chair Shimer thanked staff for their rapid response to this request. Director Miller expressed her appreciation as well.

Lastly, Kenneth Adams provided the President’s Report. Director Adams opened his report by noting that two new individuals had joined the ESD staff – Rhoda Glickman, who will head up ESD’s efforts to link its economic development activity with New York State Arts and Cultural and Historic Preservation assets, and Mr. David Wright, who is based in Albany and will do very important new research projects regarding economic and policy development.

Among other things, Director Adams noted that the Governor announced the Regional Council Initiative for 2012 committing approximately $750 million for the Regional Council system this year.

Director Adams further noted that the Governor has recruited three additional agencies to participate with the existing nine already participating in this initiative. Additionally, Director Adams explained, there are now 21 different funding programs from those 12 State agencies.

Director Adams then noted that the ad campaign initiated by the Governor will kick off with television and other media ads next week.
Director Adams then outlined various other initiatives recently instituted by the Governor.

There being no further business, the meeting was adjourned at 11:55 a.m.

Respectfully submitted,

Eileen McEvoy  
Corporate Secretary
FOR CONSIDERATION
June 26, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Scriba (Central New York Region – Oswego County) – Novelis Corporation Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

Grantee: Novelis Corporation (“Novelis or the “Company”)

ESD* Investment: A grant of up to $5,000,000 to be used for a portion of the cost of construction, renovations and the purchase of machinery and equipment.

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

Project Location: 448 County Route 1A, Scriba, Oswego County

Proposed Project: The Company will construct and equip a 180,000 square-foot addition to its existing facilities.

Project Type: Business expansion involving job retention and creation.

Regional Council: The Central New York Regional Council has been made aware of this item and the project is consistent with the Regional Plan. The Incentive Proposal was accepted in July 2011, predating the Regional Council Initiative.
Employment: Initial employment at time of ESD Incentive Offer: 651
Current employment level: 654
Minimum employment through January 1, 2019: 751

II. Project Cost and Financing Sources

Financing Uses          Amount
Construction and Renovation $86,000,000
Machinery and Equipment  138,000,000
Soft Cost                10,000,000
Total Project Costs      $234,000,000

Financing Sources  Amount  Percent
ESD-Grant       $5,000,000  2%
Company Equity  229,000,000  98%
Total Project Financing  $234,000,000  100%

III. Project Description

A. Company

Industry: Novelis produces aluminum sheets and light gauge products for use in the beverage and food can, transportation, construction, industrial, lithography and foil product markets.

Company History: Created in 2005 as a spin-off from aluminum producer Alcan Inc., Novelis Corporation is a wholly-owned indirect subsidiary of Novelis Inc., a global aluminum company. Headquartered in Atlanta, Georgia, Novelis produces 17 percent of the world’s flat-rolled aluminum products and is the global leader in recycling used beverage cans. For more than 40 years, Novelis and its predecessors have been leading the global innovation of aluminum for the auto industry, pioneering new alloys, treatments and finishes that enable automakers to create lighter weight, fuel efficient cars and trucks. The Company is the leading producer of rolled aluminum products in Europe and South America, number two in both North America and Asia and the global leader in aluminum beverage can recycling.

Ownership: Novelis was spun off from Alcan Inc.’s rolling division and incorporated in January 2005. In 2007, the Company was acquired by India's Hindalco Industries Limited, making Novelis a member of the Aditya Birla Group, a $35 billion conglomerate based in Mumbai, India.
Size: The Company has 30 plants around the world in 11 countries and employs nearly 11,000 people. Its operation is divided into 4 regions: North America, Europe, Asia, and South America. The Company operates 1.4 million square foot recycling facility in Oswego, New York. The Oswego plant operates modern equipment used for recycling beverage cans and other scrap metals, ingot casting, hot rolling, cold rolling and finishing.

Market: The majority of the Company’s efforts are directed towards manufacturing of aluminum products for beverage can sheets and automobile sheets. The Company serves customers in key sectors, including beverage and food packaging, transportation, construction and electronics.

ESD Involvement: In Spring 2011, Novelis notified ESD of the Company’s decision to invest $180 million within the North East region to expand its production capacity of sheet aluminum for the automotive market. The Company believed their Oswego County plant was the preferred location for this investment. The expansion project would facilitate the production of an additional 440 million pounds of aluminum sheet a year for the automotive industry. However, in order to complete the $234 million project, a financing gap needed to be filled. To encourage the Company to proceed with the expansion project in New York State and to reduce the costs, ESD provided an incentive proposal to the Company. In July 2011, Novelis accepted ESD’s offer to expand its manufacturing operations in Oswego County.

Past ESD Support: In October 2005 the ESD Board awarded the Company a $400,000 EDF grant for a portion of the cost of the purchase of machinery and equipment. The grant has been fully disbursed and the Company is in compliance with the terms of the grant.

B. The Project

Completion: September 2013

Activity: The Company is currently undertaking a $234 million expansion of its 180,000 square-foot existing plant location in Oswego, New York. The project will include the acquisition, construction and installation of two new high-performance aluminum finishing lines for automotive applications. It is anticipated that the project will create 100 full-time permanent employees and retain 651 existing jobs.

Results: It is anticipated that the project will create 100 full-time permanent employees and retain 651 existing jobs. The expansion project will
improve the Company’s productivity, sales market share and profitability.

Grantee Contact: Brad Soultz, Vice President - Global Speciality Products
3560 Lenox Road, Suite 2000
Atlanta, Georgia 30326
Phone: (404) 760-6415  Fax: (404) 760-0118

ESD Project No.: X405

Project Team: Origination  Raymond Lawrence
Project Management  Beverly Bobb
Contractor & Supplier Diversity  Diane Kinnicutt
Finance  Ross Freeman
Environmental  Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the $5,000,000 capital grant ($50,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.

3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

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

5. Up to $5,000,000 will be disbursed to the Grantee in three installments as follows:
   a) an Initial Disbursement of an amount equal to 33% of the grant ($1,650,000) upon
project costs totaling $100,000,000, and documentation of the employment of at least 651 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 33% of the grant ($1,650,000) will be disbursed upon documentation of the employment of at least 651 Full-time Permanent Employees at the Project Location, a copy of the Certificate of Occupancy or equivalent for the building expansion, and documentation verifying eligible project expenditures of approximately $234,000,000, provided Grantee is otherwise in compliance with program requirements;
c) a Third Disbursement of an amount equal to 34% of the grant ($1,700,000) will be disbursed upon documentation of the employment of at least 751 Full-time Permanent Employees at the Project Location (Employment Increment of 100), 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 July 22, 2011, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $5,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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

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

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

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

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</tbody>
</table>

X = 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. X=100, and Employment Goals shall equal [651 + X = 751] 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 X=0.

IV. Statutory Basis

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms.
   As a result of this project, the Company will maintain its employment level of 651 and create 100 new jobs.

2. The proposed project would be unlikely to take place in New York State without the requested assistance.
   ESD assistance is needed to fill a financing gap.

3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
   Evaluated over a seven-year period, the following are anticipated project impacts (dollar values are present value):
   - Fiscal benefits to NYS government from the project are estimated at $11,240,102;
Fiscal cost to NYS government is estimated at $6,184,500;
Project cost to NYS government per direct job is $90,041;
Project cost to NYS government per job (direct plus indirect) is estimated at $34,568;
Ratio of project fiscal benefits to costs to NYS government is 1.82:1;
Fiscal benefits to all governments (state and local) are estimated at $19,106,641;
Fiscal cost to all governments is $10,343,368;
All government cost per direct job is $150,590;
All government cost per total job is $57,814;
The fiscal benefit to cost ratio for all governments is 1.85:1;
Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $102,618,859, or $573,581 per job (direct and indirect);
The economic benefit to cost ratio is 9.92:1;
Project construction cost is $96,000,000, which is expected to generate 912 direct job years and 591 indirect job years of employment;
For every permanent direct job generated by this project, an additional 1.61 indirect jobs are anticipated in the state’s economy;
The payback period for NYS costs is two years.
(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

4. The requirements of Section 10(g) of the Act are satisfied.
No residential relocation is required because there are no families or individuals residing on the site.

V. Environmental Review

The Town of Scriba Planning Board, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on March 23, 2011. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination and Contractor and Supplier Diversity policy will apply. The Grantee shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 24% 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 9% and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities.
and women in any job opportunities created by the projects.

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

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

VIII. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum
Benefit-Cost Analysis
June 26, 2012

Scriba (Central New York Region – Oswego County) – Novelis Corporation 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 Novelis Corporation Capital Empire State Economic Development Fund – General Development Financing (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 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 Novelis Corporation Capital – Empire State Economic Development Fund 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 Novelis Corporation a grant for a total amount not to exceed Five Million Dollars ($5,000,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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

* * *
**Project Summary**  
**Benefit-Cost Evaluation**

**Novelis Corporation**

**Initial Jobs:** 651  
**Construction Job Years (Direct):** 912  
**Construction Job Years (Indirect):** 591  
**New Jobs:** 100 over three years

<table>
<thead>
<tr>
<th>Evaluation Statistics</th>
<th>Project Result NYS Govt.</th>
<th>NYS Govt. Benchmarks for ESD Projects(^2)</th>
<th>Project Results State &amp; Local Governments</th>
<th>State &amp; Local Government Benchmarks for ESD Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Costs(^3)</td>
<td>$6,184,500</td>
<td>$794,250</td>
<td>$10,343,368</td>
<td>$1,020,500</td>
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<td>Fiscal Benefits(^4)</td>
<td>$11,240,102</td>
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<td>Fiscal Cost/Total Jobs</td>
<td>$34,568</td>
<td>$1,424</td>
<td>$57,814</td>
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<td>Fiscal B/C Ratio</td>
<td>1.82</td>
<td>7.00</td>
<td>1.85</td>
<td>10.60</td>
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</table>

**Benchmarks**

<table>
<thead>
<tr>
<th>Project Results for ESD Projects</th>
</tr>
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<tbody>
<tr>
<td>Economic Benefits(^5)</td>
</tr>
<tr>
<td>Econ. Benefits/Total Jobs</td>
</tr>
<tr>
<td>Economic B/C Ratio</td>
</tr>
</tbody>
</table>

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

\(^2\) The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects.

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

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

\(^5\) Economic benefits are estimated project benefits measuring fiscal flows to government plus net resident disposable income from project direct and indirect employment net of transfers, without adjusting for individual income earners’ opportunity cost of employment.
FOR CONSIDERATION  
June 26, 2012  

TO: The Directors  
FROM: Kenneth Adams  
SUBJECT: Amityville & Copiague (Long Island Region – Suffolk County) – Hi-Tech Pharmacal Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)  
REQUEST FOR: Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions  

General Project Plan  

I. Project Summary  
Grantee: Hi-Tech Pharmacal Co., Inc. (“Hi-Tech” or the “Company”)  
ESD* Investment: A grant of up to $500,000 to be used for a portion of the cost of building acquisition, renovations, site planning and machinery and equipment.  

* The New York State Urban Development Corporation doing business as the Empire State Development (“ESD” or the “Corporation”)  
Project Locations**: 369 Bayview Avenue, Amityville  
219 Dixon Avenue, Amityville  
225 Dixon Avenue, Amityville  
10 Edison Street, Amityville  
13 Edison Street, Amityville  
26 Edison Street, Amityville  
132 Lincoln Street, Copiague  

**All Project Locations are project activity sites and job-retention sites.  
Proposed Project: Building acquisition, construction, site planning, and acquisition of machinery and equipment to expand a pharmaceutical manufacturing operation including retaining and creating jobs.  

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132 Lincoln Street, Copiague  

**All Project Locations are project activity sites and job-retention sites.  
Proposed Project: Building acquisition, construction, site planning, and acquisition of machinery and equipment to expand a pharmaceutical manufacturing operation including retaining and creating jobs.
Project Type: Business expansion involving job retention and creation

Regional Council: The Long Island Regional Council has been made aware of this item and the project is consistent with the Regional Plan. The Incentive Offer was accepted in July 2011, predating the Regional Council Initiative.

Employment: Initial employment at time of ESD Incentive Offer: 290*
Current employment level: 355
Minimum employment on January 1, 2017: 310

*Including 15 additional employees required by January 1, 2012, to receive the final disbursement from ESD Grant #W182.

II. Project Cost and Financing Sources

<table>
<thead>
<tr>
<th>Financing Uses</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Building Acquisition</td>
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<tr>
<td>Planning</td>
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<tr>
<td>Building Renovations</td>
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<td>Machinery &amp; Equipment</td>
<td>6,500,000</td>
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Total Project Costs $10,000,000

<table>
<thead>
<tr>
<th>Financing Sources</th>
<th>Amount</th>
<th>Percent</th>
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<tbody>
<tr>
<td>ESD-Grant</td>
<td>$500,000</td>
<td>5%</td>
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<tr>
<td>Company Equity</td>
<td>9,500,000</td>
<td>95%</td>
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</tbody>
</table>

Total Project Financing $10,000,000 100%

III. Project Description

A. Company

Industry: Manufacturer and marketer of a broad line of liquid, sterile, and semi-solid pharmaceutical products sold both by prescription and over the counter.


Ownership: Publicly traded

Size: Six facilities located in Amityville and 1 facility located in Copiague. Total square footage occupied is approximately 225,000 square-feet.

Market: The Company has the largest market share of sugar-free cough remedy in
the U.S. Generic pharmaceuticals comprise 85% of Hi-Tech’s revenue. Major customers include McKesson, Amerisource Bergen, Cardinal, Walgreens and ANDA. Major competitors include Taro, Actavis, Workhardt, Apotex, Alcon, Bausch & Lomb and Perrigo.

ESD Involvement: In order to expand its capacity to manufacture sterile products and address inefficiencies in its current locations, Hi-Tech needed to reconfigure and expand its facilities and acquire additional machinery and equipment. In early 2011, Hi-Tech advised ESD that it was considering locations outside of New York. In order to induce the project to proceed in New York, ESD offered a $500,000 grant for a first phase of investment and a $1,000,000 grant for a second phase of investment. The second phase of the project will consist of an additional $40 million capital investment in Amityville and will be presented to the ESD Directors when the phase is complete. Without ESD funding, it is likely that Hi-Tech would have relocated outside of New York.

Competition: The Company considered relocating all operations to Shreveport, Louisiana, or San Antonio, Texas.

Past ESD Support: ESD Directors approved a $450,000 Economic Development Fund grant to Hi-Tech in February 2009. The project was successfully completed and the grant has been fully disbursed.

B. The Project

Completion: September 2012

Activity: The first phase of the project entails the purchase of 1 new building, and renovations and equipping the new building as well as 6 existing buildings the Company owned in Amityville. The machinery and equipment acquisition consists of production, plant, lab and office equipment. In addition, Hi-Tech has conducted site planning activities that will direct activities for the second phase of the project in order to reduce inefficiencies.

Results: Retain 290 existing jobs and create 20 new jobs. The Company has already created 65 new jobs, which exceeds the job requirement for the first phase.
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. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company’s acceptance of ESD’s offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee’s payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee’s payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to $500,000 will be disbursed to the Grantee in two installments as follows:
   a) an Initial Disbursement of an amount equal to 50% of the grant ($250,000) upon documentation of building acquisition, construction, site planning, infrastructure and machinery and equipment project costs totaling $5,000,000, and documentation of the employment of at least 300 Full-time Permanent Employees at the Project Location (Employment Increment of 10), assuming that all project approvals have been completed and funds are available;
   b) a Second Disbursement of an amount equal to 50% of the grant ($250,000) will be disbursed upon documentation of additional building acquisition, construction, site planning, infrastructure and machinery and equipment project costs totaling $5,000,000 ($10,000,000 cumulatively), and documentation of the employment of at least 310 Full-time Permanent Employees at the Project Location (Employment Increment of 10), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures must be incurred on or after July 21, 2011, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

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

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

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

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

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

<table>
<thead>
<tr>
<th>Baseline Employment</th>
<th>290</th>
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</table>

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
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<tbody>
<tr>
<td>Reporting Date</td>
<td>Employment Goals</td>
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<tr>
<td>February 1, 2013</td>
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</tr>
<tr>
<td>February 1, 2014</td>
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<tr>
<td>February 1, 2015</td>
<td>290+X+Y</td>
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<td>290+X+Y</td>
</tr>
<tr>
<td>February 1, 2017</td>
<td>290+X+Y</td>
</tr>
</tbody>
</table>

X = Grantee’s Employment Increment that will be the basis of the First Disbursement of the Grant as described in section C.5 above (i.e. X=10, and Employment Goals shall equal [290 + X = 300] if the First Disbursement is made, in the year such disbursement is made and for each year thereafter). If the First Disbursement has not yet been made then X=0.

Y = Grantee’s Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. Y=10, and Employment Goals shall equal [290 + X + Y = 310] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.

IV. Statutory Basis

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms. As a result of this project, the Company will maintain its employment level of 290 and create 20 new jobs.

2. The proposed project would be unlikely to take place in New York State without the requested assistance. The Company considered relocating its operations to Shreveport, Louisiana or San Antonio, Texas. ESD’s assistance helped to reduce costs and make the project feasible in New York.
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
   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 $16,377,389;
   ▪ Fiscal cost to NYS government is estimated at $1,577,706;
   ▪ Project cost to NYS government per direct job is $8,557;
   ▪ Project cost to NYS government per job (direct plus indirect) is estimated at $3,383;
   ▪ Ratio of project fiscal benefits to costs to NYS government is 10.38:1;
   ▪ Fiscal benefits to all governments (state and local) are estimated at $29,692,445;
   ▪ Fiscal cost to all governments is $1,796,491;
   ▪ All government cost per direct job is $9,744;
   ▪ All government cost per total job is $3,852;
   ▪ The fiscal benefit to cost ratio for all governments is 16.53:1;
   ▪ Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $163,060,707, or $349,605 per job (direct and indirect);
   ▪ The economic benefit to cost ratio is 90.77:1;
   ▪ Project construction cost is $42.0 million, which is expected to generate 274 direct job years and 170 indirect job years of employment;
   ▪ For every permanent direct job generated by this project, an additional 1.58 indirect jobs are anticipated in the state’s economy;
   ▪ The payback period for NYS costs is two years.

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

4. The requirements of Section 10(g) of the Act are satisfied.
   No residential relocation is required because there are no families or individuals residing on the site.

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 Diversity policy will apply to the Project. The Company shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation goal of 30%, Minority Business Enterprise (“MBE”) Participation goal of 20% and a Women Business Enterprise (“WBE”) Participation goal of 10% related to the
total value of ESD’s funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

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

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

VIII. Additional Submissions to Directors

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New York State Map
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Benefit-Cost Analysis
June 26, 2012

Amityville & Copiague (Long Island Region – Suffolk County) – Hi-Tech Pharmacal 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 Hi-Tech Pharmacal 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 Hi-Tech Pharmacal Co., Inc. a grant for a total amount not to exceed Five Hundred Thousand Dollars ($500,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further
RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

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

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

* * *

* * *
Project Summary
Benefit-Cost Evaluation

Hi-Tech Pharmacal Co., Inc.*

Initial Jobs: 290
New Jobs: 20 in Phase 1
90 in Phase 2

<table>
<thead>
<tr>
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<tr>
<td>Fiscal Costs³</td>
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<tr>
<td>Fiscal Cost/Direct Job</td>
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<td>$9,744</td>
<td>$4,110</td>
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<tr>
<td>Fiscal Cost/Total Jobs</td>
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<td>$1,424</td>
<td>$3,852</td>
<td>$1,964</td>
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<tr>
<td>Fiscal B/C Ratio</td>
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<td>7.00</td>
<td>16.53</td>
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</table>

<table>
<thead>
<tr>
<th>Benchmarks for ESD Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Benefits⁵</td>
</tr>
<tr>
<td>Econ. Benefits/Total Jobs</td>
</tr>
<tr>
<td>Economic B/C Ratio</td>
</tr>
</tbody>
</table>

*The benefit cost analysis includes Phases 1 and 2 of this project.

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

² The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects.

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

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

⁵ Economic benefits are estimated project benefits measuring fiscal flows to government plus net resident disposable income from project direct and indirect employment net of transfers, without adjusting for individual income earners’ opportunity cost of employment.
FOR CONSIDERATION
June 26, 2012

TO: The Directors
FROM: Kenneth Adams
SUBJECT: White Plains (Mid-Hudson Region – Westchester County) – Pentegra Services Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions;

General Project Plan

I. Project Summary

Grantee: Pentegra Services, Inc. (“Pentegra” or the “Company”)

ESD* Investment: A grant of up to $150,000 to be used for a portion of the costs of construction and renovations.

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

Project Location: 108 Corporate Drive, White Plains, Westchester County

Proposed Project: Renovation and new construction at its leased facility in White Plains.

Project Type: Business expansion involving job retention and creation.

Regional Council: The Mid-Hudson Regional Council has been made aware of this item and the project is consistent with the Regional Plan. The Incentive Proposal was accepted in August 2011, predating the Regional Council Initiative.
Employment: Initial employment at time of ESD Incentive Offer: 128
Current employment level: 128
Minimum employment through January 1, 2016: 128

II. Project Cost and Financing Sources

<table>
<thead>
<tr>
<th>Financing Uses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
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<tr>
<td>Infrastructure/Site Work</td>
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<td>Indirect/Soft Costs/</td>
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<td>Furniture, Fixtures &amp; Equipment</td>
<td>183,286</td>
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<td>Total Project Costs</td>
<td>$1,182,789</td>
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<table>
<thead>
<tr>
<th>Financing Sources</th>
<th>Amount</th>
<th>Percent</th>
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<tr>
<td>ESD-Grant</td>
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<tr>
<td>Company Equity</td>
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<tr>
<td>Total Project Financing</td>
<td>$1,182,789</td>
<td>100%</td>
</tr>
</tbody>
</table>

III. Project Description

A. Company

Industry: Pentegra Services, Inc. is an independent provider of retirement products and services to organizations nationwide.

Company History: Pentegra was founded in 1943 by the Federal Home Loan Bank System to offer a retirement program for its employees. Shorty afterwards the Company began providing retirement products several financial institutions. In order to remain competitive the Company began to venture out to other sectors. Presently, Pentegra develops personalized retirement plan solutions for over 3,500 clients and manages over $6 billion in assets.

Ownership: Privately owned

Size: The Company’s corporate headquarters are located in the Mid-Hudson region and the Company has 11 region offices throughout the United States.

Market: The Company provides retirement advisory services to various corporations, financial institutions and non-profit organizations nationwide. The Company’s competitors include major financial services
providers nationwide, such as Fidelity Investments, Vanguard, Principal Financial, and Diversified Investment Advisors.

ESD Involvement: The Company has operated from their current location since the 1970s. During the past few years the Company’s employment nationwide more than doubled from 93 to 202. The Company outgrew their current space and in order to accommodate their significant growth, the Company found it necessary to either expand their existing space or relocate to a much larger facility in Connecticut. The current building management company, Normandy, presented the company a proposal to remain in their White Plains location. In order for the Company to stay in New York, additional funding was needed to increase the existing space and perform a major upgrade to the facility. To encourage the Company to remain in New York, ESD made an offer of a $150,000 capital grant, which was accepted in August 2011.

Competition: Without ESD’s financial assistance the company would have closed their New York facility and relocated to Connecticut.

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

B. The Project

Completion: November 2011

Activity: Pentegra entered into a long term lease agreement with the Normandy, the building owners. After completing negotiations with the landlord, the Project began in September 2011, with the construction and renovation of the Company’s 27,505 square-foot leased facility. The renovations included HVAC system, carpet replacement, floor refinishing and the purchase of new office furniture. The project also included a build out of the 7,300 square-foot space located on the third floor of the facility.

Results: As a result of the project the Company will retain 128 jobs in their new renovated White Plains leased facility.

Grantee Contact: Colleen Zanicchi, Vice President - Human Resources
108 Corporate Park Drive
White Plains, NY 10604
Phone: (914) 694-1300 Fax: (914) 694-9384

ESD Project No.: X464

Project Team: Origination Christopher St. Lawrence
Project Management Beverly Bobb
C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the $150,000 ($1,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

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

5. Up to $150,000 will be disbursed to the Grantee in three installments as follows:
   a) an Initial Disbursement of an amount equal to 50% of the grant ($75,000) upon completion of the project substantially as described in these materials, documentation of project cost totaling $1,055,000, including $750,000 improvements undertaken by landlord, submission of an executed lease agreement and documentation of the employment of at least 128 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 ($37,500) will be requested no sooner than 12 months after Initial Disbursement, upon documentation of the employment of at least 128 Full-time Permanent Employees at the Project Location, provided Grantee is otherwise in compliance with program requirements;
   c) a Third Disbursement of an amount equal to 25% of the grant ($37,500) will be
requested no sooner than 24 months after the Initial Disbursement, upon
documentation of the employment of at least 128 Full-time Permanent Employees
at the Project Location, provided Grantee is otherwise in compliance with program
requirements.

Payment will be made upon presentation to ESD of an invoice and such other
documentation as ESD may reasonably require. Expenses reimbursed by ESD’s grant
must be incurred on or after August 3, 2011, to be considered eligible project costs.
All disbursements must be requested by April 1, 2014.

6. ESD may reallocate the project funds to another form of assistance, at an amount no
greater than $150,000, for this project if ESD determines that the reallocation of the
assistance would better serve the needs of the Company and the State of New York.
In no event shall the total amount of any assistance to be so reallocated exceed the
total amount of assistance approved by the Directors.

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

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

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

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

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms.

As a result of this project, the Company will maintain its employment level of 128, which were at risk of relocation to another state.

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

The Company considered relocating its operations to Stamford, Connecticut. ESD’s assistance helped to reduce costs and make the project feasible in New York.

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

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 $6,179,823;
- Fiscal cost to NYS government is estimated at $174,351;
- Project cost to NYS government per direct job is $2,432;
- Project cost to NYS government per job (direct plus indirect) is estimated at $1,328;
- Ratio of project fiscal benefits to costs to NYS government is 35.44:1;
- Fiscal benefits to all governments (state and local) are estimated at $10,971,201;
- Fiscal cost to all governments is $200,985;
- All government cost per direct job is $2,804;
- All government cost per total job is $1,531;
- The fiscal benefit to cost ratio for all governments is 54.59:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at $69,534,988, or $529,765 per job (direct and indirect);
- The economic benefit to cost ratio is 345.97:1;
- Project construction cost is $1,052,397, which is expected to generate six direct job years and three indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.80 indirect jobs are anticipated in the state’s economy;
- The payback period for NYS costs is one year.

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

4. **The requirements of Section 10(g) of the Act are satisfied.**
   No residential relocation is required because there are no families or individuals residing on the site.

V. **Environmental Review**

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**

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

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

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

VIII. **Additional Submissions to Directors**

- Resolutions
- New York State Map
- Benefit-Cost Analysis
White Plains (Mid-Hudson Region – Westchester County) – Pentegra Services 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 Pentegra Services 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 Pentegra Services, Inc. a grant for a total amount not to exceed One Hundred Fifty Thousand Dollars ($150,000) 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.

* * *

* * *
### Project Summary
**Benefit-Cost Evaluation**

**Pentagroup Financial, LLC**

<table>
<thead>
<tr>
<th>Evaluation Statistics</th>
<th>Project Result</th>
<th>NYS Govt. Benchmarks for ESD Projects</th>
<th>Project Results</th>
<th>State &amp; Local Government Benchmarks for ESD Projects</th>
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<td>NYS Govt.</td>
<td>ESD Projects</td>
<td>Government</td>
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<td>$794,250</td>
<td>$270,000</td>
<td>$1,020,500</td>
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<td>Fiscal Benefits $1</td>
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<td>Fiscal Cost/Direct Job</td>
<td>$2,857</td>
<td>$3,000</td>
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<td>Fiscal Cost/Total Jobs</td>
<td>$2,147</td>
<td>$1,424</td>
<td>$2,147</td>
<td>$1,964</td>
</tr>
<tr>
<td>Fiscal B/C Ratio</td>
<td>10.79</td>
<td>7.00</td>
<td>18.48</td>
<td>10.60</td>
</tr>
</tbody>
</table>

| Economic Benefits $5  | $26,523,891    | $119,468,000                         |
| Economic Benefits/Total Jobs | $210,904 | $147,600 |
| Economic B/C Ratio   | 98.24         | 50.00                                 |

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

2 The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects.

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

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

5 Economic benefits are estimated project benefits measuring fiscal flows to government plus net resident disposable income from project direct and indirect employment net of transfers, without adjusting for individual income earners’ opportunity cost of employment.
FOR CONSIDERATION
June 26, 2012

TO: The Directors
FROM: Kenneth Adams
SUBJECT: Statewide – Restore New York Communities – Capital Grants
REQUEST FOR: Land Use Improvement Findings and Determinations Pursuant to Sections 10(c), 10(g) and 16-n of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Adoption of Findings Pursuant to the State Environmental Quality Review Act; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

<table>
<thead>
<tr>
<th>Grantee</th>
<th>Project Name</th>
<th>Proj #</th>
<th>Grant</th>
<th>Village, Town, City</th>
<th>County</th>
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<td>A. Village of Hudson Falls</td>
<td>Hudson Falls – RESTORE III – First National Bank Building Redevelopment</td>
<td>W862</td>
<td>$500,000</td>
<td>Hudson Falls</td>
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<td>$500,000</td>
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II. Program Description

A. Background

In the 2006-07 and 2007-08 enacted New York State Budgets, ESD received a $300 million appropriation for the Restore New York’s Communities initiative (“Restore NY” or the “Program”), which was allocated as follows: up to $50 million in FY 06-07, $100 million in FY 07-08, and $150 million in FY 08-09. The purpose of the Program is to revitalize urban areas and stabilize neighborhoods as a means to attract residents and businesses. Restore NY funds municipally sponsored projects for the demolition, deconstruction, rehabilitation, or reconstruction of vacant, obsolete or surplus structures.

On October 27, 2006, the successful Restore NY Round 1 award winners were announced, and included 79 different projects in 55 localities. The range of selected projects is large and diverse; and to the extent possible, funding was awarded in a geographically proportionate manner.
Special consideration was given to projects located in Brownfield Opportunity Areas and Empire Zones; those affected by flooding in June 2006; and communities with severe economic distress or dislocation.

The 64 Restore NY Round 2 award winners were announced on January 15, 2008. Projects were chosen with the intent of connecting community initiatives with economic development goals to serve as catalysts for future development and growth. Priority was given to those projects that would serve to revitalize urban cores, leverage private investment and bring future business expansion to New York’s communities.

On September 2, 2009, Governor David A. Paterson announced the award of 79 projects for Restore NY Round 3. These projects span across the New York State in 74 localities as part of the continued effort to revitalize urban areas, stabilize neighborhoods and invite renewed investment in economically distressed communities.

B. The Project

ESD will make grants to the Grantees for the purpose of enhancing the Grantees’ capacity to provide support in revitalizing urban areas and stabilizing neighborhoods as a means to attract residents and businesses in New York State. ESD will enter into an agreement with each Grantee that will stipulate the manner in which funds will be disbursed.

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

III. Statutory Basis

Restore New York Communities Findings:

Land Use Improvement Projects

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. See attached Project Schedule.

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. See attached Project Schedule.

3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole. See attached Project Schedule.
4. **There are no families or individuals displaced from the Project area.**
   No residential relocation is required because there are no families or individuals residing on the site.

IV. **Environmental Review**

Unless otherwise noted on a project summary, ESD staff has determined that the project described in Schedule A constitute Type II actions 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 projects.

V. **Non-Discrimination and Contractor & Supplier Diversity**

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD’s Non-discrimination and Contractor & Supplier Diversity policies will apply to the projects.

Unless otherwise specified in the project summary, grantees shall use their “Good Faith Efforts” to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 23% related to the total value of ESD’s funding. This shall include a Minority Business Enterprise (“MBE”) Participation goal of 13% and a Women Business Enterprise (“WBE”) Participation goal of 10%. Grantee shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the projects.

VI. **ESD Employment Enforcement Policy**

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

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

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

VIII. **Additional Submissions to Directors**

Map
Resolutions
Project Summary
June 26, 2012

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

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

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

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

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

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

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

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

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

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

Restore NY Communities – Project Summary Table

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Proj #</th>
<th>Grantee</th>
<th>Assistance up to</th>
</tr>
</thead>
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<tr>
<td>Restore NY Communities Projects</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>A. Hudson Falls – RESTORE III – First National Bank Building Redevelopment</td>
<td>W862</td>
<td>Village of Hudson Falls</td>
<td>$500,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>TOTAL</td>
</tr>
</tbody>
</table>

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. Hudson Falls - RESTORE III - First National Bank Building Redevelopment (W862)
June 26, 2012

General Project Plan

Grantee: Village of Hudson Falls (the “Village” or “Hudson Falls”)

Beneficiary Company: Glen Street Associates

ESD Investment: A grant of up to $500,000 to be used for a portion of the cost of rehabilitation and reconstruction costs.

Project Location: 124 – 130 Main Street, Hudson Falls, Washington County

Proposed Project: Redevelopment of a former bank building.

Project Type: The rehabilitation of properties to revitalize downtown Hudson Falls as part of the Village’s master plan.

Regional Council: The Capital Regional Council has been made aware of this item and the project is consistent with the Regional Plan. The project predates the Regional Council Initiative.

Background:

Grantee History – The Village of Hudson Falls is located in the southwestern corner of Washington County in the Town of Kingsbury in upstate New York. Settled in 1764 and incorporated in 1810, the Village’s close proximity to the Hudson River shaped its economic and social role in the region. Harnessing the power of the river’s falls, early industries included paper mills, iron works, lumber and yards. In recent decades, many of the business that defined and sustained the Village have permanently closed or relocated, leaving large areas of underutilized land, abandoned properties and visual blight. As of 2009, this moderately distressed community had a population of 6,595, qualifies as a small cities quality community and participates in the Brownfield Opportunity Area program.

ESD Involvement – The Village’s comprehensive plan documents the decline and resulting current conditions of the Village and its downtown over recent decades, citing a reduced tax base, lack of commercial investment, deteriorating infrastructure and negative image. The plan recommends that steps be taken to revitalize Main Street, stabilize the tax base, protect historic assets and encourage new businesses to create a full-service downtown for residents. Additionally, the Hudson Falls Revitalization Opportunities Program specifically recommends that the Village partner with the owner of the former First National Bank building to seek assistance to renovate the property and create commercial and high-end office space. In order to fill a financing gap, the Village applied for RESTORE III funds and was awarded a grant in October 2009. RESTORE III funding will further the
A. Hudson Falls-RESTORE III-First National Bank Building Redevelopment (W862)
June 26, 2012

Village’s on-going strategy to build and sustain healthy neighborhoods by leveraging a variety of public and private resources.

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

The Project:

Completion – December 2012

Activity – The project includes the renovation of the vacant, former First National Bank building, located in the heart of downtown Hudson Falls. This 12,922 square-foot building will be renovated into 11,417 square feet of new commercial office space and 1,505 square feet will be space for apartments. The structure is within the Hudson Falls Historic District and is listed on State and national registers. Historic features of the building will be retained and enhanced. Aluminum sheathing will be removed from the building façade and the underlying brickwork will be revealed. Windows and doors beyond repair will be replaced with architecturally consistent units.

The project is being undertaken by Glen Street Associates, the property owner. Glen Street Associates has a track record of real estate development including construction, leasing and property management. Glen Street Associates has also successfully restored several commercial buildings in nearby downtown Glens Falls.

Since the RESTORE III award was made, Glen Street Associates purchased a mostly vacant building adjacent to the former First National Bank building. The adjacent building (not part of the RESTORE III application) includes commercial space on the first floor and two apartments on the second floor. A third apartment will be added to the two buildings by expanding a portion of the apartment space (1,505 square feet) into the former First National Bank building. This design plan accommodates the evolving economic needs of the Village as it prepares for growth from GlobalFoundries and other regional developments by increasing high end office space and residential opportunities in the downtown area.

Renovations will begin in July 2012 and are expected to be completed by the end of December 2012. ESD’s RESTORE III funds will be used to support renovations exclusively within the former First National Bank building.

Results – The project will have a significant impact on the economic viability of downtown Hudson Falls and the Village as a whole. Rehabilitation and restoration of this historic property will attract viable commercial tenants, new residents and ancillary commercial businesses. Restore NY funds are critical to the success of this project.
A. Hudson Falls-RESTORE III-First National Bank Building Redevelopment (W862)
June 26, 2012

<table>
<thead>
<tr>
<th>Financing Uses</th>
<th>Amount</th>
<th>Financing Sources</th>
<th>Amount</th>
<th>Percent</th>
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<tr>
<td>Acquisition of property</td>
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<td>ESD Grant</td>
<td>$500,000</td>
<td>43%</td>
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<td>Renovations</td>
<td>1,050,131</td>
<td>Village Equity*</td>
<td>668,431</td>
<td>57%</td>
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<tr>
<td>Excavations/Grading</td>
<td>3,300</td>
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<tr>
<td>Engineering</td>
<td>15,000</td>
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<tr>
<td><strong>Total Project Costs</strong></td>
<td><strong>$1,168,431</strong></td>
<td><strong>Total Project Financing</strong></td>
<td><strong>$1,168,431</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Source of equity is funds from the Developer.

**Grantee Contact:** Ellen Brayman, Village Clerk
220 Main Street
Hudson Falls, NY 12839
Phone: (518) 747-5426

**Beneficiary Contact:** Peter Hoffman, Owner
Glen Street Associates
100 Glen Street, Suite 3A
Glens Falls, NY 12801
Phone: (518) 743-8666

**Project Team:**
- Project Management: Linda Dillon
- Contractor & Supplier Diversity: Diane Kinnicutt
- Environmental: Soo Kang

**Financial Terms and Conditions:**

1. Upon execution of the grant disbursement agreement, the Village will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Village will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.

3. The Village will ensure the contribution of at least a 10% match of the grant amount to the Project.

4. Up to $500,000 will be disbursed to Grantee upon documentation of project costs totaling $1,100,000 and upon completion of the project substantially as described in these materials, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require, including a Certificate of Occupancy. Expenses must be incurred on or after May 4, 2009, to be considered
reimbursable project costs. Previously expended funds may be applied toward match requirements retroactive to June 23, 2006, when the Restore New York Legislation was enacted.

5. 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 Village and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

6. If the Grantee is not the owner of the Project, then the Grantee shall prohibit, for five years from the date of the initial disbursement of Grant funds, any transfer of the Project in whole or in part, by sale, lease, or conveyance of any interest in or with respect to the Project except (a) transfers of minor interests in the Project site, such as utility easements and limited rights-of-way, and (b)(i) the arms-length basis sale or lease of individual condominium units in the ordinary course of business for a condominium development and (ii) the arms-length basis residential or commercial lease in the ordinary course of business for a commercial, residential, or mixed-use rental development. In the event that such a prohibited transfer occurs within such five-year period, the Grantee shall pay to ESD, promptly upon ESD’s written demand therefor, the applicable amount indicated below.

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

(i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
(ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
(iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
(iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
(v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.
A. Hudson Falls-RESTORE III-First National Bank Building Redevelopment (W862)
   June 26, 2012

Environmental Review:

The Village Board of Trustees of Hudson Falls, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on April 17, 2012. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Due to the structure’s location within the Hudson Falls Historic District, which is listed on the New York State and National Registers of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”) pursuant to Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. No further consultation is required, subject to a Letter of Understanding.

Non-Discrimination and Contractor & Supplier Diversity:

ESD’s Non-discrimination and Contractor and Supplier Diversity policy will apply. The Grantee shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 23% related to the total value of ESD’s funding. This shall include a Minority Business Enterprise (“MBE”) Participation goal of 13% and a Women Business Enterprise (“WBE”) Participation goal of 10%. Grantee shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the projects.

Statutory Basis – Restore NY Communities:
Land Use Improvement Project Findings

1. **The area in which the project is to be located is a substandard or insanitary area, or is in danger of becoming a substandard or insanitary area and tends to impair or arrest sound growth and development of the municipality.**
   The project involves the rehabilitation of a vacant commercial building, which has been deemed by the Village to arrest sound growth and development in the area.
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. The project is consistent with recommendations in the Village Comprehensive plan to revitalize Main Street, stabilize the tax base, encourage new businesses in the downtown area and transform downtown to a full-service area for local residents. The project was also specifically identified in the Hudson Falls Revitalization Opportunities Program which recommends that the Village partner with the property owner to seek financial assistance to renovate the building for commercial purposes.

3. The plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole. The Village published a property assessment list and held a public hearing on the project at the time of application. The Village will ensure compliance with all applicable local laws and regulations.

4. The requirements of Section 10(g) of the Act are satisfied. There are no families or individuals displaced from the Project area.
RESOLVED, that based on the material submitted to the Directors with respect to the Hudson Falls-RESTORE III-First National Bank Building Redevelopment Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.
TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Branchport (Finger Lakes Region – Yates County) – Finger Lakes Cultural & Natural History Museum – Economic Development Purposes Fund (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

Grantee: Finger Lakes Cultural & Natural History Museum (the “Museum”)

ESD* Investment: A grant of up to $1,500,000 to be used for a portion of the cost of building purchase, construction/renovations and related soft costs.

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

Project Location: 3369 Guyanoga Road, Branchport, Yates County

Proposed Project: Purchase and construction/renovations of a former school for the Museum’s Branchport campus.

Project Type: New museum to focus on the Finger Lakes

Regional Council: The Incentive Offer was accepted in February 2012. The project is listed in the Regional Plan as a priority project for regional tourism development due to the importance of tourism to the region’s economy and the geographic reach of the project.
II. Project Cost and Financing Sources

<table>
<thead>
<tr>
<th>Financing Uses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition/Easements</td>
<td>$25,000</td>
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<tr>
<td>Construction/Renovations</td>
<td>2,204,500</td>
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<tr>
<td>FF&amp;E(^1) and Exhibits</td>
<td>480,000</td>
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<tr>
<td>Soft Costs</td>
<td>890,625</td>
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Total Project Costs $3,600,125

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<tr>
<th>Financing Sources</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESD-Grant</td>
<td>$1,500,000</td>
<td>42%</td>
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<tr>
<td>NYS Environmental Facilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporation-Grant(^2)</td>
<td>$381,000</td>
<td>11%</td>
</tr>
<tr>
<td>NYS Office of Parks, Recreation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and Historic Preservation-Grant(^3)</td>
<td>$400,000</td>
<td>11%</td>
</tr>
<tr>
<td>Grantee Equity(^4)</td>
<td>1,319,125</td>
<td>36%</td>
</tr>
</tbody>
</table>

Total Project Financing $3,600,125 100%

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\(^1\) Furniture, Fixtures and Equipment
\(^2\) For “green” Infrastructure including innovative stormwater systems, green roof, pervious pavement and streambank protection
\(^3\) For waterfront center and improved public access
\(^4\) From funds raised by the Grantee; Lyons National Bank is providing a bridge loan to assist in the project

III. Project Description

A. Grantee

Industry: A museum chartered by the New York State Education Department

Grantee History: Formed in 2009, the Finger Lakes Cultural & Natural History Museum is a not-for-profit educational corporation. The Museum is proposed as the premier natural and cultural resource dedicated to the enjoyment, education and stewardship of the Finger Lakes Region (the “Region”), an area stretching from Rochester/Lake Ontario to the north, Watkins Glen to the south, Geneseo to the west, and Skaneateles to the east. (While primarily in ESD’s Finger Lakes region, the Region also includes portions of ESD’s Central NY and Southern Tier regions.)

The Region’s 11 glacially formed Finger Lakes are among the world’s most significant freshwater resources and comprise one of the world’s best wine districts. The Museum will tell stories, inspire pride and teach stewardship to insure that the Region will be preserved for future generations.
The Museum’s purpose is to:

- Support the discovery, understanding and appreciation of local cultural and natural history, including the uniqueness of the Region’s ecology;
- Educate, enlighten and entertain residents and visitors, thereby fostering tourism, enlightened growth and preservation; and
- Cultivate community pride and ownership, leading to stewardship.

Size:

The Museum’s master plan for development and growth includes a central operating “hub” on Keuka Lake supported by “spokes” (ancillary supporting programs and facilities) to include partner museums, tourism attractions, partner colleges/universities, satellite development/marketing sites, and satellite feature interpretive sites. Current partnership agreements have been signed with Keuka College, the Finger Lakes Tourism Alliance and the Curtis Museum. Discussions are underway with approximately a dozen other institutions and organizations.

The Keuka Lake hub consists of two adjacent campuses. One campus is in the 620-acre Keuka Lake State Park and will house an exhibit-based destination museum facility with extensive habitat interpretation. The other is located in the historic hamlet of Branchport and will house educational, research and community programs. The two campuses are unique venues offering visitors a comprehensive exposure to the Region’s cultural and natural experiences.

The visitor discovery experience is intended to draw persons for extended stays and repeat visits, as well as excite them to visit authentic interpretive, cultural and recreational destinations around the region.

Phase 1, the Branchport campus, includes the purchase, renovation and equipping of a 17,000-square-foot former elementary school on a 13-acre parcel and the purchase of an adjacent wetland property.

Based on an early success, a second phase would include the buildout of the Keuka Lake Campus, which will house the primary exhibit-based component of the Museum. It will be open to the public on a daily, year-round basis. Extensive programming has been undertaken with nationally renowned exhibit designers and architects. It’s expected that this second phase would also create a critical-mass destination capable of keeping visitors for extended stays. Cost of a second phase could range from approximately $30 to $50 million, depending on fundraising.

Market:

The Museum has identified families as a major market, specifically the youth. The growing elderly population is also a target market. Other target populations include urban youth, those with special medical conditions and those living in areas without freshwater resources.
ESD Involvement: As a result of the Governor’s Regional Economic Development Council Initiative, the Museum was awarded $1,500,000 through the Consolidated Funding Application (“CFA”) to fund this priority project. The project receiving ESD assistance consists solely of the Branchport campus (Phase 1).

Competition: Other museums in the region, though the Museum is expected to have partnerships with many.

Past ESD Support: This is the first ESD grant to the organization.

B. The Project

Completion: Winter 2012/2013 (Phase 1)

Activity: In February 2011, the Museum purchased a former school for the Branchport campus. Schematic design work has been completed and environmental review documents have been filed. The design and engineering team is progressing drawings and Schedules of Area Requirements (SARs). Construction of initial improvements has begun. The full Phase 1 project is ready to progress into permit drawings, construction documents and construction by July 2012, with completion of the majority of elements expected by the winter of 2012/2013.

In fall 2010/winter 2011, the Museum conducted a competitive process to select both a design team and a construction management/pre-construction consultant team. Forty-four firms responded to the Museum’s Request for Qualifications for design/engineering services. Of those, three were asked to submit proposals. Based on the strength of the proposals and interviews, in March 2011 the Museum selected the design team of Bohlin Cywinski Jackson, Architects, based in Philadelphia; Trowbridge & Wolf Landscape Architects, based in Ithaca, NY; and C&S Engineers, based in Rochester. Additionally, Christopher Chadbourne Associates, a nationally recognized aquarium designer, was retained. Construction firms responded to the Grantee’s Request for Proposals (“RFP”) for construction management (“CM”) and pre-construction services. As a result of the RFP and interviews, in March 2011 the Museum retained LeChase Construction, a nationally recognized construction management firm based in Rochester, NY, as the CM, along with Gilbane Properties, based in Providence, RI, for estimation of project costs and schedules.

The Phase 1 scope of work includes:

- Building envelope (insulated to meet NYSERDA funding requirements): new windows and doors, roof (portion of the building will have a green roof), insulation, and exterior finishes;
- HVAC: solar-powered & electric heat pumps;
- Plumbing: new bathrooms, renovate existing bathrooms;
• General construction: asbestos abatement, framing;
• Site work: septic, new entryway, waterfront landing, barn storage/rest room structure;
• Public parking/farmers market;
• Storm water, sidewalk and street tree improvements;
• Construct exhibits; and
• Construct porches and decks.

Results: Tourism is currently New York State’s second largest industry in terms of economic output and the fifth largest employer in the state and growing. Tourism in the Finger Lakes Region employs over 25,000 people and contributes half a billion dollars to the Region’s income.

At full buildout, the Museum will create over 90 jobs and generate approximately $4 million in employee compensation. A one-time boost of 330 construction jobs is projected. The future economic benefits are expected to be significant.

* The benefits reported below reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

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

• Fiscal benefits to NYS government from the project are estimated at $206,277;
• Fiscal cost to NYS government is estimated at $2,281,000;
• Ratio of project fiscal benefits to costs to NYS government is 0.09:1;
• Fiscal benefits to all governments (state and local) are estimated at $349,000;
• Fiscal cost to all governments is $2,281,000;
• The ratio of project fiscal benefit to cost ratio to all governments is 0.15:1;
• Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at $1,855,199;
• The economic benefit to cost ratio is 0.81:1;
• Project construction cost is $3,095,125 which is expected to generate 27 direct job years and 20 indirect job years of employment;
• The payback period for NYS costs is more than seven years.

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)
C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the $1,500,000 capital grant ($15,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee’s acceptance of ESD’s offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

4. Up to $1,500,000 will be disbursed as reimbursement for eligible expenses during the course of construction no more frequently than quarterly upon compliance with the Design & Construction requirements and in proportion to ESD’s funding share, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD’s grant must be incurred on or after February 14, 2012 to be considered eligible project costs. The final 10% of the grant will be disbursed upon completion of the facility as evidenced by a Certificate of Occupancy. All disbursements must be requested by April 1, 2015.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $1,500,000, 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 2011-2012 New York State budget and reappropriated in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Design and Construction

Funds will be disbursed as reimbursement for eligible expenses during the course of design and construction no more frequently than quarterly, in compliance with the Design and Construction department’s (“D&C”) requirements and in proportion to ESD’s funding share, assuming that all project approvals have been completed and funds are available. D&C will review all change orders and contractor requisitions and verify that all requirements have been satisfied prior to approving the release of ESD funds, including acceptable completion of D&C requirements and forms. D&C will, at its option, attend design and construction meetings and monitor all progress.

VI. Environmental Review

The Town of Jerusalem Planning Board, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on June 7, 2012. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Due to the site’s sensitivity for archaeological sites on the New York State Site Inventory, ESD has confirmed that the project sponsor consulted 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. No further consultation is required, subject to a Letter of Understanding.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination and Contractor Diversity policy will apply to the project. The Grantee shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 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 and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project.
VIII. ESD Employment Enforcement Policy

ESD’s Employment Enforcement Policy will not apply since the project is not a typical job creation or retention project.

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

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

X. Additional Submissions to Directors

Resolutions
New York State Map
Finger Lakes Map
Project Finance Memorandum
Benefit-Cost Analysis
Regional Council Award – Priority Project - Branchport (Finger Lakes – Yates County) – Finger Lakes Cultural & Natural History Museum – Economic Development Purposes Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Finger Lakes Cultural & Natural History Museum a grant for a total amount not to exceed One Million Five Hundred Thousand Dollars ($1,500,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer 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.

* * *

* * *
RESOLVED, that based on the material submitted to the Directors with respect to the Finger Lakes Cultural & Natural History Museum – Economic Development Purposes Fund (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *
Project Summary
Benefit-Cost Evaluation¹

Economic Growth Investment Project:
Finger Lakes Cultural & Natural History Museum*

Construction Job Years (Direct): 27
Construction Job Years (Indirect): 20

<table>
<thead>
<tr>
<th>Evaluation Statistics</th>
<th>Project Result NYS Govt.</th>
<th>NYS Govt. Benchmarks for ESD Projects²</th>
<th>Project Results State &amp; Local Governments</th>
<th>State &amp; Local Government Benchmarks for ESD Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Costs³</td>
<td>$2,281,000</td>
<td>$794,250</td>
<td>$2,281,000</td>
<td>$1,020,500</td>
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<tr>
<td>Fiscal Benefits⁴</td>
<td>$206,277</td>
<td>$2,085,600</td>
<td>$349,000</td>
<td>$4,271,980</td>
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<tr>
<td>Fiscal B/C Ratio</td>
<td>0.09</td>
<td>7.00</td>
<td>0.15</td>
<td>10.60</td>
</tr>
</tbody>
</table>

| Economic Benefits⁵    | $1,855,199               | $119,468,000                           |
| Economic B/C Ratio    | 0.81                     | 50.00                                  |

* The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

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

² The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects.

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

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

⁵ Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.
FOR CONSIDERATION
June 26, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Transformational Project - Windham (Capital Region - Greene County) – Windham Mountain Partners Capital – Regional Council Capital Fund (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

Grantee: Windham Mountain Partners, LLC (the “Company”)

ESD Investment: A grant of up to $1,500,000 to be used for a portion of the cost to design and construct an enhanced stormwater collection and conveyance system, and improvements to impervious areas.

Project Location: Windham Mountain, Windham, Greene County

Proposed Project: Design and construction of an enhanced stormwater collection and conveyance system to mitigate the effects of Hurricane Irene and Tropical Storm Lee, protect the multi-million resort infrastructure of Windham Mountain and permit the redevelopment of the lower base area to accommodate a $33.5 million tourism destination project.

Project Type: Infrastructure Improvements

Regional Council: The Incentive Offer was accepted on April 1, 2012. Enhancing Tourism is a Transformative Initiative in the Capital Region Economic Development Council’s Strategic Plan. Windham Mountain is identified in the plan as a
priority transformational project, and is therefore, consistent with the plan.

II. Project Cost and Financing Sources

<table>
<thead>
<tr>
<th>Financing Uses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure / Site Work</td>
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<tr>
<td>Other (Engineering, SEQRA Design)</td>
<td>450,000</td>
</tr>
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</table>

Total Project Costs $3,500,000

<table>
<thead>
<tr>
<th>Financing Sources</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESD-Grant</td>
<td>$1,500,000</td>
<td>43%</td>
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<tr>
<td>Company Equity</td>
<td>$2,000,000</td>
<td>57%</td>
</tr>
</tbody>
</table>

Total Project Financing $3,500,000 100%

III. Project Description

A. Company

Industry: Windham Mountain is a tourism destination located in the northern Catskill Mountains in Windham, NY. The mountain offers year-round amenities including world-class skiing, snow tubing, hiking, mountain biking, and zip lines. Windham Mountain’s resort infrastructure includes a base lodge, seven restaurants and 50 lodging units.

Company History: Windham Mountain began operating in 1960 as a ski resort. In 2005, the property was purchased by Windham Mountain Partners, LLC, a group comprised of investors with a local interest.

Ownership: The Company is privately owned.

Size: Windham Mountain’s highest peak is situated at 3,100 feet with a vertical rise of 1,600 feet from the base. The Company employs 215 full-time equivalent employees.


ESD Involvement: As a result of the Governor’s Regional Economic Development Council Initiative, Windham Mountain Partners was awarded $1,500,000 through the Consolidated Funding Application (“CFA”) process. Destination Windham is a $33.5 million transformational project that includes a
state-of-the-art ice skating facility; a new day care center for the community at large; enhanced base lodge facilities for the provision of additional guest services; expansion of beginner level ski trails; a new ski learning center; improved parking, traffic management and stormwater management systems; a 41-unit condominium complex at the base lodge; and shuttles to connect the resort to the town’s business district.

The historic flooding and destruction caused by Hurricane Irene and Tropical Storm Lee has placed this transformational project at risk unless an improved stormwater management system is implemented. An analysis of the drainage basin on the slopes of Windham Mountain indicates that all stormwater flows to a catch basin system and is redirected through two 1,050-foot-long culverts, diverting it around the base lodge to a stream that discharges to the Batavia Kill. Each culvert has a six-foot diameter and is capable of accommodating 274 cubic feet per second (cfs) of water. A typical 100-year storm event directs as much as 3,600 cfs to these units and the existing system has handled the majority of runoff adequately since the early 1960s. It is estimated that Hurricane Irene and Tropical Storm Lee overwhelmed this system with 5,000 cfs. During these devastating storms, flood waters careened down the mountain, decimating anything in reach of the flow including top soil, gravel and asphalt to depths of several feet. The expanding path of destruction south of the base lodge was only halted when the water level rose to the point that it could flow through the staircases in the center of the lower level of the base lodge into the main resort parking lot toward the swollen Batavia Kill.

The Company applied for funds to support the cost to design and construct the much-needed new stormwater management system. Destination Windham was identified early on as a Capital Region transformational project and is identified in the Capital Region Economic Development Council’s Strategic Plan to enhance tourism.

Competition: The Company’s primary competitors include Gore Mountain (NY), Okemo and Stratton (VT), Jiminy Peak (MA), Camelback (PA), and Mountain Creek (NJ).

Past ESD Support: This is the first ESD grant to the Company.

B. The Project

Completion: October 2014
Activity: The project includes the advanced design, permitting and construction of an improved stormwater collection and control system to mitigate the effects of Hurricane Irene and Tropical Storm Lee, protect the multi-million resort infrastructure of Windham Mountain and permit the redevelopment of the lower base area to accommodate a $33.5 million tourism destination project. The project is being managed by Delaware Engineering, P.C., based in Albany, NY, which was selected based on staff expertise, experience and a strong working relationship with Windham Mountain. All design and permitting work has been completed and construction is scheduled to being in June 2012.

Results: The project is a crucial component of Destination Windham. This $33.5 million project is anticipated to generate 75 construction jobs and 50 permanent full-time equivalent jobs upon completion in an area where many workers have been displaced from employment as a result of recent storms. The year-round economic multiplier effects of the ice skating rink alone are expected to support numerous existing shops, restaurants and lodging in the Town of Windham and the 41-unit condominium complex is expected to generate over $700,000 in real property taxes annually.

Infrastructure Project: The benefits reported below reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

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

- Fiscal benefits to NYS government from the project are estimated at $1,918,017;
- Fiscal cost to NYS government is estimated at $1,500,000;
- Ratio of project fiscal benefits to costs to NYS government is 1.28:1;
- Fiscal benefits to all governments (state and local) are estimated at $3,237,287;
- Fiscal cost to all governments is $1,500,000;
- The ratio of project fiscal benefit to cost ratio to all governments is 2.16:1;
- Economic benefits (total fiscal plus total net resident disposable income from project construction employment) are estimated at $17,274,056;
- The economic benefit to cost ratio is 11.52:1;
- Project construction cost is $33,500,000 which is expected to generate 289 direct job years and 158 indirect job years of employment;
- The payback period for NYS costs is three years.

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

Note: This project is funded by the Regional Council Capital Fund. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments and may also result in fiscal or economic benefits below NYS costs. This is typical of significant projects that generate longer-term and broader community benefits not captured within the period of analysis. The benefits reported reflect only the impact of construction-related activity.

Grantee Contact: Chip Seamans, President and General Manager
33 CD Lane Road
Windham, NY  12496
Phone: (518) 734-4300

ESD Project No.: X763

Project Team: Origination Arnie Will
Project Management Linda Dillon
Contractor & Supplier Diversity Diane Kinnicutt
Finance Ross Freeman
Design & Construction Scott Renzi
Environmental Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the $1,500,000 capital grant ($15,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company’s acceptance of ESD’s offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to $1,500,000 will be disbursed to Grantee in a lump sum upon documentation of infrastructure project costs totaling $3,500,000 as evidenced by completion of the project substantially as described in these materials, and compliance with the Design & Construction requirements, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after April 1, 2012 to be considered reimbursable project costs. All disbursements must be requested by December 31, 2014.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $1,500,000, 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.

6. Grant funds will be subject to pro rata recapture if the property is sold within 5 years of the disbursement of Grant funds, including any transfer of the project in whole or in part, by sale, lease, or conveyance of any interest in or with respect to the project except (a) transfers of minor interests in the Project site, such as utility easements and limited rights-of-way, and (b)(i) the arms-length basis sale or lease of individual condominium units in the ordinary course of business for a condominium development and (ii) the arms-length basis residential or commercial lease in the ordinary course of business for a commercial, residential, or mixed-use rental development. In the event that such a prohibited transfer occurs within such five-year period, the Grantee shall pay to ESD, promptly upon ESD’s written demand therefore, the applicable amount indicated below.

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

(i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
(ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
(iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
(iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
(v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.
IV. Statutory Basis – Regional Council Capital Fund

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

V. Design and Construction

Design & Construction (“D&C”) staff will meet with the Grantee prior to the start of the project to outline D&C required documentation and review the design and construction documents, addenda, cost estimates, and monitoring of the bid and contract award process. D&C staff will, at its option, attend design and construction meetings and monitor all progress. There will be one payment upon completion of the project and the requisition will be reviewed and recommended for payment only when D&C requirements have been satisfied. The aforementioned project will be reviewed in conjunction with D&C requirements and forms.

VI. Environmental Review

The Town of Windham Planning Board, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be a Type I Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on October 27, 2011. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VII. Smart Growth Public Infrastructure Review

Pursuant to the requirements of the State Smart Growth Public Infrastructure Policy Act (the “SG Act”), ESD’s Smart Growth Advisory Committee has prepared a Smart Growth Impact Statement for the project and found that the project is consistent with the State Smart Growth Public Infrastructure Criteria (“Smart Growth Criteria”). The designee of the Chief Executive Officer of the Corporation has attested that the project, to the extent practicable, meets the relevant Smart Growth Criteria set forth in the SG Act.

VIII. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination and Contractor & Supplier Diversity policy will apply. The Grantee shall use its Good Faith Efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 20% related to the total value of ESD’s funding. This shall include a Minority Business Enterprise (“MBE”) Participation goal of 10% and a Women Business Enterprise (“WBE”) Participation goal of 10% and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project and to include minorities and women in any job opportunities created by the projects.
IX. ESD Employment Enforcement Policy

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

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

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

XI. Additional Submissions to Directors

Resolutions
New York State Map
Project Finance Memorandum
Benefit-Cost Analysis
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 Windham Mountain Partners Capital Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the 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 Windham Mountain Partners, LLC a grant for a total amount not to exceed One Million Five Hundred Thousand Dollars ($1,500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further
RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

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

* * *
Project Summary
Benefit-Cost Evaluation

Infrastructure Project
Windham Mountain Partners*

Construction Job Years (Direct): 289
Construction Job Years (Indirect): 158

<table>
<thead>
<tr>
<th>Evaluation Statistics</th>
<th>Project Result NYS Govt.</th>
<th>NYS Govt. Benchmarks for ESD Projects</th>
<th>Project Results State &amp; Local Governments</th>
<th>State &amp; Local Government Benchmarks for ESD Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Costs3</td>
<td>$1,500,000</td>
<td>$794,250</td>
<td>$1,500,000</td>
<td>$1,020,500</td>
</tr>
<tr>
<td>Fiscal Benefits4</td>
<td>$1,918,017</td>
<td>$2,085,600</td>
<td>$3,237,287</td>
<td>$4,271,980</td>
</tr>
<tr>
<td>Fiscal B/C Ratio</td>
<td>1.28</td>
<td>3.00</td>
<td>2.16</td>
<td>10.60</td>
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<th></th>
<th>Benchmarks</th>
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<td></td>
<td>Project Results</td>
</tr>
<tr>
<td>Economic Benefits5</td>
<td>$17,274,056</td>
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<td>Economic B/C Ratio</td>
<td>11.52</td>
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<td></td>
<td>for ESD Projects</td>
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<tr>
<td>Economic Benefits5</td>
<td>$119,468,000</td>
</tr>
<tr>
<td>Economic B/C Ratio</td>
<td>20.00</td>
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</tbody>
</table>

* The benefits reported in the table reflect only the impact of construction-related activity. Unlike typical ESD projects, infrastructure and economic growth investment projects may involve no permanent job commitments. Such projects generate long term benefits not captured in the period of analysis. This is reflected in the benefit cost estimates as compared to benchmarks developed for infrastructure and economic growth investment projects.

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

2 The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects.

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

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

5 Economic benefits are estimated project benefits measuring loan repayments and all tax revenues generated by the project and collected by state and local governments.
TO: The Directors  
FROM: Kenneth Adams  
REQUEST FOR: Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

I. Project Summary

Grantee: Accelerate Long Island, Inc. (“Accelerate LI”)  
Beneficiary Companies: Brookhaven National Laboratory, Cold Spring Harbor Laboratory, the Feinstein Institute for Biomedical Research/North Shore-Long Island Jewish Health System, Stony Brook University, Hofstra University, and additional regional partners including CA Technologies and Canrock Ventures, LLC.  
ESD* Investment: A grant of up to $500,000 to be used for a portion of the cost of investments in technology firms on Long Island.  
* The New York State Urban Development Corporation doing business as Empire State Development (“ESD” or the “Corporation”)  
Project Locations: Various, within the Long Island Region  
Proposed Project: Working capital investments in technology firms on Long Island as part of a regional effort to support new technology firm start-ups in the region and to collaborate efforts among Long Island’s research institutions.
Project Type: Program to fund technology start-up firms

Regional Council: The Incentive Offer was accepted on April 22, 2012. This is a priority project for the Long Island region. The project is consistent with the Regional Plan in that “increasing collaboration among academia, the private and public sector...and encouraging innovation in technology” is central to the Regional Plan’s vision statement. In addition, a key strategy of the Regional Plan (page 11) mentions incubating and accelerating the commercialization of innovative products generated at the region’s premier research institutions. Page 23 of the Regional Plan specifically mentions the Accelerate Long Island project as an important catalyst for spurring new technology innovation.

Employment: N/A

II. Project Cost and Financing Sources

<table>
<thead>
<tr>
<th>Financing Uses</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Investments</td>
<td>$1,000,000</td>
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<tr>
<td>Administration</td>
<td>200,000</td>
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<tr>
<td>Marketing</td>
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<td><strong>Total Project Costs</strong></td>
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<table>
<thead>
<tr>
<th>Financing Sources</th>
<th>Amount</th>
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<tr>
<td>ESD-Grant</td>
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<td>Private Investment</td>
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<td>Company Equity*</td>
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<td><strong>Total Project Financing</strong></td>
<td><strong>$1,400,000</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

* Company equity will be contributed by Accelerate LI partners.

III. Project Description

A. Company

Industry: Accelerate Long Island is a collaborative initiative to leverage the formidable innovation assets of Long Island’s world-class research institutions to accelerate the commercialization of new technologies emerging from those institutions by starting and/or building entrepreneurial ventures around them that will provide high-paying jobs for Long Islanders.
Company History: The Accelerate Long Island Initiative was incorporated in November 2011 and is organized by the Beneficiary Companies.

Ownership: Accelerate Long Island is a not-for-profit corporation.

Size: Accelerate Long Island has a board consisting of 11 members.

Market: Accelerate Long Island plans to identify promising new technologies at Long Island’s research institutions that have significant market potential, help support institutional efforts to develop them, and link them either with early stage financing to start a venture around them or in some cases with existing Long Island companies wishing to license and commercialize them. It is anticipated that more than 225 technologies will be evaluated for commercial potential over a three-year period.

ESD Involvement: As a result of the Governor’s Regional Economic Development Council Initiative, Accelerate Long Island was awarded $500,000 through the Consolidated Funding Application (“CFA”) process to fund a program (the “Program”) to invest working capital in new technologies at Long Island’s research institutions. This program would not have been established without ESD’s assistance.

Competition: N/A

Past ESD Support: This is the first ESD grant to the organization.

B. The Project

Completion: March 2015

Activity: Accelerate Long Island is an unprecedented collaboration of a number of Long Island’s world-class research institutions with critical regional partners that have agreed to work together to foster the creation and sustained growth of innovative, science-based companies whose development will contribute to the prosperity and global position of Long Island, and to assist in the creation of an entrepreneurial ecosystem.

Accelerate LI will establish a program for investments in technology firms on Long Island. It will assist Long Island’s research institutions in identifying commercially viable technologies within their respective patent estates or at even earlier stages of development and will link them with the necessary financial, entrepreneurial, business, and management resources to build strong ventures that will grow on Long Island and

3
create high-paying jobs. Eligible entities include new and existing businesses on Long Island. Funds will provide gap financing for working capital use and will leverage additional financing from the private sector.

Results: The Program will dramatically increase the commercialization of the inventions and discoveries emerging from Long Island’s research institutions through ventures that stay on Long Island and grow, creating increasing proportions of high-paying jobs for Long Islanders and building self-sustaining clusters of technology-based industries with long-term competitive advantages driven by continuing innovation. The Program will create the new linchpin of the regional economy and ensure for Long Island a place among the new Silicon Valleys of the 21st century global economy.

Grantee Contact: Kevin Law, Chairman
300 Broadhollow Road
Melville, NY 11747
Phone: (631) 493-3001
Fax: (631) 499-2194

ESD Project No.: X657

Project Team: Origination Barry Greenspan
Project Management Brendan Healey
Contractor & Supplier Diversity Vikas Gera
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 $500,000 capital grant ($5,000).

2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.

3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee’s acceptance of ESD’s offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. 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 execution of a Grant Disbursement Agreement, 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 that at least 75% of the first advance ($187,500) has been invested as working capital in technology firms pursuant to program requirements and evidence of an equal private sector investment in the same businesses in which ESD funds have been invested;
   c) a Third Disbursement of an amount equal to 25% of the grant ($125,000) will be disbursed upon documentation that 100% of the first advance and at least 75% of the second advance ($343,500 cumulatively) has been invested as working capital in technology firms pursuant to program requirements and evidence of an equal private sector investment in the same businesses in which ESD funds have been invested.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses paid for or reimbursed by ESD’s grant must be incurred on or after April 22, 2012 to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

5. ESD will be entitled to recoup any advanced funds that are not disbursed by Grantee in a timely fashion.

6. ESD, via the Long Island Regional Office, will approve the Program’s application, marketing material and deal sourcing strategies, due diligence process, approval guidelines, underwriting policy and guidelines, portfolio management and monitoring processes.

7. ESD, via the Long Island Regional Office, will approve all funding recommendations. ESD funds shall be disbursed as working capital grants, in a proportional share to the Program’s other equity funding sources. No single ESD funded grant may exceed $50,000 without written consent of ESD, via the Long Island Regional Office. ESD funds may not be subject to a higher risk compared with other funding partners.

8. ESD funds will be deposited in an account (the “Imprest Account”) at a bank mutually acceptable to ESD (as set forth in writing by ESD) and the Grantee. Funds in the Imprest Account, from the time of deposit and until disbursed from such account in accordance with terms approved by the ESD Directors, will be invested in accordance with ESD’s Investment Guidelines. ESD shall be provided with copies of all account statements, and reports in accordance with reporting requirements. All returns on ESD investments shall be kept in the same imprest account and shall be used exclusively for subsequent equity investments in Long Island companies.
9. ESD funds are to be considered grants but will convert to a loan if the business that receives funds from the Grantee becomes a public entity, liquidates or moves out of New York State. In those cases, the Grantee must notify ESD in writing of the circumstances. ESD’s grant to that company will convert to a loan with an interest rate of 5% since inception and payable upon demand of the Grantee. The Grantee will be responsible for the collection of those funds, and, once received, those funds will be available to the Grantee for additional investments in new companies.

10. Grantee will report quarterly on investments and related Program activity. Such reports will contain information on investments, current status, leveraged funds, business revenue, job creation outcomes, mentoring and other items as determined by ESD. Once the Grantee has provided documentation verifying disbursement of the entire $500,000 in grant funds, the Grantee will report annually on investments and related Program activity for a minimum of 2 additional years.

11. 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 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 2011-2012 New York State budget and reappropriated in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

ESD staff has determined that the project constitutes a Type II ministerial 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. The recipient of fund disbursements will be responsible for complying with SEQRA as applicable. No further environmental review is required in connection with this action.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination and Contractor & Supplier Diversity policy will apply to this project. The Recipient shall be required to use Good Faith Efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 20% related to the total value of ESD’s funding. The Recipient shall be required to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project.
VII. **ESD Employment Enforcement Policy**

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

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

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

IX. **Additional Submissions to Directors**

Resolutions
New York State Map
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 Accelerate Long Island Working Capital -- Economic Development Purposes Fund Working Capital Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Accelerate Long Island, Inc. a grant for a total amount not to exceed Five Hundred Thousand Dollars ($500,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *
D. Village of Arcade – Hockey Rink Capital (W570)
June 26, 2012

General Project Plan

Grantee: Village of Arcade (the “Village”)

ESD Investment: A grant of up to $75,000 to be used for a portion of the cost of a new street hockey rink in Village Park (the “Park”).

Project Location: Clough and Grove Streets, Arcade, Wyoming County

Proposed Project: Demolition of existing hockey rink and installation of new rink

Project Type: Recreational

Regional Council: The Finger Lakes Regional Council has been made aware of this item. Project predates the Regional Council Initiative.

Background:

Grantee History – The Village of Arcade, a rural community of 2,071 residents, is located in southwestern Wyoming County (the “County”). The NYS Department of Labor reported in January 2012 that the County had an unemployment rate of 10.8%, compared to a statewide rate of 9.2%. A significant tourism attraction in the Village is the Arcade & Attica Steam Railroad (the “Railroad”), drawing approximately 30,000 visitors annually.

Size – The 35-acre Village Park is the only sizeable public recreation facility serving Village residents, as well as the residents of 11 other communities comprising the Pioneer School District. The Park has basketball courts, a street hockey rink, picnic shelters, softball, baseball, and Little League fields, a spray fountain, volleyball area, horseshoe pits, sledding hill, playground, and nature trail. The Park is used by approximately 5,000 residents each year as well as by visitors to the Railroad.

The Village’s street hockey rink was originally built in the 1970s and rebuilt in the 1990s. It provides one of the few active recreation options available year-round for both youth and adults. Besides being used for practices and informal games, from October through April the rink is used for games by a men’s hockey league with approximately 130 members. The rink was in disrepair with splitting pavement, falling walls and a fence that was curling in, posing hazards to users.

ESD Involvement – The project was reappropriated in the 2012-2013 New York State budget.
Past ESD Support – In 1991, ESD made a $60,975 grant and a $91,464 loan from the Regional Economic Development Partnership Program to the Village for infrastructure to support the expansion of a local company. The project was completed, the funds were disbursed and ESD’s loan was repaid.

The Project:

Completion – October 2012

Activity – The Village completed demolition of the old rink, repaving of the rink area, installation of a new rink including dasher board sides with outside braces, and replacement of fencing on both ends of the rink. Still to be completed are final sealing of the pavement surface and painting of lines, which will be done by Village personnel. The material for the rink was bid out. Minnesota-based Becker Arena, the low bidder, was selected. The Village provided the labor for virtually the entire project, with a local fencing contractor doing that portion.

Results – The project began in spring 2011 and will be completed in the fall of 2012. The project supports active recreation in a region identified by the NYS Office of Parks, Recreation and Historic Preservation as being underserved. Additionally, providing a safe rink for street hockey helps to keep this activity off the streets.

<table>
<thead>
<tr>
<th>Financing Uses</th>
<th>Amount</th>
<th>Financing Sources</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demolition/Cleanup</td>
<td>$2,000</td>
<td>ESD Grant</td>
<td>$75,000</td>
<td>71%</td>
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<tr>
<td>Rink Construction &amp; Materials</td>
<td>83,000</td>
<td>Grantee Equity</td>
<td>30,000</td>
<td>29%</td>
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<tr>
<td>Repaving/Sealing/Painting of Surface</td>
<td>18,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bench Shelter Construction</td>
<td>2,000</td>
<td></td>
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<td></td>
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<tr>
<td>Total Project Costs</td>
<td>$105,000</td>
<td>Total Project Financing</td>
<td>$105,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

Grantee Contact - Larry Kilburn, Superintendent of Public Works
17 Church Street
Arcade, NY 14009
Phone: (585) 492-1111 x113 Fax: (585) 496-7444

Project Team -
Project Management Edward Muszynski
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 $75,000 will be disbursed to Grantee upon documentation of project costs totaling $105,000 and completion of the project substantially as described in these materials, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $75,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:
Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority- and women-owned businesses in the performance of ESD contracts. For purposes of this contract, however, project performance has already been completed or committed to non-certified vendors. Therefore, contract goals cannot be established.

Statutory Basis – Community Capital Assistance Program:
The project was authorized in accordance with Chapter 84 of the Laws of 2002 and reappropriated in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:
The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee’s certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.
FOR CONSIDERATION  
June 26, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Transformational Project – Southhold (Long Island Region – Suffolk County) – Cornell Cooperative Extension of Suffolk County Capital and Working Capital – Economic Development Purposes Fund (Capital and Working Capital Grant)

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

________________________________________________________

General Project Plan

I. Project Summary

Grantee: Cornell Cooperative Extension of Suffolk County (the “Organization” or the “CCE of Suffolk County”)

ESD* Investment: A grant of up to $182,900 to be used for a portion of the cost of personnel and machinery and equipment expenditures.

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

Project Location: Peconic Bay (the “Bay”), Southhold, Suffolk County

Proposed Project: Expansion of existing Peconic Bay Scallop Restoration Project, purchase of machinery & equipment, development of educational programs, and the creation of a marketing event.

Project Type: Environmental Restoration
Regional Council: The Incentive Offer was accepted in April 2012. The project is consistent with the Regional Plan because it increases regional competitiveness within the bay scallop industry, builds economic development upon the natural assets of the region, increases jobs, and preserves an important local industry.

II. Project Cost and Financing Sources

<table>
<thead>
<tr>
<th>Financing Uses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machinery &amp; Equipment</td>
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<tr>
<td>Personnel</td>
<td>353,456</td>
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<tr>
<td>Soft Costs</td>
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<tr>
<td>Including consulting/contractual</td>
<td>94,641</td>
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</table>

Total Project Costs $503,341

<table>
<thead>
<tr>
<th>Financing Sources</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESD-Grant</td>
<td>$182,900</td>
<td>36%</td>
</tr>
<tr>
<td>Suffolk County</td>
<td>270,107</td>
<td>54%</td>
</tr>
<tr>
<td>Grantee Contribution</td>
<td>50,334</td>
<td>10%</td>
</tr>
</tbody>
</table>

Total Project Financing $503,341 100%

III. Project Description

A. Company

Industry: The Cornell Cooperative Extension unites researchers, students, educators, and community members, to provide learning opportunities in the fields of agriculture, gardening, marine ecosystems, forestry, and nutrition.

Organization History: Formed in 1917, the Cornell Cooperative Extension is a not-for-profit, community education association. It’s affiliated with Cornell University through an 1862 national university system land grant. The CCE of Suffolk County is a branch of the Cornell Cooperative Extension that offers volunteer programs and summer internships to allow interested participants to cooperate in applied research projects, and to serve in policy and advisory capacities at local and state-wide levels. The CCE of Suffolk County also participates in the 4-H Youth Development program, offering summer camp programs to encourage younger children to engage in activities which can inspire their skills, enrich their knowledge and encourage positive interaction with potential mentors.
Ownership: The CCE of Suffolk County is a not-for-profit 501 (c) (3).

Size: The CCE of Suffolk County employs a core staff of approximately 100 full-time employees.

Market: The CCE of Suffolk County is a non-profit, community education association that trains educators, youth leaders, human service personnel, and parents. Its programs lend direction to organizations in the farming, fishing, environmental, and academic industries.

ESD Involvement: As a result of the Governor’s Regional Economic Development Council Initiative, the CCE of Suffolk County was awarded $182,900 through the Consolidated Funding Application (“CFA”) process to proceed with the planned restoration of the Peconic Bay Scallop population. The CCE of Suffolk County applied for assistance to purchase machinery and equipment, hire scientific experts to work in the Peconic Bay, and publicize the project throughout the community. Without ESD’s assistance, the project would not have been possible.

Competition: N/A

Past ESD Support: Past ESD assistance to the Cornell Cooperative Extension has primarily been used for training programs for agricultural and educational projects. Past projects have been funded to assist farms and fisheries, and to train teachers and specialized skilled workers in the agriculture and commodity sectors. Since 1999, the ESD Directors have approved $405,000 in assistance to the CCE of Suffolk County. All funds have been disbursed.

B. The Project

Completion: Fourth Quarter 2013

Activity: The Peconic Bay scallop is a world renowned fishery product, and the bay scallop industry is comprised of a cluster of harvesters, wholesalers and restaurants. Beginning in 2005, culture methods and restoration activities lead by the CCE of Suffolk County, Long Island University, the Suffolk County government, and Cornell University orchestrated the largest bay scallop restoration effort ever attempted in the United States. With funding from the Water Quality Protection and Restoration Program of Suffolk County, millions of scallops have been raised in Cornell’s hatchery in Southold and seeded into the Peconic Bay. These efforts have contributed to a huge increase in scallop populations. CCE scientists have documented a 1300% increase in scallop populations in the bay, Orient
Harbor (which lies east of Greenport in Suffolk County) and other nearby areas.

To date, the CCE of Suffolk County has designed a spat collector, and ordered materials for the seeding process. Data summaries identifying likely seeding locations have been completed. A small vessel is being outfitted to deploy, monitor and work the spat collector system to produce additional seed. From December 2012 to September 2013, the CCE of Suffolk County plans to expand the population of scallops in the Bay by an additional 100,000. They will hire personnel for diving, collecting and seeding scallops. Other personnel will be involved in setting up the marketing event to bring interested volunteers, students and educators to the bay to learn about the project.

Results:

ESD funding will be utilized to continue the seed process and increase production of bay scallops to a size suitable for harvesting. The CCE of Suffolk County plans to hire two more people who will be directly involved with this project and hopes that indirectly, approximately 20 jobs will be created in the fishery industry as a result of the project.

The goal of this project is restore the scallop population in the Peconic Bay, provide scallop culture to local shellfish companies in order to increase production of marketable bay scallops and improve water quality along with strengthening the Bay’s ecosystem. The CCE of Suffolk County plans to increase seed production of scallops by spawning and culturing bay scallops in a sanctuary. A marketing event will also be organized around the project.

Grantee Contact: Christopher Smith, Senior Educator and Project Manager
423 Griffing Avenue
Riverhead, NY 11901
Phone: (631) 727-7850
Fax: (631) 727-7130

ESD Project No.: X750

Project Team: Origination Aida Reyes-Kuhn
             Project Management Simone Bethune
             Contractor & Supplier Diversity Vikas Gera
             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 $182,900 capital grant ($1,829), and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.

3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee’s acceptance of ESD’s offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through financial statements or accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

   Up to $182,900 will be disbursed to the Grantee no more frequently than quarterly and in proportion to ESD’s funding share, upon documentation of eligible project costs, assuming that all project approvals have been completed and funds are available. The final 25% of the grant ($45,725) will be disbursed upon project completion and as evidenced by documentation as ESD may require, including documentation verifying project expenditures of approximately $500,000 and submission and approval of a final report. 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 December 16, 2011 to be considered eligible project costs. All disbursements must be requested no later than April 1, 2014.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $182,900, 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 2011-2012 New York State budget and reappropriated in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.
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 Diversity policy will apply to this project. The Recipient shall be required to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project. Considering the limited potential for MWBE utilization in the project scope and a lack of available and qualified firms in the relevant industries, the Recipient shall be required to use Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 5% 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
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 Cornell Cooperative Extension of Suffolk County Capital and Working Capital -- Economic Development Purposes Fund Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed 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) 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.

* * *
Cornell Cooperative Extension of Suffolk County Capital and Working Capital
Southhold
Suffolk County
FOR CONSIDERATION
June 26, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Non-Discretionary Projects

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

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

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Proj #</th>
<th>Grantee</th>
<th>Assistance up to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Assistance and Community Projects Fund (Governor, Assembly and Senate)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>The Research Foundation – Stony Brook COE Working Capital</td>
<td>W878, W879</td>
<td>The Research Foundation of State University of New York</td>
</tr>
<tr>
<td>B</td>
<td>Diversity Foundation – E-Business Center</td>
<td>X337</td>
<td>Diversity Foundation, Inc.</td>
</tr>
<tr>
<td>C</td>
<td>CenterState – Grants for Growth Working Capital</td>
<td>X484</td>
<td>CenterState Corporation for Economic Opportunity</td>
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<tr>
<td></td>
<td>3 projects (4 grants)</td>
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<td>Sub-total</td>
</tr>
<tr>
<td>Project Name</td>
<td>Proj #</td>
<td>Grantee</td>
<td>Assistance up to</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
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</tr>
<tr>
<td>Community Capital Assistance Program (Senate)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D Village of Arcade – Hockey Rink Capital</td>
<td>W570</td>
<td>Village of Arcade</td>
<td>75,000</td>
</tr>
<tr>
<td>E Village of Arcade – Park Improvements Capital</td>
<td>W505</td>
<td>Village of Arcade</td>
<td>65,000</td>
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<tr>
<td>F Central Islip Public Library – Computer Lab Capital</td>
<td>W446</td>
<td>Central Islip Public Library</td>
<td>50,000</td>
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<td></td>
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<tr>
<td>3 projects</td>
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<td>Sub-total</td>
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<tr>
<td>TOTAL NON-DISCRETIONARY – 6 PROJECTS (7 GRANTS)</td>
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<td>TOTAL</td>
<td>$4,236,332</td>
</tr>
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</table>

I. Statutory Basis

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

II. Environmental Review

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

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

III. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD’s Non-discrimination and Contractor & Supplier Diversity policy will apply to the projects. Unless otherwise specified in the project summary, grantees shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of
23% related to the total value of ESD’s funding. This shall include a Minority Business Enterprise (“MBE”) Participation goal of 13% and a Women Business Enterprise (“WBE”) Participation goal of 10%. Grantee 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 Maps
Resolutions
Project Summaries
Local Assistance and Community Projects Fund - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make Grants and to Take Related Actions

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make grants to the parties and for the amounts listed below from Local Assistance and the Community Projects Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

Local Assistance – Governor – Project Summary Table

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Proj #</th>
<th>Grantee</th>
<th>Assistance up to</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Research Foundation – Stony Brook COE Working Capital</td>
<td>W878, W879</td>
<td>The Research Foundation of State University of New York</td>
<td>1,971,332</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>TOTAL $1,971,332</td>
</tr>
</tbody>
</table>

June 26, 2012
### Community Projects Fund – Assembly - Project Summary Table

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Proj #</th>
<th>Grantee</th>
<th>Assistance up to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversity Foundation – E-Business Center</td>
<td>X337</td>
<td>Diversity Foundation, Inc.</td>
<td>75,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>$75,000</strong></td>
</tr>
</tbody>
</table>

### Local Assistance – Senate - Project Summary Table

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Proj #</th>
<th>Grantee</th>
<th>Assistance up to</th>
</tr>
</thead>
<tbody>
<tr>
<td>CenterState – Grants for Growth Working Capital</td>
<td>X484</td>
<td>CenterState Corporation for Economic Opportunity</td>
<td>2,000,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>$2,000,000</strong></td>
</tr>
</tbody>
</table>

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.

* * *
RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Community Capital Assistance Program Projects (the “Projects”), in accordance with Chapter 84 of the Laws of 2002 for the Community Capital Assistance Program, 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 General Project Plans (the “Plans”) for the Projects submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plans, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written 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 hearings held on the Plans, such Plans shall be effective at the conclusion of such hearing, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further
# Community Capital Assistance Program – Senate - Project Summary Table

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Proj #</th>
<th>Grantee</th>
<th>Assistance up to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Village of Arcade – Hockey Rink Capital</td>
<td>W570</td>
<td>Village of Arcade</td>
<td>75,000</td>
</tr>
<tr>
<td>Village of Arcade – Park Improvements Capital</td>
<td>W505</td>
<td>Village of Arcade</td>
<td>65,000</td>
</tr>
<tr>
<td>Central Islip Public Library – Computer Lab Capital</td>
<td>W446</td>
<td>Central Islip Public Library</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>$190,000</strong></td>
</tr>
</tbody>
</table>

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.

* * *

**
E. Village of Arcade – Park Improvements Capital (W505)
June 26, 2012

General Project Plan

Grantee: Village of Arcade (the “Village“)

ESD Investment: A grant of up to $65,000 to be used for a portion of the cost of improvements to Village Park (the “Park”).

Project Location: Clough and Grove Streets, Arcade, Wyoming County

Proposed Project: Park improvements including trail lighting, baseball field backstop and handicapped accessible restrooms

Project Type: Recreational

Regional Council: The Finger Lakes Regional Council has been made aware of this item. Project predates the Regional Council Initiative.

Background:

Grantee History – The Village of Arcade, a rural community of 2,071 residents, is located in southwestern Wyoming County (the “County”). The NYS Department of Labor reported in January 2012 that the County had an unemployment rate of 10.8%, compared to a statewide rate of 9.2%. A significant tourism attraction in the Village is the Arcade & Attica Steam Railroad (the “Railroad”), drawing approximately 30,000 visitors annually.

Size – The 35-acre Village Park is the only sizeable public recreation facility serving Village residents, as well as the residents of 11 other communities comprising the Pioneer School District. The Park has basketball courts, a street hockey rink, picnic shelters, softball, baseball, and Little League fields, a spray fountain, volleyball area, horseshoe pits, sledding hill, playground, and nature trail. The Park is used by approximately 5,000 residents each year as well as by visitors to the Railroad.

ESD Involvement – The project was reappropriated in the 2012-2013 New York State budget.

Past ESD Support – In 1991, ESD made a $60,975 grant and a $91,464 loan from the Regional Economic Development Partnership Program to the Village for infrastructure to support the expansion of a local company. The project was completed, the funds were disbursed and ESD’s loan was repaid.
The Project:

Completion – December 2012

Activity – Park improvements were based on the needs identified in a Parks Master Plan developed in 2000 and updated in 2008, as well as from periodic user surveys. The highest priorities indentified included rest rooms, trail lighting and ball field improvements. The Village constructed handicapped-accessible rest rooms near the sledding hill and children’s playground areas, installed lighting along the nature trail/walkway and plans to install a baseball field backstop. The restroom work was bid out and the low bidder, Bob Salzler, a local contractor, was selected. The rest of the work was done with Village labor. The backstop will be bid out.

Results – The project began in fall 2011 and is expected to be completed at the end of 2012. The project supports active recreation in a region identified by the NYS Office of Parks, Recreation and Historic Preservation as being underserved.

<table>
<thead>
<tr>
<th>Financing Uses</th>
<th>Amount</th>
<th>Financing Sources</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trail Lighting</td>
<td>$60,000</td>
<td>ESD Grant</td>
<td>$65,000</td>
<td>62%</td>
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<tr>
<td>Baseball Field Backstop/Fencing</td>
<td>15,000</td>
<td>Grantee Equity</td>
<td>40,000</td>
<td>38%</td>
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<tr>
<td>Handicapped Accessible Rest Rooms</td>
<td>30,000</td>
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<tr>
<td>Total Project Costs</td>
<td>$105,000</td>
<td>Total Project Financing</td>
<td>$105,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

Grantee Contact - Larry Kilburn, Superintendent of Public Works
17 Church Street
Arcade, NY 14009
Phone: (585) 492-1111 x113 Fax: (585) 496-7444

Project Team - Project Management Edward Muszynski
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 $65,000 will be disbursed to Grantee upon documentation of project costs totaling $105,000 and completion of the project substantially as described in these materials, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $65,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:
ESD’s Non-discrimination and Contractor Diversity policy will apply to this project. The Grantee shall be required to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project. The Grantee shall be required to use Good Faith Efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 20% related to the total value of ESD’s funding.

Statutory Basis – Community Capital Assistance Program:
The project was authorized in accordance with Chapter 84 of the Laws of 2002 and reappropriated in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:
The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee’s certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.
A. The Research Foundation – Stony Brook COE Working Capital (W878, W879)
June 26, 2012

Grantee: The Research Foundation of State University of New York (the “Research Foundation”)

Beneficiary Organization: Stony Brook University Office of Economic Development

ESD Investment: Two grants totaling up to $1,971,332 (W878 - $1,155,666; W879 - $815,666) to be used for a portion of the cost of personnel related to the operations of a research and development facility.

Project Location: 1500 Stony Brook Road, Stony Brook, Suffolk County

Proposed Project: Implement programs at the Stony Brook Center of Excellence in Wireless and Information Technology (“CEWIT”) and project related costs to facilitate research and development modalities to targeted industry sectors such as healthcare, transportation, finance, commerce, and national defense.

Project Type: Working Capital

Regional Council: The Long Island Regional Council has been made aware of this item. Projects predate the Regional Council Initiative. The projects are consistent with the Regional Plan because they promote increased collaboration between academia and the private and public sectors to grow an advanced manufacturing base while encouraging innovation in the information technology industry.

Background:

Industry – The Research Foundation of the State University of New York is a private, 501(c)(3), not-for-profit, educational organization that administers externally funded contracts and grants for, and on behalf of, the State University of New York (“SUNY”). Its mission is to lead, initiate, foster, and manage the transfer of technologies from the research laboratory to the marketplace. The Research Foundation is affiliated with commercial, educational, scientific, and national defense industry partners.

Grantee History - The Research Foundation provides the administrative flexibility to respond quickly to the special demands of externally funded contracts and grants in a manner that facilitates their scientific or technical execution. As a separate, not-for-profit corporation, The Research Foundation is not supported by state appropriated tax dollars, nor does it receive support services provided to New York State agencies. The Research Foundation established and oversees the operation of 16 affiliate corporations
to facilitate university-industry-government partnerships and accelerate
the growth of sponsored programs and applied research opportunities at SUNY. By
managing the day-to-day administration of sponsored programs, the Research
Foundation allows principal investigators to devote more time to their research.

Beneficiary History – In 2003, CEWIT was created to provide a centralized research and
development operation at SUNY Stonybrook for the growth of sponsored programs and
applied research opportunities in wireless and information technology. The Stony Brook
University Office of Economic Development was selected to run the CEWIT.

Phase I of the plan was to invest $10,869,000 in technology and equipment that would
be housed in several locations on campus, which would eventually become integrated
into a centralized research facility. Phase II of the plan was to construct a facility on
campus to provide a centralized location for all CEWIT programs. ESD contributed a
$50 million grant toward the construction of this building from the Center of Excellence
Program. Phase I consisted of a $10,393,774 investment in technology and equipment,
and Phase II consisted of a $290,869,000 investment in site acquisition, facility design-
buid, programmatic, and project costs. The Center opened for operation in March 2009
with over 190 Ph.D and 180 Masters students engaged in IT research.

In 2007, the Research Foundation received a working capital grant of $1,415,000 from
ESD to hire a staff that would manage operations at the research center. CEWIT used
these funds to design a permanent Web site that would expand CEWIT marketing, and
track and report on performance metrics. CEWIT also received funding from the U.S.
Department of Energy, NASA and ADNA Sciences. Affiliated researchers at CEWIT
received more than $5 million in federal awards.

In 2009, CEWIT received a working capital grant for $1,179,166 from ESD to hire a
director and administrative staff to share building management duties, further refine
the system of tracking and reporting performance metrics, and expand the budget for
business development, marketing and publications. CEWIT has established New York as
a national leader in information technology, obtaining over 12 patents and creating 550
jobs in the first two years of operation.

Size – Currently, the CEWIT engages 290 graduate research assistants in affiliated
projects, and is made up of a full-time staff of 14 people.

Market – CEWIT’s goal is to work with Long Island’s industry and research communities
in software and IT to keep the region and the State at the forefront of the expanding
information technology revolution. CEWIT plans to pioneer new IT technologies for
information in handling telecommunications and embedded systems, as well as transforming the nation’s largest industry sectors through sector-specific applications including health care, transportation and e-business.

**ESD Involvement** – The projects were reappropriated in the 2012-2013 New York State budget.

**Past ESD Support** – The Research Foundation has received two previous grants from the Center of Excellence program totaling $2,594,166. Both projects were completed and funds have almost been fully disbursed.

**The Project:**

**Completion** – August 2012

**Activity** – In 2011, CEWIT proposed a Commercialization Plan to conduct new research and commercialize the center, while creating projects with over 600 New York companies and industry partners. In the past year, the collaboration between these companies and CEWIT has added 127 additional jobs to the companies. To date, there are 431 projects with partner companies and other non-federal sources, in addition to 256 projects with the federal government.

**Results** - There is a plan to increase the number of graduate assistants to 365, and to hire 24 new Full-Time Employees by 2014. Last year, CEWIT invested $2,837,020 with its partner companies. In addition, CEWIT provided technical support for the Long Island Regional Planning Council to develop a web portal and social networking platform for the residents of Nassau and Suffolk counties and local small- and medium- sized businesses to share information and exchange ideas.

The Grantee will furnish semi-annual reports to ESD describing the impact and effectiveness of the project.

<table>
<thead>
<tr>
<th>Financing Uses</th>
<th>Amount</th>
<th>Financing Sources</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$3,115,624</td>
<td>ESD Grant (W878)</td>
<td>$1,155,666</td>
<td>16%</td>
</tr>
<tr>
<td>Supplies</td>
<td>212,976</td>
<td>Grantee Equity</td>
<td>1,987,984</td>
<td>28%</td>
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<tr>
<td>Office Equipment &amp; Furniture</td>
<td>478,000</td>
<td>Beneficiary Organization Equity</td>
<td>3,994,970</td>
<td>56%</td>
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<tr>
<td>Maintenance &amp; Operations</td>
<td>3,332,020</td>
<td>Total Project Financing</td>
<td>$7,138,620</td>
<td>100%</td>
</tr>
</tbody>
</table>
Financial Terms and Conditions:

1. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.

2. The Grants will be disbursed as follows:

   W878 - Up to $1,155,666 will be disbursed to Grantee, upon completion of the project substantially as described in these materials, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice for eligible working capital expenses and such other documentation as ESD may reasonably require. Expenses must be incurred after April 1, 2008 to be considered eligible project costs.

   W879 - Up to $815,666 will be disbursed to Grantee, upon completion of the project substantially as described in these materials, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to

<table>
<thead>
<tr>
<th>Financing Uses</th>
<th>Amount</th>
<th>Financing Sources</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$3,987,364</td>
<td>ESD Grant (W879)</td>
<td>$815,666</td>
<td>10%</td>
</tr>
<tr>
<td>Supplies</td>
<td>260,536</td>
<td>Grantee Equity</td>
<td>2,622,979</td>
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</tr>
<tr>
<td>Office Equipment &amp; Furniture</td>
<td>808,900</td>
<td>Beneficiary Organization Equity</td>
<td>5,139,128</td>
<td>60%</td>
</tr>
<tr>
<td>Maintenance &amp; Operations</td>
<td>3,520,973</td>
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</tr>
<tr>
<td>Total Project Costs</td>
<td>$8,577,773</td>
<td>Total Project Financing</td>
<td>$8,577,773</td>
<td>100%</td>
</tr>
</tbody>
</table>
ESD of an invoice for eligible working capital expenses and such other documentation as ESD may reasonably require. Expenses must be incurred after April 1, 2009 to be considered eligible project costs.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $1,971,332, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:
Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD’s Non-discrimination and Contractor & Supplier Diversity policy will apply to the project. No specific MWBE goals shall be required of the project; however, the Grantee shall adhere to ESD’s Non-discrimination and Equal Employment Opportunity (“EEO”) policy.

Statutory Basis – Local Assistance - Centers of Excellence:
The projects were reappropriated in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:
The Grantee and Beneficiary have provided ESD with the required Disclosure and Accountability Certifications, which disclosed the following under Good Standing:

In the summer of 2009, The Research Foundation of State University of New York received federal grand jury subpoenas seeking documents relating to the Foundation’s PERM/MEQC project with the New York State Department of Health’s (the “DOH”). The investigation appears to relate to the reporting, by DOH and the Foundation, of the results of the project to the federal government. The grant dollars involved in this project total less than one percent of the total dollar amount of the Foundation’s annual grant awards. While the Foundation has decided not to continue involvement in the above referenced programs; the Foundation continues to receive state and federal grants through the DOH. In addition, based upon the facts as I know them at this time, there does not appear to be any corporate material liability for the Foundation.

In September of 2009, the Foundation received a subpoena from the United States Department of Health and Human Services Office of Inspector General seeking documentation relating to certain federal National Institutes of Health (“NIH”) grants related to the Research Institute on Addictions at the University at Buffalo. During the course of this federal inquiry, the former Principal Investigator who made various allegations of fiscal mismanagement and who may
have been a government whistleblower was investigated and criminally charged by the New York State Attorney General in relation to his presentation of false testimony and false witnesses during an administrative hearing with the State University of New York in relation to his alleged misconduct in science. On August 26 2011, the Foundation received notification from the Assistant United States Attorney for the Western District of New York that the United States will not intervene in this whistleblower action and has closed the Federal investigation.

It is important to note that the federal government, including NIH, continues to award grants to the Foundation in the millions of dollars. At no point has the Foundation been given reason to believe that these investigations will, in any way, have a material adverse effect on the Foundation’s ability to administer this project. In addition, upon information and belief, based upon the facts as known at this time, there does not appear to be any corporate material liability for the Foundation.

In June of 2011, as a result of allegations related to former Foundation President John O’Connor made by the New York State Commission on Public Integrity, the Office of The State Comptroller and the Office of New York State Inspector General began investigating the facts related to these allegations. The Foundation is cooperating with these investigations and has no reason to believe that there will be any adverse findings that will affect current or future grants and contracts.

Also, as an employer of over 17,000 individuals per year, the Foundation receives and responds to complaints made to the New York State Division of Human Rights and charges to the U.S. Equal Employment Opportunities Commission and may, from time to time, be involved in litigation both as a plaintiff and as a defendant in various civil and administrative venues, inclusive of workers compensation hearings, human resources and intellectual property litigation.

The Disclosure and Accountability Certifications, while disclosing the above, do not indicate that the Grantee or Beneficiary have any current conflicts of interest or other good standing violations, and therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.
B. Diversity Foundation – E-Business Center (X337)
June 26, 2012

Grantee: Diversity Foundation, Inc. (the “Foundation”)

ESD Investment: A grant of $75,000 to be used for a portion of the cost of seminars and the creation of a Web Site.

Project Location: 1133 Broadway, New York City, New York County

 Proposed Project: Conduct three seminars and design a Web Site to provide four merchant associations with information on best practices for small business operation.

Project Type: Research, analysis, Web design, event planning, and outreach.

Regional Council: The New York City Regional Council has been made aware of this item. Project predates the Regional Council Initiative.

Background:

Industry – Diversity Foundation is a not-for-profit that seeks to empower vulnerable and underprivileged children with access to quality education. The Foundation encourages and financially supports academically gifted students who do not have the opportunity or financial means to obtain higher education. Diversity Foundation conducts outreach to several communities by sponsoring numerous fundraising events such as parades, concerts, receptions, symposiums, conventions, and expos. These events are also used to raise money for student scholarships. The Foundation has produced publications which are distributed free at schools, hospitals, community organizations, and public venues to help them spread its message.

Organization History - Founded in 2001, Diversity Foundation, Inc. is a charitable, not-for-profit, 501 (c) (3) organization that seeks to improve the educational opportunities of underprivileged youth. The Foundation assists these students by helping them gain admission to undergraduate and graduate programs at approved colleges and universities. It is the Foundation’s belief that supporting equal advancement opportunity to diverse communities will foster understanding between citizens from different cultures while promoting economic and social responsibility. In cooperation with the City University of New York ("CUNY") and other private institutions, the Foundation has successfully secured funding to distribute over 250 scholarships throughout the five boroughs to qualified students from diverse backgrounds over the past ten years. The Foundation’s activities have allowed it to forge enduring connections with businesses and other non-profit organizations, including the New York State Federation of Hispanic Chambers of Commerce (“NYSFHCC”), the Daily News, Coca-Cola, Banco Popular, and Time Warner Cable, among others.
Diversity Foundation – E-Business Center (X337)
June 26, 2012

Ownership - Diversity Foundation, Inc. is a charitable, not-for-profit, 501 (c) (3) organization.

Size – Diversity Foundation has no employees. To carry out its mission, volunteers and contract employees are used, and the executive director is hired under contract. The Foundation will partner with the NYSFHCC and four merchant associations to carry out the project. The merchant associations are made up of member businesses in Castle Hill, Parkchester, Starling, and Westchester. There will be four jobs associated with the project at Diversity Foundation’s headquarters, consisting of a project manager, project coordinator, technology contractor, and an administrative staff person. The four jobs will be created under contract.

Market – Diversity Foundation serves a demographic of underprivileged children primarily in Bronx County.

ESD Involvement – The project was reappropriated in the 2012-2013 New York State budget.

Past ESD Support – This is the first ESD-administered grant to the organization.

The Project:

Completion – December 2012

Activity – The project consists of three educational seminars conducted by Diversity Foundation, in partnership with NYSFHCC, over a 12-month period. The project will target four merchant associations in the Bronx area that together serve ethnically diverse communities. At the direction of these merchant associations, three seminars will be conducted with multi-lingual presentations that cover key issues of concern to small businesses such as computer training, licensing and permitting, food service law, insurance, signage regulations, store front variances, and banking relationships. The resulting material will be made available on a Web Site designed by Diversity Foundation.

The project will require surveying merchant needs, gathering educational information for the seminars, designing and holding the seminars, and evaluating feedback. Merchant associations were selected to represent the ethnically diverse communities in the Bronx. Diversity Foundation will be responsible for the Web Site design and creation of the bi-lingual newsletter, in addition to the scheduling of outreach events. Seminars will be held at the direction of the four merchant associations at locations of their choosing. The project is expected to be complete in December 2012.
Results – The project is expected to provide small businesses with clear information so that they may utilize their time and efforts effectively to become stronger community service providers. Through these meetings, merchants from different ethnic populations will be able to network and add to their variety of services. By addressing ethnically diverse business communities, it is hoped that merchants can expand their market influence.

The anticipated deliverables will consist of a Web Site, a bi-lingual business directory, a bi-lingual electronic newsletter, support of outreach efforts from merchant associations to their communities to increase membership, and an event to increase merchant association awareness which is proposed to be held during restaurant week. NYSFHCC will assist the Foundation with outreach and advertising, in addition to providing technical assistance. All seminars will be recorded and made available on merchant Web Sites.

Upon completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.

<table>
<thead>
<tr>
<th>Financing Uses</th>
<th>Amount</th>
<th>Financing Sources</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
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<td>Personnel (Diversity Foundation</td>
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<td>ESD Grant</td>
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<tr>
<td>contracted core project staff - 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>people)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outreach/Advertising (Merchant</td>
<td>25,000</td>
<td>Foundation</td>
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<td>9%</td>
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<tr>
<td>Associations)</td>
<td></td>
<td>Contribution</td>
<td></td>
<td></td>
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<tr>
<td>Technology (Web design, development)</td>
<td>25,000</td>
<td></td>
<td></td>
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<tr>
<td>Total Project Costs</td>
<td>$82,500</td>
<td>Total Project</td>
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</tr>
</tbody>
</table>

Grantee Contact - Debra Martinez, Executive Director
1133 Broadway Ste. 819
New York, NY 10010-2007
Phone: (212) 243-1177 Fax: (212) 243-1711

Project Team - Project Management Simone Bethune
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang
Financial Terms and Conditions:

1. The Foundation will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.

2. Up to $75,000 will be disbursed to the Grantee no more frequently than monthly and in proportion to ESD’s funding share, upon documentation of eligible project costs, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after April 1, 2010 to be considered eligible project costs.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $75,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Foundation and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor Supplier Diversity:
ESD’s Non-discrimination and Contractor Diversity policy will apply to this project. The Grantee shall be required to use “good faith efforts” to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 30%. The overall goal shall include a Minority Business Enterprise (“MBE”) Participation goal of 15% and a Women Business Enterprise (“WBE”) Participation goal of 15% related to the total value of ESD’s funding. The Grantee shall be required to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project.

Statutory Basis – Community Projects Fund:
The project was reappropriated in the 2012-2013 New York State Budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:
The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee’s certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.
F. Central Islip Public Library – Computer Lab Capital (W446)
June 26, 2012

General Project Plan

Grantee: Central Islip Public Library (the “Library”)

ESD Investment: A grant of up to $50,000 to be used for cost of purchasing computer lab equipment including software.

Project Location: 33 Hawthorne Avenue, Central Islip, Suffolk County

Proposed Project: Purchase of computer lab equipment including computers with high-speed Internet access, databases and application software, server with wireless capability, and a high-quality/quantity laser printer.

Project Type: Equipment acquisition

Regional Council: The Long Island Regional Council has been made aware of this item. The project pre-dates the Regional Council Initiative.

Background:

Industry – Public Institution - Library

Organizational History – The Central Islip Public Library opened in 1952 in a storefront on Carleton Avenue, moving to its present location on Hawthorne Avenue in 1976. The Library received its absolute charter from the University of the State of New York on May 25, 1973. Marking its 60th anniversary, the Library has grown into a state-of-the-art information, cultural and community center for the residents of the Central Islip Union Free School District.

Size – Facilities located in Central Islip, Suffolk County.

ESD Involvement - The project was reappropriated in the 2012-2013 New York State budget.

Past ESD Support - This is the first ESD-administered grant to the Library.

The Project:

Completion - December 2012
Activity – In 2008, the voters of the Central Islip Library District supported a bond to renovate the original building, adding a separate children’s program room, a computer lab, quiet study, snack area, and gallery.

Results – The structural renovations include the creation of a computer center which benefits and is available to approximately 34,000 people in the district. The computer lab will include 21 computers featuring high-speed Internet access, specialized databases and application software, servers with wireless capability and connected to high-resolution laser printers. ESD’s grant will provide the necessary funding for the acquisition of computer lab equipment and related tools. The project is expected to be completed by December 2012.

<table>
<thead>
<tr>
<th>Financing Uses</th>
<th>Amount</th>
<th>Financing Sources</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer lab equipment and related tools/software</td>
<td>$50,000</td>
<td>ESD Grant</td>
<td>$50,000</td>
<td>100%</td>
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<tr>
<td>Total Project Costs</td>
<td>$50,000</td>
<td>Total Project Financing</td>
<td>$50,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

Grantee Contact - Paul Facchiano, Library Director
33 Hawthorne Avenue
Central Islip, New York 11722
Phone: (631) 234-9333 Fax: (631) 234-9386

Project Team - Project Management Javier Roman-Morales
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 $50,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $50,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:
ESD’s Non-discrimination and Contractor Diversity policy will apply to the project. The Grantee shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 20% related to the total value of ESD’s funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project.

Statutory Basis – Community Capital Assistance Program:
The project was authorized in accordance with Chapter 84 of the Laws of 2002 and reappropriated in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:
The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee’s certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.
C. CenterState – Grants for Growth Working Capital (X484)
June 26, 2012

Grantee: CenterState Corporation for Economic Opportunity ("CenterState" or the "Organization")

ESD Investment: A grant of up to $2,000,000 to be used for a portion of the costs associated with the Grants for Growth Program (the "Program").

Project Location: 572 South Salina Street, Syracuse, Onondaga County

Proposed Project: The capitalization and implementation of the Grants for Growth Program, part of the Essential New York Initiative (the “Initiative”).

Project Type: Program funding and related expenses to support the Grants for Growth program, a model for encouraging university-industry partnerships and entrepreneurial development.

Regional Council: The Central New York Regional Council has been made aware of this item.

Background:

Industry – CenterState carries out a number of functions and activities as determined by its board of directors, including economic development, innovation and entrepreneurial initiatives, downtown and neighborhood redevelopment, regional strategic planning, and real estate management.

History - In 2010, the Metropolitan Development Association of Central New York, Inc. and the Syracuse Chamber of Commerce formed CenterState to enhance regional economic development through the alignment of programs and services with maximum efficiency and effectiveness. Programs and services have been grouped into seven core lines of business, including Business Development, Innovation & Entrepreneurship, Infrastructure Initiatives, Workforce Alignment, Government Relations & Business Advocacy, Chamber of Commerce/Business Services, and Regional Marketing. This strategy is known as the Essential New York Initiative and provides the framework for all of the MDA’s and CenterState’s work.

One of the six major strategies of the Essential New York Initiative is to leverage colleges and universities as economic and community development growth engines. The presence of educational institutions with recognized areas of research excellence is especially important for regions seeking to grow technology-based knowledge economies. Research conducted at universities generates new knowledge and technology and creates the foundation for new products and new companies. Universities also attract and produce highly trained personnel who provide the highly educated workforce needed by technology
and knowledge-based companies. In order to maximize the potential to translate the region’s strengths in both public and private partners into economic growth by linking researchers and their industry counterparts, MDA implemented a Grants for Growth Program in 2005 to help seed meaningful applied research projects between universities and industry that have the potential to create jobs and develop or commercialize new technology.

Ownership – The Organization is a privately held non-profit corporation.

Size – CenterState has more than 2,000 members. It features dual membership levels; partner memberships for typically small businesses seeking access to traditional Chamber of Commerce services; and investor memberships to provide leadership, resources and strategic implementation support for a regional economic development agenda.

Market – CenterState delivers business services and regional economic development leadership to not only its member-companies, but also non-member firms in the Central New York region, universities and colleges, and public sector planning and development entities.

Within the Central New York region, the combined research and development base of the largest research institutions, such as Clarkson, Cornell, SUNY Upstate Medical University, Syracuse University, and the Rome Research Site, include research strengths that are directly relevant to the region’s most competitive industry clusters, including environmental systems, biosciences, digital and electronics devices, digital media, precision metal working, packaging and the knowledge/learning industry. The region’s smaller colleges and universities also contribute important research strengths. Despite the presence of these institutions and the relevancy of their research, key statistical indicators demonstrate that Central New York’s educational institutions do not have a strong history of commercializing technology, encouraging entrepreneurship among faculty or partnering with local/regional companies.

ESD Involvement – The project was reappropriated in the 2012-2013 New York State budget.

Past ESD Support – Since 2001, the ESD Directors have approved over $5 million in legislative-sponsored grants to help the MDA and CenterState with costs related to programs such as the Essential New York Initiative Program, the Commercialization Assistance Program and the Grants for Growth Program. MDA and CenterState are in compliance with the terms of all previous funding.
The Project:

Completion – December 2016

Activity – While the Grants for Growth program has been successful and continues to be viewed as a model for encouraging university-industry partnerships and entrepreneurial development, CenterState is proposing a number of changes to the program to improve its effectiveness and address its sustainability. The project will implement a two-phase approach to provide Grants for Growth funding for both early stage projects which include feasibility studies and technical analysis, and for more advanced projects which include technology commercialization and manufacturing scale-up. It will also provide an opportunity for payback in the form of convertible debt, thereby addressing concerns about the long-term sustainability of the program.

Results – The project will potentially result in the development and commercialization of new products and processes. The project must be scientifically sound, technically feasible, and promise to either generate new knowledge or to apply existing knowledge in an innovative manner. The grant recipients will have an expected timeframe for the project to create jobs and intellectual property and/or result in the commercialization of intellectual property, the benefits of which will be realized in Central New York. In addition to a narrative description, applicants must provide potential revenue, job creation/retention within the applicant company as well as within Central Upstate and New York State, return on investment of award in terms of job creation/retention, overall impact of the project on the success of the company, use of funds to leverage additional funds, and use of regional and state partners as collaborators. The industrial partner must contribute an appropriate amount from its own resources to the project, consistent with the risks and rewards involved and be in a position to make use of successful research results.

It is anticipated that the subject grant will maintain the program for at least four years, with annual awards and investments totaling at least $400,000. The program will be administered over the next four years by CenterState’s Managing Director of the Emerging Business Portfolio.

Upon completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.
CenterState – Grants for Growth Working Capital (X484)
June 26, 2012

Financial Terms and Conditions:

1. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.

2. Up to $2,000,000 will be disbursed to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must have been incurred after April 1, 2011. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks and reports required have been completed to ESD's satisfaction.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than $2,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned business in the performance of ESD contracts. For purposes of this contract, however, goals will not be established due to the unavailability of minority- and women-owned businesses for performance of this contract.

Grantee Contact -
Robert M. Simpson, President & CEO
572 South Salina Street
Syracuse, NY 13202
Phone: (315) 422-8284 Fax: (315) 471-4503

Project Team -
Project Management Jessica Hughes
Contractor & Supplier Diversity Diane Kinnicut
Environmental Soo Kang

<table>
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<td>ESD Grant</td>
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<td>Staff Salaries</td>
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<td>Web Site Maintenance</td>
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<tr>
<td>Administrative Costs</td>
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<tr>
<td>Travel</td>
<td>7,000</td>
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<tr>
<td>Total Project Costs</td>
<td>$2,000,000</td>
<td>Total Project Financing</td>
<td>$2,000,000</td>
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</table>
Statutory Basis – Local Assistance:
The project was authorized in the 2011-2012 New York State budget and reappropriated in the 2012-2013 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:
The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee’s certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.
FOR CONSIDERATION
June 26, 2012

TO: The Directors
FROM: Kenneth Adams
SUBJECT: Annual Financial Reports

REQUEST FOR: Approval of Certain Annual Financial Reports and Authorization to Take Related Actions

I. Background

The Public Authorities Law (the Law) requires annual approval by the Corporation and certifications by the Chief Executive Officer and Chief Financial Officer of certain financial reports (the Reports). The Reports consist of financial information set forth in the independent audit required by the Law. The independent audit (the Audit), entitled New York State Urban Development Corporation and Subsidiaries Consolidated Financial Statements and Independent Auditors’ Report March 31, 2012 and 2011 (Consolidated Financial Statements), which contains the required information, is attached hereto.

II. The Report

The Report includes the following:

1. Independent Auditors’ Report;
   - In this section the independent audit firm renders its opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation and its subsidiaries, and the results of its operations and cash flows for the current fiscal year, in conformity with accounting principles generally accepted in the U.S.A.

The Independent Auditors’ Report included in the Consolidated Financial Statements contains a clean opinion.
2. Management’s Discussion and Analysis;
   - This is not a required part of the basic financial statements, but is supplementary information required by Government Accounting Standards Board (GASB). It is required to precede the basic financial statements, discuss current-year results in comparison with the prior year and contain condensed financial information derived from the basic consolidated financial statements.

3. Consolidated Financial Statements include;
   - Consolidated Balance Sheets
   - Consolidated Statements of Revenues, Expenses and Changes in Net Assets
   - Consolidated Statements of Cash Flows
   - Notes to Consolidated Financial Statements; and

4. Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance, including Compliance with Investment Guidelines, and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards;
   - This letter addressed to the Board of Directors defines the potential weaknesses in internal control and identifies if the audit firm has discovered any such deficiencies. In addition, it discusses the Corporation’s compliance with certain provisions of laws, regulations, contracts and grant agreements, including Investment Guidelines for Public Authorities and the Corporation’s investment guidelines, and other matters, non-compliance with which could have a direct and material effect on the determination of the financial statements amounts.

The Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance included in the Consolidated Financial Statements contains no findings of material weaknesses in internal control and no issues of non-compliance.

III. Audit Committee

The Audit Committee of the Corporation has reviewed the Report and recommends approval by the Board of Directors.

IV. Related Filing Requirements

As required under the Law certain annual reports, including various reports not of a financial nature but including the Reports, will be submitted to the Governor, the Chairman and ranking minority member of the Senate Finance Committee, the Chairman and ranking minority member of the Assembly Ways and Means Committee and the State Comptroller, within ninety (90) days after the end of the Corporation’s fiscal year.
As also required by the Law, the Audit will be submitted to the Governor, Chairman and ranking minority member of the Senate Finance Committee, Chairman and ranking minority member of the Assembly Ways and Means Committee and the State Comptroller, within thirty (30) days after receipt thereof by the Corporation.

V. Certifications

The Report has been certified in writing by the Chief Executive Officer and the Chief Financial Officer of the Corporation that based on the officer’s knowledge (a) the information provided therein is accurate, correct and does not contain any untrue statement of material fact; (b) does not omit any material fact which, if omitted, would cause the Report to be misleading in light of the circumstances under which such statements are made; and (c) fairly presents in all material respects the financial condition and results of the operations of the Corporation as of, and for, the periods presented in the Report.

Attachments

Resolutions
Certifications
Audited Consolidated Financial Statements
WHEREAS, the Corporation wishes to comply with §2800 of the Public Authorities Law (the Law) which mandates that public benefit corporations annually prepare certain financial reports (the Reports) which for the Corporation consists of the independent audit;

WHEREAS, an independent audit is required by §2802 of the Law;

WHEREAS, §2800 of said Law also requires the annual approval by the Board and certifications by the Chief Executive Officer and Chief Financial Officer of the Report;

WHEREAS, an independent audit has been prepared for the fiscal year ended March 31, 2012;

WHEREAS, the Corporation has reviewed said Reports and found them to be satisfactory; and

NOW, THEREFORE, based on the materials submitted herewith, IT IS HEREBY RESOLVED that the Reports are hereby approved; and it is further

RESOLVED, that the President and Chief Executive Officer, the Chief Financial and Administrative Officer, the Treasurer or their designees be, and each of them hereby is, authorized and empowered to submit said Reports, as required by law, and to take such action and execute such agreements and instruments as he or she may consider necessary or desirable or appropriate in connection with the implementation and approval of the Reports and to take related actions.

* * *

June 26, 2012
FOR CONSIDERATION
June 26, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: New York (New York County) – 125 Maiden Lane Condominiums

REQUEST FOR: Authorization to Sell Condominium Unit 14A and to Take Related Actions

Contract Summary

Site: Unit 14A, the final ESD-owned office condominium at 125 Maiden Lane, New York, New York, consisting of the entire 14th Floor, or 18,201 Rentable Square Feet (“RSF”)

Purchaser: SCPG Property LLC
401 Broadway, Suite 1000
New York, New York 10013

Purchase Price: $5,915,325 ($325 per RSF)

Terms: 10% down payment (in escrow); balance due at closing. Purchaser also will assume three basement storage leases currently held by ESD.

Appraised Value: $5,280,000 (appraisal as of 6/28/11)
by Jerome Haims Realty, Inc., 630 Third Avenue, NY, NY 10017

Anticipated Closing: July 2012

Brokerage Fee: up to $238,200

Background
In November 2006, ESD acquired seven condominium units at 125 Maiden Lane, a Class B office building in downtown Manhattan, with the intention of relocating ESD headquarters there. ESD bought the units, consisting of seven floors and related common areas (totaling 164,373 RSF), from Time Equities, Inc., manager of the property and sponsor of the conversion (“TEI”). (Note: TEI also is ESD’s landlord at 633 Third Avenue.) Upon further review, ESD determined not to relocate. At meetings on March 15, 2007, April 19, 2007, May 22, 2008, and June 24, 2010, ESD Directors authorized the sale of Unit 7A (the entire 7th floor), Units 10A, 11A, and 12A
(entire 10th, 11th, and 12th floors), Unit 8A (entire 8th floor), and Unit 9A (entire 9th floor), respectively, and those units have been sold. ESD has not yet sold the last remaining unit, Unit 14A.

**Purchaser Proposal**
SCPG Property LLC (“Purchaser”) has proposed to purchase Unit 14A for a total of $5,915,325, or $325 per RSF. Purchaser also will assume three basement storage leases currently held by ESD. At closing of this proposed purchase and assumption of the leases, ESD will no longer have any property interest at 125 Maiden Lane.

**Appraisal**
By appraisal dated as of June 28, 2011, Jerome Haims Realty, Inc. appraised Unit 14A at $5,280,000, or approximately $290 per RSF.

**Commission due to Broker**
The commission due to ESD’s broker, Rudder Property Group, is calculated as follows:

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<th>Purchase Price</th>
<th>% Commission</th>
<th>Amount Due</th>
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<tr>
<td>1st $1 million</td>
<td>3%</td>
<td>$ 30,000</td>
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<tr>
<td>Next $4 million</td>
<td>2.5%</td>
<td>100,000</td>
</tr>
<tr>
<td>Excess above $4M</td>
<td>1.75%</td>
<td>16,018</td>
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<tr>
<td>plus 3rd party broker*</td>
<td>50%</td>
<td>73,009</td>
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<tr>
<td>Total Unit 14A Brokerage Commission</td>
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<td>$219,027</td>
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<tr>
<td>plus Storage Lease Commission</td>
<td></td>
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<tr>
<td>plus 3rd party broker*</td>
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<td>Total Storage Units Commission</td>
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<td>$19,173</td>
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</table>

**GRAND TOTAL BROKERAGE COMMISSION** $238,200

* The Corcoran Group, for Purchaser

**Environmental Review**
Pursuant to the State Environmental Quality Review Act (“SEQRA”), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), and in connection with the approval of the sale of office space at 125 Maiden Lane, the Directors made a Determination of No Significant Effect on the Environment at a Directors meeting on March 15, 2007. This Determination addressed all aspects of the proposed project. Therefore, no further environmental review is required in connection with this action.

**Requested Action**
The Directors are requested to authorize ESD to enter into a contract of sale with SCPG Property LLC pursuant to which ESD would sell real property consisting of Office Condominium
Unit 14A at 125 Maiden Lane, New York, New York, for a Purchase Price of $5,915,325, upon the terms and conditions set forth in these materials.

**Recommendation**
Based on the foregoing, I recommend approval of the requested action.

**Attachments**
Resolutions
RESOLVED that, based upon the materials presented to the Directors at this meeting and ordered filed with the records of the Corporation (the “Materials”), the Corporation hereby is authorized to sell and convey Office Condominium Unit 14A, being the entire 14th Floor of 125 Maiden Lane, New York, New York, to SCPG Property LLC (“Purchaser”), or any corporation or other business entity affiliated or controlled by the Purchaser and satisfactory to the President and Chief Executive Officer, substantially on the terms and conditions set forth in the Materials; and be it further

RESOLVED, that the President and Chief Executive Officer or any other Officer of the Corporation be, and each of them hereby is, authorized and directed, in the name of and on behalf of the Corporation, to enter into a Contract of Sale with Purchaser and all other agreements, deeds, mortgages, certificates, documents, and instruments, including without limitation assignment or other transfer of three basement storage leases, and to take all such actions as may be necessary or appropriate to effectuate the foregoing.

***
FOR CONSIDERATION  
June 26, 2012

TO: The Directors
FROM: Kenneth Adams
SUBJECT: New York Harbor – Agreement with the Port Authority of New York and New Jersey (“PANY&NJ”) for Funding with Regard to the Joint Dredging Plan
REQUEST FOR: Authorization to Approve Funding to the Port Authority of New York and New Jersey for the Brooklyn Cruise Terminal Shore Power project; Authorization to Adopt the Proposed General Project Plan; Authorization to Amend the Bi-State Dredging Agreement; Determination of No Significant Effect on the Environment; and Authorization to Take Related Actions

General Project Plan

I. Project Summary

Grantee: Port Authority of New York and New Jersey (“PANY&NJ”)

ESD* Investment: A grant of up to $4,300,000 to be used for a portion of the cost of construction, machinery and equipment related to the Brooklyn Cruise Terminal Shore Power project.

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

Project Location: Brooklyn Cruise Terminal (“BCT”), Brooklyn, Kings County

Proposed Project: The Project consists of construction of an outdoor substation on the BCT Parking Lot (on existing asphalt), the installation of a new shore power equipment substation within the existing warehouse portion of the BCT building, and the routing of electrical power among the outdoor substation, the new shore power equipment substation, and the vessel.
II. Project Cost and Financing Sources

<table>
<thead>
<tr>
<th>Financing Uses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Onshore Infrastructure</td>
<td>$19,300,000</td>
</tr>
<tr>
<td>Total Project Costs</td>
<td>$19,300,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financing Sources</th>
<th>Amount</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESD-Grant</td>
<td>$4,300,000</td>
<td>22.3%</td>
</tr>
<tr>
<td>Environmental Protection Agency</td>
<td>3,000,000</td>
<td>15.5%</td>
</tr>
<tr>
<td>Grantee Equity</td>
<td>12,000,000</td>
<td>62.2%</td>
</tr>
<tr>
<td>Total Project Financing</td>
<td>$19,300,000</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

III. Project Description

Background

The Port of New York and New Jersey ("Port") is the third largest deep water port in the United States and the largest on the East Coast, handling cargo with a value $190.5 billion in 2008 and supporting 164,930 direct jobs in the region. Approximately 90% of global trade is moved by ships, and goods moved into the Port serve more than 80 million consumers in the region. The Port’s existence as the dominant maritime port on the East coast, located at the hub of the most densely populated and affluent consumer base in the world, enhances regional competitiveness, lowers the costs of consumer goods and serves as a vital job and economic engine.

In 1996, the Port Authority of New York and New Jersey ("PANY&NJ") allocated $130 million to fund the Governors Pataki and Whitman’s Joint Dredging Plan (the “Plan”), with $65 million allocated for dredging and harbor related projects to each of the States of New York and New Jersey. The Plan was developed with two major objectives, namely the promotion of an increased level of certainty and predictability in the dredging project review process and dredged material management and the facilitation of effective long-term environmentally sound management strategies for addressing dredging and disposal needs for the region.

The New York State Urban Development Corporation, doing business as Empire State Development ("ESD" or the “Corporation”) was designated as the New York entity to approve funding allocated to New York pursuant to the Plan. In November 1997, ESD entered into an agreement with the PANY&NJ (including all amendments thereto, the “Agreement”), wherein the PANY&NJ agreed to provide up to $65 million for program eligible work ("Dredging Funds") to be agreed upon by ESD and the PANY&NJ related to the dredging and disposal of dredged material and related projects including sediment testing, development of contaminant identification technology, material management initiatives and pollution prevention and navigation studies.
In July 2008, ESD and PANY&NJ agreed to modify the terms of the Agreement with respect to project selection and funding. The modification broadened the scope of eligible work to include the use of Dredging Funds for waterfront economic development and job retention projects at PANY&NJ facilities.

The Current Project

The PANY&NJ has requested the use of the Dredging Funds for the Brooklyn Cruise Terminal Shore Power project (the “Project”). The Project will introduce shore power which will allow cruise ships to turn off their engines and plug into New York City’s electrical grid while in port at the Brooklyn Cruise Terminal (BCT), a PANY&NJ facility. Cruise ships typically berth for up to eleven hours for loading and unloading of passengers and supplies. While docked, a ship’s power is supplied by auxiliary engines on board the vessel, which are typically powered by high-sulfur diesel fuel. By using shore power, cruise ships berthed at BCT will reduce their fuel use by over 2.4 million gallons and reduce their carbon dioxide equivalent greenhouse gas emissions by approximately 27,880 tons over a 20-year period. Health benefits to the local community resulting from reduced emissions are estimated at $9.3 million per year. After Project completion, BCT will become the first and only cruise terminal on the East and Gulf coast of North America offering cruise ships the ability to plug into a shore side electric grid and shut down their diesel engines.

The Project consists of construction of an outdoor substation on the BCT Parking Lot (on existing asphalt), the installation of a new shore power equipment substation within the existing warehouse portion of the BCT building, and the routing of electrical power among the outdoor substation, the new shore power equipment substation, and the vessel.

The Project consists of five main components:

1. The installation of three isolation transformers and associated switchgear in an outdoor substation to provide utility-required short circuit protection for Con Edison’s three feeders that provide electrical power to the BCT facility;
2. The construction of the outdoor substation;
3. Routing of electrical power from the outdoor substation via duct bank to a new shore power equipment substation;
4. The installation of the new shore power equipment substation, which includes step down transformers and switchgear within the warehouse portion of the BCT building; and
5. The routing of power from the new substation to the vessel interface, which includes the cable handling equipment.

This Project will enhance the port’s competitive position in the cruise line industry by offering an environmentally friendly and cost-effective way to power ships while berthed. Additionally, the Project will improve air quality and quality of life for the residents of nearby communities.
that frequently complain about pollutant emissions from cruise vessels. Furthermore, cruise lines holding off on making the investment in configuring ships to receive shore power will be more inclined to make that investment now that there will be a port that can offer shore power.

The Brooklyn Cruise Terminal Shore Power project has the support of the Environmental Protection Agency (EPA), the City of New York (EDC) and the New York Power Authority. The EPA provided $2.8 million in grant funding from the National Clean Diesel Funding Assistance Program Grant under the American Recovery and Reinvestment Act in 2009 for this project. The City has been a partner throughout the effort, as a tenant of the BCT.

Project costs include $19.3 million in onshore infrastructure, funded with about $12 million from the Port Authority and a nearly $3 million grant from EPA. Dredging funds will account for the remaining $4.3 million. Carnival Cruise Lines will spend up to $4 million to retrofit the two Carnival Cruise ships that dock at the BCT. The New York Power Authority (NYPA) will provide electricity to Carnival at a fixed and discounted rate for a period of five years which is valued at approximately $2 million per year.

ESD will be providing Dredging Funds directly to the PANY&NJ for the project and the parties will enter into a typical grant agreement. Dredging Funds will be disbursed upon completion of the Project and receipt of paid invoices.

Request

It is requested that the Directors authorize approval of the funding to PANY&NJ to construct the Brooklyn Terminal Shore Power Project, including amending the Agreement authorizing the allocation of funds to PANY&NJ, make a determination that the proposed action will not have a significant effect on the environment; and authorize the taking of related actions.

ESD Project No.: X922

Project Team: Project Management Christine Costopoulos
Legal Jonathan Beyer
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

IV. Environmental Review

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

ESD’s Non-discrimination and Contractor & Supplier Diversity policy will apply to this Project. PANY&NJ and its sub-contractors on this project, shall be required to solicit and utilize certified Minority and Women Business Enterprises (“MWBEs”) for any contractual opportunities generated in connection with the Project. PANY&NJ shall be required to use Good Faith Efforts to achieve an overall MWBE Participation Goal of 25%. The overall goal shall include a Minority Business Enterprise (“MBE”) Participation Goal of 15% and a Women Business Enterprise (“WBE”) Participation Goal of 10%, related to the total value of ESD’s funding.

VI. ESD Employment Enforcement Policy

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

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

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

VIII. Additional Submissions to Directors

Resolutions
NEW YORK HARBOR – Agreement with the Port Authority of New York and New Jersey (“PANY&NJ”) for Funding with Regard to the Joint Dredging Plan as Amended (the “Agreement”) – Authorization to Adopt the Proposed General Project Plan; Authorization to Approve Funding to the PANY&NJ for the Construction of the Brooklyn Cruise Terminal Shore Power Project; Determination of No Significant Effect on the Environment; and Authorization to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the “Materials”), relating to the Agreement, the Corporation be, and it hereby is, authorized to enter into amendments to the Agreement and take other actions to approve the funding, in an amount not exceed $4,300,000, to PANY&NJ for certain costs incurred in the construction of the Brooklyn Cruise Terminal Shore Power Project; and be it further

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

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

* * *
FOR CONSIDERATION  
June 26, 2012

TO:       The Directors

FROM:     Kenneth Adams

SUBJECT:  Slate of Underwriters, Financial Advisors, and Financial Products (SWAP) Providers for Bond Issuance

REQUEST FOR: Authorization to Approve a Rotating Team of Underwriters, Financial Advisors and Financial Product (SWAP) Providers

I. Introduction

In August 2009, the New York State Urban Development Corporation d/b/a Empire State Development ("ESD") selected a rotating team of underwriters to assist in the sale of bonds.

At that time, a rotating team consisting of twenty-eight underwriters, nine financial product providers, and three financial advisors were selected.

The Directors are now being asked to approve a new slate of underwriters, financial advisors, and financial product (swap) providers.

II. Background/Current Selection

On March 13, 2012, ESD placed an advertisement in the New York State Contract Reporter pursuant to which it solicited responses to its Request for Proposals ("RFP") from firms interested in qualifying to serve as underwriters on a rotating basis, as well as, financial advisors and financial product (swap) providers. In addition, ESD advertised in The Bond Buyer on March 19th and 26th regarding this RFP.

ESD also posted on its website a notice advising that ESD was soliciting for professional services pursuant to this RFP. Further, ESD emailed the RFP to over three hundred representatives of fifty-three firms. In addition, ESD’s Office of Contractor and Supplier Diversity sent the RFP to sixty-six MWBE firms.

On April 16, 2012, fifty-one firms responded to the RFP with several firms applying for more than one position. Forty-three firms requested to serve as underwriter, eight requested to serve as financial advisor and twelve firms requested to serve as financial product providers.
ESD also received one proposal requesting to be considered only as a member of the Selling Group. A total of twenty-one MWBE firms responded to the RFP.

A. Underwriters

A team of staff from Finance, Treasury, and Legal reviewed and rated the firms requesting to serve as underwriters. Rating criteria included:

- Experience of firm & individuals
- Knowledge and technical expertise
- Assistance in secondary markets
- Innovations, ideas, analyses or work provided to ESD
- Bond sales; retail and institutional distribution
- Commitment to public finance; capital structure

On the basis of overall rankings of the proposals from the responding firms, the recommended group is comprised of fourteen Senior Managers and twenty-one Co-Managers and nine Selling Group members.

The Selling Group includes respondents who did not earn sufficient scores to qualify for the Senior or Co-Manager tier as well as the one firm that requested only to be considered for inclusion in the Selling Group. The composition of the Selling Group may change from time to time. These firms will receive no designations, assume no liability for purchasing bonds and will only sell bonds of ESD as requested and as available.

ESD has, in the prior cycle, invited selected MWBE firms in the Co-Manager category to serve as Co-Senior Managers; the staff proposes to continue and expand this practice with not only MWBE firms, but also with emerging or small regional firms. This invitation will be based on the firm’s underwriting performance, including demonstrated support of ESD. As in the past, it is hoped that this practice will provide MWBE and emerging, or small regional firms an opportunity to gain experience and allow for greater financial participation and compensation.

Given the continuing instability in the financial markets which has seen a number of firm mergers, acquisitions and consolidations, in the event that underwriting firms are acquired, merged or otherwise reconstituted, the new or reconstituted firm may be allowed to take the place held by the former firm.

Based on the foregoing reviews and appraisals, it is recommended that the following firms be approved to serve as underwriters on a rotating basis for two years; it is also recommended that authority be granted to the Chief Financial and Administrative Officer (“CF&AO”) to extend the term for one year and that the Chief Executive Officer (“CEO”) can further extend the term for an additional year.
SENIOR MANAGERS:
Bank of America/Merrill Lynch
Barclays Capital Inc.
Citigroup Global Markets Inc.
Goldman, Sachs & Co.
Jefferies & Company, Inc.
JP Morgan Securities LLC
Loop Capital Markets LLC
Morgan Stanley & Co. LLC
M.R. Beal & Company
RBC Capital Markets, LLC
Rice Securities, LLC
Samual A. Ramirez & Co., Inc.
Seibert Brandford Shank & Co. LLC
Wells Fargo Bank, N.A.

CO-MANAGERS:
Blaylock Robert Van, LLC
BNY Mellon Capital Markets, LLC
CastleOak Securities, L.P.
Fidelity Capital Markets
Jackson Securities
Janney Montgomery Scott LLC
KeyBanc Capital Markets Inc.
Lebenthal & Co., LLC
M&T Securities, Inc.
Mesirow Financial, Inc.
Morgan Keegan & Company, Inc.
Oppenheimer & Co. Inc.
Piper Jaffray & Companies
Prager & Co., LLC
Roosevelt & Cross Incorporated
Southwest Securities
Sterne Agee
Stifel, Nicolaus & Company, Incorporated
TD Securities (USA) LLC
The Williams Capital Group, L.P.
US Bancorp Investments, Inc.
B. **Financial Advisors**

Eight firms submitted proposals to serve as financial advisors. Staff ranked the responding firms based on the following criteria.

- Experience of firm & individuals
- Knowledge and technical expertise
- Innovations, ideas, analyses or work provided to ESD

On the basis of overall staff ranking of the proposals, it is recommended that ESD select the following three firms to be eligible to serve as financial advisors, as needed, for a term of two years; it is also recommended that authority be granted to the CF&AO to extend the term for one year and that the CEO can further extend the term for an additional year.

**FINANCIAL ADVISORS:**
- Acacia Financial Group, Inc.
- Public Financial Management, Inc.
- Public Resources Advisory Group, Inc./Mohanty Gargiulo LLC

C. **Financial Product (SWAP) Providers**

Twelve firms submitted proposals to serve as financial product (swap) providers. As required by State Finance Law Article 5-D, the financial product (swap) provider shall have credit ratings from at least one nationally recognized statistical rating agency that is within the two highest investment grade categories. Based on this criteria, as well as counterparty structure, it is recommended that five firms be selected as financial product (swap) providers provided that the firm maintains their credit rating within the two highest investment grade categories at the time the swap is negotiated. In the event that a selected firm(s) fails to maintain the required credit rating that firm(s) would be eliminated from approved list, and an additional financial product (swap) provider(s) may be added with the consent of the CEO, provided that any such firm(s) meets the required credit rating and all appropriate criteria.

It is recommended that the following five firms be approved as financial product (swap) provider for two years; it is also recommended that authority be granted to the CF&AO to extend the term for one year and that the CEO can further extend the term for an additional year.

**FINANCIAL PRODUCT (SWAP) PROVIDERS:**
- Barclays Capital Inc.
- BNY Mellon Capital Markets, LLC
- Goldman, Sachs & Co.
- RBC Capital Markets, LLC
- Wells Fargo Bank, N.A.
III. Requested Action

At this time you are requested to approve the slate of the underwriters, financial advisors, and financial products (swap) providers as set forth herein.

IV. Attachments

Resolution
NEW YORK STATE URBAN DEVELOPMENT CORPORATION - Selection of Underwriters, Financial Advisors, and Financial Product (SWAP) Providers for ESD

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of ESD (the “Materials”), there is hereby appointed the following team of underwriters, to serve on a rotating basis as needed, for a term of two years; it is also recommended that authority be granted to the Chief Financial and Administrative Officer to extend the term for one year and that the Chief Executive Officer can further extend the term for an additional year:

**Senior Managers:**
- Bank of America/Merrill Lynch
- Barclays Capital Inc.
- Citigroup Global Markets Inc.
- Goldman, Sachs & Co.
- Jefferies & Company, Inc.
- JP Morgan Securities LLC
- Loop Capital Markets LLC
- Morgan Stanley & Co. LLC
- M.R. Beal & Company
- RBC Capital Markets, LLC
- Rice Securities, LLC
- Samual A. Ramirez & Co., Inc.
- Seibert Brandford Shank & Co. LLC
- Wells Fargo Bank, N.A.

**Co-Managers:**
- Blaylock Robert Van, LLC
- BNY Mellon Capital Markets, LLC
- CastleOak Securities, L.P.
- Fidelity Capital Markets
- Jackson Securities
- Janney Montgomery Scott LLC
- KeyBanc Capital Markets Inc.
- Lebenthal & Co., LLC
- M&T Securities, Inc.
- Mesirow Financial, Inc.
- Morgan Keegan & Company, Inc.
- Oppenheimer & Co. Inc.
- Piper Jaffray & Companies
RESOLVED, that on the basis of the Materials, the following firms are appointed as approved financial advisors for a term of two years; it is also recommended that authority be granted to the Chief Financial and Administrative Officer to extend the term for one year and that the Chief Executive Officer can further extend the term for an additional year:

Financial Advisors:
Acacia Financial Group, Inc.
Public Financial Management, Inc.
Public Resources Advisory Group, Inc./Mohanty Gargiulo LLC

RESOLVED, that on the basis of the Materials, the following firms are appointed as approved financial product (swap) providers for a term of two years; it is also recommended that authority be granted to the Chief Financial and Administrative Officer to extend the term for one year and that the Chief Executive Officer can further extend the term for an additional year:

Financial Product (SWAP) Providers:
Barclays Capital Inc.
BNY Mellon Capital Markets, LLC
Goldman, Sachs & Co.
RBC Capital Markets, LLC
Wells Fargo Bank, N.A.
RESOLVED, that the Chief Executive Officer, Chief Financial and Administrative Officer, and the Treasurer of ESD 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 necessary or proper to effectuate the foregoing.

* * * *
FOR CONSIDERATION
June 26, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: New York (New York County) – Brooklyn Bridge Park Civic and Land Use Improvement Project (the “Project”)

REQUEST FOR: Authorization to Enter into a Contract for Environmental Law Legal Services; and Take Related Actions

CONTRACT SUMMARY

Counsel: Sive, Paget & Riesel P.C. (the “Firm”)

Scope of Services: Legal services for the environmental review of a proposed fieldhouse for the Brooklyn Bridge Park (the “Park”) to be provided to New York State Urban Development Corporation d/b/a Empire State Development (“ESD”) as the lead agency pursuant to the New York State Environmental Quality Review Act (“SEQRA”) in connection with ESD’s General Project Plan (“GPP”) for the Brooklyn Bridge Park.

Contract Term: Three years

Contract Amount: Not to Exceed $200,000

BACKGROUND
In June 2010 the Directors authorized modifications to the General Project Plan for the Brooklyn Bridge Park Civic and Land Use Improvement Project (the “Project”) to allow transfer of financial and operational responsibility for and control of the Project from the ESD subsidiary, Brooklyn Bridge Park Development Corporation (“BBPDC”), to the Brooklyn Bridge Park Corporation (“BBPC”).

BBPC controls all revenues and oversees all planning, construction, maintenance, and operation of the Park. The BBPC is a not-for-profit corporation controlled ex officio by the Mayor of the City of New York.

BBPDC entered into ground leases and other necessary arrangements with BBPC in furtherance of the transfer allowed by the modifications to the GPP previously authorized. BBPDC net leased to BBPC the entire property for a 99-year term, at a nominal rent paid at the time of the lease closing, and with a one dollar purchase option granted to the City of New York. BBPC
receives all PILOT and is responsible for and control of all funding, planning, construction, operations, development, costs, and liability with respect to the Park and the associated development parcels. Neither BBPDC nor ESD receive any money or other financial benefit from or have any liability with respect to the Park or any development parcel. Pursuant to the leases between BBPDC and BBPC and a related project agreement between BBPDC, ESD, BBPC and the City of New York, BBPDC and ESD, at the sole cost and expense of BBPC and the City, must cooperate with BBPC in connection with the development, construction, maintenance and operation of the Park and development and operation of the associated development parcels.

BBPC is considering the development and construction within the Park of a fieldhouse for year-round indoor public recreation and related uses. ESD’s role with respect to the fieldhouse is limited to reviewing the proposed facility for conformance with the GPP, including any necessary environmental review as required by SEQRA, effectuating such changes to the GPP and making any required environmental determination and findings pursuant to SEQRA. ESD performed the role of lead agency for the Environmental Impact Statement that was prepared in connection with the approval of the GPP for the Project. The 2010 modifications to the GPP specified that ESD would continue to serve as the lead agency on behalf of BBPDC and BBPC for any future Project actions requiring environmental review. In order to perform this review, ESD must obtain expert environmental law advice from an experienced legal counsel.

**SELECTION OF COUNSEL**

In September 2010, the Corporation placed an insertion in New York State’s *Contract Reporter* seeking services of pre-qualified legal counsel for advice on various matters of law, including environmental matters. In addition to other firms, Sive, Paget & Riesel, P.C. responded. Staff, in consultation with the General Counsel of ESD, determined that Sive, Paget & Riesel, P.C. (the “Firm”) had the required experience and capability to provide such advice. ESD has had very good experience with Sive, Paget & Riesel, P.C. (the “Firm”) on many environmental law matters, including the preparation of complex Environmental Impact Statements ESD has had to prepare as the lead agency under SEQRA.

The firm has advised both ESD and BBPDC on environmental law in the successful original EIS process and throughout the years of BBPDC’s development and construction of the Park. The firm has successfully litigated on ESD’s and BBPDC’s behalf on lawsuits brought against the Project. Consequently, the Firm has a unique and deep understanding of this very complex Project. Staff has determined that it would require many hours and significant cost to engage another firm to perform the work.

ESD staff now recommends the retention of Sive, Paget & Riesel P.C. based on: (a) the environmental law expertise of the Firm; (b) the experience of the Firm and David Paget, the Firm partner to be responsible for the work, generally with complex and large scale projects and particularly the Project; (c) ESD’s prior experience with the Firm on the Project and other projects; and (d) acceptance of ESD’s standard blended rate structure.
CONTRACT PRICE AND FUNDING
BBPC, a New York City controlled not-for-profit, and the City of New York (the “City”) are responsible for all of ESD costs and expense with respect to this contract pursuant to a Project Agreement, dated as of July 29, 2010, among the City, ESD, BBPDC, and BBPC. Compensation under the contract will not exceed $200,000, payable against invoices for time and disbursements. This amount is the staff estimate for the legal services.

RESPONSIBLE PARTY
Pursuant to State Finance law Sections 139-j and 139-k and ESD’s policy related thereto, staff has: (a) considered Sive, Paget & Riesel P.C.’s ability to perform the services provided for in the proposed contract; and (b) consulted the list of offerers determined to be non-responsible bidders and debarred offerers maintained by the New York State Office of General Services. Based on the foregoing, ESD staff considers Sive, Paget & Riesel P.C. to be responsible.

NON-DISCRIMINATION AND CONTRACTOR & SUPPLIER DIVERSITY
ESD’s non-discrimination and Contractor & Supplier Diversity policy will apply to this contract. The scope of services in this agreement consists largely of the expertise and services of individuals employed by Sive, Paget & Riesel P.C. Further, there is limited or no potential for the parceling of other related procurements. For these reasons, the Office of Contractor and Supplier Diversity will not assign a Minority & Women Owned Business Enterprise (“M/WBE”) participation goal to this project. However, the Firm is strongly encouraged to utilize certified M/WBEs in the event that parceling opportunities are identified during the course of the contract.

ENVIRONMENTAL REVIEW
The requested authorization to enter into this contract for legal services constitutes a Type II action as defined by the New York State Environmental Quality Review Act (SEQRA) and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with this authorization.

REQUESTED ACTIONS
The Board is requested to (1) make a determination of responsibility with respect to the proposed contractor; and (2) authorize the Corporation to contract with Sive, Paget & Riesel P.C. for legal services in an amount not to exceed Two Hundred Thousand Dollars ($200,000) and substantially on such terms and conditions as are described above.

RECOMMENDATION
Based on the foregoing, I recommend approval of the requested action.

ATTACHMENTS
Resolution
June 26, 2012

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds Sive, Paget & Riesel P.C. to be responsible; and be it further

RESOLVED, that in accordance with the Materials, the Corporation is hereby authorized to enter into a contract with Sive, Paget & Riesel P.C. for legal services, the cost of which is not to exceed Two Hundred Thousand Dollars ($200,000) for the purposes and services, and substantially on the terms and conditions, as set forth in the Materials; and be it further

RESOLVED, that the President, 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.

*       *       *

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New York (New York County) – Brooklyn Bridge Park Civic and Land Use Improvement Project – Authorization to Enter into a Contract for Legal Services and to Take Related Actions
FOR CONSIDERATION
June 26, 2012

TO: The Directors
FROM: Kenneth Adams
SUBJECT: Brooklyn (New York City Region - Kings County) – Brooklyn Navy Yard Development Corporation Capital – New Markets Tax Credit Allocation
REQUEST FOR: Findings and Determinations Pursuant to Sections 12 and 10(g) of the Act; Authorization to Prioritize and Approve the Project, as Authorized by the Empire State New Market Corporation (“ESNMC”); Adopt and Ratify ESNMC Board Findings and Take Related Actions

I. Program Background

The New Markets Tax Credit Program (“NMTC”), enacted in 2000, offers a non-refundable tax credit intended to encourage private capital investment in low-income communities. NMTCs are allocated by the U.S. Department of the Treasury’s Community Development Financial Institutions Fund (“CDFI”) under a competitive application process. Investors who make Qualified Equity Investments (“QEIs”) reduce their federal income tax liability by claiming the credit.

Community Development Entities (“CDEs”) apply to the CDFI for an allocation of the New Markets Tax Credit. The CDE seeks taxpayers to make QEIs in the CDE. The CDE then makes loans or equity investments in low-income communities and low-income community businesses, all of which must also be qualified. After the CDE is awarded a tax credit allocation, the CDE is authorized to offer the tax credits to its private equity investors. Typically, a CDE will create subsidiary organizations, such as an LLC, and suballocate their NMTC credits. Partnerships and LLCs are the preferred way of structuring these programs. These subsidiary organizations must also be certified as CDEs in order to receive such NMTC.

The tax credit value is 39% of the cost of the QEI and is claimed over a seven-year credit allowance period. In each of the first three years, the investor receives a credit equal to 5% of the total amount paid for the stock or capital interest at the time of purchase. For the final four years, the value of the credit is 6% annually. Investors must retain their interest in a QEI through the seven-year period.
By federal law, the CDE is a domestic corporation or partnership that must go through a certification process to obtain its status. Although both for-profit and not-for-profit CDEs may apply for the NMTC, only for-profit CDEs may pass the NMTC on to investors. To ensure that projects are selected based on economic merit, not-for-profit CDEs awarded NMTCs must transfer their allocations to for-profit subsidiaries before offering NMTCs to investors.

Through the NMTC program, more than $33 billion in New Markets Tax Credits have been awarded to CDEs across the country since inception.

A number of CDEs, including financial institutions and non-profit entities that are located in New York State, have already successfully utilized these tax credits; however, the CDE that is controlled by a New York State governmental entity, the Empire State New Market Corporation (“ESNMC”), has not. In 2004 and 2007, it did not receive an allocation, but its third application in 2008 was successful. The allocation, made in May 2009, has gone unused because of its inability to form LLCs. Legislation passed in April 2011 now permits the formation of LLCs.

II. Project

On June 19, 2012, the ESNMC Board authorized the following allocation of New Market Tax Credits:

Amount:       Project Sponsor:
Up to $12,000,000    Brooklyn Navy Yard Development Corporation

Project background and project information can be found in the attached ESNMC materials.

III. Statutory Basis and Findings

New York State legislation requires ESD to select and prioritize projects demonstrating one or more of the following goals or benefits: (a) creating or retaining jobs in low income communities; (b) increasing the provision of goods and services for low income community residents which would otherwise not be available at the same price or quality; (c) supporting minority and women-owned or controlled businesses; (d) expanding housing opportunities for low income community persons; (e) supporting environmentally sustainable outcomes; and (f) supporting efforts that otherwise benefit low income community residents by leveraging further investment in their communities.

This project has been selected as clearly meeting the goals outlined in (a), (e) and (f) above:

- Anticipated creation of 300 jobs in a low income community as determined by the Community Development Financial Institutions Fund of the U.S. Treasury.
- Redevelopment of vacant Brooklyn Navy Yard Buildings into a 215,000-square-foot, multi-tenanted LEED industrial facility.
The investment of up to $12,000,000 of ESNMC New Market Tax Credits, together with allocations from other parties, will leverage nearly $46,400,000 of other public and private investment in the local economy that will benefit low income community residents.

In April 2011, the UDC Act was amended to assist NMTC; specifically, §12 of the UDC Act was amended to authorize ESDC and its corporate subsidiaries to form LLCs pursuant to Section 203 of the Limited Liability Company Law for the sole purpose of participation in the federal NMTC Program. In addition to applying the State Priorities noted above, the statute requires that projects “be limited to projects that would be authorized under this Act and shall be subject to approval by the Board of the Urban Development Corporation.”

In accordance with the attached ESNMC materials all other required findings and actions of the UDC Board, including hearings, environmental reviews and determinations are confirmed. For the reasons noted above this project would be authorized by the UDC Act and, further this project is consistent with the Mission Statement of UDC.

IV. Additional Submissions to Directors

Resolutions
New York State Map
ESNMC June 19, 2012 Board Materials
June 26, 2012

Brooklyn (New York City Region - Kings County) – Brooklyn Navy Yard Development Corporation Capital – New Markets Tax Credit Program (Allocation) – Findings and Determinations Pursuant to Sections 12 and 10(g) of the Act; Authorization to Prioritize and Approve the Project, as Authorized by the Empire State New Market Corporation (“ESNMC”); Adopt and Ratify ESNMC Board Findings and 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 Brooklyn Navy Yard Development Corporation Capital – New Markets Tax Credit Program (Allocation) Project (the “Project”), the Corporation hereby selects and approves the Project, in accordance the requirements of Section 12 and 10 (g) of the Act, based on the proposed ESNMC General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the ESNMC President 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 all other findings, hearings, approvals and policies required for ESD approval are set forth in the Plan and are hereby adopted and approved, for the purposes, and substantially on the terms and conditions, set forth therein, with such changes as the ESNMC President or his designee(s) may deem appropriate, and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized 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. Any actions previously taken by the Corporation in furtherance of the Plan are hereby ratified and approved.

* * *
FOR CONSIDERATION

June 26, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Village of North Syracuse, County of Onondaga

Centerville Court Apartments – UDC Loan No. 126

REQUEST FOR: Authorization to (i) Consent to Extension and Subordination of Project Improvement Program ("PIP") Loan, (ii) Make a New PIP Loan, and (iii) Take All Related Actions.

PROJECT SUMMARY

Location: Village of North Syracuse, County of Onondaga

Improvements: 152 unit 13 building town house development on 14.38 acres for senior and handicapped citizens. The unit mix includes 128 one-bedroom and 24 two-bedroom apartments.

BACKGROUND

Legal title to Centerville Court Apartments (the “Project”) is held by Centerville Court Houses, Inc. (the “Housing Company”). The beneficial ownership is in Centerville Court Associates (“the "Partnership"). The Managing Agent is Winn Management, Inc.

FINANCIAL

The Project was financed by a UDC mortgage loan (the “FMD”) in the amount of $3,110,000. As of May 31, 2012, the outstanding principal balance of the FMD Note totals $648,298.57. The Project has received additional financial assistance in the form of a Project Improvement Program ("PIP") loan of $450,000.

The Project is subsidized under Section 236 of the National Housing Act and receives annual interest reduction payments ("IRP") from HUD in the amount of $151,916. The Project’s IRP contract expires on July 31, 2014. The Project also receives a rental subsidy under a Rent Supplement Contract with HUD which covers 30 units representing 20% of the Project’s total units.

REDEVELOPMENT PLAN

Originally constructed in 1974 with electric heat, the property underwent a heat-conversion and window replacement project in 2004, but no other property upgrades have been completed besides routine maintenance. The Project is approaching the maturity date of the Section 236 IRP contract, at which time the property could be converted to market rate rents. However, the acquisition and rehabilitation plan proposed by Home Leasing, LLC., a Rochester-based real estate developer focused on
the development and management of affordable residential communities, will preserve this affordable housing resource and extend the low income restrictions for 30 years.

The proposed rehabilitation includes but is not limited to the following items: replacement of the roofs, exterior siding, original kitchen cabinets, appliances, and the electric heating and hot water systems in the community building with a gas-fired boiler and hot water tank. Adaptations to 16 of the units (11% of total units) will be completed to make these units fully handicapped accessible. It is anticipated that these capital improvements will decrease energy and water usage expenses and extend the useful life of the Project’s buildings for many years to come. During renovations, some temporary relocation is planned.

The development cost, including the acquisition cost of the Project, is estimated to total approximately $15.6 million, which will be financed in part with a $2.5 million Housing Trust Fund Corporation Loan from Housing and Community Renewal (HCR), a $4 million permanent loan from JPMorgan Chase, and estimated proceeds of $7.7 million from syndication of 9% Low-Income Housing Tax Credits which were awarded by HCR. The Section 236 Interest Reduction Payment (IRP) contract will be decoupled from the existing UDC mortgage so that the new owner continues to receive the IRP through the expiration of the current IRP contract.

The Project will receive tenant-based enhanced housing vouchers issued by HUD as part of the Section 236 refinancing and decoupling process, replacing the expiring Rent Supplement Contract.

ESDC will receive payment at closing of its outstanding mortgage indebtedness, which totals $648,298.57 as of May 31, 2012. To complete the proposed financing of this acquisition and rehabilitation, and for purposes of the overall tax structuring of the transaction, ESDC will also receive, at closing, payment from equity proceeds of the outstanding principal balance of the PIP loan totaling $450,000. ESDC will then make a new mortgage loan to the purchaser in the same amount as the original PIP loan with reinstatement of the related regulatory agreement. The new loan will have an extended term of 30 years and will be subordinate to the HCR financing and any intervening liens.

ENVIRONMENTAL REVIEW

ESDC 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 for the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

REQUESTED ACTION

The Directors are requested to authorize: (i) consent to extension and subordination of PIP Loan, (ii) making of a new PIP Loan, and (iii) the taking of all related actions.

RECOMMENDATION

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

ATTACHMENT

Resolution
ONONDAGA COUNTY – VILLAGE OF NORTH SYRACUSE – CENTERVILLE COURT APARTMENTS (UDC LOAN NO. 126) – REQUEST FOR AUTHORIZATION TO (i) CONSENT TO EXTENSION AND SUBORDINATION OF PROJECT IMPROVEMENT PROGRAM (“PIP”) LOAN, (ii) MAKE A NEW PIP LOAN, 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 Centerville Court Apartments – UDC Loan No. 126, the Corporation be and hereby is authorized to: (i) consent to extension and subordination of the PIP Loan, (ii) make a new PIP Loan, and (iii) take all related actions, 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.
FOR INFORMATION

June 26, 2012

TO: The Directors

FROM: Kenneth Adams


UTILIZATION OF CERTIFIED M/WBE FIRMS - FOURTH QUARTER OF FY 2011-2012:

During the fourth quarter of Fiscal Year 2011-2012, M/WBE firms received 23.96% ($10.5 million) of the $44 million paid, from all ESD projects, programs and subsidiaries.

COMMITMENTS TO CERTIFIED M/WBE FIRMS - FOURTH QUARTER OF FY 2011-2012:

ESD and its subsidiaries committed a total of $8.29 million in all procurement contracts and amendments during Q4 of FY 2011-2012. Of the total procurement contracts, $244,800 has thus far been committed to certified M/WBE firms.

Additionally, M/WBE commitments have been identified for the second and third quarters of Fiscal Year 2011-2012 which were not previously reported. The new data has resulted in an increase of annual M/WBE commitments for FY 2011-2012 and is reflected in the attached Table 1 and the “M/WBE Commitment Summary” on the following page.

ATTACHMENTS:

Attached for your information are the following detail reports:

1. Fourth Quarter Report on Procurement Contracts, Fiscal Year 2011-2012
### Table 1

**TOTAL PROCUREMENT CONTRACTS AND AMENDMENT**  

<table>
<thead>
<tr>
<th>SFY 2011-2012</th>
<th>TOTAL CONTRACTS &amp; AMENDMENTS</th>
<th>M/WBE PRIME &amp; SUB COMMITMENTS</th>
<th>PERCENT OF M/WBE COMMITMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIRST QUARTER – Q1</td>
<td>$7,793,187</td>
<td>$567,475</td>
<td>7.28%</td>
</tr>
<tr>
<td>SECOND QUARTER – Q2</td>
<td>* $10,634,149</td>
<td>$1,348,121</td>
<td>32.61%</td>
</tr>
<tr>
<td>THIRD QUARTER – Q3</td>
<td>* $87,258,086</td>
<td>$14,210,320</td>
<td>18.63%</td>
</tr>
<tr>
<td>FOURTH QUARTER – Q4</td>
<td>$8,291,024</td>
<td>$244,800</td>
<td>2.95%</td>
</tr>
<tr>
<td><strong>GROSS TOTAL</strong></td>
<td><strong>$113,976,446</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXCLUSIONS</strong> ****</td>
<td><strong>$ (17,500,000)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$96,476,446</strong></td>
<td><strong>$16,370,716</strong></td>
<td><strong>16.97%</strong></td>
</tr>
</tbody>
</table>

*Detail of the contracts which revised the MWBE commitments for the second and third quarters of Fiscal Year 2012 can be found on the following page labeled “Office of Contractor and Supplier Diversity Supplement”.

**The exclusions consist of three contracts which should have been excluded from the Quarterly Reports, but were not. They include the Office Of General Services (Q3, $11M), National Railroad/AMTRAK (Q2, $2M) and the Port Authority of NY and NJ (Q2, $4.5M). These contracts will be (or were) performed by the respective agency or authority’s personnel.*

### Table 2

**TOTAL PROCUREMENT CONTRACTS AND AMENDMENT**  
SFY 2010-2011 – Ended March 31, 2011

<table>
<thead>
<tr>
<th>SFY 2010-2011</th>
<th>TOTAL CONTRACTS &amp; AMENDMENTS</th>
<th>M/WBE PRIME &amp; SUB COMMITMENTS</th>
<th>PERCENT OF M/WBE COMMITMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIRST QUARTER – Q1</td>
<td>$9,571,836</td>
<td>$637,305</td>
<td>6.66%</td>
</tr>
<tr>
<td>SECOND QUARTER – Q2</td>
<td>$60,606,028</td>
<td>$8,588,561</td>
<td>14.17%</td>
</tr>
<tr>
<td>THIRD QUARTER – Q3</td>
<td>$3,304,960</td>
<td>$54,960</td>
<td>7.71%</td>
</tr>
<tr>
<td>FOURTH QUARTER – Q4</td>
<td>$5,723,576</td>
<td>$570,325</td>
<td>3.63%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$89,206,400</strong></td>
<td><strong>$10,051,151</strong></td>
<td><strong>11.27%</strong></td>
</tr>
</tbody>
</table>
OFFICE OF CONTRACTOR AND SUPPLIER DIVERSITY SUPPLEMENT
M/WBE COMMITMENTS SUMMARY - FISCAL YEAR 2011-2012 - ENDED MARCH 31, 2012

FOURTH QUARTER COMMITMENTS - FY 2011/12

<table>
<thead>
<tr>
<th>PRIME:</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adrienne Driben (Woman Owned)</td>
<td>$200,000</td>
</tr>
<tr>
<td>Dox Electronics (Woman Owned)</td>
<td>$44,800</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$244,800</strong></td>
</tr>
</tbody>
</table>

ADDITIONS TO THIRD QUARTER COMMITMENTS - FY 2011/12

<table>
<thead>
<tr>
<th>PRIME:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>STA Joint Venture (Non-Certified Prime)</td>
<td></td>
</tr>
<tr>
<td>SUB: Arora Engineers, Inc. (Minority Owned)</td>
<td>$308,934</td>
</tr>
<tr>
<td>SUB: JCMS, Inc. (Minority Owned)</td>
<td>$1,818,289</td>
</tr>
<tr>
<td>SUB: Bradford Construction Corp. (Woman Owned)</td>
<td>$1,035,230</td>
</tr>
<tr>
<td>SUB: Andrew Velez Construction, Inc. (Minority Owned)</td>
<td>$605,347</td>
</tr>
<tr>
<td>**PRIME: BBDO (Non-Certified Prime)</td>
<td></td>
</tr>
<tr>
<td>SUB: Foot Steps LLC (Minority Owned)</td>
<td>$7,500,000</td>
</tr>
<tr>
<td>SUB: MacDonald Media LLC (Woman Owned)</td>
<td>$2,500,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$13,767,800</strong></td>
</tr>
</tbody>
</table>

ADDITIONS TO SECOND QUARTER COMMITMENTS - FY 2011/12

<table>
<thead>
<tr>
<th>PRIME:</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fleming-Lee Shue, Inc. (Minority &amp; Woman Owned)</td>
<td>$989,810</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$989,810</strong></td>
</tr>
</tbody>
</table>
Attachment One

Fourth Quarter Report on Procurement Contracts

Fiscal Year 2011-2012
<table>
<thead>
<tr>
<th>CO.</th>
<th>VENDOR NAME</th>
<th>ORIG. CONTRACT DATE</th>
<th>REASON FOR AWARD</th>
<th>CONT #</th>
<th>INITIAL SCOPE OF SERVICES</th>
<th>CONTRACT AMOUNT</th>
<th>CURRENT STATUS</th>
<th>CONTRACT REPORTER</th>
<th>COMPETITIVE SEARCH</th>
<th>BASIS OF AWARD</th>
<th>COMMENTS</th>
<th>NUMBER OF BIDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESDC</td>
<td>Ms. Adrienne Driben</td>
<td>1/6/2012</td>
<td>Need for consultant services in connection with the Corporation's Housing Portfolio.</td>
<td>7563</td>
<td>Provide assistance to the ESD housing portfolio staff in analyzing, negotiating, and coordinating project dispositions.</td>
<td>200,000</td>
<td>On-going</td>
<td>YES</td>
<td>YES</td>
<td>BV</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>ESDC</td>
<td>Orrick, Herrington &amp; Sutcliffe, LLP</td>
<td>1/3/2012</td>
<td>Need for bond counsel services in connection with the New York State Urban Development Service Contract Revenue Refunding Bonds, Series 2011A.</td>
<td>7558</td>
<td>Provide bond counsel services with respect to the sale and delivery of the Corporation's Service Contracts Revenue Refunding Bonds, Series 2011A.</td>
<td>100,000</td>
<td>On-going</td>
<td>YES</td>
<td>YES</td>
<td>BV</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>ESDC</td>
<td>Dux Electronics, Inc.</td>
<td>1/26/2012</td>
<td>Need for the purchase and implementation of voice recognition data encryption.</td>
<td>7599</td>
<td>Provide encryption services to protect confidential information stored in PeopleSoft Financial Management System and other critical databases.</td>
<td>44,800</td>
<td>On-going</td>
<td>NO</td>
<td>YES</td>
<td>BV</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>ESDC</td>
<td>Center for Community Progress</td>
<td>3/14/2012</td>
<td>Need for consultant services in connection with the NY Land Bank Program.</td>
<td>7558</td>
<td>Provide consultant services in implementing best practices for formation and operation of land banks to assist ESD in approving land bank applications.</td>
<td>30,000</td>
<td>On-going</td>
<td>YES</td>
<td>YES</td>
<td>BV</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>ESDC</td>
<td>Hoselton Chevrolet</td>
<td>2/9/2012</td>
<td>Need for the lease of a 2012 FlexFuel Chevrolet Equinox AWD for the ESD NYC Regional Office.</td>
<td>7499</td>
<td>Lease vehicle to accommodate the travel needs for all ten Regional Offices.</td>
<td>28,287</td>
<td>On-going</td>
<td>NO</td>
<td>YES</td>
<td>LP</td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>

BV = Best Value
LP = Lowest Price
Page 1 of 3
<table>
<thead>
<tr>
<th>Co.</th>
<th>Vendor Name</th>
<th>ORIG. CONT. DATE</th>
<th>Reason for Award</th>
<th>Cont #</th>
<th>Initial Scope of Services</th>
<th>Contract Amount</th>
<th>Current Status</th>
<th>Contract Reporter</th>
<th>Competitive Search</th>
<th>Basis of Award</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESDC</td>
<td>Integration Partners</td>
<td>3/21/2012</td>
<td>Need for renewal of annual service contract for network switches at 633 Third Avenue, New York, NY 10017.</td>
<td>7657</td>
<td>Provide support services for the network switches that connect the Regional Offices to the network at 633 Third Avenue, New York, NY 10017.</td>
<td>23,032</td>
<td>On-going</td>
<td>NO</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under State OGS competitive contract</td>
</tr>
<tr>
<td>ESDC</td>
<td>SHI</td>
<td>03/12/12</td>
<td>Need for the purchase of the VMware View 5 Software.</td>
<td>7642</td>
<td>Provide designated ESD staff secure remote access to critical ESD resources from remote locations including from home.</td>
<td>18,479</td>
<td>On-going</td>
<td>NO</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under State OGS competitive contract</td>
</tr>
</tbody>
</table>

**EBIE CANAL HARBOR DEVELOPMENT CORPORATION**

| ECHDC | Parsons Brinckerhoff | 1/20/2012 | Need for consultant services related to the Erie Canal Harbor Civic Project of the Inner Harbor at Buffalo, NY. | 7597 | Provide design and engineering services to permanently extend the Central Wharf as well as make further waterfront and landside improvements. | 370,360 | On-going | YES | YES | BV | MWBE Subcontractor S. Watts Architecture, Joy Kuebler (Landscape Architect) |

| ECHDC | Lino Engineers, Inc | 1/27/2012 | Need for architectural and engineering services in connection with the design of the Outer Harbor in Buffalo, NY. | 7608 | Provide architectural and engineering services related to Buffalo’s Outer Harbor, a proposed mixed-use waterfront project located in Downtown Buffalo. | 326,774 | On-going | YES | YES | BV |

**MOYNIHAN STATION DEVELOPMENT CORPORATION**

| MSDC | Kramer Levin Naftalis and Frankel, LLP | 2/10/2012 | Need for legal services in connection with the Moynihan Station Civic and Land Use Improvement Project. | 7635 | Provide real estate and litigation services with respect to the proposed expansion of the Moynihan Station Civic and Land Use Improvement Project. | 750,000 | On-going | YES | YES | BV |

**TOTAL ECHDC:** $697,134

**TOTAL MSDC:** $750,000
<table>
<thead>
<tr>
<th>CO.</th>
<th>VENDOR NAME</th>
<th>ORIG CONT DATE</th>
<th>REASON FOR AWARD</th>
<th>CONT #</th>
<th>INITIAL SCOPE OF SERVICES</th>
<th>CONTRACT AMOUNT</th>
<th>CURRENT STATUS</th>
<th>CONTRACT REPORTER</th>
<th>COMPETITIVE SEARCH</th>
<th>BASIS OF AWARD</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCDC</td>
<td>Brooklyn Mechanical Corp. 1429 Mill Avenue Brooklyn, NY 11234</td>
<td>2/23/2012</td>
<td>Need for new heating system at 267 West 140th Street.</td>
<td>7631</td>
<td>Provide replacement of boiler system located at 267 West 140th Street with new boilers, pumps, burners, and hot water system.</td>
<td>$55,000</td>
<td>Completed</td>
<td>NO</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
</tr>
<tr>
<td>HCDC</td>
<td>New York Heating Corp. 354 Humboldt Street Brooklyn, NY 11211</td>
<td>2/23/2012</td>
<td>Need for heating system upgrade at 131 West 137th Street.</td>
<td>7628</td>
<td>Provide an upgrade to the heating system, which provides both heat and hot water, for 131 West 137th Street</td>
<td>$38,749</td>
<td>On-going</td>
<td>NO</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
</tr>
</tbody>
</table>

**HCDC TOTAL:** $93,749

**TOTAL FOR CONTRACTS:** $1,985,481

**TOTAL FOR AMENDMENTS:** 6,305,543

**GRAND TOTAL:** 8,291,024
Attachment Two

Fourth Quarter Report on Procurement Contract Amendments

Fiscal Year 2011-2012
<table>
<thead>
<tr>
<th>Vendor Name and Address</th>
<th>Begin Date</th>
<th>Amend. Date</th>
<th>Reason for Award</th>
<th>Contract Number</th>
<th>Original Contract Amount</th>
<th>Amend Amount</th>
<th>Revised Contract Amount</th>
<th>Current Status</th>
<th>Contract Reporter</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empire State Development Corporation</td>
<td>7/8/2010</td>
<td>3/12/2012</td>
<td>Need for owners representative services in connection with the Atlantic Yards Project.</td>
<td>6717</td>
<td>1,250,000</td>
<td>1,250,000</td>
<td>2,500,000</td>
<td>On-going</td>
<td>Legally Exempt</td>
<td></td>
</tr>
<tr>
<td>Erie Canal Harbor Development Corporation</td>
<td>2/19/2008</td>
<td>1/27/2012</td>
<td>Need for legal services in connection with the Canalside Project.</td>
<td>5120</td>
<td>250,000</td>
<td>49,000</td>
<td>899,000</td>
<td>On-going</td>
<td>N/A</td>
<td>Less than 10% of total contract</td>
</tr>
<tr>
<td>Lower Manhattan Development Corporation</td>
<td>8/2/2011</td>
<td>1/3/2012</td>
<td>Need for program coordination services in connection with the Lower Manhattan construction projects.</td>
<td>7385</td>
<td>250,000</td>
<td>4,868,650</td>
<td>5,118,650</td>
<td>On-going</td>
<td>N/A</td>
<td>Amendment within original RFP 2 year term</td>
</tr>
<tr>
<td>LMDC</td>
<td>7/12/2005</td>
<td>1/4/2012</td>
<td>Need for consultant services in connection with the 130 Liberty Street Project.</td>
<td>5227</td>
<td>1,000,000</td>
<td>100,000</td>
<td>7,040,000</td>
<td>On-going</td>
<td>Legally Exempt</td>
<td></td>
</tr>
<tr>
<td>LMDC</td>
<td>3/18/2009</td>
<td>1/3/2012</td>
<td>Need for consultant services in connection with the Lower Manhattan Construction Command Center's website maintenance.</td>
<td>5975</td>
<td>112,000</td>
<td>5,000</td>
<td>166,000</td>
<td>On-going</td>
<td>Legally Exempt</td>
<td></td>
</tr>
<tr>
<td>LMDC</td>
<td>4/28/2008</td>
<td>1/25/2012</td>
<td>Need for business integrity consultant services.</td>
<td>5316</td>
<td>15,000</td>
<td>7,950</td>
<td>22,950</td>
<td>On-going</td>
<td>Legally Exempt</td>
<td></td>
</tr>
</tbody>
</table>

**Empire State Development Corporation**

Report on Procurement Contracts (Amendments)
Entered into During the Quarter of [01/01/2012 - 03/31/2012]

**LMDC TOTAL:**

<table>
<thead>
<tr>
<th>Original Contract Amount</th>
<th>Amend Amount</th>
<th>Revised Contract Amount</th>
<th>Current Status</th>
<th>Contract Reporter</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,377,000</td>
<td>$4,985,600</td>
<td>$12,347,600</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Totals adjusted for multiple amendments
<table>
<thead>
<tr>
<th>CO.</th>
<th>VENDOR NAME AND ADDRESS</th>
<th>BEGIN DATE</th>
<th>AMEND. DATE</th>
<th>REASON FOR AWARD</th>
<th>ORIGINAL CONTRACT NUMBER</th>
<th>ORIGINAL CONTRACT AMOUNT</th>
<th>AMEND. AMOUNT</th>
<th>SCOPE OF SERVICES</th>
<th>REVISED CONTRACT AMOUNT</th>
<th>CURRENT STATUS</th>
<th>CONTRACT REPORTER</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCDC</td>
<td>Brooklyn Mechanical Corp. 1429 Mill Avenue Brooklyn, NY 11234</td>
<td>3/15/2012</td>
<td>7547</td>
<td>93,900</td>
<td>Need for heating system replacement at 220 West 140th Street.</td>
<td>Provide boilers and related systems as part of a new heating system for 220 West 140th Street.</td>
<td>13,065</td>
<td>99,975</td>
<td>On-going</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td></td>
</tr>
<tr>
<td>HCDC</td>
<td>Brooklyn Mechanical Corp. 1429 Mill Avenue Brooklyn, NY 11234</td>
<td>2/23/2012</td>
<td>7631</td>
<td>55,000</td>
<td>Need for heating system replacement at 287 West 140th Street.</td>
<td>Provide boilers and related systems as part of a new heating system for 267 West 140th Street.</td>
<td>3,815</td>
<td>58,815</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td></td>
</tr>
<tr>
<td>HCDC</td>
<td>Brooklyn Mechanical Corp. 1429 Mill Avenue Brooklyn, NY 11234</td>
<td>2/23/2012</td>
<td>7631</td>
<td>55,000</td>
<td>Need for heating system replacement at 267 West 140th Street.</td>
<td>Provide boilers and related systems as part of a new heating system for 267 West 140th Street.</td>
<td>950</td>
<td>59,765</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td></td>
</tr>
<tr>
<td>HCDC</td>
<td>A &amp; C Heating Services Inc. 111 Clay Street Brooklyn, NY 11222</td>
<td>1/30/2011</td>
<td>7551</td>
<td>93,400</td>
<td>Need for heating system replacement at 206 West 140 Street.</td>
<td>Provide boilers and related systems as part of a new heating system for 206 West 140 Street.</td>
<td>3,040</td>
<td>69,145</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td></td>
</tr>
<tr>
<td>HCDC</td>
<td>A &amp; C Heating Services Inc. 111 Clay Street Brooklyn, NY 11222</td>
<td>2/7/2012</td>
<td>7551</td>
<td>93,400</td>
<td>Need for heating system replacement at 206 West 140 Street.</td>
<td>Provide boilers and related systems as part of a new heating system for 206 West 140 Street.</td>
<td>750</td>
<td>69,885</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td></td>
</tr>
<tr>
<td>HCDC</td>
<td>A &amp; C Heating Services Inc. 111 Clay Street Brooklyn, NY 11222</td>
<td>1/27/2011</td>
<td>7552</td>
<td>93,400</td>
<td>Need for heating system replacement at 218 West 140th Street.</td>
<td>Provide boilers and related systems as part of a new heating system for 218 West 140th Street.</td>
<td>3,040</td>
<td>89,587</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td></td>
</tr>
<tr>
<td>HCDC</td>
<td>A &amp; C Heating Services Inc. 111 Clay Street Brooklyn, NY 11222</td>
<td>1/27/2011</td>
<td>7552</td>
<td>93,400</td>
<td>Need for heating system replacement at 218 West 140th Street.</td>
<td>Provide boilers and related systems as part of a new heating system for 218 West 140th Street.</td>
<td>750</td>
<td>90,337</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td></td>
</tr>
<tr>
<td>HCDC</td>
<td>Tempest Windows, Inc 1333 McDonald Avenue Brooklyn, NY 11230</td>
<td>12/29/2011</td>
<td>7561</td>
<td>341,975</td>
<td>Need for window replacement at 1950 Lexington Avenue.</td>
<td>Provide delivery and installation of windows at 1950 Lexington Ave.</td>
<td>2,578</td>
<td>344,553</td>
<td>On-going</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td></td>
</tr>
</tbody>
</table>

Totals adjusted for multiple amendments
<table>
<thead>
<tr>
<th>VENDOR NAME AND ADDRESS</th>
<th>BEGIN DATE</th>
<th>AMEND. DATE</th>
<th>REASON FOR AWARD</th>
<th>CONTRACT NUMBER</th>
<th>ORIGINAL CONTRACT AMOUNT</th>
<th>AMEND AMOUNT</th>
<th>SCOPE OF SERVICES</th>
<th>REVISED CONTRACT AMOUNT</th>
<th>CURRENT STATUS</th>
<th>CONTRACT REPORTER</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCDC Brooklyn Mechanical Corp. 3429 Mill Avenue Brooklyn, NY 11234</td>
<td>11/28/2011</td>
<td>2/7/2012</td>
<td>Need for heating system replacement at 222 West 140th Street.</td>
<td>7554</td>
<td>90,900</td>
<td>775 Provide boilers and related systems as part of a new heating system for 222 West 140th Street.</td>
<td>87,725</td>
<td>On-going</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td></td>
</tr>
<tr>
<td>HCDC A &amp; C Heating Services Inc. 111 Clay Street Brooklyn, NY 11222</td>
<td>4/8/2011</td>
<td>2/7/2012</td>
<td>Need for heating system replacement at 159-61 East 102 Street.</td>
<td>7213</td>
<td>97,200</td>
<td>750 Provide boilers and related systems as part of a new heating system for 159-61 East 102 Street.</td>
<td>113,725</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td></td>
</tr>
<tr>
<td>HCDC Riverdale Electrical Services Inc. 421 Bruckner Blvd. Bronx, New York 10455</td>
<td>03/11/11</td>
<td>3/30/2012</td>
<td>Need for electrical work at 83 Hamilton Place.</td>
<td>7163</td>
<td>22,901</td>
<td>-2,197 Provide removal and installation of new lighting fixtures at 83 Hamilton Place.</td>
<td>20,704</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td></td>
</tr>
<tr>
<td>HCDC Riverdale Electrical Services, Inc. 421 Bruckner Blvd. Bronx, NY 10455</td>
<td>11/21/2011</td>
<td>3/30/2012</td>
<td>Need for electrical work at 1890 Lexington Avenue.</td>
<td>7508</td>
<td>82,540</td>
<td>-6,373 Provide installation of new electrical lamps and fixtures at 1890 Lexington Ave.</td>
<td>76,167</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td></td>
</tr>
</tbody>
</table>

**HCDC TOTAL:**

$973,216 $20,943 $992,146

**TOTAL FOR ALL CONTRACTS:**

3,848,216 6,105,943 16,709,446

*Totals adjusted for multiple amendments*
FOR INFORMATION

June 26, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Annual Report on M/WBE Utilization and Procurement Commitments to Certified M/WBEs - Fiscal Year 2011-2012

UTILIZATION OF CERTIFIED M/WBE FIRMS – FISCAL YEAR 2011-2012:

During the fiscal year 2011-2012, ESDC’s total disbursements were $171 million, of which, $133.4 million related to contracts and amendments executed prior to April 1, 2011.

ESDC has exceeded its M/WBE Utilization Goal for the Fiscal Year 2011-2012, achieving M/WBE participation of 21.3% ($36.5 million of a total $171 million). This represents a substantial increase over the previous fiscal year when the agency achieved M/WBE participation of 16.7%.

COMMITMENTS TO CERTIFIED M/WBE FIRMS – FISCAL YEAR 2011-2012:

For the Fiscal Year 2011-2012 ESD and its subsidiaries executed a total of $96.5 million in eligible procurements, of which $16.4 million, or 16.97%, has been committed to M/WBE firms by ESDC, its subsidiaries and primes. This represents a marked increase in commitments compared to the prior fiscal year, when M/WBE firms received commitments totaling 11.27%.

ATTACHMENTS:

Attached for your information are the following detail reports:

1. Annual Report on Procurement Contracts
3. Status Report of Procurement Contracts Executed during the Prior Fiscal Year
### Table 1

<table>
<thead>
<tr>
<th>SFY 2011-2012</th>
<th>TOTAL CONTRACTS &amp; AMENDMENTS</th>
<th>M/WBE PRIME &amp; SUB COMMITMENTS</th>
<th>PERCENT OF M/WBE COMMITMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIRST QUARTER – Q1</td>
<td>$7,793,187</td>
<td>$567,475</td>
<td>7.28%</td>
</tr>
<tr>
<td>SECOND QUARTER – Q2</td>
<td>$10,634,149</td>
<td>$1,348,121</td>
<td>32.61%</td>
</tr>
<tr>
<td>THIRD QUARTER – Q3</td>
<td>$87,258,086</td>
<td>$14,210,320</td>
<td>18.63%</td>
</tr>
<tr>
<td>FOURTH QUARTER – Q4</td>
<td>$8,291,024</td>
<td>$244,800</td>
<td>2.95%</td>
</tr>
<tr>
<td><strong>GROSS TOTAL</strong></td>
<td><strong>$113,976,446</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXCLUSIONS</strong></td>
<td><strong>($17,500,000)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$96,476,446</strong></td>
<td><strong>$16,370,716</strong></td>
<td><strong>16.97%</strong></td>
</tr>
</tbody>
</table>

* Detail of the contracts which revised the MWBE commitments for the second and third quarters of Fiscal Year 2012 can be found on the following page labeled "Office of Contractor and Supplier Diversity Supplement".

** The exclusions consist of three contracts which should have been excluded from the Quarterly Reports, but were not. They include the Office Of General Services (Q3, $11M), National Railroad/AMTRAK (Q2, $2M) and the Port Authority of NY and NJ (Q2, $4.5M). These contracts will be (or were) performed by the respective agency or authority’s personnel.

### Table 2

<table>
<thead>
<tr>
<th>SFY 2010-2011</th>
<th>TOTAL CONTRACTS &amp; AMENDMENTS</th>
<th>M/WBE PRIME &amp; SUB COMMITMENTS</th>
<th>PERCENT OF M/WBE COMMITMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIRST QUARTER – Q1</td>
<td>$9,571,836</td>
<td>$637,305</td>
<td>6.66%</td>
</tr>
<tr>
<td>SECOND QUARTER – Q2</td>
<td>$60,606,028</td>
<td>$8,588,561</td>
<td>14.17%</td>
</tr>
<tr>
<td>THIRD QUARTER – Q3</td>
<td>$3,304,960</td>
<td>$54,960</td>
<td>7.71%</td>
</tr>
<tr>
<td>FOURTH QUARTER – Q4</td>
<td>$5,723,576</td>
<td>$570,325</td>
<td>3.63%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$89,206,400</strong></td>
<td><strong>$10,051,151</strong></td>
<td><strong>11.27%</strong></td>
</tr>
</tbody>
</table>
# OFFICE OF CONTRACTOR AND SUPPLIER DIVERSITY SUPPLEMENT

**M/WBE COMMITMENTS SUMMARY - FISCAL YEAR 2011-2012 - ENDED MARCH 31, 2012**

## FOURTH QUARTER COMMITMENTS - FY 2011/12

<table>
<thead>
<tr>
<th>PRIME:</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adrienne Driben (Woman Owned)</td>
<td>200,000</td>
</tr>
<tr>
<td>Dox Electronics (Woman Owned)</td>
<td>44,800</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$244,800</td>
</tr>
</tbody>
</table>

## ADDITIONS TO THIRD QUARTER COMMITMENTS - FY 2011/12

<table>
<thead>
<tr>
<th>PRIME:</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>STA Joint Venture (Non-Certified Prime)</td>
<td></td>
</tr>
<tr>
<td>Arora Engineers, Inc. (Minority Owned)</td>
<td>308,934</td>
</tr>
<tr>
<td>JCMS, Inc. (Minority Owned)</td>
<td>1,818,289</td>
</tr>
<tr>
<td>Bradford Construction Corp. (Woman Owned)</td>
<td>1,035,230</td>
</tr>
<tr>
<td>Andrew Velez Construction, Inc. (Minority Owned)</td>
<td>605,347</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$13,767,800</td>
</tr>
</tbody>
</table>

## ADDITIONS TO SECOND QUARTER COMMITMENTS - FY 2011/12

<table>
<thead>
<tr>
<th>PRIME:</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fleming-Lee Shue, Inc. (Minority &amp; Woman Owned)</td>
<td>989,810</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$989,810</td>
</tr>
</tbody>
</table>
Attachment One

Annual Report on Procurement Contracts

Fiscal Year 2011-2012
<table>
<thead>
<tr>
<th>CO.</th>
<th>VENDOR NAME</th>
<th>ORIG CONC DATE</th>
<th>CONT #</th>
<th>CONTRACT AMOUNT</th>
<th>INITIAL SCOPE OF SERVICES</th>
<th>PAYMENTS DURING FISCAL YEAR</th>
<th>CURRENT STATUS</th>
<th>COMPETITIVE SEARCH</th>
<th>BASIS OF AWARD</th>
<th>COMMENTS</th>
<th>NUMBER OF BIDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESDC</td>
<td>BBDO, LLC</td>
<td>12/1/2011</td>
<td>7506</td>
<td>50,000,000</td>
<td>Provide all necessary services in the areas of research, marketing and advertising to create a campaign that will position New York State favorably in the global marketplace to spur investment, job creation, and income generation in New York's economic rebuilding process.</td>
<td>1,363,287</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>ESDC</td>
<td>Toski, Schaefer &amp; Co., PC</td>
<td>12/20/2011</td>
<td>7741</td>
<td>910,000</td>
<td>Audit the consolidated financial statement of the Empire State Development for the fiscal years 2012-2015 which includes an audit of JDA, HCDC, NYEZC, NYCCDC and a Federal Single Audit.</td>
<td>0</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
<td></td>
<td>8</td>
</tr>
<tr>
<td>ESDC</td>
<td>Toski Schaefer &amp; Co. PC</td>
<td>05/12/11</td>
<td>7250</td>
<td>280,000</td>
<td>Audit the consolidated financial statement of the Empire State Development Corp. for the fiscal year 2011 which includes an audit of JDA, HCDC, NYEZC, NYCCDC, Section 236, Section 8, HUD Programs, investment guidelines, compliance reports and other professional services.</td>
<td>280,000</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>ESDC</td>
<td>Ms. Adrienne O'Brien WBE</td>
<td>1/6/2012</td>
<td>7563</td>
<td>200,000</td>
<td>Provide assistance to the ESD housing portfolio staff in analyzing, negotiating, and coordinating project dispositions.</td>
<td>5,440</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>ESDC</td>
<td>Cool Insuring Agency</td>
<td>04/26/11</td>
<td>7221</td>
<td>140,000</td>
<td>Provide marketing, placement, administrative and claims handling services to the insurance portfolio of ESDC and its subsidiaries.</td>
<td>140,000</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>ESDC</td>
<td>Marcum Technology</td>
<td>9/21/2011</td>
<td>7437</td>
<td>114,610</td>
<td>Provide necessary upgrades to the Corporation's Storage Area Network which allows MIS to migrate the PeopleSoft Financial Management System from and outdated, non supported hardware to a consolidated virtualized environment while meeting the demands for increased data storage.</td>
<td>114,610</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under State OGS competitive contract</td>
<td>3</td>
</tr>
<tr>
<td>ESDC</td>
<td>Orrick, Herrington &amp; Sutcliffe, LLP</td>
<td>1/3/2012</td>
<td>7558</td>
<td>100,000</td>
<td>Provide bond counsel services with respect to the sale and delivery of the Corporation's Service Contract Revenue Refunding Bonds, Series 2011A.</td>
<td>69,361</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
<td></td>
<td>18</td>
</tr>
</tbody>
</table>

BV = Best Value
LP = Lowest Price
Page 1 of 9
<table>
<thead>
<tr>
<th>CO.</th>
<th>VENDOR NAME</th>
<th>ORIG CONTDATE</th>
<th>CONT #</th>
<th>CONTRACT AMOUNT</th>
<th>INITIAL SCOPE OF SERVICES</th>
<th>PAYMENTS DURING FISCAL YEAR</th>
<th>CURRENT STATUS</th>
<th>COMPETITIVE SEARCH</th>
<th>BASIS OF AWARD</th>
<th>NUMBER OF BIDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESDC</td>
<td>The Caymatt Group</td>
<td>11/17/2011</td>
<td>7492</td>
<td>39,500</td>
<td>Provide consulting services to ESD as it relates to the Bond Assistance Program by creating program regulations and procedures, reaching out and working with sureties and agents to gain their acceptance into the Program, and creating program materials for the applicants to follow.</td>
<td>38,150</td>
<td>On-going</td>
<td>YES</td>
<td>Legally Exempt</td>
<td>0</td>
</tr>
<tr>
<td>ESDC</td>
<td>Winston and Strawn, LLP</td>
<td>11/14/2011</td>
<td>7488</td>
<td>49,999</td>
<td>Provide bond counsel services to UDC in reference to determining and satisfying tax and financing requirements related to the disposal or transfer of correctional facilities.</td>
<td>19,600</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
<td>18</td>
</tr>
<tr>
<td>ESDC</td>
<td>Jacqueline Dalton</td>
<td>7/19/2011</td>
<td>7369</td>
<td>47,500</td>
<td>Provide consultant services to ESD's Portfolio Management Department to help coordinate, manage, and maintain the Corporation's housing portfolio.</td>
<td>35,015</td>
<td>On-going</td>
<td>NO</td>
<td>Single Source</td>
<td>0</td>
</tr>
<tr>
<td>ESDC</td>
<td>Orrick, Herrington, &amp; Sutcliffe, LLP</td>
<td>9/21/2011</td>
<td>7434</td>
<td>45,000</td>
<td>Provide bond counsel services in connection with the remarketing of the State Personal Income Tax Revenue Bonds (State Facilities and Equipment), Series 2004A-3.</td>
<td>45,000</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
<td>18</td>
</tr>
<tr>
<td>ESDC</td>
<td>Doc Electronics, Inc.</td>
<td>1/26/2012</td>
<td>7599</td>
<td>44,800</td>
<td>Provide encryption services to protect confidential information stored in PeopleSoft Financial Management System and other critical databases.</td>
<td>44,800</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under State OGS competitive contract</td>
</tr>
<tr>
<td>ESDC</td>
<td>New York Business Development Corporation</td>
<td>11/17/2011</td>
<td>7496</td>
<td>38,000</td>
<td>Provide consulting services to ESD as it relates to the Capital Access Program by marketing the program to financial institutions as well as Community Development Financial Institutions, enrolling those qualified institutions, and creating program procedures and material to follow.</td>
<td>0</td>
<td>On-going</td>
<td>N/A</td>
<td>Single Source/NYS Legislation</td>
<td>0</td>
</tr>
<tr>
<td>ESDC</td>
<td>Center for Community Progress</td>
<td>3/14/2012</td>
<td>7658</td>
<td>30,000</td>
<td>Provide consultant services in implementing best practices for formation and operation of land banks to assist ESD in approving land bank applications.</td>
<td>0</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
<td>2</td>
</tr>
<tr>
<td>ESDC</td>
<td>Hoselton Chevrolet</td>
<td>2/9/2012</td>
<td>7499</td>
<td>28,287</td>
<td>Lease vehicle to accommodate the travel needs for all ten Regional Offices.</td>
<td>1,808</td>
<td>On-going</td>
<td>YES</td>
<td>LP</td>
<td>Vendor under State OGS competitive contract</td>
</tr>
</tbody>
</table>

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<td>ESDC</td>
<td>Integration Partners</td>
<td>3/21/2012</td>
<td>7657</td>
<td>23,032</td>
<td>Provide support services for the Nortel switches that connect the Regional Offices to the network at 633 Third Avenue, New York, NY 10017.</td>
<td>0</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
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<td>ESDC</td>
<td>Ronco Communications &amp; Electronics, Inc</td>
<td>05/04/11</td>
<td>7236</td>
<td>22,021</td>
<td>Provide support services for the Nortel switches that connect the Regional Offices to the network at 633 Third Avenue, New York, NY 10017.</td>
<td>22,020</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under State OGS competitive contract</td>
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<td>ESDC</td>
<td>Konica Minolta Business Solutions USA, Inc</td>
<td>05/11/11</td>
<td>7241</td>
<td>19,568</td>
<td>Provide leased copier services to the Legal Department which will include all parts, labor, toner, kits, and staples.</td>
<td>1,466</td>
<td>On-going</td>
<td>YES</td>
<td>LP</td>
<td>Vendor under State OGS competitive contract</td>
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<tr>
<td>ESDC</td>
<td>American Concert and Entertainment Services, Inc. (ACES)</td>
<td>9/8/2011</td>
<td>7419</td>
<td>18,741</td>
<td>Provide technical production and set-up assistance for public presentations related to the Regional Council Press Conferences.</td>
<td>18,741</td>
<td>Completed</td>
<td>NO</td>
<td>Single Source</td>
<td>0</td>
<td></td>
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<tr>
<td>ESDC</td>
<td>SHI</td>
<td>03/12/12</td>
<td>7642</td>
<td>18,479</td>
<td>Provide designated ESD staff secure remote access to critical ESD resources from remote locations including from home.</td>
<td>18,479</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under State OGS competitive contract</td>
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<td>ESDC TOTAL:</td>
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<td>52,189,537</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,217,816</td>
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**erie Canal Harbor Development Corporation**

| ECHDC | C&S Engineers, Inc | 06/22/11 | 7359 | 1,777,000 | Provide architectural/engineering services for the design of the Historically Aligned Canals related to the Canal Side-Public Environment Project. | 953,527 | On-going | YES | BV | 15 |
| ECHDC | Buffalo Place | 05/26/11 | 7279 | 975,000 | Provide operation, maintenance and special event services with respect to the Erie Canal Harbor site, located within the Canal Side Project area in Buffalo, New York. | 937,946 | On-going | YES | Single Source | 0 |
| ECHDC | Parsons Brinkerhoff | 1/20/2012 | 7597 | 370,360 | Provide design and engineering services to permanently extend the Central Wharf as well as make further waterside and landside improvements. | 0 | On-going | YES | BV | MWBE Subcontractor - Watts Architecture, Joy Kuebler (Landscape Architect) | 5 |
| ECHDC | Liro Engineers, Inc | 1/27/2012 | 7608 | 326,774 | Provide architectural and engineering services related to Buffalo's Outer Harbor, a proposed mixed-use waterfront project located in Downtown Buffalo. | 0 | On-going | YES | BV | 3 |

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<tbody>
<tr>
<td>ECHDC</td>
<td>Destro Development Co., Inc</td>
<td>06/22/11</td>
<td>7225</td>
<td>235,800</td>
<td>Provide installation and furnish a temporary boardwalk along the Buffalo River, located by the Naval &amp; Military Servicemen's Museum, One Naval Park, Coney Island, Buffalo, NY.</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
<td>MBE sub - Oliver's Blacktop Maintenance</td>
<td>9</td>
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<tr>
<td>ECHDC</td>
<td>Queen City Ferry Company</td>
<td>05/26/11</td>
<td>7280</td>
<td>96,450</td>
<td>Provide passenger ferry services between the Inner Harbor, Buffalo River and Outer Harbor areas in Buffalo, New York.</td>
<td>On-going</td>
<td>YES</td>
<td>Sole Source</td>
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<td>ECHDC</td>
<td>URS Corporation</td>
<td>08/22/11</td>
<td>7431</td>
<td>40,590</td>
<td>Provide engineering services for the design of placement of sand sustainability at Gallagher Beach in Buffalo, New York.</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
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<td>ECHDC TOTAL:</td>
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<td>3,821,974</td>
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<td></td>
<td></td>
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<td>2,124,755</td>
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**HARLEM COMMUNITY DEVELOPMENT CORPORATION**

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<tr>
<td>HCDC</td>
<td>Tempest Windows, Inc.</td>
<td>12/29/11</td>
<td>7561</td>
<td>341,975</td>
<td>Provide delivery and installation of windows at 1900 Lexington Ave.</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<tr>
<td>HCDC</td>
<td>Skyline Industries, LLC</td>
<td>12/29/11</td>
<td>7560</td>
<td>275,500</td>
<td>Provide delivery and installation of windows and scaffolding at 1900 Lexington Ave.</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<tr>
<td>HCDC</td>
<td>Central Plumbing and Heating Services Corp</td>
<td>04/29/11</td>
<td>7233</td>
<td>213,100</td>
<td>Provide boiler system installation at 1760 Madison Avenue.</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>3</td>
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<tr>
<td>HCDC</td>
<td>A.S.H. Construction Inc.</td>
<td>06/08/11</td>
<td>7322</td>
<td>212,019</td>
<td>Provide delivery and installation of windows at 1760 Madison Avenue.</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>4</td>
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<tr>
<td>HCDC</td>
<td>City Gas Heating Services Co., Inc.</td>
<td>06/23/11</td>
<td>7325</td>
<td>171,100</td>
<td>Provide delivery and installation of a new heating system at 160 West 116th Street.</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<tr>
<td>HCDC</td>
<td>Tempest Windows, Inc.</td>
<td>11/16/2011</td>
<td>7405</td>
<td>149,380</td>
<td>Provide delivery and installation of windows at 1890 Lexington Ave.</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>3</td>
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<tr>
<td>HCDC</td>
<td>A &amp; C Heating Services, Inc.</td>
<td>04/08/11</td>
<td>7215</td>
<td>145,900</td>
<td>Provide boiler system installation at 309 East 118th Street.</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<tr>
<td>HCDC</td>
<td>New York Windows and Doors</td>
<td>06/20/11</td>
<td>7342</td>
<td>127,737</td>
<td>Provide delivery and installation of windows at 109-61 East 102nd Street.</td>
<td>127,737</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
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<tr>
<td>HCDC</td>
<td>Ranshaw Fuel Plumbing and Heating</td>
<td>11/5/2011</td>
<td>7518</td>
<td>123,000</td>
<td>Provide replacement of boiler system located at 1890 Lexington Ave. with two new gas powered boilers.</td>
<td>83,066</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<tr>
<td>HCDC</td>
<td>Skyline Industries</td>
<td>06/03/11</td>
<td>7276</td>
<td>108,104</td>
<td>Provide delivery and installation of windows at 83 Hamilton Place.</td>
<td>108,104</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<tr>
<td>HCDC</td>
<td>Skyline Industries MWBE</td>
<td>11/9/2011</td>
<td>7494</td>
<td>99,800</td>
<td>Provide delivery and installation of windows at 1649 Amsterdam Ave.</td>
<td>86,050</td>
<td>On-going</td>
<td>YES</td>
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<td>HCDC</td>
<td>Tempest Windows, Inc.</td>
<td>7/21/2011</td>
<td>7392</td>
<td>98,980</td>
<td>Provide window replacement services at 300 East 118th Street.</td>
<td>84,223</td>
<td>On-going</td>
<td>YES</td>
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<tr>
<td>HCDC</td>
<td>A &amp; C Heating Services, Inc.</td>
<td>04/08/11</td>
<td>7213</td>
<td>97,200</td>
<td>Provide boiler system installation at 31-33 West 124th Street.</td>
<td>113,725</td>
<td>Completed</td>
<td>YES</td>
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<td>HCDC</td>
<td>Brooklyn Mechanical Corporation</td>
<td>06/03/11</td>
<td>7274</td>
<td>95,500</td>
<td>Provide boiler system installation at 31-33 West 124th Street.</td>
<td>100,735</td>
<td>Completed</td>
<td>YES</td>
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<td>HCDC</td>
<td>Brooklyn Mechanical Corp.</td>
<td>11/30/11</td>
<td>7547</td>
<td>93,900</td>
<td>Provide replacement of boiler system located at 220 West 140th Street with new boilers, pumps, burners, and hot water system.</td>
<td>83,939</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
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<td>HCDC</td>
<td>A and C Heating Services Inc.</td>
<td>11/30/11</td>
<td>7551</td>
<td>93,400</td>
<td>Provide removal and installation of a new heating system at 206 West 140th Street.</td>
<td>69,895</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
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<td>HCDC</td>
<td>A and C Heating Services Inc.</td>
<td>11/30/11</td>
<td>7552</td>
<td>93,400</td>
<td>Provide removal and installation of a new heating system at 218 West 140th Street.</td>
<td>90,337</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
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<td>HCDC</td>
<td>Brooklyn Mechanical Corp.</td>
<td>11/30/11</td>
<td>7554</td>
<td>90,000</td>
<td>Provide replacement of boiler system located at 222 West 140th Street with new boilers, pumps, burners, and hot water system.</td>
<td>85,725</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
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<td>HCDC</td>
<td>Brooklyn Mechanical Corporation</td>
<td>04/04/11</td>
<td>7211</td>
<td>90,100</td>
<td>Provide boiler system installation at 269-273 West 113th Street.</td>
<td>90,100</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
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<td>HCD</td>
<td>Riverdale Electrical Services, Inc.</td>
<td>11/21/2011</td>
<td>7508</td>
<td>82,540</td>
<td>Provide installation of new electrical lamps and fixtures at 1890 Lexington Ave.</td>
<td>64,742</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
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<td>HCD</td>
<td>Riverdale Electrical Services Inc.</td>
<td>06/03/11</td>
<td>7248</td>
<td>78,248</td>
<td>Provide removal and installation of new lighting fixtures at 160 west 116th St.</td>
<td>79,579</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<tr>
<td>HCD</td>
<td>Chards Diversified International MBE</td>
<td>06/03/11</td>
<td>7336</td>
<td>75,619</td>
<td>Provide delivery and installation of windows at 31-33 West 124th Street.</td>
<td>75,519</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<td>HCD</td>
<td>Riverdale Electrical Services, Inc.</td>
<td>12/9/2011</td>
<td>7553</td>
<td>74,750</td>
<td>Provide installation of new electrical lamps and fixtures at 5952 Second Avenue.</td>
<td>0</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<tr>
<td>HCD</td>
<td>A.S.K. Construction Inc. MBE</td>
<td>06/08/11</td>
<td>7282</td>
<td>70,751</td>
<td>Provide delivery and installation of windows at 269-273 West 113th Street.</td>
<td>88,632</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
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<td>HCD</td>
<td>A.S.K. Construction Inc. MBE</td>
<td>06/08/11</td>
<td>7283</td>
<td>71,748</td>
<td>Provide delivery and installation of windows at 160 West 116th St.</td>
<td>75,735</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
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<tr>
<td>HCD</td>
<td>East Coast Petroleum</td>
<td>06/20/11</td>
<td>7324</td>
<td>67,016</td>
<td>Provide boiler system installation at 1952 Second Avenue.</td>
<td>56,964</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
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<tr>
<td>HCD</td>
<td>New York Heating Corporation</td>
<td>04/29/11</td>
<td>7232</td>
<td>64,569</td>
<td>Provide boiler system installation at 148 West 141th Street.</td>
<td>64,569</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
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<td>HCD</td>
<td>Brooklyn Mechanical Corporation</td>
<td>04/21/11</td>
<td>7231</td>
<td>62,650</td>
<td>Provide boiler system installation at 1969 Madison avenue.</td>
<td>58,683</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
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<tr>
<td>HCD</td>
<td>Brooklyn Mechanical Corp.</td>
<td>06/23/2012</td>
<td>7631</td>
<td>55,000</td>
<td>Provide replacement of boiler system located at 267 West 140th Street with new boilers, pumps, burners, and hot water system.</td>
<td>59,765</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
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<td>HCD</td>
<td>Riverdale Electrical Services, Inc.</td>
<td>11/9/2011</td>
<td>7493</td>
<td>46,567</td>
<td>Provide installation of new electrical lamps and fixtures at 309 East 118th St.</td>
<td>37,557</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
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<td>HCD</td>
<td>Riverdale Electrical Services Inc.</td>
<td>06/03/11</td>
<td>7175</td>
<td>40,960</td>
<td>Provide removal and installation of new lighting fixtures at 31-33 West 124th St.</td>
<td>28,481</td>
<td>Completed</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<tr>
<td>HCDC</td>
<td>New York Heating Corp.</td>
<td>2/23/2012</td>
<td>7628</td>
<td>38,749</td>
<td>Provide an upgrade to the heating system, which provides both heat and hot water, for 131 West 137th Street</td>
<td>3,831 On-going</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<tr>
<td>HCDC</td>
<td>Sears Commercial One</td>
<td>05/31/11</td>
<td>7298</td>
<td>38,640</td>
<td>Provide removal and installation of new refrigerator at 1760 Madison Avenue.</td>
<td>35,880 On-going</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<tr>
<td>HCDC</td>
<td>Riverdale Electrical Services Inc.</td>
<td>06/10/11</td>
<td>7335</td>
<td>35,372</td>
<td>Provide removal and installation of new lighting fixtures at 1760 Madison Avenue.</td>
<td>35,620 Completed</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>3</td>
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<td>HCDC</td>
<td>Riverdale Electrical Services Inc.</td>
<td>06/02/11</td>
<td>7328</td>
<td>33,448</td>
<td>Provide removal and installation of new lighting fixtures at 269-273 West 113th Street.</td>
<td>37,815 Completed</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>3</td>
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<tr>
<td>HCDC</td>
<td>Sears Commercial One</td>
<td>11/28/2011</td>
<td>7549</td>
<td>32,660</td>
<td>Provide 71 refrigerators as part of the Health and Safety/Energy saving supplies for 309 East 118th Street.</td>
<td>30,360 Completed</td>
<td>YES</td>
<td>LP</td>
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<td>HCDC</td>
<td>Konica Minolta Business Solutions USA</td>
<td>8/24/2011</td>
<td>7412</td>
<td>31,069</td>
<td>Provide leased copier services to the HCDC office which will include all parts, labor, toner, kits, and staples.</td>
<td>1,259 On-going</td>
<td>YES</td>
<td>LP</td>
<td>Vendor under State OGS competitive contract</td>
<td>3</td>
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<tr>
<td>HCDC</td>
<td>Riggs Construction Co Inc MBE</td>
<td>05/17/11</td>
<td>7263</td>
<td>22,954</td>
<td>Provide roof resurfacing at 269-273 West Street.</td>
<td>27,454 Completed</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>7</td>
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<tr>
<td>HCDC</td>
<td>Sears Commercial One</td>
<td>06/27/11</td>
<td>7333</td>
<td>21,000</td>
<td>Provide removal and installation of new refrigerator at 269-273 West 113th Street.</td>
<td>12,602 Completed</td>
<td>YES</td>
<td>BV</td>
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<tr>
<td>HCDC</td>
<td>Sears Commercial One</td>
<td>11/28/2011</td>
<td>7550</td>
<td>20,900</td>
<td>Provide 44 refrigerators as part of the Health and Safety/Energy saving supplies for 1952 Second Avenue.</td>
<td>20,900 Completed</td>
<td>YES</td>
<td>LP</td>
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</tbody>
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BV = Best Value
LP = Lowest Price
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<table>
<thead>
<tr>
<th>CO.</th>
<th>VENDOR NAME</th>
<th>ORIG CON DATE</th>
<th>CONT #</th>
<th>CONTRACT AMOUNT</th>
<th>INITIAL SCOPE OF SERVICES</th>
<th>PAYMENTS DURING FISCAL YEAR</th>
<th>CURRENT STATUS</th>
<th>COMPETITIVE SEARCH</th>
<th>BASIS OF AWARD</th>
<th>COMMENTS</th>
<th>NUMBER OF BIDS</th>
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</thead>
<tbody>
<tr>
<td>HCDC</td>
<td>Riverside Electrical Services Inc.</td>
<td>05/17/11</td>
<td>7247</td>
<td>20,606</td>
<td>Provide removal and installation of new lighting fixtures at 1969 Madison Avenue.</td>
<td>18,258</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<td>HCDC</td>
<td>Riverside Electrical Services Inc.</td>
<td>05/17/11</td>
<td>7246</td>
<td>15,103</td>
<td>Provide removal and installation of new lighting fixtures at 148 West 141st street.</td>
<td>6,867</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<td><strong>HCDC TOTAL:</strong></td>
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<td><strong>3,821,814</strong></td>
<td><strong>3,293,565</strong></td>
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<td>LMDC</td>
<td>LRo Program &amp; Construction Management, P.C.</td>
<td>8/2/2011</td>
<td>7385</td>
<td>250,000</td>
<td>Provide program coordination services to assist Lower Manhattan Construction Command Center in its planning, coordination and administration work in connection with the Lower Manhattan redevelopment projects.</td>
<td>739,223</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
<td>MBE Subcontractor-PMA Consulting</td>
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<td>LMDC</td>
<td>Maggie Boeppe WBE</td>
<td>7/26/2011</td>
<td>7374</td>
<td>50,000</td>
<td>Provide management and review of grant applications process related to LMDC's Community and Cultural Enhancement Program.</td>
<td>56,500</td>
<td>Completed</td>
<td>NO</td>
<td>Sole Source</td>
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<td><strong>LMDC TOTAL:</strong></td>
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<td><strong>300,000</strong></td>
<td><strong>795,723</strong></td>
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<tr>
<td>MSDC</td>
<td>STA Joint Venture c/o STV Construction Inc.</td>
<td>11/9/2011</td>
<td>7407</td>
<td>23,000,000</td>
<td>Provide construction management services to the Moynihan Station Project during the final design, bidding, and construction phase which includes construction document reviews, cost monitoring, phase schedule management, inspections, contractor coordination, contract administration and other related support services.</td>
<td>0</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
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<tr>
<td>MSDC</td>
<td>Port Authority of NY and NJ</td>
<td>7/11/2011</td>
<td>7396</td>
<td>4,500,000</td>
<td>Provide the Moynihan Station Project with engineering staff to oversee the consultant team in the coordination of the design process, management of schedules and budgets.</td>
<td>0</td>
<td>On-going</td>
<td>NO</td>
<td>Sole Source</td>
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<tr>
<td>MSDC</td>
<td>National Railroad Passenger Corp (AMTRAK)</td>
<td>7/20/2011</td>
<td>7397</td>
<td>2,000,000</td>
<td>Provide MSDC with AMTRAK's pre-construction services required for the AMTRAK review and approval of the design package of the current Moynihan Station-Phase 1 Project, consistent with the terms and conditions of the Moynihan Station Civic and Land Use Improvement Project.</td>
<td>On-going</td>
<td>NO</td>
<td>Sole Source</td>
<td>0</td>
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<tr>
<td>MSDC</td>
<td>Kramer Levin Naftalis and Frankel, LLP</td>
<td>2/10/2012</td>
<td>7635</td>
<td>750,000</td>
<td>Provide real estate and litigation services with respect to the proposed expansion of the Moynihan Station Civic and Land Use Improvement Project.</td>
<td>On-going</td>
<td>YES</td>
<td>BV</td>
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<td>MSDC</td>
<td>Konica Minolta Business Solutions USA</td>
<td>9/1/2011</td>
<td>7413</td>
<td>16,820</td>
<td>Provide leased copier service to the MSDC office which will include all parts, labor, toner, kits, and staples.</td>
<td>On-going</td>
<td>YES</td>
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<td><strong>MSDC TOTAL:</strong></td>
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<td>30,266,820</td>
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<tr>
<td></td>
<td><strong>QUEENS WEST DEVELOPMENT CORPORATION</strong></td>
<td></td>
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<tr>
<td>GWDC</td>
<td>Fleming-Lee Shue, Inc.</td>
<td>7/15/2011</td>
<td>7383</td>
<td>989,810</td>
<td>Provide remediation services for the Center Boulevard Voluntary Cleanup Program Site at Queens West.</td>
<td>On-going</td>
<td>NO</td>
<td>Sole Source</td>
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<td><strong>GWDC TOTAL:</strong></td>
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<td>989,810</td>
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<td><strong>113,976,446 GRAND TOTALS</strong></td>
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<td>REVISED CONTRACT AMOUNT</td>
<td>AMOUNT EXPENDED FOR FISCAL YEAR</td>
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<td>ESDC</td>
<td>Office of General Services (OGS)</td>
<td>11/15/2011</td>
<td>4866</td>
<td>Cost + 2%</td>
<td>11,000,000</td>
<td>Continue to provide building management services for the James A. Farley building which includes building operation and maintenance, monitoring building systems, maintaining security, as well as the sidewalks, driveways, and curbs.</td>
<td>29,349,560</td>
<td>4,760,981</td>
<td>On-going</td>
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<tr>
<td>ESDC</td>
<td>STV, Inc.</td>
<td>3/12/2012</td>
<td>6717</td>
<td>1,250,000</td>
<td>1,250,000</td>
<td>Continue to provide owner's representative technical services which will include monitoring construction activity, site safety, reviewing construction and design documents as it relates to the Atlantic Yards Land Use Improvement and Civic Project.</td>
<td>2,500,000</td>
<td>692,150</td>
<td>On-going</td>
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<tr>
<td>ESDC</td>
<td>Hennington, Durham, and Richardson</td>
<td>7/14/2011</td>
<td>4659</td>
<td>360,000</td>
<td>500,000</td>
<td>Provide environmental monitoring including the completion of an Environment Impact Statement (EIS) for the proposed Atlantic Yards Arena and Redevelopment Project.</td>
<td>1,695,000</td>
<td>482,983</td>
<td>On-going</td>
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<tr>
<td>ESDC</td>
<td>Law Offices of Donald J. Tobias</td>
<td>9/22/2011</td>
<td>8630</td>
<td>100,000</td>
<td>55,000</td>
<td>Continue to provide legal services to ESDC with respect to bankruptcy proceedings for creditors' rights and workout matters.</td>
<td>625,000</td>
<td>67,660</td>
<td>On-going</td>
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<td><strong>ESDC TOTAL:</strong></td>
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<td><strong>1,710,000</strong></td>
<td><strong>22,805,000</strong></td>
<td><strong>33,149,560</strong></td>
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<td><strong>42ND STREET DEVELOPMENT CORPORATION</strong></td>
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<td>42nd St. WRE</td>
<td>5/11/2011</td>
<td>1838</td>
<td>115,000</td>
<td>55,000</td>
<td>Provide review of construction plans; monitoring construction on site to ensure adherence to approved plans and ensuring proper safety and protection procedures.</td>
<td>403,000</td>
<td>24,011</td>
<td>Completed</td>
<td>Legally Exempt</td>
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<td><strong>42ND ST. TOTAL:</strong></td>
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<td><strong>115,000</strong></td>
<td><strong>55,000</strong></td>
<td><strong>403,000</strong></td>
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Totals adjusted for multiple amendments
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<tr>
<td>ECHDC</td>
<td>Erie Canal Harbor Development Corp.</td>
<td>6/14/2011</td>
<td>6206</td>
<td>2,000,000</td>
<td>1,990,245</td>
<td>Provide additional preliminary engineering and environmental analysis for the proposed Buffalo Harbor Bridge.</td>
<td>3,990,245</td>
<td>781,453</td>
<td>On-going</td>
<td>Legally Exempt</td>
<td>0</td>
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<td>ECHDC</td>
<td>Phillips Lytle, LLP</td>
<td>1/27/2012</td>
<td>5120</td>
<td>250,000</td>
<td>49,000</td>
<td>Continue to provide real estate and environmental services to Erie Canal Harbor Development Corp. with respect to the Canalside Project and other matters.</td>
<td>899,000</td>
<td>22,453</td>
<td>On-going</td>
<td>N/A</td>
<td>Less than 10% of total contract 0</td>
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<tr>
<td>ECHDC</td>
<td>Queen City Ferry Company, Inc.</td>
<td>9/26/2011</td>
<td>7280</td>
<td>96,450</td>
<td>35,844</td>
<td>Continue to provide passenger ferry services between the Inner Harbor, Buffalo River and Outer Harbor areas in Buffalo, New York.</td>
<td>132,234</td>
<td>40,250</td>
<td>On-going</td>
<td>Legally Exempt</td>
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<td><strong>ECHDC TOTAL:</strong>*</td>
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<td><strong>2,346,450</strong></td>
<td><strong>2,075,089</strong></td>
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<td><strong>5,021,539</strong></td>
<td><strong>844,155</strong></td>
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<td>HCD</td>
<td>Harlem Community Development Corp.</td>
<td>10/30/2011</td>
<td>7282</td>
<td>70,751</td>
<td>17,881</td>
<td>Provide delivery and installation of windows at 269-273 West 113th Street.</td>
<td>88,632</td>
<td>88,632</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract 0</td>
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<td>HCD</td>
<td>A &amp; C Heating Services Inc.</td>
<td>10/20/2011</td>
<td>7213</td>
<td>97,200</td>
<td>15,775</td>
<td>Provide boiler system installation at 31-33 West 124th Street.</td>
<td>112,975</td>
<td>113,725</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract 0</td>
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<tr>
<td>HCD</td>
<td>A &amp; C Heating Services Inc.</td>
<td>2/7/2012</td>
<td>7213</td>
<td>97,200</td>
<td>750</td>
<td>Provide boilers and related systems as part of a new heating system for 159-61 East 102 Street.</td>
<td>113,725</td>
<td>113,725</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract 0</td>
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<td>HCD</td>
<td>Brooklyn Mechanical Corp.</td>
<td>3/15/2012</td>
<td>7547</td>
<td>53,900</td>
<td>12,065</td>
<td>Provide boilers and related systems as part of a new heating system for 220 West 140th Street.</td>
<td>89,975</td>
<td>83,939</td>
<td>On-going</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract 0</td>
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<tr>
<td>HCD</td>
<td>Brooklyn Mechanical Corp.</td>
<td>12/27/2011</td>
<td>7547</td>
<td>93,000</td>
<td>-6,899</td>
<td>Provide replacement of boiler system located at 220 West 140th Street with new boilers, pumps, burners, and hot water system.</td>
<td>86,101</td>
<td>83,939</td>
<td>On-going</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract 0</td>
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</tbody>
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<th>TOTAL OF BIDS</th>
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<tr>
<td>HCDC</td>
<td>Real Quality Windows Corporation</td>
<td>5/5/2011</td>
<td>6709</td>
<td>117,425</td>
<td>10,725</td>
<td>Provide delivery and installation of windows at 1649 Amsterdam Avenue.</td>
<td>128,150</td>
<td>37,158</td>
<td>On-going</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<td>HCDC</td>
<td>Riggs Construction Co Inc MBE</td>
<td>6/27/11</td>
<td>7262</td>
<td>14,486</td>
<td>7,636</td>
<td>Provide rubber roof resurfacing at 1963-1969 Madison Avenue.</td>
<td>22,103</td>
<td>0</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<td>HCDC</td>
<td>A.S.K. Construction, Inc. WBE</td>
<td>8/9/2011</td>
<td>7283</td>
<td>69,924</td>
<td>5,811</td>
<td>Provide delivery and installation of windows at 160 West 116th Street.</td>
<td>75,735</td>
<td>75,735</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<td>HCDC</td>
<td>Brooklyn Mechanical Corp</td>
<td>8/9/2011</td>
<td>7274</td>
<td>95,500</td>
<td>5,235</td>
<td>Provide heating system replacement at 31-33 West 124th Street.</td>
<td>100,735</td>
<td>100,735</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<td>HCDC</td>
<td>Chandy Diversified International MBE</td>
<td>8/23/2011</td>
<td>7336</td>
<td>75,519</td>
<td>5,000</td>
<td>Provide delivery and installation of windows at 31-33 West 124th Street.</td>
<td>80,519</td>
<td>75,519</td>
<td>On-going</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<tr>
<td>HCDC</td>
<td>Riggs Construction Co Inc MBE</td>
<td>6/27/2011</td>
<td>7263</td>
<td>22,954</td>
<td>4,500</td>
<td>Provide rubber roof resurfacing at 269-273 West 113th Street.</td>
<td>27,454</td>
<td>27,454</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>0</td>
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<tr>
<td>HCDC</td>
<td>Riverdale Electrical Services, Inc.</td>
<td>10/20/2011</td>
<td>7328</td>
<td>33,448</td>
<td>4,367</td>
<td>Provide removal and installation of new lighting fixtures at 269-273 West 113th Street.</td>
<td>37,815</td>
<td>37,815</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>0</td>
</tr>
<tr>
<td>HCDC</td>
<td>Brooklyn Mechanical Corp</td>
<td>3/1/2012</td>
<td>7631</td>
<td>55,000</td>
<td>3,815</td>
<td>Provide boilers and related systems as part of a new heating system for 267 West 140th Street.</td>
<td>58,815</td>
<td>59,765</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>0</td>
</tr>
<tr>
<td>HCDC</td>
<td>Brooklyn Mechanical Corp</td>
<td>3/6/2012</td>
<td>7631</td>
<td>55,000</td>
<td>950</td>
<td>Provide boilers and related systems as part of a new heating system for 267 West 140th Street.</td>
<td>59,765</td>
<td>59,765</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>0</td>
</tr>
<tr>
<td>HCDC</td>
<td>A &amp; C Heating Services Inc.</td>
<td>1/27/2012</td>
<td>7551</td>
<td>93,400</td>
<td>3,040</td>
<td>Provide boilers and related systems as part of a new heating system for 206 West 140 Street.</td>
<td>96,440</td>
<td>69,895</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>0</td>
</tr>
<tr>
<td>HCDC</td>
<td>A &amp; C Heating Services Inc.</td>
<td>2/7/2012</td>
<td>7551</td>
<td>93,400</td>
<td>750</td>
<td>Provide boilers and related systems as part of a new heating system for 206 West 140 Street.</td>
<td>96,895</td>
<td>69,895</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>0</td>
</tr>
<tr>
<td>HCDC</td>
<td>A &amp; C Heating Services Inc.</td>
<td>12/29/2011</td>
<td>7551</td>
<td>93,400</td>
<td>27,295</td>
<td>Provide removal and installation of a new heating system at 206 West 140th Street.</td>
<td>66,105</td>
<td>69,895</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>0</td>
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<tr>
<td>CO.</td>
<td>VENDOR NAME</td>
<td>AMEND. DATE</td>
<td>CONTRACT NUMBER</td>
<td>ORIGINAL CONTRACT AMOUNT</td>
<td>AMEND AMOUNT</td>
<td>SCOPE OF SERVICES</td>
<td>REVISED CONTRACT AMOUNT</td>
<td>AMOUNT EXPENDED FOR FISCAL YEAR</td>
<td>CURRENT STATUS</td>
<td>CONTRACT REPORTER</td>
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<td>TOTAL OF BIDS</td>
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<tr>
<td>HCDC</td>
<td>A &amp; C Heating Services Inc.</td>
<td>2/27/2012</td>
<td>7552</td>
<td>93,400</td>
<td>3,040</td>
<td>Provide boilers and related systems as part of a new heating system for 218 West 140th Street.</td>
<td>89,587</td>
<td>90,337</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>0</td>
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<tr>
<td>HCDC</td>
<td>A &amp; C Heating Services Inc.</td>
<td>2/7/2012</td>
<td>7551</td>
<td>93,400</td>
<td>750</td>
<td>Provide boilers and related systems as part of a new heating system for 218 West 140th Street.</td>
<td>90,337</td>
<td>90,337</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<tr>
<td>HCDC</td>
<td>A &amp; C Heating Services Inc.</td>
<td>12/29/2011</td>
<td>7552</td>
<td>93,400</td>
<td>-6,853</td>
<td>Provide removal and installation of a new heating system at 218 West 140th Street.</td>
<td>86,547</td>
<td>90,337</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>0</td>
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<tr>
<td>HCDC</td>
<td>A &amp; C Heating Services Inc.</td>
<td>12/27/2011</td>
<td>7554</td>
<td>90,900</td>
<td>2,300</td>
<td>Provide replacement of boiler system located at 222 West 140th Street with new boilers, pumps, burners, and hot water system.</td>
<td>86,900</td>
<td>85,725</td>
<td>On-going</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<tr>
<td>HCDC</td>
<td>Brooklyn Mechanical Corp.</td>
<td>2/7/2012</td>
<td>7551</td>
<td>90,900</td>
<td>775</td>
<td>Provide boilers and related systems as part of a new heating system for 222 West 140th Street.</td>
<td>87,725</td>
<td>85,725</td>
<td>On-going</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<tr>
<td>HCDC</td>
<td>Brooklyn Mechanical Corp.</td>
<td>12/27/2011</td>
<td>7554</td>
<td>90,900</td>
<td>-6,990</td>
<td>Provide replacement of boiler system located at 222 West 140th Street with new boilers, pumps, burners, and hot water system.</td>
<td>83,910</td>
<td>85,725</td>
<td>On-going</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
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<td>HCDC</td>
<td>Tempest Windows, Inc.</td>
<td>1/5/2012</td>
<td>7561</td>
<td>341,975</td>
<td>2,578</td>
<td>Provide delivery and installation of windows at 1990 Lexington Ave.</td>
<td>344,533</td>
<td>259,519</td>
<td>On-going</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>0</td>
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<tr>
<td>HCDC</td>
<td>Rivendale Electrical Services, Inc.</td>
<td>8/9/2011</td>
<td>7546</td>
<td>78,248</td>
<td>1,331</td>
<td>Provide removal and installation of new lighting fixtures at 160 West 116th Street.</td>
<td>79,579</td>
<td>79,579</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>0</td>
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<tr>
<td>HCDC</td>
<td>Skyline Industries, LLC MWBE</td>
<td>12/29/2011</td>
<td>7594</td>
<td>99,800</td>
<td>1,120</td>
<td>Provide delivery and installation of windows at 1642 Amsterdam Ave.</td>
<td>100,920</td>
<td>86,050</td>
<td>On-going</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>0</td>
</tr>
<tr>
<td>HCDC</td>
<td>Rivendale Electrical Services, Inc.</td>
<td>8/9/2011</td>
<td>7535</td>
<td>55,372</td>
<td>248</td>
<td>Provide removal and installation of new lighting fixtures at 1760 Madison Avenue.</td>
<td>35,620</td>
<td>35,620</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCR competitive contract</td>
<td>0</td>
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<tr>
<td>CO.</td>
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<td>AMEND. DATE</td>
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<td>REVISED CONTRACT AMOUNT</td>
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<tr>
<td>HCDC</td>
<td>Riverdale Electrical Services Inc.</td>
<td>2/30/2012</td>
<td>7103</td>
<td>22,901</td>
<td>-2,157</td>
<td>Provide removal and installation of new lighting fixtures at 83 Hamilton Place.</td>
<td>20,740</td>
<td>20,704</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCRR competitive contract</td>
<td>0</td>
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<td>HCDC</td>
<td>Riverdale Electrical Services, Inc.</td>
<td>12/30/2011</td>
<td>7493</td>
<td>46,567</td>
<td>-2,382</td>
<td>Provide installation of new electrical lamps and fixtures at 309 East 138th Street.</td>
<td>44,185</td>
<td>37,557</td>
<td>On-going</td>
<td>N/A</td>
<td>Vendor under NYS DHCRR competitive contract</td>
<td>0</td>
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<tr>
<td>HCDC</td>
<td>Riverdale Electrical Services, Inc.</td>
<td>11/29/2011</td>
<td>7170</td>
<td>19,507</td>
<td>-2,755</td>
<td>Provide installation of new electrical lamps and fixtures at 206 West 140th Street.</td>
<td>16,753</td>
<td>16,753</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCRR competitive contract</td>
<td>0</td>
</tr>
<tr>
<td>HCDC</td>
<td>Riverdale Electrical Services, Inc.</td>
<td>11/29/2011</td>
<td>7165</td>
<td>19,507</td>
<td>-2,800</td>
<td>Provide installation of new electrical lamps and fixtures at 222 West 140th Street.</td>
<td>16,707</td>
<td>16,707</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCRR competitive contract</td>
<td>0</td>
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<tr>
<td>HCDC</td>
<td>Riverdale Electrical Services, Inc.</td>
<td>11/29/2011</td>
<td>7160</td>
<td>19,507</td>
<td>-3,297</td>
<td>Provide installation of new electrical lamps and fixtures at 218 West 140th Street.</td>
<td>16,210</td>
<td>16,210</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCRR competitive contract</td>
<td>0</td>
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<tr>
<td>HCDC</td>
<td>Riverdale Electrical Services, Inc.</td>
<td>11/29/2011</td>
<td>7175</td>
<td>23,192</td>
<td>-3,487</td>
<td>Provide installation of new electrical lamps and fixtures at 267 West 340th Street.</td>
<td>19,706</td>
<td>19,706</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCRR competitive contract</td>
<td>0</td>
</tr>
<tr>
<td>HCDC</td>
<td>Riverdale Electrical Services, Inc.</td>
<td>11/29/2011</td>
<td>7164</td>
<td>19,507</td>
<td>-4,310</td>
<td>Provide installation of new electrical lamps and fixtures at 220 West 340th Street.</td>
<td>15,197</td>
<td>15,197</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCRR competitive contract</td>
<td>0</td>
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<tr>
<td>HCDC</td>
<td>Riverdale Electrical Services, Inc.</td>
<td>1/30/2012</td>
<td>7508</td>
<td>82,540</td>
<td>-6,473</td>
<td>Provide installation of new electrical lamps and fixtures at 1890 Lexington Ave.</td>
<td>76,067</td>
<td>64,742</td>
<td>On-going</td>
<td>N/A</td>
<td>Vendor under NYS DHCRR competitive contract</td>
<td>0</td>
</tr>
<tr>
<td>HCDC</td>
<td>Riverdale Electrical Services, Inc.</td>
<td>8/9/2011</td>
<td>7273</td>
<td>40,950</td>
<td>-12,478</td>
<td>Provide removal and installation of new lighting fixtures at 31-33 West 124th Street.</td>
<td>28,482</td>
<td>28,482</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCRR competitive contract</td>
<td>0</td>
</tr>
<tr>
<td>HCDC</td>
<td>A.S.K. Construction Inc. WBE</td>
<td>10/20/2011</td>
<td>7322</td>
<td>232,019</td>
<td>-24,416</td>
<td>Provide delivery and installation of windows at 1760 Madison Avenue.</td>
<td>187,583</td>
<td>187,583</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor under NYS DHCRR competitive contract</td>
<td>0</td>
</tr>
<tr>
<td>HCDC</td>
<td>Ranshaw Fuel Plumbing and Heating</td>
<td>12/28/2011</td>
<td>7518</td>
<td>123,000</td>
<td>-25,275</td>
<td>Provide replacement of boiler system located at 1890 Lexington Ave. with two new gas powered boilers.</td>
<td>97,725</td>
<td>83,066</td>
<td>On-going</td>
<td>N/A</td>
<td>Vendor under NYS DHCRR competitive contract</td>
<td>0</td>
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</tbody>
</table>

**HCDC TOTAL:**

<p>|                      | 2,208,411 | -25,656 | 2,182,756 | 1,913,907 |</p>
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<tr>
<th>CO.</th>
<th>VENDOR NAME</th>
<th>AMEND. DATE</th>
<th>CONTRACT NUMBER</th>
<th>ORIGINAL CONTRACT AMOUNT</th>
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<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>LMDC</td>
<td>Uro Program and Construction Management, P.C.</td>
<td>1/3/2012</td>
<td>7385</td>
<td>250,000</td>
<td>4,868,650 Provide program coordination services to assist Lower Manhattan Construction Command Center in its planning, coordination and administration work in connection with the Lower Manhattan redevelopment projects.</td>
<td>5,118,650</td>
<td>739,323</td>
<td>On-going</td>
<td>N/A</td>
<td>Amendment within original RFP 3 year term</td>
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<tr>
<td>LMDC</td>
<td>TRC Engineering, Inc.</td>
<td>7/12/2011</td>
<td>7161</td>
<td>145,120</td>
<td>651,945 Continue to provide environmental testing and air quality monitoring services for areas surrounding LMCCC related construction sites.</td>
<td>797,665</td>
<td>393,480</td>
<td>On-going</td>
<td>N/A</td>
<td>Amendment within original RFP 3 year term</td>
</tr>
<tr>
<td>LMDC</td>
<td>ARKF, Inc.</td>
<td>12/19/2011</td>
<td>5661</td>
<td>250,000</td>
<td>400,000 Provide environmental consulting services which may include air monitoring, hazardous materials testing, and environmental assessment and review associated with LMDC funded projects in Lower Manhattan.</td>
<td>1,720,000</td>
<td>389,393</td>
<td>On-going</td>
<td>N/A</td>
<td>Amendment within original RFP 3 year term</td>
</tr>
<tr>
<td>LVDC</td>
<td>Inventus, LLC.</td>
<td>12/19/2011</td>
<td>5113</td>
<td>35,000</td>
<td>250,000 Provide document copying and imaging services related to 130 Liberty Street files.</td>
<td>1,350,000</td>
<td>90,852</td>
<td>On-going</td>
<td>Legally Exempt</td>
<td></td>
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<tr>
<td>LMDC</td>
<td>Dewey &amp; LeBoeuf LLP</td>
<td>9/20/2011</td>
<td>6323</td>
<td>1,500,000</td>
<td>200,000 Continue to provide legal services in connection with pending or potential claims, disputes and/or litigation relating to the abatement and deconstruction of 130 Liberty Street.</td>
<td>3,500,000</td>
<td>0</td>
<td>On-going</td>
<td>Legally Exempt</td>
<td></td>
</tr>
<tr>
<td>LMDC</td>
<td>Thatcher Associates, LLC</td>
<td>1/4/2012</td>
<td>5227</td>
<td>1,000,000</td>
<td>300,000 Continue to provide integrity monitoring services related to the 130 Liberty Street Project.</td>
<td>7,040,000</td>
<td>0</td>
<td>On-going</td>
<td>Legally Exempt</td>
<td></td>
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<tr>
<td>LMDC</td>
<td>Dianne Morris</td>
<td>5/12/2011</td>
<td>5772</td>
<td>500,000</td>
<td>100,000 Continue to provide legal advice and related services in the area of construction law and any related litigation that may arise with respect to the deconstruction of 130 Liberty Street.</td>
<td>1,000,000</td>
<td>94,142</td>
<td>On-going</td>
<td>Legally Exempt</td>
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</table>

01/12/2012

Totals adjusted for multiple amendments
<table>
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<tr>
<th>CO.</th>
<th>VENDOR NAME</th>
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<tbody>
<tr>
<td>LMDC</td>
<td>Tosco, Schaefer &amp; Co.</td>
<td>6/27/2011</td>
<td>5812</td>
<td>195,000</td>
<td>60,000</td>
<td>Provide financial and compliance audits for fiscal year ending March 31, 2011.</td>
<td>255,000</td>
<td>60,000</td>
<td>Completed</td>
<td>N/A</td>
<td>Vendor Under DGS State Contract/MBE sub - R Wagner &amp; Ass LLC</td>
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<td>LMDC</td>
<td>Miller Advertising Agency, Inc.</td>
<td>9/20/2011</td>
<td>6257</td>
<td>150,000</td>
<td>50,000</td>
<td>Continue to provide advertisement services in relation to the efforts to rebuild the World Trade Center and revitalize Lower Manhattan.</td>
<td>200,000</td>
<td>26,640</td>
<td>On-going</td>
<td>N/A</td>
<td>Amendment within original RFP 5 year term</td>
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<td>LMDC</td>
<td>Something Digital</td>
<td>4/8/2011</td>
<td>5978</td>
<td>109,840</td>
<td>39,920</td>
<td>Continue to provide maintenance and design services to LMDC’s website used to disseminate information regarding the rebuilding of WTC and the revitalization of Lower Manhattan.</td>
<td>149,760</td>
<td>45,760</td>
<td>On-going</td>
<td>Legally Exempt</td>
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<tr>
<td>LMDC</td>
<td>PB Americas, Inc</td>
<td>1/3/2012</td>
<td>5975</td>
<td>112,000</td>
<td>9,000</td>
<td>Provide website hosting and maintenance services to continue to update the local residents, employees and other downtown stakeholders on upcoming construction impacts and project schedules.</td>
<td>166,000</td>
<td>29,010</td>
<td>On-going</td>
<td>Legally Exempt</td>
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<tr>
<td>LMDC</td>
<td>The Bradlau Group</td>
<td>1/25/2012</td>
<td>5316</td>
<td>13,000</td>
<td>7,950</td>
<td>Provide background investigation services for entities seeking to do business with LMDC or its contractors.</td>
<td>22,950</td>
<td>0</td>
<td>On-going</td>
<td>Legally Exempt</td>
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<tr>
<td>LMDC</td>
<td>Maggie Roepke WBE</td>
<td>12/6/2011</td>
<td>7374</td>
<td>50,000</td>
<td>6,500</td>
<td>Provide management and review of grant applications process related to LMDC’s Community and Cultural Enhancement Program.</td>
<td>56,500</td>
<td>56,500</td>
<td>Completed</td>
<td>NO</td>
<td>Sole Source</td>
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**LMDC TOTAL:**

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<td></td>
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<td>4,211,960</td>
<td>6,743,965</td>
<td>21,375,925</td>
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**USA NIAGARA**

| USAAN      | Global Spectrum, LP | 9/22/2011   | 5631           | 442,458      | 579,777               | Continue to provide operation and management services for USA Niagara's Conference Center. | 1,911,723              | 588,182                      | On-going        | N/A              | Amendment provided for in the original contract |
| USAAN      | Global Spectrum, LP | 9/22/2011   | 6438           | 642,692      | 353,316               | Continue to provide management and programming services for Old Falls Street from Prospect Street to Third Street downtown Niagara Falls, NY. | 1,353,653              | 820,330                      | On-going        | N/A              | Amendment provided for in the original contract |

**USAAN TOTAL:**

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**GRAND TOTAL:**

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Attachment Three

Status Report of Procurement Contracts Executed Prior to April 1, 2011
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<th>Contract Number</th>
<th>Contract Date</th>
<th>Vendor Name</th>
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*No-Upset Contracts
FOR INFORMATION
June 26, 2012

TO: The Directors
FROM: Kenneth Adams
SUBJECT: Budget Variance Reports for the Fiscal Year Ended March 31, 2012

In accordance with applicable law, attached are the variance reports for the department operating budgets, as well as subsidiary operating and capital budgets, for the fiscal year ended March 31, 2012.

The Corporation ended fiscal year 2011-2012 under budget by $6.5 million, or 13% in comparison to the $48.5 million budget approved by the Empire State Development Board of Directors in March 2011. Both personal and non-personal services expenses were under the approved budget by $3.8 million or 13% and $2.7 million or 13%, respectively. These savings are primarily attributable to unfilled budgeted positions, including associated fringe benefits. In addition, the reduced headcount affected the actuarial valuation prepared to calculate the Other Post Employment Cost (required under GASB 45) and resulted in a lower annual contribution.

Total subsidiary spending for operations, excluding HCDC Weatherization and LMDC, was approximately $4.9 million, or 89% of the total budget of $5.5 million. Operating spending for all subsidiaries in total ended the 2011/2012 fiscal year within budget. Spending for HCDC’s Weatherization Program and LMDC is shown separately as both are federally funded.

Total subsidiary spending for capital work was approximately $148 million, or 60% of all subsidiaries’ capital budgets totaling $246 million. The variance in capital spending as compared to the total budget was driven primarily by the absence of anticipated construction spending for the Erie Canal Harbor Canal Side project and Phase 1 of the Moynihan Station Development Project. Construction spending for both projects will begin in the first half of Fiscal Year 2012/2013.