

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

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

Meeting of the Directors

Thursday

September 20, 2012 – 9:30 a.m.

AGENDA

FOR CONSIDERATION

I. CORPORATE ACTION

- A. Approval of Minutes of the August 16, 2012 Directors' Meetings (Corporate Action)

II. DISCRETIONARY PROJECTS

WESTERN NEW YORK REGION

- A. Tonawanda (Western New York Region – Erie County) – Praxair 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

CENTRAL NEW YORK REGION

- B. Liverpool (Central New York Region – Onondaga County) – Raymour & Flanigan Furniture 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

II. **DISCRETIONARY PROJECTS – Continued**

FINGER LAKES REGION

- C. Town of Gates (Finger Lakes Region – Monroe County) – Closing USA Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

DISCRETIONARY PROJECTS CONSENT CALENDAR

- D. Discretionary Projects Consent Calendar – Findings and Determinations Pursuant to Sections 10(g), 16-m, 5(4) and 16-d of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions; Determination of No Significant Effect on the Environment

General Development Financing Projects

- A. ComTec Solutions Capital (Monroe County) - \$50,000

Urban and Community Technical Assistance

- B. DUMBO Improvement District Working Capital (Kings County) - \$100,000

STATEWIDE - RESTORE NEW YORK COMMUNITIES

- E. Statewide – Restore New York Communities – Capital Grants – 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
- A. Jamestown – Restore II – Renaissance (Chautauqua County) - \$1,200,000

STATEWIDE - INNOVATE NEW YORK FUND PROGRAM

- F. Statewide – Innovate NY Fund Program – Request to Fund Two Additional Investment Funds and to Increase Amount to One Investment Fund Previously Approved – Authorization to Select and Enter into Contract with Two Additional Investment Fund Awardees and to Increase Amount to One Fund Previously Approved; Authorization to Disburse Funds; and Authorization to Take Related Actions

II. DISCRETIONARY PROJECTS – Continued

STATEWIDE – INNOVATE NEW YORK FUND PROGRAM - Continued

- G. Statewide – Innovate NY Fund Program – Authorization to Enter into Agreements for Program Funding; Authorization to Disburse Funds; and Authorization to Take Related Actions

III. REGIONAL COUNCIL AWARDS – ROUND I

SOUTHERN TIER REGION

- A. Regional Council Award –Priority Project – Southern Tier Region - Southern Tier Regional Economic Development Corporation – Community Revitalization Program – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

IV. NON-DISCRETIONARY PROJECTS

- A. Non-Discretionary Projects – Land Use Improvement Project Findings and Determinations Pursuant to Section 10(c) and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions; Determination of No Significant Effect on the Environment

Empire Opportunity Fund (Executive)

- A. SIDA – 460 North Franklin Street – Upstate City0by-City EOF Capital (Onondaga County) - \$0

New York State Economic Development Assistance Program (Senate)

- B. Washington County Board of Supervisors – Infrastructure Improvement Capital (Washington County) - \$100,000

V. ADMINISTRATIVE ACTIONS

- A. New York (New York County) – Moynihan Station Civic and Land Use Improvement Project – Authorization to Grant Easements with Respect to the Portions of the James A. Farley Post Office Building and Annex that will become Part of the Expanded West End Concourse at the Completion of Phase I of the Moynihan Station Project; and Authorization to Take Related Actions

V. ADMINISTRATIVE ACTIONS - Continued

- B. Town of Orangetown (Rockland County) – Designation of Land Purchased at the Rockland Psychiatric Center for Public and Municipal Use – Authorization to Extend Period to Designate 216 Acres of Land in the Town of Orangetown for Public and Municipal Use by Five Years
- C. Establishment of Pre-Qualified Counsel List – Approval of Pre-Qualified Counsel
- D. Victoria Theater Redevelopment Project – Environmental Matters Legal Counsel – Authorization to Amend the Agreement for Legal Services with Sive Paget & Reisel PC Law Firm and to Take Related Actions
- E. Towns of Perth and Johnstown (Fulton County) – Proposed Disposition of the Tryon Boys and Girls Center – Authorization to Acquire and Dispose of Real Property to the Fulton County Industrial Development Agency in Accordance with the Applicable Provisions of the Public Authorities Law, Determination of No Significant Effect on the Environment and Take Related Actions
- F. Procurement of Support for PeopleSoft Financial System – Authorization to Enter into a Contract Software Support Services
- G. New York (Bronx County) – Contract of Sale – Authorization to (i) Enter into a Contract of Sale for an amount no less than \$250,000 for a Residential Property located at 2570 Bouck Avenue, Bronx; (ii) Pay Off the Balance of the Senior Mortgage; (iii) Pay Outstanding Real Estate Taxes and (iv) Determination of No Significant Effect on the Environment

VI. NEW COMMUNITIES

- A. Town of Lysander (Onondaga County) - Radisson New Community Project – Adoption of Amendment to General Project Plan; Authorization to Hold Public Hearing Thereon; Determination of No Significant Adverse Effect on the Environment; and Authorization to Take Related Actions

VII. INFORMATION

- A. President's Report (Oral)

DRAFT – SUBJECT TO REVIEW AND REVISION

NEW YORK STATE URBAN DEVELOPMENT CORPORATION

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

and

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

and

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

August 16, 2012

MINUTES

In Attendance

Directors:

Julie Shimer – Chair
Derrick Cephas
Paul Ciminelli
Robert Dyson
Anthony Albanese – Designee for Superintendent – Department
of Financial Services

Present for ESD:

Maria Cassidy, Deputy General Counsel
Justin Ginsburgh – Chief of Staff
Rhoda Glickman, Senior Vice President - Business Services
Edwin Lee, Assistant Vice President – Loans and Grants
Sheri Lippowitsch, Vice President – Loans and Grants
Eileen McEvoy, Corporate Secretary
Kathleen Mize, Deputy CFO and Controller
Natasha Pallan, Director – Subsidiary Finance
Frances A. Walton, Chief Financial and Administrative Officer

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Also Present: Patrick Hooker, Senior Director – Industry Development, Albany
(via telephone) Robert McNary, Director – Finger Lakes Regional Office
Ed Muszynski, Area Director - Finger Lakes Regional Office
David J. Wright, Assistant Commissioner, Albany

Also Present: The Press
The Media

The meeting of the Directors of the New York State Urban Development Corporation (“UDC”) d/b/a Empire State Development (“ESD” or the “Corporation”) was called to order at 9:36 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 July 18, 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 JULY 18, 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 July 18, 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 this 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 will be asked to approve three discretionary projects in total. Mr. Lee explained that there are two Economic Development Fund Grants totaling \$700,000; and one grant from the Restore New York Communities Program totaling \$10,000,000.

In addition, Mr. Lee noted that there is a Regional Council Award Project this month totaling \$200,000.

Mr. Lee added that these four projects will leverage over \$19 million of additional investments and will assist in retaining 189 jobs and in creating approximately 50 jobs in New York State.

Following Mr. Lee's full summary, the Chair asked Mr. Tazewell to present the MechoShade Systems EDF Project for the Directors' consideration.

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Mr. Tazewell explained that the Directors are being asked to authorize ESD to make a \$600,000 grant to MechoShade to be used to assist the Company with the costs associated with the renovation and equipping of the Company's 46,000 square foot facility in Long Island City, Queens.

Mr. Tazewell added that the Company designs, manufactures and markets solar shading systems for commercial, institutional and residential buildings. The Company also offers automated dimming and lighting controls required in energy efficient buildings.

Mr. Tazewell further explained that in 2006, the Company approached ESD for assistance in converting a 93 year old manufacturing space to accommodate the Company's headquarters facility in Long Island City. At the time, Mr. Tazewell continued, locations in New Jersey and Connecticut were also being considered.

Mr. Tazewell further noted that ESD's grant offer of \$600,000 was made for the retention of 119 jobs and the creation of 38 new jobs. Since then, Mr. Tazewell added, the Company has exceeded its original job commitment by 52 jobs.

Mr. Tazewell further noted that the project has allowed for the consolidation of the Company's headquarters operations with its sales, customer service, engineering and design functions. Mr. Tazewell went on to note that the building is expected to achieve LEED goal certification later this year.

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

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

Long Island City (New York City Region – Queens County) – MechoShade Systems 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 MechoShade Systems 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

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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 MechoShade Systems, Inc. a grant for a total amount not to exceed Six Hundred Thousand Dollars (\$600,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Mr. Lee then presented the August Discretionary Project Consent Calendar for the Directors' consideration.

Mr. Lee explained that there was one project for consideration and he provided a brief synopsis of that project.

Mr. Lee explained that the project involves a \$100,000 Manufacturing Assistance Program grant to Water Lilies Food, Inc., a high quality Asian food producer for private labels

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and major retailers.

Mr. Lee further noted that the Company is located in Long Island City, Queens and in March of 2012 completed a \$2.8 million investment in machinery and equipment and facility upgrades to increase its capacity to manufacture several of the food products.

Mr. Lee then noted that as a result of this project, the Company has retained 7 existing jobs and will create 12 new jobs. Mr. Lee further noted that six of those jobs are already in place.

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:

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

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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

	Project Name	Proj #	Grantee	Assistance up to
	General Development Financing Projects			
A.	Water Lilies Food MAP Capital	X313	Water Lilies Food, Inc.	\$100,000
			TOTAL	\$100,000

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and be it further

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

* * *

Mr. Lee then presented the Restore New York Consent Calendar for the Directors' consideration.

Mr. Lee noted that the one project on the calendar involves a \$10,000,000 grant to the City of New York to be used for a portion of the cost of the demolition of obsolete buildings, infrastructure upgrades and related environmental cleanup at the Bush Terminal Industrial Complex located in Brooklyn.

Among other things, Mr. Lee explained that the 130,000 square foot terminal is over 100 years old and is owned by the City of New York and managed by the New York City Economic Development Corporation.

The Restore funds, he noted, will assist the City in completing the shovel ready work necessary to complete the development of the site.

Mr. Lee added that the total project costs are over \$16 million and that the project will result in new fire and domestic water service, upgraded or new utility services, rehabilitated

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storm drainage systems and the new construction or installation of pavement and road surfaces.

Mr. Lee further noted that the project is expected to be completed in December of 2013. As a result of this project, a grease handling facility will be constructed at the site.

The grease handling facility, he continued, is expected to be completed in the Summer of 2015. The project costs for that facility, Mr. Lee added, are approximately \$12.5 million. The facility will be subsequently upgraded to a biodiesel plant to convert the grease into a clean burning fuel.

Following the full presentation, the Chair called for questions or comments. A brief discussion followed wherein it was noted, among other things, that the \$10,000,000 will be used for demolition and remediation and not for construction of the grease handling facility. It was further noted that because the conversion of the grease into biofuel is not a part of this action, the environmental requirements were not addressed in this action but will be addressed at the time that the project moves forward under ESD or some other entity.

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

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

Related Actions

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

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changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

Restore NY Communities – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
	Restore NY Communities Projects			
A.	New York – RESTORE III – Bush Terminal	W831	City of New York	\$10,000,000
			TOTAL	\$10,000,000

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

* * *

Chair Shimer then asked Mr. McNary to present the one Regional Council Award item on the Agenda.

Mr. McNary asked the Directors to authorize ESD to make a \$200,000 grant to Greater Rochester Enterprise, Inc. (“GRE”) a regional economic development agency.

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Mr. McNary explained that GRE is an organization with a first of a kind program in New York State called the Regional Internal Harvesting and Economic Gardening Program which will provide free assistance to companies that are poised for expansion.

Mr. McNary further explained that GRE will select a group of 20 second phase businesses located in the Finger Lakes Region to take part in the program. A team of national experts provided by the Edward Lowe Foundation will work with these companies to develop plans to further accelerate their success.

Mr. McNary added that the overall project cost of approximately \$400,000 includes a 50 percent match by GRE. Mr. McNary further stated that ESD's grant will pay for consulting services, GRE's and other local economic developer salaries and administrative costs.

Mr. McNary noted that this is a pilot program and in the future, GRE hopes to expand the program beyond 20 companies.

Following Mr. McNary's full presentation, the Chair inquired as to the use of the funds for operational costs and things and questioned the prudence of such usage of ESD funds.

Mr. McNary explained the reason these funds are being utilized in this manner is because this is the type of funding that is presently available.

Chair Shimer asked if the State will have to fund the project forever or if there is a mode

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whereby this demonstration project is shown to be successful and then it either gets private funding or foundation funds.

Mr. McNary stated that he is certain that if there is a funding program to actually do this, they would apply. He added that this pilot program is meant to demonstrate that this is something worth doing so that it can generate local support through the IDA counties to do this in the future.

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

Regional Council Award – Priority Project – Various Locations (Finger Lakes Region – Nine Counties) – Regional Internal Harvesting and Economic Gardening Program Working Capital – Economic Development Purposes Fund (Working Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Regional Internal Harvesting and Economic Gardening Program 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 President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Greater Rochester Enterprise, Inc. a grant for a total amount not to exceed Two Hundred Thousand Dollars (\$200,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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RESOLVED, that the President and Chief Executive Officer 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.

* * *

Following the approval of the foregoing resolution, Mr. Dyson stated that the Chair's comments were very relevant and further stated that there should be some way to follow up on these expenditures.

The Chair asked if there is a process whereby the Regional Councils have tasked themselves with monitoring the performance of the plans that they put forth.

Mr. McNary stated that the Councils are required by the Administration to put performance measures out for every one of their projects and illustrate how it instills those metrics over the duration of the project.

The Chair stated that an aggregate report either annually or quarterly should be provided to the Directors.

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Mr. McNary was temporarily cut off from the meeting and Mr. Ginsburgh picked up on the subject of metrics and compliance reporting.

Mr. Ginsburgh explained that much of the same reporting that is done at ESD will also be in place with the Regional Council Program. Part of the Councils ongoing competition, he continued, is how they meet those performance metrics and how many jobs they create with the really successful regions having the best chance of receiving additional money because the Governor's overall strategy and philosophy is paying for performance and rewarding success.

Mr. McNary was reconnected to the meeting and stated that by December 31, 2012, each region will report on the performance of each project.

Chair Shimer asked if that can be made available to the Directors and Mr. Ginsburgh stated that it will all be on the Regional Council website and staff will make sure that the Directors receive a copy as soon as it is available.

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

Ms. Lippowitsch noted that the Directors were being asked to approve one project totaling \$8,000,000 in assistance authorized or re-appropriated in the fiscal year 2012-2013

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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 certifications.

Ms. Lippowitsch then briefly outlined the specifics of the requested action.

Ms. Lippowitsch explained that the item involves an \$8,000,000 grant to the City of Yonkers to be used for property acquisition and closing and relocation costs from the City's Daylighting Project for uncovering the Saw Mill River along New Main Street in Yonkers.

Ms. Lippowitsch further explained that upon completion of the Daylighting Project, the City will establish new public assembly space making a downtown of several significant commercial development sites. The project, she added, will be funded via available bond proceeds.

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

Capital Projects Fund - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make A Grants and to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Capital Projects Fund project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area(s), except with respect to the City of Yonkers - Saw Mill River Daylighting Property Acquisition Capital project, for which there is a feasible method for the relocation of families and individuals displaced from the project area into decent, safe and sanitary dwellings, which are or will be provided in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities, at rents or prices within the financial means of such families and individuals, and reasonably accessible to their places of employment; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, 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 Capital Projects Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

Capital Projects Fund - Senate - Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
A	City of Yonkers – Saw Mill River	X917	City of Yonkers	8,000,000

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	Daylighting Property Acquisition Capital			
			TOTAL	\$8,000,000

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

* * *

Ms. Minneman then presented a project relating to the Brooklyn Navy Yard for the Directors' consideration.

Ms. Minneman explained that the Directors were being asked to approve a \$5 million grant to the Brooklyn Navy Yard Development Corporation to assist in the development of a green manufacturing center at the Brooklyn Navy Yard ("BNY").

Ms. Minneman further explained that the project involves the redevelopment of three BNY buildings into a 215,000 square foot multi-tenanted industrial facility known as the Green Manufacturing Center.

Among other things, Ms. Minneman explained that the BNY Development Corporation plans to adaptively reuse the steel and concrete foundations of these buildings which are three separately constructed yet connected turn-of-the-century U.S. Navy and Marine Shops.

Ms. Minneman went on to note that upon completion of the project, it is anticipated

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that up to 300 full-time jobs will be created at the space.

In closing, Ms. Minneman noted that the project will be funded through the Transportation, Economic Development and Infrastructure Renewal Fund that ESD has with the Port Authority of New York and New Jersey.

Ms. Minneman added that this project is a New York City Regional Economic Development Council Priority Project for 2012.

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:

NEW YORK HARBOR – Authorization to (i) Approve Funding to the Brooklyn Navy Yard Development Corporation for the Brooklyn Navy Yard Green Manufacturing Center; (ii) Adopt the Proposed General Project Plan; (iii) Amend the TEDIR Agreement to Include this Project; and (iv) 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 Green Manufacturing Center Project – TEDIR (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

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RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the Brooklyn Navy Yard Development Corporation a grant for a total amount not to exceed Five Million Dollars (\$5,000,000) from TEDIR for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting including amending the TEDIR Agreement to include this grant,, 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.

* * *

Ms. Roy then asked the Directors to authorize ESD to take various actions in connection with the Harlem River Park Towers Residential project.

Ms. Roy provided a detailed account of the relevant background information with regard to this request and asked the Directors to authorize ESD to accept a partial prepayment of cash and allow an assumption of the remaining balance of the outstanding indebtedness and take all related actions.

Following Ms. Roy's full presentation, the Chair called questions or comments.

Director Cephas asked if it was correct that none of the debt is actually forgiven and Ms. Roy

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said that that was correct.

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

BRONX COUNTY - RIVER PARK TOWERS RESIDENTIAL PROJECT - UDC LOAN NO. 18 - REQUEST FOR AUTHORIZATION TO (I) ACCEPT A PARTIAL PREPAYMENT OF CASH AND ALLOW THE ASSUMPTION OF THE REMAINING BALANCE OF OUTSTANDING INDEBTEDNESS AND (II) 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 River Park Residential Project (UDC Loan No. 18), the Corporation be and hereby is authorized to: (i) Accept a Partial Prepayment of Cash and Allow the Assumption of the Remaining Balance of Outstanding Indebtedness and (ii) 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.

* * *

Ms. Cassidy then asked the Directors to authorize ESD to enter into a contract with Foley and Lardner LLP for legal services in connection with negotiations concerning the Ralph Wilson Stadium f/k/a Rich Stadium.

Ms. Cassidy provided the relevant background information with regard to this request.

Ms. Cassidy explained that the Directors were being asked to approve a contract with

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the law firm of Foley and Lardner to provide advice and counsel with respect to the Ralph Wilson Jr. Stadium formerly known as Rich Stadium.

The proposed contract, Ms. Cassidy noted, will have a term of one year and is in the not to exceed amount of \$50,000.

Ms. Cassidy further explained that in 1998, ESD, Erie County and the Buffalo Bills agreed to a plan for the renovation of the stadium and entered into a new 15 year lease.

Under the current arrangement, Ms. Cassidy continued, the County leases the Stadium to an ESD subsidy which in turn subleases it to the Buffalo Bills. This lease, she added, will expire in 2013 and discussions have begun regarding a lease extension.

Because of the complexity of the transaction, Ms. Cassidy further added, the advice and assistance of outside counsel will be required.

Ms. Cassidy went on to provide background information on the law firm outlining their expertise in this area.

Following Ms. Cassidy's full presentation, the Chair called for questions or comments. Director Dyson stressed the prudence of moving forward cautiously with regard to stadium projects in general as they can result in a significant drain on a region's economy and the

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importance of keeping the Board informed throughout the negotiation process.

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

Empire State Development – Authorization to Enter Into a Contract with Foley & Lardner LLP to Provide Legal Services and to Take Related Actions

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

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Foley & Lardner LLP in an amount not to exceed Fifty Thousand Dollars (\$50,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

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

* * *

Lastly, Mr. Hooker, the Senior Director of Industry Development, Agribusiness, provided an informational report on the recent activities of New York State with regard to agriculture, particularly addressing the dairy industry in light of the tremendous growth in the production of Mediterranean style yogurt in Upstate New York.

There being no further business, the meeting was adjourned at 10:40 a.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary

FOR CONSIDERATION

September 20, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Tonawanda (Western New York Region – Erie County) – Praxair 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: Praxair, Inc. (“Praxair” or the “Company”)

ESD* Investment: A grant of up to \$1,000,000 to be used for a portion of the cost of software development.

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

Project Location: 175 East Park Drive, Tonawanda, Erie County

Proposed Project: The development of software for the coordination of North American logistics operations.

Project Type: Development and implementation of a new transportation logistics center involving job retention.

Regional Council: The Western New York Regional Council has been made aware of this item. The Incentive Offer was accepted in May 2010, predating the Regional Council Initiative. The project is consistent with the Regional Plan as it maintains employment.

Employment:	Initial employment at time of ESD Incentive Offer:	1,120
	Current employment level:	1,134
	Minimum employment through January 1, 2017:	700

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Capitalized Software Development	<u>\$12,500,000</u>

Total Project Costs	<u>\$12,500,000</u>
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<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$ 1,000,000	8%
Company Equity	<u>11,500,000</u>	<u>92%</u>
Total Project Financing	<u>\$12,500,000</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Development and distribution of atmospheric, process and specialty gases, high-performance coatings, and related services and technologies, including oxygen, nitrogen, argon, carbon dioxide, helium, hydrogen, acetylene and semiconductor process gases. The Company also designs, engineers and constructs cryogenic and non-cryogenic supply systems.

Company History: Established in 1907 as the first company in North America to commercialize cryogenically separated oxygen.

Ownership: Publicly traded

Size: A Fortune 500 company with over 3,000 patents, Praxair is headquartered in Danbury, Connecticut, and employs over 27,000 people in over thirty countries. The Company has three locations in New York State including Niagara Falls (Niagara County), Orangeburg (Rockland County), and Tonawanda (Erie County).

Market: Aerospace, food and beverage, healthcare, semiconductors, chemicals, refining, and primary metals and metal fabrication industries worldwide. Less than 1% of the products are sold in New York State. Major customers include General Motors (Detroit, MI), Delphi (Troy, MI), Perry's Ice Cream (Akron, NY). Major Competitors include Air Liquide (Hamilton, Ontario, Canada), Air Products (Nanticoke, Ontario, Canada), and Linde

Gas North America, LLC (Buffalo, New York).

ESD Involvement: In 2009, Praxair notified ESD of the need to redevelop its aging logistics systems, including the consolidation of three existing logistics centers serving 9,000 North American customers. The logistics system was severely outdated and no longer supported by the original software developer. To proceed with the new consolidated system, the Company required custom software development. ESD issued an incentive in April 2010, which it revised in May 2010. Without ESD assistance, the project would likely not have taken place in New York State.

Competition: Existing Company sites in Canada and Mexico. The Tonawanda site was at a disadvantage due to New York State's high operating costs.

Past ESD Support: Previously, ESD Directors approved a \$100,000 training grant in December 2000 and a \$575,000 MAP capital grant in 2007. Praxair did not meet the employment for the training grant, however ESD waived recapture. Upstate ESD Directors approved a \$3.5 million working capital grant in October 2008 associated with the U.S. Department of Energy application filing for the possible construction of a clean-coal facility in Jamestown. ESD disbursed \$2,633,850 of the \$3.5 million grant as the Jamestown site was not selected for construction. The Company has complied with the terms of the grant.

B. The Project

Completion: October 2012

Activity: The Company has finalized the development and implementation of custom software needed to operate its centralized logistics center. In addition, the Grantee expended \$15 million in software engineering and development costs as part of its initial phase to customize its software.

Results: The Company will retain 700 existing jobs through January 2017. The Company currently employs 1,134 people.

Grantee Contact: Greg Sweeney, Director
North America Economics & Business Development
39 Old Ridgebury Road
Danbury, CT 06810
Phone: (203) 837-2229 Fax: (203) 837-2450

ESD Project No.: W983

Project Team:	Origination	Will Welisevich
	Project Management	Jean Williams
	Contractor & Supplier Diversity	Vikas Gera
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$1,000,000 capital grant (\$10,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$1,000,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$500,000) upon completion of the project substantially as described in these materials; submission of documentation verifying project expenditures of approximately \$9.7 million; and documentation of the employment of at least 700 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 (\$250,000) will be disbursed no sooner than 12 months after the Initial Disbursement and upon

documentation of the employment of at least 700 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 (\$250,000) will be disbursed no sooner than 24 months after the Initial Disbursement and upon documentation of the employment of at least 700 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. Expenditures must be incurred on or after May 7, 2010, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

- 6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
- 7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

Baseline Employment	1,120
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A	B
Reporting Date	Employment Goals
February 1, 2014	700
February 1, 2015	700
February 1, 2016	700
February 1, 2017	700

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 retain its employment level of 700 at the Tonawanda facility through January 1, 2017.

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

The Company was considering redeveloping its logistics systems at existing locations in Canada or Mexico. 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 \$6,365,886;
- Fiscal cost to NYS government is estimated at \$1,000,000;
- Project cost to NYS government per direct job is \$13,158;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$3,304;
- Ratio of project fiscal benefits to costs to NYS government is 6.37:1;
- Fiscal benefits to all governments (state and local) are estimated at \$10,820,198;
- Fiscal cost to all governments is \$1,000,000;
- All government cost per direct job is \$13,158;
- All government cost per total job is \$3,304;
- The fiscal benefit to cost ratio for all governments is 10.82:1;

- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$50,680,038, or \$167,432 per job (direct and indirect);
- The economic benefit to cost ratio is 50.68:1;
- There is no construction activity related to this project;
- For every permanent direct job generated by this project, an additional 2.99 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-owned and women-owned businesses ("MWBEs") in the performance of ESD contracts. For purposes of this Project, however, project performance has already been completed, and therefore, MWBE 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

Project Finance Memorandum

Benefit-Cost Analysis

September 20, 2012

Tonawanda (Western New York Region – Erie County) – Praxair 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 Praxair 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 Praxair, Inc. a grant for a total amount not to exceed One Million dollars (\$1,000,000) 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.

* * *

FOR CONSIDERATION
September 20, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Liverpool (Central New York Region – Onondaga County) – Raymour & Flanigan Furniture 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: Raymours Furniture Company, Inc. d/b/a Raymour & Flanigan Furniture (“R & F” or the “Company”)

ESD* Investment: A grant of up to \$160,000 to be used for a portion of the cost of renovations and the purchase and installation of furniture, fixtures and equipment.

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

Project Location: 7248 Morgan Road, Liverpool, Onondaga County

Proposed Project: Renovate and equip existing space for a new Customer Contact Center.

Project Type: Business expansion involving job retention and creation.

Regional Council: The Central New York Regional Council has been made aware of this item. The Incentive Offer was accepted in January 2012 predating the Regional Council Initiative. The project is consistent with the Central New York Regional Plan.

Employment: Initial employment at time of ESD Incentive Offer: 364
Current employment level: 364
Minimum employment on January 1, 2017: 424

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Building Renovation	\$633,898
Furniture, Fixtures & Equipment	<u>759,049</u>

Total Project Costs \$1,392,947

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$160,000	11%
Company Equity	<u>1,232,947</u>	<u>89%</u>

Total Project Financing \$1,392,947 100%

III. Project Description

A. Company

Industry: The Company is a family-owned chain of retail furniture stores.

Company History: Originally founded in Syracuse in 1946.

Ownership: Privately held

Size: The Company is headquartered in Liverpool, New York and has eighty-nine retail showrooms, eleven clearance centers, six distribution centers, and thirteen customer service centers located throughout New York, Connecticut, Delaware, Pennsylvania, Massachusetts, New Jersey and Rhode Island. R & F is the largest furniture retailer in the Northeast, and the seventh largest conventional furniture and bedding retailer in the United States and employs over 4,200 workers with over 2,000 employed in New York State. Raymour & Flanigan supplies all of its stores from distribution centers in Liverpool, NY, Islip, NY, Suffern, NY, Hartford, CT, Monmouth Junction, NJ, and Gibbstown, NJ.

Market: Its product line includes top manufacturers like Berkline, Broyhill, La-Z-Boy, Natuzzi, Sealy, Stearns & Foster and HM Richards.

ESD Involvement: As R & F has aggressively pursued new stores and areas served, the Company has had to continuously add customer service employees to accommodate growth. These employees were scattered across various distribution centers. To improve efficiencies and provide better customer service, the Company decided to house all of its back-office customer service employees at a single, consolidated Customer Contact Center. With ESD's incentive, the Company decided to implement this project in Liverpool.

Competition: At the time R & F approached ESD, the Company was considering several locations in other states including New Jersey.

Past ESD Support: In May 2007, ESD approved a \$600,000 capital grant to assist with a \$32,592,000 investment for a three-part expansion of the Liverpool headquarters/distribution campus, including the addition of 380,000 square feet to the existing distribution facility and the purchase and renovation of a 199,370-square-foot facility. In May 1998, ESD approved a \$350,000 Infrastructure Grant/Loan to assist with a \$3,000,000 investment to construct a 75,000-square-foot expansion to the warehouse center, making Liverpool the Company's Northeast distribution hub. Additionally, ESD approved a \$150,000 capital grant in July 2006 to assist with the remodel of the Company's warehouse facility in Islip, NY. These projects have been completed and funds have been fully disbursed.

Recently, the Company accepted ESD's May 23, 2012 incentive proposal of a \$2,325,000 Excelsior grant to create a distribution hub in Rockland County for its retail stores serving the New York Metro region and the surrounding area. That project is expected to create 300 new full-time permanent jobs by 2015.

B. The Project

Completion: July 2012

Activity: The Company has renovated an existing 10,000-square-foot space in Liverpool for its new customer contact center. Renovations include new sprinkler, HVAC, ceiling, and lighting systems, interior partitions, carpeting, rest rooms, and exterior window replacement. Furniture, fixtures, and equipment included the purchase of customer contact agent work stations, computer terminals, telephone systems, and computer

network hardware. The project began in Spring 2012 and completed in July 2012. Total project costs were nearly \$1.4 million.

Results: At the time of the ESD offer, R & F will retain 364 employees and create 60 jobs.

Grantee Contact: James F. Poole, Jr., Senior Vice President Finance and CFO
7248 Morgan Road
Liverpool, NY 13088
Phone: (315) 453-2596 Fax: (315) 453-2570

ESD Project No.: X647

Project Team:	Origination	Ray Lawrence
	Project Management	Jessica Hughes
	Contractor & Supplier Diversity	Diane Kinnicutt
	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 \$160,000 capital grant (\$1,600) 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 \$160,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$80,000) upon documentation of renovation and/or furniture, fixture & equipment project costs totaling \$1 million, upon completion of the project substantially as described in these materials, and documentation of the employment of at least 364 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 (\$40,000) will be disbursed upon documentation of the employment of at least 394 Full-time Permanent Employees at the Project Location (Employment Increment of 30), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$40,000) will be disbursed upon documentation of the employment of at least 424 Full-time Permanent Employees at the Project Location (Employment Increment of 30), provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures reimbursed by ESD's grant must be incurred on or after January 24, 2012, 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 \$160,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

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

Baseline Employment	364
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A	B
Reporting Date	Employment Goals
February 1, 2014	364+X+Y
February 1, 2015	364+X+Y
February 1, 2016	364+X+Y
February 1, 2017	364+X+Y
February 1, 2018	364+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=30, and Employment Goals shall equal [364 + X = 394] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee’s Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=30, and Employment Goals shall equal [364 + X + Y = 424] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

IV. Statutory Basis

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

As a result of this project, the Company will maintain its employment level of 364 and create 60 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 New Jersey. 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 \$2,678,010;
- Fiscal cost to NYS government is estimated at \$160,000;
- Project cost to NYS government per direct job is \$2,142;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$1,712;
- Ratio of project fiscal benefits to costs to NYS government is 16.74:1;
- Fiscal benefits to all governments (state and local) are estimated at \$4,556,899;
- Fiscal cost to all governments is \$160,000;
- All government cost per direct job is \$2,142;
- All government cost per total job is \$1,712;
- The fiscal benefit to cost ratio for all governments is 28.48:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$25,142,391, or \$268,973 per job (direct and indirect);
- The economic benefit to cost ratio is 157.14:1;
- Project construction cost is \$633,898, which is expected to generate six direct job years and 10 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.25 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 Contract,

however, goals will not be established due to the unavailability of minority and women-owned businesses for performance of this Contract.

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

September 20, 2012

Liverpool (Central New York Region – Onondaga County) – Raymour & Flanigan Furniture 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 Raymour & Flanigan Furniture 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 Raymours Furniture Company, Inc. d/b/a Raymour & Flanigan Furniture a grant for a total amount not to exceed One Hundred Sixty Thousand Dollars (\$160,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the

President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

FOR CONSIDERATION

September 20, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Town of Gates (Finger Lakes Region – Monroe County) – Closing USA 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: Closing USA LLC (“Closing USA” or the “Company”)

ESD* Investment: A grant of up to \$150,000 to be used for a portion of the cost of renovations and the purchase of machinery and equipment.

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

Project Location: 903 Elmgrove Road, Town of Gates, Monroe County

Proposed Project: The Company will lease and equip 18,000 square feet of space to expand its business operations.

Project Type: Business expansion involving job retention and creation.

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

Employment:	Initial employment at time of Application to ESD:	66
	Current employment level:	66
	Minimum employment through January 1, 2016:	166

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction/Renovation	\$230,000	
Machinery and Equipment	240,000	
Soft Cost	<u>30,000</u>	
 Total Project Costs	 <u>\$500,000</u>	
 <u>Financing Sources</u>	 <u>Amount</u>	 <u>Percent</u>
ESD-Grant	\$150,000	30%
Company Equity	<u>350,000</u>	<u>70%</u>
 Total Project Financing	 <u>\$500,000</u>	 <u>100%</u>

III. Project Description

A. Company

Industry: Closing USA is a national title and escrow company.

Company History: Founded in 2003, Closing USA, is one of the largest minority certified national title and escrow company in the country. The Company provides web-based real estate transaction services for mortgage lenders. By optimizing internet technologies, Closing USA connects lenders with the exact products and services they need to process mortgages more efficiently. Closing USA provides a centralized source of real estate related information for lenders that do business on a national scale.

Ownership: The Company is privately owned.

Size: All facilities located in Rochester, NY.

Market: The Company provides real estate transaction services for mortgage lenders. A few of their major competitors are Loan Depot, Lending Tree, and First American Title.

ESD Involvement: In recent years, national lenders have increased their spending levels with minority contractors. As a result, the Company experienced an increase in business. To further capitalize on this opportunity, the

Company made a decision to expand its services and relocate to a larger facility. The plan would facilitate the Company's effort to bring functions in-house that were currently outsourced including search network management, online record searching and notary network management. The facility would also accommodate the launching of a new appraisal division. The Company considered relocating the operation to a facility in California. To encourage the Company to proceed with the project in New York State and to reduce the costs, ESD made an offer of a \$150,000 capital grant, which was accepted on July 2011.

Competition: Without ESD's financial assistance the Company would have closed their New York facility and relocated to California.

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

B. The Project

Completion: May 2012

Activity: Commencing in May 2011, the Company expansion project included the renovation of an 18,000-square-foot space located at the Rochester Technology Park (former Eastman Kodak Elmgrove Campus), and the purchase of furniture and new equipment to improve productivity.

Results: As a result of the project the Company will be able to retain 66 jobs and create 100 jobs in Monroe County. Over the next five years, the Company expects a significant growth from new business opportunities as a result of its certification as a minority-owned business.

Grantee Contact: Mr. Elliot Foo, President
250 Mile Crossing Blvd, Suite 4
Rochester, NY 14624
Phone: (585) 454-1730
Fax: (585) 454-5999

ESD Project No.: X444

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

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$150,000 capital grant (\$1,500) 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 \$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 verifying project expenditures of approximately \$500,000, and documentation of the employment of at least 66 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of 25% of an amount equal to the grant (\$37,500) will be disbursed upon documentation of the employment of at least 116 Full-time Permanent Employees (Employment Increment of 50) 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 , upon documentation of the employment of at least 166 Full-time Permanent Employees (Employment Increment of 50) 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 July 18, 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.

Baseline Employment	66
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A	B
Reporting Date	Employment Goals
February 1, 2014	66+X+Y
February 1, 2015	66+X+Y
February 1, 2016	66+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=50, and Employment Goals shall equal $[66 + X = 116]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=50 and Employment Goals shall equal $[50 + X + Y = 166]$ if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

IV. Statutory Basis

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 66 and create 100 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 California. 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 \$3,186,097;
- Fiscal cost to NYS government is estimated at \$164,626;
- Project cost to NYS government per direct job is \$1,833;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$1,106;
- Ratio of project fiscal benefits to costs to NYS government is 19.35:1;
- Fiscal benefits to all governments (state and local) are estimated at \$5,352,143;
- Fiscal cost to all governments is \$179,252;
- All government cost per direct job is \$1,996;
- All government cost per total job is \$1,205;
- The fiscal benefit to cost ratio for all governments is 29.86:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$24,707,014, or \$166,022 per job (direct and indirect);
- The economic benefit to cost ratio is 137.83:1;
- Project construction cost is \$260,000, which is expected to generate two direct job years and two indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.66 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

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 projects. For purposes of this project, however, project performance has already been completed, and therefore, MWBE participation goals cannot be established.

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

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

VIII. Additional Submissions to Directors

Resolutions
New York State Map
Benefit-Cost Analysis

September 20, 2012

Town of Gates (Finger Lakes Region – Monroe County) – Closing USA 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 Closing USA Capital - Empire State Economic Development Fund - General Development Financing (Capital 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 Closing USA 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.

* * *

A. ComTec Solutions Capital (W782)

September 20, 2012

General Project Plan

Grantee:	ComTec Solutions of NY, LLC (“ComTec” or the “Company”)						
ESD Investment:	A grant of up to \$50,000 to be used for a portion of the cost of building purchase and renovations.						
Project Location:	100 Elmgrove Park, Town of Gates, Monroe County						
Proposed Project:	Building purchase and renovations, acquisition of furniture, installation of IT infrastructure, and related soft costs at Company’s consolidated location.						
Project Type:	Job retention and creation						
Regional Council:	The Finger Lakes Regional Council has been made aware of this item. Project predates the Regional Council Initiative. The Incentive Offer was accepted in August 2009. The project is consistent with the Regional Plan as it relates to high technology.						
Employment:	<table><tr><td>Initial employment at time of ESD Incentive Offer:</td><td>12</td></tr><tr><td>Current employment level:</td><td>23</td></tr><tr><td>Minimum employment on January 1, 2014:</td><td>34</td></tr></table>	Initial employment at time of ESD Incentive Offer:	12	Current employment level:	23	Minimum employment on January 1, 2014:	34
Initial employment at time of ESD Incentive Offer:	12						
Current employment level:	23						
Minimum employment on January 1, 2014:	34						

Background:

Industry – ComTec is an information technology (“IT”) company that assists manufacturers with enterprise resource planning (“ERP”), including software, hardware, installation, sales, repairs, and classroom training. ERP systems integrate internal and external management information across an entire organization, embracing finance/accounting, manufacturing, sales, service, and customer relations. ERP systems automate this activity with an integrated software application.

Company History – Formed in 1997, the Company has grown and moved beyond ERP and IT support to virtualization, green computing, and managed IT services such as backup/disaster recovery and network maintenance.

Ownership - Privately owned

Size – The Company also has a facility in East Berlin, Connecticut.

Market – The Company serves mid-sized manufacturers. Customers include MWI,

A. ComTec Solutions Capital (W782)

September 20, 2012

Semrock and Sterling Machine. Competitors include Entre Computers and Brite Computers.

ESD Involvement – When the Company approached ESD in 2009, it operated out of multiple leased facilities in the Rochester area and needed to find a location in which to consolidate. ESD offered a \$50,000 capital grant in August 2009, which filled a gap to make the project feasible in New York.

Competition - Connecticut

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

The Project:

Completion – April 2010

Activity – ComTec has completed building acquisition, renovations, acquisition/installation of furniture and IT infrastructure (server, cabling and upgraded VOIP phone capabilities), and related soft costs.

Results – The Company will retain 12 existing jobs and create 21 new jobs. ComTec has already created 11 new jobs.

Financing Uses	Amount	Financing Sources	Amount	Percent
Building Acquisition	\$457,970	ESD Grant	\$50,000	10%
Renovations	30,000	HSBC Bank Loan*	226,650	44%
Furnishings & IT Infrastructure	15,000	MCIDC Loan**	181,320	35%
Soft Costs	13,000	Company Equity	58,000	11%
Total Project Costs	\$515,970	Total Project Financing	\$515,970	100%

* 6.65%, 20 years, first lien on RE

** Monroe County Industrial Development Corporation; Prime+2%, 20 years; second lien on RE

Grantee Contact - Kristine Caronna, Office Manager
100 Elmgrove Park
Rochester, NY 14624
Phone: (585) 621-9303 X201 Fax: (585) 621-6214

A. ComTec Solutions Capital (W782)

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<u>Project Team</u> -	Origination	Helen Blum
	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 Company shall pay a commitment fee of 1% of the \$50,000 capital grant (\$500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$50,000 will be disbursed to the Grantee in two installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$25,000) upon documentation of real estate acquisition/renovation, furnishings, IT infrastructure and soft project costs totaling \$515,970, and documentation of the employment of at least 23 Full-time Permanent Employees at the Project Location (Employment Increment of 11), assuming that all project approvals have been completed and funds are available;

A. ComTec Solutions Capital (W782)

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b) a Second Disbursement of an amount equal to 50% of the grant (\$25,000) will be disbursed upon documentation of the employment of at least 33 Full-time Permanent Employees at the Project Location (Employment Increment of 10), provided Grantee is otherwise in compliance with program requirements;

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after August 26, 2009, 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 \$50,000, 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

A. ComTec Solutions Capital (W782)

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year or the average employment for the 12 month period computed by quarter.

Baseline Employment	12
A	B
Reporting Date	Employment Goals
February 1, 2014	12+X+Y
February 1, 2015	12+X+Y
February 1, 2016	12+X+Y

X = Grantee's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section 5 above (i.e. X=11, and Employment Goals shall equal $[12 + X = 23]$ 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 5 above (i.e. Y=10, and Employment Goals shall equal $[12 + X + Y = 33]$ 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.

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 projects. For purposes of this project, however, project performance has already been completed, and therefore, project goals cannot be established.

Statutory Basis – Empire State Economic Development Fund:

1. The project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.
As a result of this project, the Company will maintain its employment level of 12 jobs and create 21 new jobs.
2. The project would be unlikely to take place in New York State without the requested assistance.
Without ESD assistance to lower costs and make the Company's facility competitive with one in Connecticut, the cost would have been too high to make the project feasible in New York.

A. ComTec Solutions Capital (W782)

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

Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$986,242, which exceed the cost to the State.

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

See cover memo.

B. DUMBO Improvement District Working Capital (X946)

September 20, 2012

- Grantee:** DUMBO Improvement District (the “Organization”)
- ESD Investment:** A grant of up to \$100,000 to be used for a portion of working capital costs related to the Brooklyn Tech Triangle Master Plan Study.
- Project Locations:** Down Under the Manhattan Bridge Overpass (“DUMBO”), Downtown Brooklyn and the Brooklyn Navy Yard (11201, 11205 & 11217), Kings County
- Proposed Project:** Develop a strategic plan to aid in the growth of the technology sector in the Brooklyn Tech Triangle.
- Project Type:** Study of technology sector expansion in the Brooklyn Tech Triangle.
- Regional Council:** The New York City Regional Council has been made aware of this item. The Incentive Offer was accepted in July 2012, predating the Regional Council Initiative. The project is consistent with the Regional Plan.

Background:

Industry – Community improvement and advocacy.

Organizational History – Founded in 2006, the DUMBO Improvement District is one of New York’s 65 Business Improvement Districts providing advocacy, street beautification, neighborhood improvements, marketing and programming of public spaces in the area referred to as Down Under the Manhattan Bridge Overpass or DUMBO, a 10 square block neighborhood which lies between the Manhattan and Brooklyn bridges along the East River waterfront in Brooklyn.

In 2007, the New York City Landmarks Preservation Commission designated the DUMBO neighborhood New York’s 90th historic district consisting of properties bound by John Street to the north, York Street to the south, Main Street to the west, and Bridge Street to the east. The area is made up of approximately 91 historically significant buildings, and contains one of the finest collections of nineteenth- and early-twentieth-century industrial architecture in New York City. A significant industrial waterfront neighborhood, the DUMBO area was among the first to be developed in Brooklyn and embodies an important era of Brooklyn and New York City history.

DUMBO Improvement District is part of the Brooklyn Tech Triangle Task Force (“BTTTF”), a newly formed consortium of stakeholders in the greater Downtown Brooklyn area seeking innovative public policy, transportation, and placemaking solutions to foster the growth of the technology and creative economy in the area. The

B. DUMBO Improvement District Working Capital (X946)

September 20, 2012

organizations involved in coordinating the BTTTF are the DUMBO Improvement District, Downtown Brooklyn Partnership, and the Brooklyn Navy Yard Development Corporation.

Ownership – DUMBO Improvement District is a non-profit 501(c)(3) organization.

Market – The Organization partners with building owners, merchants, businesses and cultural organizations.

ESD Involvement – In 2011, the DUMBO Improvement District partnered with the BTTTF to assist with the search for innovative public policy solutions to foster the growth of technology and creative economy in the DUMBO neighborhood. The BTTTF conducted an economic impact study of the tech sector, finding that the sector employed over 9,500 people, generated \$3.1 billion in economic output, and was poised to double over the next three years. Using this knowledge, the BTTTF, along with the DUMBO Improvement District, created an action-oriented blueprint for the continued growth of the tech sector and the overall economic development of the area. However, they encountered a funding gap which was needed to complete the development of the blueprint. The Company approached ESD in May 2012, because it needed to raise \$100,000 in order to execute the blueprint. Without ESD's assistance, the project would not have taken place.

Past ESD Support - This is the first ESD grant to the Organization.

The Project:

Completion – January 2013

Activity – A multi-disciplinary consultant team will create a strategic plan for the growth of the technology sector in the Brooklyn Tech Triangle, which generally consists of the neighborhoods of DUMBO, Downtown Brooklyn and the Brooklyn Navy Yard. The primary goals of the plan are to develop a coordinated vision that provides stakeholders and the public with a unified path forward to growing this area of Brooklyn, to improve physical and economic connectivity through better open spaces, streetscapes and workforce linkages, and to recommend specific actions that stakeholders can implement or advocate that will help grow the technology sector in the neighborhood. The project begins in August 2012 and will be completed in January 2013.

Results – The plan will serve as an action-oriented blueprint for the continued growth of the technology sector that addresses physical constraints as they pertain to transportation, infrastructure, land use, and placemaking

B. DUMBO Improvement District Working Capital (X946)

September 20, 2012

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

Financing Uses	Amount	Financing Sources	Amount	Percent
Consultant Services - Master Plan Study	\$300,000	ESD Grant	\$100,000	31%
Oversight and Administration	25,000	NYC Council - Grant	100,000	31%
		New York City Small Business Services -Grant	100,000	31%
		Brooklyn Community Foundation - Grant	25,000	7%
Total Project Costs	\$325,000	Total Project Financing	\$325,000	100%

Grantee Contact - Alexandria Sica, Executive Director
20 Jay Street, Suite 510
Brooklyn, NY 11201
Phone: (718) 237-8700 Fax: (718) 237-8701

Project Team - Origination Andrew Fletcher
Project Management Simone Bethune
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

Financial Terms and Conditions:

1. The Organization will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. Funds will be disbursed in arrears, no more frequently than quarterly, in proportion to ESD's share of funding. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after July 16, 2012, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2014.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000, for this project if ESD determines that the reallocation of the

B. DUMBO Improvement District Working Capital (X946)

September 20, 2012

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.

Non-Discrimination and Contractor & Supplier Diversity:

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

Statutory Basis – Urban and Community Development Program:

This project is authorized under Sections 5(4) and 16-d of the New York State Urban Development Corporation Act (the "Act") and satisfies the eligibility criteria for an Urban and Community Technical Assistance grant as set forth in the Act and the rules and regulations for the Urban and Community Development Program. No residential relocation is required as there are no families or individuals residing on the site.

FOR CONSIDERATION

September 20, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Discretionary Projects Consent Calendar

REQUEST FOR: Findings and Determinations Pursuant to Sections 10(g), 16-m, 5(4), and 16-d of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions; Determination of No Significant Effect on the Environment

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

Empire State Economic Development Fund

	Project Name	Proj #	Grantee	Assistance up to
	General Development Financing Projects			
A.	ComTec Solutions Capital	W782	ComTec Solutions of NY, LLC	\$50,000
			TOTAL	\$50,000

Urban and Community Development Program

	Project Name	Proj #	Grantee	Assistance up to
	Urban and Community Technical Assistance			
B.	DUMBO Improvement District Working Capital	X946	DUMBO Improvement District	\$100,000
			TOTAL	\$100,000

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

*The New York State Urban Development Corporation doing business as the Empire State

Development ("ESD" or the "Corporation")

Environmental Review

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

Office of Contractor and Supplier Diversity

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

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

Reallocation of Funds

ESD may reallocate each project's funds to another form of assistance, at an amount no greater than the amount approved, for the same project if ESD determines that the reallocation of the assistance would better serve the needs of the recipient and the state of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

ESD Employment Enforcement Policy

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

Statutory Basis

A. Empire State Economic Development Fund

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

1. Each proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.
2. Each proposed project would be unlikely to take place in New York State without the requested assistance.
3. Each proposed project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
4. The requirements of Section 10(g) of the Act are satisfied.
No residential relocation is required in connection with any project involving the acquisition, construction, reconstruction, rehabilitation, or improvement of property because no families or individuals reside on the sites.

B. Urban and Community Development Program

Please see the individual project summary.

Attachments

New York State Map

Resolutions

Project Summaries

September 20, 2012

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

	Project Name	Proj #	Grantee	Assistance up to
	General Development Financing Projects			
A.	ComTec Solutions Capital	W782	ComTec Solutions of NY, LLC	\$50,000
			TOTAL	\$50,000

and be it further

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

* * *

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

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

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

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

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

Urban and Community Development Program

	Project Name	Proj #	Grantee	Assistance up to
	Urban and Community Technical Assistance			
B.	DUMBO Improvement District Working Capital	X946	DUMBO Improvement District	\$100,000
			TOTAL	\$100,000

and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to

execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

A. Jamestown – RESTORE II – Renaissance (W092)

September 20, 2012

General Project Plan

- Grantee:** City of Jamestown (the “City”)
- ESD Investment:** A grant of up to \$1,200,000 to be used for a portion of the costs to renovate the Wellman Building.
- Project Location:** 101-103 West Third Street (the “Wellman Building”), Jamestown, Chautauqua County
- Proposed Project:** Redevelopment of a historic six-story building for mixed uses.
- Project Type:** The rehabilitation of a vacant property to revitalize a neighborhood as part of the City’s overall redevelopment plan.
- Regional Council:** The Western New York Regional Council has been made aware of this item. The project predates the Regional Council Initiative.

Background:

Grantee History – The City of Jamestown, incorporated in 1886, is located on the southern tip of Chautauqua Lake in southern Chautauqua County approximately 60 miles south of the City of Buffalo. The City’ population is approximately 30,000 and contains Brownfield Opportunity Areas, a Renewal Community, and a New York State Department of State designated Quality Community.

In February 2001, the City adopted a Downtown Jamestown Community Development Plan (the “Plan”), to address the revitalization of the City’s downtown business district. A major goal of the Plan was to identify vacant and underutilized structures and prioritize redevelopment opportunities.

ESD Involvement - In early 2008, ESD awarded the City a \$2 million Restore II NY grant to renovate four properties. Subsequent to the Restore NY award, the City notified ESD that the renovation of one site would proceed without ESD funds and another site would not be redeveloped as a result of the economic conditions. As a result, ESD reduced the Restore NY grant to \$1,760,000. In November 2009, the ESD Directors approved \$560,000 of this funding to fully-renovate the Period Brass Building as part of the City’s Restore II project. The project is complete and funds are fully disbursed. The Restore II award also included funds to renovate to the Wellman Building, however, work did not start until 2010 due to a delay in securing the structure’s inclusion on the National Register of Historic Places. The Wellman Building project is now complete.

A. Jamestown – RESTORE II – Renaissance (W092)

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Past ESD Support - Previous funding to the City include a \$75,000 grant for lighting and equipment upgrades for the Russell E. Diethrick, Jr. Park in October 2005, a \$300,000 Restore I NY grant for interior renovations of the former MRC Building in May 2007, and a \$1,500,000 Restore I NY grant for the construction of a commercial building on the West End Site. All projects are complete and funds have been fully disbursed.

The Project:

Completion – June 2012

Activity – The historic six-story Wellman Building has been renovated into a mixed use building consisting of 6,130 square feet of commercial space on the first floor and 44 market-rate residential rental units on the upper floors.

Results – The Wellman Building, owned by Jamestown Development Company IV, LLC (“JDC”), sat mostly vacant for three decades and was in significant disrepair. Its development will broaden the residential resources of the City center and attract residents who will in turn support businesses in the area. Currently, twelve of the forty-four residential apartments have been rented; 3,362-square-foot of commercial space has been leased to the Gebbie Foundation, Inc.; and JDC is currently in negotiations with Subway to lease 1,538-square-feet of commercial space.

Financing Uses	Amount	Financing Sources	Amount	Percent
Acquisition	\$ 202,669	ESD Grant	\$ 1,200,000	16%
Architectural/Engineering	129,409	First Niagara Bank Loan *	4,074,997	53%
Soft Costs	1,036,293	City Equity **	167,043	2%
Shell Restoration & Apartments	5,158,074	Gebbie Foundation Façade Grant	85,000	1%
Commercial Units-Tenant Building Out	303,800	Federal Historic Tax Credits	2,153,205	28%
Developer Fee	850,000			
Total Project Costs	\$ 7,680,245	Total Project Financing	\$ 7,680,245	100%

*Currently construction financing. First Niagara has offered permanent financing at 5%/20 yrs/1st on RE, however the Beneficiary is still negotiating permanent financing, which is expected to be in place within 6 months.

**Source of equity is funds from the building’s owner (\$22,943), City of Jamestown (\$85,000), and Americans with Disabilities Act Grant (\$60,000).

As indicated in the budget, a portion of the financing for the project will come from syndication proceeds of Federal Historic Tax Credits (“FHTC”), a program through the

A. Jamestown – RESTORE II – Renaissance (W092)

September 20, 2012

National Park Service and New York State Historic Preservation Office. The amount of tax credit equity for which a project is eligible is a function in part of other funds leveraged in a deal, including the Restore NY grant. In order to maximize the amount of FHTC equity, the Restore NY grant to the City will subsequently be structured to the developer/property owner as a loan.

The developer/property owner will receive the Restore NY funds as long-term (anticipated to be 30 years) interest-only loan at a nominal interest rate. At the end of seven years, the City will have the right to forgive the loan, converting it to a grant. Empire State Development’s Grant Disbursement Agreement will require that the Grantee provide satisfactory documentation that the amount of the grant proceeds has been used for Restore NY- eligible work. In the event of a failure to provide such documentation, the entire grant will be subject to recapture.

Grantee Contact: Mr. Steven Centi, Director of Development
200 East Third Street
Jamestown, NY 14701
Phone: (716) 483-7541 Fax: (716) 483-7772

Project Team: Project Management Jean Williams
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the City will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The City will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The City will ensure the contribution of at least a 10% match of the grant amount to the Project.
4. Up to \$1,200,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials and upon documentation of project costs of approximately \$7,680,245, 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. Expenditures must be incurred on or after January 15, 2008, to be considered reimbursable project costs. Previously expended funds may be applied toward match

A. Jamestown – RESTORE II – Renaissance (W092)

September 20, 2012

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 \$1,200,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the City and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Environmental Review:

The County of Chautauqua Industrial Development Agency, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review 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 15, 2010. 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 building's inclusion on the New York State and National Registers of Historic Places, ESD has confirmed that the project sponsor consulted with the New York State Office of Parks, Recreation and Historic Preservation pursuant to the requirements of Section 14.09 of the New York State Parks, Recreation and Historic Preservation Law. No further consultation is required.

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 Project, however, project performance has already been completed, and therefore MWBE participation goals cannot be established.

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 renovation of an underutilized building into mixed-use commercial and residential space.

A. Jamestown – RESTORE II – Renaissance (W092)

September 20, 2012

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 the City's plan to identify vacant and underutilized structures and prioritize redevelopment, spurring private sector investment and allowing for a potential increase in the local tax base.

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 City published a property assessment list and held a public hearing on the project at the time of application. The City will ensure compliance with all applicable local laws and regulations on the project.

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

There are no families or individuals displaced from the Project area.

September 20, 2012

Jamestown (Western New York Region – Chautauqua County) – Jamestown – RESTORE II – Renaissance – Restore NY II Communities (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Jamestown – RESTORE II – Renaissance – Restore NY Communities (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

FOR CONSIDERATION

September 20, 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

	Grantee	Project Name	Proj #	Grant	Village, Town, City	County
A.	City of Jamestown	Jamestown – RESTORE II – Renaissance	W092	\$1,200,000	Jamestown	Chautauqua
		TOTAL		\$1,200,000		

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

September 20, 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 to 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

	Project Name	Proj #	Grantee	Assistance up to
	Restore NY Communities Projects			
A.	Jamestown – RESTORE II – Renaissance	W092	City of Jamestown	\$1,200,000
			TOTAL	\$1,200,000

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.

* * *

FOR CONSIDERATION

September 20, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Statewide – Innovate NY Fund Program- Request to Fund Two Additional Investment Funds and To Increase Amount to One Investment Fund Previously Approved

REQUEST FOR: Authorization to Select and Enter into Contract with Two Additional Investment Fund Awardees and To Increase Amount to One Fund Previously Approved; Authorization to Disburse Funds; and Authorization to Take Related Actions

Project Summary

Awardees: Investment entities as set forth on attached Schedule A.

Amounts: See attached Schedules A.

Project Location: Statewide

Anticipated Funding Source: A \$10, 000,000 allocation to be divided among 2 additional and one previously approved investment funds as part of the Innovate NY Fund, one of the three U.S. Department of Treasury’s State Small Business Credit Initiative (“SSBCI”) programs.

ESD Project No.: X957; X958; X820

Project Team:

Origination	Steve Cohen
Project Management	Sharon Rutter
Legal	Richard Dorado
Contractor & Supplier Diversity	Diane Kinnicutt
Environmental	Soo Kang

Background

The Innovate NY Fund program (“The Fund”) is a new seed stage equity fund to support innovation, job creation, and high growth entrepreneurship throughout the State of New York. The Fund was one of the three new state programs funded through a grant from the U.S. Department of Treasury’s SSBCI. The Fund was created by a Governor-sponsored bill (Bill No. S05782/A8452) that passed both houses on June 20, 2011). The legislation is Section 16-u of the Urban Development Corporation Act. Program Rules and Regulations for the Fund were presented and approved by the Corporation’s Board of Directors on November 4, 2011.

The Fund’s objective is to invest in seed stage businesses through regional and/or industry focused Investment entities to be selected by and contracted with the Corporation. Investment priority by these entities shall be given to New York State-based seed stage businesses involved in commercialization of research and development or high technology manufacturing.

Investment entities shall not invest Program funds in a beneficiary company in an amount greater than five hundred thousand dollars, or seven hundred fifty thousand dollars in the case of a biotechnology-related beneficiary company, at any one time, unless the beneficiary company and the Investment entity can demonstrate to the satisfaction of the Corporation that exceeding the applicable investment limit significantly increases the potential of the investment to result in substantially greater growth, job development, and additional economic activity in New York State and the Corporation consents to such greater investment in writing.

At such time as an Investment entity has invested fifty percent of the program funds committed to such investment entity and annually thereafter, the aggregate investments of Program funds by the investment entity in beneficiary companies shall be leveraged with matching investment funds from private sources of capital, excluding investments after the initial funding round, at a ratio equal to or greater than two to one (2:1). Investments made in funding rounds prior to the date of the initial investment of program funds shall not be counted toward satisfying this matching investment funds requirement.

Project Status

The Corporation issued a Request for Proposals (“RFP”) on December 23, 2011 via an advertisement in the New York State Contract Reporter and direct mail/email distribution to private for-profit or non-profit investment managers, investment funds, regional and local economic development organizations, technology development organizations, and research universities that make seed stage equity or quasi-equity investments in New York State companies.

In response to this RFP, the Corporation received 21 submissions requesting a total of \$116 million in funding. One submission was disqualified due to it not being a valid applicant. Approved by the ESD Board of directors on April 17, 2012, and pursuant to a competitive review and selection process, six (6) investment entities were selected by a qualified review team to receive a total of \$25 million in program funds. ESD is in the process of finalizing limited partner agreements with these 6 entities.

Due to need for seed stage financing by New York State startup and small businesses, ESD has elected to transfer \$10 million from SSBCI's Capital Access Program to the Innovate NY Fund. Upon review of the competitive selection process, the two next highest scoring investment firms have been selected to receive funds as part of the Innovate NY Fund program. Pending approval of the inter-program transfer of funds by the U.S. Department of Treasury, \$8.5 million will be used to provide funds for these two additional investment funds and provide \$1.5 million in additional funds to an already approved seed stage investment fund (see Schedule A). All SSBCI programs' Rules & Regulations allow for transfer and reallocation of funds among programs.

Statutory Basis

The Program is authorized pursuant to Section 16-U of the New York State Urban Development Corporation Act, Chapter 174 of the Laws of 1968, as amended.

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 authorization.

Non- Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply. The awardees are strongly encouraged to include minorities and women in any job opportunities created by the Project and to solicit and utilize certified Minority and Women-Owned Business Enterprises for any contractual opportunities generated in connection with the Project.

Additional Submissions to Directors

Resolutions.

Schedule A –Summaries of the 2 additionally selected investment entities.

Schedule B- Summary of the existing Innovate NY fund investment entity to be awarded additional funds.

September 20, 2012

Statewide - Innovate NY Fund program: Authorization to Enter into Contracts with Two Additional Investment Funds and to Increase the Award of an Already Approved Investment Fund; Authorization to Disburse Funds; and Authorization to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials), relating to the Innovate NY Fund Program (the "Fund"), the Corporation is authorized to enter into investor agreements and related documentation with the investment entities named in the Materials and provide them funding, not to exceed in aggregate \$10,000,000 funded by Innovate NY program funds; and be it further

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

RESOLVED, that the provision by the Corporation financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable; (2) receipt of all other necessary approvals; and (3) the availability of funds and the approval of the State Division of the Budget, if applicable; 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.

* * *

**Schedule A: Innovate NY Fund
Summary of Two Additional Investment Fund Awardees
Board of Directors Meeting
September 20, 2012**

Ff Asset Management, LLC d/b/a as ff Venture Capital ("ffVC")

Established in 2008, ffVC is one of the oldest and most active angel and early stage venture capital firms in New York, and one of the top performing in the U.S. ffVC typically invests \$50-250,000 initially, and often invests up to \$1 mm in subsequent rounds. ffVC is wholly owned by John Frankel who has successfully been investing in this space since 1999. ff Rose Venture Fund (their 3rd fund) will be formed and managed by ffVC.

ESD proposes to contract with and award ffVC \$4.5 million in Innovate NY funds to invest in technology seed stage businesses located throughout New York State with a concentration in NYC.

New York City Investment Fund ("NYCIF")

Founded in 1996, NYCIF is a private nonprofit fund with a mission to create jobs in New York City. NYCIF has raised \$114 million from corporations and individuals and makes debt and equity investments in non-profits, community based business and in high growth companies.

Funding will be used for seed stage companies in New York State and will be held in a standalone entity and will operate as a sidecar investment vehicle managed by NYCIF.

This investment fund will primarily invest alongside NYC Seed. Founded in September 2008, NYC Seed is a partnership between New York City Investment Fund, NYS Foundation for Science, Technology, and Innovation, Polytechnic Institute of NYU and ITAC. Its mission is focused on providing capital and support services to seed stage technology startups in NYC. NYC Seed both invests as the first and only investment in a company as well as co-invests with other qualified investors focused on the seed stage. NYC Seed invests up to \$200,000 in a company as well as providing an array of support and mentoring services.

ESD proposes to contract with and award NYCIF/NYC Seed \$4 million in Innovate NY funds to invest in general technology, healthcare IT, education, data analysis and fashion/e-commerce seed stage businesses located in NYS, primarily in NYC.

Schedule B: Innovate NY Fund
Summary of Additional Investment for Innovate NY Fund Investment Entity
Board of Directors Meeting
September 20, 2012

Excell Partners, LLC

Excell Partners , a not for profit and affiliate of University of Rochester, was originally funded in 2005 by ESD along with matching funds from the University of Rochester and Excell's Board of Directors. With a strong Board and extensive network of collaborators, Excell has successfully invested in close to 30 seed stage companies since its launch.

ESD approved \$2.5 million in Innovate NY funds at the April 17, 2012 Board of Directors meeting, which was in addition to a \$2 million ESD investment awarded in 2010. Based on recent reporting, Excell has deployed \$1.4 million of the \$2 million and a number of other deals in the final stages of due diligence. Based on the utilization of the previously awarded funds, ESD proposes to award Excell Partners an additional \$1.5 million in Innovate NY funds to invest in seed stage businesses focused on life sciences, energy, software and consumer products and located in the Southern Tier, Western NY, Finger Lakes, Capital and Central NY regions. This would bring the total Innovate NY fund award for Excell Partners to \$4 million.

FOR CONSIDERATION

September 20, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award - Priority Project - Southern Tier Region - Southern Tier Regional Economic Development Corporation – Community Revitalization Program – Regional Council Capital Fund (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Southern Tier Regional Economic Development Corporation (“STREDC”)

Beneficiary

Organizations: Municipalities within the Southern Tier Region

ESD* Investment: A grant of up to \$1,000,000 to fund a regional low-interest loan and grant fund program (the “Community Revitalization Program” or the “Program”) to revitalize downtown, rural and neighborhood centers.

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

Project Locations: Various, within the Southern Tier Region

Proposed Project: Reallocate funds from another Regional Council Award project that is not moving forward to STREDC to provide additional funding for the recently established regional low-interest loan, combination loan and grant, convertible loan program. The Program provides gap financing to redevelop commercial structures, develop new buildings and improve downtown, rural and neighborhood centers.

Project Type: Regional low-interest loan, loan/grant program

Regional Council: The Incentive Offer was accepted on August 22, 2012. The project is consistent with the Regional Plan and defined strategies based on the best use of the region's assets, ability to capitalize on opportunities and address critical issues impeding growth. The Community Revitalization Program will fulfill the strategy to strengthen the Southern Tier's economic development backbone.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Capital Project Loans/Grants	<u>\$1,000,000</u>	
Total Project Costs	<u>\$1,000,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	<u>\$1,000,000</u>	100%
Total Project Financing	<u>\$1,000,000</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: STREDC is a not-for-profit local development organization that manages a revolving loan fund and provides financial and technical assistance for start-up and expanding businesses in the Southern Tier.

Grantee History: STREDC was incorporated in 1991. The Regional Economic Development and Energy Corporation of the Southern Tier Central Region, NY ("REDEC") was incorporated in October 1980 as a not-for profit 501 c(4) corporation, handling administrative duties for STREDC. REDEC assumed those duties in 2009 and currently administers and services the loans provided under STREDC.

Ownership: STREDC is a not-for-profit 404(a).

Size: STREDC has a board consisting of 13 members representing each county in the Southern Tier. In 2011, STREDC closed four local business loans totaling \$180,000 to assist regional businesses with working capital. In 2012 to date, the organization has two small business loans that are expected to close shortly, totaling \$143,000.

Market: Business assistance is provided throughout the Southern Tier Region.

ESD Involvement: As a result of the Governor’s Regional Economic Development Council Initiative, STREDC was previously awarded \$2,500,000 through the Consolidated Funding Application (“CFA”) process to fund a regionally significant initiative, the Community Revitalization Program. This low-interest revolving loan, combination loan/grant and/or convertible loan fund for capital projects would not have been established without ESD assistance. Due to a prior round one CFA project not moving forward, the Regional Council approved the reallocation of \$1,000,000 to further support the Community Revitalization Program.

Competition: N/A

Past ESD Support: This is the fourth ESD grant to the organization to support the Regional Council strategic plan and initiatives. STREDC is currently working to close numerous loan/grant approvals for the three Regional Council initiatives that were approved by ESD in April 2012.

B. The Project

Completion: Ongoing

Activity: STREDC will continue to administer the Program, a regional low-interest revolving loan, combination loan/grant and/or convertible loan fund to facilitate the redevelopment of downtown and community center locations to encourage investment and job creation. The Program will provide gap financing to redevelop commercial structures, develop new buildings and improve downtown, rural and neighborhood centers. Eligible applicants include cities, towns and villages within the eight-county Southern Tier Region. Funds will provide gap financing for capital use and will leverage additional financing from federal, state, municipal, and local development agencies, and corporations and private sector entities.

Results: The Program will assist community neighborhood commercial center revitalization projects in the Southern Tier to improve downtowns with mixed-use residential/commercial and retail opportunities. Communities

utilizing these funds will have the ability to identify their own priorities and structure projects to support unique local needs in targeted areas.

Grantee Contact: Diane Lantz, Executive Director
8 Dennison Parkway E, 3rd Floor, Suite 403
Corning, NY 14830
Phone: (607) 962-3021
Fax: (607) 936-8081

ESD Project No.: X970

Project Team:	Origination	Kevin McLaughlin
	Project Management	Robin Alpaugh
	Legal	Richard Dorado
	Contractor & Supplier Diversity	Denise Ross
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

C. 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. Due to the Grantee's exceptionally low fees and administrative charges for Program borrowers (*i.e.*, not more than 0.5% of the loan amount), ESD will waive the provision regarding payment to the Corporation by the Grantee at signing of an amount equal the 1% of the grant amount.
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. Matching funds provided by Program funding recipients will be counted as the equity contribution. Equity should be able to be verified in Quarterly and Annual Reports. ESD generally seeks to provide no more than 20% of the financing for any particular project; however, due to the revolving loan fund structure of Grantee's Program, ESD will not require this for the project.
4. Up to \$1,000,000 will be disbursed to the Grantee in four installments as follows:
 - a) an Initial Disbursement of an amount equal to 30% of the grant (\$300,000) 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 30% of the grant (\$300,000) will be disbursed upon documentation verifying disbursement of at least 75% of the first advance (\$225,000) and Grantee's compliance with Program reports and requirements, including meeting expected goals;
- c) a Third Disbursement of an amount equal to 30% of the grant (\$300,000) will be disbursed upon documentation verifying disbursement of 100% of the first advance and 75% of the second advance (\$525,000 cumulative) and Grantee's compliance with Program reports and requirements, including meeting expected goals; and
- d) a Fourth Disbursement of an amount equal to 10% of the grant (\$100,000) will be disbursed upon documentation verifying disbursement of 100% of the first and second advances and 75% of the third advance (\$825,000 cumulative) and Grantee's compliance with Program reports and requirements, including meeting expected goals.

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 22, 2012 to be considered eligible project costs. All disbursements must be requested by April 1, 2017. ESD will be entitled to recoup any advanced funds that are not disbursed by Grantee in a timely fashion.

- 5. ESD must approve the Program's grant/loan application, marketing material and deal sourcing strategies, due diligence process, grant/loan approval guidelines, underwriting policy and guidelines, portfolio management and monitoring processes, and goals.
- 6. ESD, via the Southern Tier Regional Office, will approve all funding recommendations. ESD funds should be allocated as grants and loans in a proportional share to the Program's other funding sources. No single investment of ESD funds may exceed \$250,000 without written consent of ESD, via the Southern Tier Regional Office. ESD funds may not be subject to a higher risk compared with other Program funds.
- 7. 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 to be 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 Program loans and grants.
- 8. 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, and other items as determined by ESD.

Once the Grantee has provided documentation verifying disbursement of the entire \$1,000,000 in grant funds, the Grantee will report annually on investments and related Program activity during the term of the bonds that will be issued to provide the grant (term to be noted in final Grant Disbursement Agreement).

9. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the 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 - 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. 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 authorization.

VI. Non-Discrimination and Contractor & Supplier Diversity

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

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

September 20, 2012

Regional Council Award - Priority Project - Southern Tier Region – Southern Tier Regional Economic Development Corporation - Community Revitalization Program – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Southern Tier Regional Economic Development Corporation - Community Revitalization Program – Regional Council Capital Fund (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area.

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

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

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

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

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

* * *

FOR CONSIDERATION

September 20, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Non-Discretionary Projects

REQUEST FOR: Land Use Improvement Project Findings and Determinations Pursuant to Sections 10 (c) and 10 (g) of the Act; Authorization to Adopt the General Project Plans; Authorization to Make Grants and to Take Related Actions; Determination of No Significant Effect on the Environment

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

	Project Name	Proj #	Grantee	Assistance up to
	Empire Opportunity Fund (Executive)			
A	SIDA – 460 North Franklin Street – Upstate City-by-City EOF Capital	X754	Syracuse Industrial Development Agency	0 ¹
	1 – a \$2 million grant was approved for this grantee by the ESD Directors on April 17, 2008, but that project did not move forward. The subject request is to reallocate the final \$612,500 of the original \$2 million grant, and does not involve new funding.			
	1 project		Sub-total	\$0

	Project Name	Proj #	Grantee	Assistance up to
	New York State Economic Development Assistance Program (Senate)			
B	Washington County Board of Supervisors – Infrastructure Improvements Capital	W559	Washington County Board of Supervisors	100,000
	1 project		Sub-total	\$100,000
	TOTAL NON-DISCRETIONARY – 2 PROJECTS		TOTAL	\$100,000

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%. Grantees shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the projects and to include minorities and women in any job opportunities created by the projects.

IV. ESD Employment Enforcement Policy

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

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

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

VI. Additional Requirements

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

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

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

VII. Additional Submissions to Directors

New York State Maps
Resolutions
Project Summaries

September 20, 2012

Empire Opportunity Fund – Land Use Improvement Findings and Determinations
Pursuant to Sections 10 (c) and 10 (g) of the Act; Authorization to Adopt the General
Project Plan; Authorization to Make a Grant and to Take Related Actions;
Determination of No Significant Effect on the Environment

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

	Project Name	Proj #	Grantee	Assistance up to
A	SIDA – 460 North Franklin Street – Upstate City-by-City EOF Capital	X754	Syracuse Industrial Development Agency	0 ¹
	1 – a \$2 million grant was approved for this grantee by the ESD Directors on April 17, 2008, but that project did not move forward. The subject request is to reallocate the final \$612,500 of the original \$2 million grant, and does not involve new funding.			
			TOTAL	\$0

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

* * *

September 20, 2012

New York State Economic Development Assistance Program - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, 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 New York State Economic Development 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 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

New York State Economic Development Assistance Program - Senate - Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
B	Washington County Board of Supervisors – Infrastructure Improvements Capital	W559	Washington County Board of Supervisors	100,000
			TOTAL	\$100,000

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

* * *

A. SIDA – 460 North Franklin Street – Upstate City – by – City EOF Capital (X754)

September 20, 2012

General Project Plan

Grantee: Syracuse Industrial Development Agency (“SIDA” or the “Organization”)

Beneficiary Company: 460 North Franklin Street Associates, LLC (“460 North Franklin Street Associates” or the “Company”)

ESD Investment: A grant of up to \$612,500 to be used for a portion of the cost of demolition/construction and building renovations at the site of the former Tompkins Fabric Building in the Franklin Square neighborhood (“Franklin Square”) of the City of Syracuse (the “City”).

Project Location: 438-446 North Franklin Street, Syracuse, Onondaga County

Proposed Project: The demolition of an existing blighted and vacant 40,000-square-foot building and the construction of a 36,000-square-foot, three-story commercial “Class A” office building and attached 60-car parking lot.

Project Type: Demolition and construction/renovations.

Regional Council: The Central New York Regional Council has been made aware of this item. This project is consistent with the Central New York Regional Plan (p. 73) because it addresses the strategy of creating density in development with mixed-use investments that preserve the region’s heritage and unique architectural character, so that residents have vibrant neighborhoods to live, work and play.

Background:

Industry – Real estate development.

Grantee History – Founded in 1979, the Syracuse Industrial Development Agency, the grantee on behalf of the project, is a public benefit corporation designed to enhance Syracuse’s economic development capabilities through tax incentives to qualified applicants. SIDA provides financing for the acquisition, construction or reconstruction of manufacturing, warehouse, research, commercial, industrial, and pollution control projects.

Beneficiary History – The project developer, 460 North Franklin Street Associates, is a strategic alliance between partners who are well-known and respected in the development and marketing of commercial properties in the Syracuse area. Anthony Fiorito, through his firm Partnership Properties, has more than 20 years of experience in

SIDA – 460 North Franklin Street – Upstate City – by – City EOF Capital (X754)

September 20, 2012

commercial development and has been responsible for the redevelopment of several large office buildings in the City's central business district. John Funicello, through his firm JF Real Estate, is a major commercial real estate broker who represents and leases a wide variety of prestigious commercial spaces in the Syracuse area.

Ownership – The Company is privately owned and the majority shareholders are Tony Fiorito and John Funicello.

Size – All facilities located in Syracuse, NY.

Market – The project will construct a Class A office building in the Franklin Square neighborhood in the City of Syracuse. Franklin Square is considered Syracuse's "oldest new neighborhood". A virtually abandoned industrial graveyard of more than one million square feet of unused space, it began to experience a rebirth and revitalization in the late 1980s. Today, the majority of the former factory space has been converted into residential living and commercial space, creating a vibrant neighborhood of restored landmarks and new buildings. Upon completion, the building will be the first new construction in Franklin Square in more than a decade. Although a tenant has yet to be named, it is anticipated that the project will attract a national company seeking Class A space.

ESD Involvement – The former Tompkins Fabric building located on the site of a key corner in Franklin Square has proven to be a challenge to redevelop. The property was originally the subject of a proposed development by 438 North Franklin St., LLC in 2007. That proposal envisioned the construction of a new 64,000-square-foot mixed-use facility at an estimated cost of \$11,760,000; however, the developer was unable to move forward due to the inability to complete financing. In the interim, a new project smaller in size and scope was proposed for the same site by a different developer, 460 North Franklin Street Associates, LLC. The new project also evidenced a funding gap, leading SIDA to approach ESD and request \$612,500 in funding from the original \$2 million Upstate City- by-City grant for the 438 North Franklin Street, LLC, project be reallocated to it. ESD agreed to the reallocation, and the project is moving forward.

Competition - N/A

Grantee Past ESD Support – Previously, SIDA received a \$2 million grant, approved by the ESD Directors on April 17, 2008, for the construction a 64,000-square-foot mixed-use facility in the Franklin Square district of Syracuse at the northern edge of the City's central business district located at 438 N. Franklin Street. Since 2008 approval, due to delays in the project because of the faltering economy and reduced financial commitments, the original developer decided not to move forward. On December 16, 2010, the Directors approved a \$500,000 reallocation of the original \$2 million grant previously approved for 438 N. Franklin, for the development of a 152,000-square-foot,

SIDA – 460 North Franklin Street – Upstate City – by – City EOF Capital (X754)
September 20, 2012

seven-story, mixed-use Marriot hotel complex situated in the center of Downtown Syracuse’s historical retail and entertainment district. Subsequent to that approval, SIDA requested that the remainder of the \$2 million balance for the 438 N. Franklin project be reallocated to 460 North Franklin Street Associates and two other significant projects in the City of Syracuse, which include the Tops Markets and Merchants Commons projects.

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

The Project:

Completion – December 2014

Activity – The Company will demolish the blighted and vacant 40,000-square-foot, former Tompkins Fabric Building and construct a 36,000-square-foot, three-story commercial Class A office building and attached 60-car parking lot. To date, the Company has completed phase 1 of the project, site acquisition and demolition of the former building.

Results – The project will add to the redevelopment of an area of Syracuse that has not seen any new construction in more than a decade. It will conform to the established Franklin Square guidelines, complementing its vibrant neighborhood and style with brick sidewalks and tree-lined streets. Although a tenant has yet to be named, it is anticipated that the project will attract a national company seeking Class A space.

Financing Uses	Amount	Financing Sources	Amount	Percent
Real Estate Acquisition	\$850,000	ESD Grant	\$612,500	9%
Demolition	250,000	Construction Loan*	2,850,000	41%
Construction	5,810,298	Company Equity	3,447,798	50%
Total Project Costs	\$6,910,298	Total Project Financing	\$6,910,298	100%

*Prime + 1.0/2 years/1st

Grantee Contact - Benjamin R. Walsh, Executive Director
Syracuse Industrial Development Agency
333 West Washington Street, Suite 130
Syracuse, NY 13202
Phone: (315) 473-3275 Fax: (315) 435-3669

SIDA – 460 North Franklin Street – Upstate City – by – City EOF Capital (X754)
September 20, 2012

Beneficiary Contact - Tony Fiorito
460 North Franklin Street Associates, LLC
The Atrium
2 Clinton Square, Suite 120
Syracuse, NY 13202
Phone: (315) 471-9360

<u>Project Team</u> -	Project Management	Jessica Hughes
	Contractor & Supplier Diversity	Diane Kinnicutt
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the 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 \$612,500 will be disbursed to the Grantee upon documentation of site acquisition, demolition and construction project costs totaling approximately \$6.9 million, as evidenced by a certificate of occupancy, completion of the project substantially as described in these materials, and 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. Expenditures must be incurred on or after February 29, 2012 to be considered eligible project costs.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$612,500, 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.

Environmental Review:

The City of Syracuse Industrial Development Agency, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on August 16, 2011. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make

SIDA – 460 North Franklin Street – Upstate City – by – City EOF Capital (X754)
September 20, 2012

a Determination of No Significant Effect on the Environment.

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 30% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 20% 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 project.

Statutory Basis – Empire Opportunity Fund:

Section 10 Land Use Improvement Findings

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

The project will demolish and redevelop a blighted and vacant building to be suitable for occupancy.

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

The proposed redevelopment for 438-446 North Franklin Street includes demolition and construction into Class A office space in Syracuse's urban core.

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.

SIDA will be working with 460 North Franklin Street Associates, LLC, to build this facility. Upon completion, the project is expected to serve the needs of the surrounding community and the municipality as a whole by creating office space which is expected to attract a national company.

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

Several local and revitalization strategies demonstrate consistency with the redevelopment proposal for this project.

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

No residential relocation is required because there are no families or individuals residing on the site.

SIDA – 460 North Franklin Street – Upstate City – by – City EOF Capital (X754)
September 20, 2012

Empire Opportunity Fund Determinations

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 of that project's costs, or if project funding does exceed 25 percent of that project's total costs, the Director of the Division of the Budget has authorized the provision of such amount.

Disclosure and Accountability Certifications:

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

SIDA – 460 North Franklin Street – Upstate City – by – City EOF Capital (X754)
September 20, 2012

September 20, 2012

Syracuse (Central New York – Onondaga County) – SIDA – 460 North Franklin Street –
Upstate City – by – City EOF Capital – Determination of No Significant Effect on the
Environment

RESOLVED, that based on the material submitted to the Directors with respect to the SIDA –
460 North Franklin Street – Upstate City-by-City EOF Capital Project, the Corporation hereby
determines that the proposed action will not have a significant effect on the environment.

B. Washington County Board of Supervisors - Infrastructure Improvements Capital (W559)

September 20, 2012

General Project Plan

Grantee:	Washington County Board of Supervisors (the “Board”)
ESD Investment:	A grant of up to \$100,000 to be used for the cost of infrastructure improvements for additional broadband service.
Project Locations:	Towns of Cambridge, Fort Ann, Kingsbury, Argyle; Washington County
Proposed Project:	Broadband expansion to extend access to identified areas that currently lack connection.
Project Type:	Infrastructure Improvements
Regional Council:	The Capital Regional Council has been made aware of this item. Project predates the Regional Council Initiative.

Background:

Industry – The Board of Supervisors is the governmental entity in Washington County.

Organizational History – Washington County (the “County”) was founded as Charlotte County in 1772 and later renamed after the first president in 1784. The County is mainly rural, with agriculture and manufacturing industries. The population is approximately 63,216 residents in an 831-square-mile area. There are 17 towns and 9 villages in the County.

The County town supervisors also represent their towns as one of the 17 representatives on the Washington County Board of Supervisors. The Board has both legislative and executive powers. Each year, the Board elects a chairman, who at the same time, serves as the chief elected official of the County.

Size – Washington County includes 17 towns and 9 villages.

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

Past ESD Support - This is the organization’s first project with ESD.

Washington County Board of Supervisors - Infrastructure Improvements Capital (W559)

September 20, 2012

The Project:

Completion – December 2012

Activity – The County has identified multiple infrastructure upgrade and expansion projects necessary for supporting existing economic and community development important for attracting and securing new business opportunities. The lack of broadband service has been identified as a major obstacle for companies to locate in the County.

Project expansion includes Hudson Valley Wireless utilizing pre-existing privately owned buildings and infrastructure to attach wireless connectivity points to further the coverage area to population currently reliant on dial-up service. In addition, Time Warner Cable, the service provider, will install the fiber optic lines in identified gap areas to build up service for commercial, residential and land development use.

Results – As a result of the project, four communities in Washington County will benefit from broadband service and wireless Internet access. The three-part coverage expansion project includes: wireless service to the Town of Cambridge Town Hall, including a four-mile radius area currently without coverage; extension of 9,768 feet of broadband that will link the Towns of Fort Ann and Kingsbury along Route 4; and the extension of 12,355 feet of broadband to the Town of Argyle along Route 45.

The project will begin in September 2012 and is expected to be completed by December 2012.

Financing Uses	Amount	Financing Sources	Amount	Percent
Infrastructure improvements to expand broadband service and wireless Internet access	\$100,000	ESD Grant	\$100,000	100%
Total Project Costs	\$100,000	Total Project Financing	\$100,000	100%

Grantee Contact - John Rymph, Chairman
Washington County Board of Supervisors
383 Broadway
Fort Edwards, NY 12828
Phone: (518) 746-2210 Fax: (518) 746-2219

Project Team - Project Management Javier Roman-Morales
Contractor & Supplier Diversity Diane Kinnicutt
Environmental Soo Kang

Washington County Board of Supervisors - Infrastructure Improvements Capital (W559)

September 20, 2012

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 \$100,000 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. Expenses must be incurred on or after April 1, 2012 to be considered eligible project costs.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the 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.

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.

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.

Statutory Basis – New York State Economic Development Assistance Program:

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.

Washington County Board of Supervisors - Infrastructure Improvements Capital (W559)

September 20, 2012

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
September 20, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: New York (New York County) – Moynihan Station Civic and Land Use Improvement Project

REQUEST FOR: Authorization to Grant Easements with Respect to the Portions of the James A. Farley Post Office Building and Annex that Will Become Part of the Expanded West End Concourse at the Completion of Phase 1 of the Moynihan Station Project; and Authorization to Take Related Actions

1. BACKGROUND

As part of Phase 1 of the Moynihan Station Project, MSDC will oversee the construction of the extension and widening of the West End Concourse to provide access to Platforms 3 thru 11 in Penn Station (the “New WEC”), which is located under the Farley complex.

The New WEC will be used by Long Island Railroad (“LIRR”), New Jersey Transit, and Amtrak passengers.

In support of the Phase I Project, the Metropolitan Transportation Authority (the “MTA”), the parent of LIRR, is contributing Thirty-Five Million, Five Hundred Thousand Dollars (\$35,500,000.00) toward the Phase I Project.

Authorization is sought to (i) grant to LIRR, its successors and assigns, a perpetual easement and right-of-way upon, over, under and across the portions of the Farley complex in order for LIRR to access and maintain the extended and widened New WEC and (ii) enter into an agreement with National Railroad Passenger Corporation (“Amtrak”) pursuant to which ESD will provide to Amtrak the same easement in the event that LIRR is no longer using or maintaining the WEC or Amtrak requests such easement.

The existing West End Concourses is 216' by 16'6" and utilizes an easement that was originally provided to LIRR by the United States Postal Service. The requested easement will extend the existing easement in order to encompass the expansion of the concourse to 405' by 48'. The concourse is and will continue to be suspended from the Farley superstructure. A schematic of the proposed easement for the New WEC is attached.

In accordance with the New York State Public Authorities Accountability Act of 2009, MSDC has undertaken an independent appraisal of this space. Jerome Haines Realty conducted this appraisal for MSDC over the summer of 2012, and found the space to have a zero value because of its location, access limitations and the cost of construction required in order to utilize the space for non-railroad activities. A summary of the appraisal is attached and the full appraisal shall be filed in the records of the corporation.

MTA, LIRR and Amtrak have entered into an Operation and Maintenance Agreement for the New WEC. Upon completion of the construction of the New WEC, LIRR and Amtrak will inspect and accept the improvement and provide for its operation and maintenance in perpetuity.

2. NON-DISCRIMINATION AND CONTRACT AND SUPPLIER DIVERSITY

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority- and women-owned 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.

3. ENVIRONMENTAL REVIEW

ESD, as lead agency on behalf of MSDC, conducted an environmental review of the project pursuant to the requirements of the State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation. This review addressed all aspects of construction and operation of Phase I of the project, therefore, no further environmental review is necessary in connection with this authorization.

4. REQUESTED ACTIONS

The Directors are requested to authorize necessary and appropriate actions to effectuate the foregoing.

5. RECOMMENDATION

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

6. ATTACHMENTS

WEC Appraisal Summary

Schematic of Moynihan Station WEC LIRR Easement

Resolution

September 20, 2012

New York (New York County) – Moynihan Station Civic and Land Use Improvement Project – Authorization to Grant Easements with Respect to the Portions of the James A. Farley Post Office Building and Annex that Will Become Part of the Expanded West End Concourse at the Completion of Phase 1 of the Moynihan Station Project; and Authorization to Take Related Actions

RESOLVED, that on the basis of the materials (the “Materials”) presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Moynihan Station Civic and Land Use Improvement Project (the “Project”), the Corporation is hereby authorized to grant the easements with respect to the James A. Farley Post Office Building and Annex for the purposes and substantially on the terms and conditions set forth in the Materials, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate; and be it further

RESOLVED, that the President or his designee(s) be, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the easements as he or she may deem necessary or appropriate in connection with the furtherance of the Project; and be it further

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

FOR CONSIDERATION

September 20, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Town of Orangetown (Rockland County) – Designation of Land Purchased at the Rockland Psychiatric Center for Public and Municipal Use

REQUEST FOR: Authorization to Extend Period to Designate 216 Acres of Land in the Town of Orangetown for Public and Municipal Use by Five Years

Background

Pursuant to the Community Mental Health Reinvestment Act, Chapter 723 of the Laws of 1993 (the "Act"), and in coordination with the State Interagency Council on Mental Hygiene Property Utilization (the "IAC"), ESD assists the State in disposing of surplus mental health property. In accordance with the Act, ESD acquires the State's interest in surplus mental health properties from the Dormitory Authority of the State of New York ("DASNY") and in turn conveys these properties to proposed purchasers.

In 2003, the Town of Orangetown ("Orangetown") purchased 348 acres of land at the former Rockland Psychiatric Center. Performing its typical role in the sale of former mental health properties, ESD acted as the pass through for the conveyance of title. The deed conveying that title required that within twelve years (the "Designation Period") Orangetown designate 216 acres of the 348 acre parcel solely for recreational and municipal use. Orangetown is requesting that, in light of a developing master plan and ongoing negotiations with the Office of Mental Health ("OMH") for the purchase of additional property at the former Rockland Psychiatric Center, ESD agree to a five year extension of the Designation Period from January 22, 2015 to January 22, 2020.

ESD only acted as a pass through at closing for conveyance of title. However, it is the party that conveyed the property and, therefore, retained the rights that are reserved within the deed.

As a matter of due diligence, ESD surveyed all members of the IAC (OMRDD, OMH, OASAS, OGS, DOB and DASNY). None of the members had any objection to extending the Designation Period.

Proposal

It is proposed that ESD amend the deed to extend the Designation Period another five years. This action does not require the approval of the New York State Public Authorities Control Board ("PACB"). The original terms of the Designation Period were outlined in the deed. This occurred after the PACB resolution regarding the 2003 sale was approved. The five year extension being contemplated would, similarly, occur outside of PACB review.

Non-Discrimination & Contractor and Supplier Diversity

Orangetown shall affirm that it does not discriminate upon the basis of race, creed, color, sex or national origin.

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 land at the Rockland Psychiatric Center, the Directors made a Determination of No Significant Effect on the Environment at their meeting of October 17, 2002. The present request to amend the deed to extend the Designation Period does not constitute an action beyond those actions already considered and does not require additional environmental review under SEQRA.

Attachments

Resolution

Letter from Orangetown Town Supervisor

2002 ESD Directors' Materials

September 20, 2012

Town of Orangetown (Rockland County) –Authorization to Extend Period to Designate 216 Acres of Land in the Town of Orangetown for Public and Municipal Use by Five Years

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 Corporation hereby finds, pursuant to Section 5 of the New York State Urban Development Corporation Act of 1968, as amended, that it is necessary and convenient for the Corporation to extend period to designate 216 acres of land in the Town of Orangetown for public and municipal use by five years; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or other proper Officer(s) of the Corporation be, and each of them hereby is, authorized in the name and on behalf of the Corporation to take such actions and make such modifications, execute and deliver and affix the seal of the Corporation to all such agreements, contracts, deeds, certificates and instruments and to take any such action as he may, in his sole discretion, consider to be necessary or proper to effectuate the extension by five years of the period to designate the 216 acres of land for public and municipal use; and be it further

RESOLVED, that the President and Chief Operating Officer of the Corporation or other proper Officer(s) of the Corporation be, and each of them hereby is, authorized to extend by five years of the period to designate the 216 acres of land for public and municipal use on such terms and conditions as may be deemed reasonable and satisfactory by the President and Chief Operating Officer or other proper Officer(s); and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or other proper officer(s) of the Corporation be, and each of them hereby is, authorized in the name and on behalf of the Corporation to take such actions and make such modifications, execute and deliver and affix the seal of the Corporation to all such agreements, contracts, deeds, certificates and instruments and to take any such action as he may, in his sole discretion, consider to be necessary or proper to effectuate the extension of the designation period.

* * *

FOR CONSIDERATION
September 20, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Establishment of Pre-Qualified Counsel List

RE: Approval of Pre-Qualified Counsel

Background

Among its many functions, the Corporation implements or facilitates a number of large and complex economic development projects and initiatives. The size, nature, complexity and timing of these projects typically require the Corporation to call on the assistance of outside counsel in various areas of expertise. To permit the Corporation to respond to the needs of these projects expeditiously, while having available to the Corporation the benefits of a broad solicitation of qualified outside law firms, legal department staff maintains a list of pre-qualified counsel. The current list, which was adopted in 2008 and amended in 2010, will expire next month. Staff, therefore, has conducted a broad solicitation of interested law firms, has reviewed the submissions and compiled a list which is now recommended to you for adoption. As in the past, we recommend that the list remain in effect for 3 years, subject to extension by an additional year, in the discretion of the General Counsel.

The Solicitation

On April 23, 2012, staff placed an advertisement in the New York State Contract Reporter requesting proposals from law firms in the following areas of law: real estate and land use; environmental; construction; condemnation; bankruptcy; labor; taxation; bond financing; foreclosure and, in each case, related litigation. Proposals were due by May 17, 2012.

In addition, staff contacted by letter and/or email all firms that had responded to the 2008 and 2010 solicitations, all New York State certified minority- and women-owned business enterprise firms ("M/WBE"), as well as other firms referred to us by ESD staff and others. All such communications advised the firms of the Contract Reporter procurement opportunity.

Sixty-six firms responded to the solicitation. The responses were evaluated by a Review Committee consisting of the Deputy General Counsel and five Senior Counsels, including the Senior Counsel primarily responsible for bond financings and the Senior Counsel for environmental and litigation matters. The submissions were evaluated on the basis of, among other things: number and experience of attorneys practicing in each area of expertise; demonstrated experience in development projects similar to those in which the Corporation engages; experience in government and public/private initiatives generally; presence and size

* M/WBE Firm

** Certification Pending

of office(s) in New York State; the firm's current arrangements and/or willingness to engage in future MWBE partnering or mentoring arrangements; and willingness to work within the Corporation's limitation on hourly fees. In some cases, additional information was requested in clarification of an initial submission and nine firms were selected for interviews.

Based on the review, staff recommends approval, as pre-qualified counsel to the Corporation, in the indicated areas of expertise, the 49 firms listed on Attachment A to these materials. This will permit staff to respond to project needs efficiently.

Financial Commitment and Selection from the List

The Directors are not now being asked to authorize the retention of any firm in connection with any matter. Instead, the requested approval would serve to make available to the Corporation a selection of candidate firms that have been through a broad solicitation process. This would allow staff to select from among the candidate firms to recommend to the Directors in the future for retention in connection with particular projects without the need for conducting individual solicitations in each instance. This will save for each project the two or more months that is normally needed to conduct a solicitation, perform the necessary review and formulate a recommendation.

In addition, staff recommends that the General Counsel or, in the General Counsel's absence, the Deputy General Counsel, be given the authority to refer to any such counsel matters in related areas of expertise as s/he may deem appropriate and advisable in connection with any project. For example, in the event that a tax issue arises in connection with a real estate transaction, the General Counsel or, in the General Counsel's absence, the Deputy General Counsel, in his/her discretion could call on the expertise of tax attorneys with the pre-qualified firm that was selected to handle the real estate aspects of the transaction.

Duration of List

Staff recommends that the pre-qualified list remain in effect for three years, with the option to extend the duration of the list for an additional year at the discretion of the General Counsel or, in the General Counsel's absence, the Deputy General Counsel.

Environmental Review

ESD staff has determined that this determination does not constitute an action as defined by the New York State Environmental Quality Review Act and its implementing regulations. No further environmental review is required in connection with the requested approval.

* M/WBE Firm

** Certification Pending

Recommendation and Requested Action

Staff recommends and the Directors are requested to approve the firms on Attachment A to these materials as pre-qualified counsel in the areas of expertise indentified in such Attachment (and in each case related litigation) and, in the discretion of the General Counsel or, in the General Counsel's absence, the Deputy General Counsel, such related areas of expertise as the s/he may deem appropriate and advisable in connection with any project, for a term of three years plus an additional year at the option of the General Counsel or, in the General Counsel's absence, the Deputy General Counsel.

Attachment

Resolution

Attachment A

* M/WBE Firm

** Certification Pending

September 20, 2012

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT–
Approval of Pre-Qualified Counsel

BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, the law firms, listed in Attachment A be and each hereby is, approved as pre-qualified counsel in the various areas of expertise (and, in each case, related litigation), and in such other areas as the General Counsel or, in the General Counsel's absence, the Deputy General Counsel, may in his or her sole discretion may deem appropriate or advisable in connection with any particular project or matter, such approval to remain in effect until the meeting of the Directors first occurring after September 20, 2015 or, in the discretion of the General Counsel or, in the General Counsel's absence, the Deputy General Counsel, until the meeting of the Directors first occurring after September 20, 2016.

* * *

* M/WBE Firm
** Certification Pending

FOR CONSIDERATION

September 20, 2012

TO: The Board of Directors

FROM: Kenneth Adams

SUBJECT: Victoria Theater Redevelopment Project-Environmental Matters Legal Counsel

REQUEST FOR: Authorization to Amend the Agreement for Legal Services with Sive Paget & Reisel PC Law Firm and to Take Related Actions

I. Contract Summary

Contractor: Sive Paget & Reisel PC Law Firm

Scope of Services: Legal Services

Contract Term: Tentative completion or expiration date of 12/31/2011

Proposed Term Extension: Tentative completion or expiration date of 12/31/2013

Contract Amount: Not to exceed \$ 250,000.00

Proposed Amendment Amount: Increase contract value by an amount not to exceed \$100,000.

New Proposed Total Contact Amount: \$350,000.00

Funding Source(s): Imprest account funded by the redevelopment project's private developer.

II. Background

The New York State Urban Development Corporation, d/b/a Empire State Development (“ESD” or the “Corporation”), is working with its subsidiary Harlem Community Development Corporation (“Harlem CDC”) in connection with the redevelopment of the historic Victoria Theater. The Project’s size and historic designation necessitate an Environmental Impact Statement (“EIS”) be prepared and reviewed under the State Environmental Quality Review Act (“SEQRA”), and that historic preservation measures be addressed through consultation with the State Historic Preservation Office (“SHPO”). The Project also includes overrides of local law and regulations with respect to zoning.

In May 2008, the ESD Directors authorized a legal services agreement between ESD and Sive Paget & Reisel P.C. (the "Firm") for legal services in connection with the redevelopment of the Victoria Theater, which is owned by Harlem CDC. The work performed by the Firm has been for legal services related to environmental matters and compliance with SEQRA. The total approved contract value had a limit of \$250,000, all of which has been paid to the Firm for services rendered. The Firm continues to perform well and demonstrates the experience and capability to provide the required advice and counsel for the Project.

ESD working with Harlem CDC has overseen the preparation of a Draft Environmental Impact Statement ("DEIS") for the proposed development. The DEIS, along with the General Project Plan ("GPP") were presented and accepted by the Directors of both ESD and Harlem CDC in July 2012. The Firm provided essential advice and assistance with respect to the environmental considerations required in connection with these actions. Additional legal work in connection with environmental matters such as public review of the DEIS and GPP, preparation of a Final Environmental Impact Statement and SEQRA findings, is required in connection with the SEQRA and GPP review processes.

The Firm's experience and familiarity with the project uniquely qualify it to perform the remaining environmental legal services in connection with the project. In order to continue working with the Firm, staff proposes that the Board extend the contract term and authorize an increase to the contract value. Payments of the contract amount are made using the proceeds of the imprest account funded by the redevelopment project's designated private developer (the "Imprest Account"), Danforth Development Partners LLC ("Danforth"), pursuant to a Memorandum of Understanding ("MOU") between Harlem CDC and Danforth.

III. Contractor Selection Process

The Corporation maintains a competitively solicited list of counsel pre-qualified in various practice areas, including environmental law. The Firm is on the current prequalified list.

Pursuant to State Finance Law Section 139-j and 139-k and the Corporation's policy related thereto, staff has: a) considered the proposed contractor's ability to perform the services provided for in the proposed contract; and b) consulted the list of offerers determined to be non-responsible bidders and debarred offerers maintained by the New York State Office of General Services. Based on the foregoing, staff considers the proposed contractor to be responsible.

IV. Scope of Work

The scope of work remains the same as under the original contract for legal services.

V. Contract Term, Price and Funding

The contract had an initial term that began May 30, 2008 with a tentative completion or expiration date of December 31, 2011. The contract value was \$250,000. It is proposed that the tentative completion or expiration date be extended to December 31, 2013 and that the contract value be increased by \$100,000, for a new total contract amount not to exceed \$350,000. The contract provides that the work will be performed on an hourly charge basis at Firm's rates as agreed to in the original contract. Payments will be made from the Imprest Account, pursuant to the MOU.

VI. Non-Discrimination and Contractor & Supplier Diversity

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

VII. Environmental Review

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

VIII. Requested Action

The Directors are requested to: (1) make a determination of responsibility with respect to Sive Paget & Reisel PC (the "Firm") the proposed contractor; and (2) authorize a contract amendment to extend the term to December 31, 2013 and to increase the amount by one hundred thousand dollars (\$100,000), for a new total contract amount of three hundred and fifty thousand dollars (\$350,000) and to take all related actions necessary and advisable in connection with such amendment.

IX. Recommendation

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

X. Attachments

Resolution

September 20, 2012

EMPIRE STATE DEVELOPMENT – Authorization to Amend the Agreement for Legal Services with Sive Paget & Reisel PC (the “Firm”)and Authorization to Take Related Actions

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

RESOLVED, that the Corporation is hereby authorized to enter into an amendment to the agreement with Sive Paget & Reisel PC (the “Firm”) to extend the tentative completion or expiration date to December 31, 2013 and to increase the contract value by one hundred thousand dollars (\$100,000), for a new total contract amount not to exceed three hundred and fifty thousand dollars (\$350,000), all on the terms and conditions set forth in the Materials, with such amendments and modifications as the President, or his designee(s) shall deem necessary and appropriate;

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

* * *

FOR CONSIDERATION

September 20, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Towns of Perth and Johnstown (Fulton County) - Proposed Disposition of the Tryon Boys and Girls Center

REQUEST FOR: Authorization to Acquire and Dispose of Real Property to the Fulton County Industrial Development Agency in accordance with the Applicable Provisions of the Public Authorities Law, Determination of No Significant Effect on the Environment and Take Relate Actions.

I. Background

In the spring of 2011, the Division of the Budget and the Legislature agreed to close several correctional and juvenile facilities around the State operated by the Department of Corrections and Community Supervision and the Office of Children and Family Services (“OCFS”). In August of 2011, the Tryon Boys and Girls Center (the “Tyron Facility”) operated by OCFS was one of the facilities closed. The Tryon Facility consists of multiple buildings located on over 500 acres located in the towns of Perth and Johnstown in Fulton County (the “County”).

At the request of the Governor’s Office, an adhoc committee of agency heads, together with staff from the NYS Office of General Services (“OGS”), the Division of Budget (“DOB”) and Empire State Development (“ESD”) have engaged in weekly discussions focused on disposition of these large institutional properties. These deliberations verified that some of the facilities are marketable and can generate revenue while others require creative approaches in order to transfer them from State ownership and to avoid the continued carrying costs and potential liabilities associated with depreciating properties. The Tryon Facility falls into the latter category.

II. Proposed Transaction

The majority of the Tryon Facility is owned by the State with a portion owned by ESD pursuant to various bond financings. The proposed transaction will require that ESD acquire the entire Tyron Facility and then simultaneously transfer it to the Fulton County Industrial Development Agency (“FCIDA”).

The various bond issues that financed the portion of the Tryon Facility owned by ESD have all been paid, in part from refunding bonds issued by ESD. The transfer is not restricted by the

refunding bonds since the Tryon Facility does not secure the refunding bonds. An opinion of bond counsel will be necessary to ensure that the refunding bonds will remain in compliance with Federal tax law.

Since the closing of the Tryon Facility, local officials have worked out a plan to develop the site and have requested that the property be transferred to the FCIDA for nominal consideration to allow the FCIDA to create the Tryon Technology Park and Incubator Center (the "Tryon Center"), an industrial and commercial business park.

The FCIDA has a track record and experience in the development, operation and management of business parks in Fulton County. The FCIDA was responsible for the successful development of the Glove Cities Industrial Park, the Crossroads and Johnstown Industrial Parks and the Crossroads Business Park. Each of these industrial parks are at or near capacity thereby limiting the FCIDA's ability to attract new businesses to the Fulton County.

The transfer of the Tryon Facility to the FCIDA is anticipated to have significant local benefits. Primarily, the transfer would allow the creation of an industrial park with the primary purpose to create new jobs to replace the 300+ lost when the Tryon Facility closed. In addition, the transfer to the FCIDA and the ultimate sale of lots to private businesses would create a new tax base and property tax revenues for the local governments and provide additional state and local tax revenues associated with the expected job creation. Furthermore, the transfer of the Tryon Facility will save OCFS the annual "carrying costs" for the facility which are approximately \$182,000.00.

The appraised value of the Tryon Facility is \$2 million pursuant to two (2) independent appraisals obtained by OGS. Despite this, the marketing and sale of such a large 1960's era facility in Fulton County is a formidable challenge with little hope securing significant revenue because the Tryon Facility will require demolition of some of the older structures, infrastructure improvements, and environmental remediation of asbestos in some of the structures.

Due to these factors, redevelopment of the Tryon Facility into an industrial park is viewed as the better alternative. The idea has widespread local support and was identified as a regionally significant project in the strategic plan adopted by the Mohawk Valley's Regional Economic Development Council in November of 2011. That plan envisions a \$3.14 million transformation of the Tryon Facility into a business park by conducting engineering evaluations of infrastructure needs, then constructing new and updated water, sewer, utilities and roads. In addition to transferring the Tryon Facility to FCIDA for no monetary consideration, New York State has offered the County an incentive of \$2 million through the Economic Transformation Program. The County hopes that the new business park's proximity to Luther Forest and the Global Foundries site will attract supply and support businesses. The transformation of the Tryon Facility into the Tryon Center is slated to begin with design work this year and to be fully completed by December 2015.

The proposed ESD transaction consists of the following elements:

- The portion of the Tryon Facility owned by the State will be acquired by ESD and the entire property will simultaneously be transferred to the FCIDA for no monetary consideration.

- The transfer documents will require the FCIDA to develop the Tryon Facility into the Tryon Center. In the event that the FCIDA does not use the property for the intended purposes, the FCIDA will be required to pay the State the appraised value of the property.

- FCIDA will take the property “as is” and will be responsible for all costs associated with redevelopment.

III. Compliance with the Public Authorities Accountability Act

Pursuant to the provisions of the Public Authorities Accountability Act (“PAAA”), ESD is required to dispose of property through a competitive process unless a specific statutory exception applies. In the present case, the relevant exception permits negotiated transactions when the purpose of the transfer is within the purpose, mission or governing statute of the public authority.

As the transfer of the property to the FCIDA will create an industrial park to create jobs, spur private investment and increase the state/local tax base, the transfer is within the purpose, mission and governing statute of ESD. As a negotiated transaction an explanatory statement is also required to be sent to various public officials. This statement has been filed.

Furthermore, the following information is provided for the below market transfer pursuant to the PAAA:

- (i) A full description of the asset: Multiple buildings located on over 500 acres located in the towns of Perth and Johnstown, Fulton County constituting the former Tryon Facility operated by OCFS.
- (ii) An appraisal of the fair market value of the asset: Pursuant to two independent appraisals completed by OGS, the appraised value of the Tryon Facility is \$2,000,000.
- (iii) A description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved a required by the transfer, the benefits, if any to the communities in which the asset is situated as are required by the transfer: As more fully described in these materials, the public benefit expected includes the creation of the Tryon Center which will created private sector jobs, increased tax revenues and save the State carrying costs associated with ownership of the Tryon Facility.
- (iv) A statement of the value to be received compared to the fair market value: The transfer will not provide any monetary compensation to the State or ESD but will result in significant economic development benefits to the State and local communities as described in these materials. In addition, the State will eliminate the obligation to pay carrying costs associated with owning the Tryon Facility.

- (v) The names of the private parties participating in the transfer: The transfer will be made to the FCIDA that is represented by the law firm of FitzGerald Morris Baker Firth PC. No other private parties are participating in the transaction.
- (vi) The names of the private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used: No other offer has been received.

The goal of the transfer of the Tryon Facility is the creation of a commercial/industrial park in Fulton County in order to further the economic development interests of the State and local communities. As described in these materials, due to the FCIDA's past record with similar projects in Fulton County, it is uniquely qualified to develop the Tryon Center. Furthermore, as FCIDA does not have available funding to purchase the Tryon Facility and the County is a recipient of a State grant to develop the property, there is no reasonable alternative to the proposed below market transfer that would achieve the same purpose of such transfer.

IV. Environmental Review

The FCIDA, as lead agency, has completed an environmental review of the proposed acquisition and transfer of the Tryon Facility 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 was an involved agency in the coordinated SEQRA review. The FCIDA found the proposed action to be a Type I action which would not have a significant effect on the environment and issued a Negative Declaration. The Negative Declaration makes clear that the FCIDA will undertake the necessary SEQRA review for the Tryon Center at such time that plans for its development are sufficiently advanced. ESD staff reviewed the Negative Declaration and supporting materials and concurs with the determination. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

V. Requested Action

The Directors are requested to (1) authorize the acquisition of the portions of the Tryon Facility owned by the State; (2) authorize the disposition and conveyance of title of the entire Tryon Facility to the FCIDA; (3) make a determination of no significant effect on the environment; and (4) authorize the corporation to take all related actions.

VI. Recommendation

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

Attachment
Resolution

September 20, 2012

Towns of Perth and Johnstown (Fulton County)- Proposed Disposition of the Tryon Boys and Girls Center - Authorization to Acquire and Dispose of Real Property to the Fulton County Industrial Development Agency in accordance with the Applicable Provisions of the Public Authorities Law, Determination of No Significant Effect on the Environment and Take Relate Actions.

RESOLVED, that based on the materials presented to this meeting and ordered filed with the records of the New York State Urban Development Corporation d/b/a Empire State Development (the "Corporation") relating to the former Tryon Boys and Girls Center, the Corporation be and hereby is authorized to: (i) acquire real property from the State of New York consisting of the Tryon Boys and Girls Center in Towns of Perth and Johnstown in Fulton County; (ii) dispose and convey title of the Tyron Boys and Girls Center to the Fulton County Industrial Development Agency; and (iii) take all related actions, including utilizing bond counsel to confirm compliance with applicable Federal tax law; and be it further

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

RESOLVED, that on the basis of 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 of the Corporation or his designees be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolutions and to maintain compliance with Federal tax law applicable to the Corporation's refunding bonds with respect the portion of the Tryon Facility owned by the Corporation pursuant to various bond financings.

* * *

FOR CONSIDERATION

September 20, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Procurement of Support for PeopleSoft Financial system

REQUEST FOR: Authorization to Enter into a Contract for software support services.

I. Contract Summary

Contractor: CherryRoad Technologies Inc.

Scope of Services: Provide software support for our PeopleSoft Financial system

Contract Term: 5 year

Contract Amount: Not to exceed \$ 192,000

Funding Source(s): MIS Operating Budget

II. Background

Our Financial System (Oracle - PeopleSoft FSCM Release 8.4) is a large and complicated system. It goes without saying that it is a critical system. Technical Support is necessary in order to provide quick and accurate solutions to software and system problems which can, and do, occur.

Under ideal conditions, it would normally be supported by the original vendor (Oracle) but due to high annual fees (\$94,269.37 as of April 2012) and Oracles policy to pay back fees for support reinstatement (over \$440,000.00 as of the date of this document), this is not practical. Since we are not supported by Oracle, we need to contract support to a third party support provider. We would like to enter into a long term contract to ensure continuity of support.

III. Contractor Selection Process

On June 6, 2012, staff placed an advertisement in the New York State Contract Reporter requesting proposals from vendors experienced in software support services. Six vendors responded to the solicitation. The responses were evaluated by a Review Committee consisting of the Manger of Technical Services, the Director of Budgeting/Business Solutions and a Treasury Operations System Specialist. The submissions were evaluated on the basis of, among other things: knowledge,

understanding and experience with the licensed products; knowledge and understanding of PeopleSoft Systems and Server Administrative functions and tools; and a history of the firm's consulting experience including similar public entities.

The Review Committee reviewed the qualifications of the six respondents and determined that CherryRoad Technologies Inc. had the lowest bid and the required experience and capabilities to handle the issues related to ESD's PeopleSoft Financial system. In addition, having previously worked with ESD, CherryRoad proved to be a reliable vendor.

Pursuant to State Finance Law Section 139-j and 139-k and the Corporation's policy related thereto, staff has; a) considered proposed contractor's ability to perform the services provided for in the proposed contract; and b) consulted the list of offerers determined to be non-responsible bidders and debarred offerers maintained by the New York State Office of General Services. Based on the foregoing, staff considers the proposed contractor to be responsible.

IV. Scope of Work

PeopleSoft application technical support will include the following modules as part of the PeopleSoft Financials Suite:

General Ledger, Billing Project Costing, Purchasing, PeopleTools, Treasury, Accounts Payable Expenses, Asset Management, Accounts Receivable, Grants

The support services to be provided by CherryRoad Technologies as part of this Application Support contract are outlined below:

- PeopleSoft Break/Fix Support – This includes working with the ESD development staff to resolve PeopleSoft related issues for delivered or ESD custom functionality. This does not include the completion of new development or new requirements to existing functionality.
- Support for New ESD Customizations – While ESD will be responsible for the actual development of any new customizations, CherryRoad will provide high level support to aid the ESD developer.
- PeopleSoft System Administration Support – PeopleSoft Application related server side support including, but not limited to, Cobol Support, Web and Application Server Support and Process Scheduler Support.
- Performance Tuning – Review and assist in rectifying performance issues related to long running PeopleSoft processes.
- Upgrade Support – Provide direction and QA support to the ESD PeopleSoft Support Team during any potential application upgrade.

V. Contract Term, Price and Funding

- **Proposed term of the contract:**
Years 1 – 3 Monthly \$3,000. \$36,000 a year for first 3 years (\$108,000).
Years 4 & 5 Monthly \$3,500. \$42,000 a year for last 2 years (\$84,000).
No additional fees.
Total cost for a 5 year contract: \$192,000.
- **Basis or method of payment of the fee:** 5 annual payments as described in proposed term.

- **Source of funding:** MIS Operating Budget.

VI. Non-Discrimination and Contractor & Supplier Diversity

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

VII. Environmental Review

ESD staff has determined that the authorization of payment for provide software support for the PeopleSoft Financial system does not constitute an action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the authorization.

VIII. Requested Action

The Directors are requested to authorize the Corporation to enter into a contract with CherryRoad Technologies Inc. for an amount not to exceed one hundred ninety two thousand dollars (\$192,000).

IX. Recommendation

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

XI. Attachments

Resolution

September 20, 2012

EMPIRE STATE DEVELOPMENT CORPORATION – Authorization to Enter Into a Contract with CherryRoad Technologies Inc. to provide software support for our PeopleSoft Financial system and to Take Related Actions

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

RESOLVED, that the Corporation is hereby authorized to enter into a contract with CherryRoad Technologies Inc., in an amount not to exceed one hundred ninety two thousand dollars (\$192,000) for a term of five (5) years for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

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

* * *

FOR CONSIDERATION

September 20, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: New York (Bronx County) – Contract of Sale

RE: Authorization to (i) Enter into a Contract of Sale for an amount no less than \$250,000 for a residential property located at 2570 Bouck Avenue, Bronx, (ii) Pay Off the Balance of the Senior Mortgage; (iii) Pay Outstanding Real Estate Taxes; (iv) Determination of No Significant Effect on the Environment.

SUMMARY

The Directors are requested to approve authorization for ESD staff to enter into a Contract of Sale (“Contract”) for the residential property located at 2570 Bouck Avenue, Bronx (the “Property”), which was previously encumbered by a second mortgage held by the New York State Urban Development Corporation (“UDC”) d/b/a Empire State Development (“ESD”). ESD acquired title to the Property in March 2012 through a foreclosure sale.

BACKGROUND

Reliable Catering Services, Inc. (the “Company” or “Reliable”) was a New York State certified minority owned business established in the early 1960’s. The firm operated as a restaurant, catering service, and cafeteria under the name of Copeland’s on 145th Street in Harlem. Copeland’s was acclaimed for its Southern Cuisine and operated successfully over the years, growing from estimated gross revenues of \$12,000 in 1961 to \$2.0 million in 1991. However, in the early 1990’s, Copeland’s growth slowed, which Copeland’s attributed to the changing demographics of the neighborhood and lead to their decision to expand by opening a new location in Harlem. The new project was named Copeland’s Country Kitchen (“CCK”), and was located on 125th Street in Harlem. In addition to the anticipated new clientele from area residents, the Harlem State Office building and the recently built Motor Vehicle Bureau office were estimated to bring

another 4,500 daily office workers to the area. The CCK total project cost was \$1,126,680, of which ESD funded \$500,000; Chase Manhattan funded \$350,000; and the owners' contributed \$276,680 in equity.

On December 28, 1995, ESD entered into a loan agreement with Reliable. The loan was intended to fund leasehold improvements and working capital toward the purchase of kitchen equipment and fixtures for the establishment of a cafeteria, bakery, and catering service at the new 125th Street location. The loan amount was \$500,000 with a term of 7-years at an annual interest rate of 4%. (the "Loan"). A principal payment moratorium was in effect for the first six months of the first year, and was to be followed by seventy-eight (78) consecutive monthly installments of \$7,290.28 principal and interest payments. The loan was secured by personal guarantees of Mr. and Mrs. Calvin and Rita Copeland (the "Guarantors") and a second mortgage on the Property.

The full amount of the Loan was disbursed on January 16th, 1996. However, CCK's new location was destroyed due to fire around the time of the disbursement. Reliable has not made any payments on its ESD loan and has been in default since March 1st, 1996. The Company filed for Chapter 11 bankruptcy protection soon thereafter, and in February 2008, ESD initiated action against Reliable and its Guarantors, challenging Reliable's bankruptcy plan. ESD ultimately succeeded in receiving judgment in the sum of \$584,047 against Reliable and the Guarantors. ESD has been unable to collect. In the fall of 2010, ESD also initiated a foreclosure proceeding against the Property.

PRIOR BOARD ACTION

On January 20, 2012, ESD Board of Directors authorized staff to acquire the Property at a foreclosure auction.

THE PROPERTY

The Property is located in the Pelham Gardens neighborhood of the Bronx. It is a 2,340 square foot, two-family residential house built in 1965.

The Property was appraised in April 2012 by KTR Real Estate Advisors ("KTR") for \$285,000. The interior of the Property was not accessible during the appraisal and is in a dilapidated condition far worse than that of comparable sales. Considerable rehabilitation will be required to make the Property habitable. The total costs that ESD has incurred, including the loan balance, interest, taxes, and attorney fees, is \$635,728. JP Morgan Chase is the holder of the first mortgage. Upon the sale of the Property, ESD will satisfy JP Morgan Chase's senior debt, approximately \$52,000, which includes real estate taxes and interest payment from February 2011 to August 2012.

CURRENT STATUS AND CONTRACT OF SALE

On March 12, 2012, ESD made a \$100,000 credit bid on the property at its foreclosure sale and received the deed to the Property on March 26, 2012.

ESD made effort to retain a pre-approved M/WBE real estate broker through competitive a Request for Proposal (“RFP”), however, no responses to the RFP were received. ESD subsequently retained an independent, minority-owned and operated Century 21 office, Sheik’s Realty, located near the Property on May 31, 2012. The Property was registered with the Multiple Listing Service (“MLS”) which allowed it to be placed on numerous real estate websites, and has been on the market for approximately two months. Several offers were received ranging from a low of \$245,000 to the highest and best offer of \$270,000 in all cash. ESD had received two all-cash offers for the property, however, in both instances the purchasers backed out do to unknown reasons. To ensure a quick sale in the future, the broker continues to show the property and staff is requesting Board of Directors authorization to enter into a contract with a responsible buyer for a price not less than \$250,000.

The Public Authorities Law imposes certain requirements on disposals of property. All disposals of real property require an appraisal. In addition, when certain types of disposals are made by an authority at less than fair market value or without soliciting bids, various reports and findings are required. Since the Corporation, or its agents, obtained an appraisal, publicly advertised for bids and made an award promptly at not less than fair market value that was most advantageous to the State, the proposed transaction conforms to the property disposition requirements of the Public Authorities Law.

ENVIRONMENTAL REVIEW

Pursuant to the requirements of the State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation, ESD 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.

REQUESTED ACTION

The Directors are requested to adopt the attached resolution authorizing ESD staff to (i) Enter into a Contract of Sale for an amount no less than \$250,000 of a residential property located at 2570 Bouck Avenue, Bronx, (ii) Pay Off the Balance of the Senior Mortgage; (iii) Pay Outstanding Real Estate Taxes; (iv) Determination of No Significant Effect on the Environment.

RECOMMENDATION

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

ATTACHMENT

Resolution

September 20, 2012

New York (Kings County) - Authorization to (i) Enter into a Contract of Sale for an amount no less than \$250,000 for a residential property located at 2570 Bouck Avenue, Bronx, (ii) Pay Off the Balance of the Senior Mortgage; (iii) Pay Outstanding Real Estate Taxes; (iv) Determination of No Significant Effect on the Environment.

RESOLVED, that on the basis of the materials presented to this meeting (the "Materials"), a copy of which is hereby ordered filed with the records of the Corporation, relating to the Contract of Sale for the residential property located at 2570 Bouck Avenue, Bronx New York (the "Property") and other related actions, ESD staff is hereby authorized to sell the Property for an amount no less than \$250,000 pay off the balance of the first mortgage, and pay outstanding real estate taxes, 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 of the Corporation or his designee(s) are, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

* * *

FOR CONSIDERATION

September 20, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Town of Lysander (Onondaga County) -- Radisson New Community Project

REQUEST FOR: Adoption of Amendment to General Project Plan; Authorization to Hold Public Hearing Thereon; Determination of No Significant Adverse Effect on the Environment; and Authorization to Take Related Actions

BACKGROUND

New York State Urban Development Corporation (“UDC”), now doing business as Empire State Development (“ESD”), by resolution of its Directors on June 29, 1971, adopted a General Project Plan (“GPP”) for development of the Lysander New Community Multi-Purpose Project (long known as “Radisson”) within the Town of Lysander, County of Onondaga, approximately 12 miles northwest of Syracuse. Radisson, conceived in the late 1960s as part of UDC’s New Community Program, currently consists of approximately 3,000 acres divided into Residential, Industrial, Commercial, and other land uses. UDC owned the underlying land, and over the past decades has been selling such land to private parties.

Today, Radisson is home to some 9,000 residents (approximately 50% of the Lysander population) within its Residential areas. Approximately 30 businesses, including Anheuser Busch InBev, McLane-Northeast, Gypsum Express, and the Radisson Health Center, as well as other warehouse and trucking companies, employ more than 2,000 people within Radisson’s Industrial areas. Approximately 350 acres of Industrial land in Radisson remains unsold, and therefore remains owned by ESD. In the Fall of 2010, ESD issued a public Request for Proposals soliciting offers to purchase ESD’s Radisson Industrial properties. ESD received no response to the Request.

PROPOSED AMENDMENT

The Radisson GPP contains “Land Use Controls” designating certain areas of Radisson for certain uses (e.g., Residential, Industrial, Commercial). Based on patterns of Radisson development over the years, ESD has occasionally modified the Land Use Controls to better fit and reflect the planning needs of the community.

In consultation with the Town of Lysander and with the Radisson Community Association and, again, based on Radisson’s pattern of existing development over the years, ESD has determined that it would be appropriate, and in accordance with sound development and planning

practices, to make certain further adjustments in the development program for Radisson. Changes to the Project's "Land Use Controls" in the GPP are required to accommodate such proposed changes in development. The specific proposed land use changes, on a parcel-by-parcel basis, are set forth below and in the GPP Amendment (with accompanying map) attached to these materials.

The GPP Amendment proposes changes in land use for the parcels described below. Please note that all parcels are vacant and have been undeveloped since the inception of Radisson over 40 years ago (with the sole exception of an abandoned single family home on Parcel 3).

Parcel 1. Town of Lysander Parcel 057.-02.32, consisting of approximately 9.14 acres fronting and to the east of Willett Parkway north of Deep Glade Drive. Currently owned by Willett Parkway Properties, LLC. Proposed land use change from Commercial/Office to Residential. Rationale: Parcel 1 has not been viable for commercial development. However, Parcel 1 is contiguous with existing Radisson Residential areas (to the east, south, and southeast). Accordingly, it appears that Parcel 1 may be better suited for Residential use. It is also envisioned that use of Parcel 1 as Residential might enable local empty nesters to remain local by downsizing their living quarters.

Parcel 2. Town of Lysander Parcel 058.-06-09.2, consisting of approximately 4.96 acres fronting and south of Route 31 (Belgium Road) just west of the Baldwinsville By-Pass (Route 631). Currently owned by J. Alberici & Sons, Inc. Proposed land use change from Industrial to Residential. Rationale: Parcel 2 borders existing residential development within the Village of Baldwinsville to the immediate south and west. The Radisson parcel further to the west, although designated Industrial, is undeveloped but for a cell tower.

Parcel 3. Town of Lysander Parcel 073.-01-04.1, consisting of approximately 13.05 acres fronting and south of Route 31 (Belgium Road) at the intersection of Loop Road. Currently owned by Gary H. Bell. Proposed land use change from Industrial to Commercial/Retail. Rationale: The properties east of Parcel 3 are currently zoned commercial/retail. It is envisioned that the proposed use change for Parcel 3 could encourage further contiguous commercial retail development along the Route 31 corridor, consistent with the existing businesses west of Parcel 3 (and east of the Baldwinsville By-Pass (Route 631)).

Parcel 4. Town of Lysander Parcel 057.-02-11.8, consisting of approximately 4.05 acres fronting and to the east of Willett Parkway north of Route 31 (Belgium Road). Currently owned by Willett Parkway Properties, LLC. Proposed land use change from Commercial/ Office to Commercial/Retail. Rationale: The properties south of Parcel 4 across Route 31 (Belgium Road) are currently designated and utilized as commercial retail sites. It is envisioned that the proposed use change for Parcel 4 could encourage further commercial retail development along the Route 31 corridor consistent with the existing businesses along such corridor. (An existing deed restriction on this Parcel, requiring "health care and/or related facility(s)", which is to expire on December 31, 2013, would not be modified.)

Parcel 5. Town of Lysander Parcel 057.-02-04.0, consisting of approximately 3.3 acres between Willett Parkway (to the east) and Loop Road (to the west), and fronting on both streets. Currently owned by Willett Parkway Properties, LLC. Proposed land use change from Industrial to Commercial/Retail. Rationale: Radisson’s initial GPP contemplated a Town Center within Radisson which has not been developed to date. The proposed land use change for Parcel 5, in concert with the proposed land use change to Parcel 6 (below), could facilitate development of the desired Town Center.

Parcel 6. A portion of Town of Lysander Parcel 057.-02-11.1, consisting of the approximately 78 easternmost acres of the total 120.82 acres of such Parcel, which portion is between Willet Parkway (to the east), Loop Road (to the west), and West Entry Road (to the north), and fronting on all three streets. Currently owned by ESD. Proposed land use change from Industrial to Commercial/Retail. Rationale: Again, Radisson’s initial GPP contemplated an as-yet undeveloped Town Center within Radisson. As with Parcel 5, it is envisioned that the proposed use change for Parcel 6 could facilitate development of the desired Town Center, which would complement the residential development to the east and serve as an effective transition area between the Residential area largely to the east and the Industrial area largely to the west.

Parcel 7. Town of Lysander Parcel 057.-02-18.0, consisting of approximately 15.44 acres off of Sixty Road north of Route 31 (Belgium Road) and north of Parcel 8 below. Currently owned by ESD. Proposed land use change from Industrial to Residential. Rationale: See Parcel 8 below.

Parcel 8. Town of Lysander Parcel 005.-02-04.1, consisting of approximately 4.45 acres off of Sixty Road between Route 31 (Belgium Road) and Parcel 7. Currently owned by ESD. Proposed land use change from Industrial to Residential. Rationale for Parcels 7 and 8: Parcels 7 and 8 both are contiguous with existing residential development to the west. Parcel 8 also has contiguous residential development to the south. All of the non-Radisson properties which completely surround Parcels 7 and 8 are zoned residential. Thus, Residential classification for Parcels 7 and 8 is in keeping with the surrounding land use. Accordingly, it appears that Parcels 7 and 8 are better suited for Residential use.

The Radisson GPP was last amended in June 2010.

ENVIRONMENTAL REVIEW

ESD, as Lead Agency, has completed an environmental review of the proposed amendment to the GPP, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review, which was coordinated with involved agencies due to the action’s Type I classification, found that the proposed action would not result in significant adverse impacts on the environment. Therefore, ESD staff recommends that the Directors make a Determination of No Significant Adverse Effect on the Environment.

NON-DISCRIMINATION AND CONTRACTOR AND SUPPLIER DIVERSITY

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority- and women-owned business in the performance of ESD contracts. For purposes of this item, however, which involves land use changes only and is not a contract for goods or services, goals will not be established.

REQUESTED ACTIONS

The Directors are requested to adopt the proposed Amendment to the General Project Plan, to authorize a public hearing on the proposed Amendment, and to make a Determination of No Significant Adverse Effect on the Environment. On the condition and subject to there being no substantive negative testimony or comment on the Amendment at such public hearing, the Directors further are requested, on the terms and conditions set forth in these materials, to affirm the Amendment to the General Project Plan.

RECOMMENDATION

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

ATTACHMENTS

Resolutions

Proposed Plan Amendment (with map showing sites of proposed use change)

September 20, 2012

TOWN OF LYSANDER (ONONGADA COUNTY) – RADISSON NEW COMMUNITY PROJECT -
Adoption of Amendment to General Project Plan; Authorization to Hold Public Hearing
Thereon; Determination of No Significant Adverse Effect on the Environment; and Authorization
to Take Related Actions

RESOLVED, that the Corporation does hereby adopt, for the purposes of the public hearing required by Section 16 of the New York State Urban Development Corporation Act of 1968, as amended (the "UDC Act"), and as may be appropriate pursuant to other applicable laws, with respect to the Radisson New Community Project (the "Project"), the proposed amendment to the General Project Plan (the "Plan Amendment") 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 Amendment, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that based on the materials presented to this meeting (the "Materials"), the Corporation hereby determines that the proposed Plan Amendment will not have a significant adverse effect on the environment; and be it further

RESOLVED, the proposed Plan Amendment shall not be final until action is taken as provided in the UDC Act and until such time as all requirements of applicable laws and agreements in connection therewith shall have been satisfied; 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, in the name of and on behalf of the Corporation, to take all such actions as may be necessary or appropriate in connection with the holding of such hearing pursuant to Section 16 of the Act, and as may be appropriate pursuant to other applicable laws (which hearing may be held simultaneously with one or more public hearings which may be held pursuant to the UDC Act and/or other applicable laws), including without limitation, the providing, filing or making available copies of the Plan Amendment, the fixing of a date for such hearing, the publication of a notice relating to the Plan Amendment and such hearing in accordance with the procedures heretofore approved by the Corporation with respect to similar hearings, and the making of a report or reports on such hearing, written comments received, and any local governmental recommendations respecting the Plan Amendment; 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, in the name and on behalf of the Corporation, to take all such further actions as they shall deem necessary or appropriate in

connection with carrying out the public hearing; and be it further
RESOLVED, that upon the written finding of the President and Chief Executive Officer of the Corporation, or his designee(s), that no substantive negative testimony or comment on the Plan Amendment was received at the public hearing, the Plan Amendment shall be deemed affirmed and effective as of the conclusion of such hearing; and be it further

RESOLVED, that all continuing authority of the President and Chief Executive Officer of the Corporation or his designee(s) to carry out the Project pursuant to the resolutions, previously adopted and adopted today by the Directors with respect to the Project, is hereby ratified and confirmed; 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, in the name and on behalf of the Corporation, to execute and deliver any and all documents and to take all actions as may be considered necessary or appropriate to effectuate the foregoing.

* * *

New York State Urban Development Corporation
d/b/a Empire State Development
Radisson
New York, New York
General Project Plan

Plan Amendment
September, 2012

AMENDMENT NO. 8

Except as modified below, the Project's General Project Plan, affirmed as modified in June 1971, and amended in March 1974, September 1983, June 1987, 1995, September 2003, February 2004, and June 2010, remains unchanged.

The Amendment is to change the permitted land use of the below listed parcels from "Current Land Use" to "New Land Use" as follows (and as shown by Property number on the attached map):

<u>Property</u>	<u>Town of Lysander Tax Map ID</u>	<u>Approximate Acreage</u>	<u>Current Land Use</u>	<u>New Land Use</u>
1.	057.-02.32	9.14	Commercial/Office	Residential
2.	058.-06-09.2	4.96	Industrial	Residential
3.	073.-01-04.1	13.05	Industrial	Commercial/Retail
4.	057.-02-11.8	4.05	Commercial/Office	Commercial/Retail
5.	057.-02-04.0	3.3	Industrial	Commercial/Retail
6.	P/O 057.-02-11.1	easterlymost 78 of 120.82	Industrial	Commercial/Retail
7.	057.-02-18.0	15.44	Industrial	Residential
8.	005.-02-04.1	4.45	Industrial	Residential

FOR CONSIDERATION
September 20, 2012

TO: The Directors
FROM: Kenneth Adams
SUBJECT: Establishment of Pre-Qualified Counsel List
RE: Approval of Pre-Qualified Counsel

Background

Among its many functions, the Corporation implements or facilitates a number of large and complex economic development projects and initiatives. The size, nature, complexity and timing of these projects typically require the Corporation to call on the assistance of outside counsel in various areas of expertise. To permit the Corporation to respond to the needs of these projects expeditiously, while having available to the Corporation the benefits of a broad solicitation of qualified outside law firms, legal department staff maintains a list of pre-qualified counsel. The current list, which was adopted in 2008 and amended in 2010, will expire next month. Staff, therefore, has conducted a broad solicitation of interested law firms, has reviewed the submissions and compiled a list which is now recommended to you for adoption. As in the past, we recommend that the list remain in effect for 3 years, subject to extension by an additional year, in the discretion of the General Counsel.

The Solicitation

On April 23, 2012, staff placed an advertisement in the New York State Contract Reporter requesting proposals from law firms in the following areas of law: real estate and land use; environmental; construction; condemnation; bankruptcy; labor; taxation; bond financing; foreclosure and, in each case, related litigation. Proposals were due by May 17, 2012.

In addition, staff contacted by letter and/or email all firms that had responded to the 2008 and 2010 solicitations, all New York State certified minority- and women-owned business enterprise firms ("M/WBE"), as well as other firms referred to us by ESD staff and others. All such communications advised the firms of the Contract Reporter procurement opportunity.

Sixty-six firms responded to the solicitation. The responses were evaluated by a Review Committee consisting of the Deputy General Counsel and five Senior Counsels, including the Senior Counsel primarily responsible for bond financings and the Senior Counsel for environmental and litigation matters. The submissions were evaluated on the basis of, among other things: number and experience of attorneys practicing in each area of expertise; demonstrated experience in development projects similar to those in which the Corporation engages; experience in government and public/private initiatives generally; presence and size of office(s) in New York State; the firm's current arrangements and/or willingness to engage in

future MWBE partnering or mentoring arrangements; and willingness to work within the Corporation's limitation on hourly fees. In some cases, additional information was requested in clarification of an initial submission and nine firms were selected for interviews.

Based on the review, staff recommends ~~the~~ approval, as pre-qualified counsel to the Corporation, in the indicated areas of expertise, the 49 firms listed on Attachment A to these materials. This will permit staff to respond to project needs efficiently.

Financial Commitment and Selection from the List

The Directors are not now being asked to authorize the retention of any firm in connection with any matter. Instead, the requested approval would serve to make available to the Corporation a selection of candidate firms that have been through a broad solicitation process. This would allow staff to select from among the candidate firms to recommend to the Directors in the future for retention in connection with particular projects without the need for conducting individual solicitations in each instance. This will save for each project the two or more months that is normally needed to conduct a solicitation, perform the necessary review and formulate a recommendation.

In addition, staff recommends that the General Counsel or, in the General Counsel's absence, the Deputy General Counsel, be given the authority to refer to any such counsel matters in related areas of expertise as s/he may deem appropriate and advisable in connection with any project. For example, in the event that a tax issue arises in connection with a real estate transaction, the General Counsel or, in the General Counsel's absence, the Deputy General Counsel, in his/her discretion could call on the expertise of tax attorneys with the pre-qualified firm that was selected to handle the real estate aspects of the transaction.

Duration of List

Staff recommends that the pre-qualified list remain in effect for three years, with the option to extend the duration of the list for an additional year at the discretion of the General Counsel or, in the General Counsel's absence, the Deputy General Counsel.

Environmental Review

ESD staff has determined that this determination does not constitute an action as defined by the New York State Environmental Quality Review Act and its implementing regulations. No further environmental review is required in connection with the requested approval.

* M/WBE Firm

** Certification Pending

Recommendation and Requested Action

Staff recommends and the Directors are requested to approve the firms on Attachment A to these materials as pre-qualified counsel in the areas of expertise identified in such Attachment (and in each case related litigation) and, in the discretion of the General Counsel or, in the General Counsel's absence, the Deputy General Counsel, such related areas of expertise as the s/he may deem appropriate and advisable in connection with any project, for a term of three years plus an additional year at the option of the General Counsel or, in the General Counsel's absence, the Deputy General Counsel.

Attachment

Resolution

Attachment A

* M/WBE Firm

** Certification Pending

Attachment A:
Pre-Qualified Legal Counsel
Adopted by the Board on September 20, 2012

Real Estate and Land Use

Bond Schoeneck & King PLLC
* Brown & Hutchinson
Bryan Cave LLP
** Bryant Rabbino LLP
Carter Ledyard & Milburn LLP
Damon & Morey LLP
Day Pitney LLP
Law Offices of Donald J. Tobias
* Gonzalez Saggio & Harlan LLP
Harris Beach PLLC
Hawkins Delafield & Wood LLP
Herrick Feinstein LLP
Hiscock & Barclay LLP
Hodgson Russ LLP
Holland & Knight LLP
Ingram Yuzek Carroll & Bertolotti LLP
Jaeckle Fleischmann & Mugal LLP
Knauf & Shaw LLP
Mentor Rudin & Trivelpiece PC
McNamee Lochner Titus & Williams
Nixon Peabody LLP
Phillips Lytle & * The Gibson Law Firm

Saunders Kahler LLP
Schiff Hardin LLP
* Shoeman Updike & Kaufman LLP
Shearman & Sterling LLP
Sidley Austin LLP
Skadden Arps Slate Meagher & Flom LLP
Venable LLP
Whiteman Osterman & Hanna LLP

Condemnation

Berger & Webb
Bond Schoeneck & King PLLC
Carter Ledyard & Milburn LLP
Damon & Morey LLP
Day Pitney LLP
Harris Beach PLLC
Hiscock & Barclay LLP
McNamee Lochner Titus & Williams
Nixon Peabody LLP
Sidley Austin LLP

* M/WBE Firm

** Certification Pending

Construction

Bond Schoeneck & King PLLC
Carter Ledyard & Milburn LLP
Damon & Morey LLP
Day Pitney LLP
* Gonzalez Saggio & Harlan LLP
Greenberg Trauig LLP
Harris Beach PLLC
Herrick Feinstein LLP
Hodgson Russ LLP
* Hogue Newman Regal & Kenney LLP
Holland & Knight
Ingram Yuzek Carroll & Bertolotti LLP
Kilpatrick Townsend & Stockton LLP
Mentor Rudin & Trivelpiece PC
McNamee Lochner Titus & Williams
Nixon Peabody LLP
Saunders Kahler LLP
Schiff Hardin LLP
Shearman & Sterling LLP
Sidley Austin LLP
Venable LLP
Wasserman Grubin & Rogers LLP
Whiteman Osterman & Hanna LLP
* Wilson & Chan LLP

Environmental

Bond Schoeneck & King PLLC
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Damon & Morey LLP
Day Pitney LLP
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Harris Beach PLLC
Herrick Feinstein LLP
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McNamee Lochner Titus & Williams
Nixon Peabody LLP
Phillips Lytle & * The Gibson Law Firm
Shearman & Sterling LLP
Sidley Austin LLP
Sive Paget & Riesel PC
Venable LLP
Whiteman Osterman & Hanna LLP

Bankruptcy

Bond Schoeneck & King PLLC
Bryan Cave LLP
Damon & Morey LLP
Day Pitney LLP
Law Offices of Donald J. Tobias
Harris Beach PLLC
Herrick Feinstein LLP
Hodgson Russ LLP
Jaeckle Fleischmann & Mugal LLP
Mentor Rudin & Trivelpiece PC)
McNamee Lochner Titus & Williams LLP

Nixon Peabody LLP
Saunders Kahler LLP
Schiff Hardin LLP
Shearman & Sterling LLP
Sidley Austin LLP
Venable LLP
Whiteman Osterman & Hanna LLP

* M/WBE Firm

** Certification Pending

Labor

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- Harris Beach PLLC
- Hiscock & Barclay LLP
- Hodgson Russ LLP
- * Hoguet Newman Regal & Kenney LLP
- Jaeckle Fleischmann & Mugal LLP
- Schroder Joseph & Associates LLP
- McNamee Lochner Titus & Williams
- Putney Twombly Hall & Hirson LLP
- * Rao Tiliakos LLP
- Saunders Kahler LLP
- * Schoeman Updike & Kaufman LLP
- Shearman & Sterling LLP
- Sidley Austin LLP
- Venable LLP
- Whiteman Osterman & Hanna LLP

Foreclosure

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Taxation

- Bond Schoeneck & King PLLC
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- Nixon Peabody LLP
- Schiff Hardin LLP
- Shearman & Sterling LLP
- Sidley Austin LLP
- Whiteman Osterman & Hanna LLP

Bond

Senior Tier:

- Harris Beach PLLC
- Hawkins Delafield & Wood LLP
- Holland & Knight
- Mintz Levin Cohn Ferris Glovsky and Popeo
- Nixon Peabody LLP
- Orrick Herrington & Sutcliffe LLP
- Squire Sanders LLP & * KnoxSeaton
- Winston & Strawn LLP

Junior Tier:

- Bond Schoeneck & King PLLC
- Brown & Hutchinson
- Chapman & Cutler LLP
- Day Pitney LLP
- Edwards Wildman Palmer LLP and * The
- Hardwick Law Firm LLC
- * Gonzalez Saggio & Harlan LLP
- Hiscock & Barclay LLP
- * Law Office of Joseph C. Reid PA
- * Lewis & Munday PC

* M/WBE Firm

** Certification Pending

September 20, 2012

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT–
Approval of Pre-Qualified Counsel

BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, the law firms, listed in Attachment A be and each hereby is, approved as pre-qualified counsel in the various areas of expertise (and, in each case, related litigation), and in such other areas as the General Counsel or, in the General Counsel's absence, the Deputy General Counsel, may in his or her sole discretion may deem appropriate or advisable in connection with any particular project or matter, such approval to remain in effect until the meeting of the Directors first occurring after September 20, 2015 or, in the discretion of the General Counsel or, in the General Counsel's absence, the Deputy General Counsel, until the meeting of the Directors first occurring after September 20, 2016.

* * *

* M/WBE Firm

** Certification Pending

Attachment A:
Pre-Qualified Legal Counsel
Adopted by the Board on September 20, 2012

Real Estate and Land Use

Bond Schoeneck & King PLLC
* Brown & Hutchinson
Bryan Cave LLP
** Bryant Rabbino LLP
Carter Ledyard & Milburn LLP
Damon & Morey LLP
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Nixon Peabody LLP
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* M/WBE Firm

** Certification Pending

Construction

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Environmental

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- Orrick Herrington & Sutcliffe LLP
- Squire Sanders LLP & * KnoxSeaton
- Winston & Strawn LLP

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- Day Pitney LLP
- Edwards Wildman Palmer LLP and * The Hardwick Law Firm LLC
- * Gonzalez Saggio & Harlan LLP
- Hiscock & Barclay LLP
- * Law Office of Joseph C. Reid PA
- * Lewis & Munday PC
- Sidley Austin LLP

* M/WBE Firm

** Certification Pending

FOR CONSIDERATION

September 20, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Statewide – Innovate NY Fund Program

REQUEST FOR: Authorization to Enter into Agreements for Program Funding;
Authorization to Disburse Funds; and Authorization to Take Related
Actions

Project Summary

Awardees: The Awardees, whose selection was authorized by the Directors at their April and July 2012 meetings, are as set forth on attached Schedule A.

Allocations: Allocations are as set forth for each of the awardees on Schedule A.

Project Location: Statewide

Anticipated
Funding Source: The allocations are funded by the U.S. Department of Treasury’s State Small Business Credit Initiative (“SSBCI”).

ESD Project No.: X819; X820; X821; X822: X823; X824; X957; X958

Project Team:	Origination	Steve Cohen
	Project Management	Sharon Rutter
	Legal	Richard Dorado
	Contractor & Supplier Diversity	Vikas Gera
	Environmental	Soo Kang

Background

The Innovate NY Fund (“the Program”), created pursuant to Section 16-u of the New York State Urban Development Corporation Act, is a seed stage equity fund for innovation, job creation, and high growth entrepreneurship throughout the State. The Program is one of the three ESD programs funded by a Department of Treasury transfer grant from the SSBCI program.

The Program's objective is to invest in aggregate approximately \$35 million dollars in New York State-based Program eligible seed stage businesses ("Beneficiary Companies") through regional and/or industry focused Investment entities (the "Investment Entities"). Priority is given to Beneficiary Companies engaged in commercialization of research and development or high technology manufacturing.

Each Investment Entity shall not invest Program funds in a Beneficiary Company in an amount greater than five hundred thousand dollars, or seven hundred fifty thousand dollars in the case of a biotechnology-related Beneficiary Company, at any one time, unless the Beneficiary Company and the Investment Entity can demonstrate to ESD that such additional investment significantly improves the potential of the investment for substantially greater growth, job development, and additional economic activity in the State.

When an Investment Entity has invested in Beneficiary Companies 50% of the Program funds committed to such Investment Entity, thereafter, the aggregate investment of Program funds by the investment entity in Beneficiary Companies shall be leveraged with matching private sector investment capital at a ratio greater than 2:1. Investments in funding rounds prior to the date of the initial investment of Program funds shall not count toward satisfying this matching requirement.

Goldman Sachs ("Goldman") has offered to provide for Beneficiary Companies an aggregate of approximately \$10 million dollars in private sector supplemental investment. This investment would significantly increase Program effectiveness by proving substantially more investment in New York State-based Program eligible seed stage businesses. In order to distribute the Program funding and such private sector funding, the Corporation and Goldman will be limited partners in a limited partnership established by Community Development Venture Capital Alliance, an investment fund that provides and is otherwise qualified to make seed-stage investments in companies located in the State of New York. The limited partnership shall only fund the Investment Entities that make the Program investments in Beneficiary Companies in accordance with Program requirements. The limited partnership capital contributions will be pro rata based on the respective commitments of ESD (approximately \$35 million) and Goldman (approximately \$10 million). There would be approximately \$45 million in limited partnership shares, approximately 35 million from ESD for approximately \$10 million in preferred shares ("Preferred Shares") and approximately \$25 million in common shares ("Common Shares") and approximately \$10 million from Goldman for Preferred Shares. Distributions would be as follows: first, pro rata to the holders of Preferred Shares until they received the return of their capital; second, pro rata to the holders of Common Shares until they receive the return of their called capital; third, pro rata to the holders of Preferred Shares until they received a 5% simple interest return per annum on their capital; and fourth, approximately 75% pro rata to all the shareholders in proportion to their shares and approximately 25% to the holders of Common Shares.

Statutory Basis

Section 16-u of the New York State Urban Development Corporation Act, Chapter 174 of the Laws of 1968, as amended, and the regulations promulgated pursuant to Section 16-u at 21 NYCRR Part 4252.

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 authorization.

Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply. The awardees are strongly encouraged to include minorities and women in any job opportunities created by the Project and to solicit and utilize certified Minority and Women-Owned Business Enterprises for any contractual opportunities generated in connection with the Project.

Additional Submissions to Directors

Resolutions

Schedule A –Summaries of selected investment entities (8)

September 20, 2012

Statewide - Innovate NY Fund Program - Authorization to Enter into Agreements for Program Funding; Authorization to Disburse Funds; and Authorization to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the "Materials), relating to the Innovate NY Fund program (the "Program"), the Corporation is authorized to enter into agreements and related documentation with the entities named in the Materials, or their affiliates, in order to provide Program funding in accordance with the Materials; and be it further

RESOLVED that the disbursement of Program funding shall not to exceed in aggregate \$35,000,000; and be it further

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

RESOLVED, that the provision by the Corporation financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable; (2) receipt of all other necessary approvals; and (3) the availability of funds and the approval of the State Division of the Budget, if applicable; 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.

* * *

Schedule A
Innovate NY Fund: Investment Fund Awardees
Board of Directors Meeting
September 20, 2012

Canrock Ventures, LLC

Based in Jericho New York, this early stage technology venture fund was formed in 2010 by three successful technology entrepreneurs with extensive angel investing experience. Canrock Ventures works closely with local universities and regional partners to provide significant support and other value-added services to Long Island's promising seed stage companies. The firm is owned by the three managing partners and 30 limited partners. To date, Canrock Ventures has invested \$10.3 million in 14 NYS companies.

The Corporation has authorized \$4.5 million in Innovate NY funds for Canrock Ventures to invest in seed stage businesses including technology-focused companies locate in the Long Island region.

Cayuga Venture CVF IV, LP

Formed in May 2011, Cayuga Venture CVF IV, LP is a venture capital fund based in Ithaca, New York and is the fifth venture fund in the Cayuga Venture Fund family of funds. Cayuga Venture Funds have been investing in upstate New York companies since 1996 and have achieved strong results in the development of high growth businesses. Cayuga Venture Funds have strongly aligned its investment with Cornell University, University of Rochester, and SUNY Buffalo.

The Corporation has authorized \$5 million in Innovate NY funds for Cayuga Venture CVF IV to invest in seed stage businesses including those focused on clean-tech, telecom, nanotech, IT, and biotech located in the Southern Tier, Western NY, Finger Lakes, and Central NY regions.

Excell Partners, LLC

Excell Partners , a not for profit and affiliate of University of Rochester, was originally funded in 2005 by ESD along with matching funds from the University of Rochester and Excell's Board of Directors. With a strong Board and extensive network of collaborators, Excell has successfully invested in 22 seed stage companies since its launch.

The Corporation has authorized \$4.0 million in Innovate NY funds for Excell Partners to invest in seed stage businesses including those focused on life sciences, energy, and software and consumer products and located in the Southern Tier, Western NY, Finger Lakes, Capital and Central NY regions.

Golden Seeds

Started in 2004 and headquartered in New York City, with offices in Boston and San Francisco, Golden Seeds now has two seed/early stage venture funds and the fourth largest angel network in the U.S. Golden Seeds invests in young companies with women in a senior management positions who also have significant equity positions in the ventures. The Golden Seed Funds and Golden Seed Angel Investors have invested over \$34 million in seed/early stage companies since 2005.

The Corporation has authorized \$4 million in Innovate NY funds for Golden Seeds to invest in seed stage businesses including those focused on general technology, life science, or consumer product focused located in all regions of the State.

SCP Buffalo Incubator LP

This new Fund, to be headquartered in Buffalo and managed by successful entrepreneurs and the founding partners of Softbank Capital's successful venture capital arm, will invest in seed stage companies with roots in Buffalo that have strong growth potential in the internet broadband and life sciences spaces. The fund will be a for-profit entity and its managing partners will be under the umbrella of Seed Capital Partners, a successful northeast early stage technology focused venture capital firm.

The Corporation has authorized \$4 million in Innovate NY funds for SCP Buffalo Incubator LP to invest in seed stage businesses including those focused on Internet broadband and life science focused seed stage businesses located in the Western New York region of the State.

Stonehenge Capital Company

Formed in 1999, Stonehenge Capital Company is a spin off from Bank One Capital Markets. Stonehenge currently manages approximately \$615 million in 9 state targeted investment funds and focuses on two primary investment strategies: early stage equity and later stage debt. Since its launch, the growth equity team has invested \$43.8 million in 29 companies; 12 of those in New York State.

Stonehenge is currently raising a new fund to focus on equity investments. This fund along, with its two existing funds (BOCNY, LLC and Stonehenge Capital Fund New York), will focus on New York State business in the seed and early stages of development.

The Corporation has authorized \$5 million in Innovate NY funds for Stonehenge Capital Company to invest in seed stage businesses located statewide (substantially upstate) including those with a focus on healthcare Information technology and life sciences.

Ff Asset Management, LLC d/b/a as ff Venture Capital ("ffVC")

Established in 2008, ffVC is one of the oldest and most active angel and early stage venture capital firms in New York, and one of the top performing in the U.S. ffVC typically invests \$50-250,000 initially, and often invests up to \$1 mm in subsequent rounds. ffVC is wholly owned by John Frankel who has successfully been investing in this space since 1999. Ff Rose Venture Fund (their 3rd fund) will be formed and managed by ffVC.

The Corporation has authorized \$4.5 million in Innovate NY funds for ffVC to invest in seed stage businesses located throughout the State, including such business that are internet focused, and with a concentration in New York City .

New York City Investment Fund (“NYCIF”)/NYCSeed

Founded in 1996, NYCIF is a private nonprofit fund with a mission to create jobs in New York City. NYCIF has raised \$114 million from corporations and individuals and makes debt and equity investments in non-profits, community based business and in high growth companies.

Founded in September 2008, NYCSeed is a public partnership focused on providing capital and support services to seed stage IT and digital media startups in NYC. NYSTAR and NYCIF were two of the original investors in NYCSeed. NYCSeed both invests as the first and only investment in a company as well as co-invests with other qualified investors focused on the seed stage. NYCSeed invests up to \$200,000 in a company as well as providing an array of support and mentoring services.

The Corporation has authorized \$4 million in Innovate NY funds for NYCIF/NYCSeed to invest in technology seed stage businesses located in New York State, primarily in New York City.