

**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

October 16, 2014 – 9:30 a.m.

**AGENDA**

**FOR CONSIDERATION**

**I. CORPORATE ACTION**

- A. Approval of Minutes of the September 18, 2014 Directors' Meeting

**II. DISCRETIONARY PROJECTS**

**WESTERN NEW YORK REGION**

**BUFFALO BILLION INITIATIVE**

- A. Buffalo Billion Initiative – Niagara Falls (Western New York Region - Niagara County) – Robert Moses Parkway South Segment: Riverway Project Capital - Buffalo Regional Innovation Cluster (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions ; Determination of No Significant Effect on the Environment

**NEW YORK WORKS**

- B. Cheektowaga and West Seneca (Western New York Region – Erie County) – Rosina Foods Capital – New York Works Program (Capital Grant) - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

**II. DISCRETIONARY PROJECTS - Continued**

**MULTIPLE REGIONS**

- C. Rochester, Canandaigua and Ronkonkoma (Multiple Regions – Monroe, Ontario and Suffolk Counties) – Carestream Health Capital – JOBS Now Program (Capital Grant) – Authorization to Amend the General Project Plan

**NEW YORK CITY REGION**

- D. Brooklyn (New York City Region - Kings County) – Sims Recycling DRF Capital - Downtown Revitalization Fund – Downtown Redevelopment (Convertible Loan) – Findings and Determinations Pursuant to Sections 16-r and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions; Determination of No Significant Effect on the Environment
- E. Statewide - New York eHealth Collaborative Working Capital – Urban and Community Development Program – Urban and Community Technical Assistance (Working Capital Grant) – Findings and Determinations Pursuant to Sections 5(4), 10(g) and 16-d of the Act; Authorization to Make a Grant and to Take Related Actions

**III. REGIONAL COUNCIL AWARDS**

**CENTRAL NEW YORK REGION**

- A. Regional Council Award – Priority Project- Syracuse (Central New York Region - Onondaga County) – COR Development Loguen Crossing Phase I Capital – Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

**MID-HUDSON REGION**

- B. Regional Council Award – White Plains (Mid-Hudson Region – Westchester County) – City of White Plains Capital - Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

**III. REGIONAL COUNCIL AWARDS - Continued**

**MOHAWK VALLEY REGION**

- C. Regional Council Award – Marcy (Mohawk Valley Region – Oneida County) – Medicare Administrators Capital - Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

**NORTH COUNTRY REGION**

- D. Regional Council Award – Priority Project – Blue Mountain Lake (North County Region – Hamilton County) – Adirondack Historical Association Capital – Regional Council Capital Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

**REGIONAL COUNCIL AWARD PROJECTS CONSENT CALENDAR**

- E. Regional Council Award Projects Consent Calendar - Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Make a Grant and to Take Related Actions

**Economic Development Purposes Fund**

- A. Mohawk Valley STEM Opportunities Working Capital (Oneida County) - \$90,000

**Regional Council Capital Fund**

- B. Inlet Water Sewer Capital (Hamilton County) - \$53,800

**IV. NON-DISCRETIONARY PROJECTS**

**NON-DISCRETIONARY PROJECTS CONSENT CALENDAR**

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

**Local Assistance (Senate)**

- A. New Bronx Chamber H.I.R.E Working Capital (Bronx County) - \$200,000

**IV. NON-DISCRETIONARY PROJECTS - Continued**

**LOCAL ASSISTANCE – HURRICANE IRENE-TROPICAL STORM LEE FLOOD MITIGATION – CAPITAL GRANT**

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

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

- A. Ulster County – Hurricane Irene-Tropical Storm Lee Flood Mitigation Capital - \$389,863

**V. FOR INFORMATION**

- A. Annual Report on Jobs Created and Retained on ESD Grant and Loan Programs and Status Report on UDC Loan Portfolio
- B. Bronx (New York City Region – Bronx County) – Fresh Direct Capital – Urban and Community Development Program – Urban and Community Project Development Assistance (Capital Grant) and Metropolitan Economic Revitalization Fund (Capital Loan)

**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  
37<sup>th</sup> Floor Conference Room  
New York, New York 10017

and

Department of Financial Services  
1 State Street  
New York, New York 10006

September 18, 2014

**MINUTES**

**In Attendance**

**Directors:**

Derrick Cephas (Acting Chair)  
Anthony Albanese, Designee – Department of Financial Services  
Robert Dyson  
Mehul Patel, Designee – Kenneth Adams

**Present for ESD:**

Lauren Axelrod, Senior Counsel  
Steven Cohen, Deputy Commissioner and Executive Vice President  
Elizabeth R. Fine, Executive Vice President, Legal and  
General Counsel  
Brendan, Healey, Senior Project Manager  
Howard Kramer, Director – Marketing Finance  
Edwin Lee, Assistant Vice President – Discretionary Projects  
Charles Imohiosen, Chief Operating Officer  
Benson Martin, Director of Compliance  
Eileen McEvoy, Corporate Secretary  
Glendon McLeary, Senior Project Manager  
Kathleen Mize, Deputy CFO and Controller  
Richard Newman, Executive Vice President – Marketing Strategy  
Marion Phillips, III, Senior Vice President - Community Relations  
Antovk Pidedjian, Senior Counsel  
Ray Salaberrios, Senior Director – Economic Revitalization  
Susan Shaffer, Senior Vice President – Loans and Grants  
Margaret Tobin, Chief Financial Officer

**DRAFT – SUBJECT TO REVIEW AND REVISION**

**Also Present:** Robin Alpaugh, Acting Director – Southern Tier RO  
Michael Ball, Western New York Regional Office  
James Fayle, Director – Central New York RO  
Steve Gawlik, Western New York Regional Office  
Barry Greenspan, Long Island Regional Office  
Edward Muszynski, Finger Lakes Regional Office  
David J. Wright, Assistant Commissioner – Albany  
John VanDeLoo, North Country Regional Office

**Also Present:** The Press  
The Public  
The Media

The meeting of the Directors of the New York State Urban Development Corporation (“UDC”) d/b/a Empire State Development (“ESD” or the “Corporation”) was called to order at 9:36 a.m. by Acting Chair Cephas. It was noted for the record that the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

Next, Acting Chair Cephas set forth the guidelines regarding comments by the public on matters on the Agenda as well as with regard to any conflicts of interest the Directors may have regarding items on the Agenda. It was noted that no such conflicts exist.

Acting Chair Cephas then asked the Directors to approve the Minutes of the August 27, 2014 Directors’ meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE AUGUST 27,  
2014 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT  
CORPORATION

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Salaberrios explained that the purpose of this program is to provide lending support to MWBE contractors who need the working capital necessary to execute New York State contracts.

Mr. Salaberrios further explained that in February of 2014, the Directors approved up to \$2.5 million in loan loss reserves to support \$15 million in short-term mobilization loans for four participating lenders.

Among other things, Mr. Salaberrios explained that the mobilization loans would typically be under \$200,000 with two year terms and would support \$100 million in State contracts. ESD, he added, partnered with these lenders who have agreed to provide short-term working capital loans to New York State Certified MWBE contractors.

Mr. Salaberrios went on to explain that today the Directors are being asked to add Carver Bancorp as an additional lender. Carver, he noted, has been designated by the U.S. Treasury Department as a community development institution because of its community focused banking services and dedication to the economic viability and revitalization of underserved neighborhoods.

Mr. Salaberrios added that Carver will focus its lending activity to the five boroughs of New York City.

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

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

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

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

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

|   | <b>Project Name</b>                | <b>Proj #</b> | <b>Grantee</b>       | <b>Assistance up to</b> |
|---|------------------------------------|---------------|----------------------|-------------------------|
| A | Carver Bancorp - Bridge to Success | Z403          | Carver Bancorp, Inc. | \$562,500               |
|   |                                    |               | <b>TOTAL</b>         | <b>\$562,500</b>        |

and be it further

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Buffalo Urban Development Corporation a grant for a total amount not to exceed Six Million Seven Hundred Thousand Dollars (\$6,700,000) from the Buffalo Regional Innovation Cluster Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Northland Capital – Buffalo Regional Innovation Cluster - Capital Grant) – Determination of No Significant Effect on the Environment

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

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Mr. Fayle, representing ESD’s Central New York Regional Office, presented the Syracuse University Connectivity corridor Façade Improvement project for the Directors’ consideration.

Mr. Fayle explained that the Directors were being asked to approve two grants totaling

**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  
37<sup>th</sup> Floor Conference Room  
New York, New York 10017

and

Department of Financial Services  
1 State Street  
New York, New York 10006

September 18, 2014

**MINUTES**

**In Attendance**

**Directors:**

Derrick Cephas (Acting Chair)  
Anthony Albanese, Designee – Department of Financial Services  
Robert Dyson  
Mehul Patel, Designee – Kenneth Adams

**Present for ESD:**

Lauren Axelrod, Senior Counsel  
Steven Cohen, Deputy Commissioner and Executive Vice President  
Elizabeth R. Fine, Executive Vice President, Legal and  
General Counsel  
Brendan, Healey, Senior Project Manager  
Howard Kramer, Director – Marketing Finance  
Edwin Lee, Assistant Vice President – Discretionary Projects  
Charles Imohiosen, Chief Operating Officer  
Benson Martin, Director of Compliance  
Eileen McEvoy, Corporate Secretary  
Glendon McLeary, Senior Project Manager  
Kathleen Mize, Deputy CFO and Controller  
Richard Newman, Executive Vice President – Marketing Strategy  
Marion Phillips, III, Senior Vice President - Community Relations  
Antovk Pidedjian, Senior Counsel  
Ray Salaberrios, Senior Director – Economic Revitalization  
Susan Shaffer, Senior Vice President – Loans and Grants  
Margaret Tobin, Chief Financial Officer

**DRAFT – SUBJECT TO REVIEW AND REVISION**

**Also Present:** Robin Alpaugh, Acting Director – Southern Tier RO  
Michael Ball, Western New York Regional Office  
James Fayle, Director – Central New York RO  
Steve Gawlik, Western New York Regional Office  
Barry Greenspan, Long Island Regional Office  
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David J. Wright, Assistant Commissioner – Albany  
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**Also Present:** The Press  
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The meeting of the Directors of the New York State Urban Development Corporation (“UDC”) d/b/a Empire State Development (“ESD” or the “Corporation”) was called to order at 9:36 a.m. by Acting Chair Cephas. It was noted for the record that the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

Next, Acting Chair Cephas set forth the guidelines regarding comments by the public on matters on the Agenda as well as with regard to any conflicts of interest the Directors may have regarding items on the Agenda. It was noted that no such conflicts exist.

Acting Chair Cephas then asked the Directors to approve the Minutes of the August 27, 2014 Directors’ meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

**APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE AUGUST 27, 2014 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION**

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Buffalo Urban Development Corporation a grant for a total amount not to exceed Six Million Seven Hundred Thousand Dollars (\$6,700,000) from the Buffalo Regional Innovation Cluster Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Northland Capital – Buffalo Regional Innovation Cluster - Capital Grant) – Determination of No Significant Effect on the Environment

---

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

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Mr. Fayle, representing ESD’s Central New York Regional Office, presented the Syracuse University Connectivity corridor Façade Improvement project for the Directors’ consideration.

Mr. Fayle explained that the Directors were being asked to approve two grants totaling

**DRAFT – SUBJECT TO REVIEW AND REVISION**

RESOLVED, that the Minutes of the meeting of the Corporation held on August 27, 2014, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

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

Mr. Lee noted that the Directors will be asked to consider funding for ten Discretionary Projects including: one Minority and Women-Owned Business Development and Lending Program grant for \$562,500 and one Buffalo Billion Initiative grant for \$6,700,000.

Mr. Lee further noted that the Agenda also includes six Regional Council Capital Fund grants totaling \$2,755,000 and two Connect New York grants totaling \$434,535.

Mr. Lee added that these ten projects will leverage over \$20 million in additional investments in diverse areas throughout New York State.

Acting Chair Cephas then asked Mr. Salaberrios, ESD's Senior Director of Economic Revitalization, to present the Bridge to Success Loan Program item for the Directors' consideration.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Salaberrios explained that the purpose of this program is to provide lending support to MWBE contractors who need the working capital necessary to execute New York State contracts.

Mr. Salaberrios further explained that in February of 2014, the Directors approved up to \$2.5 million in loan loss reserves to support \$15 million in short-term mobilization loans for four participating lenders.

Among other things, Mr. Salaberrios explained that the mobilization loans would typically be under \$200,000 with two year terms and would support \$100 million in State contracts. ESD, he added, partnered with these lenders who have agreed to provide short-term working capital loans to New York State Certified MWBE contractors.

Mr. Salaberrios went on to explain that today the Directors are being asked to add Carver Bancorp as an additional lender. Carver, he noted, has been designated by the U.S. Treasury Department as a community development institution because of its community focused banking services and dedication to the economic viability and revitalization of underserved neighborhoods.

Mr. Salaberrios added that Carver will focus its lending activity to the five boroughs of New York City.

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Patel asked Mr. Salaberrios to provide the Directors with a brief update on how the program is performing so far.

Mr. Salaberrios explained that it took a little while to get the program started so the numbers date from April 2014. He noted that 23 loans at \$2.9 million have been made and that there is approximately \$1.8 million in the pipeline that is moving along.

Mr. Salaberrios went on to note that ESD has been very successful in getting the word out and he explained the outreach method that is being utilized to do so.

The Acting Chair asked how the program has worked thus far in terms of repayment and Mr. Salaberrios noted that no one has lagged behind in payments.

Director Dyson noted that it is still a fairly new program. Mr. Salaberrios acknowledged that it is a new program. He then stressed that what ESD has done is incentivize the banks to take a little more risk because they are backed up by the loss reserve.

Acting Chair Cephas then asked who is on the hook if the losses exceed the reserve and Mr. Salaberrios stated that in that case, the bank would be on the hook. Mr. Salaberrios then stated that each bank has committed \$3.7 million in lending and that there is \$560,000 in reserves. He added that that is a sizable amount of money to lose.

Acting Chair Cephas noted that 15% is a big reserve.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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

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

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

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

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

|   | <b>Project Name</b>                | <b>Proj #</b> | <b>Grantee</b>       | <b>Assistance up to</b> |
|---|------------------------------------|---------------|----------------------|-------------------------|
| A | Carver Bancorp - Bridge to Success | Z403          | Carver Bancorp, Inc. | \$562,500               |
|   |                                    |               | <b>TOTAL</b>         | <b>\$562,500</b>        |

and be it further

**DRAFT – SUBJECT TO REVIEW AND REVISION**

\$450,000 for a Façade Improvement Program that connects Syracuse University to downtown Syracuse.

Mr. Fayle further noted that under this program, grants of up to \$25,000 are provided to businesses along the route to improve facades.

Mr. Fayle went on to note that the total program cost is \$495,000 and that it is basically one of the largest public works projects in Syracuse and encompasses a four mile area.

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

Syracuse (Central New York Region – Onondaga County) – Syracuse University Connective Corridor Façade Improvement Program Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Syracuse University a grant for a total amount not to exceed Four Hundred Fifty Thousand Dollars (\$450,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

Mr. VanDeLoo, representing the North Country regional Office, then presented the Lewis County Development Corporation Lyons Falls Regional Council Capital fund item for the Directors' consideration.

Mr. VanDeLoo asked the Directors to authorize ESD to make a grant of up to \$330,000 to the Lewis County Development Corporation to be used for a portion of the cost of an environmental survey, engineering, permitting and redevelopment and planning costs in connection with a 9.4 acre brownfield site in Center Street Lyons Falls in Lewis County.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. VanDeLoo explained that the Lewis County Development Corporation has completed the preparation of the brownfield site for future use as a modern, commercial industrial park.

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

Regional Council Award – Priority Project – Lyons Falls (North Country Region – Lewis County) – Lewis County Development Corporation Lyons Falls Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Sections 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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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 Lewis County Development Corporation Lyons Falls Capital – Regional Council Capital Fund (Capital Grant) (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Lewis County Development Corporation a grant for a total amount not to exceed Three Hundred Thirty Thousand Dollars (\$330,000) from the Regional Council Capital Fund, for the

**DRAFT – SUBJECT TO REVIEW AND REVISION**

purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

Next, Mr. Greenspan, representing ESD's Long Island Regional Office presented the Stony Brook University Small Business Development Center Regional Council Awards item for the Directors' consideration.

Mr. Greenspan explained that the Directors were being asked to authorize ESD to make a \$1.5 million grant for the Small Business Innovation Research Matching grant program at Stony Brook University. The program, he continued, will provide ESD matching grants to the winners of federal small business innovation research grants.

Mr. Greenspan further explained that the Federal Small Business Innovation Research Program provides grants ranging from \$15,000 to \$250,000 and are offered to small businesses by numerous federal agencies.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Greenspan noted that the grants are aimed at advancing federal research efforts and also to spur technology commercialization nationwide.

Among other things, Mr. Greenspan noted that many companies do apply for federal research grants but then lack the working capital to actually under take and to buy lab equipment and to renovate lab space. This program, he added, will allow these companies to apply for a grant of up to 20% to acquire the necessary lab equipment and to renovate the lab space.

Mr. Greenspan further noted that these ESD funds can only be used for capital costs such as equipment and facility upgrades.

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

**Regional Council Award – Stony Brook (Long Island Region – Suffolk County) – Stony Brook University Small Business Development Center Capital – Regional Council Capital Fund (Capital) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions**

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Stony Brook University Small Business Development Center Capital - Regional Council Capital Fund Capital Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no

**DRAFT – SUBJECT TO REVIEW AND REVISION**

families or individuals to be displaced from the project area; and be it further

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

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

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

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

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

\* \* \*

Next, Mr. Alpaugh, representing ESD's Southern Tier Regional Office, asked the Directors to authorize ESD to make a grant in connection with the Arbor Housing and Development Regional Council Awards item.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Mr. Alpaugh asked the Directors to authorize ESD to make a grant of \$450,000 to Arbor Housing and Development (“AHD”) to be used for a portion of the cost to renovate a vacant, 17,000 square foot building in Steuben County that will serve as additional office space for Arbor Housing, as well as 4,400 square feet of commercial space for tenants that AHD is in the process of selecting.

Mr. Alpaugh further noted that AHD provides a wide continuum of services which includes community revitalization, home buyer education, co-ownership and financial counseling and home buyer grants.

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

Corning (Southern Tier Region – Steuben County) – Arbor Housing and Development Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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 Steuben Churchpeople Against Poverty d/b/a Arbor Housing and Development a grant for a total amount not to exceed Four Hundred and Fifty Thousand Dollars (\$450,000) 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.

\* \* \*

The Directors were then asked by Mr. Ball to authorize ESD to make a grant in connection with the Buffalo Zoo Arctic Edge Regional Council Awards item.

Mr. Ball explained that the Directors were being asked to authorize ESD to make a \$750,000 grant to the Zoological Society of Buffalo.

Mr. Ball further explained that the \$11.6 million project involves the demolition of the existing polar bear pit and the construction of the new, state-of-the-art 60,000 square foot

**DRAFT – SUBJECT TO REVIEW AND REVISION**

arctic edge exhibit with salt water pools, natural landscapes and an underwater viewing area.

Mr. Ball added that the project will ensure a safe and naturalistic habitat for wildlife and will enable the zoo to maintain and expand its visitor base and donation income and increase local, national and worldwide exposure as a tourist destination.

The Acting Chair asked if it was correct that the Buffalo Zoo is the largest zoo in the world and Mr. Ball said that that was correct.

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

Buffalo (Western New York Region – Erie County) – Buffalo Zoo Arctic Edge Capital – New York Works (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Zoological Society of Buffalo, Inc. a grant for a total amount not to exceed Seven Hundred Fifty Thousand Dollars (\$750,000) from the New York Works Program, for the

**DRAFT – SUBJECT TO REVIEW AND REVISION**

purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

Next, Mr. Lee presented the Regional Council Awards Consent Calendar for the Directors' consideration.

Mr. Lee stated that there was one project for consideration on the consent calendar and provided a synopsis of same noting that the Directors were being asked to authorize ESD to make a \$25,000 grant to the Strand Theatre of Old Forge, Inc. to pay for a portion of the cost of upgrading their equipment to digital projection.

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

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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 Regional Council Capital Fund Project identified below (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

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

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

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

**Regional Council Capital Fund**

|   | <b>Project Name</b>                       | <b>Proj #</b> | <b>Grantee</b>                    | <b>Assistance up to</b> |
|---|---|---------------|-----------------------------------|-------------------------|
| A | Strand Theatre Digital Conversion Capital | Y120          | Strand Theatre of Old Forge, Inc. | \$25,000                |

**DRAFT – SUBJECT TO REVIEW AND REVISION**

|  |  |  |  |              |                 |
|--|--|--|--|--------------|-----------------|
|  |  |  |  | <b>TOTAL</b> | <b>\$25,000</b> |
|--|--|--|--|--------------|-----------------|

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. Healey then asked the Directors to authorize the Corporation to adopt Guidelines, make grants and take other related actions in connection with the New York State New Farmers Grant Fund.

Mr. Healey explained that the Fiscal Year 2014-2015 New York State Budget appropriated \$614,000 for this program.

The intent of the program, Mr. Healey noted, is to encourage the consideration of farming as a career, which will result in the growth of agribusiness and tax revenues for the State.

Mr. Healey further noted that the program will be administered by ESD in conjunction with the New York State Department of Agriculture and Markets.

Mr. Healey then provided an outline of eligibility requirements as well as the range of grant amounts and uses.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

Director Dyson noted that it was a good start but that the amount should be greater in order for the program to have an impact.

A brief discussion was then had with regard to how the funding cycle is expected to work.

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

Statewide – New York State New Farmers Grant Fund Program – Local Assistance (Capital Grants) – Authorization to Adopt Guidelines; Delegation of Authority; Authorization to Make Grants; Authorization to Take Related Actions

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RESOLVED, that the Corporation hereby authorizes the New York State New Farmers Grant Fund Program (the “Program”), described in the materials presented in this meeting (the “Materials”), a copy of which has been presented to this meeting and is ordered filed with the records of the Corporation; and be it further

RESOLVED, that the Corporation hereby adopts the guidelines for the Program, a copy of which has been presented to this meeting and is included in the Materials, and authorizes the President and Chief Executive Officer of the Corporation, or his designee(s), to amend, from time to time, such guidelines (such guidelines, as they may from time to time be amended, the “Guidelines”) as he or she deems necessary or appropriate to effectuate the purposes of the Program; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) is hereby authorized to accept grant applications and award grants to eligible recipients pursuant to the Program in accordance with the Guidelines and these Materials (each such grant for the Program being hereby authorized) and to take such other actions as are necessary in order to effectuate the purposes of the Program; 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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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, (2) receipt of all other necessary approvals, and (3) the receipt of adequate funding for such assistance from the State of New York; 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, including without limitation, to make findings and hold public hearings that may be necessary pursuant to applicable law and to act on behalf of the Corporation to affirm, modify or withdraw any contemplated assistance as a result of testimony given at any such hearing, if necessary.

\* \* \*

Mr. McLeary then presented the September Non-Discretionary Projects Consent Calendar for the Directors' consideration. Mr. McLeary explained that there was one item to be considered and that that item was a modification to a \$125,000 grant to Griffiss Local Development Corporation ("GLDC"). He explained the proposed modification noting, in part, that the authorization does not include any new funding.

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

Local Assistance – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grants and to Take Related Actions;

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Local Assistance Projects (the "Projects"), the Corporation hereby determines pursuant to Section 10 (g) of the

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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”) submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

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

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

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

Local Assistance – Senate – Project Summary Table

|   | <b>Project Name</b>  | <b>Proj #</b> | <b>Grantee</b>                         | <b>Assistance up to</b> |
|---|--|---------------|--|-------------------------|
| A | GLDC – Griffiss Air Force Base Redevelopment Capital   | X641          | Griffiss Local Development Corporation | \$0*                    |
|   | * This grant was approved by the ESD Directors on May 17, 2012. The subject request is to reallocate the remaining grant and does not involve new funding. |               |  |                         |
|   |  |               | <b>TOTAL</b>                           | <b>\$0</b>              |

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

\* \* \*

The Acting Chair then asked Mr. Gawlik to present an item relating to the Land Bank Program.

Mr. Gawlik provided the relevant background information with regard to this request noting in part, that the program was established in 2011 and that it permits municipalities to form a not-for-profit corporation whose purpose is to acquire real property that is primarily tax delinquent, vacant or abandoned with the hope of putting it back into productive use.

Mr. Gawlik further explained that one sentence in the statute requires ESD to approve land bank applications before the municipality can incorporate their not-for-profit.

Originally, Mr. Gawlik noted, the statute permitted ten land banks to be created in the State and that recently the statute was amended to increase the number to twenty.

Mr. Gawlik stated that there are presently nine land banks approved and up and running in New York State.

Mr. Gawlik added that the City of Troy recently submitted an application that staff has reviewed and approved for submission to the Directors for their consideration.

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

**Land Bank Program – Approval of Land Bank Application and Authorization to Take All Related Actions**

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RESOLVED, that on the basis of the materials (the “Materials”) presented at this meeting, a copy of which is hereby ordered filed with the records of the New York State Urban Development Corporation d/b/a Empire State Development (the “Corporation”), relating to the Land Bank Program (the “Program”), the Corporation hereby approves creation of a land bank by the City of Troy for the purposes and substantially in the form set forth in the Materials, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate; and be it further

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

\* \* \*

Next, Mr. Kramer asked the Directors to authorize ESD to amend its contact with BBDO USA LLC.

Mr. Kramer outlined the specifics of the amendment as well as the reasons the amendment is being sought.

The Acting Chair asked if the amendment includes all expenses in connection with the media buys noting that the amount of the amendment is a huge number.

Mr. Kramer stated that that was the case.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

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

Director Dyson asked if the contract was working and the meeting was turned over to Richard Newman, the Executive Vice President of Marketing and State Strategy to address the question.

Mr. Newman spoke at length on the workings of and success of the marketing strategies utilized by BBDO USA, LLC.

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

**NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Authorized to Enter into Amendment of Contract with BBDO USA LLC; Authorization to Take Related Actions**

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RESOLVED, that on the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds BBDO USA LLC (“BBDO”) to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into an Amendment of the existing ESD-BBDO contract, pursuant to which the maximum contract amount would be increased from the current \$186,500,000 to \$211,500,000, and all other contract terms would remain unmodified and in full force and effect, substantially on the terms and conditions set forth in the Materials; and be it further

RESOLVED, that the ESD-BBDO contract amendment is expressly contingent upon receipts of all other necessary approvals, including without limitation approval by the Office of the State Comptroller; and be it further

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

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**DRAFT – SUBJECT TO REVIEW AND REVISION**

The Directors were then asked by Ms. Shaffer to consider the approval of Connect NY Broadband Consent Calendar. Ms. Shaffer noted that there were two projects totaling approximately \$434,535 for Consideration.

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

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

**NY Works and Regional Council Capital Fund – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions**

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

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

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

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Budget; and be it further

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

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

**Regional Council Capital Fund**

|   | Project Name                                       | Proj # | Grantee      | Assistance up to |
|---|--|--------|--------------|------------------|
| A | MTC Wireless Broadband Expansion Project, Phase II | Z240   | MTC Cable    | \$320,520        |
|   |  |        | <b>TOTAL</b> | <b>\$320,520</b> |

**NY Works**

|   | Project Name                       | Proj # | Grantee                             | Assistance up to |
|---|------------------------------------|--------|-------------------------------------|------------------|
| B | Ovid and Romulus Broadband Project | Y601   | Trumansburg Telephone Company, Inc. | \$114,015        |
|   |                                    |        | <b>TOTAL</b>                        | <b>\$114,015</b> |

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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The Acting Chair noted that the one information and he asked Mr. Cohen to present the Quarterly Report on Utilization of MWBE's and Procurement Commitments to MWBE's.

**DRAFT – SUBJECT TO REVIEW AND REVISION**

Acting Chair Cephas then called for a motion to conduct and Executive Session pursuant to paragraph (d) & (h) of subdivision 1 of Section 105 of the New York State Open Meetings Law. Upon motion duly made and seconded, the following resolution was adopted:

**EXECUTIVE SESSION – Pursuant to Paragraph (d) & (h) of Subdivision 1 of Section 105 of the New York State Open Meetings Law**

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RESOLVED, that the Directors conduct an Executive Session to consider matters pertaining to paragraph (d) & (h) of Subdivision 1 of Section 105 of the New York State Open Meetings Law.

\* \* \*

All persons were requested to leave the room with the exception of the Directors and members of the senior staff. The Executive Session ended at 10:40a.m. It was noted for the record that no votes were taken during the Executive Session.

The Acting Chair asked the Directors to approve the resolutions that were considered in Executive Session.

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

**NEW YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT - Authorization to Enter Into a Contract with the Law Firm of Gordon Rees Scully Mansukhani LLP to Provide Legal Services in Connection with Vinson v. HCDC, Index No. 14-CV-4068 (S.D.N.Y.), Solomon-Norman v. HCDC, EEOC Charge No. 520-2014-03332 and All Related Matters, and to Take All Related Actions**

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RESOLVED, that in accordance with the materials presented to this meeting, a copy of which is

**DRAFT – SUBJECT TO REVIEW AND REVISION**

hereby ordered to be filed with the records of the Corporation (the “Materials”), the Corporation hereby finds the law firm of Gordon Rees Scully Mansukhani LLP (“Counsel”) to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Counsel in an amount not to exceed \$250,000, for the purposes and services, and substantially on the terms and conditions, as set forth in the Materials, which includes all services rendered as of July 29, 2014 in connection with the lawsuit; and be it further

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

\* \* \*

There being no further business, the meeting was adjourned at 10:41 p.m.

Respectfully submitted,

Eileen McEvoy  
Corporate Secretary

FOR CONSIDERATION

October 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Buffalo Billion Initiative – Niagara Falls (Western New York Region – Niagara County) – Robert Moses Parkway South Segment: Riverway Project Capital – Buffalo Regional Innovation Cluster (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: New York State Department of Transportation (“NYSDOT”) on behalf of New York State Office of Parks, Recreation, and Historic Preservation (“OPRHP”).

ESD\* Investment: A grant of up to \$10,000,000 for road reconstruction on a portion of the Robert Moses Parkway (“RMP”) South and adjoining areas.

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

Project Location: One-mile segment of the Robert Moses Parkway South Parkway (“RMP-South”), extending from John B. Daly Boulevard to Old Falls Street, Niagara Falls, Niagara County

Proposed Project: Reconfiguration of a one-mile segment of the RMP-South

Project Type: Infrastructure improvement

Regional Council: The Western New York (“WNY”) Regional Economic Development Council (“REDC”) oversees the implementation of the Buffalo Billion Investment Development Plan. This project is part of the Buffalo Billion Initiative to enhance the development of downtown Niagara Falls and demonstrates the State’s commitment to revitalize the tourism economy of the WNY Region.

II. Project Cost and Financing Sources

| <u>Financing Uses</u>                      | <u>Amount</u>       |                |
|--|---------------------|----------------|
| Road Reconstruction                        | \$15,838,470        |                |
| Construction Management                    | <u>1,500,000</u>    |                |
| Total Project Costs                        | <u>\$17,338,470</u> |                |
| <u>Financing Sources</u>                   | <u>Amount</u>       | <u>Percent</u> |
| ESD – Grant                                | \$10,000,000        | 58%            |
| NYS DOT – State Multi-Modal Access Program | 5,000,000           | 29%            |
| NYS DOT – Other Sources                    | <u>2,338,470</u>    | <u>13%</u>     |
| Total Project Financing                    | <u>\$17,338,470</u> | <u>100%</u>    |

III. Project Description

A. Grantee

Industry: Fueled by over eight million visitors annually to Niagara Falls and other State Park facilities along the Niagara Gorge, OPRHP assets in Niagara County generate approximately \$480 million annually in tourism.

Grantee History: NYSDOT was created as a State agency in 1967, absorbing a number of precursor agencies such as the State Department of Public Works and others created over two centuries, and is now responsible for the development/operation of highways, railroads, mass transit systems, ports, waterways and aviation facilities in the State of New York.

OPRHP was created in 1972 as a result of passage of the New York State Parks, Recreation, and Historic Preservation Law. In addition to being responsible for administration of a statewide system of parks/historic sites, the agency owns several components of the State Parkway System, including the RMP in Niagara County. OPRHP has an agreement with NYSDOT to maintain the RMP and to undertake capital improvements along it.

Ownership: NYSDOT and OPRHP are New York State Agencies.

**Size:** NYSDOT's statewide responsibility includes, but is not limited to: 110,000 miles of roads and highways; 17,000 bridges; and a 5,000-mile rail network.

OPRHP operates 325,000 acres of state park and recreational facilities across New York State, including the 400-acre Niagara Falls State Park, the nation's oldest state park. Niagara Falls State Park, designed by renowned landscape architect Frederick Law Olmsted, is listed on the State/National Registers of Historic Places and is designated as a National Historic Landmark.

**ESD Involvement:** In 2006, OPRHP, together with NYSDOT, ESD's subsidiary USA Niagara Development Corporation ("USAN"), and the City of Niagara Falls (the "City") entered into a landmark memorandum of understanding ("MOU") to jointly plan and design a reconfiguration of two key segments of the RMP including the RMP-South: Riverway. The agencies agreed to reconfigure the RMP based on a determination that its limited-access expressway configuration: 1) was not necessary to reasonably support traffic access; 2) effectively cut off access between City neighborhoods and the City's waterfront; and 3) was deemed an impediment to fully realizing the City's or Region's tourism potential. Since the signing of the MOU, OPRHP has used federal and MOU partner funds to: procure design consultants; conduct public scoping processes for each segment; and complete preliminary design, environmental review, and final design/contract documents for the RMP-South: Riverway project (which has been since approved by the Federal Highway Administration ("FHWA")).

In 2012, Governor Cuomo announced that the WNY REDC will focus on tourism. As a result, the WNY Regional Strategic Economic Development Plan outlined measures to enhance and grow Niagara Falls tourism, including re-establishing waterfront access in the City.

In May 2013 the Governor announced an \$11.5 million award from the Buffalo Billion Initiative to implement the RMP-South Riverway project to open up access to the Niagara River's edge, making adjacent neighborhoods more valuable for development and to begin to facilitate a true outdoor recreational economy in the City. \$1.5 million of the \$11.5 million award was approved by ESD Directors in July 2013, to be provided to OPRHP to reimburse its consultant costs for final design and contract documents for the RMP-South: Riverway project. This request for the remaining \$10 million will be provided to NYSDOT (i.e., consistent with their agreement with OPRHP to undertake maintenance and capital improvements on the RMP) and will be used for construction associated with this project.

**Competition:** N/A

Past ESD Support: Since 2013, ESD Directors have approved \$1.5 million in funding to support the design costs for the RMP-South Riverway project. No funds have been disbursed. The project is summarized as follows:

| Program                             | Project # | Amount      | Date Start (ESD Directors' Approval date) | Date End (Contract Expiration) | Purpose  |
|-------------------------------------|-----------|-------------|---|--------------------------------|--|
| Buffalo Regional Innovation Cluster | Y511      | \$1,500,000 | July 18, 2013                             | December 31, 2016              | Capital Grant – Consultant costs related to final design for the reconstruction of the RMP and Entry Road to Niagara Falls State Park. |

**B. The Project**

Completion: June 2016

Activity: The project involves reconfiguration of a one-mile segment of the RMP to create an at-grade, landscaped roadway, evoking Frederick Law Olmsted’s historic design of the “Riverway” in this area, including replacement of a grade-separated interchange at John B. Daly Boulevard with a modern roundabout to create a more fitting gateway experience into Niagara Falls State Park and downtown Niagara Falls; removal of the elevated embankment to open views/access to the Upper Niagara River and Rapids; and implementation of a full landscaping/access plan with native vegetation, scenic overlooks, and multi-purpose trail facilities. The construction contract will be bid, let and held by NYSDOT and management of the construction contractor, construction inspection activities, and all other in-field management tasks for the project will be led by NYSDOT on behalf of OPRHP.

Results: The project will construct an access system that is “right-sized” to accommodate all modes of travel; elimination of underutilized and/or redundant roadway facilities; and restoration of native habitats along the riverfront. The project will directly support and facilitate at least four mixed-use lodging/retail projects in the adjoining Buffalo Avenue and Rainbow Boulevard corridors, representing over 450 hotel rooms and nearly \$50 million in new investment. As part of a long term strategy to fully open up the City’s waterfront along the RMP-South and RMP-North corridor, the Project will realize what was projected in the *City of Niagara Falls Waterfront Master Plan* (prepared by Sasaki Associates and Halcyon Real Estate Advisors)—in which the plan’s 20-year “Moderate” growth scenario estimated the following long-term economic benefits (note: adjusted to current dollars):

- A net increase in demand for over one million new hotel room nights;
- A net annual increase in retail/non-retail spending of \$336 million;

- Net additional support (through rehabilitation or new development) of 548,000 SF of new retail space;
- Net additional support (through rehabilitation or new development) of 1,036 new hotel rooms;
- Net new retail, lodging, and travel-related employment totaling 2,880 new jobs;
- Net new permanent annual payroll of \$94 million;
- New annual State income tax receipts of \$2.8 million; and
- New annual State sales tax receipts of \$11.5 million.

## Infrastructure

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

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

- Fiscal benefits to NYS government from the project are estimated at \$914,988;
- Fiscal cost\* to NYS government is estimated at \$17,519,417;
- Ratio of project fiscal benefits to costs to NYS government is 0.05:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,599,778;
- Fiscal cost to all governments is \$17,519,417;
- The fiscal benefit to cost ratio for all governments is 0.09:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$12,064,331;
- The economic benefit to cost ratio is 0.69:1;
- The Project construction costs of \$15.8 million is expected to generate 140 direct job years and 89 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.57 indirect job is anticipated in the state's economy.

\*The fiscal cost to New York State includes the \$1.5 million grant approved in July 2013, the \$5,000,000 NYSDOT Multi-Modal Access Program, and \$1.5 million in NYSDOT construction management expenditures.

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

Grantee Contacts: Mr. Darrell F. Kaminski, P.E., Regional Director  
NYSDOT  
Region 5, New York State Department of Transportation  
100 Seneca Street  
Buffalo, NY 14203  
Phone: (716) 847-3238

Mr. Mark Thomas, Western District Regional Director  
OPRHP  
Prospect Park, P.O. Box 1132  
Niagara Falls, NY 14303  
Phone: (716) 278-1770

ESD Project No.: Y520

|               |                                 |                              |
|---------------|---------------------------------|------------------------------|
| Project Team: | Origination                     | Christina Orsi               |
|               | Project Management              | Jean Williams                |
|               | Contractor & Supplier Diversity | Vikas Gera                   |
|               | Design & Construction           | Dennis Conroy/Paul Tronolone |
|               | Environmental                   | Paul Tronolone               |

### 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.
2. Up to \$10,000,000 will be disbursed to NYSDOT during the course of the project, assuming that all project approvals have been completed and funds are available. Up to \$9,000,000 will be advanced to NYSDOT upon the entering of a Grant Disbursement Agreement with ESD and the letting of a construction contract, to be drawn upon to cover invoices by the construction contractor. NYSDOT shall provide to USAN and ESD's Design & Construction ("D&C") group documentation of all paid contractor invoices over the term of the contract. The final \$1,000,000 of the grant will be disbursed to NYSDOT upon completion of the project, as evidenced by submission of project closeout documents approved by NYSDOT and ESD D&C. This final payment will be made upon presentation to ESD such documentation as ESD may reasonably require. Expenditures must be incurred on or after March 4, 2014. All disbursements must be requested by May 30, 2017.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$10,000,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

#### IV. Statutory Basis – Buffalo Regional Innovation Cluster

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Design and Construction

ESD's D&C, including USAN staff, shall participate and monitor all construction activities in conjunction with OPRHP and NYSDOT Field Engineer, including attendance at contractor progress meetings. D&C will monitor/review, as necessary, all monthly requisition payments, project budgets, contingency use and Project schedule. D&C/USAN will periodically monitor the construction and site supervision at its option, and authorize payments when all of its requirements have been met.

#### VI. Environmental Review

OPRHP, 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. Because the project involved FHWA, in accordance with 6 NYCRR 617.15 ("Actions involving a federal agency"), OPRHP conducted its review considering/supported by the FHWA-adopted documentation conducted pursuant to the National Environmental Policy Act ("NEPA"), including:

- The Final Design Report/Final Environmental Assessment ("FDR/EA") for the Robert Moses Parkway-South Segment: Riverway Project, dated January 29, 2014 and last revised on August 21, 2014, prepared by the Hatch Mott McDonald, in partnership with FHWA, OPRHP, NYSDOT, USAN, and the City of Niagara Falls; and
- Seventeen (17) technical appendices to the FDR/EA, including a full SEQRA Environmental Assessment prepared by OPRHP and documentation of consultation with the State Historic Preservation Office.

OPRHP found the project to be a Type I Action which would not have a significant effect on the environment. OPRHP issued a Negative Declaration on July 30, 2014. FHWA issued a federal Finding of No Significant Impact ("FONSI") on August 21, 2014, and NYSDOT, as a SEQRA involved agency, issued a Negative Declaration on August 22, 2014.

ESD staff reviewed the FDR/EA, FONSI, and OPRHP/NYSDOT Negative Declarations and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VII. Smart Growth Public Infrastructure Review

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

VIII. Non-Discrimination and Contractor & Supplier Diversity

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

IX. ESD Employment Enforcement Policy

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

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

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

XI. Additional Submissions to Directors

Resolutions  
New York State Map  
Benefit-Cost Analysis  
Project photograph/rendering

October 16, 2014

**Buffalo Billion Initiative – Niagara Falls (Western New York Region – Niagara County) – Robert Moses Parkway South Segment: Riverway Capital – Buffalo Regional Innovation Cluster (Capital Grant) Project – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions**

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Robert Moses Parkway South Segment: Riverway Capital – Buffalo Regional Innovation Cluster (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the NYS Department of Transportation a grant for a total amount not to exceed Ten Million Dollars (\$10,000,000) from the Buffalo Regional Innovation Cluster Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*

October 16, 2014

Buffalo Billion Initiative – Niagara Falls (Western New York Region – Niagara County) –  
Robert Moses Parkway South Segment: Riverway Capital – Buffalo Regional Innovation  
Cluster (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Robert Moses Parkway South Segment: Riverway Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

FOR CONSIDERATION

October 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Cheektowaga and West Seneca (Western New York Region – Erie County) – Rosina Foods Capital – New York Works Program (Capital Grant)

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

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General Project Plan

I. Project Summary

Grantee: Rosina Food Products, Inc. (“Rosina” or the “Company”)

ESD\* Investment: A grant of up to \$1.5 million to be used as reimbursement for a portion of the cost of building construction/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 Locations: 75 Empire Drive, West Seneca, Erie County\*  
75 Industrial Parkway, Cheektowaga, Erie County\*  
3100 Clinton Street, West Seneca, Erie County  
210 French Road, Cheektowaga, Erie County  
164 French Road, Cheektowaga, Erie County

\*Project activity sites; other locations are job-retention sites

Proposed Project: Upgrades to pasta, entrée, and protein manufacturing facilities.

Project Type: Business expansion involving job retention and job creation

**Regional Council:** The Western New York Regional Council has been made aware of this project. The project is consistent with the Western New York (“WNY”) Regional Economic Development Council’s Plan as it builds upon WNY’s advanced manufacturing and food processing strengths.

**Employment:** Initial employment at time of ESD Incentive Proposal: 345\*  
 Current employment level: 370\*  
 Minimum employment on January 1, 2016: 370\*

\*Includes 6 sales employees at satellite locations which report to one of the Project Locations. New employees cannot be transferred from other New York State (“NYS”) locations.

**II. Project Cost and Financing Sources**

| <u>Financing Uses</u>             | <u>Amount</u>             |
|-----------------------------------|---------------------------|
| Building Construction/Renovations | \$475,000                 |
| Machinery and Equipment           | <u>2,225,000</u>          |
| <b>Total Project Costs</b>        | <b><u>\$2,700,000</u></b> |

| <u>Financing Sources</u>       | <u>Amount</u>             | <u>Percent</u>     |
|--------------------------------|---------------------------|--------------------|
| ESD – Grant                    | \$1,500,000               | 55%                |
| Company Equity                 | <u>1,200,000</u>          | <u>45%</u>         |
| <b>Total Project Financing</b> | <b><u>\$2,700,000</u></b> | <b><u>100%</u></b> |

**III. Project Description**

**A. Company**

**Industry:** Rosina manufactures frozen foods including pre-cooked meatballs, Italian sausages, filled pasta, eggplant cutlets, entrees, and pizza toppings.

**Company History:** Rosina was founded in 1963, originally manufacturing sausage products which were sold to neighborhood meat markets, supermarkets, and restaurants, from a single Buffalo store-front location. By 1981, Rosina had launched its pre-cooked meatball line and was distributing products nationwide. Between 2000 and 2013 the Company continued its growth, and Rosina Holdings, Inc. (the “Parent”) and its affiliates acquired the assets of Celentano Brothers (Verona, NJ), purchased the frozen pasta brand names Gina Italian Village and Floresta (collectively known as Italian Village) from High Liner Foods (USA), Incorporated of NH, bought the former Lender’s Bagels, Inc. (West Seneca, NY) plant, and moved the production there. In 2011, the Company had created an International Division in Cheektowaga, NY and also purchased and relocated the assets

of San Rallo Pasta Company Division from Mitsui Foods, Inc. (Norwood, NJ) to WNY.

**Ownership:** The Company is a privately held, wholly- and family-owned subsidiary of Rosina Holdings, Inc.

**Size:** Rosina has five locations in WNY, with a total of 370 employees.

**Market:** Rosina markets its products to retail and foodservice industries and can be found in supermarkets, supercenters, military commissaries, wholesale clubs, and restaurants throughout North America and internationally. Rosina's products are also used by other manufacturers to produce soups, pizza, and lasagna. The Company sells to 95 of the nation's largest supermarkets including Wegman's Food Markets, Inc. (Rochester, NY), Publix Super Markets, Inc. (Lakeland, FL), and major foodservice distributors such as Performance Foodservice Group (Richmond, VA). Some of its major competitors are Armour-Eckrich Meats (Cincinnati, OH), Windsor Foods (Houston, TX), and Mama Rosie's (Charlestown, MA).

**ESD Involvement:** In March 2012 Rosina notified ESD that it needed to renovate its protein facility in Cheektowaga to obtain British Retail Consortium ("BRC") certification, a global food safety initiative required to maintain current larger customers. Additionally, Rosina desired to bring back to WNY its research and development activities which had been outsourced to Chicago, IL. This change would help improve operating efficiencies and reduce costs in both the Protein and Pasta & Entrée facilities. If the investments were not made and the BRC certification not obtained, the Protein facility would have been relocated to OSI Group in Chicago, IL. Although the Company has invested over \$36 million in capital upgrades in its facilities since 2000, current lending agreements did not provide for necessary financial resources to proceed with the required investments. ESD responded with an Incentive Proposal in March 2013 however, Rosina requested an extended amount of time to complete the project, and ESD responded with a revised incentive, extending the completion date and also the job commitment time period. The Company accepted the revised Incentive Proposal in May 2013. A revised Incentive Proposal was issued to the Company in September 2014 that the Company accepted. Without ESD assistance, 150 of Rosina's 345 employees would be relocated out of New York.

**Competition:** Chicago, IL

**Past ESD Support:** In 2006, ESD Directors approved a \$300,000 grant to the Company for a portion of costs associated with building renovations and machinery and equipment acquisition to expand its product line. The project was

completed in 2007, all were milestones met, and funds have been fully disbursed.

B. The Project

Completion: April 2015

Activity: The project involves interior construction and renovations as well as the purchase of machinery and equipment at two of the Project Locations to receive BRC certification and to add a new product line.

The Protein Facility on 75 Industrial Parkway was renovated, including the construction of a “clean room,” modifications to the walls and floors in kitchen 3 and 4 and the freezer room, and upgrades to sanitation equipment.

The Pasta and Entrée Facility on 75 Empire Drive added production equipment including as food-grade metal detectors, pasta extruders, inkjet coders, and upgrades to the conveyor belts and hot water plumbing.

Results: The project will retain 345 existing jobs. The Company has already created the 25 new jobs to which it has committed. As a result of the project, Rosina has achieved BRC certification greatly increasing its ability to remain globally competitive in its market and retain current and future larger-scale customers.

Business Investment

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

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

- Fiscal benefits to NYS government from the project are estimated at \$15,444,224;
- Fiscal cost to NYS government is estimated at \$5,500,000;
- Project cost to NYS government per direct job is \$17,564;

- Project cost to NYS government per job (direct plus indirect ) is estimated at \$8,037;
- Ratio of project fiscal benefits to costs to NYS government is 2.81:1;
- Fiscal benefits to all governments (state and local) are estimated at \$26,795,103;
- Fiscal cost to all governments is \$5,500,000;
- All government cost per direct job is \$17,564;
- All government cost per total job is \$8,037;
- The fiscal benefit to cost ratio for all governments is 4.87:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$206,232,521, or \$301,351 per job (direct and indirect);
- The economic benefit to cost ratio is 37.50:1;
- Project construction cost is \$7,000,000, which is expected to generate 65 direct job years and 42 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.56 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is three years.

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

\*Included in the benefit cost analysis are the current \$1,500,000 capital grant (Y314) and a \$4,000,000 capital grant (Y315) to be presented to the Board of Directors at a future meeting. Estimated project benefits reflect the overall total project construction budget and the total employment commitment to create 50 new jobs and retain 345 existing jobs at risk.

Grantee Contact: Mr. Russell A. Corigliano, President & CEO  
 170 French Road  
 Cheektowaga, NY 14227  
 Phone: (716) 668-0123

ESD Project No.: Y314

|               |                                 |               |
|---------------|---------------------------------|---------------|
| Project Team: | Origination                     | Ray Witzleben |
|               | Project Management              | Jean Williams |
|               | Contractor & Supplier Diversity | Vikas Gera    |
|               | Finance                         | Ross Freeman  |
|               | Environmental                   | Soo Kang      |

**C. Financial Terms and Conditions**

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$1.5 million capital grant (\$15,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the Project.

2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. Rosina Holding's Inc. will guarantee the grant repayment obligation of its subsidiary, Rosina Food Products, Inc., in the event of an Employment Shortfall or other default, as defined in these materials or the Grant Disbursement Agreement.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
5. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
6. Up to \$1.5 million will be disbursed in arrears to the Grantee in two installments as follows:
  - a) an Initial Disbursement of \$1.3 million upon documentation of \$2.5 million in building construction/renovations costs and machinery and equipment costs (including \$1.262 million incurred in 2012), and the addition of at least 25 Full-time Permanent Employees at the Project Locations for a total employment of at least 370 Full-Time Permanent Employees at all NYS locations, assuming that all project approvals have been completed and funds are available;
  - b) a Second Disbursement of \$200,000 will be disbursed upon documentation of an additional \$200,000 in building construction/renovations costs and machinery and equipment costs (aggregate investment of \$2.7 million), and the employment of at least 370 Full-Time Permanent Employees at all NYS locations, provided Grantee is otherwise in compliance with program requirements.

The Recipient will make an additional \$18 million in building renovations and machinery and equipment costs (for a total investment of \$22.762 million) by December 31, 2018, provided that ESD fully funds \$5.5 million in grant funding, per the terms of the Incentive Proposal dated September 16, 2014.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Project costs may be incurred after January 1, 2012 including approximately \$1.262 million in project costs previously expended. Expenditures must be incurred after September 18, 2014 to be considered eligible project costs for reimbursement. All disbursements must be requested by April 1, 2016.

7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
8. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

|                     |     |
|---------------------|-----|
| Baseline Employment | 345 |
|---------------------|-----|

| A                | B                |
|------------------|------------------|
| Reporting Date   | Employment Goals |
| February 1, 2016 | 345+X            |
| February 1, 2017 | 345+X            |
| February 1, 2018 | 345+X            |
| February 1, 2019 | 345+X            |
| February 1, 2020 | 345+X            |
| February 1, 2021 | 345+X            |

X = Grantee's Employment Increment that will be the basis of the Initial Disbursement of the Grant as described in section C.5 above (i.e. X=25, and Employment Goals shall equal [345 + X = 370] if the Initial Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Initial Disbursement has not yet been made then X=0.

**IV. Statutory Basis – New York Works Program**

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

**V. Environmental Review**

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

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

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

**VII. ESD 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

Cheektowaga and West Seneca (Western New York Region – Erie County) – Rosina Foods Capital – New York Works Program (Capital Grant) – Findings and Determinations Pursuant to Section 10(g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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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 Rosina Foods Capital – New York Works Program (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

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

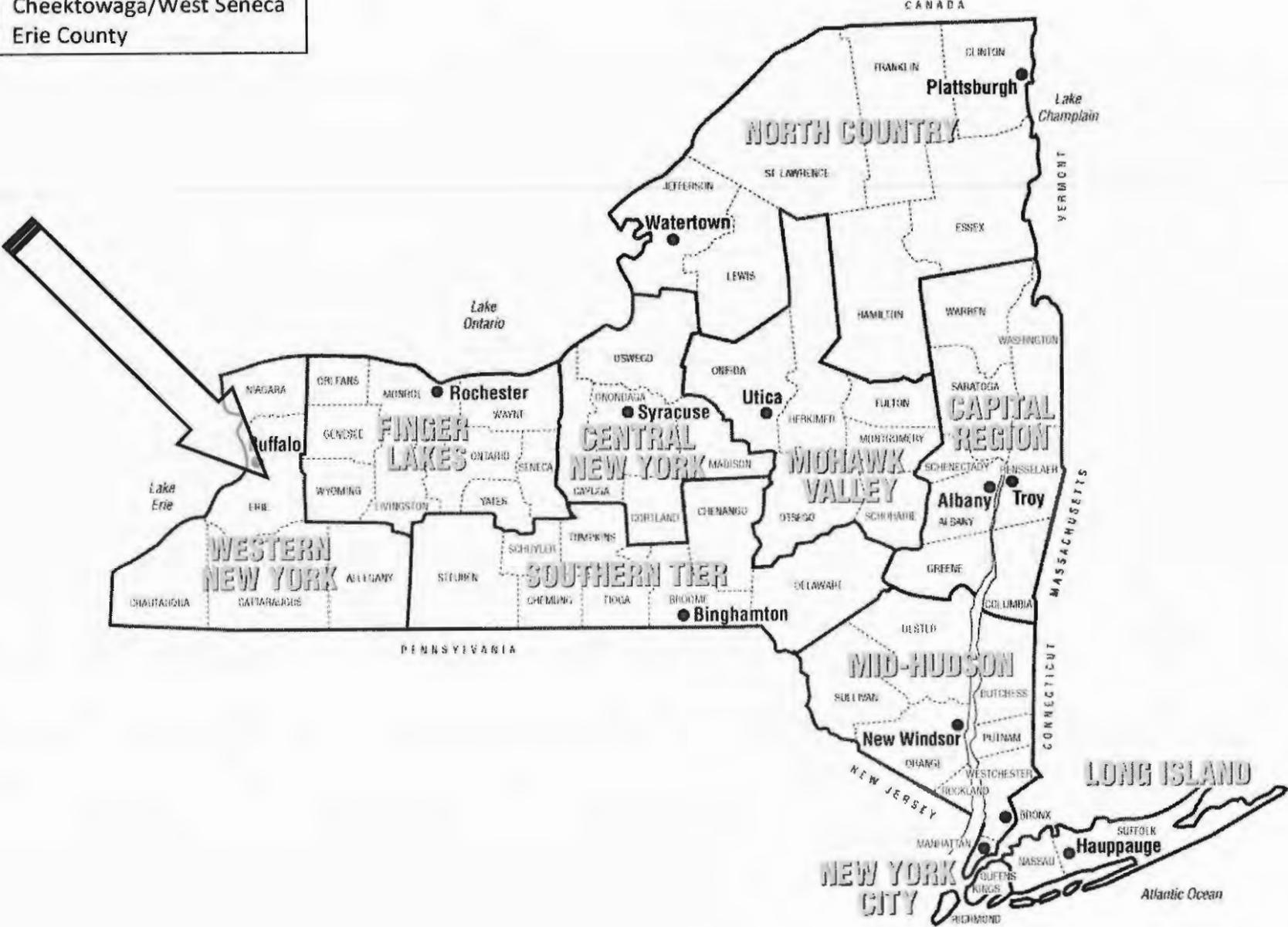
RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in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

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

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

\* \* \*

**Rosina Foods Capital**  
Cheektowaga/West Seneca  
Erie County



**FOR CONSIDERATION**

October 16, 2014

**TO:** The Directors

**FROM:** Kenneth Adams

**SUBJECT:** Rochester, Canandaigua and Ronkonkoma (Multiple Regions – Monroe, Ontario and Suffolk Counties) – Carestream Health Capital – JOBS Now Program (Capital Grant)

**REQUEST FOR:** Authorization to Amend the General Project Plan

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**General Project Plan Amendment**

**I. Project Summary**

**Grantee:** Carestream Health, Inc. (“Carestream” or the “Company”)

**ESD Investment:** A \$2 million grant approved on January 15, 2009, to be used for a portion of the cost of building renovations, electrical upgrades and purchase of machinery and equipment.

**Proposed Project Modifications:** The capital project was completed in December 2009. To date, ESD has disbursed \$1.5 million of the grant. Carestream has requested that ESD modify the project to include two new locations in Monroe County, one new site in Ontario County, and the Suffolk County location of a company that Carestream acquired after ESD’s 2007 incentive offer. Carestream’s virtual/remote employees who work out of their homes will also be considered as part of the employment goals, thus encompassing the Company’s entire New York presence. Additionally, a percentage of contract employees will be permitted in Monroe and Ontario Counties only. Job reporting for the project will extend for three additional years.

Project Locations: 150 Verona Street, Rochester, Monroe County\*  
1049 Ridge Road West, Rochester, Monroe County (Eastman Business Park)\*  
1600 Lexington Avenue, Rochester, Monroe County (Eastman Business Park)\*\*  
1699 Lake Avenue, Rochester, Monroe County (Eastman Business Park)\*\*  
5450 Campus Drive, Canandaigua, Ontario County\*\*  
2002 Orville Drive North, Ronkonkoma, Suffolk County (Quantum Medical Imaging)\*\*  
Remote/Virtual employees in New York State\*\* (currently, mostly Sales, Marketing, and Field Engineers working from home)

\* Original Project Location

\*\* Additional Project Location

Regional Council: The Finger Lakes Regional Economic Development Regional Council has been made aware of this item. The project predates the Regional Council Initiative. The project is consistent with the Regional Plan's goals to support optics and imaging, a key industry cluster, advanced medical technology, and the Eastman Business Park.

Employment: Initial employment at time of ESD Incentive Proposal: 800  
Current employment level: 1,419 FTEs\*\*\*  
Target: Minimum employment on January 1, 2013: 1,300 FTEs\*\*\*

\*\*\* Full-time equivalent jobs, including up to 10% contract employees in IT support and back office business processes at the Monroe and Ontario County locations. Contract employees in cafeteria, security and maintenance positions are ineligible to be counted. No contract employees may be counted in Suffolk County. Job breakdown (1,419 FTEs) is as follows: 1,305 in Monroe and Ontario Counties, 23 remote/virtual employees, and 91 in Suffolk County.

## II. Background

### A. Company

Industry: Carestream Health was formed by Onex Corporation, a publicly traded company based in Toronto, Canada, that purchased Eastman Kodak Company's Health Group. The multi-billion dollar transaction closed in 2007. Carestream's focus is dental and medical imaging systems and IT solutions; X-ray imaging systems for non-destructive testing; and advanced materials for the precision films and electronics markets. Its operations include development, manufacturing, marketing, and sales of

digital x-ray systems, computed radiography systems, picture archiving and communications systems, and X-ray film to meet the growing imaging and information needs of the markets it serves.

**Market:** Carestream provides products to approximately 90% of the world's hospitals and many dental offices. The Company has taken advantage of the accelerating trend in medical imaging toward digital capture and storage, which has the potential to improve healthcare service and lower operating costs. Primary global competitors include GE and Siemens.

**ESD Involvement:** These materials refer to and include, in their entirety, the attached materials presented to and approved by the Directors on January 15, 2009 (the "Materials"). Any substantive changes to the project or terms and conditions are noted in these materials.

**Past ESD Support:** This is the Company's first project with ESD. Carestream Health, Inc. is EZ certified in the Rochester Empire Zone effective April 3, 2007. The Company has claimed \$19,364,306 in Empire Zone benefits through 2012, according to its Business Annual Reports.

## B. The Project

**Completion:** December 2009

**Activity:** The Company has exceeded its projected investment of \$26.9 million as described in the Materials, and has now invested over \$150 million at the project locations. At the Canandaigua location, Carestream will undertake state-of-the-art R&D that builds upon its design and delivery of advanced medical imaging systems worldwide to facilitate expected new product commercialization by mid-2015. ESD funds will not reimburse any Canandaigua improvements.

In September 2010, Carestream acquired Quantum Medical Imaging LLC ("Quantum"), located in Ronkonkoma, NY. Quantum, which has 91 full-time employees, is now part of Carestream's Digital Medical Solutions division. Quantum's products complement Carestream's offerings in digital X-rays. (Carestream focuses on large customers like hospitals, and Quantum sells more to medical practices.)

**Results:** In addition to leading its worldwide organization from the Rochester headquarters in Rochester's High Falls District with engineering and R&D facilities at the Eastman Business Park ("EBP"), the Company contributes to downtown revitalization and to the high priority EBP project. The Canandaigua location, at the NYS Center of Excellence of Photonics and Optoelectronics, rebranded as the Smart System Technology and

Commercialization Center (part of SUNY's College of Nanoscale Science and Engineering), adds to the region's innovation economy.

Grantee Contact: David Cranks, Senior Manager, Indirect Taxes  
150 Verona Street  
Rochester, NY 14608  
Phone: (585) 627-6636

ESD Project No.: V322

C. Financial Terms and Conditions

1. The Company will demonstrate no materially adverse changes to its financial condition prior to disbursement of the remaining \$500,000.
2. Prior to disbursement, the Company must employ at least the number of 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 Locations for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (c) eligible contract employees comprising a maximum of 10 % of Full-time Permanent Employees as defined above.
3. 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. Carestream has reported its jobs to ESD since 2010 and has been in compliance with required job levels.

|                     |     |
|---------------------|-----|
| Baseline Employment | 800 |
|---------------------|-----|

| A                | B                |
|------------------|------------------|
| Reporting Date   | Employment Goals |
| February 1, 2015 | 800+W+X+Y+Z*     |
| February 1, 2016 | 800+W+X+Y+Z*     |
| February 1, 2017 | 800+W+X+Y+Z*     |
| February 1, 2018 | 800+W+X+Y+Z*     |

\*Includes up to 10% contract employees in IT support and back office business processes at the Monroe and Ontario County locations. Contract employees in cafeteria, security and maintenance positions are ineligible to be counted. No contract employees may be counted in Suffolk County.

The first three disbursements have been already made.  
 Z = Grantee's Employment Increment that will be the basis of the Fourth Disbursement of the Grant as described in section C.5 above (i.e. Z=125, and Employment Goals shall equal  $[800 + W + X + Y + Z = 1,300]$  if the Fourth Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Fourth Disbursement has not yet been made then Z=0.

### III. Environmental Review

ESD staff has determined that the project modification 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 modification.

IV. Additional Submissions to Directors

Resolution

General Project Plan Approved on January 15, 2009

New York State Map

Project Finance Memorandum

October 16, 2014

Rochester, Canandaigua and Ronkonkoma (Multiple Regions – Monroe, Ontario and Suffolk Counties) – Carestream Health Capital – JOBS Now Program (Capital Grant) – Adoption of Amended General Project Plan

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BE IT RESOLVED, that based on the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, that the grant of Two Million dollars (\$2,000,000) from the JOBS Now Program to Carestream Health, Inc., authorized by the Directors of the Corporation on January 15, 2009, be and it hereby is modified and the Directors of the Corporation hereby adopt the Amended Project Plan, to implement the project as amended, all as set forth in the materials presented to the Directors of the Corporation on January 15, 2009, and on October 16, 2014; and be it further

RESOLVED, that, except as modified hereby, all other terms of the grant as originally authorized by the Directors of the Corporation shall remain in full force and effect; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or her 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 President and Chief Executive Officer of the Corporation or her 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**

October 16, 2014

**TO:** The Directors

**FROM:** Kenneth Adams

**SUBJECT:** Brooklyn (New York City Region – Kings County) – Sims Recycling DRF Capital – Downstate Revitalization Fund – Downtown Redevelopment (Convertible Loan)

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

---

**General Project Plan**

**I. Project Summary**

**Borrower:** Sims Municipal Recycling of New York LLC (“SMR” or the “Company”)

**ESD\* Investment:** A loan of up to \$1,500,000 to be used for a portion of the cost of construction, machinery and equipment, and dredging at the 30<sup>th</sup> Street Pier on South Brooklyn Marine Terminal.

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

**Project Location:** 30<sup>th</sup> Street Pier, Brooklyn, Kings County

**Proposed Project:** Construction of a new materials recycling facility (“MRF”) including an administration and visitors’ center buildings; landscaping; new utilities; purchase and installation of scales, scale house and processing equipment; dredging and construction of new dock and bulkhead.

**Project Type:** Business creation involving job creation

Regional Council: The New York City Regional Council has been made aware of this item. The Incentive Proposal was accepted in March 8, 2010, predating the Regional Council Initiative. The project is consistent with the New York City Regional Plan to invest in public-private partnerships in order to accelerate economic growth and job creation while protecting the environment.

Employment: Initial employment at time of ESD Incentive Proposal: 0  
 Current employment level: 80  
 Minimum employment within 12 months of loan closing date: 84

**II. Project Cost and Financing Sources**

| <u>Financing Uses</u>             | <u>Amount</u>               |
|-----------------------------------|-----------------------------|
| Planning/Feasibility Study        | \$2,400,000                 |
| Demolition                        | 2,200,000                   |
| Construction/Infrastructure       | 71,900,000                  |
| Machinery and Equipment           | 28,000,000                  |
| Furniture, Fixtures and Equipment | 500,000                     |
| Soft Cost including contingency   | <u>5,000,000</u>            |
| <b>Total Project Costs</b>        | <b><u>\$110,000,000</u></b> |

| <u>Financing Sources</u>  | <u>Amount</u>               | <u>Percent</u>     | <u>Rate/Term/Lien</u> |
|---|-----------------------------|--------------------|-----------------------|
| ESD – Loan  | \$1,500,000                 | 1%                 | 3%/5yrs./Unsecured    |
| New York City Appropriation   | 53,900,000                  | 49%                |                       |
| US Department of Transportation<br>Congestion Mitigation and Air<br>Quality Grant | 4,600,000                   | 4%                 |                       |
| Company Equity  | <u>50,000,000</u>           | <u>46%</u>         |                       |
| <b>Total Project Financing</b>  | <b><u>\$110,000,000</u></b> | <b><u>100%</u></b> |                       |

**III. Project Description**

**A. Company**

Industry: Recycling services including acceptance, processing and marketing of metal, glass and plastic (“MGP”) and portion of paper collected by the NYC Department of Sanitation.

Company History: Sims Municipal Recycling of New York LLC was formed in December 2007 to execute the long term recycling contract with the City of New York.

**Ownership:** Sims Municipal Recycling of New York LLC is a wholly owned subsidiary of Sims Metal Management Limited. Sims Metal Management is the world's largest listed metal recycler with approximately 230 facilities and 5,500 employees globally. The Company is listed on the Australian Securities Exchange (ASX: SGM) and its American Depository Receipts are listed on the New York Exchange (NYSE: SMS).

**Size:** SMR new MRF facility is located in Sunset Park, Brooklyn. In addition, the Company manages yards in the Bronx, Queens, and Jersey City, NJ.

**Market:** Residents and non-profit institutions of NYC's five boroughs.

**ESD Involvement:** In January 2009, SMR entered an agreement with the City of New York creating a long term public-private partnership to service the largest municipal recycling program in the United States. The agreement between New York City and Sims Municipal Recycling of New York LLC designated Sims as the sole processor of metal, glass and plastics collected by DSNY. As part of the agreement SMR will build a new materials recovery facility in Brooklyn and the City of New York will invest in the site infrastructure. ESD offered a \$1,500,000 convertible loan incentive proposal that was accepted in March 2010 to assist the Company with its project.

**Competition:** N/A

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

## B. The Project

**Completion:** August 2014

**Activity:** SMR has invested in the construction of a new material recycling facility with truck, barge and rail access on the 11.5 acre at 30<sup>th</sup> Street Pier in Brooklyn. The project includes filling, grading and paving; two acres of landscaping; new utilities; a 100,000-square-foot clear span building; a 10,000-square-foot administration building and visitor center; purchase and installation of scales, scale house and processing equipment; dredging approximately 50,000 cubic yards of sediment, and construction of 850 linear feet of dock and bulkhead. Due to the proximity to the water, Sims reviewed projected sea level rise and elevated vulnerable parts of the site by up to four feet using recycled glass and crushed rock from the Second Avenue subway project. The additional \$1 million investment kept the pier dry when Hurricane Sandy's 12 foot surge flooded nearby streets and waterfront businesses.

**Results:** As a result of the new facility, the annual DSNY truck traffic will be reduced by 230,000 vehicle miles traveled. The project will provide a recycling infrastructure within NYC and will create 84 new jobs. The Company has already created 80 jobs.

**Business Investment**

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

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

- Fiscal benefits to NYS government from the project are estimated at \$7,375,181;
- Fiscal cost to NYS government is estimated at \$1,374,766;
- Project cost to NYS government per direct job is \$26,993;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$16,236;
- Ratio of project fiscal benefits to costs to NYS government is 5.36:1;
- Fiscal benefits to all governments (state and local) are estimated at \$15,482,590;
- Fiscal cost to all governments is \$59,440,371;
- All government cost per direct job is \$1,167,078;
- All government cost per total job is \$702,003;
- The fiscal benefit to cost ratio for all governments is 0.26:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$91,555,109, or \$1,081,285 per job (direct and indirect);
- The economic benefit to cost ratio is 1.54:1;
- Project construction cost is \$81,500,000, which is expected to generate 430 direct job years and 222 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.47 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is one year.

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

Borrower Contact: Thomas Outerbridge, General Manager  
16 West 22<sup>nd</sup> Street, 10<sup>th</sup> Floor  
New York, NY 10010  
Phone: (212) 604-0710

ESD Project No.: W981

|               |                                 |                      |
|---------------|---------------------------------|----------------------|
| Project Team: | Origination                     | Joseph Tazewell      |
|               | Project Management              | Javier Roman-Morales |
|               | Legal                           | Simon Wynn           |
|               | Contractor & Supplier Diversity | Vikas Gera           |
|               | Finance                         | Joseph Bozek         |
|               | Environmental                   | Soo Kang             |

C. Financial Terms and Conditions

1. The Company shall pay a commitment fee of 1% of the \$1,500,000 loan (\$15,000) due at closing. In addition, at the time of closing, the Company will 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 closing.
3. Sims Metal Management Limited and Simsmetal East LLC will guarantee the loan repayment obligation of its subsidiary, Sims Municipal Recycling of New York LLC, in the event of an Employment Shortfall or other default, as defined in these materials or the Loan Agreement.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
5. Up to \$1,500,000 will be disbursed to the Borrower upon documentation verifying project expenditures of \$16,800,000, employment of at least 80 Full-time Permanent Employees at the project location and assuming that all project approvals have been completed and funds are available. Expenses reimbursed by ESD's loan must be incurred on or after March 8, 2010. Disbursement of the loan must be requested by December 31, 2015.
6. 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.

7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Borrower and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
8. Rate/Term: 3% interest rate over 5 years (sixty months). Loan becomes immediately due and payable if Borrower sells or closes the Project location.
9. Repayment Term: Sixty (60) monthly interest-only payments beginning after disbursement of the convertible loan, with outstanding principal due in full in the 60<sup>th</sup> month, subject to any incremental reductions in principal based upon Borrower's achievement of Job Commitments and Loan Compliance (See Conversion Terms below).
10. Conversion Terms: The loan principal may be subject to incremental reductions of 20% annually (\$300,000) over the five-year term of the loan if Job Commitments and Loan Compliance are achieved for each respective year of the loan. Upon timely submission by Borrower (subject to approval by ESD) of an annual Job Verification – Loan Compliance Principal Reduction Request Form, the principal balance of the loan shall be reduced for such year by \$300,000. Each such approved reduction shall be deemed a prepayment of the Borrower's Promissory Note to ESD pursuant to the terms contained therein. If during the term of the loan, Job Commitments and/or Loan Compliance are not submitted and approved for any particular year, principal reduction will not occur for that year and the corresponding amount of principal, when added to any other unconverted principal, shall remain payable upon maturity. (See Job Commitments below.)

**Job Commitments:**

|                     |   |
|---------------------|---|
| Baseline Employment | 0 |
|---------------------|---|

| <b>A</b>                              | <b>B</b>         |
|---------------------------------------|------------------|
| Reporting Date                        | Employment Goals |
| Anniversary Date of Loan Closing 2015 | 84               |
| Anniversary Date of Loan Closing 2016 | 84               |
| Anniversary Date of Loan Closing 2017 | 84               |
| Anniversary Date of Loan Closing 2018 | 84               |
| Anniversary Date of Loan Closing 2019 | 84               |

11. The Borrower will submit to ESD annual reviewed financial statements and quarterly internal financial statements certified by an officer of the Borrower.
12. Financial Disclosure: Updated financial disclosure on Borrower and all guarantors acceptable to ESD must be provided prior to closing.
13. Lien/Collateral: Unsecured
14. Due Diligence: Appraisals and engineering and environmental reviews acceptable to ESD must be provided prior to closing, if applicable.

**IV. Statutory Basis**

This project is authorized under Section 16-r of the New York State Urban Development Corporation Act (the "Act") and satisfies the eligibility criteria in the Act and the rules and regulations for the Downstate Revitalization Fund Program. No residential relocation is required as there are no families or individuals residing on the site.

**V. Environmental Review**

The New York City Department of Sanitation and the New York City Department of Small Business Services, as co-lead agencies, have completed an environmental review of the proposed project, pursuant to the requirements of the City Environmental Quality Review ("CEQR") procedures. This review found the project would not have a significant effect on the environment. ESD staff reviewed the supporting materials and concurs. The present request for ESD funding does not constitute an action beyond those actions already considered by the co-lead agencies and does not require additional environmental review under the State Environmental Quality Review Act ("SEQRA"). It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Non-Discrimination and Contractor & Supplier Diversity

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

VII. Smart Growth Public Infrastructure Review

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

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

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

IX. Additional Submissions to Directors

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

October 16, 2014

Brooklyn (New York City Region – Kings County) – Sims Recycling DRF Capital – Downstate Revitalization Fund – Downtown Redevelopment (Convertible Loan) – Findings and Determinations Pursuant to Sections 16-r and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions

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

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

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

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

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

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

\* \* \*

October 16, 2014

New York (New York City Region – Kings County) – Sims Recycling DRF Capital –  
Downstate Revitalization Fund – Downtown Redevelopment (Convertible Loan) –  
Determination of No Significant Effect on the Environment

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

\* \* \*

FOR CONSIDERATION

October 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Statewide – New York eHealth Collaborative Working Capital – Urban and Community Development Program - Urban and Community Technical Assistance (Working Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Sections 5(4), 10 (g) and 16-d of the Act; Authorization to Make a Grant and to Take Related Actions

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I. Project Summary

Grantee: New York eHealth Collaborative, Inc. (“NYeC” or the “Organization”)

ESD\* Investment: A grant of up to \$250,000 to be used for a portion of costs in conjunction with NYeC’s launch of its second New York Health Accelerator class.

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

Project Location: Statewide

Proposed Project: NYeC will launch a second New York Digital Health Accelerator class. NYeC plans to include 7 companies as part of this class. NYeC will augment the mentor cohort with a new, diverse group of executives drawn from the provider, health plan and pharmaceutical marketplace.

Project Type: Launch of the second phase of a program to engage diverse healthcare companies.

Regional Council: The Regional Councils have been made aware of this project. The project is consistent with the New York City Regional Plan to foster innovation and interregional cooperation in the area of healthcare. The

2013 progress report by the New York City Regional Economic Development Council deemed the expansion of the NYeC's New York Digital Health Accelerator program as a priority.

II. Project Cost and Financing Sources

| <u>Financing Uses</u>  | <u>Amount</u>          |                    |
|--|------------------------|--------------------|
| Salaries and Fringe Benefits   | \$542,480              |                    |
| Furniture, Fixtures & Equipment  | 45,235                 |                    |
| Events (Selection Committee, Kickoff Event, Demo Day, Leadership Program, Conference Exhibition) | 54,382                 |                    |
| Travel, Recruiting & Meetings  | 30,000                 |                    |
| Administration   | 42,226                 |                    |
| Hospital Participants Staff  | 200,000                |                    |
| Partnership Fund for NYC Staff Costs   | 50,000                 |                    |
| NYeC Staff Costs   | 25,000                 |                    |
| Initial Venture Capital Investment for 2 <sup>nd</sup> Round                                     | 800,000                |                    |
| Contractual  | <u>17,500</u>          |                    |
| <br>Total Project Costs  | <br><u>\$1,806,823</u> |                    |
| <br><u>Financing Sources</u>   | <br><u>Amount</u>      | <br><u>Percent</u> |
| ESD – Grant  | \$250,000              | 14%                |
| Organization and Investor Equity   | <u>1,556,823</u>       | <u>86%</u>         |
| <br>Total Project Financing  | <br><u>\$1,806,823</u> | <br><u>100%</u>    |

III. Project Description

A. Organization

**Industry:** NYeC has created a statewide health information exchange to connect electronic health records at individual and group providers around New York State. The Organization receives funding from state and federal grants to serve as the focal point of health information technology (“health IT”) in New York State. NYeC works to develop policies and standards, to assist healthcare providers in making the shift to electronic health records.

**Organization History:** NYeC was founded in 2006 by healthcare leaders. New York State has designated NYeC to be the State-designated entity for the State Health

Information Exchange Program and New York State Department of Health has separately awarded NYeC \$53 million to pursue complementary initiatives to further develop statewide health IT policy and enhance the State’s Health Information Exchange infrastructure.

NYeC is dedicated to the achievement of a technology-enabled health care transformation in New York State and has three primary responsibilities: (1) convene, educate and engage key constituencies, including (2) facilitate an interoperable health information exchange through the Statewide Health Information Network for New York (“SHIN-NY”), supporting the establishment of health information policies, standards and technical approaches and aiding stakeholders at the regional and local levels to implement such policies and standards, and (3) partner with companies across the State to evaluate the effectiveness of, and establish accountability measures for the State’s health IT strategy. The goal of NYeC’s work is that no patient, wherever they may need treatment within New York State, is ever without fast, secure, accurate, and accessible information.

**Ownership:** The Organization is a 501(c)(3) not-for-profit.

**Size:** The Organization has one New York office and employs 74 people.

**Market:** The Organization serves health care and health IT leaders across the state.

**ESD Involvement:** In order to encourage NYeC to proceed with the project, ESD offered a \$250,000 working capital grant to assist with the cost of the project that the Organization accepted in February 2014. Without ESD’s offer of assistance the project could not have taken place.

**Past ESD Support:** Funding for the past five years to the Grantee is summarized in the following chart. Funds were fully disbursed and all requirements were satisfied.

| Program                                | Project # | Amount    | Date Start (ESD Directors’ Approval date) | Date End (Project Completion: Contract Expiration) | Purpose  |
|--|-----------|-----------|---|--|--|
| Empire State Economic Development Fund | X568      | \$250,000 | March 27, 2012                            | April 25, 2014                                     | Working Capital - Launch of NYeC’s Health Information Technology Innovation Program. |

## B. The Project

**Completion:** December 2014

**Activity:** The New York Digital Health Accelerator (NYDHA) Program (the "Program") is a program developed and run by NYeC and the Partnership Fund for New York City (Partnership Fund) for early and growth-stage digital health companies that are developing cutting edge technology products for healthcare providers and patients in the areas of care coordination, patient engagement, predictive analytics and workflow management. The five month program provides the companies accepted into the Accelerator class direct access to major customers and receive product feedback from senior-level executives of major healthcare provider companies. Each company accepted into the Program receives \$100,000 in up-front funding from a syndicate of leading venture capital and strategic investors. The program includes a mentor relationship component with the provider companies and NYeC. The program also includes mentorship in the form of a leadership program on relevant healthcare topics, a network of seasoned entrepreneur mentors, and opportunities to pitch their product to additional providers and investors. Each company that is part of the program is required to open an office in New York State.

**Results:** The Project fosters the creation of innovative tools for clinicians and other users of the SHIN-NY and facilitates investments by venture community in companies that participate in the program. The program supports job creation by requiring companies to open an office in New York State. Last year's class of eight Accelerator companies created a total of 135 jobs with a total of \$24 Million dollars in funding post program. Two of the eight companies were acquired within six months of the program. This year's class is on target to meet the bar set by the last class.

### **Economic Growth**

**Investment Project:** This project was an Economic Growth Investment project that did not involve permanent job commitments or construction spending. While such projects generate significant long term fiscal and economic benefits, such benefits are not estimated within the short-term period used in the benefit cost analysis. Therefore, no benefit cost analysis is provided.

**Grantee Contact:** David L. Whitlinger, Executive Director  
40 Worth Street, 5th Floor  
New York, NY 10013  
Phone: (646) 619-6601

ESD Project No.: Y726

|               |                                 |                     |
|---------------|---------------------------------|---------------------|
| Project Team: | Origination                     | Joseph Tazewell     |
|               | Project Management              | Wilfredo Florentino |
|               | Contractor & Supplier Diversity | Denise Ross         |
|               | Finance                         | Ross Freeman        |
|               | Environmental                   | Soo Kang            |

### C. 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. The Organization will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Organization's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Organization or by investors, and should be auditable through Organization financial statements or Organization accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project. Initial venture capital investment into participating technology companies shall fulfill the equity requirement.
3. Up to \$250,000 will be disbursed to the Grantee for working capital expenditures, no more frequently than quarterly, in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed to the Grantee upon completion of the project and submission to and approval by ESD of a Final Report. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after February 27, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$250,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

### IV. Statutory Basis

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.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination & Contractor and Supplier Diversity policy will apply to the project. NYeC shall be required to use Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") participation goal of 20% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project.

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.

X. Additional Submissions to Directors

Resolutions  
New York State Map  
Project Finance Memorandum

October 16, 2014

Statewide – New York eHealth Collaborative Working Capital – Urban and Community Development Program – Urban and Community Technical Assistance (Working Capital Grant) – Findings and Determinations Pursuant to Sections 5(4), 10 (g) and 16-d of the Act; Authorization to Make a Grant and to Take Related Actions

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to New York eHealth Collaborative, Inc. a grant for a total amount not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) from the Urban and Community Development Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

\* \* \*



**FOR CONSIDERATION**

October 16, 2014

**TO:** The Directors

**FROM:** Kenneth Adams

**SUBJECT:** Regional Council Award – Priority Project – Syracuse (Central New York Region – Onondaga County) – COR Development Loguen Crossing Phase I Capital – Regional Council Capital Fund (Capital Grant)

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

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**General Project Plan**

**i. Project Summary**

**Grantee:** COR Development Company, LLC (“COR” or the “Company”)

**ESD\* Investment:** A grant of up to \$3,600,000 to be used for a portion of the cost of demolition, environmental remediation, asbestos abatement, and infrastructure upgrades.

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

**Project Location:** 800-1000 East Water Street, Syracuse, Onondaga County

**Proposed Project:** Site preparation for the future development of Loguen Crossing, a mixed-use commercial and residential redevelopment project.

**Project Type:** Real estate development

**Regional Council:** This is a priority project for the Central New York Region and consistent with the Central New York Regional Economic Development Council’s Five-Year Strategic Plan goal to revitalize the region’s urban cores, main streets, and neighborhoods.

**II. Project Cost and Financing Sources**

| <u>Financing Uses</u>    | <u>Amount</u>      |                |
|--------------------------|--------------------|----------------|
| Site preparation         | <u>\$4,084,900</u> |                |
| Total Project Costs      | <u>\$4,084,900</u> |                |
| <u>Financing Sources</u> | <u>Amount</u>      | <u>Percent</u> |
| ESD – Grant              | \$3,600,000        | 88%            |
| Company Equity           | <u>484,900</u>     | <u>12%</u>     |
| Total Project Financing  | <u>\$4,084,900</u> | <u>100%</u>    |

**III. Project Description**

**A. Company**

**Industry:** Real estate development

**History:** COR Development Company, LLC, was founded in 1998 and has developed real estate projects throughout central and upstate New York, including the purchase, lease, development, construction, management, and operation of various projects. In total, it has developed over four million square feet of commercial, residential and mixed-use space. These projects include the Towne Center at Fayetteville, NY, a 575,000-square-foot redevelopment of a 1970s vintage mall; two COR centers in Clay, NY, which consist of approximately 700,000 square feet of new development; the Collamer Crossings Business Park in Dewitt, NY, which is a New York State Shovel Ready building site for approximately 800,000 square feet of office/high-tech development; Maple Heights, a 50-unit affordable townhome housing project located in the city (the “City”) of Syracuse; and Beaver Meadow, a 296-unit apartment complex located in Watertown, NY, that was developed with the assistance of the New York State Department of Housing and Community Renewal.

**Ownership:** COR Construction Management Company, LLC, is a subsidiary of COR Development Company, LLC, and is a New York State limited liability company, formed in 1998.

**Size:** All facilities located in Syracuse, NY.

**Market:** Developers of a mixed use urban neighborhood.

**ESD Involvement:** As a result of the Governor’s Regional Economic Development Council Initiative, COR was awarded \$3.6 million through the first round of the Consolidated Funding Application (“CFA”) process to complete the redevelopment of the former Kennedy Square Housing site in the City of Syracuse into a shovel ready site for future development. Without the requested funding, the project would likely not take place. The assistance awarded by the State to fill the gap in funding was crucial to help render the site ready for redevelopment. The remainder of the project is funded with private equity.

**Past ESD Support:** ESD has provided \$3 million in funding to COR in 2013 for phase 1 of the COR Inner Harbor Capital Project (X788). Funds have been fully disbursed, and COR is compliance with all of the terms and conditions of that grant.

Funding for the past five years to the Grantee is summarized in the following chart:

| Program                       | Project # | Amount      | Date Start (ESD Directors’ Approval date) | Date End (Project Completion: Contract Expiration) | Purpose   |
|-------------------------------|-----------|-------------|---|--|---|
| Regional Council Capital Fund | X788      | \$3,000,000 | January 17, 2013                          | December 31, 2018                                  | Capital Grant – Phase 1 redevelopment of the Syracuse Inner Harbor. |

**B. The Project**

**Completion:** March 2014

**Activity:** The Company has completed the first phase of an overall \$300 million plan to redevelop the former Kennedy Square Housing complex in downtown Syracuse. Phase I project work included the removal of asbestos containing materials, environmental remediation and demolition of fifteen buildings on the former Kennedy Square housing site, including two eight-story towers, two four-story buildings and eleven two-story buildings, as well as the removal of all demolition debris and construction of preliminary roadways.

**Results:** The project will prepare the site making it shovel ready for future redevelopment of a proposed a mixed-use urban neighborhood to include 140,000 square feet of restaurant and retail space, 230,000 square feet of office space, and 280 1-3 bedroom apartments and townhouses.

The goal of the overall development initiative is to restore a dormant, blighted property in a premier location of downtown Syracuse into a well-planned urban development cohesively connecting educational,

entrepreneurial, residential and commercial interests to serve future generations of the City, County and Region. Future development would be designed and constructed using sustainable design measures that promote environmental responsibility, consistent with the City of Syracuse's plan for "greening" the City.

#### Infrastructure

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

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

- Fiscal benefits to NYS government from the project are estimated at \$267,861;
- Fiscal cost to NYS government is estimated at \$3,600,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.07:1;
- Fiscal benefits to all governments (state and local) are estimated at \$456,588;
- Fiscal cost to all governments is \$3,600,000;
- The fiscal benefit to cost ratio for all governments is 0.13:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$2,391,968;
- The economic benefit to cost ratio is 0.66:1;
- Project construction cost is \$4,084,900, which is expected to generate 37 direct job years and 24 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.65 indirect job is anticipated in the state's economy.

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

**Grantee Contact:** Joseph B. Gerardi, Executive Vice President and Legal Counsel  
COR Development Company, LLC  
540 Towne Drive  
Fayetteville, NY 13066  
Phone: (315) 663-2100

ESD Project No.: X775

|               |                                 |                 |
|---------------|---------------------------------|-----------------|
| Project Team: | Origination                     | Ray Lawrence    |
|               | Project Management              | Simone Bethune  |
|               | 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 Company shall pay a commitment fee of 1% of the \$3,600,000 capital grant (\$36,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. COR Construction Management Company, LLC will guarantee the grant repayment obligation of its subsidiary, COR Development Company, LLC, in the event of an Employment Shortfall or other default, as defined in these materials or the Grant Disbursement Agreement.
4. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
5. Up to \$3,600,000 will be disbursed to Grantee upon documentation of project costs totaling \$4,000,000, and upon completion of the project substantially as described in these materials, as evidenced by attainment of an engineer or architect's certification of completion, 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 November 1, 2011, to be considered eligible project costs.
6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$3,600,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

#### IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2011-2012 New York State budget and reappropriated in the 2012-2013, 2013-2014 and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Environmental Review

The State University of New York Upstate Medical University, 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 July 2, 2009. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

#### VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (“MWBEs”) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 23%. The overall goal shall include a Minority Business Enterprise (“MBE”) Participation Goal of 15% and a Women Business Enterprise (“WBE”) Participation Goal of 8% related to the total value of ESD’s funding.

#### VII. ESD Employment Enforcement Policy

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

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

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

#### IX. Additional Submissions to Directors

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

October 16, 2014

Regional Council Award – Priority Project – Syracuse (Central New York – Onondaga County) – COR Development Loguen Crossing Phase I Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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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 COR Development - Loguen Crossing Phase I Capital -- Regional Council Capital Fund (Capital Grant) Project (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to COR Development Company, LLC a grant for a total amount not to exceed Three Million Six Hundred Thousand Dollars (\$3,600,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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

\* \* \*

October 16, 2014

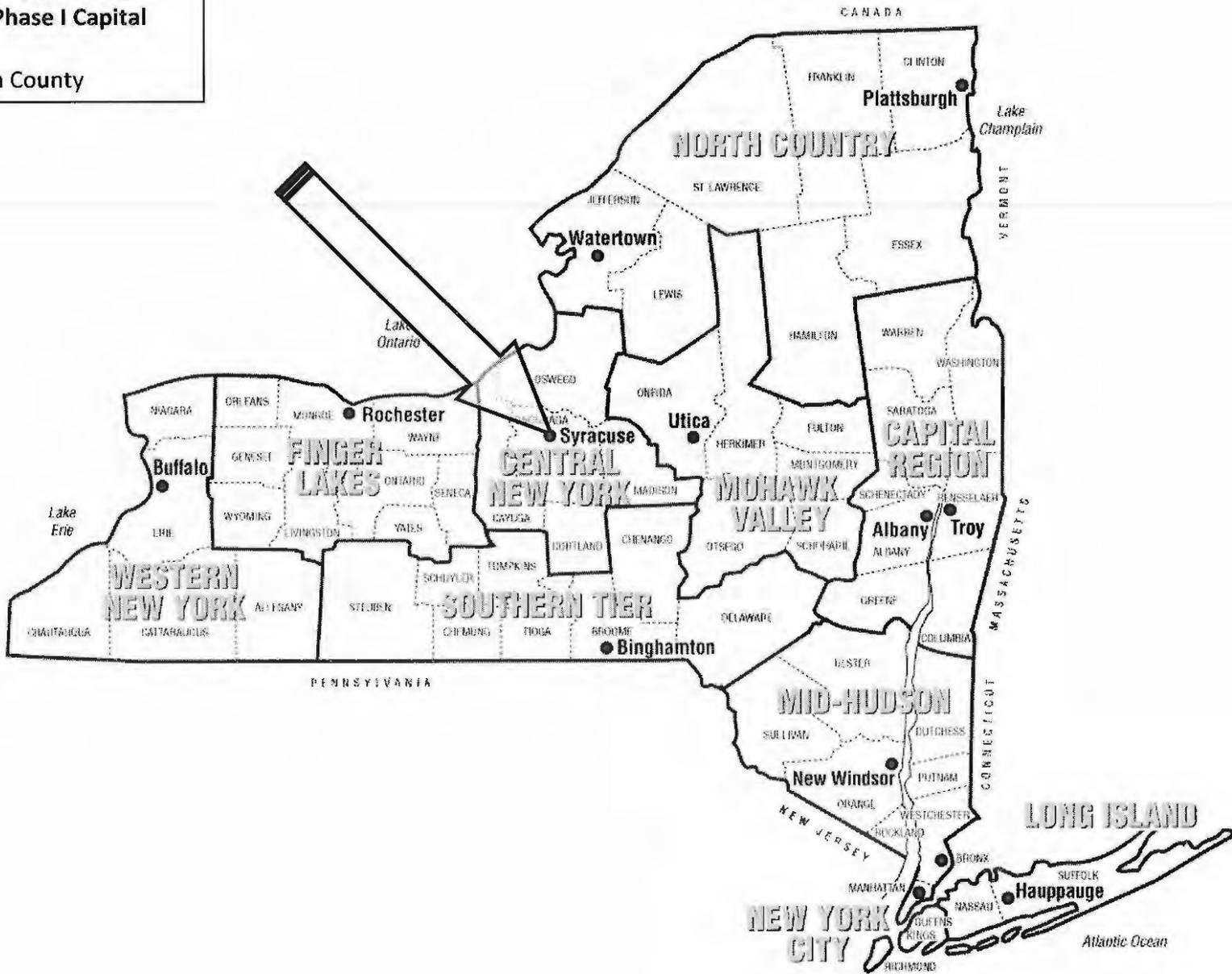
**Regional Council Award – Priority Project – Syracuse (Central New York – Onondaga County) – COR Development Loguen Crossing Phase I Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment**

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RESOLVED, that based on the material submitted to the Directors with respect to the COR Development - Loguen Crossing Phase I Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

**COR Development Loguen  
Crossing Phase I Capital  
Syracuse  
Onondaga County**





**FOR CONSIDERATION**

October 16, 2014

**TO:** The Directors

**FROM:** Kenneth Adams

**SUBJECT:** Regional Council Award – White Plains (Mid-Hudson Region – Westchester County) – City of White Plains Capital – Regional Council Capital Fund (Capital Grant)

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

---

**General Project Plan**

**I. Project Summary**

**Grantee:** City of White Plains (the “City”)

**ESD\* Investment:** A grant of up to \$2,000,000 to be used for a portion of the cost of construction of a new parking facility.

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

**Project Location:** 1 Lyon Place, White Plains, Westchester County

**Proposed Project:** Construction and renovation of the Lyon Place parking garage as part of the redevelopment of the Post Road Corridor.

**Project Type:** Municipal facility redevelopment

**Regional Council:** The project is consistent with the Regional Plan to improve key regional infrastructure to make the Region more business ready.

## II. Project Cost and Financing Sources

| <u>Financing Uses</u>  | <u>Amount</u>    |
|------------------------|------------------|
| Construction           | \$16,615,897     |
| Utilities              | 221,196          |
| Surveillance Equipment | 107,501          |
| Soft Costs             | <u>1,255,406</u> |

Total Project Costs \$18,200,000

| <u>Financing Sources</u>            | <u>Amount</u>       | <u>Percent</u> |
|-------------------------------------|---------------------|----------------|
| ESD – Grant                         | \$2,000,000         | 11%            |
| City of White Plains – Serial Bonds | <u>16,200,000</u>   | <u>89%</u>     |
| Total Project Financing             | <u>\$18,200,000</u> | <u>100%</u>    |

## III. Project Description

### A. Company

Industry: Government

History: The City of White Plains, located in Westchester County, is a residential community of nearly 58,000. The population soars to more than 250,000 during the day as office workers, shoppers and visitors arrive by car, rail, bus and plane. White Plains is Westchester's leading business market and is home to the county's largest concentration of retail activity. Downtown White Plains has become a corporate hub attracting high technology firms, major corporations and investments from local universities.

Ownership: The City of White Plains is a municipality.

ESD Involvement: The Lyon Place garage was vacant for several years and in need of major repairs or replacement. The garage is located within the Post Road Corridor which features the White Plains Hospital Center, government and commercial buildings, as well as private and public housing sites. To keep pace with the transformation of the downtown core and the need for additional parking space, the City of White Plains acquired the parking facility, demolished it and built a new 650 space parking garage.

Through the Regional Economic Development Council Consolidated Funding Application ("CFA") process, the Municipality was awarded \$2,000,000 to fill a financing gap that allowed the project to move forward in a timely manner.

Past ESD Support: Funding to the Grantee in the past ten years is summarized in the following chart:

| Program   | Project # | Amount    | Date Start (ESD Directors' Approval date) | Date End (Project Completion: Contract Expiration) | Purpose                                |
|---|-----------|-----------|---|--|--|
| Community Enhancement Facility Assistance Program | U011      | \$150,000 | February 16, 2006                         | March 5, 2010                                      | Capital Grant – Court Street Extension |
| Strategic Investment Program                      | T875      | \$850,000 | February 16, 2006                         | March 5, 2010                                      | Capital Grant – Court Street Extension |

**B. The Project**

**Completion:** September 2014

**Activity:** The City of White Plains has completed the construction of a new parking garage at 1 Lyon Place. The new parking facility will add 650 parking spaces of which 490 spaces will be available to the public and 160 spaces will be reserved for the Esplanade Assisted Care. The City acquired the property from Esplanade Assisted Care at no cost in exchange for a 99-year occupancy agreement to which the Esplanade will have access to 160 parking spaces. The new parking facility provides essential new parking spaces to the Post Road Corridor.

**Results:** As a result of the project, the Post Road Corridor will have access to additional parking to support the tremendous increased traffic passing through the area.

**Business Investment**

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

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

- Fiscal benefits to NYS government from the project are estimated at \$809,685;
- Fiscal cost to NYS government is estimated at \$2,200,974;
- Ratio of project fiscal benefits to costs to NYS government is 0.37:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,492,785;
- Fiscal cost to all governments is \$2,200,974;
- The fiscal benefit to cost ratio for all governments is 0.68:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$10,787,946;
- The economic benefit to cost ratio is 4.90:1;
- Project construction cost is \$18,600,000, which is expected to generate 124 direct job years and 62 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.25 indirect job is anticipated in the state's economy.

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

Grantee Contact: Joseph J. Nicoletti, Jr., Commissioner  
255 Main Street  
White Plains, NY 10601  
Phone: (914) 666-1490

ESD Project No.: Y266

|               |                                 |                      |
|---------------|---------------------------------|----------------------|
| Project Team: | Origination                     | Ryan McLeod          |
|               | Project Management              | Javier Roman-Morales |
|               | 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 pay a commitment fee of 1% of the \$2,000,000 capital grant (\$20,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the grantee's acceptance of ESD's offer. Equity

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

4. Up to \$2,000,000 will be disbursed to Grantee upon, documentation of construction and renovation project costs totaling \$18,200,000, substantially as described in these materials, including a certificate of occupancy, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must have been incurred after December 1, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
  - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
  - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
  - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
  - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
  - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

#### IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2012-13 New York State budget and reappropriated in the 2013-14 and 2014-15 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Environmental Review

The City of White Plains Common Council, 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 March 29, 2012. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

#### VI. Smart Growth Public Infrastructure Review

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

#### VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination & Contractor and Supplier Diversity policy will apply to the Project. The Grantee shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") participation goal of 30%, Minority Business Enterprise ("MBE") participation goal of 20% and a Women Business Enterprise ("WBE") participation goal of 10% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

#### VIII. ESD Employment Enforcement Policy

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

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

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

#### X. Additional Submissions to Directors

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

October 16, 2014

Regional Council Award – White Plains (Mid-Hudson Region – Westchester County) – City of White Plains Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to The City of White Plains a grant for a total amount not to exceed Two Million Dollars (\$2,000,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer 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.

\* \* \*

October 16, 2014

Regional Council Award – White Plains (Mid-Hudson Region – Westchester County) –  
City of White Plains Capital – Regional Council Capital Fund (Capital Grant) –  
Determination of No Significant Effect on the Environment

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

\* \* \*



FOR CONSIDERATION

October 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Marcy (Mohawk Valley Region – Oneida County) – Medicare Administrators Capital – Regional Council Capital Fund (Capital Grant)

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

---

General Project Plan

I. Project Summary

Grantee: Medicare Administrators LLC (“Medicare” or the “Company”)

ESD\* Investment: A grant of up to \$200,000 to be used for a portion of renovation costs.

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

Project Location: 9360 River Road, Marcy, Oneida County

Proposed Project: Purchase, renovate, relocate and expand business operations to a 15,000-square-foot commercial building.

Project Type: Business expansion involving job retention and creation

Regional Council: The project is consistent with the Regional Plan to leverage business, industry and employment concentrations with high growth potential. Healthcare and Medical Services is included as a key targeted regional concentration.

|             |   |    |
|-------------|---|----|
| Employment: | Initial employment at time of ESD Incentive Proposal: | 41 |
|             | Current employment level:                             | 42 |
|             | Minimum employment on January 1, 2021:                | 51 |

## II. Project Cost and Financing Sources

| <u>Financing Uses</u>                  | <u>Amount</u>             |
|--|---------------------------|
| Real Estate Acquisition                | \$493,000                 |
| Renovation                             | 445,000                   |
| Demolition & Environmental Remediation | 160,000                   |
| Furniture Fixtures and Equipment       | 127,000                   |
| Soft Costs                             | <u>75,000</u>             |
| <b>Total Project Costs</b>             | <b><u>\$1,300,000</u></b> |

| <u>Financing Sources</u>       | <u>Amount</u>             | <u>Percent</u>     |
|--------------------------------|---------------------------|--------------------|
| ESD – Grant                    | \$200,000                 | 15%                |
| Company Equity                 | <u>1,100,000</u>          | <u>85%</u>         |
| <b>Total Project Financing</b> | <b><u>\$1,300,000</u></b> | <b><u>100%</u></b> |

## III. Project Description

### A. Company

Industry: Medical billing and management consulting

Company History: The Company was founded in 1990 to assist medical practices with revenue enhancement, management processes and controlling practice expenditures.

Ownership: The Company is privately owned.

Size: All facilities located in Marcy, NY.

Market: Medical practices throughout the United States

ESD Involvement: Medicare had outgrown its current facility and began looking for a new location to which it could expand and continue to provide its services. Medicare employees can work from any location, but the preference was to remain in New York.

Medcare identified a location in Marcy, NY and applied through the Consolidated Funding Application (“CFA”) for financial assistance to

support its project. A grant of \$200,000 was awarded to Medicare to maintain its operations in New York.

Competition: N/A

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

#### B. The Project

Completion: August 2014

Activity: The Company has purchased and renovated a 15,000-square-foot former car dealership and converted it into a professional office space. The project includes a replacement of the roof, structural repairs, environmental remediation, landscaping, a new HVAC, updated electrical, updated plumbing, parking lot repairs and the installation of workstations.

Results: The Company will retain 41 employees and create 10 new jobs.

#### Business Investment

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

- Fiscal benefits to NYS government from the project are estimated at \$1,748,709;
- Fiscal cost to NYS government is estimated at \$200,000;
- Project cost to NYS government per direct job is \$5,539;
- Project cost to NYS government per job (direct plus indirect ) is estimated at \$3,726;
- Ratio of project fiscal benefits to costs to NYS government is 8.74:1;
- Fiscal benefits to all governments (state and local) are estimated at \$2,949,482;
- Fiscal cost to all governments is \$200,000;
- All government cost per direct job is \$5,539;
- All government cost per total job is \$3,726;
- The fiscal benefit to cost ratio for all governments is 14.75:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$19,379,677, or \$361,006 per job (direct and indirect);
- The economic benefit to cost ratio is 96.90:1;
- Project construction cost is \$680,000, which is expected to generate eight direct job years and three indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.50 indirect job is anticipated in the state's economy;

- The payback period for NYS costs is one year.

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

Grantee Contact: Mathew Ross, President  
9360 River Road  
Marcy, NY 13403  
Phone: (315) 736-2080

ESD Project No.: Y751

|               |                                 |                 |
|---------------|---------------------------------|-----------------|
| Project Team: | Origination                     | Joseph Falcone  |
|               | Project Management              | Jared Walkowitz |
|               | Contractor & Supplier Diversity | Denise Ross     |
|               | Environmental                   | Soo Kang        |

### C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$200,000 capital grant (\$2,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

5. Up to \$200,000 will be disbursed to the Grantee in three installments as follows:
  - a) an Initial Disbursement of an amount equal to 50% of the grant (\$100,000) upon documentation of project costs totaling \$1,300,000, including renovation costs of \$445,000, employment of at least 42 Full-time Permanent Employees (Employment Increment of 1) and a Certificate of Occupancy or other documentation verifying project completion as ESD may require, assuming that all project approvals have been completed and funds are available;
  - b) a Second Disbursement of an amount equal to 25% of the grant (\$50,000) will be disbursed upon documentation of the employment of at least 47 Full-time Permanent Employees (Employment Increment of 5), provided Grantee is otherwise in compliance with program requirements;
  - c) a Third Disbursement of an amount equal to 25% of the grant (\$50,000) will be disbursed upon documentation of the employment of at least 51 Full-time Permanent Employees (Employment Increment of 4), 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 February 10, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2019.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$200,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

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

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

|                     |    |
|---------------------|----|
| Baseline Employment | 41 |
|---------------------|----|

| A                | B                |
|------------------|------------------|
| Reporting Date   | Employment Goals |
| February 1, 2016 | $41+X+Y+Z$       |
| February 1, 2017 | $41+X+Y+Z$       |
| February 1, 2018 | $41+X+Y+Z$       |
| February 1, 2019 | $41+X+Y+Z$       |
| February 1, 2020 | $41+X+Y+Z$       |
| February 1, 2021 | $41+X+Y+Z$       |

X = Grantee's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section C.5 above (i.e. X=1, and Employment Goals shall equal  $[41 + X = 42]$  if the First Disbursement is made, in the year such disbursement is made and for each year thereafter). If the First Disbursement has not yet been made then X=0.

Y = Grantee’s Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. Y=5, and Employment Goals shall equal  $[41 + X + Y = 47]$  if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.

Z = Grantee’s Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Z=4, and Employment Goals shall equal  $[41 + X + Y + Z = 51]$  if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the third Disbursement has not yet been made then Z=0.

#### IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2013-2014 New York State budget and reappropriated in the 2014-2015 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

#### V. Environmental Review

ESD staff has determined that the project constitutes a Type II action as defined by the New York State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of

the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination & Contractor and Supplier Diversity policy will apply to the project. Medicare shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") participation goal of 20% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project.

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

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

VIII. Additional Submissions to Directors

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

October 16, 2014

**Marcy (Mohawk Valley Region – Oneida County) – Medicare Administrators Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions**

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Medicare Administrators LLC a grant for a total amount not to exceed Two Hundred Thousand Dollars (\$200,000) 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

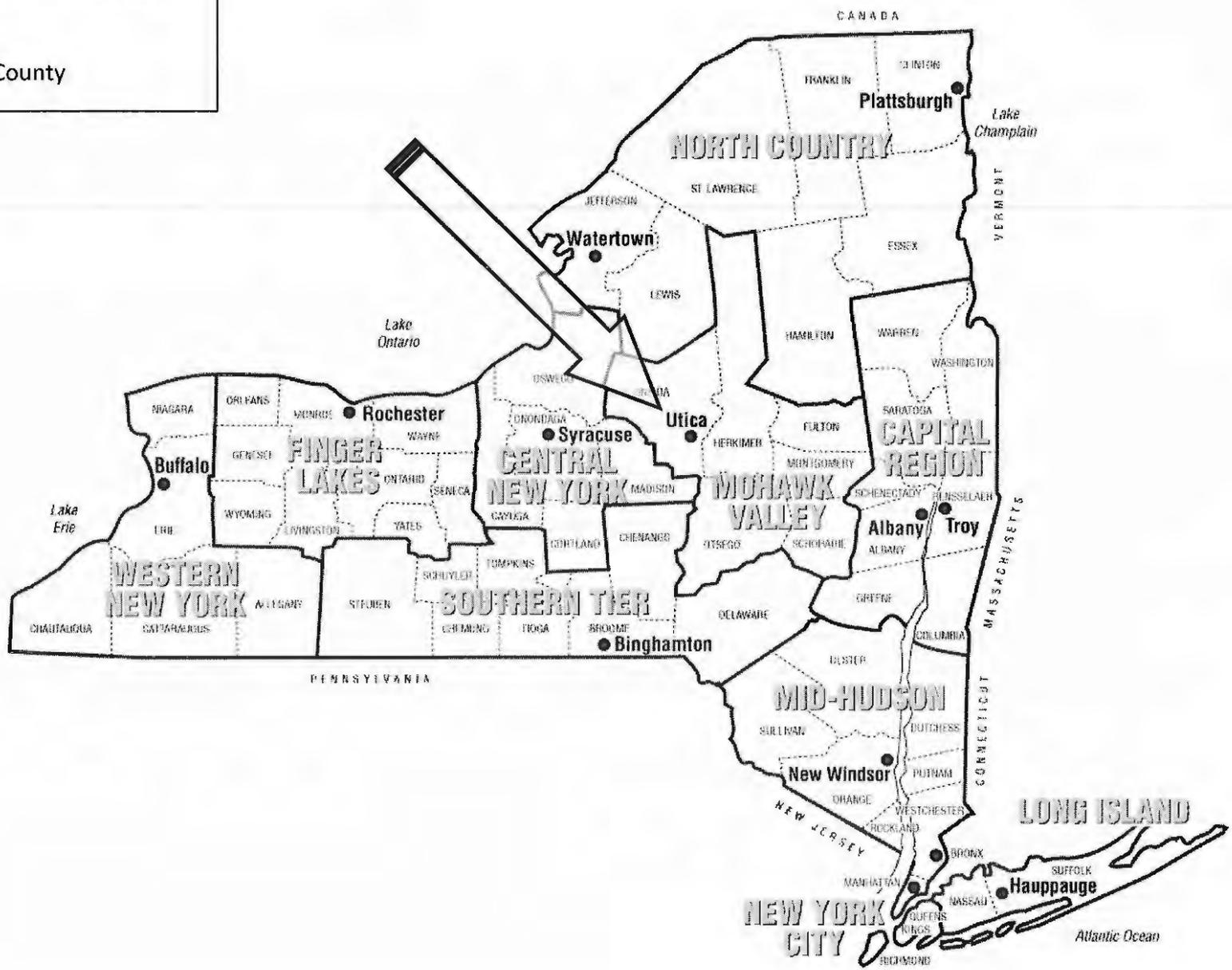
RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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.

\* \* \*

**Medcare Administrators**  
**Capital**  
Marcy  
Oneida County







FOR CONSIDERATION

October 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Blue Mountain Lake (North Country Region – Hamilton County) – Adirondack Historical Association Capital – Regional Council Capital Fund (Capital Grant)

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

---

General Project Plan

I. Project Summary

Grantee: Adirondack Historical Association (“the “Association”)

ESD\* Investment: A grant of up to \$130,000 for portion of construction and equipment costs.

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

Project Location: 9097 State Route 30, Blue Mountain Lake, Hamilton County

Proposed Project: Purchase and install a wood pellet boiler system and thermal storage system.

Project Type: Facility improvement

Regional Council: The project is consistent with the North Country Regional Economic Development Council’s (“NCREDC”) Regional Plan to develop renewable green energy projects and systems for heating. The NCREDC designated this as a priority project since it is a renewable energy project designed to use sustainable wood pellet fuel produced from North Country trees and will create jobs in the forestry trades.

## II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u>  |
|-----------------------|----------------|
| Construction          | \$286,670      |
| Equipment             | <u>211,180</u> |

Total Project Costs \$497,850

| <u>Financing Sources</u> | <u>Amount</u>  | <u>Percent</u> |
|--------------------------|----------------|----------------|
| ESD – Grant              | \$130,000      | 26%            |
| Association Equity       | <u>367,850</u> | <u>74%</u>     |

Total Project Financing \$497,850 100%

## III. Project Description

### A. Association

**Industry:** Museum/Tourism

**Association History:** The Adirondack Historical Association which is also known as the Adirondack Museum at Blue Mountain Lake is located attracts about 60,000 visitors annually. The origins of the museum go back to 1947, when local efforts were made to preserve the history of the work and people of the Adirondacks. The present museum opened in 1957 to collect, preserve and exhibit objects that were made or used by Adirondackers. The museum collections include 30,000 objects, 70,000 photographs, 9,500 books and 2,500 works of art.

**Ownership:** Private not-for-profit

**ESD Involvement:** The Association needed financing assistance to replace the old heating system at the museum and determined its best option was to install an energy saving and cost-saving renewable energy heating system. The Association applied for financial assistance through the Consolidated Funding Application (“CFA”) to support the project and was awarded \$130,000. Without ESD assistance the project would not be possible.

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

**B. The Project**

Completion: June 2014

Activity: An extensive energy-engineering audit was performed with recommendations to create a more sustainable museum facility. A biomass-wood pellet boiler system to provide renewable green energy heating was planned, designed, and installed. The new system replaces an oil-fired boiler which was inefficient and costly to operate and maintain.

Results: The new wood-fired boiler project is more efficient and expected to reduce annual heating costs by \$22,500.

**Infrastructure**

Investment Project: This project is an Infrastructure Investment project that does not involve permanent job commitments or construction spending. While such projects generate significant long term fiscal and economic benefits, such benefits are not estimated within the short-term period used in the benefit cost analysis. Therefore, no benefit cost analysis is provided.

Grantee Contact: Christine Pouch, Advancement Officer  
9097 State Route 30  
Blue Mountain Lake 12812  
Phone: (518) 352-7311

ESD Project No.: Y146

|               |                                 |                |
|---------------|---------------------------------|----------------|
| Project Team: | Origination                     | John Vandelloo |
|               | Project Management              | John Vandelloo |
|               | Contractor & Supplier Diversity | Denise Ross    |
|               | Environmental                   | Soo Kang       |

**C. Financial Terms and Conditions**

1. Upon execution of the grant disbursement agreement, the Association shall pay a commitment fee of 1% of the \$130,000 capital grant (\$1,300) and reimburse ESD for all out of pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's

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

4. Up to \$130,000 will be disbursed to Grantee upon documentation of construction project costs totaling \$497,850, 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 March 8, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$130,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
  - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
  - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
  - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
  - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
  - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

#### IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor Diversity policy will apply to the Project. The Grantee shall be required to use "good faith efforts" to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 20%, related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

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

October 16, 2014

Regional Council Award – Priority Project – Blue Mountain Lake (North Country Region – Hamilton County) – Adirondack Historical Association Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Adirondack Historical Association a grant for a total amount not to exceed One Hundred Thirty Thousand Dollars (\$130,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

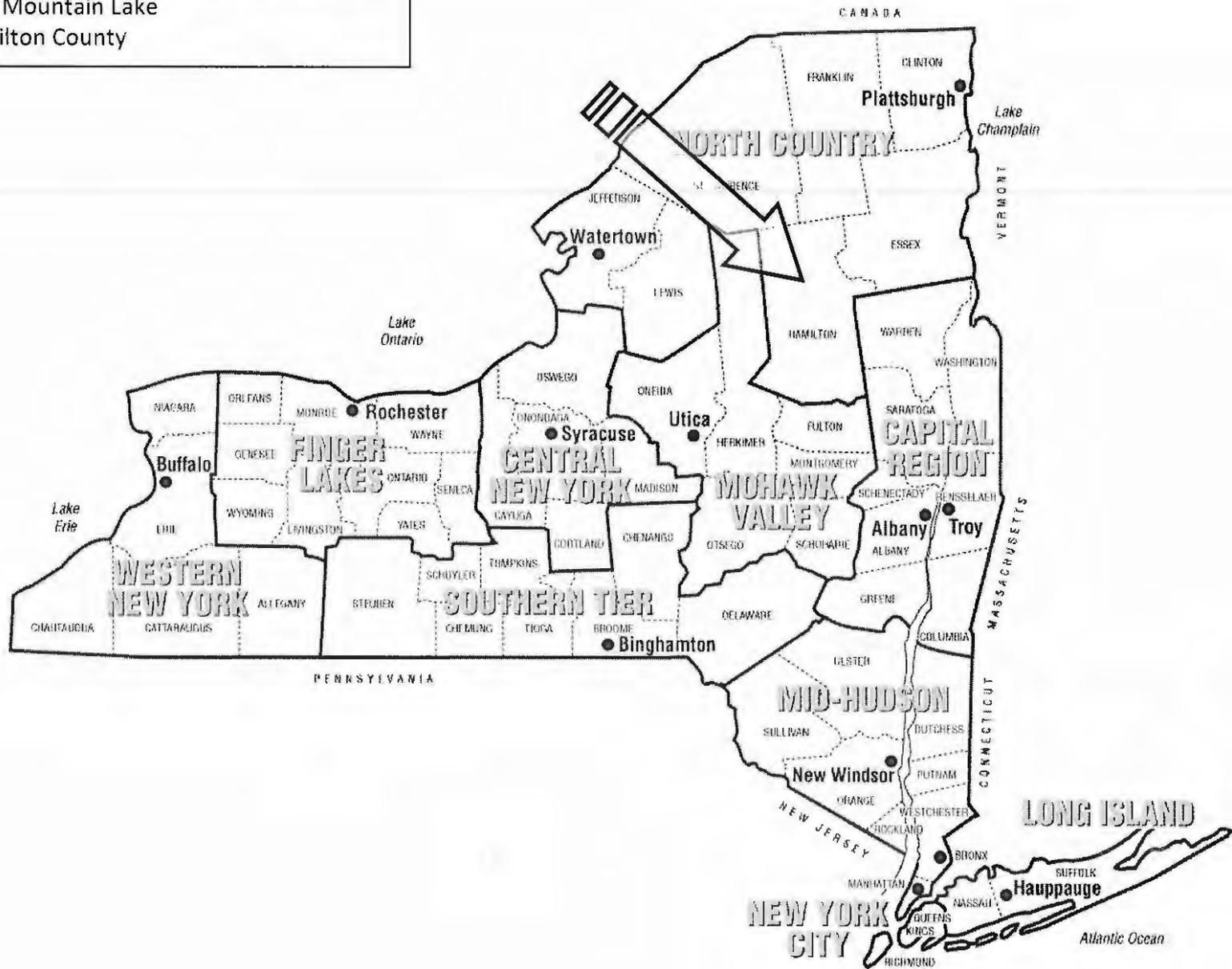
RESOLVED, that the President and Chief Executive Officer or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration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

\* \* \*

Adirondack Historical Association Capital  
Blue Mountain Lake  
Hamilton County



**FOR CONSIDERATION**

October 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award Projects Consent Calendar

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

Attached is a summary of a Regional Council Award project requesting ESD assistance of \$100,000 and under in the following categories:

**Economic Development Purposes Fund**

|   | Project Name                                     | Proj # | Grantee  | Assistance up to |
|---|--|--------|--|------------------|
| A | Mohawk Valley STEM Opportunities Working Capital | Z036   | Workforce Investment Board for Herkimer, Madison & Oneida Counties | \$90,000         |
|   |  |        | <b>TOTAL</b>   | <b>\$90,000</b>  |

**Regional Council Capital Fund**

|   | Project Name              | Proj # | Grantee       | Assistance up to |
|---|---------------------------|--------|---------------|------------------|
| B | Inlet Water Sewer Capital | Y630   | Town of Inlet | \$53,800         |
|   |                           |        | <b>TOTAL</b>  | <b>\$53,800</b>  |

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.

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.

Statutory Basis – Economic Development Purposes Fund and Regional Council Capital Fund

The projects were authorized in the 2012-13 New York State budget and reappropriated in the 2013-2014 and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site(s).

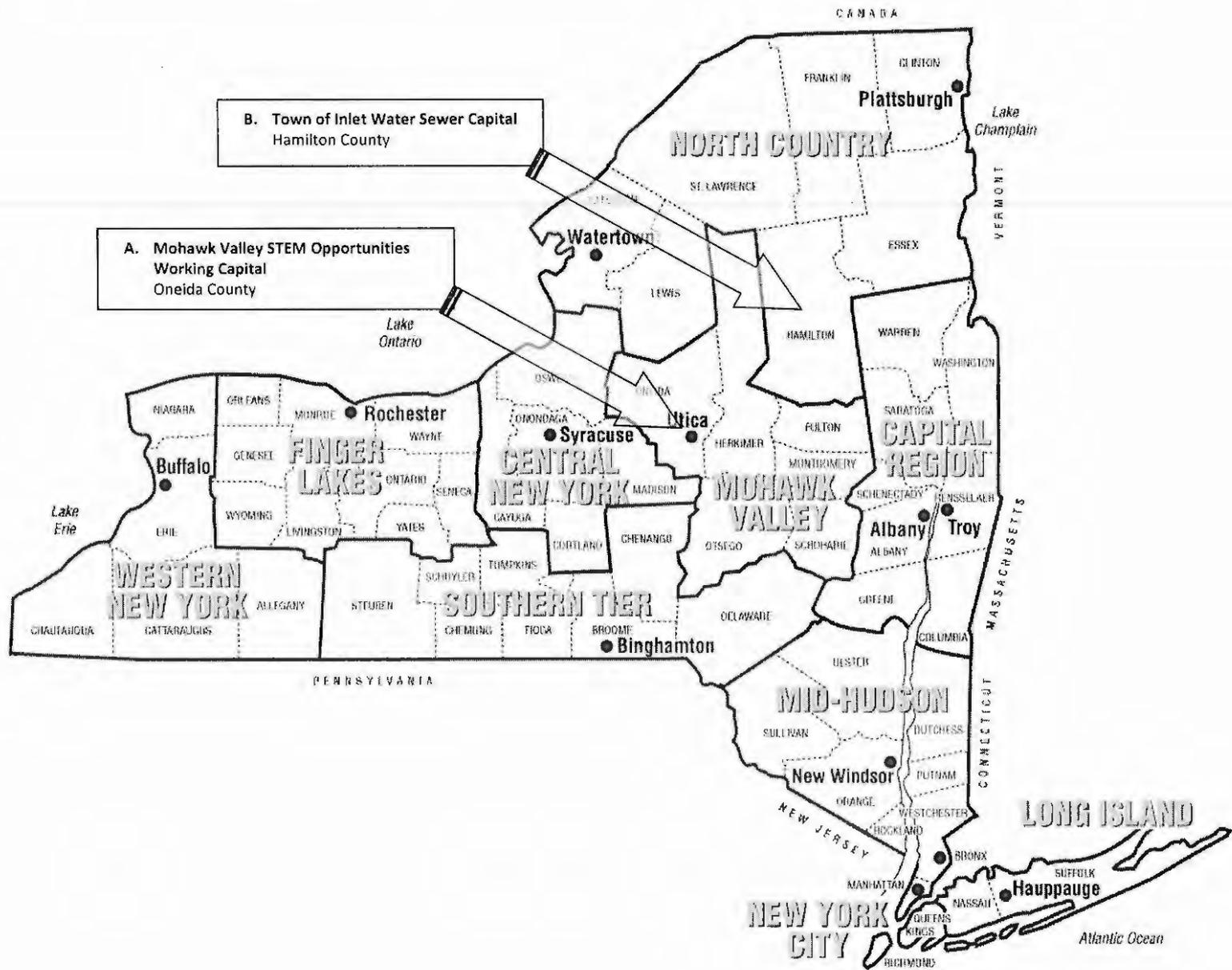
Attachments

New York State Map

Resolutions

Project Summaries

**Economic Development Purposes Fund and  
Regional Council Capital Fund**



October 16, 2014

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

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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 Economic Development Purposes Fund Project identified below (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the 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 party and for the amount listed below from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

Economic Development Purposes Fund

|   | Project Name                                     | Proj # | Grantee  | Assistance up to |
|---|--|--------|--|------------------|
| A | Mohawk Valley STEM Opportunities Working Capital | Z036   | Workforce Investment Board for Herkimer, Madison & Oneida Counties | \$90,000         |
|   |  |        | <b>TOTAL</b>   | <b>\$90,000</b>  |

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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October 16, 2014

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

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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 Regional Council Capital Fund Project identified below (the "Project"), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that there are no families or individuals to be displaced from the project area; and be it further

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

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

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

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

Regional Council Capital Fund

|   | Project Name              | Proj # | Grantee       | Assistance up to |
|---|---------------------------|--------|---------------|------------------|
| B | Inlet Water Sewer Capital | Y630   | Town of Inlet | \$53,800         |
|   |                           |        | <b>TOTAL</b>  | <b>\$53,800</b>  |

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. Mohawk Valley STEM Opportunities Working Capital (Z036)

October 16, 2014

- Grantee:** Workforce Investment Board for Herkimer, Madison & Oneida Counties (“Grantee” or the “WIB”)
- ESD Investment:** A grant of up to \$90,000 to be used for a portion of the cost of working capital expenses.
- Project Location:** 209 Elizabeth Street, Utica, Oneida County
- Proposed Project:** The Grantee will provide 75 young people with summer internships introducing them to local professionals in the region’s growing Science, Technology, Engineering & Math (“STEM”) sectors.
- Project Type:** Internship Program
- Regional Council:** The project is consistent with the Mohawk Valley Regional Plan to expand workforce development and training programs that are aligned with regional concentrations, and employers demand for labor.

### Background:

Industry – The Grantee is a not-for-profit organization that provides workforce development and job training services.

Grantee History – The Grantee has been operating Working Solutions Centers in Rome, Utica, Oneida and Herkimer since 2000. The Grantee has been cited by the Workforce Excellence Network as a promising practice. It has also been honored with a 2004 One-Stop Collaboration Award from the U.S. Department of Labor.

Ownership – The Grantee is a 501(c)(3) organization

ESD Involvement – The Grantee identified an issue where disadvantaged students lack educational and life experiences that would lead to jobs in the IT workforce. The Grantee created an internship program to provide training for disadvantaged high school students who have the academic skills needed to pursue higher education leading to advanced IT degrees. In order to operate this program, the Grantee applied through the Consolidated Funding Application and was awarded with a grant.

Past ESD Support – ESD’s financial support to the Grantee began in 2004. Since then, total financial support to the Grantee, including loans and grants, has been \$102,250 for two projects.

**A. Mohawk Valley STEM Opportunities Working Capital (Z036)**  
October 16, 2014

Funding for the past five years to the Grantee is summarized in the following chart:

| Program                            | Project # | Amount    | Date Start (ESD Directors' Approval date) | Date End (Project Completion: Contract Expiration) | Purpose  |
|------------------------------------|-----------|-----------|---|--|--|
| Economic Development Purposes Fund | Y545      | \$100,000 | June 27, 2013                             | May 12, 2014                                       | Working Capital – Tourism related history projects |

**The Project:**

Completion – August 2014

Activity – The Grantee has provided 75 young people in Utica with a high-quality summer program to give them project-based, hands-on STEM experiences with cutting edge technology at Utica College. The interns met local professionals in the region's growing STEM sectors and were provided with career guidance. All students were provided with summer stipends for their time in the program.

Results – It is anticipated that the interns will continue their interests in STEM careers, leading to the interns attending college, successfully obtaining degrees and pursuing a career in the STEM fields.

This project is an Economic Growth Investment project that does not involve permanent job commitments or construction spending. While such projects generate significant long term fiscal and economic benefits, such benefits are not estimated within the short-term period used in the benefit cost analysis. Therefore, no benefit cost analysis is provided.

| Financing Uses             | Amount           | Financing Sources              | Amount           | Percent     |
|----------------------------|------------------|--------------------------------|------------------|-------------|
| Salaries and Wages         | \$36,500         | ESD Grant                      | \$90,000         | 90%         |
| Travel Reimbursement       | 500              | Grantee Equity                 | 10,000           | 10%         |
| Stipends                   | 45,000           |                                |                  |             |
| Program Fees               | 15,000           |                                |                  |             |
| Supplies and Materials     | 3,000            |                                |                  |             |
| <b>Total Project Costs</b> | <b>\$100,000</b> | <b>Total Project Financing</b> | <b>\$100,000</b> | <b>100%</b> |

Grantee Contact – Alice Savino, Executive Director  
209 Elizabeth Street  
Utica, NY 13501  
Phone: (315) 793-6037

**A. Mohawk Valley STEM Opportunities Working Capital (Z036)**  
October 16, 2014

|                       |                                 |                 |
|-----------------------|---------------------------------|-----------------|
| <u>Project Team</u> – | Origination                     | Joseph Falcone  |
|                       | Project Management              | Jared Walkowitz |
|                       | Contractor & Supplier Diversity | Denise Ross     |

**Financial Terms and Conditions:**

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$90,000 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 March 21, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$90,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

**Non-Discrimination and Contractor & Supplier Diversity:**

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

**A. Mohawk Valley STEM Opportunities Working Capital (Z036)**  
October 16, 2014

**Statutory Basis – Economic Development Purposes Fund:**

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2013-2014 and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

**Disclosure and Accountability Certifications:**

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

## **B. Town of Inlet Water Sewer Capital (Y630)**

October 16, 2014

### General Project Plan

- Grantee:** Town of Inlet (“Inlet” or the “Town”)
- ESD Investment:** A grant of up to \$53,800 for a portion of the cost to expand a water-sewer district.
- Project Location:** State Route 28, Inlet, Hamilton County
- Proposed Project:** Expansion of municipal water-sewer district to include additional properties along State Route 28 in the Town of Inlet.
- Project Type:** Infrastructure improvement
- Regional Council:** The project is consistent with the North Country Regional Economic Development Council’s Regional Plan to expand and improve local infrastructure and enhance the quality of life for North Country communities.

#### **Background:**

Town History – Inlet was formed in 1901 and has population of approximately 350. The Town is located in Hamilton County which has a population of approximately 4,800. The Town has seasonal activity from tourism and outdoor recreation.

ESD Involvement – The Town of Inlet needed to expand its water-sewer system for community health and safety and to include additional buildings and properties along Route 28. The Town sought ESD funding assistance through the Consolidated Funding Application (“CFA”) process and was awarded \$53,800. Without ESD assistance the project would not be possible.

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

#### **The Project:**

Completion - June 2014

Activity – The Town of Inlet planned, designed and installed an expansion of its water-sewer district with new additional sewer pipes to include additional buildings and properties along Route 28, which are in proximity to the Town Hall. The project connects seasonal cottages and a historic inn with failing septic systems to the Town’s main wastewater system and treatment plant. This project is in compliance with NYS

## B. Town of Inlet Water Sewer Capital (Y630)

October 16, 2014

Environmental Conservation, Pollutant Discharge Elimination System (SPEDES) to keep pollutants from nearby lakes.

Results – This project provides for enhanced quality of life for local residents with expanded and modern water-sewer systems for health and safety.

The project is an Infrastructure Investment project that does not involve permanent job commitments or construction spending. While such projects generate significant long term fiscal and economic benefits, such benefits are not estimated within the short-term period used in the benefit cost analysis. Therefore, no benefit cost analysis is provided.

| Financing Uses       | Amount   | Financing Sources       | Amount   | Percent |
|----------------------|----------|-------------------------|----------|---------|
| Sewer infrastructure | \$51,330 | ESD Grant               | \$53,800 | 89%     |
| Soft costs           | 9,300    | Grantee Equity          | 6,830    | 11%     |
| Total Project Costs  | \$60,630 | Total Project Financing | \$60,630 | 100%    |

Grantee Contact – John Frey, Supervisor  
Box 179  
Inlet NY 13360  
Phone: (315) 357-2204

Project Team –

|                                 |                  |
|---------------------------------|------------------|
| Origination                     | Rosemary Redmond |
| Project Management              | John Vandelloo   |
| Contractor & Supplier Diversity | Denise Ross      |
| Environmental                   | Soo Kang         |

### Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Town shall pay a fee of 1% of the \$53,800 capital grant (\$538) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Town will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Town's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Town or by investors, and should be auditable through Town financial statements or Town accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

## **B. Town of Inlet Water Sewer Capital (Y630)**

October 16, 2014

4. Up to \$53,800 will be disbursed to Grantee upon completion of the project, documentation of construction project costs totaling \$60,630, 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 June 20, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$53,800, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

### **Environmental Review:**

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

### **Smart Growth Public Infrastructure Review:**

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

### **Non-Discrimination and Contractor & Supplier Diversity:**

ESD's Non-discrimination and Contractor Diversity policy will apply to the Project. The Association shall be required to use "Good Faith Efforts" (pursuant to 5NYCRR-142.8 to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 15%, a Minority Business Enterprise ("MWBE") of 10% and a Women Business Enterprise ("WBE") Participation goal of 5%, related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

**B. Town of Inlet Water Sewer Capital (Y630)**

October 16, 2014

**Statutory Basis – Regional Economic Council Capital Fund:**

The project was authorized in the 2012-2013 New York State budget in the 2013-2014 and 2014-2015 New York State budgets. No residential relocation is required as there are no families or individuals residing on the site.

October 16, 2014

Regional Council Award – Town of Inlet (North Country Region – Hamilton County) –  
Town of Inlet Water Sewer Capital – Regional Council Capital Fund (Capital Grant) –  
Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the Town of Inlet Water Sewer Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

\* \* \*

# Empire State Development

## FOR CONSIDERATION

October 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Non-Discretionary Projects

REQUEST FOR: Authorization to Make a Grant and to Take Related Actions

Attached are the summaries of project(s) sponsored by the New York State Executive and Legislative branches:

|   | Project Name                                   | Proj # | Grantee                                 | Assistance up to |
|---|--|--------|---|------------------|
|   | <b>Local Assistance (Senate)</b>               |        |   |                  |
| A | New Bronx Chamber H.I.R.E. Working Capital     | 2278   | The New Bronx Chamber of Commerce, Inc. | \$200,000        |
|   | <b>TOTAL NON-DISCRETIONARY –<br/>1 PROJECT</b> |        | <b>TOTAL</b>                            | <b>\$200,000</b> |

### I. Statutory Basis

The project(s) are sponsored by the Executive, Assembly or Senate, and were authorized or reappropriated in the 2014-2015 New York State budget. No residential relocation is required as there are no families or individuals residing on the site(s).

## II. Environmental Review

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

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

## III. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the projects. Unless otherwise specified in the project summary, Grantees shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 25% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 15% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantees shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the projects and to include minorities and women in any job opportunities created by the projects.

## IV. ESD Employment Enforcement Policy

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

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

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

## VI. Additional Requirements

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

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

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

VII. Additional Submissions to Directors

New York State Map  
Resolution  
Project Summary

October 16, 2014

Local Assistance – Findings and Determinations Pursuant to Section 10 (g) of the Act;  
Authorization to Make a Grants and to Take Related Actions;

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

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

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

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

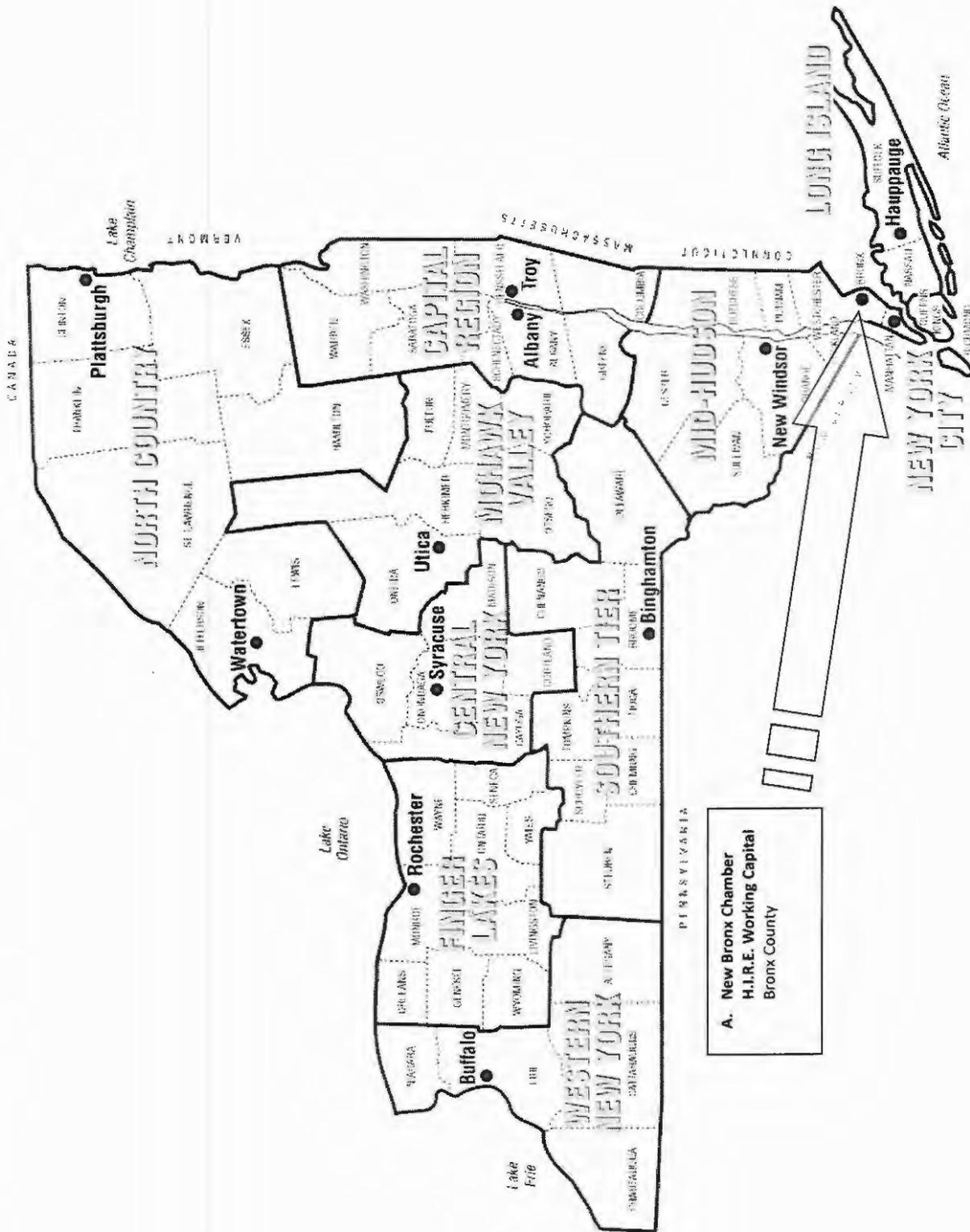
Local Assistance – Senate – Project Summary Table

|   | <b>Project Name</b>                        | <b>Proj #</b> | <b>Grantee</b>                          | <b>Assistance up to</b> |
|---|--|---------------|---|-------------------------|
| A | New Bronx Chamber H.I.R.E. Working Capital | Z278          | The New Bronx Chamber of Commerce, Inc. | \$200,000               |
|   |  |               | <b>TOTAL</b>                            | <b>\$200,000</b>        |

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

\* \* \*

Local Assistance



A. New Bronx Chamber  
 H.I.R.E. Working Capital  
 Bronx County



## A. New Bronx Chamber H.I.R.E. Working Capital (Z278)

October 16, 2014

- Grantee:** The New Bronx Chamber of Commerce, Inc. (“Grantee” or the “Chamber”)
- ESD Investment:** A grant of up to \$200,000 to be used for the cost of salaries, consultants, advertising, events and employee training for a workforce development program.
- Project Location:** 120 Waters Place, Suite 106, Bronx, Bronx County
- Proposed Project:** The Grantee will create the Help Identify Real Employment - Opening Doors (“H.I.R.E.” or “Program”) to combat the rising unemployment in the Bronx.
- Project Type:** Working Capital
- Regional Council:** The New York City Regional Economic Development Council has been made aware of this item. The project is consistent with the Regional Plan to prioritize support for projects that provide opportunities for training and skill development and to create improved opportunities for communities and individuals in conditions of economic distress.

### Background:

Industry – The Chamber works to improve the quality of life for residents of the Bronx through programs that include efforts to deter crime, aid senior citizens, educate children and create economic development opportunities.

Organizational History – Founded in 1894, the Chamber has helped forge the infrastructure that has transformed the Bronx business community. Some of the Chamber’s accomplishments include securing funds to create the truck stop facility at the Hunts Point Terminal Market, a successful campaign to keep the New York Yankees in the Bronx in 1986, creation of the Bronx Chamber Action Group to clean-up the commercial corridors and work with merchant associations throughout the Bronx.

Ownership – The Chamber is a not-for-profit organization.

Size – All facilities located in Bronx, NY.

ESD Involvement – A \$200,000 appropriation was included in the FY 2014-2015 New York State budget.

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

**New Bronx Chamber H.I.R.E. Working Capital (Z278)**  
 October 16, 2014

**The Project:**

Completion – March 2015

Activity – The Chamber will create the H.I.R.E. program to help combat rising unemployment in the Bronx. H.I.R.E. will consist of targeted job fairs that are connected to the jobs that are available in the Bronx. The Chamber will work closely with the new stores opening in the Bronx and introduce them to residents of the borough.

H.I.R.E will also focus on accepting applicants into a more intense workforce development program in order to prepare these individuals for careers in a variety of fields.

Results – The Program will create jobs and opportunities for Bronx residents and businesses.

| Financing Uses                  | Amount           | Financing Sources              | Amount           | Percent     |
|---------------------------------|------------------|--------------------------------|------------------|-------------|
| Salaries                        | \$70,000         | ESD Grant                      | \$200,000        | 100%        |
| Rent/Utilities                  | 8,500            |                                |                  |             |
| Phone/Internet                  | 15,000           |                                |                  |             |
| Office Supplies                 | 3,000            |                                |                  |             |
| Advertising/Promotion Materials | 20,000           |                                |                  |             |
| Events                          | 25,000           |                                |                  |             |
| Certifications/Trainings        | 58,500           |                                |                  |             |
| <b>Total Project Costs</b>      | <b>\$200,000</b> | <b>Total Project Financing</b> | <b>\$200,000</b> | <b>100%</b> |

Grantee Contact – Michelle Dolgow Cristofaro, Chief of Staff  
 1200 Waters Place, Suite 106  
 Bronx, NY 10461  
 Phone: (718) 828-3900

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

**New Bronx Chamber H.I.R.E. Working Capital (Z278)**  
October 16, 2014

**Financial Terms and Conditions:**

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$200,000 will be disbursed to Grantee, no more frequently than quarterly, upon documentation of working capital project costs, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must have been incurred after April 1, 2014, the date that the New York State budget, in which the project is authorized, was passed. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks and reports required have been completed to ESD's satisfaction.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$200,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

**Non-Discrimination and Contractor & Supplier Diversity:**

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Chamber shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 23% related to the eligible categories totaling approximately \$58,500. As such, the overall MWBE utilization goal shall be no less than \$13,455 related to the total value of ESD's funding.

**Statutory Basis – Local Assistance:**

The project is authorized in the 2014-2015 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

**Disclosure and Accountability Certifications:**

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



**FOR CONSIDERATION**

October 16, 2014

TO: The Directors

FROM: Kenneth Adams

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

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

I. Project Summary

|   | <b>Project Name</b>   | <b>Proj #</b> | <b>Grantee</b> | <b>Assistance up to</b> |
|---|---|---------------|----------------|-------------------------|
|   | <b>Local Assistance – Hurricane Irene-Tropical Storm Lee Flood Mitigation (Executive)</b> |               |                |                         |
| A | Ulster County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital             | X914 & Y489   | Ulster County  | \$389,863               |
|   | <b>TOTAL HURRICANE IRENE-TROPICAL STORM LEE FLOOD MITIGATION – 1 PROJECT</b>              |               | <b>TOTAL</b>   | <b>\$389,863</b>        |

## II. Program Description

### A. Background

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

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

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

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

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

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

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

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

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

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

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

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

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

## B. The Projects

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

Each county's grant award(s) will be presented to the ESD Directors' for approval as each

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

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

### III. Statutory Basis

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

### IV. Environmental Review

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

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

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

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

### VI. ESD Employment Enforcement Policy

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

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

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

VIII. Additional Submissions to Directors

New York State Map  
Resolutions  
Project Summaries

October 16, 2014

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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment have been received at the public hearings held on the Plans, such Plans shall be effective at the conclusion of such hearings, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make grants to the parties and for the amounts listed below from Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation and/or the New York State Division of Homeland Security and Emergency Services, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

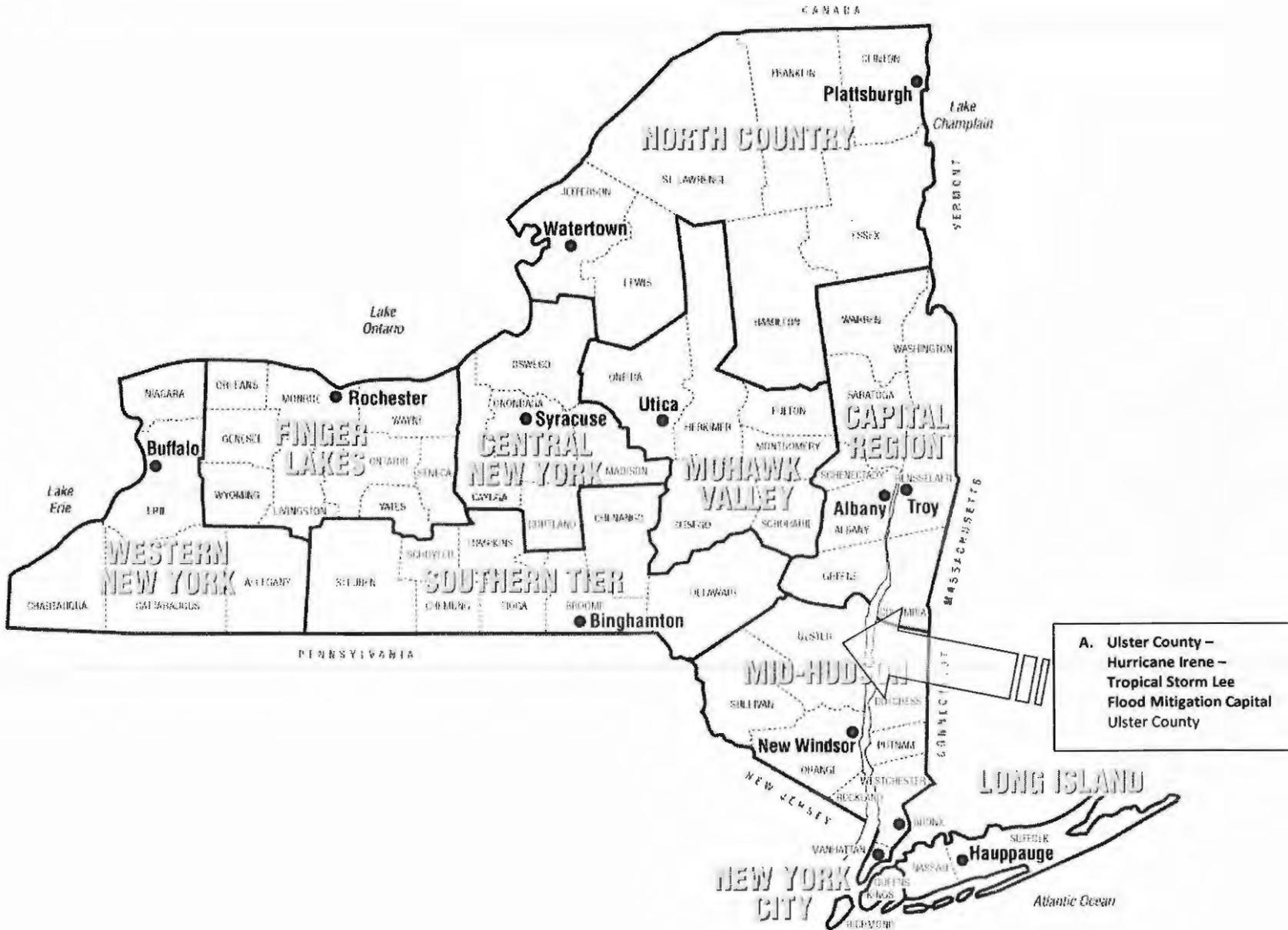
Local Assistance – Hurricane Irene - Tropical Storm Lee Flood Mitigation - Executive – Project Summary Table

|   | <b>Project Name</b>   | <b>Proj #</b> | <b>Grantee</b> | <b>Assistance up to</b> |
|---|---|---------------|----------------|-------------------------|
|   | <b>Local Assistance – Hurricane Irene-Tropical Storm Lee Flood Mitigation (Executive)</b> |               |                |                         |
| A | Ulster County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital             | X914 & Y489   | Ulster County  | \$389,863               |
|   |   |               | <b>TOTAL</b>   | <b>\$389,863</b>        |

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

\* \* \*

**Local Assistance**



**A. Ulster County - Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital  
(X914 & Y489)**

October 16, 2014

General Project Plan

- Grantee:** Ulster County (“Grantee” or the “County”)
- ESD Investment:** A grant of up to \$389,863 to be used for a portion of the cost of flood mitigation projects within the County.
- Project Locations:** Towns of Denning, Hardenburgh, Lloyd, New Paltz, Olive, Saugerties, Shandaken, Ulster, Wawarsing, Village of Ellenville, Ulster County
- Project Type:** The project will entail flood mitigation activities to reduce future flood at the Project Locations.
- Regional Council:** The Mid-Hudson Regional Economic Development Council has been made aware of this item. The project will help to protect the natural beauty and resources of the region, enabling it to create a vibrant future by promoting and sustaining a diverse, integrated and dynamic economy that capitalizes on technology and innovation to drive collaboration, inclusiveness and efficiency in all endeavors.

**Background:**

History – In 1683, the Duke of York created 12 counties, inclusive of Ulster County. The County’s boundaries originally included Sullivan County and portions of Delaware, Orange and Greene counties. Ulster County was originally called Esopus by the Dutch settlers, as it was part of the New Netherland Colony. Past industry in the County included agriculture but improved transportation has increased the development of the land, resulting in a decrease of the agricultural industry.

Size - The 14 proposed projects are known sites where erosion is damaging properties in Ulster County.

ESD Involvement - A \$389,863 appropriation was included in the 2014-2015 New York State budget. The funding award was made in conjunction with the New York State Department of Environmental Conservation.

Past ESD Support – ESD’s financial support to the Grantee began in 1990. Since then, total financial support to the County, including loans and grants, has been \$155,000. All funds have been fully disbursed and the terms were fulfilled.

**Ulster County - Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital  
(X914 & Y489)  
October 16, 2014**

**The Project:**

Completion – December 2015

Activity – Ulster County will undertake the following 14 projects. The project commenced in the spring of 2013 and will conclude in the winter of 2015.

**Ida Lane:** This project involves the removal of two large debris piles in the stream channel which will allow the stream to return to the original channel and protect Ida Lane.

**River Road:** This project involves the stabilization of streambanks along the Twaalsfskill Creek above the Village of Highland sewage treatment plant and along River Road.

**Drummond Falls Road:** This project involves the stabilization of Kaaterskill Creek to realign the approach to the Drummond Falls Bridge. Large deposits of debris will be removed, a bench with cross veins will be created and 150 feet of stacked rock wall will be constructed.

**Old Greenfield Road:** This project involves the stabilization of the West Beerkill protecting Old Greenfield Road. A stacked rock wall with grade control structures will be constructed to redirect flow toward the centerline of the stream.

**Buckley Road:** This project involves the stabilization of the Town of Ulster's waterline, sewerline and residence by installing sloped rock rip rap.

**Lewis Road:** This project involves the stabilization of streambank along the Sandburg Creek to protect Lewis Road.

**Dry Brook Road:** This project involves the stabilization of Dry Brook by constructing a stacked rock wall, large dumped rock rip rap, skimming gravel bar and removing storm debris.

**Millbrook Road:** This project involves the stabilization of streambanks along Millbrook Creek to protect Millbrook Road by replacing a failing concrete block wall with a stacked rock wall.

**Fox Hollow Road:** This project involves the stabilization of streambanks on Fox Hollow Creek with the construction of a grade control structure to raise the streambed to an elevation to protect Fox Hollow Road, Muller Road and a bridge.

**Ulster County - Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital  
(X914 & Y489)**

October 16, 2014

**Maben Hollow Road:** This project involves the stabilization of the Esopus Creek to protect Maben Hollow Road, County Route 47 and the bridge over Little Peck Hollow Creek. The repairs include the removal of approximately 350 yards of debris around the County Route 47 bridge that currently has about 10% capacity. Approximately 70 feet of stacked rock wall will be stabilized adjacent to Maben Hollow Road.

**High Street Water Pumping Plant:** This project involves the stabilization of the Esopus Creek to protect the water pumping plant located on High Street that serves the hamlet of Phoenicia. A stacked rock wall will be constructed with 15-foot keys into the bank and debris will be removed.

**Roslyn Street:** This project involves the stabilization of Sandburg Creek to protect the sewage pumping plant located on Roslyn Street that services the residents of the Village of Ellenville. The sewage pumping plant will be protected with 80 feet of dumped rock rip rap.

**Clair Road:** This project involves 700 feet of bank stabilization of the Rondout Creek with joint planted rock rip rap, soil wraps with brush plantings and root wad revetments with rock bolsters to protect the property at 7 Clair Road and to restore a portion of Clair Road.

**35 Dug Road:** This project involves the stabilization of 70 feet of the Kleine Kill with a stacked rock wall to protect Dug Road.

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

| Financing Uses             | Amount             | Financing Sources              | Amount             | Percent     |
|----------------------------|--------------------|--------------------------------|--------------------|-------------|
| Flood Mitigation Projects  | \$1,552,744        | ESD Grant                      | \$389,863          | 25%         |
|                            |                    | Local Funding                  | 1,162,881          | 75%         |
| <b>Total Project Costs</b> | <b>\$1,552,744</b> | <b>Total Project Financing</b> | <b>\$1,552,744</b> | <b>100%</b> |

**Grantee Contact -** Robert Sudlow, Deputy County Executive  
244 Fair Street P.O. Box 1800  
Kingston, NY 12402  
Phone: (845) 340-3800

**Project Team -**

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

**Ulster County - Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital  
(X914 & Y489)  
October 16, 2014**

**Financial Terms and Conditions:**

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$389,863 will be disbursed to Grantee as follows:

Ida Lane: Up to \$73,127 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$291,948.

River Road: Up to \$25,457 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$101,270.

Drummond Falls Road: Up to \$44,870 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$178,920.

Old Greenfield Road: Up to \$37,253 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$148,453.

Buckley Road: Up to \$20,634 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$81,978.

Lewis Road: Up to \$23,608 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$93,872.

Dry Brook Road: Up to \$10,051 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$39,647.

Millbrook Road: Up to \$8,813 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$34,694.

**Ulster County - Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital  
(X914 & Y489)  
October 16, 2014**

Fox Hollow Road: Up to \$12,001 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$47,444.

Maben Hollow Road: Up to \$22,679 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$90,158.

High Street Water Pumping Plant: Up to \$39,897 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$159,028.

Roslyn Street: Up to \$11,995 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$47,420.

Clair Road: Up to \$48,765 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$195,060.

35 Dug Road: Up to \$10,713 will be disbursed to Grantee upon completion of the project substantially as described in these materials and receipt of documentation verifying project costs of at least \$42,852.

**Non-Discrimination and Contractor & Supplier Diversity:**

ESD's Non-discrimination and Contractor Diversity policy will apply to these Projects. Ulster County shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 20%, Minority Business Enterprise ("MBE") Participation goal of 10% and a Women Business Enterprise ("WBE") Participation goal of 10% related to the total value of ESD's funding and to solicit and utilize MWBEs for any contractual opportunities generated in connection with these Projects.

**Statutory Basis – Local Assistance:**

The project was authorized via two appropriations. The Hurricane Irene-Tropical Storm Lee Flood Recovery Grant Program was authorized in the 2011-2012 New York State budget and reappropriated in the 2012-2013, 2013-2014 and 2014-2015 New York State budgets. The Division of Homeland Security and Emergency Services Disaster Assistance Program was authorized in the 2013-2014 New York State budget and reappropriated in the 2014-2015 New York State budget. No residential relocation is required as there are no families or individuals being displaced by the project.

**Ulster County - Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital  
(X914 & Y489)  
October 16, 2014**

**Disclosure and Accountability Certifications:**

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

FOR INFORMATION

October 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Annual Report on Jobs Created and Retained on ESD Grant and Loan Programs and Status Report on UDC Loan Portfolio

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The Annual Report on Jobs Created and Retained details the performance of Empire State Development's ("ESD") economic development activities related to job growth and retention for the 2013 calendar year. In sum, the various loan and grant programs administered by ESD achieved a combined compliance rate of 89% in 2013.

For the calendar year ending December 31, 2013, 272 active projects, funded in 2013 and years prior, were subject to employment stipulations. Those projects had been funded with \$232,368,137 from various New York State investment sources. 241 (89%) of these projects were in compliance with the employment requirements in their financial assistance packages, which generally requires, at a minimum, that the project be within 15% of its stated employment goals. 200 of these projects met or exceeded their employment goals, while the remaining 41 projects came within 15% of their employment goals. For the 31 non-compliant projects, ESD applied repayment penalties on 20 projects, including 5 projects subject to previously negotiated workout agreements, extended grant agreement terms on 4 projects, raised interest rates on 3 loan projects, amended 1 project, and waived penalties on 3 projects. For the 20 projects that were assessed repayment penalties, ESD is seeking a combined repayment of approximately \$3,000,000.

Since first receiving financial assistance, the companies receiving ESD program funding and which are still active have created 22,176 new jobs in New York State, with their employment increasing from 50,071 jobs to 72,247. The average cost per job created or retained is \$3,216.

Regions that experienced the most difficulty meeting employment goals are the North Country, Mohawk Valley, and Southern Tier regions with non-compliance rates of 27%, 27%, and 24%, respectively. The best performing region was Long Island, with a 100% compliance rate.

The UDC loan portfolio has an outstanding balance of \$150,752,941, with 110 active loans and a delinquency rate of 13.7%. The outstanding balance of the portfolio increased

by \$878,084, or a little over half a percentage point, since the last report to the Board of Directors.

More detailed information on the performance of ESD's economic development activities related to job growth and retention and on the UDC loan portfolio is included in the attached report.

**ANNUAL REPORT ON JOBS CREATED AND RETAINED  
ON ESD GRANT AND LOAN PROGRAMS**

**AND**

**STATUS REPORT ON ESD LOAN PORTFOLIO**

## TABLE OF CONTENTS

|  | <u>Page</u> |
|--|-------------|
| I. Annual Report on Jobs Created and Retained (State Funding)                  | 5           |
| a) Key Findings  | 5           |
| b) The Reporting and Recommendation Process                                    | 6           |
| c) The Workout Committee   | 6           |
| d) Employment Results for 2013   | 8           |
| e) Grant Recapture for 2013  | 8           |
| f) Comparison of 2012 and 2013 Employment Results                              | 8           |
| g) Recapture Results for 2012  | 9           |
| II. WTC Job Creation and Retention Grants Program (Federal Funding)            | 10          |
| III. Status of the New York State Urban Development Corporation Loan Portfolio | 11          |
| a) Overview  | 11          |
| b) Recent Activity   | 11          |

## **I. Annual Report on Jobs Created and Retained (State Funding)**

This report details the performance of ESD's economic development activities related to job growth and retention for the 2013 calendar year.<sup>1</sup> ESD assisted companies in New York State performed relatively well in terms of meeting their respective employment goals. Compliance with the employment requirements of the various loan and grant programs administered by ESD was at 89% in 2013 slightly lower than the record-high rate of 90% in 2012. The record compliance rates in recent years have improved from a low of just 60% in 2003. This is attributable to three main factors. First, the economy has improved and stabilized in the past couple of years. Second, the enhanced grant disbursement policies continue to help reduce risk and exposure to defaults. Third, the application of the pro-rata recapture penalty has helped mitigate a pattern of chronic defaults by the same grantee.

### **a) Key Findings**

The following are the key findings for 2013 with respect to the 272 active projects in the UDC commercial portfolio:

- 241 (89%) of the projects were in compliance with the employment requirements set forth in their respective financial assistance packages. 200 of these projects met or exceeded their employment goals, with the remaining 41 coming within 15% of their employment goals. 31 projects (11%) were not in compliance with the employment requirements set forth in their financial assistance packages. (See Attachment I)
- Since first receiving financial assistance, the companies receiving ESD program funds have created approximately 22,176 new jobs in New York State, with their employment increasing from approximately 50,071 jobs to 72,247. The average cost per job created or retained, net of two non-discretionary projects, is approximately \$3,216.<sup>2</sup>
- The worst performing industry sectors (with 10 or more active projects), include Medical Manufacturing, Food Manufacturing and Plastic Manufacturing, which had non-compliance rates of 27%, 21%, and 18%, respectively. The best

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<sup>1</sup> All employment and grant recapture information for 2013 refers to information reported to ESD during Reporting Year 2014. Similarly, all employment and grant recapture information for 2012 refers to information reported to ESD during Reporting Year 2013.

<sup>2</sup>A separate listing detailing the two (2) non-discretionary projects for which employment is tracked is attached to this report. These two projects include the AMD/Global Foundries grant for \$650 million (U223) and a \$249 million grant to the Research Foundation of SUNY (X772).

performing sector (with 10 or more active projects) was the Transportation Manufacturing industry with a 100% compliance rate. (Attachment II).

- The regions that experienced the most difficulty meeting employment goals were the North Country, Mohawk Valley and Southern Tier regions. The overall non-compliance rates for these regions were 27%, 27% and 24%, respectively. The best performing region was the Long Island Region with a compliance rate of 100% for 13 projects. (Attachment III)
- Of the 31 non-compliant projects, ESD applied monetary penalties for 20 projects, including 5 projects that were subject to previously negotiated workout agreements. ESD also extended the term of 4 grant agreements, waived penalties on 3 projects, increased the interest rates on 3 loan projects, and restructured one project.

b) The Reporting and Recommendation Process

By February 1st of each year, each company with job goals is obligated to submit an Employment Report stating its quarter by quarter employment levels for the previous year. Those companies that fall short of their employment goals are sent a letter in mid-March notifying them of the default. This letter provides the company with an opportunity to detail any extenuating circumstances that may have prevented the company from meeting its employment goals.

Portfolio Management staff members (“Staff”) are assigned defaulted projects by geographic region. As part of the review process, Staff is expected to: 1) request a letter explaining any extenuating circumstances; 2) request financial statements, if not already submitted; 3) review financial statements; 4) contact and work with the ESD Regional Office/Strategic Business Division (“ROSB”) for the region in which the company is located; 5) discuss the employment and business climate with the company to gain perspective on the company’s current situation and develop a better understanding going forward; and 6) make a recommendation to ESD’s Workout Committee (the “Committee”) based on an analysis of the above information.

c) The Workout Committee

The Workout Committee consists of the Chief Financial Officer, Executive Vice President & General Counsel, Controller, Senior Vice President of Loans & Grants, and Vice President of Capital Projects & Senior Counsel. For each project, the Committee evaluates the circumstances causing the default and seeks to apply one of several existing penalty options. These penalty options include:

Maximum Penalty - The grantee is required to repay the maximum amount due according to the schedule in the grantees’ Grant Disbursement Agreements (“GDA”). Factors considered include moving jobs out of New York State, job counts below starting levels, lack of a clear defense or

mitigating circumstances, unwillingness to provide information, lack of cooperation, and profitability of company.

**Negotiated Penalty** - The grantee is required to repay an amount less than the amount stipulated in the GDA. Factors evaluated include company's ability to repay, feasibility of collection and operating status of company. A negotiated settlement is generally approved in conjunction with the termination of the GDA.

**Pro-Rata Penalty** - The grantee is required to repay an amount less than the maximum allowable penalty under the GDA, which amount is calculated based on the amount of the employment shortfall relative to the required employment level. Once the penalty has been paid, the grantee's future employment target is lowered to reflect the number last reported or a higher figure. This penalty is most often applied in cases where circumstances causing the deficiency are beyond the owner's control (e.g., industry-wide economic deterioration, foreign competition, loss of major clients) and are unlikely to be cured in the foreseeable future.

**Extend and Freeze** - This penalty extends the term of a grantee's GDA for one year and freezes the percentage of the grant ESD can recapture at the current level during the one year extension period. Determinative factors include the company's ability to reach its goals, economic climate and past history.

**Multi-Year Extension ("MYE")** – This penalty option was established in 2009 to address the lasting effects of the severe recession on New York businesses. The option provides for an extension of the term of the GDA, for up to 3 years, and a reduction in the grantee's target to the level last reported or to the level at the time of the decision. The option was recommended at the discretion of staff, and grantees qualified for the option only if they met three of the four specific criteria which included: whether a grantee was in a distressed industry, had experienced a significant drop in sales, was located in a depressed region, and/or had unattainable employment goals.

**Waiver** - Due to extenuating circumstances, the Committee decides to waive all penalties for the current reporting year only. Factors include missing jobs by a small percentage, past history, and number of years remaining. A Fractional Waiver is offered to companies which are short of their respective compliance levels by less than one job.

**Interest Rate Adjustments for Loans** - If a borrower fails to achieve its employment target within a specified period, the interest rate on the loan may be increased to a default rate set forth in the Loan Agreement- generally Prime+2%. If the borrower subsequently achieves its employment target, the interest rate is reduced to its original level.

d) Employment Results for 2013

For 2013, 200 (74%) projects met or exceeded their employment goals, 41 (15%) came within 15% of their targeted employment goals and 31 (11%) were not in compliance. Staff reviewed the 31 projects in default and made penalty recommendations to the Committee which resulted in the various penalties listed below.

| PENALTIES             | 2013<br>PROJECTS | PERCENTAGE  |
|-----------------------|------------------|-------------|
| Maximum               | 3                | 10%         |
| Negotiated            | 2                | 6%          |
| Pro-Rata              | 15               | 48%         |
| Extend                | 4                | 13%         |
| Waive                 | 3                | 10%         |
| Default Interest Rate | 3                | 10%         |
| Other                 | 1                | 3%          |
| <b>Total</b>          | <b>31</b>        | <b>100%</b> |

e) Grant Recapture for 2013

After reviewing Staff's recommendations and supporting documentation, the Committee decided to apply maximum recaptures on 3 projects, accepted a negotiated settlement on 2 projects, and assessed pro-rata penalties for 15 projects, including 5 projects that were subject to previously negotiated workout agreements.

The maximum recapture penalties totaled \$372,500, while the negotiated settlement amounts totaled \$138,875. The pro-rata amounts ranged from \$2,942 to \$1,744,600, and totaled \$2,478,339.

In total, ESD is seeking repayment of approximately \$3,000,000 from companies in default of their GDAs for 2013. Since 2001, ESD has recaptured approximately \$40 million in grant monies.

f) Comparison of 2012 and 2013 Employment Results

Based on the employment data submitted for 2013, most ESD assisted projects continue to meet or exceed their stated employment goals. The compliance rate was at 89%, which was slightly lower than the record-high rate of 90% in 2012. The factors contributing to increased compliance from previous years include: the stabilization of the economy, the Loans and Grants Department's multiple disbursement policy for grants, and the application of the pro-rata penalty. In 2013, ESD invested \$3,216 for each job either created or retained whereas that figure was \$3,981 in 2012.

The following highlights the year over year comparison for 2012 and 2013:

- For 2013, the Committee assessed monetary penalties on 20 (65%) projects in default, exactly the same (by percentage) as in 2012. Extensions were granted for 4 (13%) projects in 2013, which was much less than the prior year when 9 projects received extensions (29%).
- For 2013, the Committee waived penalties for 3 (10%) projects, as compared with 2012, when 2 projects (6.5%) received penalty waivers.
- There were three loan projects in which interest rates were raised (10%) in 2013, whereas in 2012, there were no such projects.

| PENALTIES                | 2012<br>PROJECTS | PERCENTAGE  | 2013<br>PROJECTS | PERCENTAGE  |
|--------------------------|------------------|-------------|------------------|-------------|
| Maximum                  | 6                | 19.4        | 3                | 10%         |
| Negotiated               | 5                | 16.1        | 2                | 6%          |
| Pro-Rata                 | 9                | 29%         | 15               | 48%         |
| Extend                   | 9                | 29%         | 4                | 13%         |
| Waive                    | 2                | 6.5%        | 3                | 10%         |
| Default<br>Interest Rate | 0                | 0%          | 3                | 10%         |
| Other                    | 0                | 0%          | 1                | 3%          |
| <b>Total</b>             | <b>31</b>        | <b>100%</b> | <b>31</b>        | <b>100%</b> |

g) Recapture Results for 2012

For 2012, the Committee approved the recapture of approximately \$3.5 million of previously disbursed grant funds. To date, approximately \$3 million of that sum has been collected, with an additional amount accounted for either by executed promissory notes or other repayment agreements. Two projects have been sent to outside counsel as these two entities were deemed to be either unresponsive or uncooperative.

In total, Staff has obtained repayment of 85% of the approved recapture amounts for 2012, with another 2% to be paid to ESD pursuant to promissory notes or other repayment agreements. Two other projects representing 13% of the approved recapture have been sent to outside counsel for collection, with the work still ongoing.

## **II. World Trade Center Job Creation and Retention Grants Program (Federal Funding)**

Through the World Trade Center Job Creation & Retention Program (“JCRP” or the “Program”), ESD offers grants to firms committing to maintain, create or attract at least 200 jobs in lower Manhattan. Many of these businesses experienced a disruption of operations as a result of the events of 9/11/2001. The US Department of Housing and Urban Development (“HUD”) provided \$320,000,000 in funding for the Program, which is administered by ESD.

Each JCRP grant recipient is required to sign a GDA which requires it to retain and/or create a specific number of jobs for a specified number of years – a minimum of 7 years and up to 15 years in certain cases. The monitoring and workout process is identical to that followed for ESD grant defaults discussed above.

Since their initial receipt of financial assistance, the 24 companies with active JCRP grants have created a net total of 3,656 new jobs, with total employment increasing from 29,319 to 32,975 jobs. With total investment by HUD of \$131,059,620, the average cost per job created or retained is \$3,975.

For 2013, 1 of the 24 (4%) active JCRP projects was not in compliance compared with 5 projects (13%) for the previous year. The single project not in compliance was Locke Lord, LLP (R745), for which a Workout Committee decision regarding the application of a penalty is pending. (See Attachment IV)

### **III. Status of the New York State Urban Development Corporation's Loan Portfolio**

#### a) Overview

Staff is responsible for monitoring employment requirements, as well as loan modifications and workouts, on UDC's Loan Portfolio.

The balance of the UDC portfolio is \$150,752,941, which includes 110 loans funded from 20 different funding sources. The funding source with the highest volume of active loans, ESD's Upstate Regional Blueprint Loan Fund, has 34 active loans, with a cumulative outstanding balance of \$19,941,858, or approximately 13.2% of the total portfolio. The 14 active loans funded from the Empire State ED Fund have the highest cumulative outstanding principal balance, with \$28,702,625 currently outstanding.

In addition to the 110 active loans, Staff services and tracks repayments for companies that defaulted on their UDC GDAs or under World Trade Center Disaster Recovery Program ("WTC") grant agreements, were assessed a repayment penalty by the WTC Review Committee, and are repaying portions of their grants pursuant to promissory notes. Staff is currently servicing 11 UDC grantees, with \$306,137 in principal outstanding and 4 WTC grantees, with \$114,516 in principal outstanding.

18 projects in the UDC portfolio are delinquent. A loan is considered delinquent when it is more than 60 days in arrears. These delinquent loans have a current outstanding balance of \$20,619,009, or a delinquency rate of 13.7% (in terms of principal balance) down from 14.9% the previous year.

#### b) Recent Activity

In 2013, ESD has closed 7 new loans with total disbursements of \$1,915,000 and 7 loans have paid off a total balance of \$3,673,527. 6 of the new loans were funded through the Upstate Regional Blueprint Fund, while the remainder was funded through the DOT Capital Assistance Fund.

## Attachment I A - Discretionary Empire State Development Corporation 2014 Annual Report of Employment

| Project Name                                       | Proj# | Funding Source | Type | Closing Date | Original Investment | Start Employ | 2013  | 2014  | Diff 13/14 | Required | Diff Required/14 | Retained | Created | Lost | Region   | Compliance         |
|--|-------|----------------|------|--------------|---------------------|--------------|-------|-------|------------|----------|------------------|----------|---------|------|----------|--------------------|
| S45 Colfax Inc. d/b/a Cannon Tube Fabrication      | X200  | UB             | L    | 11/13/12     | 300,000             | 14           | 38    | 40    | 2          | 38       | 2                | 14       | 26      | 0    | FNGERLKS | Exceeds Compliance |
| ABVI/Goodwill Industries of Greater Rochester      | W991  | UB             | L    | 08/13/13     | 500,000             | 227          | 0     | 262   | 262        | 227      | 35               | 227      | 35      | 0    | FNGERLKS | Exceeds Compliance |
| Ace Endico Corporation                             | P353  | ED-Fund        | G    | 12/06/05     | 400,000             | 105          | 204   | 249   | 45         | 185      | 64               | 105      | 144     | 0    | MIDHUD   | Exceeds Compliance |
| Aceto Corporation                                  | W909  | ED-Fund        | G    | 09/20/12     | 244,500             | 80           | 84    | 88    | 4          | 80       | 8                | 80       | 8       | 0    | LI       | Exceeds Compliance |
| ADH Health Products, Inc.                          | X210  | ED-Fund        | G    | 12/14/11     | 250,000             | 58           | 73    | 79    | 6          | 58       | 21               | 58       | 21      | 0    | MIDHUD   | Exceeds Compliance |
| Advanced Coating Technologies                      | U542  | ED-Fund        | G    | 05/11/11     | 250,000             | 35           | 88    | 104   | 16         | 35       | 69               | 35       | 69      | 0    | MIDHUD   | Exceeds Compliance |
| Advanced Energy Systems, Inc.                      | V597  | ED-Fund        | G    | 11/17/09     | 150,000             | 25           | 43    | 36    | (7)        | 36       | 0                | 25       | 11      | 0    | LI       | Exceeds Compliance |
| AERCO International, Inc.                          | W930  | ED-Fund        | G    | 06/21/12     | 187,500             | 0            | 150   | 154   | 4          | 143      | 11               | 0        | 154     | 0    | MIDHUD   | Exceeds Compliance |
| AFC Industries, Inc.                               | U538  | ED-Fund        | G    | 03/12/08     | 281,250             | 82           | 104   | 91    | (13)       | 112      | (21)             | 82       | 9       | 0    | NYC      | Not in Compliance  |
| Air Innovations, Inc.                              | W533  | ED-Fund        | G    | 03/26/12     | 15,000              | 36           | 39    | 37    | (2)        | 41       | (4)              | 36       | 1       | 0    | CENTRAL  | In 15% Range       |
| Alleson of Rochester, Inc. d/b/a Alleson Athletic  | T706  | ED-Fund        | G    | 02/08/11     | 112,500             | 76           | 116   | 115   | (1)        | 101      | 14               | 76       | 39      | 0    | FNGERLKS | Exceeds Compliance |
| Alliance Innovative Manufacturing, Inc.            | X467  | ED-Fund        | G    | 06/03/13     | 181,000             | 33           | 0     | 37    | 37         | 39       | (2)              | 33       | 4       | 0    | WNY      | In 15% Range       |
| Allred & Associates, Inc                           | W777  | ED-Fund        | G    | 02/03/11     | 17,500              | 38           | 36    | 34    | (2)        | 38       | (4)              | 34       | 0       | 4    | CENTRAL  | In 15% Range       |
| Alpla, Inc.  | V624  | ED-Fund        | G    | 07/09/09     | 200,000             | 0            | 49    | 53    | 4          | 45       | 8                | 0        | 53      | 0    | CENTRAL  | Exceeds Compliance |
| America Customer Care, Inc.                        | U714  | JN-Fund        | G    | 07/13/10     | 137,500             | 0            | 52    | 38    | (14)       | 50       | (12)             | 0        | 38      | 0    | STIER    | Not in Compliance  |
| American Aerogel URB                               | X120  | ConvertL       | L    | 10/15/13     | 215,000             | 25           | 0     | 27    | 27         | 25       | 2                | 25       | 2       | 0    | FNGERLKS | Exceeds Compliance |
| American Packaging Corporation                     | W113  | ED-Fund        | G    | 03/30/10     | 75,000              | 147          | 156   | 161   | 5          | 147      | 14               | 147      | 14      | 0    | FNGERLKS | Exceeds Compliance |
| An-Cor Industrial Plastics, Inc.                   | P743  | ED-Fund        | G    | 04/01/08     | 85,000              | 52           | 66    | 58    | (8)        | 77       | (19)             | 52       | 6       | 0    | WNY      | Not in Compliance  |
| API Heat Transfer Inc.                             | W156  | JN-Fund        | G    | 09/17/09     | 1,000,000           | 370          | 455   | 451   | (4)        | 370      | 81               | 370      | 81      | 0    | FNGERLKS | Exceeds Compliance |
| APS Healthcare, Inc                                | V949  | JN-Fund        | G    | 10/02/09     | 600,000             | 0            | 103   | 96    | (7)        | 25       | 71               | 0        | 96      | 0    | MIDHUD   | Exceeds Compliance |
| Arch Chemicals, Inc                                | X034  | ED-Fund        | G    | 07/12/12     | 50,000              | 156          | 156   | 148   | (8)        | 156      | (8)              | 148      | 0       | 8    | FNGERLKS | In 15% Range       |
| Ardagh Metal Packaging USA Inc./Impress USA        | W020  | ED-Fund        | G    | 10/20/11     | 500,000             | 0            | 48    | 43    | (5)        | 50       | (7)              | 0        | 43      | 0    | STIER    | In 15% Range       |
| ASB Greenworld, Inc.                               | X580  | ED-Fund        | G    | 07/18/13     | 100,000             | 0            | 0     | 11    | 11         | 17       | (6)              | 0        | 11      | 0    | MIDHUD   | Not in Compliance  |
| Asept Pak, Inc.                                    | X226  | ED-Fund        | G    | 01/09/13     | 425,000             | 18           | 0     | 39    | 39         | 60       | (21)             | 18       | 21      | 0    | NCOUNTRY | Not in Compliance  |
| Ashland Advance Materials, LLC                     | W498  | ED-Fund        | G    | 03/19/13     | 112,500             | 0            | 0     | 23    | 23         | 25       | (2)              | 0        | 23      | 0    | WNY      | In 15% Range       |
| Ashton Potter (USA), Ltd                           | U577  | ED-Fund        | G    | 05/17/11     | 100,000             | 140          | 190   | 140   | (50)       | 175      | (35)             | 140      | 0       | 0    | WNY      | Not in Compliance  |
| Austin Mohawk and Company, Inc.                    | V961  | ED-Fund        | G    | 04/14/09     | 25,000              | 49           | 49    | 41    | (8)        | 51       | (10)             | 41       | 0       | 8    | MOHAWK   | Not in Compliance  |
| Avon Products, Inc..                               | P977  | ED-Fund        | G    | 11/30/04     | 650,000             | 284          | 339   | 314   | (25)       | 305      | 9                | 284      | 30      | 0    | MIDHUD   | Exceeds Compliance |
| BAE Systems Controls Inc.                          | V274  | JN-Fund        | G    | 05/29/08     | 462,500             | 1,319        | 1,257 | 1,223 | (34)       | 1,444    | (221)            | 1,223    | 0       | 96   | STIER    | Not in Compliance  |
| Beech- Nut Nutrition Corporation/ Hero Group, Inc. | V795  | ED-Fund        | G    | 08/18/08     | 2,500,000           | 386          | 260   | 252   | (8)        | 491      | (239)            | 252      | 0       | 134  | CAPITAL  | Not in Compliance  |
| Beech-Nut Nutrition Corporation/Hero Group, Inc.   | V392  | JN-Fund        | G    | 01/22/09     | 5,000,000           | 386          | 260   | 252   | (8)        | 491      | (239)            | 252      | 0       | 134  | MOHAWK   | Not in Compliance  |

| Project Name                             | Proj# | Funding Source | Type | Closing Date | Original Investment | Start Employ | 2013  | 2014  | Diff 13/14 | Required | Diff Required/14 | Retained | Created | Lost | Region   | Compliance         |
|--|-------|----------------|------|--------------|---------------------|--------------|-------|-------|------------|----------|------------------|----------|---------|------|----------|--------------------|
| Belmay, Inc                              | T796  | ED-Fund        | G    | 01/18/13     | 190,000             | 121          | 0     | 78    | 78         | 121      | (43)             | 78       | 0       | 43   | MIDHUD   | Not in Compliance  |
| Bitzer Scroll, Inc.                      | V378  | JN-Fund        | G    | 08/23/11     | 700,000             | 12           | 83    | 78    | (5)        | 67       | 11               | 12       | 66      | 0    | CENTRAL  | Exceeds Compliance |
| BorgWarner Morse TEC Inc                 | V796  | ED-Fund        | L    | 12/15/11     | 133,000             | 1,380        | 1,399 | 1,410 | 11         | 1,380    | 30               | 1380     | 30      | 0    | STIER    | Exceeds Compliance |
| BorgWarner Morse TEC Inc.                | V765  | ED-Fund        | G    | 12/15/11     | 459,540             | 1,380        | 1,399 | 1,410 | 11         | 1,380    | 30               | 1380     | 30      | 0    | STIER    | Exceeds Compliance |
| Brewery Ommegang, Ltd                    | W998  | UB             | L    | 07/20/12     | 250,000             | 0            | 50    | 56    | 6          | 35       | 21               | 0        | 56      | 0    | MOHAWK   | Exceeds Compliance |
| Brinkman Precision, Inc.                 | W453  | ED-Fund        | G    | 11/10/11     | 250,000             | 99           | 92    | 94    | 2          | 99       | (5)              | 94       | 0       | 5    | FNGERLKS | In 15% Range       |
| Brunner International , Inc.             | V967  | ED-Fund        | G    | 11/16/12     | 150,000             | 265          | 394   | 328   | (66)       | 315      | 13               | 265      | 63      | 0    | FNGERLKS | Exceeds Compliance |
| Buffalo Lafayette LLC                    | X468  | UCDPFU         | G    | 10/09/12     | 2,000,000           | 30           | 596   | 164   | (432)      | 100      | 64               | 30       | 134     | 0    | WNY      | Exceeds Compliance |
| Buffalo Wire Works Co. Inc.              | W239  | ED-Fund        | G    | 06/01/11     | 500,000             | 61           | 118   | 123   | 5          | 77       | 46               | 61       | 62      | 0    | WNY      | Exceeds Compliance |
| C Speed, LLC                             | W504  | ED-Fund        | G    | 07/26/10     | 50,000              | 15           | 31    | 32    | 1          | 25       | 7                | 15       | 17      | 0    | CENTRAL  | Exceeds Compliance |
| C&S Wholesale Grocers, Inc.              | V776  | JN-Fund        | G    | 05/24/13     | 1,353,000           | 285          | 0     | 902   | 902        | 730      | 172              | 285      | 617     | 0    | MIDHUD   | Exceeds Compliance |
| CAF USA,, INC.                           | K878  | ED-Fund        | G    | 04/17/06     | 100,000             | 0            | 148   | 385   | 237        | 80       | 305              | 0        | 385     | 0    | STIER    | Exceeds Compliance |
| Campus Labs, LLC                         | x114  | ED-Fund        | G    | 04/25/12     | 100,000             | 37           | 71    | 79    | 8          | 57       | 22               | 37       | 42      | 0    | WNY      | Exceeds Compliance |
| Cardinal Griffiss Realty                 | X081  |                | G    | 02/09/12     | 1,000,000           | 86           | 143   | 138   | (5)        | 120      | 18               | 86       | 52      | 0    | MOHAWK   | Exceeds Compliance |
| Carestream Health, Inc.                  | V322  | JN-Fund        | G    | 04/29/10     | 1,500,000           | 800          | 1,117 | 1,001 | (116)      | 1,175    | (174)            | 800      | 201     | 0    | FNGERLKS | In 15% Range       |
| Cedar Knoll Log Homes, Inc               | R724  | ED-Fund        | G    | 07/08/05     | 50,000              | 23           | 7     | 7     | 0          | 9        | (2)              | 7        | 0       | 16   | NCOUNTRY | Not in Compliance  |
| Center One, LLC                          | V604  | JN-Fund        | G    | 04/27/09     | 375,000             | 10           | 116   | 212   | 96         | 202      | 10               | 10       | 202     | 0    | WNY      | Exceeds Compliance |
| Chautauqua County IDA/ Ralston           | C272  | REDS PA        | L    | 12/12/95     | 300,000             | 250          | 331   | 348   | 17         | 262      | 86               | 250      | 98      | 0    | WNY      | Exceeds Compliance |
| Chautauqua IDA/Cummins Engine            | B931  | REDS PA        | L    | 01/17/96     | 227,850             | 876          | 1,388 | 1,427 | 39         | 1,016    | 411              | 876      | 551     | 0    | WNY      | Exceeds Compliance |
| Chobani Capital                          | X386  | JN-Fund        | G    | 12/10/13     | 1,500,000           | 386          | 0     | 1,041 | 1,041      | 836      | 205              | 386      | 655     | 0    | STIER    | Exceeds Compliance |
| Citi Amherst, Inc.                       | U652  | JN-Fund        | G    | 06/18/08     | 1,750,000           | 598          | 1,269 | 1,440 | 171        | 1,248    | 192              | 598      | 842     | 0    | WNY      | Exceeds Compliance |
| Cives Corporation d/b/a/Viking Cives USA | W231  | ED-Fund        | G    | 09/23/10     | 25,000              | 80           | 94    | 92    | (2)        | 84       | 8                | 80       | 12      | 0    | NCOUNTRY | Exceeds Compliance |
| Cleveland BioLabs, Inc.                  | U712  | ED-Fund        | G    | 05/28/08     | 273,750             | 0            | 40    | 29    | (11)       | 36       | (7)              | 0        | 29      | 0    | WNY      | Not in Compliance  |
| Closing USA Capital                      | X444  | ED-Fund        | G    | 12/26/12     | 75,000              | 66           | 0     | 102   | 102        | 66       | 36               | 66       | 36      | 0    | FNGERLKS | Exceeds Compliance |
| Coast Professional, Inc.                 | w221  | JN-Fund        | G    | 12/07/10     | 200,000             | 0            | 110   | 144   | 34         | 100      | 44               | 0        | 144     | 0    | FNGERLKS | Exceeds Compliance |
| Cold Spring Harbor Laboratory            | W229  | DS Down        | G    | 04/10/12     | 5,000,000           | 800          | 895   | 917   | 22         | 880      | 37               | 800      | 117     | 0    | LI       | Exceeds Compliance |
| Cold Spring Harbor Laboratory            | V870  | ED-Fund        | G    | 04/10/12     | 2,000,000           | 800          | 895   | 917   | 22         | 880      | 37               | 800      | 117     | 0    | LI       | Exceeds Compliance |
| ComTec Solutions of NY, LLC              | W782  | ED-Fund        | G    | 04/18/13     | 25,000              | 12           | 0     | 22    | 22         | 23       | (1)              | 12       | 10      | 0    | FNGERLKS | In 15% Range       |
| Constellation Brands, Inc.               | x068  | UB             | G    | 03/20/13     | 443,000             | 175          | 0     | 183   | 183        | 175      | 8                | 175      | 8       | 0    | FNGERLKS | Exceeds Compliance |
| Contract Pharmacal Corporation           | X214  | ED-Fund        | G    | 06/03/13     | 525,000             | 457          | 0     | 943   | 943        | 625      | 318              | 457      | 486     | 0    | LI       | Exceeds Compliance |
| Cooper & Clement, Inc.                   | W179  | ED-Fund        | G    | 02/08/10     | 55,000              | 17           | 31    | 29    | (2)        | 22       | 7                | 17       | 12      | 0    | CENTRAL  | Exceeds Compliance |
| Corning Incorporated                     | U144  | ED-Fund        | G    | 04/01/11     | 200,000             | 375          | 604   | 581   | (23)       | 475      | 106              | 375      | 206     | 0    | STIER    | Exceeds Compliance |
| Cortland Plastics International, LLC     | X784  | RC             | G    | 07/18/13     | 50,000              | 45           | 0     | 44    | 44         | 45       | (1)              | 44       | 0       | 1    | CENTRAL  | In 15% Range       |
| Cox & Company, Inc.                      | T639  | ED-Fund        | G    | 11/18/09     | 432,000             | 130          | 205   | 202   | (3)        | 190      | 12               | 130      | 72      | 0    | LI       | Exceeds Compliance |
| Crosman Corporation                      | X031  | UB             | L    | 03/23/11     | 240,000             |              | 282   | 288   | 6          | 226      | 62               | 0        | 288     | 0    | FNGERLKS | Exceeds Compliance |
| Cummins Inc.                             | W481  | ED-Fund        | G    | 11/03/11     | 500,000             | 1,254        | 1,388 | 1,427 | 39         | 1,270    | 157              | 1254     | 173     | 0    | WNY      | Exceeds Compliance |
| Curran Renewable Energy, LLC             | V129  | ED-Fund        | G    | 08/09/12     | 125,000             | 50           | 100   | 122   | 22         | 75       | 47               | 50       | 72      | 0    | NCOUNTRY | Exceeds Compliance |
| CURRENT Communications Services LIC      | R557  | JN-Fund        | G    | 07/31/07     | 100,000             | 0            | 0     |       | 0          | 0        | 0                | 0        | 0       | 0    | FNGERLKS | In Compliance      |
| D4, LLC                                  | X249  | ED-Fund        | G    | 12/10/12     | 56,250              | 55           | 70    | 82    | 12         | 55       | 27               | 55       | 27      | 0    | FNGERLKS | Exceeds Compliance |
| Data Listing Services, LLC               | V811  | JN-Fund        | G    | 01/06/11     | 525,000             | 0            | 238   | 250   | 12         | 375      | (125)            | 0        | 250     | 0    | WNY      | Not in Compliance  |

| Project Name   | Proj# | Funding Source | Type | Closing Date | Original Investment | Start Employ | 2013  | 2014  | Diff 13/14 | Diff     |             |          |         | Lost | Region   | Compliance         |
|--|-------|----------------|------|--------------|---------------------|--------------|-------|-------|------------|----------|-------------|----------|---------|------|----------|--------------------|
|  |       |                |      |              |                     |              |       |       |            | Required | Required/14 | Retained | Created |      |          |                    |
| Datrose, Inc.  | W497  | ED-Fund        | G    | 05/14/10     | 14,000              | 130          | 102   | 80    | (22)       | 130      | (50)        | 80       | 0       | 50   | FNGERLKS | Not in Compliance  |
| Datrose, Inc.  | W114  | MWBBDL         | L    | 04/12/10     | 160,000             | 130          | 102   | 80    | (22)       | 130      | (50)        | 80       | 0       | 50   | FNGERLKS | Not in Compliance  |
| DeCicco Enterprises, LLC                                     | X089  | ED-Fund        | G    | 10/31/11     | 165,000             | 0            | 88    | 81    | (7)        | 75       | 6           | 0        | 81      | 0    | MIDHUD   | Exceeds Compliance |
| DeMet's Candy Capital  | W026  | ED-Fund        | G    | 05/26/10     | 500,000             | 0            | 220   | 221   | 1          | 141      | 80          | 0        | 221     | 0    | STIER    | Exceeds Compliance |
| Diamond Packaging  | W939  | UB             | L    | 05/24/12     | 700,000             | 214          | 225   | 235   | 10         | 214      | 21          | 214      | 21      | 0    | FNGERLKS | Exceeds Compliance |
| Dresser-Rand Group, Inc.                                     | X136  | ED-Fund        | G    | 09/14/12     | 500,000             | 787          | 1,129 | 1,148 | 19         | 837      | 311         | 787      | 361     | 0    | WNY      | Exceeds Compliance |
| E.T. Precision Optics, Inc.                                  | W352  | ED-Fund        | G    | 08/07/09     | 87,500              | 64           | 44    | 41    | (3)        | 44       | (3)         | 41       | 0       | 23   | FNGERLKS | In 15% Range       |
| East Harlem Abyssinian Triangle L.P./ Pathmark Stores        | D229  | MERF           | L    | 12/15/00     | 8,822               | 0            | 130   | 214   | 84         | 125      | 89          | 0        | 214     | 0    | NYC      | Exceeds Compliance |
| Eastman Machine Company                                      | W107  | ED-Fund        | G    | 03/25/09     | 150,000             | 98           | 116   | 119   | 3          | 108      | 11          | 98       | 21      | 0    | WNY      | Exceeds Compliance |
| Eaton Corporation  | U665  | ED-Fund        | G    | 07/15/09     | 800,000             | 220          | 270   | 249   | (21)       | 220      | 29          | 220      | 29      | 0    | STIER    | Exceeds Compliance |
| ECR International Part II, Inc.                              | W581  | ED-Fund        | G    | 04/23/10     | 600,000             | 247          | 288   | 274   | (14)       | 309      | (35)        | 247      | 27      | 0    | MOHAWK   | In 15% Range       |
| Edison Price Lighting, Inc.                                  | T652  | ED-Fund        | G    | 02/11/08     | 200,000             | 100          | 85    | 88    | 3          | 85       | 3           | 88       | 0       | 12   | NYC      | Exceeds Compliance |
| Edwards Vacuum, Inc.   | X195  | ED-Fund        | G    | 11/21/12     | 500,000             | 100          | 144   | 148   | 4          | 128      | 20          | 100      | 48      | 0    | WNY      | Exceeds Compliance |
| Emerson Network Power Surge Protection, Inc.                 | V752  | ED-Fund        | G    | 10/05/10     | 162,500             | 56           | 52    | 47    | (5)        | 56       | (9)         | 47       | 0       | 9    | STIER    | Not in Compliance  |
| Empire Fruit Growers Co-Op, Inc.                             | X364  | ED-Fund        | G    | 04/25/13     | 175,000             | 26           | 0     | 48    | 48         | 36       | 12          | 26       | 22      | 0    | FNGERLKS | Exceeds Compliance |
| EPCO Carbon Dioxide Products, Inc.                           | V927  | ED-Fund        | G    | 05/23/12     | 33,500              | 0            | 8     | 8     | 0          | 5        | 3           | 0        | 8       | 0    | FNGERLKS | Exceeds Compliance |
| Epic Pharma, LLC   | W220  | ED-Fund        | G    | 10/16/09     | 300,000             | 165          | 169   | 180   | 11         | 185      | (5)         | 165      | 15      | 0    | NYC      | In 15% Range       |
| Excelco/Newbrook, Inc.                                       | W459  | UB             | L    | 06/27/11     | 175,000             | 0            | 67    | 70    | 3          | 61       | 9           | 0        | 70      | 0    | WNY      | Exceeds Compliance |
| Farm View Partners, LLCd/b/a Farm to Table Co-Packers (LOAN) | X103  | ConvertL       | L    | 10/27/10     | 229,520             | 12           | 39    | 49    | 10         | 27       | 22          | 12       | 37      | 0    | MIDHUD   | Exceeds Compliance |
| Farmis, Inc, d/b/a United Biochemicals                       | X135  | ED-Fund        | G    | 07/24/13     | 112,500             | 31           | 0     | 51    | 51         | 42       | 9           | 31       | 20      | 0    | WNY      | Exceeds Compliance |
| Ferris Industries/Briggs & Stratton Power Products GroupLLC  | U672  | ED-Fund        | G    | 07/28/08     | 250,000             | 298          | 348   | 338   | (10)       | 328      | 10          | 298      | 40      | 0    | CENTRAL  | Exceeds Compliance |
| First National Financial Group, Inc.                         | W786  | UB             | G    | 07/18/11     | 1,300,000           | 1,017        | 1,977 | 2,131 | 154        | 1,327    | 804         | 1017     | 1,114   | 0    | WNY      | Exceeds Compliance |
| Fluid Power Service Corporation                              | V969  | ED-Fund        | G    | 04/14/09     | 33,600              | 36           | 46    | 49    | 3          | 40       | 9           | 36       | 13      | 0    | WNY      | Exceeds Compliance |
| Friendship Dairies, LLC                                      | W235  | ED-Fund        | G    | 11/15/12     | 200,000             | 218          | 257   | 256   | (1)        | 258      | (2)         | 218      | 38      | 0    | WNY      | In 15% Range       |
| Fulton Thermal Corp  | W963  | UB             | L    | 12/07/12     | 1,500,000           |              | 124   | 133   | 9          | 88       | 45          | 0        | 133     | 0    | CENTRAL  | Exceeds Compliance |
| Galvstar LLC   | W539  | ED-Fund        | G    | 08/03/12     | 100,000             | 0            | 25    | 14    | (11)       | 20       | (6)         | 0        | 14      | 0    | WNY      | Not in Compliance  |
| GE Aviation Systems LLC                                      | W789  | ED-Fund        | L    | 09/12/12     | 2,540,000           | 200          | 256   | 258   | 2          | 255      | 3           | 200      | 58      | 0    | LI       | Exceeds Compliance |
| Getinge Sourcing LLC   | T542  | ED-Fund        | G    | 08/24/10     | 550,000             | 265          | 258   | 195   | (63)       | 265      | (70)        | 195      | 0       | 70   | FNGERLKS | Not in Compliance  |
| GIS Information Systems, Inc. d/b/a Polaris Library Systems  | W945  | ED-Fund        | L    | 11/15/10     | 1,000,000           | 63           | 71    | 75    | 4          | 72       | 3           | 63       | 12      | 0    | CENTRAL  | Exceeds Compliance |
| GM 2L & 2.5L Engine Lines URB Capital                        | W925  | UB             | G    | 12/10/13     | 6,000,000           | 797          | 0     | 1,943 | 1,943      | 1,147    | 796         | 797      | 1,146   | 0    | WNY      | Exceeds Compliance |
| GM 2L & 2.5L Engines Training                                | w926  | ED-Fund        | G    | 10/04/13     | 1,000,000           | 797          | 0     | 1,943 | 1,943      | 1,147    | 796         | 797      | 1,146   | 0    | WNY      | Exceeds Compliance |
| GM Gen-V URB Capital   | X027  | UB             | G    | 12/10/13     | 6,000,000           | 797          | 0     | 1,943 | 1,943      | 1,147    | 796         | 797      | 1,146   | 0    | WNY      | Exceeds Compliance |
| Goodyear Dunlop Tires North America, LTD                     | F341  | ED-Fund        | G    | 06/13/01     | 2,000,000           | 1,200        | 1,232 | 1,196 | (36)       | 1,232    | (36)        | 1196     | 0       | 4    | WNY      | Not in Compliance  |
| Gordon Companies Inc   | V397  | ED-Fund        | G    | 06/11/12     | 75,000              | 15           | 60    | 64    | 4          | 45       | 19          | 15       | 49      | 0    | WNY      | Exceeds Compliance |
| Goulds Pumps Inc.  | W339  | ED-Fund        | G    | 04/09/12     | 1,350,000           | 680          | 893   | 888   | (5)        | 740      | 148         | 680      | 208     | 0    | FNGERLKS | Exceeds Compliance |
| Graphic Controls, LLC  | V080  | ED-Fund        | G    | 02/26/08     | 250,000             | 262          | 283   | 293   | 10         | 278      | 15          | 262      | 31      | 0    | WNY      | Exceeds Compliance |

| Project Name  | Proj# | Funding Source | Type | Closing Date | Original Investment | Start Employ | 2013  | 2014  | Diff 13/14 | Required | Diff Required/14 | Retained | Created | Lost | Region   | Compliance         |
|---|-------|----------------|------|--------------|---------------------|--------------|-------|-------|------------|----------|------------------|----------|---------|------|----------|--------------------|
| Griffiss Hangar 101/Commodore/ Empire Aero Center     | R299  | ED-Fund        | G    | 06/22/04     | 2,000,000           | 0            | 131   | 125   | (6)        | 81       | 44               | 0        | 125     | 0    | MOHAWK   | Exceeds Compliance |
| Griffiss Local Development Corp                       | R300  | JN-Fund        | G    | 05/18/04     | 1,000,000           | 0            | 131   | 125   | (6)        | 81       | 44               | 0        | 125     | 0    | MOHAWK   | Exceeds Compliance |
| H@Lofts Capital                                       | W952  | UB             | L    | 12/29/10     | 400,000             | 40           | 47    | 58    | 11         | 40       | 18               | 40       | 18      | 0    | WNY      | Exceeds Compliance |
| Hamilton Printing Company                             | V143  | ED-Fund        | G    | 03/28/11     | 100,000             | 95           | 71    | 101   | 30         | 71       | 30               | 95       | 6       | 0    | CAPITAL  | Exceeds Compliance |
| Hammer Packaging Corp                                 | W992  | UB             | L    | 09/15/11     | 375,000             | 396          | 411   | 417   | 6          | 409      | 8                | 396      | 21      | 0    | FNGERLKS | Exceeds Compliance |
| Harbec Plastics                                       | X166  | UB             | L    | 08/15/12     | 250,000             | 85           | 148   | 135   | (13)       | 95       | 40               | 85       | 50      | 0    | FNGERLKS | Exceeds Compliance |
| Harris Corporation-RF Communications Group            | W790  | ED-Fund        | G    | 03/27/12     | 4,000,000           | 2,000        | 2,494 | 2,243 | (251)      | 2,000    | 243              | 2000     | 243     | 0    | FNGERLKS | Exceeds Compliance |
| Hartford Fire Insurance Company                       | V809  | ED-Fund        | G    | 03/25/10     | 435,000             | 600          | 631   | 605   | (26)       | 600      | 5                | 600      | 5       | 0    | MOHAWK   | Exceeds Compliance |
| Hartford Fire Insurance Company                       | V808  | ED-Fund        | G    | 12/23/11     | 246,500             | 400          | 446   | 350   | (96)       | 400      | (50)             | 350      | 0       | 50   | CENTRAL  | In 15% Range       |
| Healthway Home Products, Inc.                         | W472  | ED-Fund        | G    | 04/01/10     | 25,000              | 22           | 34    | 30    | (4)        | 22       | 8                | 22       | 8       | 0    | CENTRAL  | Exceeds Compliance |
| Hero Group Inc./Beech-Nut Nutrition Corp.             | V060  | JN-Fund        | G    | 11/17/10     | 12,567,000          | 356          | 260   | 252   | (8)        | 491      | (239)            | 252      | 0       | 104  | MOHAWK   | Not in Compliance  |
| Hero Group Inc./Beech-Nut Nutrition Corporation       | V330  | ED-Fund        | G    | 12/24/10     | 6,016,236           | 386          | 260   | 252   | (8)        | 491      | (239)            | 252      | 0       | 134  | MOHAWK   | Not in Compliance  |
| Hero Group Inc./Beech-Nut Nutrition Corporation       | W136  | ED-Fund        | G    | 11/19/10     | 5,000,000           | 386          | 260   | 252   | (8)        | 491      | (239)            | 252      | 0       | 134  | MOHAWK   | Not in Compliance  |
| Hill & Markes, Inc                                    | X001  | UB             | L    | 08/17/12     | 616,213             |              | 168   | 168   | 0          | 189      | (21)             | 0        | 168     | 0    | MOHAWK   | Not in Compliance  |
| Hinspergers Poly Industries Inc.                      | W166  | ED-Fund        | G    | 08/16/12     | 39,000              | 45           | 59    | 56    | (3)        | 55       | 1                | 45       | 11      | 0    | FNGERLKS | Exceeds Compliance |
| Hi-Tech Pharmacal Capital                             | X355  | ED-Fund        | G    | 08/21/13     | 500,000             | 290          | 0     | 355   | 355        | 310      | 45               | 290      | 65      | 0    | LI       | Exceeds Compliance |
| Hi-Tech Pharmacal, Inc.                               | W182  | ED-Fund        | G    | 08/28/09     | 450,000             | 240          | 357   | 355   | (2)        | 290      | 65               | 240      | 115     | 0    | LI       | Exceeds Compliance |
| Hope Lake Investors, LLC                              | T485  | JN-Fund        | G    | 03/02/10     | 300,000             | 0            | 189   | 213   | 24         | 150      | 63               | 0        | 213     | 0    | CENTRAL  | Exceeds Compliance |
| Howes Cave Development LLC                            | X346  | ED-Fund        | G    | 08/24/12     | 100,000             | 0            | 44    | 63    | 19         | 47       | 16               | 0        | 63      | 0    | MOHAWK   | Exceeds Compliance |
| Huhtamaki, Inc.                                       | W908  | ED-Fund        | G    | 11/21/12     | 500,000             | 631          | 582   | 592   | 10         | 631      | (39)             | 592      | 0       | 39   | CENTRAL  | In 15% Range       |
| Hydro-Air Components, Inc.                            | T988  | JN-Fund        | G    | 07/23/08     | 800,000             | 114          | 136   | 125   | (11)       | 140      | (15)             | 114      | 11      | 0    | WNY      | In 15% Range       |
| iCardiac Technologies, Inc.                           | X189  | ConvertL       | L    | 04/05/13     | 100,000             | 18           | 0     | 44    | 44         | 19       | 25               | 18       | 26      | 0    | FNGERLKS | Exceeds Compliance |
| Ingram Micro / Amherst Development Corp               | C162  | REDS PA        | L    | 08/20/97     | 300,000             | 539          | 1,458 | 1,510 | 52         | 1,139    | 371              | 539      | 971     | 0    | WNY      | Exceeds Compliance |
| Inscape (NY) Inc.                                     | X061  | ED-Fund        | G    | 12/09/11     | 75,000              | 66           | 89    | 82    | (7)        | 78       | 4                | 66       | 16      | 0    | WNY      | Exceeds Compliance |
| International Paper Company/Ticonderoga Mill          | V375  | ED-Fund        | G    | 06/20/11     | 785,000             | 626          | 661   | 663   | 2          | 626      | 37               | 626      | 37      | 0    | NCOUNTRY | Exceeds Compliance |
| International SEMATECH Manufacturing Initiative       | X204  | CITYBY         | G    | 08/08/11     | 10,000,000          | 0            | 118   | 100   | (18)       | 100      | 0                | 0        | 100     | 0    | CAPITAL  | Exceeds Compliance |
| International SEMATECH Manufacturing Initiative       | X008  | CITYBY         | G    | 08/08/11     | 5,000,000           | 0            | 118   | 100   | (18)       | 100      | 0                | 0        | 100     | 0    | CAPITAL  | Exceeds Compliance |
| International SEMATECH Manufacturing Initiative, Inc. | W934  | JN-Fund        | G    | 08/08/11     | 5,000,000           | 0            | 118   | 100   | (18)       | 100      | 0                | 0        | 100     | 0    | CAPITAL  | Exceeds Compliance |
| Intrinsic Materials, Inc.                             | X065  | ED-Fund        | G    | 11/07/12     | 1,200,000           | 0            | 8     | 8     | 0          | 0        | 8                | 0        | 8       | 0    | FNGERLKS | In Compliance      |
| INX International Inc Company                         | X203  | ED-Fund        | G    | 07/24/12     | 75,000              | 50           | 56    | 46    | (10)       | 53       | (7)              | 46       | 0       | 4    | WNY      | In 15% Range       |
| iQor US Inc.  | T883  | ED-Fund        | G    | 02/14/11     | 250,000             | 50           | 39    | 100   | 61         | 50       | 50               | 50       | 50      | 0    | WNY      | Exceeds Compliance |
| ITT Corporation                                       | V596  | ED-Fund        | G    | 05/29/08     | 1,000,000           | 119          | 196   | 195   | (1)        | 215      | (20)             | 119      | 76      | 0    | MIDHUD   | In 15% Range       |
| ITF Geospatial Systems Capital                        | X237  | ED-Fund        | G    | 08/29/13     | 1,540,000           | 500          | 0     | 574   | 574        | 500      | 74               | 500      | 74      | 0    | FNGERLKS | Exceeds Compliance |
| Jetro Cash & Carry Enterprises, LLC                   | X124  | DS Down        | G    | 10/01/12     | 500,000             | 185          | 205   | 198   | (7)        | 202      | (4)              | 185      | 13      | 0    | NYC      | In 15% Range       |
| Johnson and Hoffman, LLC                              | V177  | ED-Fund        | G    | 04/17/08     | 100,000             | 79           | 69    | 75    | 6          | 79       | (4)              | 75       | 0       | 4    | LI       | In 15% Range       |

| Project Name   | Proj# | Funding Source | Type | Closing Date | Original Investment | Start Employ | 2013 | 2014 | Diff 13/14 | Diff Required | Diff Required/14 | Retained | Created | Lost | Region   | Compliance         |
|--|-------|----------------|------|--------------|---------------------|--------------|------|------|------------|---------------|------------------|----------|---------|------|----------|--------------------|
| Kaleida Health   | X097  | UB             | G    | 03/02/12     | 10,000,000          | 384          | 761  | 715  | (46)       | 384           | 331              | 384      | 331     | 0    | WNY      | Exceeds Compliance |
| KAS Production Center LLC                                | F243  | ED-Fund        | L    | 06/25/08     | 500,000             | 28           | 51   | 51   | 0          | 28            | 23               | 28       | 23      | 0    | NYC      | Exceeds Compliance |
| KAS Production Center, LLC                               | F241  | ED-Fund        | G    | 10/20/09     | 450,000             | 28           | 51   | 51   | 0          | 28            | 23               | 28       | 23      | 0    | NYC      | Exceeds Compliance |
| KAS Production Center, LLC(merf Loan)                    | F242  | ED-Fund        | L    | 02/19/09     | 1,000,000           | 28           | 51   | 51   | 0          | 28            | 23               | 28       | 23      | 0    | NYC      | Exceeds Compliance |
| Klein Steel Service, Inc.                                | W150  | ED-Fund        | G    | 04/16/09     | 100,000             | 135          | 200  | 184  | (16)       | 149           | 35               | 135      | 49      | 0    | FNGERLKS | Exceeds Compliance |
| Knowlton Technologies, LLC                               | V774  | ED-Fund        | G    | 04/02/09     | 425,000             | 101          | 129  | 130  | 1          | 111           | 19               | 101      | 29      | 0    | NCOUNTRY | Exceeds Compliance |
| Kolmar Laboratories, Inc.                                | W756  | CITYBY         | L    | 07/28/11     | 2,500,000           | 400          | 417  | 444  | 27         | 400           | 44               | 400      | 44      | 0    | MIDHUD   | Exceeds Compliance |
| Kolmar Laboratories, Inc.                                | X305  | ED-Fund        | L    | 07/28/11     | 250,000             | 400          | 417  | 444  | 27         | 400           | 44               | 400      | 44      | 0    | MIDHUD   | Exceeds Compliance |
| Kolmar Laboratories, Inc.                                | X590  | ED-Fund        | L    | 08/09/12     | 250,000             | 400          | 417  | 444  | 27         | 400           | 44               | 400      | 44      | 0    | MIDHUD   | Exceeds Compliance |
| Kolmar Laboratories, Inc.                                | W331  | ED-Fund        | L    | 03/25/11     | 2,000,000           | 400          | 417  | 444  | 27         | 400           | 44               | 400      | 44      | 0    | MIDHUD   | Exceeds Compliance |
| Kraft Foods Global, Inc.                                 | W587  | ED-Fund        | G    | 02/04/11     | 125,000             | 353          | 426  | 422  | (4)        | 403           | 19               | 353      | 69      | 0    | FNGERLKS | Exceeds Compliance |
| Kristi Trailers Industries, Inc.                         | R554  | ED-Fund        | G    | 09/25/06     | 75,000              | 12           | 11   | 12   | 1          | 9             | 3                | 12       | 0       | 0    | CENTRAL  | Exceeds Compliance |
| K-Technologies, Inc.                                     | W779  | UB             | L    | 03/29/13     | 500,000             |              | 0    | 34   | 34         | 33            | 1                | 0        | 34      | 0    | WNY      | Exceeds Compliance |
| La Belle Farm, Inc.                                      | U319  | ED-Fund        | G    | 08/18/10     | 176,205             | 47           | 68   | 103  | 35         | 65            | 38               | 47       | 56      | 0    | MIDHUD   | Exceeds Compliance |
| Legendary Auto Interiors, Ltd                            | U671  | ED-Fund        | G    | 12/08/10     | 123,750             | 60           | 58   | 60   | 2          | 69            | (9)              | 60       | 0       | 0    | FNGERLKS | In 15% Range       |
| LiDestri Foods Inc.                                      | W755  | ED-Fund        | L    | 08/10/12     | 1,500,000           | 404          | 513  | 664  | 151        | 404           | 260              | 404      | 260     | 0    | FNGERLKS | Exceeds Compliance |
| LiDestri Foods, Ind                                      | X113  | ED-Fund        | L    | 08/10/12     | 2,000,000           | 504          | 513  | 664  | 151        | 554           | 110              | 504      | 160     | 0    | FNGERLKS | Exceeds Compliance |
| Life Technologies Corporation                            | S280  | ED-Fund        | G    | 08/26/09     | 2,000,000           | 475          | 582  | 602  | 20         | 539           | 63               | 475      | 127     | 0    | WNY      | Exceeds Compliance |
| LS&S, LLC  | V920  | ED-Fund        | G    | 07/23/09     | 70,000              | 0            | 17   | 18   | 1          | 0             | 18               | 0        | 18      | 0    | WNY      | In Compliance      |
| Marquardt Switches, Inc                                  | E386  | ED-Fund        | L    | 05/18/99     | 500,000             | 193          | 496  | 473  | (23)       | 250           | 223              | 193      | 280     | 0    | CENTRAL  | Exceeds Compliance |
| Marquardt Switches, Inc.                                 | W618  | ED-Fund        | G    | 11/14/11     | 425,000             | 291          | 496  | 473  | (23)       | 291           | 182              | 291      | 182     | 0    | CENTRAL  | Exceeds Compliance |
| Mediacom Capital   | X465  | ED-Fund        | G    | 10/14/13     | 500,000             | 250          | 0    | 321  | 321        | 250           | 71               | 250      | 71      | 0    | MIDHUD   | Exceeds Compliance |
| Medtek Devics, Inc. d/b/a Buffalo Filter                 | V956  | ED-Fund        | G    | 12/06/11     | 125,000             | 60           | 70   | 73   | 3          | 60            | 13               | 60       | 13      | 0    | WNY      | Exceeds Compliance |
| Mercury Print Productions, Inc.                          | X220  | ED-Fund        | G    | 08/01/12     | 187,500             | 210          | 222  | 211  | (11)       | 230           | (19)             | 210      | 1       | 0    | FNGERLKS | In 15% Range       |
| Mesorah Publications, Ltd                                | X437  | ED-Fund        | G    | 12/18/12     | 120,000             | 101          | 110  | 106  | (4)        | 108           | (2)              | 101      | 5       | 0    | NYC      | In 15% Range       |
| Metal Solutions, Inc.                                    | W238  | ED-Fund        | G    | 06/08/12     | 25,000              | 39           | 47   | 46   | (1)        | 49            | (3)              | 39       | 7       | 0    | MOHAWK   | In 15% Range       |
| Metro Door, Inc.   | V357  | ED-Fund        | G    | 01/14/10     | 200,000             | 86           | 105  | 119  | 14         | 86            | 33               | 86       | 33      | 0    | LI       | Exceeds Compliance |
| Metro Paper Industries of N.Y., Inc.                     | W180  | ED-Fund        | G    | 07/13/09     | 200,000             | 53           | 68   | 56   | (12)       | 71            | (15)             | 53       | 3       | 0    | NCOUNTRY | Not in Compliance  |
| Moldtech Incorporated                                    | V124  | ED-Fund        | G    | 05/28/09     | 202,500             | 45           | 62   | 63   | 1          | 65            | (2)              | 45       | 18      | 0    | WNY      | In 15% Range       |
| New Era Cap Co., Inc.                                    | T725  | ED-Fund        | G    | 03/13/08     | 4,350,000           | 511          | 677  | 648  | (29)       | 511           | 137              | 511      | 137     | 0    | WNY      | Exceeds Compliance |
| New Era Cap Co., Inc.                                    | X083  | UB             | G    | 12/10/12     | 900,000             | 511          | 677  | 648  | (29)       | 536           | 112              | 511      | 137     | 0    | WNY      | Exceeds Compliance |
| New York Air Brake                                       | W165  | ED-Fund        | G    | 06/04/10     | 75,000              | 250          | 416  | 438  | 22         | 250           | 188              | 250      | 188     | 0    | NCOUNTRY | Exceeds Compliance |
| New York State Energy Research and Development Authority | W517  | ED-Fund        | G    | 05/26/11     | 600,000             | 62           | 120  | 85   | (35)       | 200           | (115)            | 62       | 23      | 0    | CAPITAL  | Not in Compliance  |
| Newtux Industries, Inc.                                  | X121  | ConvertL       | L    | 05/03/13     | 110,000             | 41           | 0    | 46   | 46         | 45            | 1                | 41       | 5       | 0    | FNGERLKS | Exceeds Compliance |
| Niagara Sheets, LLC                                      | W115  | ED-Fund        | G    | 12/31/08     | 48,008              | 0            | 72   | 76   | 4          | 65            | 11               | 0        | 76      | 0    | WNY      | Exceeds Compliance |
| Northern Safety Capital                                  | Y446  | ED-Fund        | G    | 10/07/13     | 150,000             | 209          | 0    | 239  | 239        | 234           | 5                | 209      | 30      | 0    | MOHAWK   | Exceeds Compliance |
| Novelis Coporation                                       | X405  | ED-Fund        | G    | 08/22/13     | 1,650,000           | 651          | 0    | 800  | 800        | 651           | 149              | 651      | 149     | 0    | CENTRAL  | Exceeds Compliance |
| NYU Neuroscience Institute Capital                       | X381  | SP-APPR        | G    | 06/22/11     | 2,445,600           |              | 0    |      | 0          |               | 0                | 0        | 0       | 0    | NYC      | Exceeds Compliance |
| Olin corporation d/b/a Olin Chlor Alkali Products        | X375  | ED-Fund        | G    | 07/02/13     | 500,000             | 192          | 0    | 203  | 203        | 203           | 0                | 192      | 11      | 0    | WNY      | Exceeds Compliance |

| Project Name                                       | Proj# | Funding Source | Type | Closing Date | Original Investment | Start Employ | 2013  | 2014  | Diff 13/14 | Diff Required | Diff Required/14 | Retained | Created | Lost | Region   | Compliance         |
|--|-------|----------------|------|--------------|---------------------|--------------|-------|-------|------------|---------------|------------------|----------|---------|------|----------|--------------------|
| Omni-ID USA, Inc.                                  | X066  | ED-Fund        | G    | 11/07/12     | 500,000             | 0            | 17    | 26    | 9          | 0             | 26               | 0        | 26      | 0    | FNGERLKS | In Compliance      |
| Owens Brockway Glass Container Inc.                | X321  | UB             | G    | 05/08/13     | 262,500             | 230          | 0     | 238   | 238        | 230           | 8                | 230      | 8       | 0    | CENTRAL  | Exceeds Compliance |
| Owens Corning Insulating Systems, LLC              | X122  | ED-Fund        | G    | 04/25/13     | 400,000             | 176          | 0     | 308   | 308        | 272           | 36               | 176      | 132     | 0    | CAPITAL  | Exceeds Compliance |
| Owens-Brockway Glass Container Inc.                | U370  | ED-Fund        | G    | 11/18/09     | 1,250,000           | 230          | 243   | 238   | (5)        | 230           | 8                | 230      | 8       | 0    | CENTRAL  | Exceeds Compliance |
| P&G Steel Products Co., Inc                        | S154  | ED-Fund        | G    | 03/17/08     | 50,000              | 67           | 90    | 87    | (3)        | 46            | 41               | 67       | 20      | 0    | WNY      | Exceeds Compliance |
| Packstar Group, Inc.                               | V822  | ED-Fund        | G    | 08/09/12     | 250,000             | 65           | 126   | 105   | (21)       | 105           | 0                | 65       | 40      | 0    | WNY      | Exceeds Compliance |
| PAETEC Communications, Inc.                        | V810  | ED-Fund        | G    | 02/08/11     | 250,000             | 656          | 702   | 696   | (6)        | 706           | (10)             | 656      | 40      | 0    | FNGERLKS | In 15% Range       |
| Pall Corporation                                   | V591  | ED-Fund        | G    | 04/22/11     | 375,000             | 517          | 607   | 588   | (19)       | 517           | 71               | 517      | 71      | 0    | LI       | Exceeds Compliance |
| PCB Piezotronics, Inc.                             | X069  | ED-Fund        | G    | 02/27/12     | 500,000             | 513          | 616   | 621   | 5          | 563           | 58               | 513      | 108     | 0    | WNY      | Exceeds Compliance |
| PCS Technologies, Ltd d.b.a Axion technologies     | U366  | ED-Fund        | G    | 05/05/09     | 30,000              | 14           | 19    | 18    | (1)        | 14            | 4                | 14       | 4       | 0    | NCOUNTRY | Exceeds Compliance |
| Pentegra Services, Inc.                            | X464  | ED-Fund        | G    | 02/25/13     | 112,500             | 128          | 0     | 133   | 133        | 128           | 5                | 128      | 5       | 0    | MIDHUD   | Exceeds Compliance |
| Phyljohn Distributors, Inc D/B/A Gillette Creamery | W899  | ED-Fund        | G    | 09/22/11     | 600,000             | 72           | 81    | 87    | 6          | 79            | 8                | 72       | 15      | 0    | MIDHUD   | Exceeds Compliance |
| Pliant, LLC  | V125  | ED-Fund        | G    | 01/04/13     | 150,000             | 461          | 0     | 549   | 549        | 511           | 38               | 461      | 88      | 0    | FNGERLKS | Exceeds Compliance |
| Pliant, LLC  | W477  | ED-Fund        | G    | 12/21/12     | 40,000              | 518          | 551   | 549   | (2)        | 530           | 19               | 518      | 31      | 0    | FNGERLKS | Exceeds Compliance |
| Polymer Conversions, Inc.                          | V737  | ED-Fund        | G    | 04/17/09     | 375,000             | 75           | 87    | 89    | 2          | 75            | 14               | 75       | 14      | 0    | WNY      | Exceeds Compliance |
| Potsdam Specialty Paper, Inc.                      | W512  | ED-Fund        | G    | 10/09/09     | 250,000             | 79           | 84    | 78    | (6)        | 79            | (1)              | 78       | 0       | 1    | NCOUNTRY | In 15% Range       |
| Praxair Capital                                    | W983  | ED-Fund        | G    | 08/14/13     | 500,000             | 700          | 0     | 1,212 | 1,212      | 700           | 512              | 700      | 512     | 0    | WNY      | Exceeds Compliance |
| Precisionmatics Co., Inc.                          | X328  | ED-Fund        | G    | 12/12/12     | 100,000             | 47           | 68    | 68    | 0          | 52            | 16               | 47       | 21      | 0    | MOHAWK   | Exceeds Compliance |
| Premier Aviation Overhaul Center, Ltd.             | X307  | UB             | G    | 02/25/13     | 350,000             | 90           | 0     | 125   | 125        | 100           | 25               | 90       | 35      | 0    | MOHAWK   | Exceeds Compliance |
| President Container, Inc.                          | w240  | ED-Fund        | G    | 08/19/11     | 500,000             | 0            | 237   | 270   | 33         | 222           | 48               | 0        | 270     | 0    | MIDHUD   | Exceeds Compliance |
| Primet Precision Materials, Inc.                   | R514  | ED-Fund        | G    | 09/21/06     | 75,000              | 0            | 26    | 24    | (2)        | 30            | (6)              | 0        | 24      | 0    | STIER    | Not in Compliance  |
| Prism Solar Technologies, Inc.                     | U288  | JN-Fund        | G    | 02/25/10     | 300,000             | 0            | 16    | 14    | (2)        | 20            | (6)              | 0        | 14      | 0    | MIDHUD   | Not in Compliance  |
| Protective Industries, Inc.d/b/a Caplugs           | R994  | ED-Fund        | G    | 08/01/06     | 300,000             | 256          | 294   | 332   | 38         | 272           | 60               | 256      | 76      | 0    | WNY      | Exceeds Compliance |
| Quintel USA, Inc.                                  | X067  | ED-Fund        | G    | 11/07/12     | 1,300,000           | 0            | 17    | 19    | 2          | 0             | 19               | 0        | 19      | 0    | FNGERLKS | In Compliance      |
| Raymours Furniture Company, Inc.                   | X647  | ED-Fund        | G    | 08/15/13     | 160,000             | 364          | 0     | 461   | 461        | 424           | 37               | 364      | 97      | 0    | CENTRAL  | Exceeds Compliance |
| Red Jackets Orchards Capital                       | W607  | ED-Fund        | G    | 08/31/11     | 75,000              | 76           | 0     | 66    | 66         | 93            | (27)             | 66       | 0       | 10   | FNGERLKS | Not in Compliance  |
| RED Rochester Capital                              | Y494  | ED-Fund        | G    | 10/10/13     | 3,600,000           | 105          | 0     | 107   | 107        | 70            | 37               | 105      | 2       | 0    | FNGERLKS | Exceeds Compliance |
| Regeneron Pharmaceuticals, Inc.                    | T903  | ED-Fund        | G    | 08/09/12     | 3,000,000           | 565          | 1,329 | 1,448 | 119        | 565           | 883              | 565      | 883     | 0    | MIDHUD   | Exceeds Compliance |
| Remington Arms Company, Inc.                       | X070  | ED-Fund        | G    | 02/09/12     | 1,655,000           | 892          | 1,276 | 1,516 | 240        | 970           | 546              | 892      | 624     | 0    | MOHAWK   | Exceeds Compliance |
| Remington Arms Company, Inc.                       | W173  | JN-Fund        | G    | 07/03/09     | 1,500,000           | 600          | 1,350 | 1,403 | 53         | 700           | 703              | 600      | 803     | 0    | MOHAWK   | Exceeds Compliance |
| Rem-tronics, Inc.                                  | W171  | ED-Fund        | G    | 12/01/11     | 75,000              | 56           | 70    | 72    | 2          | 63            | 9                | 56       | 16      | 0    | WNY      | Exceeds Compliance |
| Richardson Brands Company                          | W615  | ED-Fund        | G    | 08/25/11     | 500,000             | 128          | 208   | 193   | (15)       | 143           | 50               | 128      | 65      | 0    | MOHAWK   | Exceeds Compliance |
| RNN News LLC                                       | W609  | ED-Fund        | G    | 02/04/11     | 200,000             | 0            | 86    | 91    | 5          | 45            | 46               | 0        | 91      | 0    | MIDHUD   | Exceeds Compliance |
| Robinson Home Products Inc.                        | W623  | ED-Fund        | G    | 04/02/13     | 200,000             | 79           | 0     | 103   | 103        | 109           | (6)              | 79       | 24      | 0    | WNY      | In 15% Range       |
| Rochester Midland Corporation                      | W745  | ED-Fund        | G    | 03/22/13     | 225,000             | 175          | 0     | 167   | 167        | 183           | (16)             | 167      | 0       | 8    | FNGERLKS | In 15% Range       |
| Roundabout Theatre Company                         | V814  | ED-Fund        | G    | 03/25/10     | 250,000             | 0            | 49    | 132   | 83         | 103           | 29               | 0        | 132     | 0    | NYC      | Exceeds Compliance |
| Roycroft Campus Corporation                        | U293  | ED-Fund        | G    | 08/27/10     | 1,500,000           | 97           | 114   | 115   | 1          | 110           | 5                | 97       | 18      | 0    | WNY      | Exceeds Compliance |
| S.J.McCullagh, Inc.                                | X134  | ED-Fund        | G    | 12/01/11     | 40,000              | 42           | 36    | 39    | 3          | 42            | (3)              | 39       | 0       | 3    | WNY      | In 15% Range       |
| S.R. Sloan, Inc.                                   | T649  | ED-Fund        | G    | 04/14/09     | 87,500              | 55           | 52    | 58    | 6          | 60            | (2)              | 55       | 3       | 0    | MOHAWK   | In 15% Range       |

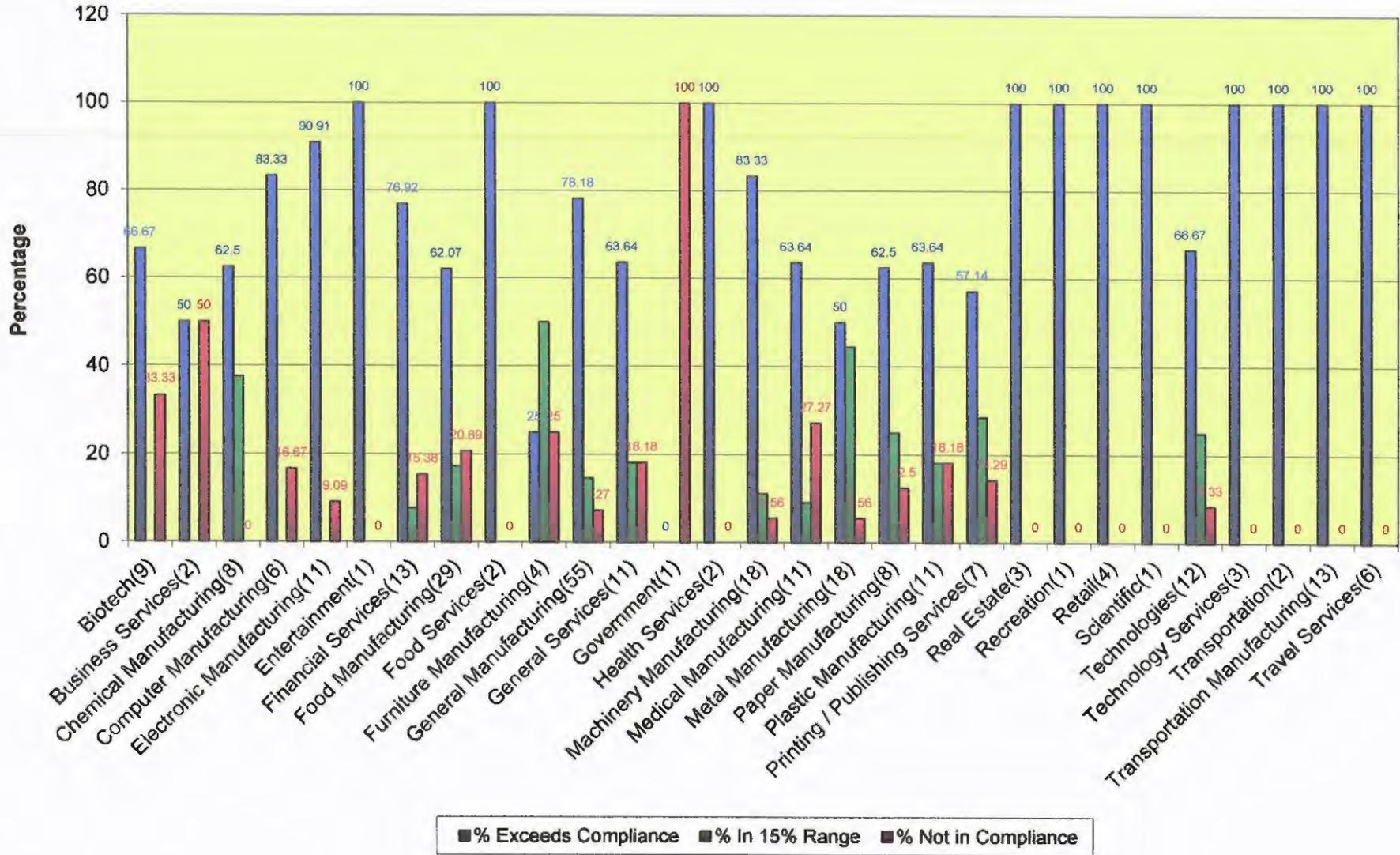
| Project Name  | Proj# | Funding Source | Type | Closing Date | Original Investment | Start Employ | 2013  | 2014  | Diff 13/14 | Diff Required | Diff Required/14 | Retained | Created | Lost | Region   | Compliance         |
|---|-------|----------------|------|--------------|---------------------|--------------|-------|-------|------------|---------------|------------------|----------|---------|------|----------|--------------------|
| Satin Fine Foods, Inc.                                  | X193  | ED-Fund        | G    | 01/03/13     | 500,000             | 23           | 0     | 60    | 60         | 38            | 22               | 23       | 37      | 0    | MIDHUD   | Exceeds Compliance |
| SCA Tissue North America, LLC                           | W409  | ED-Fund        | G    | 01/24/13     | 466,000             | 275          | 0     | 366   | 366        | 275           | 91               | 275      | 91      | 0    | CAPITAL  | Exceeds Compliance |
| Seneca Market I, LLC                                    | U620  | ED-Fund        | G    | 05/02/11     | 135,000             | 0            | 84    | 94    | 10         | 60            | 34               | 0        | 94      | 0    | STIER    | Exceeds Compliance |
| Sigma International General Medical Apparatus, LLC      | W918  | UB             | L    | 08/05/11     | 500,000             | 236          | 588   | 480   | (108)      | 396           | 84               | 236      | 244     | 0    | FNGERLKS | Exceeds Compliance |
| SKF USA Inc. d/b/a SKF Aeroengine North America         | W769  | UB             | G    | 12/12/12     | 1,375,000           | 600          | 630   | 628   | (2)        | 600           | 28               | 600      | 28      | 0    | WNY      | Exceeds Compliance |
| SKF USA Inc. d/b/a SKF Aeroengine North America         | W768  | ED-Fund        | G    | 12/12/12     | 687,500             | 600          | 630   | 628   | (2)        | 600           | 28               | 600      | 28      | 0    | WNY      | Exceeds Compliance |
| Sleepy's, LLC   | U294  | JN-Fund        | G    | 04/01/10     | 1,500,000           | 401          | 658   | 671   | 13         | 551           | 120              | 401      | 270     | 0    | LI       | Exceeds Compliance |
| SolEpoxy, Inc.  | X194  | ED-Fund        | G    | 07/24/12     | 400,000             | 40           | 53    | 56    | 3          | 49            | 7                | 40       | 16      | 0    | WNY      | Exceeds Compliance |
| Sorrento Lactalis, Inc.                                 | W159  | ED-Fund        | G    | 08/29/11     | 1,500,000           | 510          | 554   | 561   | 7          | 525           | 36               | 510      | 51      | 0    | WNY      | Exceeds Compliance |
| Southern Tier Forest Products, Inc.                     | W187  | ED-Fund        | G    | 05/22/12     | 20,000              | 23           | 23    | 22    | (1)        | 23            | (1)              | 22       | 0       | 1    | WNY      | In 15% Range       |
| Special Metals Corp.                                    | V623  | ED-Fund        | G    | 09/25/07     | 172,538             | 499          | 356   | 342   | (14)       | 356           | (14)             | 342      | 0       | 157  | WNY      | In 15% Range       |
| St. Gobain ADFORS                                       | W200  | ED-Fund        | G    | 08/21/12     | 65,000              | 152          | 179   | 194   | 15         | 172           | 22               | 152      | 42      | 0    | FNGERLKS | Exceeds Compliance |
| Steel & O'Brien Manufacturing, Inc.                     | X072  | ED-Fund        | G    | 08/16/11     | 100,000             | 47           | 79    | 73    | (6)        | 57            | 16               | 47       | 26      | 0    | FNGERLKS | Exceeds Compliance |
| Steuben Foods, Inc.                                     | X129  | ED-Fund        | G    | 08/01/12     | 1,650,000           | 426          | 508   | 533   | 25         | 501           | 32               | 426      | 107     | 0    | WNY      | Exceeds Compliance |
| Sutherland Global Services Inc.                         | X303  | ED-Fund        | L    | 01/12/12     | 300,000             | 2,199        | 3,216 | 3,010 | (206)      | 2,599         | 411              | 2199     | 811     | 0    | FNGERLKS | Exceeds Compliance |
| Syracuse Label Company, Inc.                            | X358  | ED-Fund        | G    | 02/14/12     | 150,000             | 80           | 82    | 80    | (2)        | 80            | 0                | 80       | 0       | 0    | CENTRAL  | Exceeds Compliance |
| Taconic Farms, Inc.                                     | U440  | ED-Fund        | G    | 05/24/10     | 105,468             | 28           | 48    | 42    | (6)        | 44            | (2)              | 28       | 14      | 0    | CAPITAL  | In 15% Range       |
| TAL International Container Corporation                 | X539  | ED-Fund        | G    | 05/22/13     | 217,500             | 69           | 0     | 72    | 72         | 69            | 3                | 69       | 3       | 0    | MIDHUD   | Exceeds Compliance |
| TAM Ceramics Group of NY, LLC                           | X047  | ED-Fund        | G    | 02/03/11     | 300,000             | 50           | 71    | 71    | 0          | 63            | 8                | 50       | 21      | 0    | WNY      | Exceeds Compliance |
| Taylor Biomass Energy, LLC                              | W873  | DS Down        | L    | 04/13/12     | 2,000,000           | 21           | 44    | 38    | (6)        | 71            | (33)             | 21       | 17      | 0    | MIDHUD   | Not in Compliance  |
| Tessy Plastics Corporation                              | X003  | UB             | L    | 04/11/11     | 1,300,000           | 593          | 683   | 718   | 35         | 623           | 95               | 593      | 125     | 0    | CENTRAL  | Exceeds Compliance |
| The Brooklyn Brewery Corporation                        | W928  | DS Down        | G    | 07/27/11     | 800,000             | 27           | 50    | 60    | 10         | 36            | 24               | 27       | 33      | 0    | NYC      | Exceeds Compliance |
| The Eastern Company d/b/a Frazer & Jones Company        | X028  | UCDPFU         | G    | 12/22/11     | 286,000             | 120          | 225   | 182   | (43)       | 120           | 62               | 120      | 62      | 0    | CENTRAL  | Exceeds Compliance |
| The Raymond Corporation                                 | W972  | UB             | G    | 04/09/12     | 2,250,000           | 741          | 1,084 | 1,230 | 146        | 791           | 439              | 741      | 489     | 0    | STIER    | Exceeds Compliance |
| The Research Foundation of State University of New York | X076  | UB             | G    | 02/22/13     | 4,691,037           | 40           | 0     | 40    | 40         | 40            | 0                | 40       | 0       | 0    | FNGERLKS | Exceeds Compliance |
| Thermold Corporation                                    | W423  | ED-Fund        | G    | 11/10/11     | 25,000              | 35           | 95    | 83    | (12)       | 40            | 43               | 35       | 48      | 0    | CENTRAL  | Exceeds Compliance |
| Time Release Sciences, Inc.                             | X379  | ED-Fund        | G    | 04/02/13     | 300,000             | 59           | 0     | 68    | 68         | 79            | (11)             | 59       | 9       | 0    | WNY      | In 15% Range       |
| Tops Markets, LLC                                       | W005  | JN-Fund        | G    | 11/18/09     | 1,200,000           | 145          | 321   | 359   | 38         | 285           | 74               | 145      | 214     | 0    | WNY      | Exceeds Compliance |
| Towers Watson Pennsylvania Inc                          | W785  | ED-Fund        | G    | 10/16/12     | 250,000             | 140          | 141   | 137   | (4)        | 140           | (3)              | 137      | 0       | 3    | MIDHUD   | In 15% Range       |
| Trayer Products, Inc.                                   | S285  | ED-Fund        | G    | 11/24/06     | 200,000             | 200          | 116   | 115   | (1)        | 108           | 7                | 115      | 0       | 85   | STIER    | Exceeds Compliance |
| Trudeau Institute Working Capital                       | X791  | ED-Fund        | G    | 12/19/12     | 1,200,000           | 65           | 0     | 79    | 79         | 65            | 14               | 65       | 14      | 0    | NCOUNTRY | Exceeds Compliance |
| Turbo Machined Products, LLC                            | W475  | ED-Fund        | G    | 04/16/12     | 35,000              | 28           | 41    | 42    | 1          | 43            | (1)              | 28       | 14      | 0    | MOHAWK   | In 15% Range       |
| Twin Marquis, Inc                                       | X038  | ED-Fund        | G    | 05/04/12     | 33,000              | 170          | 258   | 158   | (100)      | 170           | (12)             | 158      | 0       | 12   | NYC      | In 15% Range       |
| UniQuest Delaware, LLC                                  | V806  | ED-Fund        | G    | 11/06/06     | 1,886,000           | 0            | 122   | 133   | 11         | 70            | 63               | 0        | 133     | 0    | WNY      | Exceeds Compliance |
| UniQuest Delaware, LLC                                  | V784  | ED-Fund        | G    | 11/05/09     | 4,200,000           | 0            | 211   | 196   | (15)       | 140           | 56               | 0        | 196     | 0    | WNY      | Exceeds Compliance |
| UniQuest Delaware, LLC                                  | V785  | COMMU          | G    | 11/05/09     | 4,914,000           | 0            | 122   | 133   | 11         | 70            | 63               | 0        | 133     | 0    | WNY      | Exceeds Compliance |
| Upstate Door, Inc.                                      | X251  | ED-Fund        | G    | 05/06/13     | 82,000              | 45           | 0     | 66    | 66         | 65            | 1                | 45       | 21      | 0    | FNGERLKS | Exceeds Compliance |

| Project Name   | Proj# | Funding |      | Closing Date | Original Investment | Start Employ | 2013   | 2014   | Diff   |          | Diff        |          |         | Lost | Region   | Compliance         |
|--|-------|---------|------|--------------|---------------------|--------------|--------|--------|--------|----------|-------------|----------|---------|------|----------|--------------------|
|  |       | Source  | Type |              |                     |              |        |        | 13/14  | Required | Required/14 | Retained | Created |      |          |                    |
| Upstate Niagara Cooperative, Inc                         | W589  | ED-Fund | G    | 06/28/13     | 125,000             | 165          | 0      | 162    | 162    | 165      | (3)         | 162      | 0       | 3    | FNGERLKS | In 15% Range       |
| Val Tech Holdings Capital                                | Y097  | RC      | G    | 06/05/13     | 100,000             | 189          | 0      | 230    | 230    | 207      | 23          | 189      | 41      | 0    | FNGERLKS | Exceeds Compliance |
| Ward's Natural Science                                   | J615  | ED-Fund | G    | 02/06/03     | 300,000             | 275          | 276    | 245    | (31)   | 245      | 0           | 245      | 0       | 30   | FNGERLKS | Exceeds Compliance |
| Washington/Walton Real Estate Company Inc.               | W137  | UCDPFU  | G    | 09/14/11     | 1,000,000           | 0            | 418    | 420    | 2      | 300      | 120         | 0        | 420     | 0    | CENTRAL  | Exceeds Compliance |
| Washington/Walton Real Estate Company, Inc.              | W106  | UCDPFU  | L    | 05/24/12     | 2,000,000           | 0            | 418    | 420    | 2      | 300      | 120         | 0        | 420     | 0    | CENTRAL  | Exceeds Compliance |
| Water Lilies Food, Inc.                                  | X313  | ED-Fund | G    | 05/01/13     | 100,000             | 70           | 0      | 92     | 92     | 82       | 10          | 70       | 22      | 0    | NYC      | Exceeds Compliance |
| Watkins Glen International Racetrack                     | W965  | ED-Fund | G    | 05/04/12     | 250,000             | 69           | 73     | 89     | 16     | 69       | 20          | 69       | 20      | 0    | STIER    | Exceeds Compliance |
| Welch Allyn, Inc.  | V950  | ED-Fund | G    | 03/24/11     | 240,000             | 1,125        | 1,130  | 1,071  | (59)   | 1,300    | (229)       | 1071     | 0       | 54   | CENTRAL  | Not in Compliance  |
| Windham Professionals, Inc.                              | W663  | ED-Fund | G    | 12/28/11     | 210,000             | 60           | 168    | 174    | 6      | 160      | 14          | 60       | 114     | 0    | WNY      | Exceeds Compliance |
| Wolf-tec Capital   | X357  | ED-Fund | G    | 07/01/13     | 100,000             | 56           | 0      | 75     | 75     | 56       | 19          | 56       | 19      | 0    | MIDHUD   | Exceeds Compliance |
| World Kitchen, LLC                                       | X112  | UB      | G    | 10/01/12     | 1,500,000           | 452          | 632    | 693    | 61     | 511      | 182         | 452      | 241     | 0    | STIER    | Exceeds Compliance |
| Z-AXIS, Inc.   | U739  | ED-Fund | G    | 03/31/08     | 60,000              | 36           | 74     | 67     | (7)    | 66       | 1           | 36       | 31      | 0    | FNGERLKS | Exceeds Compliance |
| Zeller Corporation                                       | W151  | ED-Fund | G    | 02/04/11     | 350,000             | 63           | 145    | 132    | (13)   | 113      | 19          | 63       | 69      | 0    | FNGERLKS | Exceeds Compliance |
| Zotos International                                      | w993  | UB      | L    | 11/15/13     | 250,000             | 338          | 0      | 382    | 382    | 343      | 39          | 338      | 44      | 0    | FNGERLKS | Exceeds Compliance |
| Zotos International Inc.                                 | V931  | ED-Fund | G    | 05/27/10     | 459,000             | 394          | 368    | 382    | 14     | 394      | (12)        | 382      | 0       | 12   | FNGERLKS | In 15% Range       |
| <b>Non Duplicated Total 244 Grand Total 272 Projects</b> |       |         |      |              | 232,368,137         | 50,071       | 58,502 | 72,247 | 13,745 | 61,196   | 11,051      | 49,124   | 23,123  | 947  |          |                    |

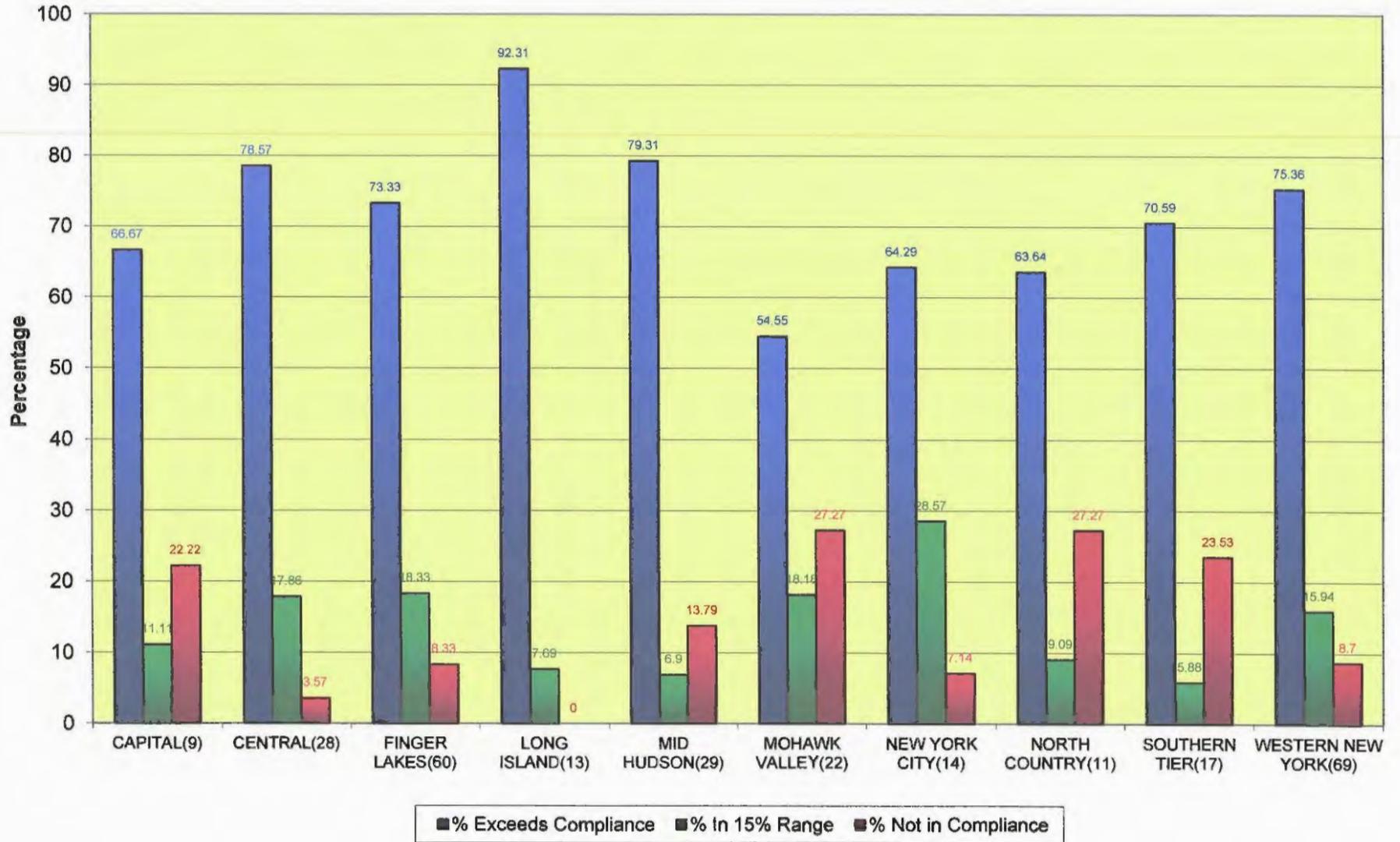
**Attachment I B - Non-Discretionary  
Empire State Development Corporation  
2014 Annual Report of Employment**

| Project Name   | Proj# | Funding Source | Type | Closing Date | Original Investment | Start Employ | 2013  | 2014  | Diff 13/14 | Required | Diff Required/14 | Retained | Created | Lost | Region  | Compliance         |
|--|-------|----------------|------|--------------|---------------------|--------------|-------|-------|------------|----------|------------------|----------|---------|------|---------|--------------------|
| Advanced Micro Devices, Inc.                                 | U223  | SLA            | G    | 03/16/10     | 650,124,484         | 0            | 1,900 | 2,176 | 276        | 1,205    | 971              | 0        | 2,176   | 0    | CAPITAL | Exceeds Compliance |
| The Research Foundation of SUNY/College of Nanoscale Science | X772  | SP-APPR        | G    | 07/10/12     | 249,000,000         | 0            |       | 400   | 400        | 200      | 200              | 0        | 400     | 0    | CAPITAL | Exceeds Compliance |
| <b>Non Duplicated Total 2 Grand Total 2 Projects</b>         |       |                |      |              | 899,124,484         | 0            | 1,900 | 2,576 | 676        | 1,405    | 1,171            | 0        | 2,576   | 0    |         |                    |

## Attachment II - Industry Performance



### Attachment III -Region Performance



**Attachment IV - WTC**  
**Empire State Development Corporation**  
**2014 Annual Report of Employment**

| Project Name  | Proj#                          | Funding Source | Type | Closing Date | Original Investment | Start Employ | 2013   | 2014   | Diff 13/14 | Required | Diff Required/14 | Retained | Created | Lost  | Region | Compliance         |
|---|--------------------------------|----------------|------|--------------|---------------------|--------------|--------|--------|------------|----------|------------------|----------|---------|-------|--------|--------------------|
| American Federation of Teachers d/b/a United Fed of Teacher   | Q224                           | WTCJC          | G    | 10/10/03     | 1,700,000           | 477          | 513    | 508    | (5)        | 477      | 31               | 477      | 31      | 0     | NYC    | Exceeds Compliance |
| Bank of New York (NYC)  | Q029                           | WTCJC          | G    | 12/30/02     | 40,000,000          | 7,700        | 6,979  | 6,875  | (104)      | 7,700    | (825)            | 6875     | 0       | 825   | NYC    | In 15% Range       |
| Beth Israel Medical Center/LICH, St LRHC                      | R572                           | WTCJC          | G    | 04/27/04     | 2,403,000           | 462          | 510    | 453    | (57)       | 500      | (47)             | 453      | 0       | 9     | NYC    | In 15% Range       |
| Brown Brothers Harriman & Co.                                 | Q790                           | WTCJC          | G    | 03/24/05     | 1,600,000           | 750          | 830    | 818    | (12)       | 750      | 68               | 750      | 68      | 0     | NYC    | Exceeds Compliance |
| Cadwalader, Wickersham & Taft LLP                             | R590                           | WTCJC          | G    | 05/21/04     | 5,789,000           | 757          | 653    | 646    | (7)        | 757      | (111)            | 646      | 0       | 111   | NYC    | In 15% Range       |
| Cantor Fitzgerald Group of Companies                          | R289                           | WTCJC          | G    | 03/10/04     | 6,800,000           | 393          | 599    | 543    | (56)       | 449      | 94               | 393      | 150     | 0     | NYC    | Exceeds Compliance |
| CDL (New York) d/b/a Millenium Hilton Hotel                   | R285                           | WTCJC          | G    | 08/26/04     | 300,000             | 200          | 273    | 261    | (12)       | 300      | (39)             | 200      | 61      | 0     | NYC    | In 15% Range       |
| Computer Generated Solutions Inc.                             | R853                           | WTCJC          | G    | 04/22/05     | 1,175,369           | 205          | 164    | 168    | 4          | 158      | 10               | 168      | 0       | 37    | NYC    | Exceeds Compliance |
| Deloitte & Touche LLP   | P879                           | WTCJC          | G    | 06/03/03     | 13,000,000          | 3,082        | 3,432  | 3,117  | (315)      | 2,768    | 349              | 3082     | 35      | 0     | NYC    | Exceeds Compliance |
| Dow Jones & Company, Inc.                                     | P834                           | WTCJC          | G    | 06/09/04     | 1,402,250           | 404          | 0      | 0      | 0          | 0        | 0                | 0        | 0       | 404   | NYC    | In Compliance      |
| Fitch Group, Inc & Subsidiaries (Fimalac, Inc. & Subsidiaries | Q574                           | WTCJC          | G    | 07/01/04     | 1,923,000           | 523          | 612    | 649    | 37         | 750      | (101)            | 523      | 126     | 0     | NYC    | In 15% Range       |
| GFI Group Inc.  | R210                           | WTCJC          | G    | 07/14/05     | 2,000,000           | 375          | 533    | 482    | (51)       | 504      | (22)             | 375      | 107     | 0     | NYC    | In 15% Range       |
| Goldman Sachs Group, Inc.                                     | T177                           | WTCJC          | G    | 01/02/07     | 23,000,000          | 8,100        | 8,437  | 9,200  | 763        | 8,900    | 300              | 8100     | 1,100   | 0     | NYC    | Exceeds Compliance |
| Interactive Data Corporation                                  | W537                           | WTCJC          | L    | 02/11/10     | 945,000             | 485          | 509    | 513    | 4          | 515      | (2)              | 485      | 28      | 0     | NYC    | In 15% Range       |
| Locke Lord  | R745                           | WTCJC          | G    | 11/09/04     | 1,533,000           | 219          | 83     | 82     | (1)        | 86       | (4)              | 82       | 0       | 137   | NYC    | Not in Compliance  |
| Morgan Stanley  | T448                           | WTCJC          | L    | 05/25/06     | 16,000,000          | 2,697        | 3,228  | 4,498  | 1,270      | 3,275    | 1,223            | 2697     | 1,801   | 0     | NYC    | Exceeds Compliance |
| New York Law School   | Q881                           | WTCJC          | G    | 01/30/04     | 200,000             | 226          | 239    | 214    | (25)       | 226      | (12)             | 214      | 0       | 12    | NYC    | In 15% Range       |
| NYSARC, Inc d/b/a AHRC  | T233                           | WTCJC          | G    | 11/17/05     | 575,000             | 0            | 650    | 646    | (4)        | 331      | 315              | 0        | 646     | 0     | NYC    | Exceeds Compliance |
| Oppenheimer & Co., Inc.                                       | X315                           | WTCJC          | L    | 12/06/13     | 2,000,000           | 580          |        | 1,007  | 1,007      | 580      | 427              | 580      | 427     | 0     | NYC    | Exceeds Compliance |
| RR Donnelley/Bowne & Co.                                      | T195                           | WTCJC          | G    | 02/22/08     | 957,375             | 440          | 346    | 360    | 14         | 331      | 29               | 360      | 0       | 80    | NYC    | Exceeds Compliance |
| The New York Mercantile Exchange, Inc.                        | P755                           | WTCJC          | G    | 12/30/02     | 5,000,000           | 470          | 416    | 451    | 35         | 470      | (19)             | 451      | 0       | 19    | NYC    | In 15% Range       |
| Topps Company, Inc.   | Q244                           | WTCJC          | G    | 02/11/03     | 250,000             | 202          | 139    | 147    | 8          | 123      | 24               | 147      | 0       | 55    | NYC    | Exceeds Compliance |
| Willis North America Inc.                                     | Q795                           | WTCJC          | G    | 05/05/03     | 906,626             | 102          | 699    | 694    | (5)        | 567      | 127              | 102      | 592     | 0     | NYC    | Exceeds Compliance |
| Zurich American Insurance Company                             | R074                           | WTCJC          | G    | 04/07/05     | 1,600,000           | 470          | 521    | 643    | 122        | 470      | 173              | 470      | 173     | 0     | NYC    | Exceeds Compliance |
| <b>Non Duplicated Total 24</b>                                | <b>Grand Total 24 Projects</b> |                |      |              | 131,059,620         | 29,319       | 30,365 | 32,975 | 2,610      | 30,987   | 1,988            | 27,630   | 5,345   | 1,689 |        |                    |

FOR INFORMATION

October 16, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Bronx (New York City Region – Bronx County) – Fresh Direct Capital – Urban and Community Development Program – Urban and Community Project Development Assistance (Capital Grant) and Metropolitan Economic Revitalization Fund (Capital Loan)

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I. Background

At a meeting held August 27, 2014, the ESD Directors adopted a General Project Plan (“GPP”) and authorized a \$9,000,000 grant (the “Grant”) and a \$1,000,000 loan (the “Loan”) to Fresh Direct, LLC, (“Fresh Direct”) for a portion of the project cost of \$166,255,000 for construction of a new distribution facility, corporate headquarters, and purchase of machinery and equipment to allow for consolidation. The GPP requires that Fresh Direct retain 1,949 Full-Time Permanent Employees from the initial disbursement of the Grant and Loan through January 1, 2025, in order for the full amount of the Grant and Loan to be disbursed and to avoid subsequent recapture of any part of the Grant or a default on the Loan. Initial disbursement of the Grant is anticipated to occur in the first quarter of 2015, assuming all necessary approvals are in place. Lump sum disbursement of the Loan is anticipated to occur after completion of the project.

II. Update

This memorandum is to inform the Directors of a miscalculation in the current employment level noted on page two of the GPP. (Current employment level is a data point routinely presented to the Directors for information purposes.) The current number of employees, 2,754, reflected in the GPP was a payroll based total (from June 2014) reflective of Fresh Direct’s entire employee base, including out-of-NY State and part-time employees. The correct number of Full-Time Permanent Employees as of October 5, 2014, was 2,454. It is important to note that this number, 2,454 Full-Time Permanent Employees, significantly exceeds the Full-Time Permanent Employee retention requirement of the Grant and Loan, which is 1,949 and is not required to be achieved until the initial disbursement of the Grant and Loan.

A public hearing is being scheduled to solicit public comment on the GPP. This memorandum will be made available to the public and entered into the record of the hearing together with the GPP presented to you on August 27, 2014. An updated GPP, together with modifications, if any, that may be recommended by staff as a result of comments received at the hearing, will be presented to the Directors after the hearing for your further action.