

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

December 19, 2013 – 9:30 a.m.

AGENDA

FOR CONSIDERATION

I. CORPORATE ACTION

- A. Approval of Minutes of the November 18, 2013 Directors' Meeting

II. DISCRETIONARY PROJECTS

NORTH COUNTRY REGION

- A. Plattsburgh (North Country Region - Clinton County) – Swarovski Lighting Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) - Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions
- B. Saranac Lake (North Country Region – Franklin County) – Trudeau Institute Working Capital – Empire State Economic Development Fund – General Development Financing (Working Capital Grant) - Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

CAPITAL REGION

- C. Maplewood (Capital Region - Albany County) – Comfortex Capital – Empire State Economic Development Fund – General Development Financing (Convertible Loan) - Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions

II. DISCRETIONARY PROJECTS - Continued

MID-HUDSON REGION

- D. Lake Katrine (Mid-Hudson Region – Ulster County) – Bread Alone MAP Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) - Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions; Determination of No Significant Effect on the Environment

DISCRETIONARY PROJECTS CONSENT CALENDAR

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

General Development Financing Projects

- A. Oneida Molded Plastics Capital – Oneida Molded Plastics, LLC (Madison County) - \$100,000
 B. Fort Drum Army Compatible Use Buffer Program Capital – Tug Hill Tomorrow Land Trust (Jefferson & Lewis County) - \$100,000
 C. Mohawk Valley EDGE - Working Capital – Mohawk Valley EDGE (Oneida County) - \$55,000

III. REGIONAL COUNCIL AWARDS

CAPITAL REGION

- A. Regional Council Award – Priority Project – Troy (Capital Region – Rensselaer County) – The United Group of Companies 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; Adoption of Findings Pursuant to the State Environmental Quality Review Act

III. **REGIONAL COUNCIL AWARDS - Continued**

NORTH COUNTRY REGION

- B. Regional Council Award – Priority Project – Newtown Falls, Carthage (North Country Region – St. Lawrence, Jefferson, Lewis Counties) – St. Lawrence IDA 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
- C. Regional Council Award – Priority Project – DeKalb Junction (North Country Region – St. Lawrence County) – North Country Pastured 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

MOHAWK VALLEY REGION

- D. Regional Council Award – Johnstown (Mohawk Valley Region – Fulton County) – Gloversville-Johnstown Wastewater Treatment 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

WESTERN NEW YORK REGION

- E. Regional Council Award – Priority Project – Olean (Western New York Region - Cattaraugus County) – East State Street Reconstruction 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
- F. Regional Council Award – Silver Creek (Western New York Region – Chautauqua County) – S. Howes Capital – Economic Development Purposes Fund (Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Determination of No Significant Effect on the Environment

LONG ISLAND REGION

- G. Regional Council Award – Calverton (Long Island Region - Suffolk County) – Long Island Farm Bureau Member Services Capital – Economic Development Purposes Fund

(Working Capital Grant) - Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

III. REGIONAL COUNCIL AWARDS - Continued

SOUTHERN TIER REGION

- H. Regional Council Award – Priority Project – Norwich (Southern Tier Region – Chenango County) – Sunrise Family Farms Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) - Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

REGIONAL COUNCIL AWARD PROJECTS CONSENT CALENDAR

- I. Regional Council Award Projects Consent Calendar – 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
- A. Bo-Mer Plastics Capital (Cayuga County) - \$100,000

REGIONAL COUNCIL AWARDS – CONNECT NY BROADBAND PROGRAM CONSENT CALENDAR

- J. Regional Council Awards – Connect NY Broadband Program Consent Calendar – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions

NY Works

- A. Open Access Fiber Network – Yates County - (Yates County) - \$2,407,049
- B. Tompkins and Cayuga Ubiquitous Last Mile Coverage – Clarity Connect, Inc. (Various Counties) - \$2,216,000
- C. Schroon Lake Next Generation Broadband – Slic Network Solutions, Inc. (Essex County) - \$2,162,656
- D. Parish Broadband – New Visions Communications (Oswego County) - \$1,999,584
- E. MTC Broadband Build Out – MTC Cable (Various Counties) - \$1,800,000
- F. Bellmont North Next Generation Broadband – Slic Network Solutions, Inc. (Franklin County) - \$1,012,366
- G. Lyon Mountain Broadband - Slic Network Solutions, Inc. (Clinton County) - \$976,426
- H. Southern Tier Broadband – Southern Tier West Development Foundation (Various Counties) - \$672,452

Regional Council Capital Fund

- I. Long Lake Next Generation Broadband – Slic Network Solutions - \$1,370,306

IV. NON-DISCRETIONARY PROJECTS

LOCAL ASSISTANCE – HURRICANE IRENE – TROPICAL STORM LEE MITIGATION

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

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

- A. Clinton County – Hurricane Irene - Tropical Storm Lee Flood Mitigation Capital (Clinton County) - \$305,000

NON-DISCRETIONARY PROJECTS CONSENT CALENDAR

- B. Non-Discretionary Project - Authorization to Make Grants and to Take Related Actions

Local Assistance (Senate)

- A. Fort Drum Army Compatible Use Buffer Program Capital – Tug Hill Tomorrow Land Trust (Lewis County) - \$400,000

Capital Projects Fund – Economic Development/Other (Senate)

- B. HFA-Red Lion Apartments Capital – New York State Housing Finance Agency (Westchester County) - \$1,500,000

V. ADMINISTRATIVE ACTIONS

- A. Procurement of Bloomberg L.P. Service – Authorization to Enter into a Contract with Bloomberg L.P. to Provide a Bloomberg Terminal and to Take Related Actions
- B. Procurement of: Legal Services - Authorization to Enter into a Contract with Sive, Paget & Riesel P.C. for Environmental Law Legal and Consulting Services and to Take Related Actions
- C. Small Business Revolving Loan Fund Program – Request to Reallocate Funds – Authorization to Reallocate Funds; Authorization to Reallocate Program Loan Funds; Authorization to Take Related Actions
- D. Statewide – New York State Innovation Venture Capital Fund – Authorization to Adopt and Promulgate Regulations; Authorization to Take Related Actions

VI. INFORMATION

- A. Quarterly Report on Procurement Commitments to certified Minority and Women Business Enterprises (MWBES) – Second Quarter of Fiscal Year 2013-2014
- B. President's Report (Oral)

DRAFT – SUBJECT TO REVIEW AND REVISION

NEW YORK STATE URBAN DEVELOPMENT CORPORATION

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

November 18, 2013

MINUTES

**In Attendance
Directors:**

Derrick Cephas (Acting Chair)
Joyce Miller
Anthony Albanese, Designee - Superintendent of Department of
Financial Services
Mehul Patel, Designee – Kenneth Adams

Present for ESD:

Maria Cassidy, Deputy General Counsel
Joseph Chan, Executive Vice President – Real Estate Development
Steven Cohen, Deputy Commission and Senior Vice President –
Community Economic Development
Kevin Hansen, Director – Real Estate Development
Edwin Lee, Assistant Vice President – Discretionary Projects
Eileen McEvoy, Corporate Secretary
Glendon McLeary, Senior Project Manager
Kathleen Mize, Deputy CFO and Controller
Alexis Offen, Vice President – Real Estate Development
Marion Phillips III, Senior Vice President – Community Relations
Susan Shaffer, Vice President – Loans and Grants
Joseph Tazewell, Director – New York City Regional Office
Frances Walton, Chief Financial and Administrative Officer

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Also Present: Merideth Bahr-Andreucci – Finger Lakes Regional Office
Michael Evans, President – Moynihan Station Development Corporation
Steve Gawlik, Senior Counsel and Vice President – Western New York Regional Office
Kevin Hurley, Rochester Regional Office
Andrea Lohneiss, Director - Long Island Regional Office
Roseanne Murphy, Director - North County Regional Office
Ed Muszynski, Area Director-Finger Lakes Regional Office
Christina Orsi, Director – Western New York Regional Office
Kenneth Tompkins, Director - Mohawk Valley Regional Office
John VanDeLoo, North Country Regional Office
Aimee Vargas, Director - Mid-Hudson Regional Office
David J. Wright, Assistant Commissioner - Albany

Also Present: Charles Hamilton- Windels Marx Lane & Mittendorf
The Press
The Media

The meeting of the Directors of the New York State Urban Development Corporation (“UDC”) d/b/a Empire State Development (“ESD” or the “Corporation”) was called to order at 9:35 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.

Acting Chair Cephas then asked the Directors to approve the Minutes of the October 17, 2013 Directors’ meeting. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

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APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE OCTOBER 17, 2013 MEETING OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on October 17, 2013, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

The Acting Chair then called upon Mr. Phillips to take the Agenda out of order and present Item V.B. - the 125 Street Land use Improvement and Civic Project.

Mr. Phillips provided the relevant background with regard to this request noting that the Directors were being asked to reaffirm the General Project Plan for the proposed project at 121 West 125th Street.

Mr. Phillips further noted that the project was brought to the ESD Directors for approval on June 27, 2013. At that time, Mr. Phillips continued, the Directors, among other actions, adopted the General Project Plan and SEQRA Findings and authorized ESD to hold a public hearing to receive comments on the General Project Plan.

The public hearing, Mr. Phillips explained, was held on July 10, 2013 and at the conclusion of the hearing, there being no negative testimony or comments the General Project Plan was deemed effective.

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Mr. Phillips continued and explained that subsequently ESD, in response to requests from members of the community, held a second public hearing on November 7, 2013 for the purpose of receiving comments on the project.

Mr. Phillips noted that written and oral comments were received from elected officials, interested individuals and local civic and community organizations.

Mr. Phillips noted that 36 individuals and organizations spoke at the hearing or submitted written comments. He then outlined the various topics that were commented upon, including the UDC Act findings and existing and proposed tenancies.

Mr. Phillips then explained that a full response to comments was included in the materials as Exhibit B.

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

Mr. Hamilton stated that he is Senior Counsel at the law firm of Windels Marx Lane & Mittendorf which is outside counsel to the National Urban League. Mr. Hamilton provided the historical information regarding the National Urban League and expressed favorable comments regarding the project and noted the League's loyalty to the community.

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

New York City (New York County) – 121 West 125th Street (Urban League Empowerment Center) Land Use Improvement and Civic Project – Reaffirmation of General Project Plan; and Authorization to Take Related Actions.

RESOLVED, that, pursuant to Section 16 of the New York State Urban Development Corporation Act, as amended, and after due consideration of: (1) the testimony given at the public hearing held by the Corporation on November 7, 2013 at the Adam Clayton Powell, Jr. State Office Building, 163 West 125th Street, New York, NY on the General Project Plan for the Project dated June 27, 2013 (the “Plan”); (2) the entire record of such hearing, including all written comments received on the Plan, copies of all of which were presented to this meeting and are ordered filed with the records of the Corporation, the Corporation does hereby reaffirm the Plan; and be it further

RESOLVED, that the President and his designees, or any of them, be and each hereby is authorized to take such action or execute on behalf of the Corporation such documents as they may consider necessary or appropriate in connection with the foregoing resolution.

* * *

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 31 Discretionary Projects including two Buffalo Regional Innovation Cluster Projects grants totaling \$4,483,949; one Downtown Revitalization Fund Project for \$2,250,000; two Economic Development Purposes Fund Loans totaling \$5,000,000; three Economic Development Fund grants totaling

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\$5,750,000; one JOBS Now Program grant for \$3.5 million; one New York Works Program Loan for \$6,000,000; one Port Authority Transportation Economic Development Infrastructure Renewal grant for \$2,149,619; and 21 Entrepreneurial Assistance Program Project grants totaling \$1,558,347.

Mr. Lee further noted that there were also five Regional Council Award projects including one Economic Development Purposes Fund Grant for \$350,000; one Economic Transformation Program Grant for \$15 million; one Empire State Economic Development Fund Grant for \$150,000; and three Regional Council Capital Fund Grants totaling \$4.1 million.

Mr. Lee added that these 36 projects will leverage over \$670 million in additional investments and will assist in retaining 2,417 jobs and in creating approximately 1,601 jobs in New York State.

Following Mr. Lee's full report, the Acting Chair asked Mr. Gold to present the Pepsico Bottling Division EDF Grant item for the Directors' consideration.

Mr. Gold presented the specifics of this request noting, in part, that the Directors are being asked to authorize ESD to make a \$4,000,000 grant to Pepsico, Inc. to be used for a portion of the cost of renovations and the purchase of machinery and equipment.

Among other things, Mr. Gold explained that in 2007, the Pepsico Bottling Division

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approached ESD with regard to the long-term location of its 900-person Somers, New York headquarters. The building, Mr. Gold explained, required significant upgrades for its long term efficiency and the productivity of its work force.

The Company's management, Mr. Gold continued, commenced a search that involved several options including renovating its Somers facility or relocating to another Westchester location or a built-to-suit facility in nearby Danbury, Connecticut.

Mr. Gold went on to explain that the project discussions were delayed in 2009 by merger discussions between the Bottling Company and its smaller parent, Pepsico, Inc.

In March of 2010, Mr. Gold noted, Pepsico, Inc. acquired Pepsi Bottling Group as well as the Minneapolis based Pepsi Americas. The acquired entities, Mr. Gold explained, were combined into the Pepsi Beverages Company, an operating division of Pepsico, Inc.

With the merger finalized, Mr. Gold added, Pepsico took over the search for its newly enlarged headquarters with the site search now including Minneapolis, Danbury and Somers.

In September of 2010, ESD brokered a \$4,000,000 capital grant to Pepsio to encourage the Company to consolidate its newly acquired beverage headquarters in Somers. Mr. Gold further explained that the Company accepted the offer in return for retaining 907 jobs, creating 22 new jobs and investing over \$12,000,000 in building improvements.

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Mr. Gold added that the Company has completed the project and now employs 1,235 at its Somers headquarters, representing 328 new jobs since the offer was accepted.

Following the full presentation, the Acting Chair called for any questions or comments. Director Miller asked if the financial benefits to the State would include tax revenues and Mr. Gold said that that was the case. Further discussion was had with regard to the amount of return to the State as a result of this sizeable grant to the Company.

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

Somers (Mid Hudson Region – Westchester County) – PepsiCo Bottling Division Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms;
2. The project would be unlikely to take place in New York State without the requested assistance;

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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to PepsiCo, Inc. a grant for a total amount not to exceed Four Million Dollars (\$4,000,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

The Acting Chair then asked Ms. Vargas, the Director of the Mid-Hudson Regional Office, to present the next two items on the Agenda.

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First, Ms. Vargas presented the Walkway Over the Hudson Downtown Revitalization Fund item for the Directors’ consideration.

Ms. Vargas explained that the Directors were being asked to approve a \$2,250,000 grant to the Poughkeepsie-Highland Railroad Bridge Company to be used for a portion of the cost of the infrastructure and rehabilitation and new construction of the former railroad bridge to turn it into a publicly accessible tourist attraction.

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:

Poughkeepsie (Mid-Hudson Region – Dutchess County) – Walkway Over the Hudson Capital – Downstate Revitalization Fund – Downtown Redevelopment (Capital Grant) – Findings and Determinations Pursuant to Sections 16-r and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

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RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to The Poughkeepsie-Highland Railroad Bridge Company, Inc. d/b/a Walkway Over the Hudson a grant for a total amount not to exceed Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000) from the Downstate Revitalization Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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Poughkeepsie (Mid-Hudson Region – Dutchess County) – Walkway Over the Hudson Capital – Downstate Revitalization Fund – Downtown Redevelopment (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

Ms. Vargas then presented the Metal Container EDF Grant item for the Directors'

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consideration.

Ms. Vargas explained that the Directors were being asked to authorize ESD to make a \$1,000,000 grant to the Metal Container Corporation to be used for a portion of the cost of the purchase and installation of containers and equipment.

Ms. Vargas noted that the total project cost is \$55,000,000. She added that the Company was considering moving to Florida but that as a result of this grant, they decided to stay in New York State. As a result, Ms. Vargas noted, 173 jobs will be retained in Orange County.

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

New Windsor (Hudson Valley Region – Orange County) – Metal Container Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

1. The proposed project would promote the economic health of New York State by

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facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms;

2. The project would be unlikely to take place in New York State without the requested assistance;
3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;
4. There are no families or individuals to be displaced from the project area; and be it further

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

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

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

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

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

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Ms. Orsi, the Director of the Western New York Regional Office began her report by noting that she had three projects to present for consideration today.

She further stated that the first two-Daemon College and Empire Visual Effects are related in that they are part of the Governor’s Buffalo Billion Initiative to promote education and innovation and job creation. This, Ms. Orsi further noted, also aligns with the Governor’s initiative to attract post production film and television activity to Upstate New York.

Daemon College and Empire Visual Effects, Ms. Orsi went on to explain, have created a unique partnership to create a post production visual effects hub, a collaborative initiative which is going to involve the establishment of a private college and the creation of a visual effects work force training and certificate based program.

Ms. Orsi then went on to present the individual projects for the Directors’ consideration.

Ms. Orsi asked the Directors to authorize ESD to make a \$1,983,949 grant to Daemen to be used as reimbursement for a portion of hardware, software, screening rooms and furnishing expenditures.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked if something, for example, that is produced in New York City can then

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have its post production requirement met in Buffalo. Ms. Orsi stated that that will be the case and that Upstate can be considered as a very affordable location for post production outsourcing.

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

Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Daemen College 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

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 Daemen College 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, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Daemen College a grant for a total amount not to exceed One Million Nine Hundred Eighty-three Thousand Nine Hundred and Forty-nine Dollars (\$1,983,949) from the Buffalo Regional Innovation Cluster, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Next, Ms. Orsi asked the Directors to authorize ESD to make a \$2,500,000 grant to Empire Visual Effects, LLC to be used for reimbursement for a portion of capital expenditures including furniture, fixtures, equipment, Information Technology (“IT”) and interior renovations.

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 Billion Initiative – Buffalo (Western New York Region – Erie County) – Empire Visual Effects 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

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Empire Visual Effects Capital Grant – 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

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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 Empire Visual Effects, LLC a grant for a total amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) from the Buffalo Regional Innovation Cluster, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Ms. Orsi then asked the Directors to authorize ESD to make a \$3,000,000 loan to Welded Tube, USA, Inc. to be used for a portion of construction costs.

Ms. Orsi noted that the Company manufactures large scale, metal fabricated products, including steel tubing for the natural gas and petroleum extraction industry.

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Ms. Orsi added that the Company has already surpassed its commitment to create 25 new jobs and is currently at 33 new jobs.

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

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

Lackawanna (Western New York Region – Erie County) – Welded Tube Capital – Economic Development Purposes Fund (Capital Loan) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions

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

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

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

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

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

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

* * *

Lackawanna (Western New York Region – Erie County) – Welded Tube Capital – Economic Development Purposes Fund (Capital Loan) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Lackawanna (Western New York Region – Erie County) – Welded Tube Capital – Economic Development Purposes Fund (Capital Loan) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Next, Ms. Lohneiss, the Director of ESD’s Long Island Regional Office, asked the Directors to approve the Canon USA JOBS Now Program Project.

Ms. Lohneiss explained that the project involves a \$3,500,000 grant to Canon USA, Inc. to be used for a portion of the cost of land acquisition and construction costs.

Ms. Lohneiss noted that because the company had outgrown its headquarters, it was

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identifying relocation sites in New Jersey and Connecticut. She added that both sites offered significant incentives.

Ms. Lohneiss continued and explained that ESD offered a financial incentive for the retention of 1,110 high wage jobs and the creation of 750 additional jobs. This offer, Ms. Lohneiss explained, was accepted in 2006.

Ms. Lohneiss added that Canon acquired property in Melville in Suffolk County and constructed a 696,000 square foot LEED certified building which was completed in 2013.

Ms. Lohneiss further noted that the total project cost was \$455 million and that in addition to ESD's \$3.5 million grant, the New York State Department of Transportation contributed approximately \$10 million to road-to-road improvements necessary to access the site.

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:

Melville (Long Island – Suffolk County) – Canon USA Capital – JOBS Now Program (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is

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hereby ordered filed with the records of the Corporation, relating to the Canon USA Capital – JOBS Now Program (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that 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 Canon U.S.A., Inc. a grant for a total amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) from the JOBS Now Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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.

* * *

Melville (Long Island Region – Suffolk County) – Canon USA Capital – JOBS Now Program (Capital Grant) – Adoption of Findings Pursuant to the State Environmental Quality Review Act

RESOLVED, that with respect to the Canon U.S.A., Inc. Project, the Corporation hereby makes and adopts pursuant to the State Environmental Quality Review Act (“SEQRA”) the following findings and determinations, which findings and determinations are made after full consideration of the Findings Statement attached as Exhibit A hereto, which Exhibit A is hereby adopted by the Corporation and copies of which document are hereby filed with the records of the Corporation.

- The Corporation has given consideration to the Draft and Final Supplemental Environmental Impact Statement (“DSEIS” and “FSEIS”, respectively) prepared for the proposed Canon U.S.A., Inc. Project;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the Project is one that avoids or minimizes adverse environmental effects to the maximum extent practicable, including the effects disclosed in the FSEIS and the Findings Statement;
- Consistent with social, economic and other essential considerations, to the maximum extent practicable, adverse environmental effects revealed in the environmental impact statement process will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigation measures described in the FSEIS and the Findings Statement; and
- The Project is in compliance with Section 14.09 of the State Historic Preservation Act;

and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to comply with the requirements of SEQRA in connection with the Project.

* * *

Ms. Bahr-Andreucci then asked the Directors to authorize ESD to make two loans totaling \$8,000,000 to NSUS, LLC.

Ms. Bahr-Andreucci noted that the \$6,000,000 capital loan will be used for a portion of the cost of building renovations, machinery acquisition and installation costs.

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The \$2,000,000 working capital loan, Ms. Bahr-Andreucci further noted, will be used for a portion of working capital costs.

Ms. Bahr-Andreucci noted that NSUS LLC is a joint venture between the U.K. based Naturally Scientific and BCU Chemicals, a New York based LLC.

Ms. Bahr-Andreucci further noted that the joint venture has newly developed patented technology to reproduce organic plant oils and will lease and renovate a 69,000 square foot manufacturing facility that will create plant oils to be used for a broad range of industrial applications.

Among other things, Ms. Bahr-Andreucci explained that NSUS currently does not have any employees and a target has been set for 50 employees by January 1, 2016 and 170 employees by January 1, 2018.

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:

Rochester (Finger Lakes Region – Monroe County) – NSUS Capital – New York Works Program (Capital Loan) and Economic Development Purposes Fund (Working Capital Loan) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loans and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to NSUS LLC a capital loan for a total amount not to exceed Six Million Dollars (\$6,000,000) from the New York Works Program and a working capital loan for a total amount not to exceed Two Million Dollars (\$2,000,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Mr. Hurley then presented the Rochester Precision Optics EDF Capital Grant project for the Directors’ consideration.

Specifically, Mr. Hurley asked the Directors to authorize ESD to make a \$750,000 grant to the Company to be used for a portion of the cost of renovations, machinery and equipment and expansion at its headquarters and manufacturing facility in West Henrietta, just south of the City of Rochester in Monroe County.

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

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

West Henrietta (Finger Lakes Region – Monroe County) – Rochester Precision Optics Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

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2. The project would be unlikely to take place in New York State without the requested assistance;
3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;
4. There are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Rochester Precision Optics, LLC a grant for a total amount not to exceed Seven Hundred Fifty Thousand Dollars (\$750,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer 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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West Henrietta (Finger Lakes Region – Monroe County) – Rochester Precision Optics Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Rochester Precision Optics Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Next, Mr. Tazewell asked the Directors to authorize ESD to make a \$2,149,619 grant to the Downtown Brooklyn Partnership, Inc. to be used for the cost of renovations of BAM Park in the BAM Cultural District.

Mr. Tazewell noted that this park has been closed to the public because the land underneath has shifted due to subsurface boulders that were laid when the park was created in the 1980's by the New York City Department of Housing Preservation and Development.

This condition, Mr. Tazewell explained, has resulted in making the pathways through and around the park unsafe for pedestrians.

Given the critical location of the park at the intersection of Fulton Street and Lafayette Avenue in a multi-modal transit hub, Mr. Tazewell added, the redevelopment of the park is key to the long-term economic vibrancy of the area.

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

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

unanimously adopted:

Fort Greene (New York City Region – Kings County) – BAM Park Capital – Port Authority Transportation, Economic Development and Infrastructure Renewal (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the BAM Park Capital – Port Authority Transportation, Economic Development and Infrastructure Renewal (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 Downtown Brooklyn Partnership a grant for a total amount not to exceed Two Million One Hundred Forty-Nine Thousand Six Hundred Nineteen Dollars (\$2,149,619) from the Port Authority Transportation, Economic Development and Infrastructure Renewal, 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

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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. Cohen then asked the Directors to authorize ESD to make grants totaling \$1,558,347 to 21 New York State Entrepreneurial Assistance Program Centers to be awarded to eligible not-for-profit corporations and community colleges.

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

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

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

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

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized to make grants for a total amount not to exceed One Million Five Hundred Fifty-Eight Thousand Three-Hundred Forty Seven (\$1,558,347) from the Entrepreneurial Assistance Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer or his designee(s) may deem appropriate, subject to the

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availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Ms. Lohneiss then asked the Directors to authorize ESD to make a \$2,050,000 grant to Brookhaven Science Associates, LLC to be used for a portion of the cost of planning, design and implementation of demonstration projects in two new facilities.

Ms. Lohneiss added that this is a collaborative Regional Council Round 1 priority project initiative to address the high cost of electricity on Long Island by creating a smart grid and improving utility resilience throughout New York State.

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 – Stony Brook and Upton (Long Island – Suffolk County) – SGRID 3 Capital – Regional Council Capital Fund and Economic Development Purposes Fund

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

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the SGRID 3 Capital – Regional Council Capital Fund and Economic Development Purposes Fund (Capital Grants) 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 Brookhaven Science Associates, LLC a grant for a total amount not to exceed One Million Seven Hundred Thousand Dollars (\$1,700,000) from the Regional Council Capital Fund and a grant for a total amount not to exceed Three Hundred Fifty Thousand Dollars (\$350,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Next, Mr. Tompkins, the Director of ESD’s Mohawk Regional Office, asked the Directors to authorize a \$15,000,000 grant to Fort Schuyler Management Corporation to be used for a portion of the cost of construction of the first phase Computer Chip Commercialization Center (“Quad C”) adjacent to the State University of New York Institute of Technology Campus in Marcy, Oneida County.

Mr. Tompkins noted that the project will create 300 new permanent full time jobs in the Mohawk Valley by January 1, 2018.

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:

Marcy (Mohawk Valley Region – Oneida County) – Fort Schuyler Management Corporation – Quad C Capital – Economic Transformation Program 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

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Fort Schuyler Management Corporation – Quad C Capital - Economic Transformation Program 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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Fort Schuyler Management Corporation a grant for a total amount not to exceed Fifteen Million Dollars (\$15,000,000) from the Economic Transformation 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.

* * *

Marcy (Mohawk Valley Region – Oneida County) – Fort Schuyler Management Corporation – Quad C Capital – Economic Transformation Program Capital – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Fort Schuyler Management Corporation – Quad C Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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* * *

Mr. Muszynski then asked the Directors to authorize ESD to make a \$150,000 grant to Quorum Group, LLC d/b/a Takeform to be used for a portion of the building purchase and renovation costs and for the cost of the purchase of machinery and equipment.

Mr. Muszynski noted that the project costs totaled \$1.6 million and was completed in October 2013. Mr. Muszynski added that the Company will add 33 new jobs to its base of 83 jobs and has already added ten new jobs.

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

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

Regional Council Award – Medina (Finger Lakes Region – Orleans County) – Quorum Group/Takeform Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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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 Quorum Group LLC d/b/a Takeform a grant for a total amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Next, Ms. Murphy, the Director of ESD’s North Country Regional Office, presented the Digital Film Conversion Fund item for the Directors consideration.

Ms. Murphy noted that the Directors were being asked to approve a \$400,000 grant to the Development Authority of the North Country to be used to establish a revolving loan fund for North Country movie theatres to purchase digital film projection equipment.

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Ms. Murphy also noted that Mr. James Wright, Executive Director of the Development Authority of the North Country, also a member of the Regional Council, recused himself from all actions on this project.

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

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

Regional Council Award – North Country Region – (Jefferson, Lewis, St. Lawrence, Essex, Franklin, Hamilton, Clinton Counties) Digital Film Conversion Fund – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Digital Film Conversion Fund – 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 Development Authority of the North Country a grant for a total amount not to exceed Four Hundred Thousand Dollars (\$400,000) 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

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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.

* * *

Ms. Murphy then asked the Directors to authorize ESD to make a \$2,000,000 grant to the Development Authority of the North Country to be used to establish a revolving loan fund to develop tourism facilities in the North Country Region.

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

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

unanimously adopted:

Regional Council Award – Priority Project (North Country Region – Jefferson, Lewis, St. Lawrence, Essex, Franklin, Hamilton, Clinton Counties) – Community Tourism Transformation Fund – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is

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hereby ordered filed with the records of the Corporation, relating to the Community Tourism Transformation Fund – 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 Development Authority of the North Country a grant for a total amount not to exceed Two Million Dollars (\$2,000,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Next, Mr. McLeary presented the November Non-Discretionary Consent Calendar for the Directors’ consideration noting that the calendar contained seven items for approval.

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Mr. McLeary outlined each of the projects being considered and provided the relevant background information on each.

Mr. McLeary asked the Directors to approve the following grants: a \$5,000,000 grant to the New York/New Jersey Super Bowl XLVIII Host Committee, Inc. for services and expenses in New York State for the promotion of the national football game; a \$300,000 grant to the New York Police Department for installation of security cameras in several neighborhoods in Brooklyn; a 1,000,000 grant to the New York City Parks Department for construction of a new corridor, as well as landscaping at Shore Road Park in Brooklyn; a \$75,000 grant to Western Erie Canal Alliance for general operating costs associated with the organizations revitalization efforts along the Western Erie Canal; a \$450,000 grant to West Point Housing LLC for renovations to the homes for military families in West Point, New York; a \$1,000,000 grant to Oneida County for interior and exterior improvements to the Upper Mohawk Valley Memorial Auditorium; and a \$1,050,000 grant to Griffiss Local Development Corporation for building improvements at Griffiss Business and Technology Park to grow and attract technology companies.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked with regard to the grant to the Super Bowl Host Committee if all of the events covered by the grant will specifically take place in New York City and Mr. McLeary said that they would.

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Director Miller asked what New York City’s contribution will be and it was advised that that information was not presently available but that it would be provided to her as soon as possible.

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

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

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

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

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

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

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

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

Capital Projects Fund – Senate – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
B	Kings County Surveillance Cameras Capital	Y444	New York City Police Department	300,000
			TOTAL	\$300,000

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

* * *

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

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

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

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

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

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

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

Community Projects Fund – Senate – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
C	Shore Road Parks Capital	Y443	New York City Department of Parks and Recreation	1,000,000
			TOTAL	\$1,000,000

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

* * *

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

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

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

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

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

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

Local Assistance – Executive, Senate and Assembly – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
A	NY/NJ Super Bowl XLVIII Host Committee Working Capital	Y702	NY/NJ Super Bowl XLVIII Host Committee, Inc.	\$5,000,000
D	Western Erie Canal Alliance Working Capital	Y581	Western Erie Canal Alliance, Inc.	75,000
E	West Point Housing Capital	Y557	West Point Housing, LLC	450,000
G	Griffiss Military Base Capital	Y626	Griffiss Local Development Corporation	1,050,000
			TOTAL	\$6,575,000

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

* * *

Special Appropriation State and Municipal Facilities – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions;

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

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

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

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

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

Special Appropriation State and Municipal Facilities – Senate – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up
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				to
F	Oneida County – Utica Memorial Auditorium Capital	Y659	Oneida County	1,000,000
			TOTAL	\$1,000,000

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

* * *

Mr. McLeary then asked the Directors to approve two grants under the Storm Mitigation Program.

Mr. McLeary noted that the grants were as follows: a \$408,211 grant to Oneida County and a \$443,718 grant to Albany County.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller stated that this program appears to focus on cleaning up debris and damage done by the storm to restore the area to its previous state.

Director Miller then asked if there is a separate program or projects that would help to mitigate or prevent damage from future storms.

Mr. McLeary stated that in addition to repairs, improvements are made to the existing infrastructure to prevent future damage.

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

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

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

DRAFT – SUBJECT TO REVIEW AND REVISION

necessary approvals; and be it further

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

	Project Name	Project #	Grantee	Assistance up to
A	Oneida County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X908 & Y484	Oneida County	\$408,211
B	Albany County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X894 & Y477	Albany County	443,718
			TOTAL	\$851,929

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. Gawlik then asked the Directors to adopt the Modified General Project Plan and to take other related actions in connection with the Canalside Land Use Improvement project.

Mr. Gawlik provided the relevant background information with regard to this request. The amendment to the General Project Plan is to include the development on the Southern portion of the odd lot.

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Canalside Land Use Improvement Project –Adoption of Modified General Project Plan; Authorization to Hold Public Hearing; Authorization to Take Related Actions

RESOLVED, that with respect to the Canalside Land Use Improvement Project (the “Project”), the New York State Urban Development Corporation d/b/a Empire State Development (the “Corporation”) does hereby adopt, as required by Section 16 of the New York State Urban Development Corporation Act of 1968, as amended, the Modified General Project Plan for the Project submitted to this meeting (the “Plan”), together with such changes therein as the President 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 authorizes the Corporation to hold a public hearing on the Plan; and be it further

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

* * *

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Canalside Land Use Improvement Project - Determination of No Significant Effect on the Environment; Authorization to Take Related Actions

RESOLVED, that on the basis of the materials submitted to the Directors with respect to the Canalside Land Use Improvement Project (the “Project”), the New York State Urban Development Corporation d/b/a Empire State Development hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Mr. Hansen then asked the Directors to authorize ESD to enter into a contract with Fx Fowle Architects for consultant services in connection with the urban design and planning for the City of Niagara Fall, New York.

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

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

EMPIRE STATE DEVELOPMENT – Authorization to Enter into a Contract for Urban Design and Planning Services with the Firm of FXFOWLE Architects, LLP and Authorization to Take Related Actions

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

RESOLVED, that the Corporation is hereby authorized to enter into a contract with the firm of FXFOWLE Architects, LLP for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

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

* * *

Mr. Evans then asked the Directors to authorize ESD to enter into a contract for Market and Feasibility Services with the firm of Ernst and Young Infrastructure Advisors, LLC in connection with the Moynihan Station Development Corporation.

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

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

EMPIRE STATE DEVELOPMENT – Authorization to Enter into a Contract for Market and Financial Feasibility Study Services with the Firm of Ernst and Young Infrastructure

DRAFT – SUBJECT TO REVIEW AND REVISION

Advisors, LLC; and Authorization to Take Related Actions

RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds the firm of Ernst and Young Infrastructure Advisors, LLC to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with the firm of Ernst and Young Infrastructure Advisors, LLC for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

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

* * *

There being no further business, the meeting was adjourned at 10:48 a.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary



FOR CONSIDERATION

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Plattsburgh (North Country Region – Clinton County) – Swarovski Lighting Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Swarovski Lighting, Ltd. (“Swarovski” or the “Company”)

ESD* Investment: A grant of up to \$450,000 to be used for a portion of the cost of the purchase of machinery and equipment

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

Project Location: 61 Industrial Boulevard, Plattsburgh, Clinton County

Proposed Project: Facility expansion, purchase of machinery and equipment and employee training to expand production.

Project Type: Business expansion involving job retention.

Regional Council: The North Country Regional Council has been made aware of this item. The Incentive Offer was accepted in August 2006 predating the Regional Council Initiative. The project is consistent with the North Country Economic Development Council’s Regional Plan to lead the economic renaissance of New York State’s small cities and rural

communities by energizing micropolitan cities and building on growth in the aerospace, transit equipment, defense, biotech, and manufacturing industries. One strategy is to expand the vendor base for manufacturing facilities, keeping more money in the region and the State and helping the manufacturers to compete globally. The project helps retain one of the region's large core manufacturers by identifying issues and collaboratively resolving them so that the Company can better compete in the global marketplace.

Employment:	Initial employment at time of Application to ESD:	386
	Current employment level:	345
	Minimum employment through January 1, 2017:	325

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Renovations/Site Improvements	\$377,262	
Machinery and Equipment	1,375,102	
Employee Training	78,842	
Computer Equipment for product		
Design and manufacturing	542,125	
Product Certification Costs	<u>1,078,733</u>	
 Total Project Costs	 <u>\$3,452,064</u>	
 <u>Financing Sources</u>	 <u>Amount</u>	 <u>Percent</u>
ESD – Grant	\$450,000	13%
Company Equity	<u>3,002,064</u>	<u>87%</u>
 Total Project Financing	 <u>\$3,452,064</u>	 <u>100%</u>

III. Project Description

A. Company

Industry: Swarovski Lighting, Ltd. is a leading designer and manufacturer of high-end and custom crystal chandeliers and lighting fixtures.

Company History: The Company was formed under the original name of A. Schonbek & Co., Inc. ("Schonbek") in 1970 by Adolph Schonbek, a 24-year-old Bohemian glassmaker. Over the years, the Company's designers have obtained over 200 patented technologies, shaping the crystal lighting industry.

Ownership: In 2007, Schonbek was purchased by the Swarovski Company, bringing together two world-class brands of crystal products. With the purchase

of Schonbek, Swarovski committed to establishing Plattsburgh as its global Lighting Business Unit headquarters by redirecting all lighting business to flow through the Plattsburgh facility.

- Size:** Swarovski Lighting, Ltd. in Plattsburgh, NY is Swarovski's only U.S. production facility. All other Swarovski products (i.e., crystal mesh fabric, jewelry and watches, sculptures and figurines, etc.) are manufactured primarily in Austria, Thailand, and Liechtenstein. Swarovski employs over 26,000 individuals worldwide.
- Market:** Swarovski's lighting products are marketed under brand names Swarovski Contemporary, Swarovski Centerpieces, Swarovski Crystal Palace, Schonbek Traditional and Schonbek Contemporary. The Company has been commissioned to design chandeliers and lighting for prestigious venues including the White House and Buckingham Palace and its design team partners with architects and interior designers for complex installations in hotels, resorts, casinos, palaces and private residences. Its products are also sold internationally through prominent trade events and sales teams in Central and Eastern Europe, Italy, China and the near Middle East.
- ESD Involvement:** Dramatic increases in competition from low cost producers in Pacific Rim countries resulted in Schonbek being the only remaining, significant designer and manufacturer of high-end crystal lighting in North America. Remaining competitive and protecting global market share would require significant investment in technology and production upgrades to expand design opportunities and reduce the time needed from product concept to customer delivery. ESD offered a \$450,000 capital grant in July 2006 to support a \$3 million investment in technological and production upgrades that would retain 325 jobs. In October 2007, Schonbek was purchased by Swarovski which had its own line of lighting fixtures but had not been able to achieve Schonbek's level of quality. The acquisition resulted in Swarovski transferring most of its lighting production to the Plattsburgh facility. The project was subsequently reassessed by the new management team and a revised ESD Incentive Proposal was accepted in September 2008.
- Competition:** The majority of Swarovski competitors are companies that either import chandeliers made in China that are reproductions of Swarovski designs, or that import container-loads of parts to assemble reproductions. The Company estimates its share of the crystal market to be 25 – 30% worldwide. Its closest competitor, James R. Moder (Dallas, Texas) is approximately 20% of Swarovski's size. Other competitors include American Brass & Crystal (Newark, New Jersey), Wilshire (Taunton, Massachusetts), and Picasso Lighting (Hillside, New Jersey).

Past ESD Support: The Company (under the name A. Schonbek & Co. Inc.) was the recipient of four JDA loans totaling approximately \$1.4 million over the period 1972-1981. All loans were repaid in full.

B. The Project

Completion: April 2013

Activity: The Company has renovated a 200,000-square-foot building in Plattsburgh, purchased and installed new machinery and equipment, and completed employee training to increase production efficiency and manufacturing productivity. Facility renovations included safety, infrastructure and layout improvements to the building in which the manufacturing, engineering, marketing, sales and administrative functions reside. New machinery and equipment was installed to upgrade technology in key areas, such as product design, operations and manufacturing. Employee training focused on Lean Manufacturing concepts and understanding the advanced capabilities of a new Computer Automated Design system. The Company also invested in product certification, a necessity for selling new cutting edge products that fall outside the parameters of previously certified product families (e.g. LED lights and dimmers). Such products require their own unique certification from authorized agencies and must meet the certification requirements of any country in which the product will be sold.

Results: The Company has exceeded its employment commitment of retaining 325 jobs and currently employs 345 full-time individuals at the project location. The project has also resulted in a 20 percent increase in international sales and has significantly reduced product development time to the point that the Company can begin manufacturing within 60 days of introducing a new product to the market.

Grantee Contact: Michael Dupuis, Director of Finance & Administration
61 Industrial Boulevard
Plattsburgh, NY 12901
Phone: (518) 563-7500 Ext 254

ESD Project No.: U365

Project Team:	Origination	Rosemary Redmond
	Project Management	Linda Dillon
	Contractor & Supplier Diversity	Elizabeth Gocs
	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 \$450,000 (\$4,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. Swarovski US Holdings will guarantee the grant repayment obligation of its subsidiary, Swarovski Lighting, Ltd., 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 \$450,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to one third of the grant (\$150,000) will be disbursed upon documentation of renovations, site improvements and machinery and equipment project costs totaling \$850,000, and documentation of the employment of at least 325 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to one third of the grant (\$150,000) will be disbursed upon documentation of renovations, site improvements and machinery and equipment project costs totaling an additional \$1,300,000 (total

accumulated eligible project cost of \$2,150,000), and documentation of the employment of at least 325 Full-time Permanent Employees at the Project Location, provided Grantee is otherwise in compliance with program requirements;

c) a Third Disbursement of an amount equal to one third of the grant (\$150,000) will be disbursed upon documentation of renovations, site improvements and machinery and equipment project costs totaling an additional \$940,000 (total accumulated eligible project cost of \$3,090,000), and documentation of the employment of at least 325 Full-time Permanent Employees at the Project Location, provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after August 8, 2006, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$450,000, 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	325
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A	B
Date	Employment Goals
February 1, 2015	325
February 1, 2016	325
February 1, 2017	325

IV. Statutory Basis

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

As a result of this project, the Company will maintain its employment level including retention of 325 jobs which were at risk of elimination over time because of competition from lower cost manufacturers in the Pacific Rim and other countries.

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

Without ESD assistance to lower costs and make the Company's facility competitive with foreign producers, the cost would have been too high to make the project feasible in New York.

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

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 \$10,860,704;
- Fiscal cost to NYS government is estimated at \$450,000;
- Project cost to NYS government per direct job is \$1,895;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$1,132;
- Ratio of project fiscal benefits to costs to NYS government is 24.13:1;
- Fiscal benefits to all governments (state and local) are estimated at \$18,066,746;
- Fiscal cost to all governments is \$450,000;
- All government cost per direct job is \$1,895;
- All government cost per total job is \$1,132;
- The fiscal benefit to cost ratio for all governments is 40.15:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$101,096,794, or \$254,285 per job (direct and indirect);
- The economic benefit to cost ratio is 224.66:1;
- Project construction cost is \$275,836, which is expected to generate three direct job years and one indirect job year of employment;
- For every permanent direct job generated by this project, an additional 0.68 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.)

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

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

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

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

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

Plattsburgh (North Country Region – Clinton County) – Swarovski Lighting Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

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

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

State Division of the Budget; and be it further

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

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

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

* * *

Project Summary
Benefit-Cost Evaluation1
Swarovski Lighting, Ltd. – Business Investment

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits reported in the table below typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the table typically reflects only construction-related activity. Benchmarks for each type of project are noted in the footnotes.

Initial Jobs: 390 Construction Job Years (Direct): 3
Retained Jobs: 325 Construction Job Years (Indirect): 1

Evaluation Statistics	Project Result NYS Govt.	NYS Govt.	Project Results State & Local Governments	State & Local
		Benchmarks for ESD Projects2		Benchmarks for ESD Projects
Fiscal Costs3	\$450,000	\$794,250	\$450,000	\$1,020,500
Fiscal Benefits4	\$10,860,704	\$2,085,600	\$18,066,746	\$4,271,980
Fiscal Cost /Direct Job	\$1,895	\$3,000	\$1,895	\$4,110
Fiscal Cost/Total Jobs	\$1,132	\$1,424	\$1,132	\$1,964
Fiscal B/C Ratio	24.13	7.00	40.15	10.60
	Project	Benchmarks		
	Results	for ESD		
		Projects		
Economic Benefits5	\$101,096,794	\$119,468,000		
Econ. Benefits/Total Jobs	\$254,285	\$147,600		
Economic B/C Ratio	224.66	50.00		

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

2 The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Business Investment project benchmarks are 7.00 (Fiscal) and 50.00 (Economic). Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 20.00 (Economic).

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

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

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

FOR CONSIDERATION

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Saranac Lake (North Country Region – Franklin County) – Trudeau Institute Working Capital – Empire State Economic Development Fund – General Development Financing (Working Capital Grant)

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

I. Project Summary

Grantee: Trudeau Institute (“Trudeau” or the “Institute”)

ESD* Investment: A grant of up to \$5,000,000 to be used for a portion of the costs of ongoing programs, operations, and staffing at Trudeau biomedical research laboratories.

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

Project Location: 154 Algonquin Avenue, Saranac Lake, Franklin County

Proposed Project: Trudeau Institute will continue to operate in New York State and expand biomedical research operations at Saranac Lake.

Project Type: Working Capital

Regional Council: The North Country Regional Council has been made aware of this item. The project is consistent with the Regional Plan to advance biotech research in the region.

I. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Staffing and Operating Costs	\$4,800,000
Programmatic Expenses -	
Institute Advancement Dept.	250,000
Contract Research Expansion	250,000
Lyme Disease Research	<u>250,000</u>
 Total Project Costs	 <u>\$5,550,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$5,000,000	90%
Grantee Equity	<u>550,000</u>	<u>10%</u>
 Total Project Financing	 <u>\$5,550,000</u>	 <u>100%</u>

III. Project Description

A. Grantee

Industry: Biomedical research for disease prevention

Grantee History: Trudeau Institute was formed in 1889 to conduct biomedical research. The Institute for Scientific Information lists Trudeau as one of the five most influential research institutes in the U.S.

Ownership: Trudeau Institute is a not-for-profit organization governed by a non-compensated board.

Size: Trudeau Institute is a biomedical research organization with 75 employees working in a 90,000-square-foot research facility located on a 42-acre campus in Saranac Lake, NY.

Market: Trudeau conducts biomedical research to develop new treatments and treatment-prevention strategies against disease. The Institute conducts contract research projects for the National Institute of Health (“NIH”). Trudeau primarily competes with other biomedical research organizations for biomedical research projects from the federal government under programs of the NIH. Trudeau also competes for qualified high-level scientists to conduct biomedical research projects at the Institute.

ESD Involvement: Trudeau requested ESD assistance as part of a plan to continue

operations and expand the biomedical research programs at Saranac Lake. This phase of the plan will recruit additional high-level research scientists and related professional staff to continue biomedical research at Saranac Lake. Without assistance from ESD, the retention and future expansion of Trudeau would not be possible.

Past ESD Support: Since 2001, Trudeau has received ESD funds totaling \$2,950,000 for three projects. All past projects have been successfully completed, milestones met, and funds have been fully disbursed.

In the past 5 years, funding to Trudeau is summarized as follows:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
Economic Development Purpose Fund	X791	\$1,200,000	November 2012	October 2013	Working Capital – operations and staffing of a biomedical research laboratory

B. The Project

Completion: June 2014

Activity: The Institute will continue to operate and expand its research laboratory to conduct biomedical research in New York State including aging, cancer, influenza, pneumonia, tuberculosis, acquired immune deficiency syndrome, and Lyme disease. The Institute will also expand its existing contract research capabilities for pharmaceutical, biotechnology and biomedical engineering companies, leveraging its expertise and world-class experimental animal facilities and unique CDC-certified laboratories for investigating immunity to Select Agent pathogens for biodefense.

Trudeau is in the early-stages of formulating the Tick Borne Disease Research Center of Excellence to be a national network centered at the Institute. It would be comprised of some of the best investigators in the United States with expertise in Lyme disease and related tick-borne diseases. The emphasis would be on basic research, tick-targeted vaccine development, and epidemiology to optimize treatment and eradication of tick-borne disease. This would be the only such facility in New York State and could address a major and expanding public health need.

Trudeau will hire a Chief Scientific Officer (“CSO”) who will plan and oversee scientific operations at a high level (faculty recruitment, grant initiatives, and, with the Institute CEO, develop relationships with scientific foundations and the private sector including the pharmaceutical, biotechnology and biopharmaceutical industries).

Trudeau will also hire a Vice President of Institutional Advancement & Government Relations who will play an integral role in overhauling the Institute’s philanthropy efforts and developing the ever import relations with state and federal representatives.

Results: In conjunction with Clarkson University (“CU”) and the State of New York, the Institute will move closer to its broader vision of developing a biotechnology cluster in New York State’s North Country. The Institute and CU will establish and coordinate scientific research and expand education and technology-based economic development. Additionally, Trudeau and CU will put in place the faculty, facilities, and educational programs to make this cluster self-sustaining and diversify and develop other funding and business opportunities to sustain a new business model for future operations.

Grantee Contact: Larry Johnson, Vice President
154 Algonquin Avenue
Saranac Lake, NY 12983
Phone: (518) 891-3080

ESD Project No.: Y731

Project Team:	Origination	Roseanne Murphy
	Project Management	John Vandelloo
	Contractor & Supplier Diversity	Elizabeth Gocs
	Finance	Jonevan Hornesby
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. The Grantee will demonstrate no materially adverse changes in its financial condition prior to each disbursement.
2. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after ESD’s announcement of the project. Equity is defined as cash injected into the project by the 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.

3. An Initial Disbursement of \$3,250,000 shall be deposited in an imprest account at a bank mutually acceptable to ESD and the Grantee. These funds will be invested as per ESD's board approved investment guidelines. Interest earned on the funds deposited in the imprest account must be returned to ESD quarterly along with copies of all bank statements, starting when the funds are deposited and continuing until all funds have been disbursed. The Grantee may, no more frequently than monthly, seek authorization to draw down funds for eligible costs from the imprest account in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. ESD shall disburse funds upon presentation to ESD of a Payment Requisition Form together with such supporting documentation as ESD may require.

A Second Disbursement of \$1,750,000 shall be deposited into the imprest account upon submission of supporting documentation of at least \$2,063,000 of eligible expenses for the Initial Disbursement. ESD shall disburse funds upon presentation to ESD of a Payment Requisition Form together with such supporting documentation as ESD may require.

Beginning on March 30, 2014, the Grantee shall submit such payment supporting documentation for the month of February 2014, and for each subsequent month no more than thirty (30) days following the end of such month. The Grantee shall continue to be obligated to submit this supporting documentation of its prior months' eligible expenses until all eligible expenses are documented.

Expenses must be incurred on or after December 1, 2013 to be considered eligible project costs.

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

IV Statutory Basis – Empire State Economic Development Fund:

1. The project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms. As a result of this project, the Institute will retain its employment level of 75 jobs which were at risk of relocation to another state.
2. The project would be unlikely to take place in New York State without the requested assistance.

ESD assistance is needed to fill a financing gap to implement a new business model to develop a biotech cluster in the North Country in cooperation with Clarkson University.

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

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

- Fiscal benefits to NYS government from the project are estimated at \$2,222,560;
- Fiscal cost to NYS government is estimated at \$5,000,000;
- Project cost to NYS government per direct job is \$95,579;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$77,002;
- Ratio of project fiscal benefits to costs to NYS government is 0.44:1;
- Fiscal benefits to all governments (state and local) are estimated at \$3,749,146;
- Fiscal cost to all governments is \$5,000,000;
- All government cost per direct job is \$95,579;
- All government cost per total job is \$77,002;
- The fiscal benefit to cost ratio for all governments is 0.75:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$22,439,078, or \$345,571 per job (direct and indirect);
- The economic benefit to cost ratio is 4.49:1;
- There is no construction activity related to this project;
- For every permanent direct job generated by this project, an additional 0.24 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is two years.

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

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

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

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The Company, a non-profit organization, shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (MWBE) Participation goal of 20% of the

total value of ESD's funding for eligible expenses, and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

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

December 19, 2013

Saranac Lake (North Country Region – Franklin County) – Trudeau Institute Working Capital – Empire State Economic Development Fund – General Development Financing (Working Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the Trudeau Institute a grant for a total amount not to exceed Five Million Dollars (\$5,000,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *



FOR CONSIDERATION

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Maplewood (Capital Region – Albany County) – Comfortex Capital – Empire State Economic Development Fund – General Development Financing (Convertible Loan)

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

General Project Plan

I. Project Summary

Borrower: Comfortex Corporation (the “Company”)

ESD* Investment: A convertible loan of up to \$400,000 to be used for a portion of the cost of the purchase of machinery and equipment.

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

Project Location: 21 Elm Street, Maplewood, Albany County

Proposed Project: The Company is renovating its facilities and installing five new Individualized Production on Demand manufacturing lines at its Maplewood plant.

Project Type: Business expansion involving job retention and creation.

Regional Council: The Capital District Regional Economic Development Council has been made aware of this item. The Incentive Offer was accepted in April 2009 predating the Regional Council Initiative. The project is consistent with the Regional Plan’s key strategy to strengthen advanced manufacturing.

Employment: Initial employment at time of ESD Incentive Offer: 200
 Current employment level: 320
 Minimum employment on/through January 1, 2019: 243

Loan Financing: The loan will provide permanent financing for a five year term at an annual interest rate of 3%, convertible to a grant over that term if required job levels are maintained.

Security: Machinery and Equipment

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Renovation	\$324,943
Machinery and Equipment	2,529,109
Engineering and Set Up	<u>2,197,444</u>
Total Project Costs	<u>\$5,051,496</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Loan	\$400,000	8%	3%/5 yrs./*
Hunter Douglas (Parent Company)	3,250,000	64%	
Company Equity	<u>1,401,496</u>	<u>28%</u>	
Total Project Financing	<u>\$5,051,496</u>	<u>100%</u>	

* First Lien on machinery and equipment valued at \$2,529,109 with a useful life of 7 years with UCC Filing

III. Project Description

A. Company

Industry: The Company manufactures and fabricates custom window treatments. It offers cellular and pleated shades, wood blinds, shutters, sheer window shading, and vertical blinds.

Company History: The Company was founded in 1986 and specialized in covering greenhouse windows. In 1995, it expanded its operations to Maplewood, NY and began manufacturing cellular and sheer products.

Ownership: The Company is privately owned.

Size: All facilities located in Maplewood, NY.

Market: The Company serves a market of homeowners through its independent retailers.

ESD Involvement: The Company approached ESD because its parent company, Hunter Douglas, was in the final stages of transferring all manufacturing operations to plants in Colorado and Arizona. The transfer put 200 jobs at risk of being lost in New York State. In an effort to keep these jobs in New York State, the Company's Research and Development staff proposed a new, more efficient method to manufacturing to its parent company, but it required a significant investment. The new method, called Individual Production on Demand (IPOD), produces individual products based upon individual customer orders with minimal scrap rate and significantly reduced labor.

The parent company was interested in this new approach to manufacturing, but there was a funding gap that had to be filled. The Company sought financial assistance to fill the funding gap and in March 2009, the Company accepted a financial Incentive Proposal from ESD. Without ESD support, it is likely that the project would not have happened in New York State.

Competition: Colorado and Arizona

Past ESD Support: Since 1986, ESD has provided assistance totaling \$319,434 to the Company for various projects. All funds have been fully disbursed and the terms were fulfilled.

B. The Project

Completion: December 2013

Activity: The Company has completed a renovation of its 104,000-square-foot manufacturing facility and acquired machinery and equipment to accommodate Individual Production on Demand manufacturing lines at the Maplewood Plant. The Company has begun its Individual Production on Demand and added jobs in order to meet customer demand.

Results: The Company will retain 200 existing jobs and create 43 new jobs. The Company has already created 120 jobs, exceeding its job creation goal.

Borrower: Christopher O'Grady, Corporate Controller
21 Elm Street
Maplewood, NY 12189
Phone: (518) 270-0790

ESD Project No.: W548

Project Team:	Origination	Arnold Will
	Project Management	Jared Walkowitz
	Legal	Antovk Pidedjian
	Contractor & Supplier Diversity	Vikas Gera
	Finance	John Bozek
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. The Borrower shall pay a commitment fee of 2% of the \$400,000 loan (\$8,000), of which half is refundable upon closing. In addition, at the time of closing, the Borrower will reimburse ESD for all out-of-pocket expenses incurred in connection with the project. Half of the commitment fee is refundable upon closing.
2. The Borrower will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Guarantees: Repayment guarantee from Comfortex Corporation parent Hunter Douglas.
4. The Borrower will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
5. Up to \$400,000 will be disbursed to the Borrower upon completion of the project substantially as described in these materials and documentation of the employment of at least 200 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available. Expenses reimbursed by ESD's loan must be incurred on or after April 28, 2009 to be considered eligible project costs.
6. Prior to disbursement, the Borrower 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 Borrower'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 Borrower to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Borrower'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 Borrower 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, 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. 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 60th month, subject to any incremental reductions in principal based upon Borrower's achievement of Job Commitments and Loan Compliance (See Conversion Terms below).

Loan will be payable in full upon maturity, but to the extent established benchmarks are achieved during the term of the loan, principal will be forgiven. Following are the benchmarks.

- Disbursement: Project completion, retain 200 jobs and create 4 new jobs.
- 20% forgiven, Year 1: at least 215 full time permanent employees.
- 40% forgiven, Year 2: at least 231 full time permanent employees.
- 60% forgiven, Year 3: at least 243 full time permanent employees.
- 80% forgiven, Year 4: at least 243 full time permanent employees.
- 100% forgiven, Year 5: at least 243 full time permanent employees.

Job Commitments:

Baseline Employment	204
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A	B
Reporting Date	Employment Goals
Anniversary Date of Loan Closing 2015	215
Anniversary Date of Loan Closing 2016	231
Anniversary Date of Loan Closing 2017	243
Anniversary Date of Loan Closing 2018	243
Anniversary Date of Loan Closing 2019	243

10. Job default shall occur if reported employment is less than eighty-five percent (85%)

of the required employment levels at the Project Location, as described in these materials. In the event of job default, ESDC will be entitled to raise the interest rate to prime Rate plus 2%, based upon the prime rate at the time of default.

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: First Lien on machinery and equipment valued at \$2,529,109 with a useful life of 7 years and UCC filing.
14. Loan to Value: ESD loan not to exceed 90% of the value of the machinery and equipment by which it is secured with a first lien, as determined in an ESD-approved appraisal. Total debt financing not to exceed 90% of value in an ESD-approved appraisal.

IV. Statutory Basis

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

As a result of this project, the Company will maintain its employment level of 200, including retention of 200 jobs which were at risk of relocation to Colorado or Arizona because its parent company was considering consolidation of manufacturing operations. In addition, the Company will create 43 new jobs.

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

The Company considered relocating its operations to Colorado or Arizona. ESD's assistance helped to reduce costs and make the project feasible in New York.

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

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

- Fiscal benefits to NYS government from the project are estimated at \$6,045,109;
- Fiscal cost to NYS government is estimated at \$400,000;
- Project cost to NYS government per direct job is \$2,363;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$1,468;
- Ratio of project fiscal benefits to costs to NYS government is 15.11:1;

- Fiscal benefits to all governments (state and local) are estimated at \$9,824,424;
- Fiscal cost to all governments is \$400,000;
- All government cost per direct job is \$2,363;
- All government cost per total job is \$1,468;
- The fiscal benefit to cost ratio for all governments is 24.56:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$43,942,565, or \$161,269 per job (direct and indirect);
- The economic benefit to cost ratio is 109.86:1;
- Project construction cost is \$324,943, which is expected to generate three direct job years and two indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.61 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.)

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

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

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The Company will be encouraged to use its best efforts to include minorities and women in any job opportunities created by the Project, and to solicit and utilize minority and women-owned business enterprises 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

December 19, 2013

Maplewood (Capital Region – Albany County) – Comfortex Capital – Empire State Economic Development Fund Capital – General Development Financing (Convertible Loan) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions

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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Comfortex Corporation a loan for a total amount not to exceed Four Hundred Thousand Dollars (\$400,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer 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 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 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

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Lake Katrine (Mid Hudson Region – Ulster County) – Bread Alone MAP Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Bread Alone, Inc. (“Bread Alone” or the “Company”)

ESD* Investment: A grant of up to \$240,000 to be used for a portion of the cost of real estate acquisition.

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

Project Location: 2121 Ulster Avenue, Lake Katrine, Ulster County

Proposed Project: The Company is purchasing, renovating, and equipping a 26,000-square-foot building in Lake Katrine.

Project Type: Business expansion involving job retention and creation.

Regional Council: The Mid Hudson Regional Council has been made aware of this item. The Incentive Offer was accepted in September 2011. The project is consistent with the Regional Strategic Plan to undertake initiatives to retain and stimulate more mature industries such as distribution, manufacturing, financial and professional services, food and beverage, and health care

Employment:	Initial employment at time of ESD Incentive Offer:	0
	Current employment level:	64
	Minimum employment through January 1, 2017:	62*

*Including 17 new employees and 45 retained employees; new employees cannot be transferred from retail locations.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Real Estate Acquisition	\$900,000
Construction/Renovation	1,100,000
Machinery and Equipment	1,400,000
Soft and Other Project Costs	<u>250,000</u>

Total Project Costs \$3,650,000

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Grant	\$240,000	7%	
Kinderhook Bank	2,895,000	79%	Rate* /21 yrs/ lien on RE and Property
Company Equity	<u>515,000</u>	<u>14%</u>	
Total Project Financing	<u>\$3,650,000</u>	<u>100%</u>	

* Months 1-12 2.0%; months 13-252 monthly payments on principal and interest, for the 20 year balance of the original 20 year term, on a 20 year amortization schedule; beginning month 13 the interest rate will reset and continue to reset every 5 years to the then 5 year Federal Home Bank of New York advanced rate (1.31% as of 8/22/12) + 2.50% with a floor throughout the entirety of the loan of 4.0%.

III. Project Description

Manufacturing is the most significant wealth-creating and value-adding sector of the NYS economy outside of the New York City metropolitan area. The purpose of the ESD's Manufacturing Assistance Program ("MAP") is to encourage New York State manufacturers to invest in projects that substantially improve the competitiveness and productivity of their operations, thus increasing their long-term viability and ensuring the health of the state's manufacturing economy.

A. Company

- Industry:** Bread Alone is an organic, artisan bakery that produces a variety of hearth-baked breads and rolls, cakes and pastries, and other bakery products such as granola.
- Company History:** Bread Alone opened in 1983 and is one of the most recognizable names among NY-area artisan bakeries. Bread Alone continues to distinguish itself from competitors as the preeminent certified organic artisan bakery in the region.
- Ownership:** The Company is privately owned business corporation.
- Size:** Bread Alone currently operates three retail locations in Boiceville, Woodstock, and Rhinebeck, NY.
- Market:** Bread Alone products are available at farmers' market stands and stores throughout the tri-state area.
- ESD Involvement:** Bread Alone experienced an increase in productivity and planned to expand its operations to a new facility in either New York or New Jersey. In 2011, the Company applied for ESD assistance to close a financing gap and to help secure funding from Kinderhook Bank. To encourage the Company to continue to grow in New York State and create and retain jobs in the Mid Hudson Region, ESD provided the Company with an Incentive Proposal of a \$240,000 capital grant which was accepted in September 2011.
- Competition:** New Jersey
- Past ESD Support:** This is the Company's first project with ESD.

B. The Project

- Completion:** October 2013
- Activity:** Bread Alone began planning its expansion in June 2011. The real estate search for the 26,000-square-foot-building began shortly thereafter. Bread Alone purchased the building for the new bakery in Lake Katrine in October 2012. Architectural planning, fund raising, and equipment purchases happened in tandem with the building purchase, and renovations began in December 2012.
- Bread Alone began commercial production in the new bakery in October 2013. In the Spring of 2014, Bread Alone plans to open a retail store at

the Project Site. This will be Bread Alone's 4th retail location.

Results: The Company will retain 45 existing jobs and create 17 new jobs.

Grantee Contact: Nels Leader, Vice President
PO Box 719
Lake Katrine, NY 12449
Phone: (845) 481-4750

ESD Project No.: X536

Project Team:	Origination	Paul Taxter
	Project Management	Glenda Wenerski
	Contractor & Supplier Diversity	Denise Ross
	Environmental	Soo Kang

C. MAP Project Findings and Outcomes

This project qualifies as a Manufacturing Assistance Program project because the Company i) is a resident New York State manufacturer with between 50 and 1,000 employees; ii) exports at least 30% of its production beyond its region or provides at least 30% of its production to a manufacturer that exports beyond the Company's region; and iii) is making a substantial investment of at least \$1,000,000 in order to improve its competitiveness and productivity and thereby enhance its long-term viability in the State of New York.

The project is expected to produce the following measurable outcomes for the Company:

Primary Outcomes:

- 1) A 50% increase in pastry production, from 1,066,666 pastries per year to 1,599,999 pastries per year.
- 2) A 20% increase in savory production, from 29,000 savory per year to 34,800 savory items per year.
- 3) A 25% increase in bread production, from 1,750,000 bread loaves per year to 2,187,500 bread loaves per year.

Secondary Outcomes:

- 1) Reduction of energy costs from \$11,459 per month to \$5,093, a decrease of 56%.
- 2) Reduction in transportation miles from 31,928 to 0, a decrease of 100%.
- 3) Reduction in flour waste yards per year from 1,460 to 834, a decrease of 43%.

Total estimated value of competitiveness and project outcomes: \$2,273,088 annually.

D. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$240,000 capital grant (\$2,400) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$240,000 will be disbursed to the Grantee in two installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$120,000) will be disbursed upon documentation of project costs totaling \$2,500,000, and documentation of the employment of at least 45 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of 50% of an amount equal to the grant (\$120,000) will be disbursed upon documentation verifying additional project expenditures of \$1,000,000 (\$3,500,000 cumulatively), upon documentation verifying the production of 980,000 commercially acceptable loaves of bread in a six-month period, and upon documentation of the employment of at least 62 Full-time Permanent Employees at the Project Location, provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or

after September 15, 2011, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$240,000, 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	0
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A	B
Reporting Date	Employment Goals
February 1, 2015	0+X+Y
February 1, 2016	0+X+Y
February 1, 2017	0+X+Y

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=45, and Employment Goals shall equal [0 + X = 45] if the Initial Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Initial Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. Y=17, and Employment Goals shall equal [0 + X + Y = 62] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then Y=0.

IV. Statutory Basis

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

As a result of this project, the Company will make significant investment in its manufacturing facility, thereby ensuring its continued viability and the retention of 45 employees and the creation of 17 new jobs. In addition, this project will help make the Company more competitive, and thus increase the economic viability of the state's manufacturing industry.

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

Without ESD assistance, this project would likely have been relocated to an existing facility in New Jersey.

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

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

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

- Fiscal benefits to NYS government from the project are estimated at \$4,819,984;
- Fiscal cost to NYS government is estimated at \$655,357;
- Project cost to NYS government per direct job is \$10,240;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$5,061;
- Ratio of project fiscal benefits to costs to NYS government is 7.35:1;
- Fiscal benefits to all governments (state and local) are estimated at \$8,494,984;
- Fiscal cost to all governments is \$655,357;
- All government cost per direct job is \$10,240;
- All government cost per total job is \$5,061;
- The fiscal benefit to cost ratio for all governments is 12.96:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$44,487,811, or \$343,547 per job (direct and indirect);
- The economic benefit to cost ratio is 67.88:1;
- Project construction cost is \$3,455,000, which is expected to generate 24 direct job years and 12 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.04 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is two years.

*The results represent the overall benefit cost estimates for Phases I and II of this development.

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

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

V. Environmental Review

The Town of Ulster Planning Board, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on June 19, 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. Non-Discrimination and Contractor & Supplier Diversity

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

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

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

VIII. Additional Submissions to Directors

Resolutions
New York State Map
Benefit-Cost Analysis

Lake Katrine (Mid Hudson Region – Ulster County) – Bread Alone MAP Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Bread Alone, Inc. a grant for a total amount not to exceed Two Hundred and Forty Thousand Dollars (\$240,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

December 19, 2013

Lake Katrine (Mid Hudson Region – Ulster County) – Bread Alone MAP Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *



FOR CONSIDERATION

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Discretionary Projects Consent Calendar

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

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

Empire State Economic Development Fund

	Project Name	Proj #	Grantee	Assistance up to
	General Development Financing Projects			
A	Oneida Molded Plastics Capital	X383	Oneida Molded Plastics, LLC	\$100,000
B	Fort Drum Army Compatible Use Buffer Program Capital	Y734	Tug Hill Tomorrow Land Trust	100,000
			TOTAL	\$200,000

Economic Development Purposes Fund

	Project Name	Proj #	Grantee	Assistance up to
C	Mohawk Valley EDGE - Working Capital	Y685	Mohawk Valley EDGE	\$55,000
			TOTAL	\$55,000

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

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

Environmental Review

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

Office of Contractor and Supplier Diversity

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

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

Reallocation of Funds

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

ESD Employment Enforcement Policy

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

Statutory Basis:

A. Empire State Economic Development Fund

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

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

B. Economic Development Purposes Fund

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

Attachments

New York State Map
Resolutions
Project Summaries

December 19, 2013

Empire State Economic Development Fund – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General Project Plans; Authorization to Make Grants and to Take Related Actions

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

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

RESOLVED, that with respect to the General Development Financing Capital Project, the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project 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 amount listed below from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

Empire State Economic Development Fund

	Project Name	Proj #	Grantee	Assistance up to
	General Development Financing Projects			
A	Oneida Molded Plastics Capital	X383	Oneida Molded Plastics, LLC	\$100,000
B	Fort Drum Army Compatible Use Buffer Program Capital	Y734	Tug Hill Tomorrow Land Trust	100,000
			TOTAL	\$200,000

and be it further

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

* * *

December 19, 2013

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

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 Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plans (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 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
C	Mohawk Valley EDGE - Working Capital	Y685	Mohawk Valley EDGE	\$55,000
			TOTAL	\$55,000

and be it further

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

* * *

B. Fort Drum Army Compatible Use Buffer Program Capital (Y734)

December 19, 2013

General Project Plan

- Grantee:** Tug Hill Tomorrow Land Trust (“THTLT” or the “Organization”)
- ESD Investment:** A grant of up to \$100,000 for a portion of the costs to administer and acquire land conservation easements on buffer lands around Fort Drum as part of the Army Compatible Use Buffer Program (“ACUB”).
- Project Locations:** Town of Champion, Jefferson County
Town of Denmark, Lewis County
- Proposed Project:** Tug Hill Tomorrow Land Trust will acquire land conservation easements on buffer lands around Fort Drum as part of the Army Compatible Use Buffer Program.
- Project Type:** Base Retention Capital
- Regional Council:** The North Country Regional Economic Development Council has been made aware of this item. The project is consistent with the Regional Plan to support existing employers and to provide community support for sustaining and expanding Fort Drum.

Background:

Industry – Land Conservation

Grantee History - Tug Hill Tomorrow Land Trust was formed in 1991 to serve the Tug Hill region and surrounding areas. THTLT’s mission is to protect the working lands of the Tug Hill region and foster responsible stewardship practices of working forest, farm, recreation and wild lands in northern New York. The Tug Hill region cover parts of Jefferson, Lewis, Oneida and Oswego counties. THTLT provides conservation planning, land registry and conservation easement programs for landowners, as well as educational materials and presentations for interested groups. To date, THTLT has protected 12,588 acres through conservation easements and was accredited by the Land Trust Accreditation Commission in 2009.

Since 2009, THTLT has been partnering with the Army at Fort Drum on the ACUB. The ACUB has been a major part of THTLT land protection work for the past 4 years. THTLT has protected almost 3,500 acres around Fort Drum and has created good working relationships with the farming community and other partners. THTLT is on track to protect an additional 1,027 acres by the end of 2013.

B. Fort Drum Army Compatible Use Buffer Program Capital (Y734)

December 19, 2013

ESD Involvement - Sustaining Fort Drum is a North Country regional priority. Fort Drum is estimated to be a \$1.4 billion annual economic driver in the North Country. Closure or loss of training capacity at Fort Drum would have a significant economic impact in the North Country. The ACUB will have a direct Impact on the sustainability of Fort Drum by limiting the encroachment on land for training missions and growing the base. In December 2013, ESD provided a \$100,000 grant to assist with cost of acquiring the easements.

Ownership - Tug Hill Tomorrow Land Trust is a 501 (c) 3 not-for-profit organization.

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

The Project:

Completion – December 2013

Activity – Tug Hill Tomorrow Land Trust will acquire land conservation easements on buffer lands around Fort Drum as part of the Army Compatible Use Buffer Program. The project includes the purchase of development rights, appraisals, Phase 1 Environmental Review, title work, attorney fees, baseline documentation reports, stewardship fees and staff time. Each land conservation easement project has transaction costs and additional stewardship fees that vary with property size.

Tug Hill Tomorrow Land Trust is working with Fort Drum's Department of the Army to implement the ACUB. Technical support is also being provided by the New York State Tug Hill Commission, New York State Department of Environmental Conservation, and Development Authority of the North Country.

Results – The project will result in agricultural conservation easements on farmlands totaling 166 acres. The easements will limit the future development of the property and makes it available for agriculture. The easements will also provide an important buffer area under a major airplane fly over pathway for Fort Drum, which will maintain its present and future training capability.

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

B. Fort Drum Army Compatible Use Buffer Program Capital (Y734)

December 19, 2013

Financing Uses	Amount	Financing Sources	Amount	Percent
Conservation Easements	\$1,696,400	ESD Grant (Y734)	\$100,000	5%
Transaction fees	250,000	ESD Grant (Y717)*	400,000	21%
		U S Army	1,393,900	72%
		Grantee Equity	52,500	2%
Total Project Costs	\$1,946,400	Total Project Financing	\$1,946,400	100%

*Local Assistance -Base Retention funding to be considered by the ESD Board under a separate action on December 19, 2013.

Grantee Contact - Linda Garrett, Executive Director
P.O. Box 6063
Watertown NY 13601
Phone: (315) 779-8240

Project Team - Origination Roseanne Murphy
 Project Management John Vandello
 Contractor & Supplier Diversity Elizabeth Gocs
 Environmental Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee is obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$100,000 will be disbursed to Grantee upon documentation of the acquisition of Fort Drum buffer lands conservation easements for one farm property totaling 166 acres of farmland in the Town of Champion in Jefferson County and documentation for project costs totaling \$446,000, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must have been incurred after April 1, 2013, the date that the New York State budget, in which the project is authorized, was passed.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the

B. Fort Drum Army Compatible Use Buffer Program Capital (Y734)

December 19, 2013

total amount of assistance approved by the Directors.

Statutory Basis – Empire State Economic Development Fund:

1. The project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the State or would enhance or help to maintain the economic viability of family farms.
As a result of this project, Fort Drum employment is expected to remain stable or increase, family farms will remain operative, and farm employment is expected to increase.
2. The project would be unlikely to take place in New York State without the requested assistance.
ESD assistance is needed to fill a financing gap in funding by Tug Hill Tomorrow Land Trust for conservation of agricultural land in cooperation with the Army Compatible Use Buffer Program.
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.
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.
4. The requirements of Section 10(g) of the Act are satisfied.
See cover memo.

Environmental Review:

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

Non-Discrimination and Contractor and Supplier Diversity:

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

B. Fort Drum Army Compatible Use Buffer Program Capital (Y734)

December 19, 2013

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 the staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.

December 19, 2013

Champion/Denmark (North Country Region – Jefferson and Lewis Counties) – Fort Drum Army Compatible Use Buffer Program Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Fort Drum Army Compatible Use Buffer Program Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

C. Mohawk Valley EDGE – Working Capital (Y685)

December 19, 2013

- Grantee:** Mohawk Valley EDGE (“MVEDGE” or the “Organization”)
- ESD Investment:** A working capital grant of up to \$55,000 to retain a consultant to conduct a regional high technology workforce assessment.
- Project Location:** 584 Phoenix Drive, Rome, Oneida County
- Proposed Project:** Retain an outside consultant to perform a regional high technology workforce assessment.
- Project Type:** Workforce assessment
- Regional Council:** The Mohawk Valley Regional Economic Development Council has been made aware of this item. The Incentive Offer was accepted in October 2013. The project is consistent with the Mohawk Valley Regional Plan to build a diverse, integrated and dynamic economy that leverages technology and innovation.

Background:

Industry – Business and Economic Development

Organization History – MVEDGE is Mohawk Valley’s primary marketing organization and works with businesses that are considering expansion opportunities in Upstate New York. MVEDGE spearheaded the redevelopment of the Griffiss Business and Technology Park in Rome, which has leveraged more than \$480 million in public and private investment. The Organization is also leading the planning efforts to reposition the former Oneida County Airport site and the Oneida County Industrial Park in Oriskany for future economic development and is the designated developer for the Marcy Nanocenter.

Ownership – MVEDGE is a New York State 501(c)3 not-for-profit corporation.

Size – All facilities are located in Rome, NY.

ESD Involvement – The Organization sought ESD assistance for funding to prepare an assessment to support workforce initiatives in the Mohawk Valley Region. As a result, ESD provide the Organization with an Incentive Proposal which was accepted in October 2013 for its project. The workforce initiative will benefit ‘Nano Utica,’ the state’s second major hub of nanotechnology research and development, an effort that was announced by Governor Cuomo in October 2013.

C. Mohawk Valley EDGE – Working Capital (Y685)

December 19, 2013

Past ESD Support – Since 1995, the ESD Directors has approved approximately \$21 million in loans and grants to MVEDGE for a variety of capital, training and community development projects. All projects are complete or in compliance with ESD requirements.

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

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
LOCAL ASST - Base Retention	Y069	\$300,000	January 2013	December 2014	Working Capital - Technical study, Web site development, and other cyber security research-related start up activities.
Economic Transformation Program	X623	\$5,000,000	February 2013	December 2014	Capital Grant Construct an access road to the Marcy Nanocenter at SUNYIT.
	X624	\$5,000,000	February 2013	December 2014	Capital Grant – Replace sewer collection pipe from the Marcy Nanocenter site to the Oneida County Sewage Treatment

The Project:

Completion – December 2013

Activity –The Organization has retained a consultant to conduct a regional high technology workforce assessment. The selected consultant is Site Selection Group LLC (“SSG” or the “Consultant”). The scope of work is divided into two phases. Phase I entails an existing study review, whereby SSG will review all existing workforce material made available, and formulate an executive summary to promote the region’s workforce and address the needs of a large-scale electronics manufacturing operation. During Phase II, SSG will conduct employee surveys that will analyze employer metrics including quality, wages and commuting patterns of the current available workforce. This work shall be done to assist in the evaluation of local workforce preparedness, quality, and availability for large electronics and semiconductor manufacturing in the Mohawk Valley region.

C. Mohawk Valley EDGE – Working Capital (Y685)

December 19, 2013

Results – This assessment, along with future workforce development activities carried out by EDGE as a result of this assessment, will help position and prepare the Mohawk Valley to attraction a semiconductor manufacturer and related businesses.

Upon the completion and review of the workforce assessment conducted by SSG, MVEDGE will plan and carry out other activities that further assess, advance, and prepare the local workforce to meet the needs of high-tech manufacturing employers.

Financing Uses	Amount	Financing Sources	Amount	Percent
Phase I: Working Capital (Study)	\$21,500	ESD Grant	\$55,000	100%
Phase II: Future workforce capacity--building efforts	\$27,500			
Soft Costs	\$6,000			
Total Project Costs	\$55,000	Total Project Financing	\$55,000	100%

Grantee Contact – Steven J. DiMeo, President
584 Phoenix Drive
Rome, NY 13441
Phone: (315) 338-0393

Project Team –

Origination	Jeff Janiszewski
Project Management	Glenda Wenerski
Contractor & Supplier Diversity	Denise Ross
Environmental	Soo Kang

Financial Terms and Conditions:

1. The Organization will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. Up to \$55,000 will be disbursed to Grantee in arrears 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. All project expenditures must have been incurred on or after October 2, 2013, the date of the announcement. All disbursements must be requested by April 1, 2015.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$300,000, 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.

C. Mohawk Valley EDGE – Working Capital (Y685)
December 19, 2013

Statutory Basis – Economic Development Purposes Fund

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

Non-Discrimination and Contractor & Supplier Diversity:

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

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

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Troy (Capital Region – Rensselaer County) – The United Group of Companies 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; Adoption of Findings Pursuant to the State Environmental Quality Review Act

General Project Plan

I. Project Summary

Grantee: The United Group of Companies, Inc. (the “Company”)

ESD* Investment: A grant of up to \$2,500,000 to be used for a portion of the cost to construct a 100,000-square-foot parking deck and 20,000 square feet of green space.

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

Project Location: 1520 6th Avenue, Troy, Rensselaer County

Proposed Project: Construction of a parking garage and green space to support City Station, a \$42 million development effort connecting downtown Troy with Rensselaer Polytechnic Institute and creating student and multi-family housing, parking, retail and recreational space.

Project Type: Infrastructure development

Regional Council: This is a priority project for the Capital Region Economic Development

Council (“CREDC”) that will leverage existing partnerships while building new collaborations across academia, the private sector and government to make the Capital Region a destination of choice. The project also furthers the goal of bringing cities to life by capitalizing on urban centers rich with history and returning them to centers of influence alive with business, residential, and cultural programs.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Real Estate Acquisition	\$1,708,991
Construction	31,390,496
Machinery and Equipment	1,415,291
Planning and Design	3,560,485
Marketing, Outreach, Advertising	85,807
Development Costs	4,027,588
Pre-opening Expenses	<u>127,017</u>

Total Project Costs \$42,315,676

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Grant	\$2,500,000	6%	
Chemung Canal Trust Company Loans:			
City Station West	13,840,000	33%	4.75%/7years/Real Estate
City Station South	7,631,384	18%	4.97%/7years/Real Estate
City Station East	385,000	1%	5.5%/7years/FF&E
City Station East	11,272,000	26%	5.5%/7years/Real Estate
Payables*	730,000	2%	
Company Equity	<u>5,957,292</u>	<u>14%</u>	
Total Project Financing	<u>\$42,315,676</u>	<u>100%</u>	

*Represents two payments due to professionals that were involved in the development

III. Project Description

A. Company

Industry: The United Group of Companies, Inc. is a commercial real estate development company that specializes in concept design, financing, construction supervision, marketing, and management.

Company History: The United Group of Companies was founded in 1978 by Walter Uccellini, a graduate of Rensselaer Polytechnic Institute and developer of

senior rental and multi-family housing projects. The Company has since grown into a diversified commercial real estate development firm with over \$2 billion in projects .

- Ownership:** The project is owned by City Station East, LLC, one of three LLCs that together make up the \$42 million City Station development effort in Troy. City Station East, LLC is 99.99% owned by the United Group of Companies, Inc. and .01% owned by Michael Uccellini. The United Group of Companies is in a trust that is owned by heirs of the Walter Uccellini estate.
- Size:** The firm has 180 employees at offices in New York (Troy, Watertown and New York City) and in Florida.
- Market:** The Company's develops residential, mixed use, and commercial real estate.
- ESD Involvement:** City Station is a multi-phased transformational project connecting historical downtown Troy to Rensselaer Polytechnic Institute through the creation of living accommodations for students and families, amenities and recreational space. Phase one of the project, City Station West, was completed in 2011 and phase two, City Station South, was completed in 2012. As a result of the Governor's Regional Economic Development Council Initiative, the Company was awarded funding through round one of the Consolidated Funding Application process to construct the garage and green space as components of phase three of the project known as City Station East. The third phase will contribute further to the revitalization of downtown Troy by creating much needed parking and aesthetically pleasing surroundings for visitors and residents.
- Past ESD Support:** This is the Company's first project with ESD.

B. The Project

- Completion:** August 2013
- Activity:** The project included the construction of a 100,000-square-foot parking garage adjacent to a five-story mixed use building. The project also created 34,000 square feet of green space, including a 16,000-square-foot area adjacent to the parking garage with seating and a gazebo. Another 18,000-square-foot area was constructed on the south side of the City Station development project and includes a playground for residents. The project completes the three-phase City Station development effort by providing much needed parking and recreational space for residents and visitors to downtown Troy.

Results: Completion of the City Station East project has resulted in the creation of 240 parking spaces and recreational and seating areas for students attending Rensselaer Polytechnic Institute, their families, and visitors to downtown Troy to enjoy. It supports development efforts by the City of Troy to transform its downtown into a livable, workable community. The project also contributes to ongoing efforts by Rensselaer Polytechnic Institute to attract talent to the area by offering appealing housing accommodations and amenities within close proximity to the campus.

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 \$2,661,828;
- Fiscal cost to NYS government is estimated at \$2,500,000;
- Ratio of project fiscal benefits to costs to NYS government is 1.06:1;
- Fiscal benefits to all governments (state and local) are estimated at \$4,647,446;
- Fiscal cost to all governments is \$2,500,000;
- The fiscal benefit to cost ratio for all governments is 1.86:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$33,543,804;
- The economic benefit to cost ratio is 13.42:1;
- Project construction cost is \$39,000,000, which is expected to generate 352 direct job years and 249 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.56 indirect job is anticipated in the state's economy.

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

definitions.)

Grantee Contact: Michael J. Uccellini, President
300 Jordan Road
Troy, NY 12180
Phone: (518) 687-7300

ESD Project No.: X805

Project Team:	Origination	Arnie Will
	Project Management	Linda Dillon
	Legal	Antovk Pidedjian
	Contractor & Supplier Diversity	Elizabeth Gocs
	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 \$2,500,000 capital grant (\$25,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$2,500,000 will be disbursed to Grantee upon project completion as evidenced by documentation of construction project costs totaling \$3,000,000 and a certificate of occupancy, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after June 20, 2012, to be considered eligible project costs.
5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

6. Grant funds will be subject to pro rata recapture a) if the property at the Project Location is sold, or b) if the Grantee assigns or transfers its rights or obligations without ESD's written approval, 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;
 - (i) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
 - (ii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
 - (iii) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
 - (iv) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

IV. Statutory Basis – Regional Council Capital Fund

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

V. Environmental Review

ESD (the "Corporation"), pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), ratifies and makes the following findings based on the Final Generic Environmental Impact Statement ("FGEIS") certified as complete on November 5, 2009 by the Troy City Council, as lead agency, in connection with the Congress Street and Ferry Street Corridor Master Plan with Zoning Amendments, also known as the City Station Project (the "proposed action").

SEQRA requires the adoption of written findings, supported by a statement of relevant facts and conclusions considered, prior to agency decisions on actions that have been the subject of an FGEIS. The Findings Statement, attached as Exhibit A, contains the facts and conclusions in the Draft Generic Environmental Impact Statement ("DGEIS") and FGEIS relied upon to support the Corporation's decision on the action that is the subject of the requested authorization.

The findings that the Corporation hereby ratify and make are that:

- The Corporation has given consideration to the DGEIS and FGEIS;

- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the proposed action is one that avoids or minimizes significant adverse environmental effects to the maximum extent practicable, including the effects disclosed in the relevant environmental impact statement;
- Consistent with social, economic and other essential considerations to the maximum extent practicable, any significant adverse environmental effects revealed in the environmental impact statement process as a result of the proposed action will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigative measures which were identified as practicable;
- The proposed action is in compliance with Section 14.09 of the State Historic Preservation Act.

Therefore it is recommended that the Corporation ratify and adopt the SEQRA Findings Statement attached as Exhibit A.

VI. Non-Discrimination and Contractor & Supplier Diversity

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

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

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

December 19, 2013

Regional Council Award – Priority Project – Troy (Capital Region – Rensselaer County) – The United Group of Companies Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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 The United Group of Companies Capital – Regional Council Capital Funds (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 United Group of Companies, Inc. a grant for a total amount not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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

* * *

December 19, 2013

Regional Council Award – Priority Project – Troy (Capital Region - Rensselaer County) –
The United Group of Companies Capital – Regional Council Capital Fund – Adoption of
Findings Pursuant to the State Environmental Quality Review Act

RESOLVED, that with respect to the City Station Project, the Corporation hereby makes and adopts pursuant to the State Environmental Quality Review Act (“SEQRA”) the following findings and determinations, which findings and determinations are made after full consideration of the Findings Statement attached as Exhibit A hereto, which Exhibit A is hereby adopted by the Corporation and copies of which document are hereby filed with the records of the Corporation.

- The Corporation has given consideration to the Draft and Final Generic Environmental Impact Statement (“DGEIS” and “FGEIS”, respectively) prepared for the Congress Street and Ferry Street Corridor Master Plan with Zoning Amendments, also known as the City Station Project;
- The requirements of the SEQRA process, including the implementing regulations of the New York State Department of Environmental Conservation, have been met;
- Consistent with social, economic and other essential considerations from among the reasonable alternatives available, the Project is one that avoids or minimizes adverse environmental effects to the maximum extent practicable, including the effects disclosed in the FGEIS and the Findings Statement;
- Consistent with social, economic and other essential considerations, to the maximum extent practicable, adverse environmental effects revealed in the environmental impact statement process will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigation measures described in the FGEIS and the Findings Statement; and
- The Project is in compliance with Section 14.09 of the State Historic Preservation Act;

and be it further

RESOLVED, that the President and Chief Executive Officer or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to comply with the requirements of SEQRA in connection with the Project.

* * *

**Project Summary
Benefit-Cost Evaluation1**

The United Group of Companies, Inc. -Infrastructure Investment

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits reported in the table below typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the table typically reflects only construction-related activity. Benchmarks for each type of project are noted in the footnotes.

Construction Job Years (Direct): 352

Construction Job Years (Indirect): 249

Evaluation Statistics	Project Result NYS Govt.	NYS Govt. Benchmarks for ESD Projects ²	Project Results State & Local Governments	State & Local Government Benchmarks for ESD Projects
Fiscal Costs³	\$2,500,000	\$794,250	\$2,500,000	\$1,020,500
Fiscal Benefits⁴	\$2,661,828	\$2,085,600	\$4,647,446	\$4,271,980
Fiscal B/C Ratio	1.06	3.00	1.86	10.60
	Project Results	Benchmarks for ESD Projects		
Economic Benefits⁵	\$33,543,804	\$119,468,000		
Economic B/C Ratio	13.42	30.00		

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

² The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 30.00 (Economic).

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

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

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



EXHIBIT A

STATE ENVIRONMENTAL QUALITY REVIEW FINDINGS STATEMENT

Congress Street and Ferry Street Corridor Master Plan with Zoning Amendments (a.k.a. City Station Project)

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

December 19, 2013

The New York State Urban Development Corporation, doing business as Empire State Development (“ESD”), as an involved agency in the environmental review conducted pursuant to the State Environmental Quality Review Act (“SEQRA”), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), makes the following Findings based on the Final Generic Environmental Impact Statement (“FGEIS”) dated November 5, 2009 prepared by the lead agency, the Troy City Council, in connection with the Congress Street and Ferry Street Corridor Master Plan with Zoning Amendments (the “Project”) in the City of Troy, Rensselaer County, New York.

Name of Action: Congress Street and Ferry Street Corridor Master Plan with Zoning Amendments (also known as the City Station project)

Description of Action: The goal of the Congress Street and Ferry Street Corridor Master Plan and Zoning Amendment (the “Action” or “Plan”) is to create a development strategy for 16 acres of vacant land between Sixth Avenue and Eighth Street and Congress Street and Ferry Street (the “Corridor” or “District”) in downtown Troy. The Plan provides for a reasonable economic return for the City and the developer, and increases the quality of life for Troy residents.

To accomplish this goal the Plan includes private development, transportation improvements, and a zoning change. The Action will result in a direct positive impact, as the City of Troy will have a clear plan and the regulatory tools in place to guide appropriate urban mixed-use development within the Congress Street and Ferry Street Corridor.

The private development will include 500 residential units, up to 400 additional residential units for student housing, approximately 30,000 square feet of retail space, an entertainment

venue, accommodations for public open space, restaurants, a structured parking facility, and a mix of public and private office space. Transportation improvements include improvements to Eighth Street and Sixth Avenue where they intersect with the Corridor. The zoning will change from a primarily B-5 Highway Commercial and B-4 Central Commercial District to a Form Based Model of zoning.

ESD's action involves the approval of funding to the United Group of Companies, the developer of the City Station Project, to fund a portion of the cost for construction of the parking facility and public open space at the Project site.

Location: Congress Street at the intersection of Ferry Street

Date Final Generic Environmental Impact Statement Accepted: November 5, 2009

FACTS AND CONCLUSIONS IN THE FGEIS RELIED UPON TO SUPPORT THE DECISION

SEQRA Process

The Troy City Council, the lead agency for the proposed Project, conducted a coordinated review pursuant to SEQRA. A Draft Generic Environmental Impact Statement ("DGEIS") was accepted by the Troy City Council on October 1, 2009 and a Notice of Completion was issued. The DGEIS was properly filed with all involved and interested agencies and made available for public review. A public comment period for submitting written comments was held open until October 22, 2009. A Final Generic Environmental Impact Statement ("FGEIS") was accepted by the Troy City Council on November 5, 2009 and a Notice of Completion was issued. The FGEIS was properly filed with all involved and interested agencies and made available for public review. The Troy City Council issued a SEQRA Statement of Findings on December 3, 2009.

PROBABLE IMPACTS OF THE PROPOSED ACTION

Land Use and Zoning

The Action will result in positive land use impacts by converting an underutilized urban corridor into vibrant mixed-use community. The Action will facilitate a land use change within the District from vacant and underutilized site to a developed and efficient urban area. The intensity and density of uses allowed would increase compared to the existing zoning regulations. These changes are considered a positive impact when compared to the current land use patterns and the type of development that existing regulations would allow. The primary zoning district is B-5 Highway Commercial and B-4 Central Commercial which allows large-scale retail/wholesale uses with large surface parking lots. This development pattern is more suburban and automobile-dependent. The proposed form-based code stresses the built environment and is designed to create a vibrant downtown. The Action will facilitate a change from underutilized urban land to a revitalized urban corridor with improved pedestrian connections, which will benefit Troy's central business district. Therefore, no significant adverse impacts on land use and zoning are expected as result of the Project.

Geology and Topography

During construction, with the steep slopes prevalent in the District, there is an increase in the potential for stormwater runoff, erosion and water quality degradation. These potential impacts are greatest during construction periods when soils are without any vegetative cover. However, these potential impacts exist under the current zoning and are not unique to the implementation of Master Plan and zoning amendments.

The Action will facilitate more efficient use of land within the District and is likely to result in less large surface parking lots and more centrally located parking structures and/or garages. This will limit the amount of impervious surfaces and allow for a greater concentration of structures, which may utilize green roofs and other alternative stormwater measures that limit and control runoff.

Development will be required to comply with applicable NYSDEC stormwater regulations for land disturbances over one acre. In addition, all projects proposed for the District will be subject to applicable City stormwater and land use regulations as well as other applicable local, state and federal regulations, which will address potential impacts, related to runoff, erosion and water quality. Therefore, no significant adverse impact related to geology and topography is expected as result of the Project.

Noise and Vibration

Due to the prevalence of bedrock throughout the District, blasting is likely to be required during construction, which will result in noise and vibration impacts on adjacent and nearby properties. Properties within 500 ft of the development site limits may be more susceptible to experience minor vibrations related to the removal of bedrock. However, as detailed in the FGEIS, blasting will be controlled and limited in accordance with applicable codes and regulations to minimize noise and vibration impacts. Again, these potential impacts exist under the current zoning, which permits development that may also require blasting due to the prevalent bedrock conditions. Therefore, no significant adverse noise and vibration impacts are expected as result of the Project.

Water Resources

According to the published Federal Emergency Management Agency's (FEMA) Flood Insurance Rate Map (FIRM) for the City of Troy, Rensselaer County, a small section of the District's western area is within the 100-year floodplain. This area contains two existing buildings and a portion of grassed area between Congress and Ferry Streets. The 500-year floodplain occupies additional areas of the western portion of the District.

The Flood Insurance Study (FIS), Community No. 360677, dated 1979, indicated that the area of the District in the 100-year floodplain is within what is termed the floodway fringe. The floodway fringe is that portion of the flood plain that could be completely obstructed without

increasing the water surface elevation of the 100-year floodplain by more than 1 foot. In addition, development is currently allowed within the 100-year flood plain under the existing zoning subject to applicable regulations. The Action would continue to allow development in this area and would not facilitate a major change in the development patterns within the floodplain. Any future development proposed within the floodplain will need to be implemented in accordance with relevant local, state and federal regulations to ensure significant impacts are avoided or mitigated to the maximum extent practicable.

The District is not located within a Coastal Area as defined by the NYS Department of State Coastal Zone Management regulations, 19 NYCRR Part 600. Therefore, the Action or any development project undertaken in accordance with the FBC will not need to be evaluated with respect to potential impacts to the waterway area and for consistency with the Inland Water Act.

There are no streams or other surface water resources or wetlands subject to NYSDEC jurisdiction within or near the District. A field survey of the site confirmed the absence of water resources and the absence of wetlands under the jurisdiction of the ACOE.

The Hudson River, a Class C water body pursuant to the NYSDEC, is located approximately 1/3 of a mile to the west of the District and separated by a built urban environment. While the Action could indirectly result in increased impervious surfaces and potentially increase runoff, no significant adverse impacts on water resources are expected as there are no wetlands, streams or other surface water resources in the Project area.

Transportation Resources

The current transportation resources in the Project area were evaluated as part of the proposed reconstruction of Congress Street and Ferry Street Project and detailed in the July 2008 Final Design Report completed by Creighton Manning Engineering, LLP (CME), included in Appendix A of the FGEIS. As part of that study, CME needed to measure existing traffic volumes, estimate them for the chosen alternative design, and project those volumes for ten and twenty year periods. The proposed reconstruction is also discussed in the Master Plan. The Final Design Report evaluated the following intersections:

- Congress Street/5th Avenue
- Congress Street/6th Avenue
- Congress Street/7th Avenue
- Congress Street/8th Street/Ferry Street
- Ferry Street/5th Avenue

The Final Design Report demonstrates that with an increase in traffic volumes of greater than 20%, the above intersections would operate at a level of service (LOS) of C or higher. This provides a significant buffer to allow for volume increases before adverse impacts on the intersections may occur.

Currently, a locally administered Federal Aid project is underway that includes:

- Full depth reconstruction of Congress and Ferry Streets from Fifth Avenue through Eleventh Avenue
- Improved sidewalk ramps and pedestrian crosswalks
- Construction of 6th Avenue connection between Congress and Ferry Streets
- Separation of stormwater and sanitary sewer systems
- Installation of two new traffic signals and the replacement of four other traffic signals
- Preservation of the Sixth Avenue railroad tunnel using a combination of flowable fill and light weight fill
- The design and acquisition of ROW expedited to capitalize on the American Recovery and Reinvestment Act Funding

Future development proposals will need to evaluate the potential impacts on both the intersections within and outside of the Project area through traffic impact studies following the completion of the road improvements described above.

Air Quality

During construction within the District, airborne particulates will increase as construction vehicles in motion raise dust. The increase is expected to be sporadic over several years as the District is built out. The increase is also expected to be short term in nature and will be most noticeable in the areas immediately adjacent to the construction. Air quality impact will be minimized by the use of dust inhibitors and other dust-control provisions, and the amount of time that disturbed areas remain exposed will be kept to a minimum.

With respect to air quality impacts associated with traffic, according to the Final Design Report, which projected future traffic conditions to increase by 1.0% per year, a detailed microscale air quality analysis was not necessary as part of the road reconstruction project since that project would not directly result in increased traffic volumes, reduce receptor distances or change other existing conditions to such a degree as to jeopardize attainment of the National and New York State ambient air quality standards. It was also determined that a mesoscale analysis would not be required and that the reconstruction project would not result in significant adverse impacts on ambient particulate matter air quality.

While it is anticipated that the Action would result in increased traffic volumes over existing levels and above the projected annual increases (1.0% per year) in the Final Design Report, the Final Design Report should be used as a guide on potential air quality impacts moving forward. All future development will need to consider the potential for air quality impacts associated with construction and traffic during the development review phases. In addition, all local, state and federal requirements must be adhered to with respect to air quality.

Aesthetic Resources

The Project area is a large vacant lot. As such, it is incongruous with the surrounding densely

built environment. The Action will facilitate redevelopment that is more aesthetically complimentary to the existing urban fabric of Troy.

The Project area is immediately adjacent to Prospect Park, a City-owned park and an area that would be considered an aesthetic resource of local significance under the Visual Policy. While the proposed zoning regulations permit buildings up to 95 feet in this area adjacent to the park where the current maximum building height is 35 feet, there are no hiking trails or scenic vista points in the park that would be obstructed by new buildings. This will need to be confirmed for each future project proposal during the site plan review phases. Also, any future improvements to Prospect Park including but not limited to new trail and scenic viewpoints should be considered in light of the development recommended under the Master Plan and enabled under the proposed zoning amendments.

The Action would indirectly increase access to Prospect Park and use of the park is expected to increase through increased resident and workforce population in the area as a result of the Project.

Currently, there are no other parks within or near the Project area that would be adversely impacted by future development under the Master Plan. All future buildings adjacent to Prospect Park will not exceed the elevation of the park. The park will continue to serve as a scenic backdrop for the Project area when viewed from northern locations.

There are numerous locations in the City of Troy that are listed on the State and National Registers of Historic Places including the Central Troy Historic District, the Grand Street Historic District, the Second Street Historic District, the Washington Park Historic District, the River Street Historic District, the Old Troy Hospital, the Troy Public Library, the Ilium Building, the Kate Mullany House, the Troy Savings Bank, and the W & L.E. Gurley Building. Future development in the Project area is not expected to result in significant adverse aesthetic impacts on these designated historic resources.

Historic and Archeological Resources

The Action will facilitate the construction of buildings, roads, sidewalks, parks and other elements of the built environment. Such construction has the potential to impact any existing historic structures or archeological resources on the site. Given investigations that have taken place on the site and the proposed mitigation for archeological and historical interpretation as discussed in the Master Plan, significant adverse impacts upon historic and archeological resources are not anticipated.

As discussed above, there are numerous sites in the City of Troy listed on the State and National Registers, but there are no historic structures on the site. With respect to archaeological resources, four different archeological studies examined various portions of the site. The complete studies can be found in Appendix B of the FGEIS with summaries and relevant results described below.

Hartgen Archeological Associates, Inc. (July 1989). Report for Archeological Potential SEQR Part 1A, Super Shop’N Save, Hannagord Bros.

This study examined the 9.35 acres on the southern side of the current Project site in anticipation of the construction of a previously planned supermarket. Historic maps and photos show that the Project site was well developed in the 1800s. “In 1840, the residents of Upper Ferry Street included three laborers, 14 craftsman and three merchants, including Samuel “Uncle Sam” Wilson at 144 Ferry Street.” That foundation warranted further investigation.

Hartgen Archeological Associates, Inc. (October 1989). “Uncle Sam” Wilson House, Phase II archeological investigation.

This study specifically examined the foundation of the Uncle Sam House at 144 Ferry Street. The foundation of Samuel Wilson’s house occupies a small portion of the 9.35-acre site. On this parcel, significant portions of the Wilson House exist including the footprint of the building, its brick paving, the privy and the cistern. All of these features were sampled archeologically and shown to contain intact 19th-century remains. The Wilson household is representative of a 19th century working class urban household. As an individual, Sam Wilson is important in the history of Troy and the United States as the source of the Uncle Sam symbol. The report goes on to recommend the site be designated as a park and marked with interpretive signs.

Landmark Archeology, Inc. (November 2006). Phase 1A Archeological Study, Congress and Ferry Streets.

This study considered the approximately 14 acres of the project site. It found, via examination of historic maps, many structures had existed along both the current and abandoned streets within the Project area. It recommended a Phase II investigation as a further step as well as the avoidance and preservation of the Uncle Sam House site.

Hartgen Archeological Associates, (April 2008). Phase 1B Addendum Archeological Field Reconnaissance, Congress and Ferry Street Reconstruction.

The results of this study are based upon four trenches dug on the location of land acquired to realign the roads on the north side of Ferry Street just west of where Ferry and Congress come together. The study found extensive disturbance in the Project area from previous demolition of dozens of dwellings. This massive demolition required the use of heavy equipment such as bulldozers to level foundations and other structural features in the 1983 realignment areas. The research found two archeological sites, but recommended that no further archeological investigation be conducted for the Congress and Ferry Street reconstruction project.

The studies summarized above noted the foundation of the Samuel “Uncle Sam” Wilson House as a significant archeological asset. Two of the studies recommended that the area be preserved. The Master Plan recognizes the significance of the site and set the foundation aside as a public park interpreting the industrial history of Troy. The proposed public park will also serve as a new entrance to the adjacent Prospect Park – closer to the City. Given this mitigation, no significant adverse impacts on historic or archaeological resources are expected from the Action.

Open Space and Recreation

Currently, the Project area consists largely of vacant, privately owned land, with a combination of mowed grass, young trees and overgrown areas. While there are sidewalks throughout the Project area, there is no public open space or recreational areas. Therefore, the Action will not result in an adverse impact on open space and recreational resources. Positive impacts are anticipated as discussed below.

The proposed Master Plan has designed a number of open spaces more appropriate to an urban setting. Primary among these is the new pocket park atop the foundation of “Uncle Sam” Wilson house. This interpretive pocket park promises to be a significant historic park in the city. In addition, every street will be lined with trees.

In addition, the Project opens new entrances on the downtown side of Prospect Park, adjacent to the Project site. This permits access to the active and passive amenities in the park, which is currently only accessible through an automobile gate at its extreme eastern end. With the Project development, the park can be accessed directly from downtown. Based upon the above, the Action will not have any significant adverse impact on open space and recreational resources.

Community Services

The potential municipal and school fiscal impacts associated with the build out of the Project area were evaluated and the results are documented in the Fiscal Impact Analysis City of Troy Corridor Study dated December 17, 2008. Refer to Appendix 3 of the Master Plan for a copy of the full fiscal impact analysis. The Study evaluated six alternative build out scenarios for the Project area as outlined in the Master Plan.

For each development scheme, the analysis evaluated municipal costs, conceptual level development costs, real property taxes, municipal revenues associated with the scenarios, net fiscal impact for the City, estimated host school district costs and revenues including property tax and overall net fiscal impact on the school district. The analysis indicates that full build out of the District under any of the evaluated development schemes would result in positive fiscal impacts for both the City of Troy and for the Troy and Lansingburgh Central School Districts.

The build out of the Project area will increase the need to provide sufficient community services, including but not limited to EMS, and police and fire protection services. Under the most aggressive build out scheme, the District could support a population of approximately 852 persons and approximately 1,037 employees. While this increase in residents and workers in the area will increase demand for necessary services, it is likely that the increased demand for community services will be offset by the overall fiscal benefit of redeveloping the District. Therefore, the Project is not expected to result in a significant adverse impact on community services.

Alternatives

Two feasible alternatives were considered in the FGEIS: (1) The Adoption of the Master Plan and the Proposed Zoning Amendments; and (2) the No Action Alternative - not adopting the Master Plan and proposed zoning amendments.

Alternative 1 – Adoption of the Master Plan and the Proposed Zoning Amendments

The adoption of the Master Plan and proposed zoning amendments would reweave the underutilized Project area into Troy's existing urban fabric – the ultimate goal of the Master Plan. The Action would also provide mechanisms and controls to allow for a more appropriate build out of the area, increase pedestrian connectivity and improve the overall efficiency of land use in this part of the City. In addition, the Action is expected to result in positive fiscal impacts for the City and host school districts and increase investment in the Project area. Therefore, this action is considered the Preferred Action.

Alternative 2 – No Action Alternative

The No Action Alternative would not further the City's goal of integrating the Project area into Troy's urban fabric. The Project area may not be built out to high density urban development levels consistent with the urban density found in the adjacent Central Business District and surrounding areas. Alternative 2 will not likely improve the economy or vibrancy of the area and the City of Troy as a whole, and will not result in the same fiscal benefits. The Preferred Action provides a direction that would allow the City to grow, while protecting and enhancing the community character. In addition, the absence of a plan and implementing regulations will place the City in a position of reacting to development instead of being proactive in its efforts. Therefore, the No Action Alternative is not recommended.

Impact on Growth and Character of Community or Neighborhood

The impact on community character will be positive. The City of Troy has been experiencing a rebirth of residential and commercial growth. Long time residents and new residents are drawn to the City because of its high quality of life, convenient services and walkable urban setting. The intent of the Master Plan and zoning amendments is to facilitate appropriate urban development for this section of the City where the current zoning allows suburban style development, incompatible with the surrounding area. The Action will also facilitate high density mixed use development with a focus on pedestrian amenities and connections. In addition, the Action is expected to result in new investment and positive economic benefits for the Project area and the City of Troy.

CERTIFICATION OF FINDINGS

Having considered the Draft and Final Generic Environmental Impact Statements and having considered the preceding written facts and conclusions relied upon to meet the requirements of 6 NYCRR 617.9, ESD finds and certifies that:

1. The requirements of Article 8 of the New York State Conservation Law and the implementing regulations of the New York State Department of Environmental Conservation, 6 NYCRR Part 617, have been met;
2. Consistent with the social, economic and other essential considerations from among the reasonable alternatives thereto, the proposed action will minimize or avoid, to the maximum extent practicable, the adverse environmental effects including the effects disclosed in the DGEIS and FGEIS and set forth in this Findings Statement;
3. Consistent with the social, economic and other essential considerations described above, the incorporation in the development of this Project of the mitigation measures described in the DGEIS, FGEIS and in this Findings Statement, will minimize or avoid the adverse environmental impacts associated with the development of the Project which were identified in the DGEIS, FGEIS and in this Findings Statement; and
4. The Project is in compliance with Section 14.09 of the State Historic Preservation Act.

Agency: NYS Urban Development Corporation d/b/a
Empire State Development

Signature of Responsible Officer: _____

Name of Responsible Officer: Rachel Shatz

Title of Responsible Officer: Vice President, Planning & Environmental Review



FOR CONSIDERATION

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Newton Falls, Carthage (North Country Region – St. Lawrence, Jefferson, Lewis Counties) – St. Lawrence IDA 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: St. Lawrence County IDA (the “IDA” or the “Organization”)

ESD* Investment: A grant of up to \$1,300,000 to be used for a portion of the Phase I costs to rehabilitate 46 miles of railroad track on the Newton Falls railroad line in Jefferson Lewis and St. Lawrence counties.

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

Project Locations: Newton Falls, Carthage, St. Lawrence, Jefferson, Lewis Counties

Proposed Project: St. Lawrence County IDA will perform pre construction Phase 1 line clearing and engineering evaluation needed to rehabilitate 46 miles of railroad track on the Newton Falls railroad line

Project Type: Infrastructure development

Regional Council: This is a priority project of the North Country Regional Economic Development Council. The project is consistent with the Council’s strategy is to preserve and rehabilitate surviving rail structures in the Adirondacks.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
(Phase 1) pre construction line clearing, inspection and engineering evaluation	<u>\$1,300,000</u>	
Total Project Costs	<u>\$1,300,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant (Phase 1)	<u>\$1,300,000</u>	100%
Total Project Financing	<u>\$1,300,000</u>	<u>100%</u>

III. Project Description

A. Organization

Industry: The Organization provides economic development assistance for St. Lawrence County.

Organization History: St. Lawrence IDA was formed in 1971.

Ownership: St. Lawrence IDA is a public benefit corporation with a 7 member board of directors.

Size: St. Lawrence IDA employs 8 people.

Market: The Organization provides economic development assistance throughout St. Lawrence County.

ESD Involvement: The rehabilitation of the Newton Falls rail line is needed to provide St. Lawrence County and the North Country Region with inbound and outbound rail service connections to the nationwide rail systems. St. Lawrence IDA sought ESD assistance to finance its railroad line rehabilitation project by applying for funding through the Consolidated Funding Application (“CFA”). As part of the Governor’s Regional Economic Development initiative St. Lawrence IDA was awarded \$1,300,000 for Phase 1 of the project through the CFA process. This project would not be possible without ESD assistance.

The CFA award also includes \$8,672,000 to fund Phase 2 of project. Funding for Phase 2 will be presented to the ESD Board of Directors at a later date for consideration. Although Grantee equity is not required for Phase 1 of this project, the Grantee will be required to contribute a

minimum of 10% of the total project cost of Phase 2 as equity.

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

B. The Project

Completion: November 2013 (Phase 1)

Activity: Phase 1 of the project is now complete and the 46 mile section of the Newton Falls railroad line has been cleared of overgrowth, debris, and obstructions. The railroad has been inspected and evaluated for reopening. Engineering plans and specifications have been prepared for Phase 2 of the rail line rehabilitation.

Results: The rehabilitation and reopening of the entire Newton Falls railroad line is fundamental to the ongoing employment, and commercial transportation needs of current and future users to further the economic growth in St. Lawrence, Jefferson and Lewis Counties. This rail line provides the North Country Region with inbound and outbound rail service connections to the nationwide rail systems. Moreover, this project provides the opportunity for expansion of North Country industry and manufacturing which leads to increased economic activity and job creation.

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 \$656,291;
- Fiscal cost to NYS government is estimated at \$9,972,000;
- 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 \$1,107,134;

- Fiscal cost to all governments is \$9,972,000;
- The fiscal benefit to cost ratio for all governments is 0.11:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$5,573,211;
- The economic benefit to cost ratio is 0.56:1;
- Project construction cost is \$11,080,000, which is expected to generate 123 direct job years and 47 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.39 indirect job is anticipated in the state's economy.

*The results represent the overall benefit cost estimates for Phases I and II of this development

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

Grantee Contact: Patrick Kelly
 Chief Executive Officer
 19 Commerce Lane
 Canton, NY 13617
 Phone: (315) 379-9806

ESD Project No.: X664

Project Team:	Origination	John Vandello
	Project Management	John Vandello
	Contractor & Supplier Diversity	Elizabeth Gocs
	Finance	Ross Freeman
	Design & Construction	Marty Piecuch
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Organization shall pay a commitment fee of \$10,000 and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Organization will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. Up to \$1,300,000 will be will be disbursed to the Grantee as reimbursement for eligible project costs during the course of preconstruction (Phase I), no more frequently than quarterly, in compliance with Design & Construction requirements and in proportion to ESD's funding share, upon completion of the project as described in these materials

and documentation of Phase 1 pre construction, line clearing, and engineering inspection evaluation project costs of \$1,300,000, assuming that all project approvals have been completed and funds are available. The final 10% of the grant for will be disbursed upon completion of the Phase I of the project. 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 October 25, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,300,000, 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.
5. 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.
6. Department of Transportation Compliance: For IDA projects involving railroads, the Grantee is required to provide documentation acceptable to ESD, evidencing compliance with sections 850 and 854 of General Municipal Law.

IV. Statutory Basis – Regional Council Capital Fund

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

V. Environmental Review

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 policy will apply to the Project. The Company shall not be required to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation goal for Phase I of this project (X664), as the scope of work in this phase is being completed by the Company. However, the Company shall be required to use good faith efforts to achieve an overall MWBE Participation goal of 20% related to the total value of ESD’s funding for Phase II of this project (X997).

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

December 19, 2013

Regional Council Award – Priority Project – Newton Falls, Carthage – (North Country Region – St. Lawrence, Jefferson, Lewis Counties) – St. Lawrence IDA Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the St. Lawrence IDA 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 St. Lawrence County IDA a grant for a total amount not to exceed One Million Three Hundred Thousand Dollars (\$1,300,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

**Project Summary
Benefit-Cost Evaluation1**

St. Lawrence County IDA Newton Falls Rail Line-Infrastructure Investment*

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits reported in the table below typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the table typically reflects only construction-related activity. Benchmarks for each type of project are noted in the footnotes.

Construction Job Years (Direct): 123

Construction Job Years (Indirect): 47

Evaluation Statistics	Project Result NYS Govt.	NYS Govt. Benchmarks for ESD Projects2	Project Results State & Local Governments	State & Local Government Benchmarks for ESD Projects
Fiscal Costs3	\$9,972,000	\$794,250	\$9,972,000	\$1,020,500
Fiscal Benefits4	\$656,291	\$2,085,600	\$1,107,134	\$4,271,980
Fiscal B/C Ratio	0.07	3.00	0.11	10.60
	Project Results	Benchmarks for ESD Projects		
Economic Benefits5	\$5,573,211	\$119,468,000		
Economic B/C Ratio	0.56	20.00		

*The results represent the overall benefit cost estimates for Phases I and II of this development.

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

2 The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 20.00 (Economic).

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

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

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



FOR CONSIDERATION

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – DeKalb Junction (North Country Region – St. Lawrence County) – North Country Pastured 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: North Country Pastured, LLC (“North Country Pastured” or the “Company”)

ESD* Investment: A grant of up to \$130,000 for part of the cost of mobile equipment to process local poultry and construction of an equipment storage building.

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

Project Location: Route 11, Canton, St. Lawrence County

Proposed Project: Purchase of mobile equipment to process local poultry for local food markets and construction of an equipment storage building

Project Type: Business investment involving job creation

Regional Council: This is a North Country Regional Economic Development Council priority project and consistent with North Country Economic Development Council strategy to maintain, establish, and expand the presence of storage, processing and distribution facilities to promote the sales of value-added agricultural products that are sold locally and globally.

Employment:	Initial employment at time of ESD Incentive Offer:	0
	Current employment level:	3
	Minimum employment on January 1, 2014	4

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Mobile poultry process unit	\$101,500
Truck	31,200
Storage garage	20,000
Other costs-working capital	<u>51,500</u>

Total Project Costs \$204,200

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$130,000	64%
Company Equity	<u>74,200</u>	<u>36%</u>

Total Project Financing \$204,200 100%

III. Project Description

A. Company

Industry: Agriculture, food processing

Company History: North Country Pastured, LLC was formed 2011.

Ownership: The Company is privately owned.

Size: North Country Pastured, LLC facilities are located in Canton, NY.

Market: The Company sells fresh poultry to local food markets. The Company competes locally with food retailers and regional food market suppliers

ESD Involvement: As part of the Governor’s Regional Economic Development Council initiative, North Country Pastured was awarded \$130,000 through the Consolidated Funding Application process. North Country Pastured requested ESD assistance to help finance its new start up business to providing a mobile poultry processing service. The start up operations of this new food processing business would not be possible without ESD assistance.

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

B. The Project

Completion: December 2013

Activity: The Company has purchased a mobile poultry processing unit and a truck to tow the unit, and has constructed a vehicle storage building. The project is complete and the Company has obtained the required USDA certification to provide the mobile poultry processing service. This service is available to local poultry producers at their farm locations in the North Country.

Results: The Company has already created 3 of the 4 new jobs to which it has committed.

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 \$89,404;
- Fiscal cost to NYS government is estimated at \$130,000;
- Project cost to NYS government per direct job is 36,768;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$30,359;
- Ratio of project fiscal benefits to costs to NYS government is 0.69:1;
- Fiscal benefits to all governments (state and local) are estimated at \$149,628;
- Fiscal cost to all governments is \$130,000;
- All government cost per direct job is \$36,768;
- All government cost per total job is \$30,359;
- The fiscal benefit to cost ratio for all governments is 1.15:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$694,846, or \$162,270 per job (direct and indirect);

- The economic benefit to cost ratio is 5.34:1;
- There is no construction activity related to this project;
- For every permanent direct job generated by this project, an additional 0.21 indirect job is anticipated in the state’s economy;
- The payback period for NYS costs is six years.

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

Grantee Contact: Renee Smith, Business Manager
 116 Rice Road
 DeKalb Junction, NY 13630
 Phone: (315) 347-1039

ESD Project No.: X710

Project Team:	Origination	Rosemary Redmond
	Project Management	John VanDeLoo
	Contractor & Supplier Diversity	Diane Kinnicutt
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$1,300 capital grant (\$130,000) 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.

Up to \$130,000 will be disbursed to the Grantee in two installments as follows:

- a) an Initial Disbursement of an amount equal to 50% of the grant (\$65,000) upon documentation verifying purchase of a Mobile Processing Unit, a truck, a garage storage building on Route 11 in Canton, project expenditures totaling \$150,000, upon start up of the project as described in these materials, and documentation of employment of at least 3 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;
- b) a Second Disbursement of an amount equal to 50% of the grant (\$65,000) will be disbursed upon documentation of the employment of at least 4 Full-time Permanent Employees at the Project Location (Employment Increment of 1), documentation of total project costs of \$ 204,000, including \$51,500 in soft costs and upon project completion provided Grantee is otherwise in compliance with program requirements;

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after March 13, 2012, to be considered eligible project costs. All funds must be requested by April 1, 2014.

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. 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	0
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A	B
Reporting Date	Employment Goals
February 1, 2015	0+X+Y
February 1, 2016	0+X+Y
February 1, 2017	0+X+Y
February 1, 2018	0+X+Y
February 1, 2019	0+X+Y

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=3, and Employment Goals shall equal $[0 + X = 3]$ if the Initial Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Initial Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. Y=1, and Employment Goals shall equal $[0 + X + Y = 4]$ 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.

7. 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 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

VI. Environmental Review

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

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The Company shall be required to use “good faith efforts” to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation goal of 16% 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 Financial Assistance Subject to Availability of Funds and Additional Approval

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

IX. Additional Submissions to Directors

Resolutions

New York State Map

Benefit-Cost Analysis

December 19, 2013

Regional Council Award – Priority Project – DeKalb Junction (North Country Region – St. Lawrence County) – North Country Pastured Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the North Country Pastured 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 North Country Pastured LLC 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 of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

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

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

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

* * *

Project Summary Benefit-Cost Evaluation¹

North Country Pastured LLC – Business Investment

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits reported in the table below typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the table typically reflects only construction-related activity. Benchmarks for each type of project are noted in the footnotes.

Initial Jobs:	0	Construction Job Years (Direct):	0
New Jobs:	4	Construction Job Years (Indirect):	0

Evaluation Statistics	Project Results NYS Gov't.	NYS Gov't. Benchmarks ²	Project Results State & Local Government	State & Local Government Benchmarks
Fiscal Costs³	\$130,000	\$794,250	\$130,000	\$1,020,500
Fiscal Benefits⁴	\$89,404	\$2,085,600	\$149,628	\$4,271,980
Fiscal Cost /Direct Job	\$36,768	\$3,000	\$36,768	\$4,110
Fiscal Cost/Total Jobs	\$30,359	\$1,424	\$30,359	\$1,964
Fiscal B/C Ratio	0.69	7.00	1.15	10.60
	Project Results	Benchmarks		
Economic Benefits⁵	\$694,846	\$119,468,000		
Econ. Benefits/Total Jobs	\$162,270	\$147,600		
Economic B/C Ratio	5.34	50.00		

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

² The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Business Investment project benchmarks are 7.00 (Fiscal) and 50.00 (Economic). Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 20.00 (Economic).

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

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

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



FOR CONSIDERATION

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Johnstown (Mohawk Valley Region – Fulton County) – Gloversville-Johnstown Wastewater Treatment 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: Gloversville-Johnstown Joint Wastewater Treatment Facility (“GJJWTF”)

ESD* Investment: A grant of up to \$1,000,000 to be used for a portion of the cost of machinery and equipment to construct and install sewer piping, an equalization tank, process tanks, and pumps to treat the increase in high strength wastewater discharge.

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

Project Location: 191 Union Avenue, Johnstown, Fulton County

Proposed Project: Construction and installation of sewer piping, an equalization tank, process tanks, and pumps to accommodate FAGE USA Dairy (“FAGE”) and other future development.

Project Type: Infrastructure development

Regional Council: The project is listed as a 2012 NYS Other Competitive Funding Priority Project. The project is consistent with the Regional Plan to drive efficiency, collaboration and inclusiveness for business and local government.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Machinery & Equipment	\$2,460,000
Facility Improvements	3,100,000
Contingency	556,000
Bonds/Insurance/Mobilization	333,600
Engineering/Legal/ Contract Administration	<u>773,952</u>
Total Project Costs	<u>\$7,223,552</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$1,000,000	14%
Grantee Equity	<u>6,223,552</u>	<u>86%</u>
Total Project Financing	<u>\$7,223,552</u>	<u>100%</u>

III. Project Description

A. Company

Industry: Wastewater treatment

Grantee History: The Gloversville-Johnstown Joint Wastewater Treatment Facility treats up to 13.8 million gallons/day (“MGD”) of domestic sanitary sewage and industrial wastewater. The GJJWTF treats all wastewater generated by the residents of the cities of Gloversville and Johnstown (approximately 25,000 people), twenty-four industries, and approximately 100 users outside the corporate limits of the two cities.

The facility is currently operated by twenty-five employees. Oversight of daily operations is accomplished by the Gloversville-Johnstown Joint Sewer Board consisting of six members, three from each city.

Ownership: The Grantee is a municipal organization.

Size: All facilities are located in Johnstown, NY.

ESD Involvement: Due to the expansion of FAGE, a yogurt manufacturing company in Fulton County, upgrades to the wastewater system were needed. The wastewater facility and piping, which is over 40 years old, is not equipped to handle the increase in high strength wastewater discharge from the yogurt manufacturing process. As a result of the Governor’s Regional Economic Development Council Initiative, GJJWTF was awarded

a \$1 million grant through Round II of the Consolidated Funding Application (“CFA”) to assist with this important infrastructure project. The \$7.2 million project, scheduled to be completed in 2014, will assist the GJJWTF to expand its capabilities to handle the additional volume. The upgraded wastewater system will also allow Gloversville and Johnstown to attract additional companies to the area.

Competition: N/A

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

B. The Project

Completion: June 2014

Activity: The project involves the construction of sewer piping, equalization tank, process tanks, pumps, and other items designed to treat wastewater in an energy efficient manner. The project is in progress and the contractor has mobilized its equipment to the facility. The construction management is being handled by GJJWTF engineer, Barton & Loguidice.

Results: This project will accommodate the expansion of the FAGE yogurt manufacturing facility which will result in a significant increase in high strength wastewater discharge. Without wastewater improvements, the \$150 million FAGE manufacturing expansion project, as well as future development, would not be feasible. The project will create construction jobs and approximately 150 manufacturing jobs at FAGE. The local agricultural community will also benefit from the significant quantities of milk generated by dairy farms to supply yogurt production.

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 \$437,728;
- Fiscal cost to NYS government is estimated at \$1,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.44:1;
- Fiscal benefits to all governments (state and local) are estimated at \$739,243;
- Fiscal cost to all governments is \$7,223,552;
- The fiscal benefit to cost ratio for all governments is 0.10:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$3,688,926;
- The economic benefit to cost ratio is 0.51:1;
- Project construction cost is \$6,889,952, which is expected to generate 78 direct job years and 34 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.44 indirect job is anticipated in the state's economy.

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

Grantee Contact: Tyler Masick, Wastewater Engineer
 191 Union Avenue
 Johnstown, NY 12095
 Phone: (518) 762-3101

ESD Project No.: Y295

Project Team:	Origination	Jane Kulczycki
	Project Management	Glendon McLeary
	Contractor & Supplier Diversity	Denise Ross
	Finance	Jonevan Hornsby
	Design & Construction	Scott Renzi
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$1,000,000 capital grant (\$10,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$1 million will be disbursed to Grantee upon documentation of eligible expenses during the course of design and construction, no more frequently than quarterly, in compliance with the Design & Construction requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon project completion, as evidenced by a certificate of completion/compliance. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after April 12, 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 \$1,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Regional Council Capital Fund

The project was authorized in the 2012-1013 New York State budget and reappropriated in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

V. Design and Construction

The Design and Construction Department ("D&C") will review the plans and cost estimates for conformity to the scope of work. D&C will inspect the work and will approve and recommend payment of invoices based upon the inspections.

VI. Environmental Review

The Gloversville-Johnstown Joint Sewer Board, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on April 10, 2013. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make

a Determination of No Significant Effect on the Environment.

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 policy will apply to the Project. GJJWTF 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.

IX. ESD Employment Enforcement Policy

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

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

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

XI. Additional Submissions to Directors

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

December 19, 2013

Regional Council Award - Johnstown (Mohawk Valley Region – Fulton County) – Gloversville-Johnstown Wastewater Treatment Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Gloversville-Johnstown Wastewater Treatment 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 Gloversville-Johnstown Joint Wastewater Treatment Facility a grant for a total amount not to exceed One Million Dollars (\$1,000,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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

* * *

December 19, 2013

Regional Council Award - Johnstown (Mohawk Valley Region – Fulton County) –
Gloversville-Johnstown Wastewater Treatment Capital – Regional Council Capital Fund
Capital – Determination of No Significant Effect on the Environment

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

* * *



FOR CONSIDERATION

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Olean (Western New York Region – Cattaraugus County) – East State Street Reconstruction 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 Olean (“Olean” or the “City”)

ESD* Investment: A grant of up to \$500,000 to be used for a portion of street reconstruction costs.

Project Location: East State Street (New York Route 417) (the “Street”) from Front Street to King Street, Olean, Cattaraugus County

Proposed Project: Reconstruction of the Street including replacement of stormwater and sanitary sewer lines; road base and blacktop; and new curbing, gutters and sidewalks.

Project Type: Infrastructure development

Regional Council: This Priority Project is consistent with the Western New York Regional Economic Development Council “WNY REDC” Plan to promote downtown revitalization and sustainability, and smart growth.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Construction	\$3,384,250	
Soft Costs (Legal Fees, Bond Counsel Administration)	291,000	
Design Costs	<u>10,000</u>	
Total Project Costs	<u>\$3,685,250</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$500,000	14%
NYS Department of Transportation Grant	500,000	14%
City Equity	<u>2,685,250</u>	<u>72%</u>
Total Project Financing	<u>\$3,685,250</u>	<u>100%</u>

III. Project Description

A. Grantee

Industry: N/A

Grantee History: The City, established in 1893, was the primary timber town in the Southern Tier during the mid 1800's, and has always been a major hub of rail travel in the Western New York region. For a short time, it was the world's largest oil depot and the home of oil executive and NYS Governor, Frank W. Higgins. Today, it is the largest city in Cattaraugus County, with a population of approximately 15,000 people. The City's key location along the Allegany River, combined with the establishment of rail service, resulted in the development of a strong industrial corridor. Over the years, with the decline of rail and water-based transportation, the City experienced an erosion of its manufacturing base as companies closed, consolidated operations, or moved out of state. As a result, Olean and the Southern Tier area economies have lagged behind that of the rest of New York State and the nation.

In 2005, the Olean Common Council adopted the City of Olean Comprehensive Development Plan (the "Plan") to identify unfulfilled community needs while addressing issues involving preserving neighborhood character, promoting diverse housing, facilitating redevelopment and encouraging local employment. Additionally, the City formed a Downtown Restoration Task Force, which identified a vision for a walkable Olean by easing traffic flow by improving street designs.

Ownership: Public municipality

Size: Olean employs approximately 150 full-time and 10 part-time employees.

ESD Involvement: As a result of the Governor’s REDC Initiative, the City of Olean was awarded \$1 million through the Consolidated Funding Application (“CFA”) process to fund this priority project. The City applied for funds to assist with the reconstruction of the Street, located three-blocks from the City’s downtown business district and which supports an average of 17,000 vehicles daily. The original brick over concrete base construction was not intended for heavy truck traffic, nor did it provide appropriate drainage. Over the years, the City applied several additional coats of asphalt overlay with a relatively short life-cycle. The Street subsequently deteriorated and in 2011 due to public safety concerns from flying debris, a portion of the curb lane of the three-lane Street was closed to both vehicular and pedestrian traffic. The lane closure resulted in the Olean Area Transit System’s decision to cease bus pickups on the Street, placing residents without automobile transportation at a significant disadvantage. The City continued to conduct routine maintenance of the Street, but did not have the financial resources to adequately correct the deteriorated conditions.

The \$1 million award consisted of a \$500,000 ESD grant and a \$500,000 Department of Transportation (“DOT”) grant.

Past ESD Support: In 2004, the City was awarded a \$500,000 grant through the Strategic Investment Program for the replacement of the City’s water treatment plant. All funds have been disbursed.

B. The Project

Completion: July 2013

Activity: The project included the design and reconstruction of the Street including a half mile of road deconstruction; new storm water and sanitary line piping; gravel base covered with asphalt overlay; concrete curbs, gutters and sidewalks; and traffic striping. Olean’s Department of Public Works administered the project.

Results: The project increased public safety; improved access to jobs, services and downtown which will ultimately increase economic development efforts; reduce costly street maintenance and associated disruptions; and improving an existing infrastructure rather than supporting sprawl. The City has already experienced a slight boost in economic development with the recent announcement that a developer has purchased an 8-acre site on the Street with plans to construct a 38,000-square-foot family entertainment and recreation complex.

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 \$228,450;
- Fiscal cost to NYS government is estimated at \$500,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.46:1;
- Fiscal benefits to all governments (state and local) are estimated at \$391,577;
- Fiscal cost to all governments is \$500,000;
- The fiscal benefit to cost ratio for all governments is 0.78:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$2,062,629;
- The economic benefit to cost ratio is 4.13:1;
- Project construction cost is \$3,352,400, which is expected to generate 31 direct job years and 21 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.68 indirect job is anticipated in the state's economy.

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

Grantee Contact: Ms. Mary George
Program Coordinator, Department of Community Development
101 East State Street
Olean, NY 14760
Phone: (716) 376-5647

ESD Project No.: X649

Project Team: Origination Diego Sirianni
Project Management Jean Williams

Contractor & Supplier Diversity
Finance
Environmental

Vikas Gera
Ross Freeman
Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$500,000 capital grant (\$5,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed. Equity is defined as cash injected into the project by the 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.
3. Up to \$500,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials as evidenced by a certification of completion; and documentation of project costs totaling \$3,684,250, including \$3,384,250 in Street construction 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. Expenditures must be incurred on or after June 15, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2014.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Regional Council Capital Fund

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

V. Environmental Review

The City of Olean 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 April 25, 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 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 28%. The overall goal shall include a Minority Business Enterprise (“MBE”) Participation Goal of 16% and a Women Business Enterprise (“WBE”) Participation Goal of 12% related to the total value of ESD’s funding.

VIII. ESD Employment Enforcement Policy

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

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

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

X. Additional Submissions to Directors

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

December 19, 2013

Regional Council Award – Priority Project – Olean (Western New York Region – Cattaraugus County) – East State Street Reconstruction Capital – Regional Council Capital Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the East State Street Reconstruction 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 City of Olean a grant for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

December 19, 2013

Regional Council Award – Priority Project – Olean (Western New York Region – Cattaraugus County) – East State Street Reconstruction Capital – Regional Council Capital Fund (Capital Grant) – Determination of No Significant Effect on the Environment

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

* * *

Project Summary Benefit-Cost Evaluation¹

City of Olean East State Street Reconstruction--Infrastructure Investment

Benefit-Costs Evaluations are used in evaluating projects that are categorized as Business Investment, Infrastructure Investment, and Economic Growth Investment and that involve 1) job retention and/or creation and/or 2) construction-related activity. For Business Investment projects, benefits reported in the table below typically reflect the impact of both jobs and construction-related activity. For Infrastructure Investment and Economic Growth Investment projects, which generate long-term benefits not captured in the period of analysis and may involve no permanent job commitments, the table typically reflects only construction-related activity. Benchmarks for each type of project are noted in the footnotes.

Construction Job Years (Direct): 31

Construction Job Years (Indirect): 21

Evaluation Statistics	Project Result NYS Govt.	NYS Govt. Benchmarks for ESD Projects ²	Project Results State & Local Governments	State & Local Government Benchmarks for ESD Projects
Fiscal Costs³	\$500,000	\$794,250	\$500,000	\$1,020,500
Fiscal Benefits⁴	\$228,450	\$2,085,600	\$391,577	\$4,271,980
Fiscal B/C Ratio	0.46	3.00	0.78	10.60
	Project Results	Benchmarks for ESD Projects		
Economic Benefits⁵	\$2,062,629	\$119,468,000		
Economic B/C Ratio	4.13	20.00		

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

² The current project evaluation results (both fiscal and economic) are compared to performance measure benchmarks based on results of a sample of ESD non-retail projects. Infrastructure Investment (or Economic Growth Investment) project benchmarks are 3.00 (Fiscal) and 20.00 (Economic).

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

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

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



FOR CONSIDERATION

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Silver Creek (Western New York Region – Chautauqua County) – S. Howes Capital – Economic Development Purposes Fund (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: S. Howes, Inc. (“S. Howes” or the “Company”)

ESD* Investment: A grant of up to \$150,000 to be used as reimbursement for a portion of the costs related to the purchase and installation of machinery and equipment.

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

Project Location: 25 Howard Street, Silver Creek, Chautauqua County

Proposed Project: Construction and acquisition and installation of machinery and equipment to accommodate existing and projected increased production.

Project Type: Business expansion involving job retention and creation.

Regional Council: The project is consistent with the Western New York (“WNY”) Regional Economic Development Council’s Strategic Plan as it promotes smart growth by expanding an existing structure and the surrounding infrastructure in a well-populated area; it seeks to hire and train young adults in machining and welding for long term employment; and it will capitalize on the WNY region’s strong manufacturing past by promoting subcontracts with other machining and fabricating firms in the WNY

region.

Employment: Initial employment at time of ESD Incentive Offer: 20
Current employment level: 26
Minimum employment on January 1, 2015: 28

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction	\$1,133,700
Machinery & Equipment	<u>155,300</u>
Total Project Costs	<u>\$1,289,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Grant	\$150,000	12%	
M&T Bank – Construction Loan	633,000	49%	LIBOR plus 325 bps/5yrs/2 nd mortgage lien on RE
M&T Bank – Term Loan	167,000	13%	M&T Bank’s Four-Year Cost of Funds plus 325 bps to be reduced by the Linked Deposit Program/4yrs/1 st on all non-realty assets
Company Equity	<u>339,000</u>	<u>26%</u>	
Total Project Financing	<u>\$1,289,000</u>	<u>100%</u>	

III. Project Description

A. Company

Industry: S. Howes manufactures custom-made industrial machinery and replacement parts for solids processing and liquid/solid separation including mixers and blenders, conveyors, separators, size reducers, grain cleaners and accessories.

Company History: S. Howes is a family-owned company established in 1856 as a designer and manufacturer of grain cleaning equipment. The Company built on its knowledge of mechanical engineering and manufacturing best practices to diversify its product line to include design and manufacture of process and filtration equipment.

The Company is part of MetalWorks, a group of affiliated manufacturing companies based in Western New York, which facilitates the

collaboration of local companies on large projects and build upon the expertise of many industry-leading companies.

Ownership: S. Howes is a private, family-owned business.

Size: S. Howes has one facility located in Silver Creek, NY.

Market: The Company designs unique processing solutions primarily for chemical, pharmaceutical, food, environmental, and mineral/metals industries, with major customers including Molycorp Minerals, LLC (Concord, CA); Abener Teyma Hugoton General Partnership (Chesterfield, MO); and Jongerius Technology NV (Belgium). Major competitors include American Process Systems, Inc. (Gurnee, IL); Littleford Day, Inc. (Florence, KY); and KWS Manufacturing (Burleson, TX).

ESD Involvement: In early 2012, S. Howes notified ESD of its need to expand its existing product lines to accommodate expected production increases and to remain competitive within the industry. S. Howes was considering expanding its Silver Creek location or relocating to Erie, Pennsylvania. In December 2012, S. Howes accepted an offer of a \$150,000 grant resulting in a decision to invest in the expansion of its current facility. Without assistance from ESD, the Company would have likely relocated to Erie, Pennsylvania to remain competitive.

Competition: Pennsylvania

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

B. The Project

Completion: December 2013

Activity: The \$1.2 million project involves expansion of an existing 34,658-square-foot facility by 7,921-square-feet and acquisition and installation of new machinery and equipment, including a 30-ton crane to increase production efficiencies.

Results: The project will retain 20 existing jobs and create 8 new jobs by January, 1, 2015. The Company has already created 6 new 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 \$1,083,913;
- Fiscal cost to NYS government is estimated at \$150,000;
- Project cost to NYS government per direct job is \$7,510;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$3,204;
- Ratio of project fiscal benefits to costs to NYS government is 7.23:1;
- Fiscal benefits to all governments (state and local) are estimated at \$1,841,061;
- Fiscal cost to all governments is \$150,000;
- All government cost per direct job is \$7,510;
- All government cost per total job is \$3,204;
- The fiscal benefit to cost ratio for all governments is 12.27:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$8,510,287, or \$181,792 per job (direct and indirect);
- The economic benefit to cost ratio is 56.74:1;
- Project construction cost is \$1,133,700, which is expected to generate 10 direct job years and six indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.33 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

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

Grantee Contact: Mr. Frederick Mertz, President
25 Howard Street
Silver Creek, NY 14136

Phone: (716) 934-2611

ESD Project No.: Y078

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

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$150,000 capital grant (\$1,500) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed 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 \$150,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$75,000) upon completion of the project substantially as described in these materials as evidenced by a Certificate of Occupancy; documentation verifying project expenditures of approximately \$1.1 million; and documentation of the employment of at least 20 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available;

- b) a Second Disbursement of an amount equal to 25% of the grant (\$37,500) will be disbursed upon documentation of the employment of at least 24 Full-time Permanent Employees at the Project Location (Employment Increment of 4), provided Grantee is otherwise in compliance with program requirements;
- c) a Third Disbursement of an amount equal to 25% of the grant (\$37,500) will be disbursed upon documentation of the employment of at least 28 Full-time Permanent Employees at the Project Location (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. Expenditures reimbursed by ESD's grant must be incurred on or after December 31, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

- 6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$150,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
- 7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

The Grantee's number of Full-time Permanent Employees shall be deemed to be the

greater of the number as of the last payroll date in the month of December for such year or the average employment for the 12 month period computed by quarter.

Baseline Employment	20
---------------------	----

A	B
Reporting Date	Employment Goals
February 1, 2015	20+X+Y
February 1, 2016	20+X+Y
February 1, 2017	20+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=4, and Employment Goals shall equal $[20 + X = 24]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=4, and Employment Goals shall equal $[20 + X + Y = 28]$ if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

IV. Statutory Basis – Economic Development Purposes Fund

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

V. Environmental Review

The Chautauqua County Industrial Development Agency, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review 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 February 19, 2013. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

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 25% 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

Benefit-Cost Analysis

December 19, 2013

Regional Council Award – Silver Creek (Western New York Region – Chautauqua County) – S. Howes Capital – Economic Development Purposes Fund (Capital Grant) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to S. Howes, Inc. a grant for a total amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

December 19, 2013

Regional Council Award – Silver Creek (Western New York Region – Chautauqua County) – S. Howes Capital – Economic Development Purposes Fund (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the S. Howes Capital – Economic Development Purposes Fund (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

FOR CONSIDERATION

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Calverton (Long Island Region – Suffolk County) – Long Island Farm Bureau Member Services Capital – Economic Development Purposes Fund (Working Capital Grant)

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

I. Project Summary

Grantee: Long Island Farm Bureau Member Services (“LIFBMS” or the “Bureau”)

Beneficiary
Company: Long Island Farm Bureau

ESD* Investment: A grant of up to \$500,000 to be used to plan, manage and subsidize farmers’ lease expenses at a 30,000-square-foot food processing facility.

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

Project Location: 2711 Sound Avenue, Calverton, Suffolk County

Proposed Project: The Bureau will develop a pilot project for a 30,000-square-foot agricultural cold storage and processing facility to serve Long island farmers, wineries and fishermen.

Project Type: Working capital grant to fund a pilot agricultural project.

Regional Council: The Long Island Regional Council has been made aware of this item. The Incentive Offer was accepted in February 13, 2013. The project is consistent with the Long Island Regional Plan to promote, protect and invest in agriculture and fishery industries.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>	
Administration and outreach costs	\$30,000	
Lease subsidies for pilot processing facility	470,000	
Construction Costs	<u>500,000</u>	
Total Project Costs	<u>\$1,000,000</u>	
<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD – Grant	\$500,000	50%
In-kind contribution and user lease payments	<u>500,000</u>	<u>50%</u>
Total Project Financing	<u>\$1,000,000</u>	<u>100%</u>

III. Project Description

A. Company

Industry: LIFBMS promotes commercial agriculture for farmers on Long Island.

Company History: The Long Island Farm Bureau was founded in 1911 and incorporated as a 501-c-(5) corporation in 1955 after splitting from Cornell Cooperative Extension. The organization promotes and represents the interest of commercial agriculture of approximately 600 farm operations on Long Island including but not limited to fruit, vegetable, nursery, greenhouse, vineyard, equine, and aquaculture, dairy and small animal operations.

Long Island Farm Bureau Member Services was formed in 1996 as sole subsidiary of the Long Island Farm Bureau. The LIFBMS is responsible for the administration of grant funded projects including the Agriculture Enterprise Park project.

Ownership: Long Island Farm Bureau Member Services is a wholly owned subsidiary of Long Island Farm Bureau.

Size: LIFBMS is located in Calverton, NY.

Market: The Bureau assists Long Island farmers.

ESD Involvement: The Bureau, led by a coalition of farmers, nonprofits, and municipalities, developed the idea of establishing an agricultural park closer to the farm operations located on the eastern end of Long Island. The Bureau,

working with John King of John Kings Food Service Company located in Calverton, NY, developed a cold storage and processing facility to help farmers access the growing market for local produce and meat. In mid 2012, the Bureau applied for financial assistance to develop a pilot project for a 30,000-square-foot agricultural cold storage and processing facility to serve Long Island farmers with produce storage and distribution. As a result, ESD offered LIFBMS a \$500,000 grant which the Bureau accepted in February 12, 2013.

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

B. The Project

Completion: April 2017

Activity: As part of the pilot project, the Bureau entered into a three year agreement with John Kings Food Services Company to lease space in a cold storage facility at the Agricultural Enterprise Park situated at the eastern end of Long Island. The Bureau will utilize ESD's grant to subsidize space for agricultural operations (farmers, wineries, meat producers and others agricultural related ventures) to store products at the facility located in Calverton, NY.

Currently, there are nine operations at the facility including Martha Clara Vineyards, Waters Crest Winery, Jameport Vineyards, Baiting Hollow Farm Vineyard, and Roanoke Vineyard. In addition, two farmers (Wells Homestead Acres and Surrey Land) and a greenhouse operation (Kawasaki Greenhouses) are using the facility.

The LIFBMS contracted Peconic Land Trust for outreach consulting services to the farm community and to monitor the usage of the new facility. The new facility also includes a processing section to process farmer's products into saleable products for retail outlet.

Results: As a result of the project, farmers and related businesses on the eastern end of Long Island will have a more convenient storage and processing facility for its products.

Economic Growth

Investment Project: 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.

Grantee/Beneficiary

Contact: Joseph Gergela, Executive Director
104 Edwards Avenue, Suite 3
Calverton, New York 11933
Phone: (631) 727-3777

ESD Project No.: X673

Project Team:	Origination	Barry Greenspan
	Project Management	Javier Roman-Morales
	Contractor & Supplier Diversity	Vikas Gera
	Finance	John Bozek
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$500,000 working capital grant (\$5,000).
2. The Long Island Farm Bureau will guarantee the grant repayment obligation of its subsidiary, Long Island Farm Bureau Member Services in the event of default, as defined in these materials or the Grant Disbursement Agreement.
3. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
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 \$500,000 will be disbursed to the Grantee in six installments as follows:
 - a) an Initial Disbursement of 16% of the grant (\$80,000) upon documentation of at least \$160,000 in eligible project expenses for the pilot facility including LI Farm Bureau lease payments of at least \$75,000, LIFB third party administration fees, user pallet charges, and building owner's eligible building improvements and equipment directly allocated to the Agri-Park users.
 - b) a Second Disbursement of 16% of the grant (\$80,000) upon documentation of at least \$320,000 in cumulative eligible project expenses for the pilot facility including cumulative LI Farm Bureau lease payments of at least \$150,000.
 - c) a Third Disbursement of 16% of the grant (\$80,000) no sooner than 6 months after Initial Disbursement upon documentation of at least \$480,000 in cumulative eligible project expenses for the pilot facility including cumulative LI Farm Bureau

- lease payments of at least \$225,000.
- d) a Fourth Disbursement of 16% of the grant (\$80,000) no sooner than 12 months after Initial Disbursement upon documentation of at least \$640,000 in cumulative eligible project expenses for the pilot facility including cumulative LI Farm Bureau lease payments of at least \$300,000.
 - e) A Fifth Disbursement of 16% of the grant (\$80,000) no sooner than 18 months after Initial Disbursement upon documentation of at least \$760,000 in cumulative eligible project expenses for the pilot facility including cumulative LI Farm Bureau lease payments of at least \$375,000.
 - f) A Final Disbursement of 20% of the grant (\$100,000) no sooner than 24 months after Initial Disbursement upon documentation of at least \$1,000,000 in cumulative eligible project expenses for the pilot facility including cumulative LI Farm Bureau lease payments of at least \$450,000.

The Initial and Second Disbursements may be requested simultaneously.

No single company may receive more than 5% (\$25,000) in lease subsidies over the three year period. Smaller and disadvantaged agri-businesses will receive a higher amount of reimbursement. The reimbursement rate per tenant will be based on company net income in a formula to be approved by ESD. Recipient will be required to provide an annual report including verification of all lease and pallet in and out payments.

Expenses must be incurred on or after February 13, 2013, to be considered eligible project costs. Expenditures incurred prior to written acceptance of this Incentive Proposal cannot be reimbursed by grant funds. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2017.

ESD funds cannot be used for recipient's administrative costs and those costs will be contributed to project as in kind contributions. ESD funds cannot be used for salaries.

- 6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Economic Development Purposes Fund

The project was authorized in the 2011-12 New York State budget and reappropriated in the 2012-2013 and 2013-14 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: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation Goal of 20% related to the total value of ESD’s funding.

VII. ESD Employment Enforcement Policy

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

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

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

IX. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

December 19, 2013

Regional Council Award – Calverton (Long Island Region – Suffolk County) – Long Island Farm Bureau Member Services Capital – Economic Development Purposes Fund (Working Capital Grant) – Findings and Determinations Pursuant to Sections 10 (g) of the Act; Authorization to Make a Grant and to Take Related Actions

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

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

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

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

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

* * *



FOR CONSIDERATION

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Norwich (Southern Tier Region – Chenango County) – Sunrise Family Farms Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Sunrise Family Farms Inc. (“Sunrise” or the “Company”)

ESD* Investment: A grant of up to \$275,000 to be used for a portion of the cost of the purchase of machinery and equipment.

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

Project Location: 51 Cherry St, Greene, Chenango County

Proposed Project: Facility renovation and purchase of machinery and equipment to develop a new dairy processing plant

Project Type: Business expansion involving job retention and creation

Regional Council: This is a priority project for the region. The project is consistent with the Regional Plan and defined strategies based on the best use of the region’s assets, ability to capitalize on opportunities and address critical issues impeding growth. The Project will help fulfill the strategy to strengthen the Southern Tier’s economic development backbone and focus on agricultural small business expansion.

Employment:	Initial employment at time of ESD Incentive Offer:	35
	Current employment level:	52
	Minimum employment on January 1, 2015:	49*

*New employees cannot be transferred from other NYS locations

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Construction/Renovation	\$865,000
Machinery/Equipment	<u>1,792,000</u>
 Total Project Costs	 <u>\$2,657,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD – Grant	\$275,000	10%	
STREDC Loan*	280,000	11%	1%/10 yrs/first lien M&E
Kinderhook Bank - Loan	1,709,000	64%	6.25%/8 yrs/lien RE, M&E
Company Equity	<u>393,000</u>	<u>15%</u>	
 Total Project Financing	 <u>\$2,657,000</u>	 <u>100%</u>	

*Rural Initiative Program

III. Project Description

A. Company

Industry: Sunrise manufactures a variety of dairy products including frozen yogurt and smoothie base as well as Greek-style yogurt.

Company History: The Company was founded in 2005.

Ownership: Company is privately held.

Size: Company currently operates out of a single 6,000-square-foot facility in Norwich.

Market: Sunrise's largest brands are Siggis's Skyr yogurt and Yasso frozen yogurt bars that are both distributed by BJ's, Whole Foods, Hannaford and Target. Competitors include Ronny Brook Farms, Casp, Sabra, Nelson Farms (all NYS and similar in size), and HP Hood, MA.

ESD Involvement: Due to a rapid increase in sales and product demand, Sunrise outgrew its

existing facility. The Company requested ESD assistance to establish a second manufacturing location and to purchase machinery and equipment. ESD assistance will enable the company to expand at a rate compatible to current and future demand. The project is consistent with the Regional Plan and defined strategies based on the best use of the region's assets, ability to capitalize on opportunities and address critical issues impeding growth. The project will also fulfill the strategy to revitalize the rural farm and forest-based economy in the region.

Competition: N/A

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

B. The Project

Completion: September 2013

Activity: The Company has acquired, renovated, and equipped a 25,000-square-foot vacant manufacturing building in Greene which will allow facilitate efforts to increase production. The Project required significant investment of industry specific machinery and equipment to be viable. The new facility will support growing customer demand for yogurt products and enable Sunrise to manufacture additional private label production which they had previously been unable to do.

Results: Retain 35 existing jobs and create 14 new jobs. The Company has already created 17 new jobs. As a result of the additional facility, the Company expects to be able to double its manufacturing capability as sales and demand continue to increase.

Grantee Contact: Wayne Mellor, Financial Advisor
5037 State Highway 23
Norwich, NY 13815
Phone: (607)334-5339

ESD Project No.: Y386

Project Team:	Origination	Kevin McLaughlin
	Project Management	Robin Alpaugh
	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 \$275,000 capital grant (\$2,750) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$275,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$137,500) upon documentation of machinery and equipment project costs totaling \$1,654,000, upon completion of the project substantially as described in these materials, as evidenced by a certificate of occupancy, documentation of the employment of at least 35 Full-time Permanent Employees at the Project Location, and total project expenditures of approximately \$2,567,000, 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 (\$68,750) will be disbursed upon documentation of the employment of at least 42 Full-time Permanent Employees at the Project Location (Employment Increment of 7), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$68,750) will be disbursed upon documentation of the employment of at least 49 Full-time Permanent Employees at the Project Location (Employment Increment of 7), 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 December 19, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$275,000, 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	35
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A	B
Reporting Date	Employment Goals
February 1, 2015	35+X+Y
February 1, 2016	35+X+Y
February 1, 2017	35+X+Y
February 1, 2018	35+X+Y
February 1, 2019	35+X+Y
February 1, 2020	35+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. X=7, and Employment Goals shall equal $[35 + X = 42]$ if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section C.5 above (i.e. Y=7, and Employment Goals shall equal $[35 + X + Y = 49]$ if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

IV. Statutory Basis

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

As a result of this project, the Company will maintain its employment level of 35 and create 14 new jobs.

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

Without ESD assistance to lower costs of the Company's facility expansion, the cost would have been too high to make the project feasible in New York.

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

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

benefits typically reflect only construction-related activity.

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

- Fiscal benefits to NYS government from the project are estimated at \$1,785,964;
- Fiscal cost to NYS government is estimated at \$275,000;
- Project cost to NYS government per direct job is \$7,015;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$3,735;
- Ratio of project fiscal benefits to costs to NYS government is 6.49:1;
- Fiscal benefits to all governments (state and local) are estimated at \$2,946,662;
- Fiscal cost to all governments is \$275,000;
- All government cost per direct job is \$7,015;
- All government cost per total job is \$3,735;
- The fiscal benefit to cost ratio for all governments is 10.72:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$15,767,368, or \$214,132 per job (direct and indirect);
- The economic benefit to cost ratio is 57.34:1;
- Project construction cost is \$865,000, which is expected to generate 9 direct job years and 5 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.89 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

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

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

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

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

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

businesses for performance of this Project.

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

December 19, 2013

Regional Council Award – Priority Project – Norwich (Southern Tier Region – Chenango County) – Sunrise Family Farms Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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 Sunrise Family Farms Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Sunrise Family Farms a grant for a total amount not to exceed Two Hundred Seventy Five Thousand Dollars (\$275,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

appropriate in the administration of the grant; and be it further

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

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

* * *



FOR CONSIDERATION

December 19, 2013

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 Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

Regional Council Capital Fund

	Project Name	Proj #	Grantee	Assistance up to
A	Bo-Mer Plastics Capital	Y302	Bo-Mer Plastics, LLC	\$100,000
			TOTAL	\$100,000

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

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

Environmental Review

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

Non-discrimination and Contractor and Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor and Supplier Diversity policies will apply to the project. Unless otherwise specified in the project summary, the grantee shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 23% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 13% and a Women Business Enterprise ("WBE") Participation goal of 10%. The 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 project.

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 - Regional Council Capital Fund

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

Additional Submissions to Directors

New York State Map
Resolutions
Project Summary

December 19, 2013

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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s), that no substantive negative testimony or comment has been received at the public hearings held on the Plan, such Plan shall be effective at the conclusion of such hearings, and that upon such written findings being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make a grant to the party and for the 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
A	Bo-Mer Plastics Capital	Y302	Bo-Mer Plastics, LLC	\$100,000
			TOTAL	\$100,000

and be it further

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

* * *

A. Bo-Mer Plastics Capital (Y302)

December 19, 2013

General Project Plan

Grantee:	Bo-Mer Plastics, LLC (“Bo-Mer” or the “Company”)	
ESD Investment:	A grant of up to \$100,000 to be used for a portion of the cost of real estate acquisition and the purchase and installation of machinery and equipment.	
Project Locations:	7 Pulaski Street, Auburn, Cayuga County 13 Pulaski Street, Auburn, Cayuga County	
Proposed Project:	Real estate acquisition and the purchase and installation of new machinery and equipment to expand operations at the company facility in Auburn.	
Project Type:	Business expansion involving job retention and creation.	
Regional Council:	The project is consistent with the Central New York Regional Council Plan to support the continued growth of advanced manufacturing in the Central New York Region.	
Employment:	Initial employment at time of ESD Incentive Offer:	40
	Current employment level:	45
	Minimum employment on January 1, 2016:	49

Background:

Industry – Bo-Mer is a plastics manufacturer specializing in the design, development and manufacture of custom thermoformed and fabricated plastic products and value added assemblies for the diagnostic instruments, digital imaging, computer equipment, mass transit and automobile industries. Some of its products include mass transit seating, medical equipment, OEM components for medical devices and computer equipment, and control panels and exterior parts for vehicles, tractors, and forklifts.

Company History – The Company was originally established in 1946 and was owned by a local Central New York family until 1997 when it was sold to out-of-state investors. In October 2001, Bo-Mer was purchased by Tom Herbert, the current sole owner.

Ownership – Bo-Mer is privately owned.

Size – All of the Company’s facilities are located in Auburn, NY.

A. Bo-Mer Plastics Capital (Y302)

December 19, 2013

Market – The Company’s principal products and services include thermoformed and fabricated plastic products and full OEM support and CNC fabrication. The Company has a number of long term customer relationships with leading OEM’s throughout North America.

ESD Involvement – In 2012 the Company had an opportunity to achieve significant growth from the addition of two new product lines which would require additional plant space and machinery and equipment. However, the Company could only acquire partial financing to accommodate the expansion and decided to apply for the second round of Consolidated Funding Application (“CFA”) funding to close the gap in financing. As a result of the Governor’s Regional Economic Development Council Initiative, Bo-Mer was awarded \$100,000 through the second round of the CFA process to fund this project. The award of funds through the CFA process enabled Bo-Mer to complete the financing it needed to purchase a second building adjacent to its current facility and purchase and install new machinery and equipment necessary to expand operations.

Competition – N/A

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

The Project:

Completion – September 2013

Activity – The Company has purchased, upgraded, and equipped a vacant, 20,000-square-foot facility located at 7 Pulaski Street, adjacent to its current 44,000-square-foot facility located at 13 Pulaski Street in Auburn, NY. Facility upgrades included expanding and updating electric service, lighting, ventilation, phone, and data lines. Equipment purchased and installed included a new 5-axis CNC router to accommodate production demand. The new facility was purchased in June 2013 and facility upgrades and equipment installation was complete in September 2013. The expansion project was critical in accommodating the two new product lines and necessary for the Company’s continued future growth.

Results – The Project will retain 40 existing jobs and create 9 new jobs. The Company has already created 5 new jobs.

Financing Uses	Amount	Financing Sources	Amount	Percent
Building Acquisition	\$435,000	ESD Grant	\$100,000	18%
Machinery & Equipment	125,000	Company Equity	460,000	82%
Total Project Costs	\$560,000	Total Project Financing	\$560,000	100%

A. Bo-Mer Plastics Capital (Y302)

December 19, 2013

Grantee Contact - Brian Colella, Controller
13 Pulaski Street
Auburn, NY 13021-1105
Phone: (315) 252-7216

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

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$100,000 capital grant (\$1,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Locations for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time, permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.
5. Up to \$100,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$50,000) upon

A. Bo-Mer Plastics Capital (Y302)

December 19, 2013

- documentation of real estate and machinery and equipment project costs totaling \$560,000, upon completion of the project substantially as described in these materials as evidenced by a Certificate of Occupancy or other documentation verifying project completion, and documentation of the employment of at least 40 Full-time Permanent Employees at the Project Locations, assuming that all project approvals have been completed and funds are available;
- b) a Second Disbursement of an amount equal to 25% of the grant (\$25,000) will be disbursed upon documentation of the employment of at least 45 Full-time Permanent Employees at the Project Locations (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 (\$25,000) will be disbursed upon documentation of the employment of at least 49 Full-time Permanent Employees at the Project Locations (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 must be incurred on or after August 23, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

- 6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
- 7. In consideration for the making of the Grant, Grantee will achieve the Employment Goals set forth in Column B of the table below. If the Full-time Permanent Employee Count for the year prior to the reporting date set forth in Column A of the table below is less than eighty-five percent (85%) of the Employment Goal set forth in Column B (an "Employment Shortfall"), then upon demand by ESD, Grantee shall be obligated to repay to ESD a portion of each disbursement of the Grant, as follows:

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

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

A. Bo-Mer Plastics Capital (Y302)

December 19, 2013

- 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	40
A	B
Reporting Date	Employment Goals
February 1, 2015	40+X+Y
February 1, 2016	40+X+Y
February 1, 2017	40+X+Y
February 1, 2018	40+X+Y

X = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section 5 above (i.e. X=5, and Employment Goals shall equal [40 + X = 45] if the Second Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Second Disbursement has not yet been made then X=0.

Y = Grantee’s Employment Increment that will be the basis of the Third Disbursement of the Grant as described in section 5 above (i.e. Y=4, and Employment Goals shall equal [40 + X + Y = 49] if the Third Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Third Disbursement has not yet been made then Y=0.

Non-Discrimination and Contractor & Supplier Diversity:

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

Statutory Basis – Regional Council Capital Fund:

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



FOR CONSIDERATION

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Awards – Connect NY Broadband Program Consent Calendar

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

General Project Plan

I. Project Summary

NY Works

	Project Name	<u>Proj #</u>	Grantee	Assistance up to
A	Open Access Fiber Network	Y586	Yates County	\$2,407,049
B	Tompkins and Cayuga Ubiquitous Last Mile Coverage	Y593	Clarity Connect, Inc.	2,216,000
C	Schroon Lake Next Generation Broadband	Y588	Slic Network Solutions, Inc.	2,162,656
D	Parish Broadband	Y597	New Visions Communications	1,999,584
E	MTC Broadband Build Out	Y587	Heart of the Catskills Communications, Inc. d/b/a MTC Cable, a wholly owned subsidiary of the Margaretville Telephone Company ("MTC" or the Company")	1,800,000
F	Bellmont North Next Generation Broadband	Y589	Slic Network Solutions, Inc.	1,012,366
G	Lyon Mountain Broadband	Y602	Slic Network Solutions, Inc.	976,426
H	Southern Tier Broadband	Y596	Southern Tier West Development Foundation	672,452
			TOTAL	\$13,246,533

Regional Council Capital Fund

	Project Name	Proj #	Grantee	Assistance up to
I	Long Lake Next Generation Broadband	Y582	Slic Network Solutions, Inc.	\$1,370,306
			TOTAL	\$1,370,306

II. Program Description

A. Background

Accelerating the availability, affordability, and utilization of broadband technologies is a high priority for the State of New York. Access to the numerous benefits of broadband access, such as e-commerce, e-government, telemedicine and distance learning will result in job creation, improved healthcare, greater educational opportunities for our students and teachers, and enhanced economic development.

Recognizing that broadband services are vital to our state’s economic well-being, in September 2012, Governor Cuomo Committed \$25 million in funding to expand high-speed Internet access in rural upstate and underserved urban areas of New York through the Connect NY Broadband Grant Program. In March 2013, eighteen broadband projects were selected to receive Connect NY Broadband grants based on the support of the Regional Economic Development Councils that analyzed and ranked projects competing for the \$25 million in funding. In addition, 4 North Country Broadband Project Sponsors received more than \$6 million from Round 2 of the Regional Economic Development Council Grants to expand broadband in the North Country Region.

Together, these projects will bring broadband service to over 153,000 households, 8,000 businesses and 400 anchor institutions – many without any means to access the Internet, across more than 6,000 square miles of New York State. Most of the funding will be for the “last-mile” of broadband service, which means the projects will provide high speed Internet connections directly to New Yorkers. The last-mile is the most expensive portion of a broadband network, and often prevents many rural residents from receiving broadband service, even when service is available to nearby homes.

The \$25 million Connect NY awards, combined with additional funding to advance broadband technologies and services, brings the total amount of funding awarded for broadband projects during Governor Cuomo’s administration to more than \$56 million, the largest statewide broadband funding commitment in the nation.

B. The Project

See attached Consent materials.

III. Statutory Basis

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

IV. Environmental Review

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

V. Non-Discrimination and Contractor & Supplier Diversity

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

VI. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the projects will not directly create or retain jobs. The purpose of the grants is to extend broadband service to unserved households. Progress will be measured in terms of households and businesses served.

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

Project Summaries

December 19, 2013

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

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

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

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

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

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

NY Works

	Project Name	<u>Proj #</u>	Grantee	Assistance up to
A	Open Access Fiber Network	Y586	Yates County	\$2,407,049
B	Tompkins and Cayuga Ubiquitous Last Mile Coverage	Y593	Clarity Connect, Inc.	2,216,000
C	Schroon Lake Next Generation Broadband	Y588	Slic Network Solutions, Inc.	2,162,656
D	Parish Broadband	Y597	New Visions Communications	1,999,584
E	MTC Broadband Build Out	Y587	Heart of the Catskills Communications, Inc. d/b/a MTC Cable, a wholly owned subsidiary of the Margaretville Telephone Company ("MTC" or the Company")	1,800,000
F	Bellmont North Next Generation Broadband	Y589	Slic Network Solutions, Inc.	1,012,366
G	Lyon Mountain Broadband	Y602	Slic Network Solutions, Inc.	976,426
H	Southern Tier Broadband	Y596	Southern Tier West Development Foundation	672,452
			TOTAL	\$13,246,533

Regional Council Capital Fund

	Project Name	<u>Proj #</u>	Grantee	Assistance up to
I	Long Lake Next Generation Broadband	Y582	Slic Network Solutions, Inc.	\$1,370,306
			TOTAL	\$1,370,306

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. Open Access Fiber Network (Y586)

December 19, 2013

General Project Plan

Grantee: Yates County (the “County”)

ESD Investment: A grant of up to \$2,407,049 to be used for a portion of the cost to install or upgrade existing broadband networks to expand broadband access and increase capacity.

Project Location: Penn Yan, Yates County, Zip Codes:

14418	14441	14478	14507	14527
14544	14837	14842	14878	

Proposed Project: Acquisition and installation of a fiber optic ring with spurs to provide broadband connectivity in remote areas within Yates County.

Project Type: Infrastructure development

Regional Council: The project is consistent with the Finger Lakes Regional Council Plan to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

Background:

History – Yates County is a branch of New York State’s local government, which includes the following departments: Board of Elections, Buildings & Grounds, Communications, Community Services, County Attorney, County Clerk, District Attorney, Emergency Management, Highway, Historian, Personnel, Planning, Probation, Public Defender, Public Health, Real Property, Sheriff, Social Services, Treasurer, Veterans, Workforce Development and Youth Bureau.

The County Administrator oversees the daily operations of the County government, coordinating and guiding interdepartmental and interagency activities and projects, and representing the County in various community endeavors. Specific responsibilities include development and implementation of county policies, negotiation of union contracts and labor issues, recruitment, supervision and evaluation of department heads, and general administration of County projects. The County Administrator also serves as the Budget Officer, and is responsible for the development, analysis and administration of the County budget.

Size – Yates County is located in the Finger Lakes Region of New York State, midway between Pennsylvania and Lake Ontario. The County has a land area of approximately

A. Open Access Fiber Network (Y586)

December 19, 2013

338 square miles and includes three of New York State's Finger Lakes. On the eastern border of Yates County is Seneca Lake, on the western border is Canandaigua Lake, and the mid/southern section is split by Keuka Lake.

There are four incorporated villages and nine townships situated within the County and the population is approximately 25,454. Penn Yan, the largest of four villages, is the County seat and is located at the north end of the east branch of Keuka Lake.

Market – Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. Download speeds refer to data which is received, such as accessing websites, receiving files through email, streaming video, and using cloud-based services. Upload speeds refer to data which is transmitted to another user or to a website or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

Broadband service is facilitated by either wireline or wireless technologies. Wireline services require a physical cable connection to provide connectivity, while wireless services are transmitted using antennas and wireless receivers similar to how radio transmissions are carried. Although there are a number of different wireless technologies, many wireless broadband providers use a hybrid model of providing service, as a wireline (usually fiber) connection is required at some point in the network.

In New York State, broadband service is provided by the following categories of service providers:

- Cable – 16 Providers, (Provides service to 94% of the state)
- DSL – 38 Providers, (Provides service to 92% of the state - Speeds: 768kbps – 25 mbps)
- Fiber – 26 Providers, (12 business only)
- Fixed Wireless- 12 Providers reporting coverage, (Serves 5% of the state – Speeds - 1.5 mbps – 100 mbps)
- Mobile Wireless- 6 providers (Speeds: 768 kbps – 12 mbps)
- Satellite Providers- 4 providers

ESD Involvement – In March 2013, eighteen broadband projects were selected to receive Connect NY Broadband grants totaling \$25 million based on the support of the Regional Economic Development Councils. In addition, 4 North Country Broadband Project Sponsors received more than \$6 million from Round 2 of the Regional Economic Development Council Grants to expand broadband in the North Country Region.

A. Open Access Fiber Network (Y586)

December 19, 2013

Past ESD Support – This is the first ESD grant to Yates County.

The Project:

Completion – July 2015

Activity – Yates County will partner with Axxess Ontario for the construction, management and operations of a 68-mile, open-access fiber backbone which will enable last-mile service providers to provide the fiber optic that will allow them to expand broadband services into unserved areas. The fiber cable will consist of single mode cabling as manufactured by Corning Glass Corporation of Corning, New York and be sized to accommodate future growth potential. See Table A and B for Key Indicators and Milestones.

Results – This project is a middle mile project. The Open Access Dark Fiber will pass an estimated 11,788 households 1,438 businesses and 48 Community Anchor institutions. Neither Yates County nor its partner, Axxess Ontario, will be providing lit services to these locations. However, carriers leasing the Open Access Dark Fiber will be able to provide services and last mile solutions to these locations. See Table A, which describes all Key Indicators.

Financing Uses	Amount	Financing Sources	Amount	Percent
Infrastructure/ Site Preparation	\$559,215	ESD Grant	\$2,407,049	80%
Engineering	215,645	Company Equity	601,761	20%
Construction	2,027,450			
Machinery & Equipment	206,500			
Total Project Costs	\$3,008,810	Total Project Financing	\$3,008,810	100%

Grantee Contact – Shawna Bonshak, County Planning Director
County of Yates
417 Liberty Street
Penn Yan, NY 14527
Phone: 315-536-5153

Project Team –

Origination	Angela Liotta
Project Management	Angela Liotta
Contractor & Supplier Diversity	Elizabeth Gocs
Finance	Ross Freeman
Environmental	Soo Kang

A. Open Access Fiber Network (Y586)

December 19, 2013

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the County shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The County will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The County will be required to contribute at least 10% of the total project cost in the form of equity contributed after the County's written acceptance of ESD's offer and contribute at least 10% of total project costs in the form of in-kind. Equity is defined as cash injected into the project by the County or by investors, and should be auditable through County financial statements or County accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$2,407,049 will be disbursed to the Grantee no more frequently than quarterly during the course of design and/or construction and upon completion of project key indicators, in compliance with Design & Construction requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facility and upon meeting all project key indicators, as evidenced by Certification of System Acceptance. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

ESD will be entitled to recoup all or part of ESD's grant if the Recipient fails to reach, to a degree acceptable to ESD milestones as agreed upon in Table A, which lists key indicators for infrastructure work, and Table B, which lists the major network build-out phases and quarterly milestones of the entire project.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after March 5, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

5. Grant funds will be subject to pro-rata recapture if property is sold within 5 years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:

A. Open Access Fiber Network (Y586)

December 19, 2013

- (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.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The County shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (MWBE) Participation goal of 23%, a Minority Business Enterprise (MBE) Participation goal of 13% 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.

Statutory Basis – New York Works:

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

Additional Submissions to Directors:

Table A – Key Indicators

Table B – Milestones

Table C – Proposed Rate Card

Project Finance Memorandum

Table A: Project Description: The following table lists the key indicators for your infrastructure project upon completion of your project. Indicators will be required to be reported cumulatively from award inception to the end of the project on a quarterly basis.

Project Description- Access and Subscriber Information	Key Indicator	Municipality	Total Number Upon Completion of Project
Residential/Business – the following information is for the last-mile services to homes and businesses	Number of Households Passed		11,788
	Number of New Residential Subscribers		0
	Number of Business Passed		1,438
	Number of New Business Subscribers		0
	Speed Tiers Available / Pricing		See Attachment C: Access Ontario Rate Card
Community Anchor Institutions – the following information is for the last-mile service to Community Anchor Institutions	Number of Community Anchor Institutions Passed		48
	<ul style="list-style-type: none"> • Schools K-12 		1
	<ul style="list-style-type: none"> • Colleges, Universities or other Institutions of Higher Education 		1
	<ul style="list-style-type: none"> • Libraries 		3
	<ul style="list-style-type: none"> • Medical/ Healthcare Providers 		5
	<ul style="list-style-type: none"> • Public Safety Entities 		9
	<ul style="list-style-type: none"> • Other 		29
Infrastructure Key Indicators – the following information provides key indicators as they relate to your infrastructure project	New Network Miles Deployed		0
	Existing Network Miles Upgraded		0
	Number of Miles of New Fiber		68
	Number of New Wireless Links		0
	Number of New Towers		0
	Number of New Interconnection Points		0
	Number of Wireless Hotspots Provided		0
Impact and Adoption – the following information demonstrates how the project addresses barriers to adoption	Subsidies		0
	Digital Literacy Programs and Training Programs		0
Company Employment Commitment	Permanent Full- Time Employees		0
	Contract Full-Time Employees		12

Table B: Project Milestones: The following table lists the major network build-out phases and milestones that can demonstrate the entire project will be substantially complete by the end of December, 2015. The table considers project areas such as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) inside plant deployment; e) outside plan deployment; f) deployment of business & operational support systems; g) network testing; f) network operational.

	Time	Phase I: 25 Miles	Phase II: 25 Miles	Phase III: 18 Miles
	March 6, 2013 - March 1, 2014	Develop Project Plan. Access Ontario/Yates Contract. ECC/Yates Contract. AO Design Engineering Contract. Board Assignments. Financing. GDA execution.		
2014	April	Design engineering		
2014	May	Design engineering		
2014	June	Design engineering, Bid Development for Contracting firms		
2014	July	Design engineering, Construction Contractor Bid Process, Order Fiber		
2014	August	Design engineering, Award and of Construction Contract		
2014	September	Make Ready and Permitting	Design engineering	
2014	October	Make Ready and Permitting	Design engineering	
2014	November	Make Ready and Permitting	Design engineering	
2014	December	Make Ready and Permitting	Make Ready and Permitting	Design engineering
2015	January	Construction	Make Ready and Permitting	Design engineering
2015	February	Construction	Make Ready and Permitting	Design engineering
2015	March	Construction	Make Ready and Permitting	Make Ready and Permitting
2015	April	Splicing, Testing and Turnover	Construction	Make Ready and Permitting
2015	May	Construction of last mile to Finger Lakes Community Health Locations; Geneva & Penn Yan	Construction	Make Ready and Permitting
2015	June	Splicing, Testing and Turnover of last mile fiber	Construction	Make Ready and Permitting
2015	July		Splicing, Testing and Turnover	Construction
2015	August		Construction of last mile to Finger Lakes Community Health Locations; Dundee	Construction
2015	September		Splicing, Testing and Turnover of last mile fiber	Construction
2015	October			Construction of last mile to Finger Lakes Community Health Locations; Bath
2015	November			Splicing, Testing and Turnover of last mile fiber
2015	December			Splicing, Testing and Turnover. Project Complete.

ATTACHMENT C: Proposed Rate Card



ACCESS ONTARIO
FIBER NETWORK DEVELOPMENT
providing advanced connectivity



ECC TECHNOLOGIES

2136 Five Mile Line Road, Penfield, NY 14526
(585)-377-1850



ACCESS ONTARIO
FIBER NETWORK DEVELOPMENT
providing advanced connectivity



ECC TECHNOLOGIES

2136 Five Mile Line Road, Penfield, NY 14526
(585)-377-1850

2013 Axxess Ontario Carrier Rate Card

Option 1: Location Based Pricing	Monthly Recurring Charges:
Ring Access Charge per fiber pair	\$ 2,000.00
Ring Egress point per fiber pair	\$ 500.00

Option 2: Mileage Based Pricing	Monthly Charge Per Mile 1-300 fiber miles leased	Monthly Charge Per Mile 301+ fiber miles leased	Discount
1-3 fibers	\$ 40.00	\$ 30.00	0%
4-5 fibers	\$ 37.60	\$ 28.20	6%
6-7 fibers	\$ 36.40	\$ 27.30	9%
8-9 fibers	\$ 35.20	\$ 26.40	12%
10-11 fibers	\$ 34.00	\$ 25.50	15%
12+ fibers	\$ 32.00	\$ 24.00	20%

Non-Recurring Charges	
Lateral Build from FLRTDC backbone	Individual Case Basis
Building Entrance Fee	\$ 2,500.00
Splicing fees	Individual Case Basis

2013 Axxess Ontario Enterprise Rate Card

Option 1: Location Based Pricing	Monthly Recurring Charges:
Ring Egress point per location	\$ 500.00

Non-Recurring Charges	
Lateral Build from FLRTDC backbone	Individual Case Basis
Building Entrance Fee	\$ 2,500.00
Splicing fees	Individual Case Basis

B. Tompkins and Cayuga Ubiquitous Last Mile Coverage (Y593)

December 19, 2013

General Project Plan

Grantee: Clarity Connect, Inc. (“Clarity Connect” or the “Company”)

ESD Investment: A grant of up to \$2,216,000 to be used for a portion of the cost to install or upgrade existing broadband networks to expand broadband access and increase capacity.

Project Location: Towns of Caroline, Enfield, Newfield, Danby, Groton, Lansing, Ledyard, Genoa, Venice, Scipio, Niles, Sempronius, and Summerhill in Cayuga and Tompkins Counties; Zip codes:

14850	14854	14867	14883	14817	14881	14882	13021
13024	13026	13045	13068	13071	13073	13081	13092
13118	13147	13152	13864				

Proposed Project: The Tompkins and Cayuga Ubiquitous Last Mile Coverage project is a multi-region project serving the Central New York and Southern Tier Regions to provides broadband services to the unserved communities in Tompkins and Cayuga Counties.

Project Type: Infrastructure development

Regional Council: The project is consistent with the Central New York and Southern Tier Regional Councils Plans to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the regions.

Background:

Industry – Clarity Connect offers customers high speed wireless Internet service, website hosting and Internet-related services.

Ownership – Clarity Connect is a privately held New York C-Corporation.

Size – With facilities based in Ithaca, Clarity Connect serves NYS residents Tompkins, Cayuga, Tioga, Otsego and Delaware Counties as well as the Towns of Athens and Sayre in PA.

Market – Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. Download speeds refer to data which is received, such as accessing websites, receiving files through email, streaming video, and using cloud-based services.

B. Tompkins and Cayuga Ubiquitous Last Mile Coverage (Y593)

December 19, 2013

Upload speeds refer to data which is transmitted to another user or to a website or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

Broadband service is facilitated by either wireline or wireless technologies. Wireline services require a physical cable connection to provide connectivity, while wireless services are transmitted using antennas and wireless receivers similar to how radio transmissions are carried. Although there are a number of different wireless technologies, many wireless broadband providers use a hybrid model of providing service, as a wireline (usually fiber) connection is required at some point in the network.

In New York State, broadband service is provided by the following categories of service providers:

- Cable – 16 Providers, (Provides service to 94% of the state)
- DSL – 38 Providers, (Provides service to 92% of the state - Speeds: 768kbps – 25 mbps)
- Fiber – 26 Providers, (12 business only)
- Fixed Wireless- 12 Providers reporting coverage, (Serves 5% of the state – Speeds - 1.5 mbps – 100 mbps)
- Mobile Wireless- 6 providers (Speeds: 768 kbps – 12 mbps)
- Satellite Providers- 4 providers

ESD Involvement. In March 2013, eighteen broadband projects were selected to receive Connect NY Broadband grants totaling \$25 million based on the support of the Regional Economic Development Councils. In addition, 4 North Country Broadband Project Sponsors received more than \$6 million from Round 2 of the Regional Economic Development Council Grants to expand broadband in the North Country Region.

Past ESD Support – This is the first ESD grant to Clarity Connect, Inc.

The Project:

Completion – June 2014

Activity – Clarity Connect will leverage existing tower infrastructure to provide broadband services.. The project will use software-defined radios ("base stations") on telephone pole "towers" as the primary means of reaching some of the most remote neighborhoods. The telephone poles are largely being located in existing rights of way by partner FLTG, simplifying the question of easements. The project will also upgrade DSL services increasing existing speeds. Finger Lakes Technology Group is a partner

B. Tompkins and Cayuga Ubiquitous Last Mile Coverage (Y593)

December 19, 2013

using an upgraded version of DSL. Haefele TV, another partner will utilize fiber-to-the-home technology. Using WiMax, the fixed wireless project design initially makes 32 Mbps download speeds available to about 75% of the target territory. About 20% will be capable of between 32 Mbps and 6.6 Mbps while 5% will have 6.6 Mbps available.

Results – The Project will expand broadband services to over 5,700 households, 53 businesses, and 120 Community Anchor institutions. See Table A, which describes all Key Indicators.

Financing Uses	Amount	Financing Sources	Amount	Percent
Infrastructure/ Site Work	\$445,800	ESD Grant	\$2,216,000	75%
Equipment	2,511,613	Company Equity	741,413	25%
Total Project Costs	\$2,957,413	Total Project Financing	\$2,957,413	100%

Grantee Contact – Chuck Bartosch, CEO
Clarity Connect, Inc.
200 Pleasant Grove Road
Ithaca, NY 14850
Phone: (607) 275-5002
E-mail: chuck@clarityconnect.com

Project Team –

Origination	Angela Liotta
Project Management	Angela Liotta
Contractor & Supplier Diversity	Elizabeth Gocs
Finance	John Bozek
Environmental	Soo Kang

Financial Terms and Conditions:

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

B. Tompkins and Cayuga Ubiquitous Last Mile Coverage (Y593)

December 19, 2013

project.

4. Up to \$2,216,000 will be disbursed to the Grantee no more frequently than quarterly during the course of design and/or construction and upon completion of project key indicators, in compliance with Design & Construction requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facility and upon meeting all project key indicators, as evidenced by a certificate of occupancy. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

ESD will be entitled to recoup all or part of ESD's grant if the Recipient fails to reach, to a degree acceptable to ESD milestones as agreed upon in Table A, which lists key indicators for infrastructure work, and Table B, which lists the major network build-out phases and quarterly milestones of the entire project.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after March 5, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

5. Grant funds will be subject to pro-rata recapture if property is sold within 5 years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
 - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
 - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
 - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
 - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

Environmental Review:

The Town of Enfield, as lead agency has completed an environmental review for the installation of a tower at 1808 Mecklenburg Road in Enfield, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New

B. Tompkins and Cayuga Ubiquitous Last Mile Coverage (Y593)

December 19, 2013

York State Department of Environmental Conservation. This review found the project would not have a significant effect on the environment. ESD staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The Company shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (MWBE) Participation goal of 15% related to the total value of ESD's funding, and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

Statutory Basis – New York Works:

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

Additional Submissions to Directors:

Table A – Key Indicators

Table B – Milestones

Project Finance Memorandum

B. Tompkins and Cayuga Ubiquitous Last Mile Coverage (Y593)

December 19, 2013

Table A: Project Description: The following table lists the key indicators for your infrastructure project upon completion of your project. Indicators will be required to be reported cumulatively from award inception to the end of the project on a quarterly basis.

Project Description- Access and Subscriber Information	Key Indicator	Municipality	Total Number Upon Completion of Project
Residential/Business – the following information is for the last-mile services to homes and businesses	Number of Households Passed		5703
	Estimated Number of New Residential Subscribers		1996
	Number of Business Passed		53
	Estimated Number of New Business Subscribers		26
	Speed Tiers Available / Pricing		6 Mbps: \$39.95/m to \$49.95/m.
Community Anchor Institutions – the following information is for the last-mile service to Community Anchor Institutions	Number of Community Anchor Institutions Passed		120
	<ul style="list-style-type: none"> • Schools K-12 		1
	<ul style="list-style-type: none"> • Colleges, Universities or other Institutions of Higher Education 		1
	<ul style="list-style-type: none"> • Libraries 		1
	<ul style="list-style-type: none"> • Medical/ Healthcare Providers 		0
	<ul style="list-style-type: none"> • Public Safety Entities 		1
	<ul style="list-style-type: none"> • Other (Agricultural) 		141
Infrastructure Key Indicators – the following information provides key indicators as they relate to your infrastructure project	New Network Miles Deployed		0
	Existing Network Miles Upgraded		0
	Number of Miles of New Fiber		16
	Number of New Wireless Links		62
	Number of New Towers		58
	Number of New Interconnection Points		2
	Number of Wireless Hotspots Provided		14
Impact and Adoption – the following information demonstrates how the project addresses barriers to adoption	Subsidies		\$19.95/m, no startup cost
	Digital Literacy Programs and Training Programs		3

Company Employment Commitment	Permanent Full- Time Employees		3
	Contract Full-Time Employees		

Table B: Project Milestones: The following table lists the major network build-out phases and milestones that can demonstrate the entire project will be substantially complete by approximately June 2014. The table considers project areas such as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) inside plant deployment; e) outside plan deployment; f) deployment of business & operational support systems; g) network testing; f) network operational.

Time Period	Quarter	Milestones	Narrative Explanation (if any)
Year 1	Qtr. 1	<ul style="list-style-type: none"> • Build the Enfield Tower, mount equipment, test • Replace the Fognob tower, mount equipment, test • Set Utility Poles • Run electric to the poles • Mount equipment, equipment testing, backhaul alignment on poles • Test base station radios. 	Not all poles will get electric service and not all equipment can be mounted on the poles in the first quarter. No equipment will likely be mounted on poles in Jan. and Feb. Current estimate is that 26 of the expected 68 towers will have service ready within 2 months of the final agreement with the State, with the remainder being completed in the ensuing 4 months. This is a new generation of equipment so actual installation rate could be between from 20 to 32 in the first two months.
	Qtr. 2	<ul style="list-style-type: none"> • Run electric to the poles • Mount equipment on the poles • For poles that have point-to-point radio backhauled, align the backhaul • Test base station radios • Fiber to some telephone poles if required • Backbone (middle mile) fiber to the Locke tower. 	An undetermined number of poles will be fed with direct fiber-we are trying to minimize this number.
	Qtr. 3		
	Qtr. 4		

C. Schroon Lake Next Generation Broadband (Y588)

December 19, 2013

General Project Plan

- Grantee:** Slic Network Solutions, Inc. (“Slic” or the “Company”)
- ESD Investment:** A grant of up to \$2,162,656 to be used for a portion of the cost to install or upgrade existing broadband networks to expand broadband access and increase capacity.
- Project Location:** Towns of Schroon and North Hudson, Essex County, Zip Code: 12870
- Proposed Project:** Purchase and install 63 miles of fiber to deliver broadband services to 544 households in the Towns of Schroon and North Hudson.
- Project Type:** Infrastructure development
- Regional Council:** The project is consistent with the North Country Regional Council Plan to expand high-speed internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

Background:

Industry – As a wholly owned subsidiary of Nicholville Telephone (a 100+-year-old ILEC), Slic Network Solutions, Inc. specializes in delivering network and internet solutions to organizations in the northern New York community. Slic hosts a comprehensive menu of communications services, including commercial phone and high-speed internet, web and email hosting, dial-up internet, commercial cabling, and enterprise phone systems installation/maintenance. All of which are designed to enhance the communication options available to North Country residents.

Company History – Slic began delivering dial-up internet service to businesses and residents throughout St. Lawrence County in 1995. During the late 1990s, the Company grew with the expansion of the internet. The Company created and expanded a high-tech call center specializing in technical support services to internet subscribers located all over the country. In recent years, the area of focus has been constructing a dedicated fiber-optic network in the Canton, Massena, and Potsdam business districts and delivering commercial phone and high-speed internet services via a fiber-to-the-premises (fttp) solution.

Slic began to offer fiber-to-the-home solutions for residential high-speed internet and residential phone service in small areas such as Newton Falls and Brasher, NY, through projects funded in part by grants and loans from the St. Lawrence Chamber of Commerce and the St. Lawrence County IDA.

Ownership – Privately held

C. Schroon Lake Next Generation Broadband (Y588)

December 19, 2013

Size – Slic employs 48 full-time employees.

Market – Access to the internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. Download speeds refer to data which is received, such as accessing websites, receiving files through email, streaming video, and using cloud-based services. Upload speeds refer to data which is transmitted to another user or to a website or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

Broadband service is facilitated by either wireline or wireless technologies. Wireline services require a physical cable connection to provide connectivity, while wireless services are transmitted using antennas and wireless receivers similar to how radio transmissions are carried. Although there are a number of different wireless technologies, many wireless broadband providers use a hybrid model of providing service, as a wireline (usually fiber) connection is required at some point in the network.

In New York State, broadband service is provided by the following categories of service providers:

- Cable – 16 Providers, (Provides service to 94% of the state)
- DSL – 38 Providers, (Provides service to 92% of the state - Speeds: 768kbps – 25 mbps)
- Fiber – 26 Providers, (12 business only)
- Fixed Wireless- 12 Providers reporting coverage, (Serves 5% of the state – Speeds - 1.5 mbps – 100 mbps)
- Mobile Wireless- 6 providers (Speeds: 768 kbps – 12 mbps)
- Satellite Providers- 4 providers

ESD Involvement – In March 2013, eighteen broadband projects were selected to receive Connect NY Broadband grants totaling \$25 million based on the support of the Regional Economic Development Councils. In addition, 4 North Country Broadband Project Sponsors received more than \$6 million from Round 2 of the Regional Economic Development Council Grants to expand broadband in the North Country Region.

C. Schroon Lake Next Generation Broadband (Y588)

December 19, 2013

Past ESD Support – In the past five years, funding to the Company is summarized as follows:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
LOCAL ASST – Innovation Economy	Y025	\$425,987	November 2012	December 2015	Working Capital - Personnel and grant administration costs for fiber-optic installation
	Y026	\$2,225,033	November 2012	December 2015	Working Capital - Personnel and grant administration costs for fiber-optic installation
Regional Council Capital Fund	X708	\$596,000	June 2013	December 2014	Capital Grant - Installation of fiber – optic infrastructure

The Project:

Completion – June 2015

Activity – Slic Network Solutions, Inc. will deploy 63 miles of fiber to home technology to bring broadband services to unserved areas of the Town of Schroon and the Town of North Hudson and offer a suite of services including broadband, cable, and phone service.

Results – Expand broadband Services to 544 households, 20 businesses and 5 Community Anchor institutions. See Table A, which describes all Key Indicators.

Financing Uses	Amount	Financing Sources	Amount	Percent
Infrastructure/ Site Work	\$1,484,440	ESD Grant	\$2,162,656	80%
Machinery & Equipment	527,626	Company Equity	540,664	20%
Administrative Costs	691,254			
Total Project Costs	\$2,703,320	Total Project Financing	\$2,703,320	100%

Grantee Contact – Phil Wagschal
 President
 Slic Network Solutions, Inc.
 3330 State Highway 11B
 Nicholville, NY 12965
 Phone: (315) 328-9011

C. Schroon Lake Next Generation Broadband (Y588)

December 19, 2013

<u>Project Team</u> –	Origination	Angela Liotta
	Project Management	Angela Liotta
	Contractor & Supplier Diversity	Elizabeth Gocs
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer and contribute at least 10% of total project costs in the form of in-kind. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$ 2,162,656 will be disbursed to the Grantee no more frequently than quarterly during the course of design and/or construction and upon completion of project key indicators, in compliance with Design & Construction requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facility and upon meeting all project key indicators, as evidenced by a certificate of occupancy. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

ESD will be entitled to recoup all or part of ESD's grant if the Recipient fails to reach, to a degree acceptable to ESD milestones as agreed upon in Table A, which lists key indicators for infrastructure work, and Table B, which lists the major network build-out phases and quarterly milestones of the entire project.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after March 5, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

C. Schroon Lake Next Generation Broadband (Y588)

December 19, 2013

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The Company shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (MWBE) Participation goal of 23% related to the total value of ESD's funding, and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

Statutory Basis – New York Works:

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

Additional Submissions to Directors:

Table A – Key Indicators

Table B – Milestones

Table C – Residential Retail Rate Chart

Table D – Community Anchor Institution Retail Rate Card

Project Finance Memorandum

Table A: Project Description: The following table lists the key indicators for your infrastructure project upon completion of your project. Indicators will be required to be reported cumulatively from award inception to the end of the project on a quarterly basis.

Project Description- Access and Subscriber Information	Key Indicator	Municipality	Total Number Upon Completion of Project
Residential/Business – the following information is for the last-mile services to homes and businesses	Number of Households Passed		544
	Estimated Number of New Residential Subscribers		341
	Number of Business Passed		20
	Estimated Number of New Business Subscribers		12
	Speed Tiers Available / Pricing		See Table C
Community Anchor Institutions – the following information is for the last-mile service to Community Anchor Institutions	Number of Community Anchor Institutions Passed		5
	<ul style="list-style-type: none"> • Schools K-12 		0
	<ul style="list-style-type: none"> • Colleges, Universities or other Institutions of Higher Education 		0
	<ul style="list-style-type: none"> • Libraries 		0
	<ul style="list-style-type: none"> • Medical/ Healthcare Providers 		0
	<ul style="list-style-type: none"> • Public Safety Entities 		0
	<ul style="list-style-type: none"> • Other 		5
Infrastructure Key Indicators – the following information provides key indicators as they relate to your infrastructure project	New Network Miles Deployed		0
	Existing Network Miles Upgraded		0
	Number of Miles of New Fiber		63
	Number of New Wireless Links		0
	Number of New Towers		0
	Number of New Equipment Cabinets		2
	Number of Wireless Hotspots Provided		3
Impact and Adoption – the following information demonstrates how the project addresses barriers to adoption	Subsidies		1
	<ul style="list-style-type: none"> • Two Years subsidised Internet at beach hotspot • 20% discount on phone and internet service for municipalities 		1
Company Employment Commitment	Digital Literacy Programs and Training Programs		1
	<ul style="list-style-type: none"> • Digital Literacy Partnerships with local CAIs 		
Company Employment Commitment	Permanent Full- Time Employees		0
	Contractor Full-Time Employees		0

Table B: Project Milestones: The following table lists the major network build-out phases and milestones that can demonstrate the entire project will be substantially complete by the end June 2015. The table considers project areas such as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) inside plant deployment; e) outside plan deployment; f) deployment of business & operational support systems; g) network testing; f) network operational.

Time Period	Quarter	Milestones	Narrative Explanation (if any)
Year 1	Qtr. 1	<ul style="list-style-type: none"> • GPS Poles • Strand Maps 	
	Qtr. 2	<ul style="list-style-type: none"> • Network Layout and Design • Pole Applications • CAD Construction Drawings • Schedule Make Ready Ride Outs 	
	Qtr. 3	<ul style="list-style-type: none"> • Make Ready Ride Outs • Permitting • Pay Make Ready 	
	Qtr. 4	<ul style="list-style-type: none"> • Make Ready Complete • Cabinet Easements • Equipment Installation • Outside Plant Construction Begins • Customer Installs • Equipment Cabinet Installation 	
Year 2	Qtr. 1	<ul style="list-style-type: none"> • Equipment Cabinet Installation • Outside Plant Construction Complete • Splicing and Testing • Customer Installs • Wireless Install 	
	Qtr. 2	<ul style="list-style-type: none"> • Customer Installs • As Builts 	
	Qtr. 3	<ul style="list-style-type: none"> • Customer Installs 	
	Qtr. 4		

Table C: Residential Retail Rate Chart



3330 State Highway 11B, Nicholville, NY 12965 | Phone: 877-SLIC-COM | Email: info@slc.com

Triple Play Bundles

<p>myWorld - \$199⁹⁵ 50 Mbps Internet, Unlimited Phone, myExpanded TV, 3 calling features + Caller ID on TV, HD, Any 2 Movie Channels, DVR or Whole Home DVR Service (your choice). Add additional Movie Channels for \$10/each. Contract Required.</p>	<p>myFamily - \$159⁹⁵ 20 Mbps Internet, Unlimited Phone, myExpanded TV, DVR or Whole Home DVR Service (your choice). Contract Required</p>	<p>myChoice - \$124⁹⁵ 10 Mbps Internet, Regional Phone, mySelect TV Contract Required</p> <p>Add Unlimited Long Distance in USA & Canada for only \$5 more!</p>
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myEVTV.com

<p>mySelect TV - \$69⁹⁵ 84 Channels, Contract Required Available features (additional fees apply) 56 HD Channels, Parental Controls, Caller ID on TV, DVR Service, Premium Movie Channels</p>	<p>myExpanded TV - \$74⁹⁵ 175 Channels Total, 50 Music Channels, Contract Required Available features (additional fees apply) 60 HD Channels, Parental Controls, Caller ID on TV, DVR Service, Premium Movie Channels</p>	<p>myEVTV.com Add-Ons</p> <table border="0"> <thead> <tr> <th>Add-On</th> <th>Cost</th> </tr> </thead> <tbody> <tr> <td>HBO (5 SD, 3 HD).....</td> <td>\$16.95/mo</td> </tr> <tr> <td>Showtime/TMX (6 SD, 6 HD)</td> <td>\$14.95/mo</td> </tr> <tr> <td>Starz/Encore (8 SD, 6 HD)</td> <td>\$11.95/mo</td> </tr> <tr> <td>Cinemax (3 SD, 3 HD)</td> <td>\$9.95/mo</td> </tr> <tr> <td>myMovies</td> <td>\$49.95/mo</td> </tr> <tr> <td>NFLRedZone</td> <td>\$49.95/yr</td> </tr> <tr> <td>HD Module</td> <td>\$9.95/mo</td> </tr> <tr> <td>Additional Set-Top Boxes.....</td> <td>\$5.95/mo</td> </tr> <tr> <td>Whole-Home DVR Service..</td> <td>\$9.95/mo</td> </tr> <tr> <td>DVR Service</td> <td>\$7.95/mo</td> </tr> <tr> <td>Caller ID On TV</td> <td>\$0.00/mo</td> </tr> <tr> <td colspan="2">(Requires Caller ID on phone)</td> </tr> <tr> <td>Parental Controls.....</td> <td>\$0.00</td> </tr> </tbody> </table>	Add-On	Cost	HBO (5 SD, 3 HD).....	\$16.95/mo	Showtime/TMX (6 SD, 6 HD)	\$14.95/mo	Starz/Encore (8 SD, 6 HD)	\$11.95/mo	Cinemax (3 SD, 3 HD)	\$9.95/mo	myMovies	\$49.95/mo	NFLRedZone	\$49.95/yr	HD Module	\$9.95/mo	Additional Set-Top Boxes.....	\$5.95/mo	Whole-Home DVR Service..	\$9.95/mo	DVR Service	\$7.95/mo	Caller ID On TV	\$0.00/mo	(Requires Caller ID on phone)		Parental Controls.....	\$0.00
Add-On	Cost																													
HBO (5 SD, 3 HD).....	\$16.95/mo																													
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(Requires Caller ID on phone)																														
Parental Controls.....	\$0.00																													

Residential Fiber Optic Broadband Internet

<p>Extreme 50 - \$99⁹⁵ Superfast. The fastest in the region, actually. Speed (Down / Up) 50 Mbps / 5 Mbps</p>	<p>Family 20 - \$69⁹⁵ The Bestseller! (And the best value.) Speed (Down / Up) 20 Mbps / 5 Mbps</p>	<p>Basic - \$44⁹⁵ Fast & perfect for almost everything you do. Speed (Down / Up) 10 Mbps / 2 Mbps</p>
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Residential Phone Service

<p>Unlimited - \$39⁹⁵ Unlimited calls to the US, Canada, and of course local and regional.</p>	<p>Regional - \$29⁹⁵ Unlimited local and regional calling (calls within your area code). (Domestic Long Distance & Canada billed at 7c/minute)</p>	<p>Basic - \$15⁹⁵ Unlimited local calling. (Regional, domestic long distance, calls to Canada billed at 7c/minute.)</p>
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Table D: Community Anchor Institution Retail Rate Card

			
3330 State Highway 11B, Nicholville, NY 12965 Phone: 877-SLIC-COM Email: info@slic.com			
Broadband Internet			
FiMax 20	FiMax 10	FiMax 8	Entry
\$249.95	\$129.95	\$89.95	\$59.95
Speed (Down / Up) 20 Mbps / 8 Mbps	Speed (Down / Up) 10 Mbps / 4 Mbps	Speed (Down / Up) 8 Mbps / 2 Mbps	Speed (Down / Up) 5 Mbps / 1 Mbps
Phone Service			
Unlimited - \$54⁹⁵ Unlimited calls to the US, Canada, and of course local and regional.	Regional - \$29⁹⁵ Unlimited local and regional calling (calls within your area code). (Domestic Long Distance & Canada billed at 7¢/minute)	Local - \$19⁹⁵ Unlimited local calling. (Regional, domestic long distance, and calls to Canada billed at 7¢/minute.)	Basic - \$14⁹⁵ Basic Dial-tone. (Local Measured Service billed at 7¢ for 1 st minute and 1¢ for each additional minute. Regional, domestic long distance, and calls to Canada billed at 7¢/minute.)
Other Services			
PRI - \$375⁹⁵ Includes 23 trunks of dial-tone and Unlimited Local Calling. Add Unlimited Regional Calling for \$250.00. Long Distance to USA & Canada billed at 7¢/minute.		Hosted PBX - \$29⁹⁵-39⁹⁵ Includes a hosted PBX extension, Polycom Soundpoint 331 phone (or comparable model), CommPortal business groups, Unlimited Local & Regional calling, 100 toll minutes and additional minutes billed at 5¢/miute	

D. Parish Broadband (Y597)

December 19, 2013

General Project Plan

- Grantee:** New Visions Communications, Inc. (“New Visions” or the “Company”)
- ESD Investment:** A grant of up to \$1,999,584 to be used for a portion of the cost to install or upgrade existing broadband networks to expand broadband access and increase capacity.
- Project Location:** Parish, Oswego County, Zip code: 13131
- Proposed Project:** Construction of an fiber-to-the-home (“FTTH”) network to provide high-speed internet, Voice over IP (“VoIP”) and cable television service to unserved residents in Parish, New York.
- Project Type:** Infrastructure development
- Regional Council:** The project is consistent with the Central New York Regional Council Plan to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

Background:

Industry – New Visions Communications, Inc. is a full service operator and systems integrator of high-speed broadband services. The Company uses their own fiber network to provide affordable high-speed broadband, Voice over IP (“VoIP”), and cable television to residential and business customers. Utilizing Internet protocol-based open standards technologies along with in-depth industry experience, NewVisions provides affordable broadband solutions to rural Americas that are currently denied access to jobs and economic opportunity made possible by broadband.

Company History – The Company was founded in 2003.

Ownership – Privately held

Size – All facilities located in Syracuse, New York.

Market – Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. Download speeds refer to data which is received, such as accessing websites, receiving files through email, streaming video, and using cloud-based services. Upload speeds refer to data which is transmitted to another user or to a website or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

D. Parish Broadband (Y597)

December 19, 2013

Broadband service is facilitated by either wireline or wireless technologies. Wireline services require a physical cable connection to provide connectivity, while wireless services are transmitted using antennas and wireless receivers similar to how radio transmissions are carried. Although there are a number of different wireless technologies, many wireless broadband providers use a hybrid model of providing service, as a wireline (usually fiber) connection is required at some point in the network.

In New York State, broadband service is provided by the following categories of service providers:

- Cable – 16 Providers, (Provides service to 94% of the state)
- DSL – 38 Providers, (Provides service to 92% of the state - Speeds: 768kbps – 25 mbps)
- Fiber – 26 Providers, (12 business only)
- Fixed Wireless- 12 Providers reporting coverage, (Serves 5% of the state – Speeds - 1.5 mbps – 100 mbps)
- Mobile Wireless- 6 providers (Speeds: 768 kbps – 12 mbps)
- Satellite Providers- 4 providers

ESD Involvement – In March 2013, eighteen broadband projects were selected to receive Connect NY Broadband grants totaling \$25 million based on the support of the Regional Economic Development Councils. In addition, 4 North Country Broadband Project Sponsors received more than \$6 million from Round 2 of the Regional Economic Development Council Grants to expand broadband in the North Country Region.

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

The Project:

Completion – August 2014

Activity – New Visions will construct an FTTH network to provide high-speed internet, VoIP and cable television service to unserved residents throughout Parish. FTTH is a generic term for any broadband network architecture using optical fiber to provide all or part of the local loop used for last mile telecommunications. The network will utilize its existing headend located in Syracuse, NY.

Results – Expand broadband Services to 955 households, 150 businesses and 2 Community Anchor institutions. See Table A, which describes all Key Indicators.

D. Parish Broadband (Y597)

December 19, 2013

Financing Uses	Amount	Financing Sources	Amount	Percent
Engineering/ Site Prep	\$583,574	ESD Grant	\$1,999,584	80%
Equipment	1,915,906	Company Equity	499,896	20%
Total Project Costs	\$2,499,480	Total Project Financing	\$2,499,480	100%

Grantee Contact – Carmen Branca, President
New Visions Communications, Inc
6755 Manlius Center Rd
East Syracuse, NY 13057
Phone: (315) 472-6300

Project Team –

Origination	Angela Liotta
Project Management	Angela Liotta
Contractor & Supplier Diversity	Elizabeth Gocs
Finance	John Bozek
Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer and contribute at least 10% of total project costs in the form of in-kind. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$1,999,584 will be disbursed to the Grantee no more frequently than quarterly during the course of design and/or construction and upon completion of project key indicators, in compliance with Design & Construction requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facility and upon meeting all project key indicators, as evidenced by a certificate of occupancy. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

D. Parish Broadband (Y597)

December 19, 2013

ESD will be entitled to recoup all or part of ESD's grant if the Recipient fails to reach, to a degree acceptable to ESD milestones as agreed upon in Table A, which lists key indicators for infrastructure work, and Table B, which lists the major network build-out phases and quarterly milestones of the entire project.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after March 5, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2015.

5. Grant funds will be subject to pro-rata recapture if property is sold within 5 years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
 - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
 - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
 - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
 - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The Company shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (MWBE) Participation goal of 23%, a Minority Business Enterprise (MBE) Participation goal of 13% 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.

Statutory Basis – New York Works:

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

Additional Submissions to Directors:

Table A – Key Indicators

Table B – Milestones

D. Parish Broadband (Y597)

December 19, 2013

Project Finance Memorandum

Table A: Project Description: The following table lists the key indicators for your infrastructure project upon completion of your project. Indicators will be required to be reported cumulatively from award inception to the end of the project on a quarterly basis.

Project Description- Access and Subscriber Information	Key Indicator	Municipality	Total Number Upon Completion of Project
Residential/Business – the following information is for the last-mile services to homes and businesses	Number of Households Passed		955
	Number of New Residential Subscribers		575
	Number of Business Passed		150
	Number of New Business Subscribers		75
	Speed Tiers Available / Pricing		50 Mbps: 49.95 100 Mbps:69.95
Community Anchor Institutions – the following information is for the last-mile service to Community Anchor Institutions	Number of Community Anchor Institutions Passed		2
	• Schools K-12		1
	• Colleges, Universities or other Institutions of Higher Education		0
	• Libraries		1
	• Medical/ Healthcare Providers		0
	• Public Safety Entities		0
	• Other		1
	Speed Tiers Available / Pricing		50 Mbps: 68.95 100Mbps : 89.95 500 Mbps:300.00
Infrastructure Key Indicators – the following information provides key indicators as they relate to your infrastructure project	New Network Miles Deployed		80
	Existing Network Miles Upgraded		0
	Number of Miles of New Fiber		80
	Number of New Wireless Links		0
	Number of New Towers		0
	Number of New Interconnection Points		0
	Number of Wireless Hotspots Provided		0
Impact and Adoption – the following information demonstrates how the project addresses barriers to adoption	Subsidies		N/A
	Digital Literacy Programs and Training Programs		N/A
Company Employment Commitment	Permanent Full- Time Employees		1
	Temporary Full-Time Employees		10

Table B: Project Milestones

The following table lists the major network build-out phases and milestones that can demonstrate the entire project will be substantially complete by the end of August 2014. The table considers project areas such as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) inside plant deployment; e) outside plan deployment; f) deployment of business & operational support systems; g) network testing; f) network operational.

Time Period	Quarter	Milestones	Narrative Explanation (if any)
Year 1	Qtr. 1	<ul style="list-style-type: none"> • Meet with Potential Contractors • Award Contracts • Fiber Cable Design • Order Material • Utility Pole Attachment Survey • Data Center Installation • Electrical Re-Work • Fiber Installation 	
	Qtr. 2	<ul style="list-style-type: none"> • Utility Pole Attachment Survey • Electrical Re-Work • Order Material • Fiber Installation • Data Center Installation • Sales & Marketing • Customer Installations Begin 	
	Qtr. 3	<ul style="list-style-type: none"> • Fiber Installation • Order Material • Sales & Marketing • Customer Installations Continue 	
	Qtr. 4	<ul style="list-style-type: none"> • Customer Installation Continue • Complete Project 	

E. MTC Broadband Build Out (Y587)

December 19, 2013

General Project Plan

- Grantee:** Heart of the Catskills Communications, Inc. d/b/a MTC Cable, a wholly owned subsidiary of the Margaretville Telephone Company ("MTC" or the Company")
- ESD Investment:** A grant of up to \$1,800,000 to be used for a portion of the cost to install or upgrade existing broadband networks to expand broadband access and increase capacity.
- Project Location:** Towns of Conesville, Gilboa, Halcott, Middletown, and Roxbury; Schoharie, Greene, Orange, and Delaware Counties; Zip Codes: 12434, 12076, 12474, 12421, and 12430
- Proposed Project:** MTC Broadband Build Out is a multi-region project to construct a state-of-the-art fiber optic network to support telecommunications needs of nearly 2,000 residents in the Capital District, Mohawk Valley, and Southern Tier Regions.
- Project Type:** Infrastructure development
- Regional Council:** The Capital Region, Mohawk Valley, and Southern Tier Regional Councils have been made aware of this item. The Incentive Offer was accepted on September 10, 2013 and is consistent with the Regional Plan to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

Background:

Industry – The Margaretville Telephone Company serves over 6,500 business and residential customers through its telephone and cable footprint. MTC offers advanced services, including the popular triple-play of voice, video and data. High-definition programming, Video-On-Demand, and Velocity broadband packages are the latest service enhancements now available.

Company History – Margaretville Telephone Company was established in 1916 by John Birdsall who purchased sixteen telephone lines from the New York Telephone Company. The next few decades provided tremendous growth for MTC as neighborhood phone lines serving individual hamlets and valleys were merged together to create a larger calling "network." Continued expansion led to the installation of switchboards, along with switchboard operators to connect calls outside of the localized telephone network.

Over the past decade, this switching network has received numerous upgrades, and still

E. MTC Broadband Build Out (Y587)

December 19, 2013

comprises the backbone of the Margaretville Telephone network today. The addition of fiber optic cables in the 1990's dramatically improved the network trunking capacity between the central office and remote offices, enabling the addition of advanced telephone and broadband applications.

Ownership – Privately held

Size – All facilities are located in Margaretville, NY, and MTC employs a staff of approximately 10 to 19 (according to www.manta.com).

Market – Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. Download speeds refer to data which is received, such as accessing websites, receiving files through email, streaming video, and using cloud-based services. Upload speeds refer to data which is transmitted to another user or to a website or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

Broadband service is facilitated by either wireline or wireless technologies. Wireline services require a physical cable connection to provide connectivity, while wireless services are transmitted using antennas and wireless receivers similar to how radio transmissions are carried. Although there are a number of different wireless technologies, many wireless broadband providers use a hybrid model of providing service, as a wireline (usually fiber) connection is required at some point in the network.

In New York State, broadband service is provided by the following categories of service providers:

- Cable – 16 Providers, (Provides service to 94% of the state)
- DSL – 38 Providers, (Provides service to 92% of the state - Speeds: 768kbps – 25 mbps)
- Fiber – 26 Providers, (12 business only)
- Fixed Wireless- 12 Providers reporting coverage, (Serves 5% of the state – Speeds - 1.5 mbps – 100 mbps)
- Mobile Wireless- 6 providers (Speeds: 768 kbps – 12 mbps)
- Satellite Providers- 4 providers

ESD Involvement – In March 2013, eighteen broadband projects were selected to receive Connect NY Broadband grants totaling \$25 million based on the support of the Regional Economic Development Councils. In addition, 4 North Country Broadband Project Sponsors received more than \$6 million from Round 2 of the Regional Economic Development Council Grants to expand broadband in the North Country Region.

E. MTC Broadband Build Out (Y587)

December 19, 2013

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

The Project:

Completion – October 2015

Activity – MTC has partnered with the local municipalities to prioritize locations to commence the build-out of broadband facilities based on survey results to clearly identify the residents who want broadband service. MTC committed to the construction of a 112 mile fiber optic network over the next two years which will provide advanced telecommunications services including broadband, voice and video services to the priority areas identified by municipalities down to a customer density of 5 homes per mile.

Results – Expand broadband services to 1,975 households, 21 businesses and 14 Community Anchor institutions. See Table A, which describes all Key Indicators.

Financing Uses	Amount	Financing Sources	Amount	Percent
Design/Engineering	\$256,387	ESD Grant	\$1,800,000	47%
Construction	2,531,026	Company Equity	2,064,000	53%
Equipment	953,337			
Project supervision/ Administration	123,250			
Total Project Costs	\$3,864,000	Total Project Financing	\$3,864,000	100%

Grantee Contact – Glen Faulkner, General Manager
P.O. Box 260
50 Swart Street
Margaretville, NY 12455-0260
Phone: (845) 586-2288

Project Team –

Origination	Angela Liotta
Project Management	Angela Liotta
Contractor & Supplier Diversity	Elizabeth Gocs
Finance	Ross Freeman
Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall reimburse

E. MTC Broadband Build Out (Y587)

December 19, 2013

ESD for all out-of-pocket expenses incurred in connection with the project.

2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer and contribute at least 10% of total project costs in the form of in-kind. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$1,800,000 will be disbursed to the Grantee no more frequently than quarterly during the course of design and/or construction and upon completion of project key indicators, in compliance with Design & Construction requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facility and upon meeting all project key indicators, as evidenced by a certificate of occupancy. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

ESD will be entitled to recoup all or part of ESD's grant if the Recipient fails to reach, to a degree acceptable to ESD milestones as agreed upon in Table A, which lists key indicators for infrastructure work, and Table B, which lists the major network build-out phases and quarterly milestones of the entire project.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after March 5, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

5. Grant funds will be subject to pro-rata recapture if property is sold within 5 years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
 - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;

E. MTC Broadband Build Out (Y587)

December 19, 2013

- (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.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The Company shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (MWBE) Participation goal of 23%, a Minority Business Enterprise (MBE) Participation goal of 13% 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.

Statutory Basis – New York Works:

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

Additional Submissions to Directors:

Table A – Key Indicators

Table B – Milestones

Project Finance Memorandum

Table A: Project Description: The following table lists the key indicators for your infrastructure project upon completion of your project. Indicators will be required to be reported cumulatively from award inception to the end of the project on a quarterly basis.

Project Description- Access and Subscriber Information	Key Indicator	Municipality	Total Number Upon Completion of Project
Residential/Business – the following information is for the last-mile services to homes and businesses	Number of Households Passed		1975
	Estimated Number of New Residential Subscribers		1200
	Number of Business Passed		21
	Estimated Number of New Business Subscribers		16
	Speed Tiers Available / Pricing		5Mbps/384Kbps \$43.95 10Mbps/1Mbps \$49.95 15Mbps/5Mbps \$159.95
Community Anchor Institutions – the following information is for the last-mile service to Community Anchor Institutions	Number of Community Anchor Institutions Passed		14
	<ul style="list-style-type: none"> • Schools K-12 		1
	<ul style="list-style-type: none"> • Colleges, Universities or other Institutions of Higher Education 		0
	<ul style="list-style-type: none"> • Libraries 		0
	<ul style="list-style-type: none"> • Medical/ Healthcare Providers 		1
	<ul style="list-style-type: none"> • Public Safety Entities 		4
	<ul style="list-style-type: none"> • Other 		8
Speed Tiers Available / Pricing		5Mbps/384Kbps \$43.95 10Mbps/1Mbps \$49.95 15Mbps/5Mbps \$159.95	
Infrastructure Key Indicators – the following information provides key indicators as they relate to your infrastructure project	New Network Miles Deployed		112
	Existing Network Miles Upgraded		0
	Number of Miles of New Fiber		112
	Number of New Wireless Links		0
	Number of New Towers		0
	Number of New Interconnection Points		0
	Number of Wireless Hotspots Provided		0
Impact and Adoption – the following information	Digital Literacy Programs and Training Programs		2

demonstrates how the project addresses barriers to adoption	Awareness Campaigns/Outreach Activities <ul style="list-style-type: none"> • Survey Residents in Municipalities (1) • One (1) informational meeting for each Municipality (5) • Hold Public hearings in each Municipality (5) • Press Releases (radio) and other informational bulletins (3) 		12
	Subsidies <ul style="list-style-type: none"> • Complimentary and or reduced rates for services of Municipalities, fire departments, and other select anchor institutions. 		6
Company Employment Commitment	Permanent Full- Time Employees		4
	Contractor Full-Time Employees		13

Table B: Project Milestones: The following table lists the major network build-out phases and milestones that can demonstrate the entire project will be substantially complete by the end of **October 2015**. The table considers project areas such as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) inside plant deployment; e) outside plan deployment; f) deployment of business & operational support systems; g) network testing; f) network operational.

Time Period	Quarter	Milestones	Narrative Explanation (if any)
Year 1	Qtr. 1	<ul style="list-style-type: none"> • Order construction material. • Provide approvals to the Utility Companies to complete make-ready work. • Finalize network design and order construction material • Phase-3: Engage with Economic Development partners to survey residents in the proposed service areas to determine those with most interest in broadband services. • Hold discussions with Municipal Officials to determine priority builds dependent upon survey responses. • Hire additional full-time staff, contract personnel, and support staff necessary for project construction and sustainment. • Engage discussions with cellular providers, EMS officials, neighboring service providers and municipalities concerning any network connectivity needs, existing network route Diversity requirements, new business opportunities, or other needs which could be fulfilled by this project. 	
	Qtr. 2	<ul style="list-style-type: none"> • Phase-2: Commence construction and activation. Roll-out marketing campaign and educational programs in concert with our Economic Development partners. Connect subscriber's #25-50. • Phase-3: Begin network design for final project routes as determined by survey and municipal guidance. Submit pole attachment applications to utility companies for attachment licenses along the pole routes. Submit initial construction material order. • Evaluate marketing and adoption efforts milestones 	
	Qtr. 3	<ul style="list-style-type: none"> • Phase-1: Segment completion. Connect subscriber's # 50-55. • Phase-2: Complete construction and activation. Connect subscriber's # 55-250. • Phase-3: Utility companies complete make-ready work identified during field survey. Commence construction and marketing efforts. 	
	Qtr. 4	<ul style="list-style-type: none"> • Phase-2: Segment completion. Connect subscriber's #250-350. • Phase-3 Construction continues and activation commences. Connect subscribers along initial routes #350-550. 	
Year 2	Qtr. 1	<ul style="list-style-type: none"> • Phase-3: Segment completion. Connect subscriber's # 550-700 	

		<ul style="list-style-type: none"> • Complete marketing efforts and post-construction activity 	
	Qtr. 2	<ul style="list-style-type: none"> • Complete marketing efforts and post-construction activity • Connect subscriber's #700-850 	
	Qtr. 3	<ul style="list-style-type: none"> • Complete marketing efforts and post-construction activity • Connect subscriber's #850-1000 	
	Qtr. 4	<ul style="list-style-type: none"> • Complete marketing efforts and post-construction activity • Connect subscriber's #1000-1200 	

F. Belmont North Next Generation Broadband (Y589)

December 19, 2013

General Project Plan

- Grantee:** Slic Network Solutions, Inc. (“Slic” or the “Company”)
- ESD Investment:** A grant of up to \$1,012,366 to be used for a portion of the cost to install or upgrade existing broadband networks to expand broadband access and increase capacity.
- Project Location:** Town of Belmont, Franklin County
- Proposed Project:** The purchase of equipment and the installation of a 25.3 mile fiber network and wireless technology to connect 495 households in the Town of Belmont
- Project Type:** Infrastructure development
- Regional Council:** The North Country Regional Council has been made aware of this item. The Incentive Offer was accepted on October 10, 2013 and the project is consistent with the Regional Plan to expand high-speed internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

Background:

Industry – As a wholly owned subsidiary of Nicholville Telephone (a 100+-year-old ILEC), Slic specializes in delivering network and internet solutions to organizations in the northern New York community. Slic provides comprehensive communications services, including commercial phone and high-speed internet, web and email hosting, dial-up internet, commercial cabling, and enterprise phone systems installation/maintenance.

Company History – Slic began delivering dial-up internet service to businesses and residents throughout St. Lawrence County in 1995. During the late 1990s, Slic grew as the internet did. The Company created and expanded a high-tech call center specializing in technical support services to internet subscribers located all over the country. In recent years, the area of focus has been constructing a dedicated fiber-optic network in the Canton, Massena, and Potsdam business districts and delivering commercial phone and high-speed internet services via a fiber-to-the-premises (fttp) solution.

Slic began to offer fiber-to-the-home solutions for residential high-speed internet and residential phone service in small areas such as Newton Falls and Brasher, NY, through projects funded in part by grants and loans from the St. Lawrence Chamber of Commerce and the St. Lawrence County IDA.

F. Belmont North Next Generation Broadband (Y589)

December 19, 2013

Ownership – Privately held

Size – Slic Networks employs 48 full-time St. Lawrence County residents.

Market – Access to the internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. Download speeds refer to data which is received, such as accessing websites, receiving files through email, streaming video, and using cloud-based services. Upload speeds refer to data which is transmitted to another user or to a website or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

Broadband service is facilitated by either wireline or wireless technologies. Wireline services require a physical cable connection to provide connectivity, while wireless services are transmitted using antennas and wireless receivers similar to how radio transmissions are carried. Although there are a number of different wireless technologies, many wireless broadband providers use a hybrid model of providing service, as a wireline (usually fiber) connection is required at some point in the network.

In New York State, broadband service is provided by the following categories of service providers:

- Cable – 16 Providers, (Provides service to 94% of the state)
- DSL – 38 Providers, (Provides service to 92% of the state - Speeds: 768kbps – 25 mbps)
- Fiber – 26 Providers, (12 business only)
- Fixed Wireless- 12 Providers reporting coverage, (Serves 5% of the state – Speeds - 1.5 mbps – 100 mbps)
- Mobile Wireless- 6 providers (Speeds: 768 kbps – 12 mbps)
- Satellite Providers- 4 providers

ESD Involvement – In March 2013, eighteen broadband projects were selected to receive Connect NY Broadband grants totaling \$25 million based on the support of the Regional Economic Development Councils. In addition, 4 North Country Broadband Project Sponsors received more than \$6 million from Round 2 of the Regional Economic Development Council Grants to expand broadband in the North Country Region.

F. Belmont North Next Generation Broadband (Y589)

December 19, 2013

Past ESD Support - In the past five years, funding to the Company is summarized as follows:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
LOCAL ASST – Innovation Economy	Y025	\$425,987	November 2012	December 2015	Working Capital - Personnel and grant administration costs for fiber-optic installation
	Y026	\$2,225,033	November 2012	December 2015	Working Capital - Personnel and grant administration costs for fiber-optic installation
Regional Council Capital Fund	X708	\$596,000	June 2013	December 2014	Capital Grant - Installation of fiber – optic infrastructure

The Project:

Completion – June 2015

Activity – Broadband service will be delivered utilizing 25.3 miles of fiber to the home and wireless technology to connect 124 households. The network will also allow for the delivery of telephone service, IPTV service, and advance business services over the fiber.

Results – Expand broadband services to 495 households, 10 businesses, and 2 Community Anchor institutions. See Table A, which describes all Key Indicators.

Financing Uses	Amount	Financing Sources	Amount	Percent
Infrastructure/ Site Work	\$581,596	ESD Grant	\$1,012,366	80%
Machinery & Equipment	405,369	Company Equity	253,092	20%
Administrative Costs	278,493			
Total Project Costs	\$1,265,458	Total Project Financing	\$1,265,458	100%

Grantee Contact – Phil Wagschal, President
Slic Network Solutions, Inc.
3330 State Highway 11B
Nicholville, NY 12965

F. Belmont North Next Generation Broadband (Y589)

December 19, 2013

Phone: (315) 328-9011

<u>Project Team</u> –	Origination	Angela Liotta
	Project Management	Angela Liotta
	Contractor & Supplier Diversity	Elizabeth Gocs
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer and contribute at least 10% of total project costs in the form of in-kind. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$1,012,366 will be disbursed to the Grantee no more frequently than quarterly during the course of design and/or construction and upon completion of project key indicators, in compliance with Design & Construction requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facility and upon meeting all project key indicators, as evidenced by certificate of occupancy. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

ESD will be entitled to recoup all or part of ESD's grant if the Recipient fails to reach, to a degree acceptable to ESD milestones as agreed upon in Table A, which lists key indicators for infrastructure work, and Table B, which lists the major network build-out phases and quarterly milestones of the entire project.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after March 5, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

F. Belmont North Next Generation Broadband (Y589)

December 19, 2013

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The Company shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (MWBE) Participation goal of 23% related to the total value of ESD's funding, and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

Statutory Basis – New York Works:

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

Additional Submissions to Directors:

Table A – Key Indicators

Table B – Milestones

Table C – Residential Retail Rate Chart

Table D – Community Anchor Institution Retail Rate Card

Project Finance Memorandum

Table A: Project Description: The following table lists the key indicators for your infrastructure project upon completion of your project. Indicators will be required to be reported cumulatively from award inception to the end of the project on a quarterly basis.

Project Description- Access and Subscriber Information	Key Indicator	Municipality	Total Number Upon Completion of Project
Residential/Business – the following information is for the last-mile services to homes and businesses	Number of Households Passed		495
	Estimated Number of New Residential Subscribers		297
	Number of Business Passed		10
	Estimated Number of New Business Subscribers		6
	Speed Tiers Available / Pricing		See Table C
Community Anchor Institutions – the following information is for the last-mile service to Community Anchor Institutions	Number of Community Anchor Institutions Passed		2
	<ul style="list-style-type: none"> • Schools K-12 		0
	<ul style="list-style-type: none"> • Colleges, Universities or other Institutions of Higher Education 		0
	<ul style="list-style-type: none"> • Libraries 		0
	<ul style="list-style-type: none"> • Medical/ Healthcare Providers 		0
	<ul style="list-style-type: none"> • Public Safety Entities 		0
	<ul style="list-style-type: none"> • Other 		2
Speed Tiers Available / Pricing		See Table D	
Infrastructure Key Indicators – the following information provides key indicators as they relate to your infrastructure project	New Network Miles Deployed		0
	Existing Network Miles Upgraded		0
	Number of Miles of New Fiber		25
	Number of New Wireless Links		21
	Number of New Towers		0
	Number of New Equipment Cabinets		1
	Number of Wireless Hotspots Provided		0
Impact and Adoption – the following information demonstrates how the project addresses barriers to adoption	Subsidies <ul style="list-style-type: none"> • 20% discount on phone and internet service for municipalities 		1
	Digital Literacy Programs and Training Programs <ul style="list-style-type: none"> • Digital Literacy Partnerships with local CAIs 		1
Company Employment Commitment	Permanent Full- Time Employees		0
	Contractor Full-Time Employees		0

Table B: Project Milestones: The following table lists the major network build-out phases and milestones that can demonstrate the entire project will be substantially complete by the end June 2015. The table considers project areas such as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) inside plant deployment; e) outside plant deployment; f) deployment of business & operational support systems; g) network testing; f) network operational.

Time Period	Quarter	Milestones	Narrative Explanation (if any)
Year 1	Qtr. 1	<ul style="list-style-type: none"> • GPS Poles • Strand Maps 	
	Qtr. 2	<ul style="list-style-type: none"> • Network Layout and Design • Pole Applications • CAD Construction Drawings • Schedule Make Ready Ride Outs 	
	Qtr. 3	<ul style="list-style-type: none"> • Make Ready Ride Outs • Permitting • Pay Make Ready 	
	Qtr. 4	<ul style="list-style-type: none"> • Make Ready Complete • Cabinet Easements • Equipment Installation • Outside Plant Construction Begins • Customer Installs • Equipment Cabinet Installation 	
Year 2	Qtr. 1	<ul style="list-style-type: none"> • Equipment Cabinet Installation • Outside Plant Construction Complete • Splicing and Testing • Customer Installs • Wireless Install 	
	Qtr. 2	<ul style="list-style-type: none"> • Customer Installs • As Builts 	
	Qtr. 3	<ul style="list-style-type: none"> • Customer Installs 	
	Qtr. 4		

Table C: Residential Retail Rate Chart



3330 State Highway 11B, Nicholville, NY 12965 | Phone: 877-SLIC-COM | Email: info@slic.com

Triple Play Bundles

<p>myWorld - \$199⁹⁵ 50 Mbps Internet, Unlimited Phone, myExpanded TV, 3 calling features + Caller ID on TV, HD, Any 2 Movie Channels, DVR or Whole Home DVR Service (your choice). Add additional Movie Channels for \$10/each. Contract Required.</p>	<p>myFamily - \$159⁹⁵ 20 Mbps Internet, Unlimited Phone, myExpanded TV, DVR or Whole Home DVR Service (your choice). Contract Required</p>	<p>myChoice - \$124⁹⁵ 10 Mbps Internet, Regional Phone, mySelect TV Contract Required</p> <p>Add Unlimited Long Distance in USA & Canada for only \$5 more!</p>
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myEVTV.com

<p>mySelect TV - \$69⁹⁵ 84 Channels, Contract Required Available features (additional fees apply) 56 HD Channels, Parental Controls, Caller ID on TV, DVR Service, Premium Movie Channels</p>	<p>myExpanded TV - \$74⁹⁵ 175 Channels Total, 50 Music Channels, Contract Required Available features (additional fees apply) 60 HD Channels, Parental Controls, Caller ID on TV, DVR Service, Premium Movie Channels</p>	<p>myEVTV.com Add-Ons</p> <table border="0"> <thead> <tr> <th>Add-On</th> <th>Cost</th> </tr> </thead> <tbody> <tr> <td>HBO (5 SD, 3 HD).....</td> <td>\$16.95/mo</td> </tr> <tr> <td>Showtime/TMX (6 SD, 6 HD)</td> <td>.....\$14.95/mo</td> </tr> <tr> <td>Starz/Encore (8 SD, 6 HD)</td> <td>.....\$11.95/mo</td> </tr> <tr> <td>Cinemax (3 SD , 3 HD)</td> <td>.....\$9.95/mo</td> </tr> <tr> <td>myMovies</td> <td>\$49.95/mo</td> </tr> <tr> <td>NFLRedZone</td> <td>\$49.95/yr</td> </tr> <tr> <td>HD Module</td> <td>\$9.95/mo</td> </tr> <tr> <td>Additional Set-Top Boxes....</td> <td>\$5.95/mo</td> </tr> <tr> <td>Whole-Home DVR Service..</td> <td>\$9.95/mo</td> </tr> <tr> <td>DVR Service</td> <td>\$7.95/mo</td> </tr> <tr> <td>Caller ID On TV</td> <td>\$0.00/mo</td> </tr> <tr> <td colspan="2">(Requires Caller ID on phone)</td> </tr> <tr> <td>Parental Controls.....</td> <td>\$0.00</td> </tr> </tbody> </table>	Add-On	Cost	HBO (5 SD, 3 HD).....	\$16.95/mo	Showtime/TMX (6 SD, 6 HD)\$14.95/mo	Starz/Encore (8 SD, 6 HD)\$11.95/mo	Cinemax (3 SD , 3 HD)\$9.95/mo	myMovies	\$49.95/mo	NFLRedZone	\$49.95/yr	HD Module	\$9.95/mo	Additional Set-Top Boxes....	\$5.95/mo	Whole-Home DVR Service..	\$9.95/mo	DVR Service	\$7.95/mo	Caller ID On TV	\$0.00/mo	(Requires Caller ID on phone)		Parental Controls.....	\$0.00
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(Requires Caller ID on phone)																														
Parental Controls.....	\$0.00																													

Residential Fiber Optic Broadband Internet

<p>Extreme 50 - \$99⁹⁵ Superfast. The fastest in the region, actually. Speed (Down / Up) 50 Mbps / 5 Mbps</p>	<p>Family 20 - \$69⁹⁵ The Bestseller! (And the best value.) Speed (Down / Up) 20 Mbps / 5 Mbps</p>	<p>Basic - \$44⁹⁵ Fast & perfect for almost everything you do. Speed (Down / Up) 10 Mbps / 2 Mbps</p>
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Residential Phone Service

<p>Unlimited - \$39⁹⁵ Unlimited calls to the US, Canada, and of course local and regional.</p>	<p>Regional - \$29⁹⁵ Unlimited local and regional calling (calls within your area code). (Domestic Long Distance & Canada billed at 7¢/minute)</p>	<p>Basic - \$15⁹⁵ Unlimited local calling. (Regional, domestic long distance, calls to Canada billed at 7¢/minute.)</p>
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Table D: Community Anchor Institution Retail Rate Card

			
3330 State Highway 11B, Nicholville, NY 12965 Phone: 877-SLIC-COM Email: info@slic.com			
Broadband Internet			
FiMax 20	FiMax 10	FiMax 8	Entry
\$249.95	\$129.95	\$89.95	\$59.95
Speed (Down / Up) 20 Mbps / 8 Mbps	Speed (Down / Up) 10 Mbps / 4 Mbps	Speed (Down / Up) 8 Mbps / 2 Mbps	Speed (Down / Up) 5 Mbps / 1 Mbps
Phone Service			
Unlimited - \$54⁹⁵ Unlimited calls to the US, Canada, and of course local and regional.	Regional - \$29⁹⁵ Unlimited local and regional calling (calls within your area code). (Domestic Long Distance & Canada billed at 7¢/minute)	Local - \$19⁹⁵ Unlimited local calling. (Regional, domestic long distance, and calls to Canada billed at 7¢/minute.)	Basic - \$14⁹⁵ Basic Dial-tone. (Local Measured Service billed at 7¢ for 1 st minute and 1¢ for each additional minute. Regional, domestic long distance, and calls to Canada billed at 7¢/minute.)
Other Services			
PRI - \$375⁹⁵ Includes 23 trunks of dial-tone and Unlimited Local Calling. Add Unlimited Regional Calling for \$250.00. Long Distance to USA & Canada billed at 7¢/minute.		Hosted PBX - \$29⁹⁵-39⁹⁵ Includes a hosted PBX extension, Polycom Soundpoint 331 phone (or comparable model), CommPortal business groups, Unlimited Local & Regional calling, 100 toll minutes and additional minutes billed at 5¢/miute	

H. Southern Tier Broadband (Y596)

December 19, 2013

General Project Plan

Grantee: Southern Tier West Development Foundation (“Southern Tier West” or the “Organization”)

ESD Investment: A grant of up to \$672,452 to be used for a portion of the cost to install or upgrade existing broadband networks to expand broadband access and increase capacity.

Project Location: Chautauqua, Allegany, Cattaraugus, Steuben, Chemung and Erie Counties, Zip Codes:

14062	14136	14048	14063	14718	14723	14138	14782
14701	14728	14712	14736	14724	14781	14760	14706
14743	14748	14755	14716	14129	14138	14070	14081
14070	14895	14813	14705	14101	14895	14777	14884
14727	14717	14801	14809	14826	14879	14572	14814
14845	14901	14889	14905	14813	14802		

Proposed Project: The purchase and installation of WiMax technology to expand broadband services to more than 41,000 households and upgrade broadband speeds to local medical clinics and libraries.

Project Type: Infrastructure development

Regional Council: The Southern Tier and Western New York Regional Councils have been made aware of this item. The Incentive Offer was accepted on September 25, 2013. The project is consistent with the Regional Plans to expand high-speed Internet, stimulate local business growth and job creation, and enhance the economic well-being of the regions.

Background:

History – As a unit of government, Southern Tier West Regional Planning & Development Board was created in 1969 by a resolution of the County Legislatures of Allegany, Cattaraugus, and Chautauqua Counties in New York State under the authority of Article 12B of the NYS General Municipal Law.

The Southern Tier West Board consists of sixteen members, with five members appointed by each of the three County Legislatures and one Board member appointed by the Seneca Nation of Indians. Southern Tier West was founded on the philosophy that efforts on the regional level can effectively augment those of the counties and communities in solving problems and improving the total environment.

H. Southern Tier Broadband (Y596)

December 19, 2013

Ownership – Southern Tier West is a governmental entity founded under the authority of Article 12B of the NYS General Municipal Law.

Size – The Organization is headquartered in Salamanca (Cattaraugus County) and serves Allegany, Cattaraugus, and Chautauqua Counties of NYS. The Organization is made up of sixteen board members and ten staff members.

Market – Access to the Internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. Download speeds refer to data which is received, such as accessing websites, receiving files through email, streaming video, and using cloud-based services. Upload speeds refer to data which is transmitted to another user or to a website or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

Broadband service is facilitated by either wireline or wireless technologies. Wireline services require a physical cable connection to provide connectivity, while wireless services are transmitted using antennas and wireless receivers similar to how radio transmissions are carried. Although there are a number of different wireless technologies, many wireless broadband providers use a hybrid model of providing service, as a wireline (usually fiber) connection is required at some point in the network.

In New York State, broadband service is provided by the following categories of service providers:

- Cable – 16 Providers, (Provides service to 94% of the state)
- DSL – 38 Providers, (Provides service to 92% of the state - Speeds: 768kbps – 25 mbps)
- Fiber – 26 Providers, (12 business only)
- Fixed Wireless- 12 Providers reporting coverage, (Serves 5% of the state – Speeds - 1.5 mbps – 100 mbps)
- Mobile Wireless- 6 providers (Speeds: 768 kbps – 12 mbps)
- Satellite Providers- 4 providers

ESD Involvement – In March 2013, eighteen broadband projects were selected to receive Connect NY Broadband grants totaling \$25 million based on the support of the Regional Economic Development Councils. In addition, 4 North Country Broadband Project Sponsors received more than \$6 million from Round 2 of the Regional Economic Development Council Grants to expand broadband in the North Country Region.

H. Southern Tier Broadband (Y596)

December 19, 2013

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

The Project:

Completion – October 2014

Activity – The project will expand access to broadband service and increase broadband speeds through a WiMAX (Worldwide Interoperability for Microwave Access) system through a partnerships with participating ISP's (DFT Communications and Southern Tier Wireless), who will purchase and install the WiMAX broadcasting equipment on existing cell towers, and then provide WiMAX service to customers. The project will also upgrade hardware and software at libraries in Chautauqua, Cattaraugus, Allegany, Steuben, and Chemung Counties.

Results – Expand broadband Services to 10,100 households, 285 businesses and 32 Community Anchor institutions. See Table A, which describes all Key Indicators.

Financing Uses	Amount	Financing Sources	Amount	Percent
Machinery & Equipment	\$773,850	ESD Grant	\$672,452	80%
Engineering, Installation	67,500	Company Equity	168,898	20%
Total Project Costs	\$841,350	Total Project Financing	\$841,350	100%

Grantee Contact – Richard Zink, Treasurer
Southern Tier West Development Foundation
4039 Route 219, Suite 200
Salamanca, NY 14779
Phone: (716) 945-5301

Project Team –

Origination	Angela Liotta
Project Management	Angela Liotta
Contractor & Supplier Diversity	Elizabeth Gocs
Finance	Jonevan Hornsby
Environmental	Soo Kang

Financial Terms and Conditions:

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

H. Southern Tier Broadband (Y596)

December 19, 2013

3. The Grantee will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Grantee's written acceptance of ESD's offer and contribute at least 10% of total project costs in the form of in-kind. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through the Grantee's financial statements or accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$672,452 will be disbursed to the Grantee no more frequently than quarterly during the course of design and/or construction and upon completion of project key indicators, in compliance with Design & Construction requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facility and upon meeting all project key indicators, as evidenced by a certificate of occupancy. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

ESD will be entitled to recoup all or part of ESD's grant if the Recipient fails to reach, to a degree acceptable to ESD milestones as agreed upon in Table A, which lists key indicators for infrastructure work, and Table B, which lists the major network build-out phases and quarterly milestones of the entire project.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after March 5, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

5. Grant funds will be subject to pro-rata recapture if property is sold within 5 years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
 - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
 - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
 - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;

H. Southern Tier Broadband (Y596)

December 19, 2013

- (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.

Non-Discrimination and Contractor & Supplier Diversity:

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

Statutory Basis – New York Works:

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

Additional Submissions to Directors:

Table A – Key Indicators

Table B – Milestones

Project Finance Memorandum

Table A: Project Description: The following table lists the key indicators for your infrastructure project upon completion of your project. Indicators will be required to be reported cumulatively from award inception to the end of the project on a quarterly basis.

Project Description- Access and Subscriber Information	Key Indicator	Municipality	Total Number Upon Completion of Project
Residential/Business – the following information is for the last-mile services to homes and businesses	Number of Households Passed		10,100
	Estimated Number of New Residential Subscribers Year 1 – 500 subscribers Year 2 – 750 additional		1250
	Number of Business Passed		285
	Estimated Number of New Business Subscribers		10
	Speed Tiers Available / Pricing		Southern Tier Wireless \$44 6Mbps/1.5 DFT \$59 6Mbps/1.5 DFT \$79 6Mbps/2
Community Anchor Institutions – the following information is for the last-mile service to Community Anchor Institutions	Number of Community Anchor Institutions Passed		32
	<ul style="list-style-type: none"> • Schools K-12 		0
	<ul style="list-style-type: none"> • Colleges, Universities or other Institutions of Higher Education 		0
	<ul style="list-style-type: none"> • Libraries 		20
	<ul style="list-style-type: none"> • Medical/ Healthcare Providers 		12
	<ul style="list-style-type: none"> • Public Safety Entities 		0
	<ul style="list-style-type: none"> • Other 		0
Infrastructure Key Indicators – the following information provides key indicators as they relate to your infrastructure project	New Network Miles Deployed		0
	Existing Network Miles Upgraded		0
	Number of Miles of New Fiber		0
	Number of New Wireless Links		5
	Number of New Towers		0
	Number of New Interconnection Points		0
	Number of Wireless Hotspots Provided		0

Impact and Adoption – the following information demonstrates how the project addresses barriers to adoption	Subsidies		0
	Digital Literacy Programs and Training Programs <ul style="list-style-type: none"> • Free access to patrons at all 20 libraries • 20 training sessions for patrons across library systems 		20
Company Employment Commitment	Number of New Full Time Employees		0
	Number of New Contract Employees		0

Table B: Project Milestones: The following table lists the major network build-out phases and milestones that can demonstrate the entire project will be substantially complete by the end of October 2014. The table considers project areas such as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) inside plant deployment; e) outside plan deployment; f) deployment of business & operational support systems; g) network testing; f) network operational.

Time Period	Quarter	Milestones	Narrative Explanation (if any)
Year 1	Qtr. 1	<ul style="list-style-type: none"> • Installation of the library hardware and software • Installation of the clinic patient portals will be completed in the first 6 months once approval is granted. 	
	Qtr. 2	<ul style="list-style-type: none"> • WIMAX upgrade in Allegany County 	
	Qtr. 3	<ul style="list-style-type: none"> • Installation of the library hardware and software will be completed for Jones Memorial 	
	Qtr. 4	<ul style="list-style-type: none"> • The WIMAX across portions of Chautauqua and Cattaraugus County will be operational 	
Year 2	Qtr 1	<ul style="list-style-type: none"> • Complete marketing efforts and post-construction activity • Subscribers will continue to be added after WIMAX is installed during Year 1 	
	Qtr 2	<ul style="list-style-type: none"> • Complete marketing efforts and post-construction activity • Subscribers will continue to be added after WIMAX is installed during Year 1 	
	Qtr 3	<ul style="list-style-type: none"> • Complete marketing efforts and post-construction activity • Subscribers will continue to be added after WIMAX is installed during Year 1 	
	Qtr 4	<ul style="list-style-type: none"> • Complete marketing efforts and post-construction activity • Subscribers will continue to be added after WIMAX is installed during Year 1 	

G. Lyon Mountain Broadband (Y602)

December 19, 2013

General Project Plan

- Grantee:** Slic Network Solutions, Inc. (“Slic” or the “Company”)
- ESD Investment:** A grant of up to \$976,426 to be used for a portion of the cost to install or upgrade existing broadband networks in order to expand broadband access and increase capacity.
- Project Location:** Lyon Mountain, Clinton County, Zip codes: 12952 and 12955
- Proposed Project:** The purchase and installation of fiber to install a 21-mile fiber network to provide broadband service to 527 households in communities of Lyon Mountain.
- Project Type:** Infrastructure development
- Regional Council:** The North Country Regional Council has been made aware of this item. The Incentive Offer was accepted on October 10, 2013 and is consistent with the Regional Plan to expand high-speed internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

Background:

Industry – As a wholly owned subsidiary of Nicholville Telephone (a 100+-year-old ILEC), Slic Network Solutions specializes in delivering network and internet solutions to organizations in the northern New York community. Slic Network Solutions hosts a comprehensive menu of communications services, including commercial phone and high-speed internet, web and email hosting, dial-up internet, commercial cabling, and enterprise phone systems installation/maintenance. All of which are designed to enhance the communication options available to North Country residents.

Company History – Slic began delivering dial-up internet service to businesses and residents throughout St. Lawrence County in 1995. During the late 1990s, the Company grew with the expansion of the internet. The Company created and expanded a high-tech call center specializing in technical support services to internet subscribers located all over the country. In recent years, the area of focus has been constructing a dedicated fiber-optic network in the Canton, Massena, and Potsdam business districts and delivering commercial phone and high-speed internet services via a fiber-to-the-premises (fttp) solution.

Slic began to offer fiber-to-the-home solutions for residential high-speed internet and residential phone service in small areas such as Newton Falls and Brasher, NY, through projects funded in part by grants and loans from the St. Lawrence Chamber of Commerce and the St. Lawrence County IDA.

Ownership – Privately held

G. Lyon Mountain Broadband (Y602)

December 19, 2013

Size – The Company employs 48 people.

Market – Access to the internet can be achieved by a number of different technologies. The definition of broadband is determined by the data transmission speeds in both directions. Download speeds refer to data which is received, such as accessing websites, receiving files through email, streaming video, and using cloud-based services. Upload speeds refer to data which is transmitted to another user or to a website or cloud-based service. Average consumers typically use broadband for downloading data, making download speeds the standard measure for broadband access.

Broadband service is facilitated by either wireline or wireless technologies. Wireline services require a physical cable connection to provide connectivity, while wireless services are transmitted using antennas and wireless receivers similar to how radio transmissions are carried. Although there are a number of different wireless technologies, many wireless broadband providers use a hybrid model of providing service, as a wireline (usually fiber) connection is required at some point in the network.

In New York State, broadband service is provided by the following categories of service providers:

- Cable – 16 Providers, (Provides service to 94% of the state)
- DSL – 38 Providers, (Provides service to 92% of the state - Speeds: 768kbps – 25 mbps)
- Fiber – 26 Providers, (12 business only)
- Fixed Wireless- 12 Providers reporting coverage, (Serves 5% of the state – Speeds - 1.5 mbps – 100 mbps)
- Mobile Wireless- 6 providers (Speeds: 768 kbps – 12 mbps)
- Satellite Providers- 4 providers

ESD Involvement. In March 2013, eighteen broadband projects were selected to receive Connect NY Broadband grants based on the support of the Regional Economic Development Councils and technical scores awarded by a committee who analyzed and ranked projects competing for \$25 million in funding. In addition, 4 North Country Broadband Project Sponsors received more than \$6 million from Round 2 of the Regional Economic Development Council Grants to expand broadband in the North Country Region.

G. Lyon Mountain Broadband (Y602)

December 19, 2013

Past ESD Support – In the past five years, funding to the Company is summarized as follows:

Program	Project #	Amount	Date Start (ESD Directors' Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
LOCAL ASST – Innovation Economy	Y025	\$425,987	November 2012	December 2015	Working Capital - Personnel and grant administration costs for fiber-optic installation
	Y026	\$2,225,033	November 2012	December 2015	Working Capital - Personnel and grant administration costs for fiber-optic installation
Regional Council Capital Fund	X708	\$596,000	June 2013	December 2014	Capital Grant - Installation of fiber – optic infrastructure

The Project:

Completion – September 2015

Activity – Slic Network Solutions, Inc. will purchase equipment and materials to deploy 21 miles of fiber to home technology to bring broadband services to 527 households in the Town of Lyon Mountain. Work began on the project in June 2013 and is expected to be completed in September 2013.

Results – Expand broadband Services to 527 households, 8 businesses and 4 Community Anchor institutions. See Table A, which describes all Key Indicators.

Financing Uses	Amount	Financing Sources	Amount	Percent
Infrastructure/ Site Work	\$481,541	ESD Grant	\$976,426	80%
Machinery & Equipment	465,290	Company Equity	244,107	20%
Administrative Costs	273,702			
Total Project Costs	\$1,220,533	Total Project Financing	\$1,220,533	100%

Grantee Contact – Phil Wagschal
President
Slic Network Solutions, Inc.
3330 State Highway 11B
Nicholville, NY 12965
Phone: (315) 328-9011

G. Lyon Mountain Broadband (Y602)

December 19, 2013

<u>Project Team</u> –	Origination	Angela Liotta
	Project Management	Angela Liotta
	Contractor & Supplier Diversity	Elizabeth Gocs
	Finance	Jonevan Hornsby
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer and contribute at least 10% of total project costs in the form of in-kind. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$976,426 will be disbursed to the Grantee no more frequently than quarterly during the course of design and/or construction and upon completion of project key indicators, in compliance with Design & Construction requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon completion of the facility and upon meeting all project key indicators, as evidenced by a certificate of occupancy. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

ESD will be entitled to recoup all or part of ESD's grant if the Recipient fails to reach, to a degree acceptable to ESD milestones as agreed upon in Table A, which lists key indicators for infrastructure work, and Table B, which lists the major network build-out phases and quarterly milestones of the entire project.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after March 5, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The Company shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (MWBE) Participation goal of 23% 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.

G. Lyon Mountain Broadband (Y602)

December 19, 2013

Statutory Basis – New York Works:

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

Additional Submissions to Directors:

Table A – Key Indicators

Table B – Milestones

Table C – Residential Retail Rate Chart

Table D – Community Anchor Institution Retail Rate Card

Project Finance Memorandum

Table A: Project Description: The following table lists the key indicators for your infrastructure project upon completion of your project. Indicators will be required to be reported cumulatively from award inception to the end of the project on a quarterly basis.

Project Description- Access and Subscriber Information	Key Indicator	Municipality	Total Number Upon Completion of Project
Residential/Business – the following information is for the last-mile services to homes and businesses	Number of Households Passed		527
	Estimated Number of New Residential Subscribers		316
	Number of Business Passed		8
	Estimated Number of New Business Subscribers		5
	Speed Tiers Available / Pricing		See Table C
Community Anchor Institutions – the following information is for the last-mile service to Community Anchor Institutions	Number of Community Anchor Institutions Passed		4
	<ul style="list-style-type: none"> • Schools K-12 		0
	<ul style="list-style-type: none"> • Colleges, Universities or other Institutions of Higher Education 		0
	<ul style="list-style-type: none"> • Libraries 		0
	<ul style="list-style-type: none"> • Medical/ Healthcare Providers 		0
	<ul style="list-style-type: none"> • Public Safety Entities 		0
	<ul style="list-style-type: none"> • Other 		4
Infrastructure Key Indicators – the following information provides key indicators as they relate to your infrastructure project	New Network Miles Deployed		21.7
	Existing Network Miles Upgraded		0
	Number of Miles of New Fiber		21.7
	Number of New Wireless Links		10
	Number of New Towers		0
	Number of New Equipment Cabinets		1
	Number of Wireless Hotspots Provided		0
Impact and Adoption – the following information demonstrates how the project addresses barriers to adoption	Subsidies <ul style="list-style-type: none"> • 20% discount on phone and Internet service for municipalities 		1
	Digital Literacy Programs and Training Programs <ul style="list-style-type: none"> • Digital Literacy Partnerships Program 		1
Company Employment Commitment	Permanent Full- Time Employees		0
	Contractor Full-Time Employees		0

Table B: Project Milestones: The following table lists the major network build-out phases and milestones that can demonstrate the entire project will be substantially complete by the end September 2015. The table considers project areas such as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) inside plant deployment; e) outside plan deployment; f) deployment of business & operational support systems; g) network testing; h) network operational.

Time Period	Quarter	Milestones	Narrative Explanation (if any)
Year 1	Qtr. 1	<ul style="list-style-type: none"> • GPS Poles 	
	Qtr. 2	<ul style="list-style-type: none"> • Strand Maps 	
	Qtr. 3	<ul style="list-style-type: none"> • Network Layout and Design • Pole Applications • CAD Construction Drawings • Schedule Make Ready Ride Outs • Make Ready Ride Outs 	
	Qtr. 4	<ul style="list-style-type: none"> • Pay Make Ready 	
Year 2	Qtr. 1	<ul style="list-style-type: none"> • Permitting • Cabinet Easements • Make Ready Complete • Outside Plant Construction Begins 	
	Qtr. 2	<ul style="list-style-type: none"> • Splicing and Testing • Equipment Cabinet Installation • Equipment Installation • Outside Plant Construction Complete • Wireless Installs • Customer Installs 	
	Qtr. 3	<ul style="list-style-type: none"> • Customer Installs 	
	Qtr. 4	<ul style="list-style-type: none"> • Customer Installs • As Builts 	
Year 3	Qtr. 1	<ul style="list-style-type: none"> • Customer Installs 	

Table C: Residential Retail Rate Chart



3330 State Highway 11B, Nicholville, NY 12965 | Phone: 877-SLIC-COM | Email: info@slic.com

Triple Play Bundles

<p>myWorld - \$199⁹⁵ 50 Mbps Internet, Unlimited Phone, myExpanded TV, 3 calling features + Caller ID on TV, HD, Any 2 Movie Channels, DVR or Whole Home DVR Service (your choice). Add additional Movie Channels for \$10/each. Contract Required.</p>	<p>myFamily - \$159⁹⁵ 20 Mbps Internet, Unlimited Phone, myExpanded TV, DVR or Whole Home DVR Service (your choice). Contract Required</p>	<p>myChoice - \$124⁹⁵ 10 Mbps Internet, Regional Phone, mySelect TV Contract Required</p> <p>Add Unlimited Long Distance in USA & Canada for only \$5 more!</p>
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myEVTV.com

<p>mySelect TV - \$69⁹⁵ 84 Channels, Contract Required Available features (additional fees apply) 56 HD Channels, Parental Controls, Caller ID on TV, DVR Service, Premium Movie Channels</p>	<p>myExpanded TV - \$74⁹⁵ 175 Channels Total, 50 Music Channels, Contract Required Available features (additional fees apply) 60 HD Channels, Parental Controls, Caller ID on TV, DVR Service, Premium Movie Channels</p>	<p>myEVTV.com Add-Ons</p> <table border="0"> <thead> <tr> <th>Add-On</th> <th>Cost</th> </tr> </thead> <tbody> <tr> <td>HBO (5 SD, 3 HD).....</td> <td>\$16.95/mo</td> </tr> <tr> <td>Showtime/TMX (6 SD, 6 HD)</td> <td>\$14.95/mo</td> </tr> <tr> <td>Starz/Encore (8 SD, 6 HD)</td> <td>\$11.95/mo</td> </tr> <tr> <td>Cinemax (3 SD, 3 HD)</td> <td>\$9.95/mo</td> </tr> <tr> <td>myMovies</td> <td>\$49.95/mo</td> </tr> <tr> <td>NFLRedZone</td> <td>\$49.95/yr</td> </tr> <tr> <td>HD Module</td> <td>\$9.95/mo</td> </tr> <tr> <td>Additional Set-Top Boxes.....</td> <td>\$5.95/mo</td> </tr> <tr> <td>Whole-Home DVR Service..</td> <td>\$9.95/mo</td> </tr> <tr> <td>DVR Service</td> <td>\$7.95/mo</td> </tr> <tr> <td>Caller ID On TV</td> <td>\$0.00/mo</td> </tr> <tr> <td colspan="2">(Requires Caller ID on phone)</td> </tr> <tr> <td>Parental Controls.....</td> <td>\$0.00</td> </tr> </tbody> </table>	Add-On	Cost	HBO (5 SD, 3 HD).....	\$16.95/mo	Showtime/TMX (6 SD, 6 HD)	\$14.95/mo	Starz/Encore (8 SD, 6 HD)	\$11.95/mo	Cinemax (3 SD, 3 HD)	\$9.95/mo	myMovies	\$49.95/mo	NFLRedZone	\$49.95/yr	HD Module	\$9.95/mo	Additional Set-Top Boxes.....	\$5.95/mo	Whole-Home DVR Service..	\$9.95/mo	DVR Service	\$7.95/mo	Caller ID On TV	\$0.00/mo	(Requires Caller ID on phone)		Parental Controls.....	\$0.00
Add-On	Cost																													
HBO (5 SD, 3 HD).....	\$16.95/mo																													
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DVR Service	\$7.95/mo																													
Caller ID On TV	\$0.00/mo																													
(Requires Caller ID on phone)																														
Parental Controls.....	\$0.00																													

Residential Fiber Optic Broadband Internet

<p>Extreme 50 - \$99⁹⁵ Superfast. The fastest in the region, actually. Speed (Down / Up) 50 Mbps / 5 Mbps</p>	<p>Family 20 - \$69⁹⁵ The Bestseller! (And the best value.) Speed (Down / Up) 20 Mbps / 5 Mbps</p>	<p>Basic - \$44⁹⁵ Fast & perfect for almost everything you do. Speed (Down / Up) 10 Mbps / 2 Mbps</p>
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Residential Phone Service

<p>Unlimited - \$39⁹⁵ Unlimited calls to the US, Canada, and of course local and regional.</p>	<p>Regional - \$29⁹⁵ Unlimited local and regional calling (calls within your area code). (Domestic Long Distance & Canada billed at 7c/minute)</p>	<p>Basic - \$15⁹⁵ Unlimited local calling. (Regional, domestic long distance, calls to Canada billed at 7c/minute.)</p>
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Table D: Community Anchor Institution Retail Rate Card

			
3330 State Highway 11B, Nicholville, NY 12965 Phone: 877-SLIC-COM Email: info@slic.com			
Broadband Internet			
FiMax 20	FiMax 10	FiMax 8	Entry
\$249.95	\$129.95	\$89.95	\$59.95
Speed (Down / Up) 20 Mbps / 8 Mbps	Speed (Down / Up) 10 Mbps / 4 Mbps	Speed (Down / Up) 8 Mbps / 2 Mbps	Speed (Down / Up) 5 Mbps / 1 Mbps
Phone Service			
Unlimited - \$54⁹⁵ Unlimited calls to the US, Canada, and of course local and regional.	Regional - \$29⁹⁵ Unlimited local and regional calling (calls within your area code). (Domestic Long Distance & Canada billed at 7¢/minute)	Local - \$19⁹⁵ Unlimited local calling. (Regional, domestic long distance, and calls to Canada billed at 7¢/minute.)	Basic - \$14⁹⁵ Basic Dial-tone. (Local Measured Service billed at 7¢ for 1 st minute and 1¢ for each additional minute. Regional, domestic long distance, and calls to Canada billed at 7¢/minute.)
Other Services			
PRI - \$375⁹⁵ Includes 23 trunks of dial-tone and Unlimited Local Calling. Add Unlimited Regional Calling for \$250.00. Long Distance to USA & Canada billed at 7¢/minute.		Hosted PBX - \$29⁹⁵-39⁹⁵ Includes a hosted PBX extension, Polycom Soundpoint 331 phone (or comparable model), CommPortal business groups, Unlimited Local & Regional calling, 100 toll minutes and additional minutes billed at 5¢/miute	

I. Long Lake Next Generation Broadband (Y582)

December 19, 2013

General Project Plan

- Grantee:** Slic Network Solutions, Inc. (“Slic” or the “Company”)
- ESD Investment:** A grant of up to \$1,370,306 to be used for a portion of the cost to install or upgrade existing broadband networks in order to expand broadband access and increase capacity.
- Project Location:** Long Lake, Hamilton County, Zip code: 12847
- Proposed Project:** The purchase and installation of fiber and wireless technology to deliver broadband service to the Hamlet of Long Lake and the surrounding area.
- Project Type:** Infrastructure development
- Regional Council:** The project is consistent with the North Country Regional Council Plan to expand high-speed internet, stimulate local business growth and job creation, and enhance the economic well-being of the region.

Background:

Industry – Slic Network Solutions, Inc. is a provider of communications services, including commercial phone and high-speed internet, web and email hosting, dial-up internet, commercial cabling, and enterprise phone systems installation and maintenance.

Company History – Founded in 1995 as a wholly-owned subsidiary of Nicholville Telephone (a 100+-year-old incumbent local exchange carrier), Slic specializes in delivering network and internet solutions to organizations in the North Country. During the late 1990’s, the Company expanded its expertise in conjunction with the development of the internet. The Company created and expanded a high-tech call center specializing in technical support services to internet subscribers located all over the country. In recent years, the area of focus has been constructing a dedicated fiber-optic network in the Canton, Massena, and Potsdam business districts and delivering commercial phone and high-speed internet services via a fiber-to-the-premises (fttp) solution.

Ownership – Privately held

Size – Slic Networks, Inc. employs 48 people. All facilities located in Nicholville, New York.

I. Long Lake Next Generation Broadband (Y582)

December 19, 2013

Market – The Company serves the average broadband user in the North Country Region. The Company’s main competitors are Time Warner Cable and Frontier Communications.

ESD Involvement – In December 2012, 4 North Country Broadband Project Sponsors received more than \$6 million from Round 2 of the Regional Economic Development Council Grants to expand broadband in the North Country Region.

Past ESD Support – In the past five years, funding to the Company is summarized as follows:

Program	Project #	Amount	Date Start (ESD Directors’ Approval date)	Date End (Project Completion: Contract Expiration or Job Requirement)	Purpose
LOCAL ASST – Innovation Economy	Y025	\$425,987	November 2012	December 2015	Working Capital - Personnel and grant administration costs for fiber-optic installation
	Y026	\$2,225,033	November 2012	December 2015	Working Capital - Personnel and grant administration costs for fiber-optic installation
Regional Council Capital Fund	X708	\$596,000	June 2013	December 2014	Capital Grant - Installation of fiber – optic infrastructure

The Project:

Completion – June 2015

Activity – The project provides three types of technology to meet the last mile challenges within the service area. A fiber optic distribution network will allow reliable ultrafast broadband connection to residents and businesses on the fiber optic network. Open public spaces in the community will be covered by wireless hotspots to allow mobile devices such as laptops and smart phones to connect to the network. The access point will be fiber feed with high speed connections and no more than six subscribers will feed from an access point.

Results – The Company plans to expand broadband Services to 758 households, 67 businesses and 9 Community Anchor institutions.

I. Long Lake Next Generation Broadband (Y582)

December 19, 2013

Financing Uses	Amount	Financing Sources	Amount	Percent
Infrastructure/Site Work	\$693,620	ESD Grant	\$1,370,306	80%
Machinery & Equipment	784,883	Company Equity	342,577	20%
Administrative Costs	20,000			
Other project costs	214,380			
Total Project Costs	\$1,712,883	Total Project Financing	\$1,712,883	100%

Grantee Contact – Phil Wagschal, President
3330 State Highway, 11B
Nicholville, NY 12965
Phone: (315) 244-1293

Project Team –

Origination	Angela Liotta
Project Management	Angela Liotta
Contractor & Supplier Diversity	Diane Kinnicutt
Finance	Jonevan Hornsby
Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Company shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Company's written acceptance of ESD's offer and contribute at least 10% of total project costs in the form of in-kind. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
3. Up to \$1,370,306 will be disbursed to the Grantee no more frequently than quarterly during the course of design and/or construction and upon completion of project key indicators in compliance with the Design and Construction Requirements and in proportion to ESD's funding share, assuming that all project approvals have been completed and funds are available. The final 10% of the grant will be disbursed upon

I. Long Lake Next Generation Broadband (Y582)

December 19, 2013

completion of the facility and upon meeting all project key indicators as evidenced by a certificate of occupancy. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require.

ESD will be entitled to recoup all or part of ESD's grant if the recipient fails to reach to a degree acceptable to ESD, milestones as agreed upon in Table A, which lists key indicators for infrastructure work, and Table B, which lists the major network build-out phases and quarterly milestones of the entire project.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD's grant must be incurred on or after March 5, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

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.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the Project. The Company shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (MWBE) Participation goal of 23% related to the total value of ESD's funding, and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

Statutory Basis – Regional Council Capital Fund:

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

Additional Submissions to Directors:

Table A – Key Indicators

Table B – Milestones

Table C – Residential Retail Rate Chart

Table D – Community Anchor Institution Retail Rate Card

Project Finance Memorandum

Table A: Project Description: The following table lists the key indicators for your infrastructure project upon completion of your project. Indicators will be required to be reported cumulatively from award inception to the end of the project on a quarterly basis.

Project Description- Access and Subscriber Information	Key Indicator	Municipality	Total Number Upon Completion of Project
Residential/Business – the following information is for the last-mile services to homes and businesses	Number of Households Passed		758
	Estimated Number of New Residential Subscribers		454
	Number of Business Passed		67
	Estimated Number of New Business Subscribers		40
	Speed Tiers Available / Pricing		See Table C
Community Anchor Institutions – the following information is for the last-mile service to Community Anchor Institutions	Number of Community Anchor Institutions Passed		9
	<ul style="list-style-type: none"> • Schools K-12 		1
	<ul style="list-style-type: none"> • Colleges, Universities or other Institutions of Higher Education 		0
	<ul style="list-style-type: none"> • Libraries 		1
	<ul style="list-style-type: none"> • Medical/ Healthcare Providers 		1
	<ul style="list-style-type: none"> • Public Safety Entities 		0
	<ul style="list-style-type: none"> • Other 		6
	Speed Tiers Available / Pricing		See Table D
Infrastructure Key Indicators – the following information provides key indicators as they relate to your infrastructure project	New Network Miles Deployed		0
	Existing Network Miles Upgraded		0
	Number of Miles of New Fiber		29
	Number of New Wireless Links		21
	Number of New Towers		0
	Number of New Equipment Cabinets		1
	Number of Wireless Hotspots Provided		3
Impact and Adoption – the following information demonstrates how the project addresses barriers to adoption	Subsidies		
	<ul style="list-style-type: none"> • Subsidized wireless hot spots at beach and the park • 20% discount on phone and internet service for municipalities 		1 1
Company Employment Commitment	Digital Literacy Programs and Training Programs		
	<ul style="list-style-type: none"> • Digital Literacy Partnerships with local CAIs 		1
Company Employment Commitment	Permanent Full- Time Employees		0
	Contractor Full-Time Employees		0

Table B: Project Milestones

The following table lists the major network build-out phases and milestones that can demonstrate the entire project will be substantially complete by the end June 2015. The table considers project areas such as: a) network design; b) securing all relevant licenses and agreements; c) site preparation; d) inside plant deployment; e) outside plan deployment; f) deployment of business & operational support systems; g) network testing; f) network operational.

Time Period	Quarter	Milestones	Narrative Explanation (if any)
Year 1	Qtr. 1	<ul style="list-style-type: none"> • GPS Poles • Strand Maps 	
	Qtr. 2	<ul style="list-style-type: none"> • Pole Applications • Network Layout and Design • CAD Construction Drawings • Schedule Make Ready Ride Outs • Make Ready Ride Outs • Pay Make Ready 	
	Qtr. 3	<ul style="list-style-type: none"> • Permitting • Make Ready Complete • Cabinet Easements • Outside Plant Construction Begins 	
	Qtr. 4	<ul style="list-style-type: none"> • Outside Plant Construction Complete • Splicing and Testing • Equipment Cabinet Installation • Equipment Installation • Wireless Installs • Customer Installs 	
Year 2	Qtr. 1	<ul style="list-style-type: none"> • Customer Installs • As Builts 	
	Qtr. 2	<ul style="list-style-type: none"> • Customer Installs 	
	Qtr. 3	<ul style="list-style-type: none"> • Customer Installs 	
	Qtr. 4		

Table C: Residential Retail Rate Chart



3330 State Highway 11B, Nicholville, NY 12965 | Phone: 877-SLIC-COM | Email: info@slic.com

Triple Play Bundles

<p>myWorld - \$199⁹⁵ 50 Mbps Internet, Unlimited Phone, myExpanded TV, 3 calling features + Caller ID on TV, HD, Any 2 Movie Channels, DVR or Whole Home DVR Service (your choice). Add additional Movie Channels for \$10/each. Contract Required.</p>	<p>myFamily - \$159⁹⁵ 20 Mbps Internet, Unlimited Phone, myExpanded TV, DVR or Whole Home DVR Service (your choice). Contract Required</p>	<p>myChoice - \$124⁹⁵ 10 Mbps Internet, Regional Phone, mySelect TV Contract Required</p> <p>Add Unlimited Long Distance in USA & Canada for only \$5 more!</p>
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myEVTV.com

<p>mySelect TV - \$69⁹⁵ 84 Channels, Contract Required Available features (additional fees apply) 56 HD Channels, Parental Controls, Caller ID on TV, DVR Service, Premium Movie Channels</p>	<p>myExpanded TV - \$74⁹⁵ 175 Channels Total, 50 Music Channels, Contract Required Available features (additional fees apply) 60 HD Channels, Parental Controls, Caller ID on TV, DVR Service, Premium Movie Channels</p>	<p>myEVTV.com Add-Ons</p> <table border="0"> <thead> <tr> <th>Add-On</th> <th>Cost</th> </tr> </thead> <tbody> <tr> <td>HBO (5 SD, 3 HD).....</td> <td>\$16.95/mo</td> </tr> <tr> <td>Showtime/TMX (6 SD, 6 HD)</td> <td>.....\$14.95/mo</td> </tr> <tr> <td>Starz/Encore (8 SD, 6 HD)</td> <td>.....\$11.95/mo</td> </tr> <tr> <td>Cinemax (3 SD , 3 HD)</td> <td>\$9.95/mo</td> </tr> <tr> <td>myMovies</td> <td>\$49.95/mo</td> </tr> <tr> <td>NFLRedZone</td> <td>\$49.95/yr</td> </tr> <tr> <td>HD Module</td> <td>\$9.95/mo</td> </tr> <tr> <td>Additional Set-Top Boxes....</td> <td>\$5.95/mo</td> </tr> <tr> <td>Whole-Home DVR Service..</td> <td>\$9.95/mo</td> </tr> <tr> <td>DVR Service</td> <td>\$7.95/mo</td> </tr> <tr> <td>Caller ID On TV</td> <td>\$0.00/mo</td> </tr> <tr> <td colspan="2">(Requires Caller ID on phone)</td> </tr> <tr> <td>Parental Controls.....</td> <td>\$0.00</td> </tr> </tbody> </table>	Add-On	Cost	HBO (5 SD, 3 HD).....	\$16.95/mo	Showtime/TMX (6 SD, 6 HD)\$14.95/mo	Starz/Encore (8 SD, 6 HD)\$11.95/mo	Cinemax (3 SD , 3 HD)	\$9.95/mo	myMovies	\$49.95/mo	NFLRedZone	\$49.95/yr	HD Module	\$9.95/mo	Additional Set-Top Boxes....	\$5.95/mo	Whole-Home DVR Service..	\$9.95/mo	DVR Service	\$7.95/mo	Caller ID On TV	\$0.00/mo	(Requires Caller ID on phone)		Parental Controls.....	\$0.00
Add-On	Cost																													
HBO (5 SD, 3 HD).....	\$16.95/mo																													
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Caller ID On TV	\$0.00/mo																													
(Requires Caller ID on phone)																														
Parental Controls.....	\$0.00																													

Residential Fiber Optic Broadband Internet

<p>Extreme 50 - \$99⁹⁵ Superfast. The fastest in the region, actually. Speed (Down / Up) 50 Mbps / 5 Mbps</p>	<p>Family 20 - \$69⁹⁵ The Bestseller! (And the best value.) Speed (Down / Up) 20 Mbps / 5 Mbps</p>	<p>Basic - \$44⁹⁵ Fast & perfect for almost everything you do. Speed (Down / Up) 10 Mbps / 2 Mbps</p>
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Residential Phone Service

<p>Unlimited - \$39⁹⁵ Unlimited calls to the US, Canada, and of course local and regional.</p>	<p>Regional - \$29⁹⁵ Unlimited local and regional calling (calls within your area code). (Domestic Long Distance & Canada billed at 7¢/minute)</p>	<p>Basic - \$15⁹⁵ Unlimited local calling. (Regional, domestic long distance, calls to Canada billed at 7¢/minute.)</p>
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Table D: Community Anchor Institution Retail Rate Card



3330 State Highway 11B, Nicholville, NY 12965 | Phone: 877-SLIC-COM | Email: info@slc.com

Broadband Internet

FiMax 20	FiMax 10	FiMax 8	Entry
\$249.95	\$129.95	\$89.95	\$59.95
Speed (Down / Up) 20 Mbps / 8 Mbps	Speed (Down / Up) 10 Mbps / 4 Mbps	Speed (Down / Up) 8 Mbps / 2 Mbps	Speed (Down / Up) 5 Mbps / 1 Mbps

Phone Service

<p>Unlimited - \$54⁹⁵ Unlimited calls to the US, Canada, and of course local and regional.</p>	<p>Regional - \$29⁹⁵ Unlimited local and regional calling (calls within your area code). (Domestic Long Distance & Canada billed at 7¢/minute)</p>	<p>Local - \$19⁹⁵ Unlimited local calling. (Regional, domestic long distance, and calls to Canada billed at 7¢/minute.)</p>	<p>Basic - \$14⁹⁵ Basic Dial-tone. (Local Measured Service billed at 7¢ for 1st minute and 1¢ for each additional minute. Regional, domestic long distance, and calls to Canada billed at 7¢/minute.)</p>
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Other Services

<p>PRI - \$375⁹⁵ Includes 23 trunks of dial-tone and Unlimited Local Calling. Add Unlimited Regional Calling for \$250.00. Long Distance to USA & Canada billed at 7¢/minute.</p>	<p>Hosted PBX - \$29⁹⁵-39⁹⁵ Includes a hosted PBX extension, Polycom Soundpoint 331 phone (or comparable model), CommPortal business groups, Unlimited Local & Regional calling, 100 toll minutes and additional minutes billed at 5¢/minute</p>
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FOR CONSIDERATION

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

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

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

I. Project Summary

	Project Name	Proj #	Grantee	Assistance up to
	Local Assistance – Hurricane Irene-Tropical Storm Lee Flood Mitigation (Executive)			
A	Clinton County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X898	Clinton County	\$305,000
	TOTAL HURRICANE IRENE-TROPICAL STORM LEE FLOOD MITIGATION – 1 PROJECT		TOTAL	\$305,000

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

December 19, 2013

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

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

	Project Name	Project #	Grantee	Assistance up to
A	Clinton County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital	X898	Clinton County	\$305,000
			TOTAL	\$305,000

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

* * *

**A. Clinton County - Hurricane Irene Tropical Storm Lee Flood Mitigation Capital
(X898)**

December 19, 2013

General Project Plan

- Grantee:** Clinton County (the “County” or “Grantee”)
- ESD Investment:** A grant of up to \$305,000 to be used for a portion of the cost of flood mitigation projects within the County.
- Project Location:** Town of Altona, Clinton County
- Project Type:** The project will entail flood mitigation activities to reduce future flood at the Project Locations.
- Regional Council:** The North Country 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 – The County was created in 1788 when it was split from Washington County. The County was much larger than it is today because Essex, St. Lawrence and Franklin counties were created from land that was originally Clinton County. The current size of the County was established in 1808.

Size – The three proposed projects are known sites where erosion is damaging properties in Clinton County.

ESD Involvement - A \$305,000 appropriation was included in the 2013-2014 New York State budget. The funding award was made in conjunction with the New York State Department of Environmental Conservation.

Past ESD Support – Since 1993, ESD has provided loans and grants totaling \$255,000 to the County for various projects. All funds have been fully disbursed and the terms were fulfilled.

Over the past five years, the County has not received any funding.

**Clinton County - Hurricane Irene Tropical Storm Lee Flood Mitigation Capital
(X898)**

December 19, 2013

The Project:

Completion – December 2014

Activity – Clinton County will undertake the following three projects. The projects commenced in the spring of 2013 and will conclude in the winter of 2014.

Old State Road Over Great Chazy River: This project involves the removal of an existing three-span superstructure, center piers, and concrete scour repairs in the stream bottom. Bridge abutments will be removed to just below the stream bed elevation and the stream channel will be excavated to match upstream and downstream dimensions. The project also involves repairing and stabilizing approximately 500 feet of stream bank upstream and downstream of the bridge that was washed out during the flood.

Power House Road Over Great Chazy River: This project involves the removal of an existing two-span superstructure and concrete abutments. The substructures will be removed to just below the stream bed elevation and the stream bed elevation and the stream channel will be excavated to match upstream and downstream dimensions. Debris will be removed from the site and the upstream and downstream banks will be stabilized with stone fill.

Debris Removal, Great Chazy River: This project involves the removal of stream debris from the Great Chazy River between Devil’s Den Road Bridge and the Old State Road Bridge.

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	\$305,000	ESD Grant	\$305,000	100%
Total Project Costs	\$305,000	Total Project Financing	\$305,000	100%

Grantee Contact - Al Rascoe, Superintendent, Clinton County Highway
Clinton County Government Center
137 Margaret Street
Plattsburgh, NY 12901
Phone: (518) 565-4040 Fax: (518) 565-4616

Project Team - Project Management Jared Walkowitz
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

**Clinton County - Hurricane Irene Tropical Storm Lee Flood Mitigation Capital
(X898)**

December 19, 2013

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 \$305,000 will be disbursed to Grantee as follows:

Old State Road Over Great Chazy River: Up to \$108,800 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 \$108,800.

Power House Road Over Great Chazy River: Up to \$95,300 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 \$95,300.

Debris Removal, Great Chazy River: Up to \$100,900 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 \$100,900.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$305,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

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

**Clinton County - Hurricane Irene Tropical Storm Lee Flood Mitigation Capital
(X898)**

December 19, 2013

Statutory Basis – Local Assistance:

The Hurricane Irene-Tropical Storm Lee Flood Recovery Grant Program was authorized in the 2011-2012 New York State budget and reappropriated in the 2013-2014 New York State Budget. No residential relocation is required as there are no families or individuals being displaced by the project.

Disclosure and Accountability Certifications:

The Grantee has provided ESD with the required Disclosure and Accountability Certifications. Grantee's certifications indicate that the 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

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Non-Discretionary Project

REQUEST FOR: Authorization to Make Grants and to Take Related Actions

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

	Project Name	Proj #	Grantee	Assistance up to
	Local Assistance (Senate)			
A	Fort Drum Army Compatible Use Buffer Program Capital	Y717	Tug Hill Tomorrow Land Trust	\$400,000
	Capital Projects Fund – Economic Development/Other (Senate)			
B	HFA – Red Lion Apartments Capital	X736	New York State Housing Finance Agency	\$1,500,000
	TOTAL NON-DISCRETIONARY – 2 PROJECTS		TOTAL	\$1,900,000

I. Statutory Basis

The projects are sponsored by the Executive, Assembly or Senate, and were authorized or reappropriated in the 2013-2014 New York State budget. No residential relocation is required as there are no families or individuals residing on the site(s).

II. Environmental Review

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

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

III. Non-Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, ESD recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned businesses in the performance of ESD contracts. Accordingly, ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the projects. Unless otherwise specified in the project summary, Grantees shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 23% related to the total value of ESD's funding. This shall include a Minority Business Enterprise ("MBE") Participation goal of 13% and a Women Business Enterprise ("WBE") Participation goal of 10%. Grantees shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project and to include minorities and women in any job opportunities created by the projects.

IV. ESD Employment Enforcement Policy

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

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

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

VI. Additional Requirements

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

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

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

VII. Additional Submissions to Directors

New York State Map
Resolutions
Project Summary

December 19, 2013

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

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

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

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

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

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

Local Assistance – Senate – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
A	Fort Drum Army Compatible Use Buffer Program Capital	Y717	Tug Hill Tomorrow Land Trust	400,000
			TOTAL	\$400,000

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

* * *

December 19, 2013

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

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

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

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

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

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

Capital Projects Fund – Senate – Project Summary Table

	Project Name	Proj #	Grantee	Assistance up to
B	HFA – Red Lion Apartments Capital	X736	New York State Housing Finance Agency	1,500,000
			TOTAL	\$1,500,000

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

* * *

December 19, 2013

Champion/Denmark (Jefferson County/Lewis County) – Fort Drum Army Compatible Use Buffer Program Capital – Local Assistance – Capital Grant - Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Champion/Denmark – Fort Drum Army Compatible Use Buffer Program Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

December 19, 2013

Ossining (Westchester County) – HFA – Red Lion Apartments Capital – Capital Projects
Fund – Capital Grant - Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Ossining – HFA – Red Lion Apartments Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

A. Fort Drum Army Compatible Use Buffer Program Capital (Y717)

December 19, 2013

General Project Plan

- Grantee:** Tug Hill Tomorrow Land Trust (“THTLT” or the “Organization”)
- ESD Investment:** A grant of up to \$400,000 for a portion of the costs to administer and acquire land conservation easements on buffer lands around Fort Drum as part of the Army Compatible Use Buffer Program (“ACUB”).
- Project Locations:** Town of Champion, Jefferson County and Town of Denmark, Lewis County
- Proposed Project:** Tug Hill Tomorrow Land Trust will acquire land conservation easements on buffer lands around Fort Drum as part of the ACUB.
- Project Type:** Base Retention Capital
- Regional Council:** The North Country Regional Economic Development Council has been made aware of this item. The project is consistent with the Regional Plan to support existing employers and to provide community support for sustaining and expanding Fort Drum.

Background:

Industry – Land Conservation

Grantee History - Tug Hill Tomorrow Land Trust was formed in 1991 to serve the Tug Hill region and surrounding areas. THTLT’s mission is to protect the working lands of the Tug Hill region and foster responsible stewardship practices of working forest, farm, recreation and wild lands in northern New York. The Tug Hill region cover parts of Jefferson, Lewis, Oneida and Oswego counties. THTLT provides conservation planning, land registry and conservation easement programs for landowners, as well as educational materials and presentations for interested groups. To date, THTLT has protected 12,588 acres through conservation easements and was accredited by the Land Trust Accreditation Commission in 2009.

Since 2009, THTLT has been partnering with the Army at Fort Drum on the ACUB. The ACUB has been a major part of THTLT land protection work for the past 4 years. THTLT has protected almost 3,500 acres around Fort Drum and has created good working relationships with the farming community and other partners. THTLT is on track to protect an additional 1,027 acres by the end of 2013.

Fort Drum Army Compatible Use Buffer Program Program Capital (Y717)

December 19, 2013

ESD Involvement - A \$400,000 appropriation was included in the FY 2013-2014 New York State Budget.

Ownership - Tug Hill Tomorrow Land Trust is a 501 (c) 3 not-for-profit organization.

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

The Project:

Completion – December 2013

Activity – Tug Hill Tomorrow Land Trust will acquire land conservation easements on buffer lands around Fort Drum as part of the Army Compatible Use Buffer Program. The project includes the purchase of development rights, appraisals, Phase 1 Environmental Review, title work, attorney fees, baseline documentation reports, stewardship fees and staff time. Each land conservation easement project has transaction costs and additional stewardship fees that vary with property size.

Tug Hill Tomorrow Land Trust is working with Fort Drum's Department of the Army to implement the ACUB. Technical support is also being provided by the New York State Tug Hill Commission, New York State Department of Environmental Conservation, and Development Authority of the North Country.

Results – The project will result in agricultural conservation easements on farmlands totaling 653 acres. The easements will limit the future development of the property and makes it available for agriculture. The easements will also provide an important buffer area under a major airplane fly over pathway for Fort Drum, which will maintain its present and future training capability.

Sustaining Fort Drum is a North Country regional priority. Fort Drum is estimated to be a \$1.4 billion annual economic driver in the North Country. Closure or loss of training capacity at Fort Drum would have a significant economic impact in the North Country. The ACUB will have a direct Impact on the sustainability of Fort Drum by limiting the encroachment on land for training missions and growing the base.

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

Financing Uses	Amount	Financing Sources	Amount	Percent
Conservation Easements	\$1,696,400	ESD Grant (Y717)	\$400,000	21%
Transaction fees	250,000	ESD Grant (Y734)	100,000	5%
		U S Army	1,393,900	72%
		Grantee Equity	52,500	2%
Total Project Costs	\$1,946,400	Total Project Financing	\$1,946,400	100%

Fort Drum Army Compatible Use Buffer Program Program Capital (Y717)

December 19, 2013

Grantee Contact - Linda Garrett, Executive Director
P.O. Box 6063
Watertown NY 13601
Phone: (315) 779-8240

<u>Project Team</u> -	Origination	Roseanne Murphy
	Project Management	John Vandelloo
	Contractor & Supplier Diversity	Elizabeth Gocs
	Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$400,000 will be disbursed to Grantee upon documentation of the acquisition of Fort Drum buffer lands conservation easements for three farms totaling 653 acres of farmlands in the Town of Champion, Jefferson County and the Town of Denmark, Lewis County, and documentation for project costs totaling \$1,500,000, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. All project expenditures must have been incurred after April 1, 2013, the date that the New York State budget, in which the project is authorized, was passed.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$400,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Statutory Basis – Local Assistance – Base Retention:

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

Environmental Review:

Pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation,

Fort Drum Army Compatible Use Buffer Program Program Capital (Y717)

December 19, 2013

ESD staff performed an uncoordinated review. This review determined the project to be an Unlisted Action, which would not have a significant effect on the environment. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Non-Discrimination and Contractor and Supplier Diversity:

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

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 the staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.

B. HFA – Red Lion Apartments Capital (X736)

December 19, 2013

General Project Plan

- Grantee:** New York State Housing Finance Agency (“HFA”)
- Beneficiary Company:** Red Lion Apartments, LLC (“Red Lion” or the “Company”)
- ESD Investment:** A grant of up to \$1,500,000 to be used for a portion of the cost of construction of 50 units of mixed-use affordable housing and ground level retail in the Village of Ossining (the “Village”).
- Project Location:** 25 State Street, Ossining, Westchester County
- Proposed Project:** Construction of 50 units of affordable housing.
- Project Type:** Affordable housing construction.
- Regional Council:** The Mid Hudson Regional Council has been made aware of this item. The project is consistent with the Regional Council Plan to foster housing investment that can attract jobs to the region, create construction jobs, and support the overall health of the regional economy through a vibrant housing market.

Background:

Industry – One of HFA’s primary missions is to assist the financing of new construction and preservation of affordable multi-family housing throughout New York State. Red Lion is involved in real estate development.

Grantee History – HFA is a state public benefit corporation founded in 1960. HFA facilitates the construction and preservation of affordable multi-family rental housing throughout New York State. It uses bond sales to provide mortgages for interested housing developers. Some of HFA’s programs include: the All Affordable Housing Program, a multi-family housing program; the Mitchell Lama Rehabilitation and Preservation Program, which provides flexible low-cost financing to owners of state financed Mitchell Lama developments; and the 80/20 New Construction Housing Program, which focuses on high-cost rental markets such as New York City where a minimum of 20% of the units in a financed project must be set aside for low-income families.

Beneficiary History - Red Lion Apartments, LLC was founded in 2010 as a single-purpose entity, with Peter Fine as its principal and manager, to own and develop a new mixed-use building featuring 50 workforce housing apartments and ground level retail at 25

HFA – Red Lion Apartments Capital (X736)

December 19, 2013

State Street in the Village of Ossining. Peter Fine is also the co-founder of Atlantic Development Group, LLC (“ADG”), which was founded in 1995, and has become one of New York’s leading real estate development companies. The Company creates dynamic mixed-use projects by constructing quality residential and mixed-use buildings with retail and community space.

Ownership – HFA is a state agency and Red Lion is a privately-held company.

Size – The proposed building measures 66,746 gross square feet.

Market – Real estate, affordable housing development.

ESD Involvement – The project was reappropriated in the 2013-2014 New York State budget.

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

The Project:

Completion – March 2013

Activity – The project involved construction of a new mixed-use building at 25 State Street in the Village of Ossining. The five-story building measures approximately 66,746 square feet and includes 50 workforce housing apartments, featuring a workout facility, media center and resident lounge.

The project began in December 2010 and was completed in March 2013. The 50 units are fully occupied today. The general contractor was Better Days Construction, LLC, of New York City, a company owned 100% by Peter Fine. The subcontractors were selected through a bidding process with multiple bids per trade.

Results - The project was conceived to respond to inadequacies in affordable housing in the Village of Ossining. The Village-stated initiative in its housing policy statement was to create affordable housing for its workforce population, and strongly encourages that apartment homes be set aside for residents earning 80% or less of the Westchester County median income. The project at 25 State Street exceeds this goal by providing housing to residents earning between 50% and 60% of median income.

HFA – Red Lion Apartments Capital (X736)

December 19, 2013

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction	\$9,340,712	ESD Grant*	\$1,500,000	9%
Acquisition	1,201,773	Red Lion Equity**	13,001,039	81%
Soft Costs	3,401,903	Westchester Housing Infrastructure Fund	460,000	3%
Interest Loan	2,181,651	Westchester County New Homes Land Acquisition Fund	1,165,000	7%
Total Project Costs	\$16,126,039	Total Project Financing	\$16,126,039	100%

* ESD's Grant to HFA will be a 0% loan to Red Lion for 30 years or co-terminus with HFA's First Mortgage and Subsidy Mortgage Loan.

**A portion of Red Lion equity described above consists of an HFA First Mortgage Loan of \$3,900,000 (3.75%/33 years/ 1st lien on 25 State Street), an HFA Subsidy Mortgage Loan of \$2,500,000 (6% during construction (first 3 years) 1% thereafter (30 years)/2nd lien on 25 State Street), and accrued interest of the HFA subsidy mortgage loan of \$337,500.

Grantee Contact - Maria LaSorsa, Vice President, Loan Servicing
641 Lexington Avenue
New York, NY 10022
Phone: (212) 872-0388

Beneficiary Contact - Josh Young, Vice President, Asset Management
183 Madison Avenue, Suite 1601
New York, NY 10016
Phone (212) 620-0500 Fax: (212) 627-0600

Project Team -

Project Management	Simone Bethune
Legal	Jonathan Beyer
Contractor & Supplier Diversity	Denise Ross
Environmental	Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Beneficiary Company 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.

HFA – Red Lion Apartments Capital (X736)

December 19, 2013

3. Up to \$1,500,000 will be disbursed to the Grantee in a lump sum disbursement upon documentation of project costs totaling approximately \$16,126,039 (subject to a final determination of costs to be prepared by a licensed accountant), and as evidenced by a final Certificate of Occupancy, assuming that all ESD project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an executed AIA Form G704 Certificate of Substantial Completion and such other documentation as ESD may reasonably require. Expenses must be incurred on or after April 1, 2011 to be considered eligible for ESD reimbursement.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,500,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Environmental Review:

The Village of Ossining Planning Board, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on August 7, 2006. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Non-Discrimination and Contractor & Supplier Diversity:

ESD’s Non-Discrimination and Contractor Diversity policy will apply. The Grantee and Beneficiary Company are encouraged to use good faith efforts to achieve a Minority Business Enterprise participation goal of 10% and a Women-owned Business Enterprise participation goal of 10% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the construction work related to the project, and to include minorities and women in any job opportunities created by the project.

Statutory Basis – Capital Projects Fund – Economic Development/Other:

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

Disclosure and Accountability Certifications:

The Grantee and Beneficiary have provided ESD with the required Disclosure and Accountability Certifications. The Grantee and Beneficiary Company’s certifications indicate no conflict of

HFA – Red Lion Apartments Capital (X736)

December 19, 2013

interest. The Beneficiary Company made the following disclosure under Good Standing:

As part of a broader investigation of corruption at the New York City Department of Buildings (“DOB”), the New York County District Attorney’s Office executed a search warrant in April 2009 at the offices of ADG, an entity related to Red Lion (as described above). The subsequent indictment of 29 people, including DOB officials and others, did not include or reference ADG, its principals, employees or related entities.

In June 2012, the New York County District Attorney’s Office concluded its investigation with respect to Peter Fine and related entities. The District Attorney’s Office entered into an agreement that was in “full satisfaction” of matters that the Office investigated pertaining to Peter Fine in particular and 142 companies in which Mr. Fine has an interest including the Beneficiary Company Red Lion, ADG and the development entity To Better Days, LLC.

As part of the resolution, approved by a Justice of the Supreme Court of NY on June, 15, 2012, an inactive single entity owned by Mr. Fine but with no other connection to this application entered pleas on two counts: (i) one relating to submitting a NYC corporate tax return for the 2005 tax year that overstated deductions resulting in an underpayment of tax; (ii) the other for falsifying business records related to the entity’s general ledger for the period between June 2004 and January 2007, and accepted a discharge conditional upon the undertaking not to commit future crimes or violations. As part of the settlement the entity paid applicable principal, penalties and interest on NYC general corporation tax, applicable NY State personal income tax and forfeited certain funds to the District Attorney previously seized. In addition, the entity paid applicable unincorporated business tax.

The Beneficiary Company emphasizes that the conduct at issue had nothing to do with the publicly disclosed purpose of the investigation – corruption at the DOB. The entity, a consulting firm, had no contracts or involvement with governmental agencies. Neither the conduct at issue nor the entity had any relation to this application. The conduct referenced in the agreement took place years before the Project was envisioned and the Beneficiary Company was created. None of ADG, Mr. Fine or any other entity owned by Mr. Fine (other than the inactive entity referenced above) was charged with or pleaded to any crime in connection with the investigation’s resolution. The entity accepted the agreement with the District Attorney’s office to resolve the investigation and the accompanying cloud that had hung over ADG and its related entities.

The Disclosure and Accountability Certifications of the Beneficiary Company, while disclosing the above, do not indicate that the Grantee or Beneficiary Company have any current conflict of interest or other good standing violations, and therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.



FOR CONSIDERATION

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Procurement of Bloomberg L.P. Service

REQUEST FOR: Authorization to Enter into a Contract with Bloomberg L.P. to provide a Bloomberg Terminal and to Take Related Actions

Contract Need and Justification

I. Contract Summary

Service Provider Bloomberg L.P. ("Bloomberg")

Product Provided Bloomberg Terminal

Contract Term Two years ending on January 26, 2016

Contract Amount Not to exceed \$51,600.00

Funding Source Corporate Funds

II. Background

Since January 1995, Bloomberg has provided a terminal to ESD. The contract with Bloomberg is for the lease of a PC based terminal, related equipment, and all financial functions included with the service. Employing the services provided by Bloomberg enables ESD to perform multiple financial functions, some of these include: management of its \$2.3 billion investment portfolio, electronic trade execution, fair value calculations, research and analysis for negotiation/execution of pricing on tax-exempt and taxable bond issues, project finance

analysis, financial news that may affect holdings of investments/debt and related reporting/disclosure requirements.

III. Contractor Selection Process

A Contract Reporter exemption has been granted because staff is not aware of any other service that is comparable to Bloomberg. Additionally, in discussions with other entities who use Bloomberg (other NYS users, as well as brokers, investment bankers and financial advisors), they also did not know of any other source that provides a comparable service.

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

IV. Scope of Work

The contract with Bloomberg is for the lease of a PC based terminal, related equipment, and all financial functions included with the service.

V. Contract Term, Price and Funding

The contract will cover a two year period through January 26, 2016. Expenditures under the contract will be \$51,600.00. The payments will be made on a quarterly basis from Corporate funds.

VI. Non-discrimination and Contractor & Supplier Diversity

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

VII. Environmental Review

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

VIII. Requested Action

The Directors are requested to 1) make a determination of responsibility with respect to the proposed contractor; 2) authorize the Corporation to enter into a contract with Bloomberg for \$51,600.00 for services through January 26, 2016.

IX. Recommendation

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

X. Attachment

Resolution

December 19, 2013

NEW YORK STATE URBAN DEVELOPMENT CORPORATION - Authorization to Enter into a Contract with Bloomberg L.P. and to Take Related Actions

BE IT RESOLVED, that on the basis of the materials presented at this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, the Corporation hereby finds Bloomberg L.P. to be responsible; and be it further

RESOLVED, that the Chief Executive Officer, or other officer of the Corporation, or his or her designee(s) are hereby authorized to enter into a contract with Bloomberg L.P. for \$51,600.00 for services covering a two year term through January 26, 2016; and be it further

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



FOR CONSIDERATION

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Procurement of: Legal Services

REQUEST FOR: Authorization to Enter into a Contract with Sive, Paget & Riesel P.C. for Environmental Legal and Consulting Services and to Take Related Actions

CONTRACT NEEDS AND JUSTIFICATION

I. Contract Summary

Contractor: Sive Paget & Riesel P.C.

Scope of Services: Legal and consulting services for the environmental review in connection with the proposed redevelopment of the 550 Washington Street site and the preparation of General Project Plan by ESD as potential lead agency pursuant to the New York State Environmental Quality Review Act and its implementing regulations (collectively, "SEQRA")

Contract Term: Three (3) Years with three (3) options to extend the time for performance for one additional year with respect to each option

Contract Amount: Not to exceed \$500,000 in fees + reimbursable costs and expenses + a \$50,000 contingency amount

Funding Source(s): An imprest account (described below) funded entirely by the proposed developer, SJ Owner LLC, an affiliate of Atlas Capital Group, LLC

II. Background

The proposed project is the mixed use redevelopment at a site known as 550 Washington Street (a/k/a St. John's Terminal) in the borough of Manhattan (the "Property"). The Property

straddles West Houston Street and is bounded to the west by the Westside Highway, the east by Washington Street, the north by Clarkson Street, and the south by the site of the new New York City Department of Sanitation facility. The proposed project is the construction of a facility that may include commercial, hotel, residential, and/or civic uses that may require overrides of local law and regulations and the contemplated reduction of development rights on the site of the adjacent Pier 40 facility, located within Hudson River Park, that is owned by the State of New York and operated and maintained by the Hudson River Park Trust (“HRPT”). Certain proceeds from the project could be used by HRPT in order to fund major structural improvements to the Pier 40 facility. Environmental legal counsel is necessary in order to advise the Corporation regarding environmental procedural issues, including compliance with the SEQRA. In addition, an environmental consultant would be retained by the firm in order to assist ESD in reviewing the submissions prepared by the proposed developer’s environmental consultant.

III. Contractor Selection Process

In spring of 2012, the Corporation placed an insertion in *New York State’s Contract Reporter* seeking services of pre-qualified legal counsel for advice on various matters of law, including environmental law matters. On September 19, 2012, the Directors approved a new list of prequalified legal counsel for the Corporation, including 21 practitioners in the area of “Environmental Law”. One of those practitioners is Sive, Paget & Riesel, P.C.

The firm had advised ESD on environmental law throughout the years for numerous large and complex development projects in New York and particularly in New York City. The firm had successfully litigated on ESD’s behalf in lawsuits brought against its projects regarding environmental review matters. ESD had had very good experience with the firm on many environmental law matters, including the preparation of complex Environmental Impact Statements under SEQRA. Staff, in consultation with the General Counsel of ESD, determined that Sive, Paget & Riesel, P.C. had the required experience and capability to provide such advice and representation, and the firm was prequalified.

The firm is recommended for the proposed project due to its unique qualifications of extensive experience with environmental and real estate law matters regarding both the Hudson River Park Trust (and its predecessor, the Hudson River Park Conservancy) and large scale real estate development in New York City. Consequently, the firm has a unique and deep understanding of the environmental and land use issues related to this complex proposed project. Staff has determined that it would require many hours and significant cost to engage another firm to perform the work.

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

IV. Scope of Work

The scope of work is environmental legal and consulting services in connection with the proposed redevelopment of the Saint John's Terminal site and potentially related matters regarding development rights at and the funding of structural improvements to the Hudson River Park Trust's Pier Forty facility.

V. Contract Term, Price and Funding

- The proposed term of the contract is three years with three options to extend the time for performance, each option for a one year renewal term.
- The basis for payment of the fee is time plus permitted out-of-pocket costs.
- The source of funding will be an imprest account prefunded by the developer in an amount not less than \$500,000 and to be periodically replenished to such amount by the developer when the balance in the account is \$250,000.

VI. Non-Discrimination and Contractor & Supplier Diversity

The Corporation's non-discrimination and affirmative action policy will apply to this contract. The firm 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 proposed project.

The firm intends to subcontract environmental consultant work to Philip Habib and Associates ("PHA") which is certified by New York State as a Woman-Owned Business Enterprise. PHA has provided environmental consulting services to ESD as both a prime consultant (121 West 125th Street Garage) and as a sub-consultant on a number of large projects' Environmental Impact Statements, including Hudson River Park, as well as Atlantic Yards and Brooklyn Bridge Park. PHA is highly experienced in all areas of technical analyses of environmental assessment, with a particular expertise in traffic and transportation analysis and review.

VII. Environmental Review

The requested authorization to enter into this contract for legal services constitutes a Type II action as defined by the New York State Environmental Quality Review Act (SEQRA) and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with this contract authorization.

VIII. Requested Action

The Directors are requested to (1) make a determination of responsibility with respect to the proposed contractor; (2) authorize the Corporation to enter into a contract with Sive, Paget & Riesel P.C. for an amount not to exceed \$500,000 plus permitted out-of-pocket costs and a \$50,000 contingency as described in these materials.

IX. Recommendation

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

XI. Attachments

Resolution

December 19, 2013

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Procurement of: Legal Services - Authorization to Enter a Contract with Sive, Paget & Riesel to provide Environmental Law Legal and Consulting Services and to Take Related Actions

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

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Sive, Paget & Riesel in an amount not to exceed FIVE HUNDRED THOUSAND DOLLARS (\$500,000) plus preapproved out-of-pocket cost and a contingency of \$50,000 for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

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

* * *

FOR CONSIDERATION

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Small Business Revolving Loan Fund Program – Request to Reallocate Funds

REQUEST FOR: Authorization to Reallocate Funds; Authorization to Reallocate Program Loan Funds; Authorization to Take Related Actions

Background

In November 2010, ESD's Board of Directors approved \$25 million for the Small Business Revolving Loan Fund (the "SBRLF" or "Program"). The Program is designed to create economic activity by providing greater access to capital for small businesses and minority and women-owned businesses ("MWBs") that generate economic growth and job creation within the State, but that are unable to obtain adequate credit or adequate terms for such credit (collectively "Eligible Businesses").

Pursuant to a competitive Request for Proposal process in August of 2010, twenty Community-Based Lending Organizations ("CBLOs") were selected by staff to receive Program loans. The selected CBLOs were to use the loan proceeds to make loans to Eligible Businesses under two tracks: Track A representing micro loans of \$25,000 or less; and, Track B representing loans over \$25,000. These lending levels refer to total principal of loans, including up to 50% of Program funds and not less than 50% non-Program funds resulting in a 1:1 match Program requirement, and at least \$50 million in loans. The term of the ESD Program loan to a CBLO is for seven years, unless an extension is granted. All Program loan funds were to be deployed by the CBLO within 24 months of ESD's initial disbursement ("Commencement Date") of Program Loan funds (in three tranches) to the CBLO. ESD did reserve the right to make reallocations of funds after the initial awards if any of the selected CBLOs did not meet the Program performance requirement as set forth in the Program loan agreement. ESD also reserved the right to make reallocations between Track A and Track B depending on lender performance and small business demand.

Since mid June 2011, \$24,833,333 SBRLF Program funds have been drawn-down by the 19 participating CBLOs with \$21,939,256 of ESD funds already being deployed to 3,321 NYS small businesses (3,128 MWBs). As of June 30, 2013 a total **\$61,704,745** (including matching funds) have been lent to these businesses.

These loans help to launch 1,342 new small businesses; expand 1,622 small businesses; create 2,880 new jobs; and, retain 3,305 jobs.

Community Development Corporation of Long Island (“CDCLI”) makes loans to small businesses in Nassau and Suffolk counties. Although CDCLI has deployed to such small businesses most of \$333,333 of its \$500,000 allocation of Program Funds, it has indicated its inability to deploy the remaining \$166,667 Program Funds in the near future. Community Capital New York (“CCNY”) makes loans to small businesses in Dutchess, Putnam, Rockland, and Westchester counties. CCNY has deployed to such small businesses most of its \$750,000 allocation of Program Funds, and has shown its ability to deploy an additional \$166,667 if it is reallocated as described below.

Requested Action

Staff recommends that ESD reallocate to Community Capital New York from Community Development Corporation of Long Island \$166,667 in Program funds to be used by Community Capital New York for Track A and B loans.

Statutory Basis

The Program is authorized pursuant to Section 16-t of the Act. No residential relocation is required because there are no families or individuals will be displaced by the Project, thereby satisfying the requirements of Section 10(g) of the Act.

Environmental Review

ESD staff has determined that the proposed authorization to reallocate funds constitutes a Type II ministerial action as defined by the New York State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. The recipient of loan fund disbursements will be responsible for complying with SEQRA as applicable. No further environmental review is required in connection with the authorization.

Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply. The CBLOs are encouraged to include minorities and women in any job opportunities created by the Project and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project.

Additional Submissions to Directors Resolutions

December 19, 2013

Statewide – Small Business Revolving Loan Fund Program – Authorization to Reallocate Program Loan Funds; and Authorization to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the “Materials”), relating to the Small Business Revolving Loan Fund Program (the “Program”), the Corporation is authorized to reallocate and redeploy to Community Capital New York (“CCNY”) from Community Development Corporation of Long Island (“CDCLI”) \$166,667 in Program loan funding as set forth in the Materials; and be it further

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

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

* * *

FOR CONSIDERATION

December 19, 2013

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Statewide – New York State Innovation Venture Capital Fund

REQUEST FOR: Authorization to Adopt and Promulgate Regulations; Authorization to Take Related Actions

Background

In order to address the legislatively identified needs of the State of New York to attract private sector investment in new research, translate research into marketable products, strengthen university/industry connections, and prepare New York businesses to compete for private-sector venture investment, Laws of New York 2013 Chapter 59 Part jj (the “Authorizing Legislation”) authorized the New York State Urban Development Corporation d/b/a Empire State Development (“ESD” or the “Corporation”) to establish and administer the New York State Innovation Venture Capital Fund (the “Fund”) in order to provide critical seed-stage and early-stage funding to incentivize new business formation and growth in the State of New York and facilitate the transition from ideas and research to marketable products.

Pursuant to the Authorizing Legislation, the Corporation may invest \$50 million in eligible seed and early stage small businesses located in, or that in writing agree to be located in, New York State that (i) have the potential to generate additional economic activity in the State and (ii) are working in an emerging technology fields or are achieving, or have the potential to achieve, technological advances, innovation, transformation or development. A seed-stage company is an enterprise that demonstrates a potential for substantial growth and job development, has the potential to generate additional economic activity in the State, and that is developing a prototype, pre-revenue, has only begun to earn revenue, or has not yet received institutional investments. An early-stage company is an enterprise that is post-revenue, post-prototype, or poised to expand, has marketed its products or services, or has received institutional investments.

Generally, Fund investments in seed-stage small businesses will range from \$25,000 to \$750,000 and Fund investments in early-stage small businesses will range from \$750,000 to \$5,000,000. Such investments may be either made directly or through investment entities.

Private matching funds may be required, and the program is expected to leverage a significant amount of private capital for New York State seed-stage and early-stage small businesses. The Corporation may also directly or indirectly make additional follow-on investments in such businesses.

In evaluating potential Fund investments, the Corporation may, among other items, consider: promotion of job development, leveraging the State's industrial and technical strengths, including, but not limited to, advances in manufacturing, materials, life science and medical devices; commercialization of technology, products and services; development of the State's entrepreneurial ecosystem; coordination with other State innovation programs including, but not limited to, the New York State Business Incubators and Innovation Hot Spot Program, Academic Tech Transfer offices, the Centers for Advanced Technology and the Centers of Excellence; and the potential for a positive return on the investment.

No full-time employee of the State or any agency, department, office, division, authority, or public benefit corporation thereof shall be eligible to receive Fund assistance, provided, however, that if the employee is (i) employed by a research institution, laboratory, or university that is controlled or operated by the State (*e.g.*, institutions that are part of or affiliated with The State University of New York, such as its colleges and universities and research facilities, such as the Roswell Park Cancer Institute or the College of Nanoscale Science and Engineering) and (ii) a principal, partner, member, shareholder, officer, or director of a Beneficiary Company, then the Corporation may invest in such Beneficiary Company and such investment shall not affect such employee's participation in such Beneficiary Company. This narrow exception to the general prohibition is necessary in order for the Corporation to fully implement the Authorizing Legislation's express purpose that the Corporation uses the Fund so as to strengthen university/industry connections in the emerging technologies sector. The exception allows the Fund to invest in otherwise eligible businesses that are developing technologies that originate in State controlled or operated research institutions, laboratories, and universities and in which such State employees participate.

The Authorizing Legislation authorizes ESD to promulgate a rule for the Fund in accordance with the State Administrative Procedure Act ("SAPA") exclusive of SAPA's emergency rulemaking authority. Staff has prepared the proposed draft rule, a copy of which is annexed to these materials, that sets forth the regulations for implementation of the Fund. Staff recommends that Corporation authorize the adoption and promulgation of the draft regulations substantially in the form of the annexed draft.

Statutory Basis

The Program is authorized pursuant to Laws of New York 2013 Chapter 59 Part jj.

Environmental Review

ESD staff has determined that the requested authorization constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the

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

Non- Discrimination and Contractor & Supplier Diversity

Pursuant to New York State Executive Law Article 15-A, the Corporation recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned business enterprises (“MWBEs”) in the performance of the Corporation’s contracts. The Corporation’s Office of Contractor and Supplier Diversity has determined that it is not practical or feasible to assign MWBE contract goals to expenditures made under this program.

Additional Submissions to Directors

Resolutions

Schedule A – Draft Rules & Regulations

Statewide – New York State Innovation Venture Capital Fund - Authorization to Adopt and Promulgate Regulations; Authorization to Take Related Actions

RESOLVED, that that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation (the “Materials”), relating to the New York State Innovation Venture Capital Fund, (the “Fund”), established pursuant to the Laws of New York 2013 Chapter 59 Part jj, the Corporation is hereby authorized to adopt and promulgate the rule and regulations (the “Rule”) for the Fund, substantially in the form described and included in the Materials with such modifications as are authorized pursuant to these resolutions; 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 proceed with and make such modifications to the draft Rule as may be deemed by such officer or designee to be appropriate or necessary in order to implement the Fund and comply with the State Administrative Procedure Act (“SAPA”), including modifications resulting from review and comment pursuant to SAPA; 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.

* * *

INNOVATE VENTURE CAPITAL FUND

xxNYCRR Chapter x Part xxxx

Statutory Authority

Laws of New York, Chapter 59, Part JJ, as amended

Historical Note

Part xxxx (Sections xxxx – xxxx) filed xx__, 2013 eff. xxx __ 201_

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XXX1. Purposes.

In order to address the legislatively identified needs of the State of New York to attract private sector investment in new research, translate research into marketable products, strengthen university/industry connections, and prepare New York businesses to compete for private-sector venture investment, chapter 59 part jj of the laws of two thousand thirteen authorized the New York State Urban Development Corporation to establish and administer the New York State Innovation Venture Capital Fund in order to provide critical seed and early-stage funding to incentivize new business formation and growth in the State of New York and facilitate the transition from ideas and research to marketable products.

XXX2. Definitions.

The following terms shall have the meanings given below:

“Authorizing Legislation” shall mean chapter fifty-nine part jj of the Laws of two thousand thirteen, as amended.

“Beneficiary Company” shall mean a Seed Stage Business or Early Stage Business that (a) is, or agrees in writing to be, located in State and (b) has the potential to generate additional economic activity in the State (a Beneficiary Company is also referred to as a “Portfolio Company” after it receives a Fund investment).

“Corporation” shall mean the New York State Urban Development Corporation d/b/a Empire State Development, a corporate governmental agency of the State, constituting a political subdivision and public benefit corporation created by chapter one hundred seventy-four of the Laws of nineteen hundred sixty-eight, as amended.

“Early-Stage Business” shall mean a Small Business, located in the State and working in one or more Emerging Technology Fields, that demonstrates a potential for substantial growth and job development, has the potential to generate additional economic activity in the State, and that is post-revenue, post-prototype, or poised to expand, has marketed its products or services, or has received institutional investments.

“Emerging Technology Field” shall mean one or more of the emerging technologies, as defined in section thirty-one hundred two-e of the Public Authorities Law, or any field, area or technology that is achieving or has the potential to achieve technological advances, innovation, transformation or development.

“Equity” shall mean common stock, convertible preferred stock, stock warrants or convertible notes or bonds that can also convert to common stock, and similar types of securities.

“Follow-on Investment” shall mean a subsequent investment made by an investor after an initial round of investment in a Portfolio Company.

“Fund” shall mean the New York State Innovation Venture Capital Fund created by the Authorizing Legislation.

“Hybrid Investment” shall mean an investment that combines Equity and debt or other features, such as preferred stocks, convertible bonds, convertible notes, or interests in particular assets of a Beneficiary Company.

“Investment Entity” shall mean a regional and local economic development organization, technology development organization, research university, or investment fund (including limited partnerships and limited liability companies) that provides or is otherwise qualified to make investments in Seed Stage Businesses and Early-Stage Businesses.

“Portfolio Company” shall mean a Beneficiary Company after it receives the Fund investment.

“Seed-Stage Business” shall mean a Small Business, located in the State and working in one or more Emerging Technology Fields, that demonstrates a potential for substantial growth and job development, has the potential to generate additional economic activity in the State, and that is developing a prototype, pre-revenue, has only begun to earn revenue, or has not yet received institutional investments.

“Small Business” shall have the meaning as set forth in section one hundred thirty-one of the Economic Development Law.

“State” shall mean the State of New York.

XXX3. General Requirements

The Corporation shall use the Fund monies, in accordance with the Authorizing Legislation and other applicable law and regulations, for direct or indirect investments, including Equity investments and Hybrid Investments, in Beneficiary Companies and for all costs and expenses arising from and related to such investments.

The documentation for each Fund investment will provide reasonable terms and conditions for recompense to be provided to the Corporation by the Beneficiary Company if it leaves the State within a period of time to be established by the Corporation for such investment, such recompense may include the full or partial repayment of the investment received by the Beneficiary Company or other consideration satisfactory to the Corporation.

Any moneys received by or returned to the Corporation with respect to the Fund investments may be used by the Corporation pay for future Fund investments, including new investments and Follow-on Investments, and the costs and expenses arising from and related to any and all

Fund investments. In the event of the termination of participation in the Fund by an Investment Entity, the Corporation may, on a reasonable basis and with the authorization of the Directors of the Corporation, use all or part of the commitment made to such terminated Investment Entity to make direct Fund investments or redeploy to one or more of the other participating Investment Entities all or part of such commitment.

XXX4. Evaluation of Potential Investments

In evaluating potential Fund investments, the Corporation may consider, among other items and without order of priority: promotion of job development; leveraging and advancing the State's industrial and technical strengths, including, but not limited to, advances in manufacturing, materials, life science, medical devices and Emerging Technologies; commercialization of technology, products, and services; development of the State's entrepreneurial ecosystem; coordination with other State innovation programs, including, but not limited to, the New York State Business Incubators and Innovation Hot Spot Program, Academic Tech Transfer offices, the Centers for Advanced Technology and the Centers of Excellence; the potential for a positive return on the investment; the quality of the management team, business plan, financial history, financial projections; a Beneficiary Company's technology, products, and services and the company's prior and potential performance as a technology innovator and as a business; and an Investment Entity's prior performance, expertise, area of investment, and similar information.

XXX5. Investment Process

The Corporation will invest Fund monies in Beneficiary Companies either directly or, through Investment Entities, indirectly. Generally, investments in Seed-Stage Businesses will range from \$25,000 to \$750,000 and investments in Early-Stage Businesses will range from \$750,000 to \$5,000,000. The Corporation may also directly or, through an Investment Entity, indirectly make additional Follow-on Investments in Portfolio Companies. Generally, the Corporation will require for Fund investments matching private capital investment at a ratio that may be set forth in the Corporation's guidelines for the Fund.

In order to identify potential Beneficiary Companies, the Corporation may source technologies and companies from the State's innovation network and support efforts to attract Beneficiary Companies from outside the State. The process for evaluation of prospective Beneficiary Companies for funding will include identifying candidate Beneficiary Companies, conducting due diligence and evaluating the potential financial return, economic value, and considering the significance of the technology. The Corporation may consider advisory recommendations from an advisory committee established in accordance with guidelines approved by the Corporation's Directors. Unless the Corporation's Directors create and empower a special committee to authorize Fund investments, all Fund investments must be authorized by the Corporation's Directors.

The Corporation may invest Fund monies in the Investment Entities that will then invest in Beneficiary Companies. For such investments, the Corporation shall perform due diligence with respect to the Investment Entity, however, with respect to investments in Beneficiary Companies made by the an Investment Entity, deal sourcing, investment due diligence, and portfolio management and reporting (other than the reports required to be made by the Corporation pursuant to the Authorizing Legislation and other applicable law and regulations) may be performed by Investment Entity.

XXX6. Fees and Costs

The Corporation may negotiate reasonable management fees, promotes, share of return and other fees and charges with respect to applicants, Beneficiary Companies, Investment Entities and investment professionals and firms. The costs and expenses of the Corporation for its implementation and administration of the Fund shall be paid from the Fund monies or such other monies that shall be available to the Corporation.

The Corporation may also impose fees, including without limiting the foregoing, application fees, processing fees, fees in connection with processing and evaluation of submissions for request for proposals or other types of solicitations, fees for due diligence with respect to investments and prospective investments, administration fees, legal, accounting, and other out-of-pocket fees and expenses of the Corporation, costs and expenses for compliance with applicable laws and regulations, including environmental review and state and federal securities laws.

XXX7. Reporting

The Corporation shall annually on December 31 submit to the Director of the Division of Budget, the Temporary President of the Senate, the Speaker of the Assembly, and, the Minority Leaders of the Senate and the Assembly a report regarding the Fund detailing: (i) the total amount of funds committed to each applicant (*i.e.*, each Beneficiary Company and Investment Entity) that receives funds and, if applicable, the amount of such funds that has been invested by each such applicant; (ii) the amount of New York State Innovation Venture Capital Fund funds invested and the recipients of such funds; (iii) the location of each Beneficiary Company; (iv) the number of jobs projected to be created or retained; and (v) such other information as the Corporation deems necessary.

XXX8. Confidentiality and State Employees

To the extent permitted by law, all information regarding the financial condition, marketing plans, customer lists, or other trade secrets and proprietary information of each Beneficiary Company and Investment Entity shall be confidential and exempt from public disclosures.

Except to the extent permitted by law, no full-time employee of the State or any agency, department, division, authority or public benefit corporation thereof shall be eligible to receive assistance under this program, provided, however, that if such employee is (i) employed by a research institution, laboratory, or university that is controlled and operated by the State (*e.g.*, institutions that are part of or affiliated with The State University of New York, such as its colleges and universities and research facilities, such as the Roswell Park Cancer Institute and the College of Nanoscale Science and Engineering) and (ii) a principal, partner, member, shareholder, officer, or director of a Beneficiary Company, then this paragraph shall not operate to prevent the Corporation from investing in such Beneficiary Company or affect such employee's participation in such Beneficiary Company .

XXX9. Contractor & Supplier Diversity and Non-Discrimination

Pursuant to New York State Executive Law Article 15-A, the Corporation recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned business enterprises ("MWBEs") in the performance of the Corporation's contracts. The Corporation's Office of Contractor and Supplier Diversity has determined that it is not practical or feasible to assign MWBE contract goals to expenditures made under this program.