

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

UPSTATE EMPIRE STATE DEVELOPMENT CORPORATION

at the offices of
Empire State Development – Buffalo Regional office
95 Perry Street – Suite 500
Buffalo, New York 14203

**Meeting of the Directors
Thursday
October 18, 2012 – 10:15 a.m.**

PROPOSED AGENDA

FOR CONSIDERATION

1. Approval of the Minutes of the August 16, 2012 Directors' Meeting

UPSTATE REGIONAL BLUEPRINT FUND

WESTERN NEW YORK REGION

2. Tonawanda (Western New York Region – Erie County) – GM 2L & 2.5L Engine Lines URB Capital - Upstate Regional Blueprint Fund – Business Investment (Capital Grant) – Findings and Determinations Pursuant to Sections 16-q and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions
3. Tonawanda (Western New York Region – Erie County) – GM Gen-V URB Capital – Upstate Regional Blueprint Fund - Business Investment (Capital Grant) – Findings and Determinations Pursuant to Sections 16-q and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

FINGER LAKES REGION

4. Rochester (Finger Lakes Region - Monroe County) – ABVI Goodwill Capital – Upstate Regional Blueprint Fund – Business Investment (Capital Loan) – Findings and Determinations Pursuant to Sections 16-q and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and to Take Related Actions; Determination of No Significant Effect on the Environment

DRAFT – SUBJECT TO REVIEW AND REVISION

UPSTATE EMPIRE STATE DEVELOPMENT CORPORATION

Meeting of the Directors
Held at the New York City Regional Office
633 Third Avenue
New York, New York 10017

and

Buffalo Regional Office
95 Perry Street
Buffalo, New York 14203

and

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

August 16, 2012

MINUTES

**In Attendance
Directors:**

Julie Shimer (Chair)
Sam Hoyt

**Present for Upstate
ESD:**

Stephen Gawlik, Deputy General Counsel
Eileen McEvoy, Secretary

Present for ESD:

Maria Cassidy, Deputy General Counsel
Kathleen Mize, Controller
Christine Orsi, Director–Western New York Regional Office
Frances Walton, Chief Financial and Administrative Officer

Also Present:

The Press
The Public

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The meeting of the Upstate Empire State Development Corporation, a wholly-owned subsidiary of the New York State Urban Development Corporation d/b/a Empire State Development (“ESD”), was called to order at 9:15 a.m. by Chair Shimer. It was noted for the record that notices to the public and news media of the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

First, Chair Shimer noted that the public is free to comment on any matters on the Agenda.

The Chair then called for a motion to approve the Minutes of the July 25, 2012 Directors’ meeting. Upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE JULY 25, 2012 MEETING OF THE DIRECTORS OF THE CORPORATION FOR UPSTATE EMPIRE STATE DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on July 25, 2012, as presented to this meeting, are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

Chair Shimer then asked Ms. Orsi to present the Buffalo Niagara Medical Campus Upstate Regional Blueprint Fund Capital grant item for the Directors’ consideration.

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Ms. Orsi explained that the Directors were being asked to approve a \$4,000,000 grant to the Buffalo Niagara Medical Campus for the redevelopment of the former Trico Building.

Ms. Orsi noted that the Buffalo Niagara Medical Campus is a non-profit organization consisting of a consortium of the region's largest health care provider, medical training institution and life science research institution.

This non-profit agency, she continued, has been diligently working on the build-out of the 100 acre Medical Campus which is an anchor to development in downtown Buffalo.

This project, Ms. Orsi explained, involves building renovations to the 109,000 square foot, formerly vacant, Trico Building on the edge of the Medical Campus. Ms. Orsi further explained that the building was renovated at a cost of \$15,000,000 with the intention of serving as a business incubator.

Ms. Orsi further noted that the project is complete and almost fully leased to a mix of small life science companies.

Following the full presentation, Chair Shimer inquired with regard to what she viewed as discrepancies in the finance memo provided with the materials. Specifically, Chair Shimer noted that in 2009, the memo shows the net revenue of \$2.4 million with a pretax profit of \$3.9

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million which, she stated, does not work inasmuch as you cannot have a profit larger than your revenue. She speculated that a capital grant was counted towards profit but not as revenue, which, she noted, seems like a balance sheet item. Chair Shimer stated the way that this was displayed was confusing and did not make sense to her.

Ms. Walton stated that the person who had prepared that memo was not in the conference room but that staff will answer her question before the end of the ESD Directors' meeting which immediately follows this meeting.

Chair Shimer said she was not opposed to the project moving forward and would not hold up the vote pending this clarification.

The Chair asked if the finance memos are made a part of the public record and she was informed that they are not.

The Chair then called for any further questions or comments. Director Hoyt echoed Chair Shimer's concern with regard to the finance memo. Director Hoyt then noted the importance of the project and said he would vote to move it forward with the provision that the issue be clarified. It was ultimately decided that the item would be voted on and the issue would be clarified as soon as possible.

There being no further questions or comments, and upon motion duly made and

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seconded, the following resolution was unanimously adopted:

Buffalo (Western New York Region – Erie County) – Buffalo Niagara Medical Campus URB Capital – Upstate Regional Blueprint Fund – Business Investment (Capital Grant) – Findings and Determinations Pursuant to Sections 16-q 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 Buffalo (Erie County) – Buffalo Niagara Medical Campus URB Capital – Upstate Regional Blueprint Fund – Business Investment (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the Buffalo Niagara Medical Campus a grant for a total amount not to exceed Four Million Dollars (\$4,000,000) from the Upstate Regional Blueprint 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

DRAFT – SUBJECT TO REVIEW AND REVISION

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.

* * *

There being no further business, the meeting was adjourned at 9:23 a.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary

FOR CONSIDERATION

October 18, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Tonawanda (Western New York Region – Erie County) — GM 2L & 2.5L Engine Lines URB Capital – Upstate Regional Blueprint Fund – Business Investment (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-q 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: General Motors LLC (“GM” or the “Company”)

UESD* Investment: A grant of up to \$6,000,000 for the purchase of machinery and equipment.

* The Upstate Empire State Development Corporation (the “Corporation”), a subsidiary of the New York State Urban Development Corporation doing business as Empire State Development (“ESD”).

Project Location: GM Powertrain Group, 2995 River Road, Buffalo, Erie County

Proposed Project: Improve existing manufacturing space, and acquisition and installation of new machinery and equipment.

Project Type: Business expansion involving job retention.

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

Employment: Initial employment at time of ESD Incentive Offer: 797^(a)
 Current employment level: 1,150
 Minimum employment on January 1, 2013: 1,147^(b)
^(a) Includes 326 jobs associated with the V-8 ("Gen-V") project and 471 retained jobs associated with the 2 Liter and 2.5 Liter large gas ("LGE") engine project (W925).
^(b) Includes 676 jobs associated with the Gen-V project and 471 retained jobs associated with the LGE engine project (W925).

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Facility Renovations	\$ 7,800,000
Telecom	5,100,000
Machinery & Equipment	380,000,000
Soft Costs	<u>26,300,000</u>
Total Project Costs	<u>\$419,200,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$ 6,000,000	1%
Company Equity	<u>413,200,000</u>	<u>99%</u>
Total Project Financing	<u>\$419,200,000</u>	<u>100%</u>

III. Project Description

A. Company

Industry: GM is one of the world's largest automotive vehicle manufacturers. The GM Powertrain Group ("GMPTG"), an affiliate of the Company's North American operations headquartered in Pontiac Michigan, manufactures engines, automatic transmissions, automotive castings and power-train components for GM vehicles.

Company History: GM was founded in 1908.

Ownership: Publicly traded

Size: The Company employs more than 202,000 people worldwide and operates major subsidiaries, joint ventures and affiliates in more than

158 facilities on six continents. GMPTG operates 37 facilities in 13 countries including its Tonawanda Engine Plant in Tonawanda, Erie County. Today, the Tonawanda Engine Plant is a 3.1 million-square-foot manufacturing facility situated on 130 acres.

Market: GMPTG manufactures engines for GM vehicles and other non-GM customers including Opel, Vauxhall, Baojun, Holden and Isuzu.

ESD Involvement: In 2009, the Tonawanda Engine Plant advised ESD that it was competing with other GMPTG operating units for a new manufacturing plant to produce new 2 Liter and 2.5 Liter large gas (“LGE”) engines. The new engines are fuel-efficient, four-cylinder Ecotec engines which will primarily be used in the Chevrolet Malibu and Impala. Additionally, some of the Cadillac platforms will use the engines in the future. The absence of investment to build the new engine line at the Tonawanda Engine Plant site would have jeopardized the viability of the entire facility, putting 797 existing jobs at risk in the long-term. On January 1, 2010, the Company accepted ESD’s offer of \$7 million in grants including a \$6 million capital grant and a \$1 million training grant, resulting in a decision to proceed with building renovations, new machinery and equipment and worker training necessary to build the LGE engines. The project establishes the Tonawanda Engine Plant as a world-class, state-of-the-art facility that will improve the Company’s competitiveness by expanding its product line and reducing costs through modernization.

ESD is also providing a \$6 million capital grant towards a \$395 million investment for the Gen-V engine line, which is located on the same GMPTG campus as the LGE line.

Competition: Michigan

Past ESD Support: Within the last ten years, ESD Directors have approved the following:

- In January 2002, \$1.45 million capital grant to Erie County Industrial Development Agenda (“ECIDA”), for the benefit of the Tonawanda Engine Plant, for the reconstruction of Kenmore Avenue and Vulcan Road;
- In March 2002, \$2 million training grant to the Tonawanda Engine Plant;
- In December 2002, \$3.8 million capital grant via the ECIDA for the completion of the Kenmore Avenue and Vulcan Road reconstruction;
- August 2005, \$3.5 million capital grant for water and sewer upgrades and \$500,000 for River Road access.

Additionally, GM was provided two STRAP training grants including a \$1.5

million grant disbursed in December 2001 and \$1 million grant disbursed in August 2004.

GM is in compliance with the terms of the above grants.

B. The Project

Completion: November 2012

Activity: Improvement of existing manufacturing space including new open-air team rooms and utilities and infrastructure upgrades, and the acquisition and installation of new machinery and equipment necessary to enable the production of new LGE engine line.

Results: Retention of 797 employees and the creation of 350 new jobs by January 1, 2013. 471 retained employees are directly related to the LGE engine line; 326 retained employees and the creation of 350 new jobs are directly related to the Gen-V engine line.

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 \$51,082,465;
- Fiscal cost to NYS government is estimated at \$13,791,270;
- Project cost to NYS government per direct job is \$18,138;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$8,027;
- Ratio of project fiscal benefits to costs to NYS government is 3.70:1;
- Fiscal benefits to all governments (state and local) are estimated at \$87,418,093;
- Fiscal cost to all governments is \$17,489,511;
- All government cost per direct job is \$23,002;
- All government cost per total job is \$10,180;
- The fiscal benefit to cost ratio for all governments is 5.00:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$487,200,258, or \$283,578 per job (direct and indirect);
- The economic benefit to cost ratio is 27.86:1;
- Project construction cost is \$33,900,000, which is expected to generate 337 direct job years and 232 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.26 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

*The results reported reflect the combined Gen-V capital project and the LGE capital and training projects. The capital grants are funded by the Upstate Regional Blueprint Fund.

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

Grantee Contact: Ms. Candace J. Butler, Manager, Economic Development
Real Estate and Facilities
30009 Van Dyke Avenue
480-206-1W5
Warren, MI 48090-9026
Phone: (313) 665-4534 Fax: (586) 492-3244

ESD Project No.: W925

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

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$6,000,000 capital grant (\$60,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Company must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties; or (b) two part-time,

permanent, private-sector employees on Grantee's payroll, who have worked at the Project Location for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Grantee to other employees with comparable rank and duties.

5. Up to \$6,000,000 will be disbursed to the Grantee in two installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$3,000,000) will be disbursed upon submission of documentation verifying the acquisition and installation of \$190 million in machinery and equipment and the investment of \$19 million in other project costs (not including training costs) and documentation of the employment of at least 809 Full-time Permanent Employees at the Project Location (employment Increment of 12) including 338 tied to the Gen-V engine line and 471 retained employees associated with the LGE engine line, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 50% the grant (\$3,000,000) will be disbursed upon completion of the project substantially as described in these materials; submission of documentation verifying the acquisition and installation of an additional \$190 million (aggregate total of \$380 million) in machinery and equipment and the investment of an additional \$19 million (aggregate total of \$38 million) in other project costs (not including training costs); and documentation of the employment of at least 1,147 Full-time Permanent Employees at the Project Location (employment increment of 338), including 676 Full-time Permanent Employees tied to the Gen-V engine line and 471 retained employees associated with the LGE engine line, provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures must be incurred on or after January 28, 2010 to be considered eligible project costs. Disbursements may be requested simultaneously. All disbursements must be requested by April 1, 2013.

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

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

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

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

Baseline Employment	797**
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A	B
Reporting Date	Employment Goals
February 1, 2014	797+X+Y
February 1, 2015	797+X+Y
February 1, 2016	797+X+Y

***Employment includes 471 Full-time Permanent Employees tied to the LGE engine line and 326 Full-Time Permanent employees associated with the Gen-V engine line.*

X = Grantee's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section C.5 above (i.e. X=12, and Employment Goals shall equal [797 + X = 809] if the First Disbursement is made, in the year such disbursement is made and for each year thereafter). If the First Disbursement has not yet been made then X=0.

Y = Grantee’s Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. Y=338, and Employment Goals shall equal [797 + X + Y = 1,147] 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

This project is authorized under Section 16-q of the New York State Urban Development Corporation Act (the “Act”) and satisfies the eligibility criteria in the Act and the rules and

regulations for the Upstate Regional Blueprint Fund Program. No residential relocation is required as there are no families or individuals residing on the site.

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

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

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

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

VIII. Additional Submissions to Directors

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

Tonawanda (Western New York Region – Erie County) – GM 2L & 2.5L Engine Lines URB Capital – Upstate Regional Blueprint Fund – Business Investment (Capital Grant) Findings and Determinations Pursuant to Sections 16-q 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 GM 2L & 2.5L Engine Lines URB Capital – Upstate Regional Blueprint Fund – Business Investment (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to General Motors LLC a grant for a total amount not to exceed Six Million Dollars (\$6,000,000) from the Upstate Regional Blueprint 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

October 18, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Tonawanda (Western New York Region – Erie County) – GM Gen-V URB Capital – Upstate Regional Blueprint Fund – Business Investment (Capital Grant)

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-q 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: General Motors LLC (“GM” or the “Company”)

UESD* Investment: A grant of up to \$6,000,000 for the purchase of machinery and equipment.

* The Upstate Empire State Development Corporation (the “Corporation”), a subsidiary of the New York State Urban Development Corporation doing business as Empire State Development (“ESD”).

Project Location: GM Powertrain Group, 2995 River Road, Buffalo, Erie County

Proposed Project: Improve existing manufacturing space and purchase new machinery and equipment necessary to produce a new engine line.

Project Type: Business expansion involving job creation and retention.

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

Employment: Initial employment at time of ESD Incentive Offer: 797^(a)
 Current employment level: 1,150
 Minimum employment through January 1, 2013: 1,147^(b)
^(a) Includes 326 jobs associated with the V-8 ("Gen-V") engine project and 471 retained jobs associated with the 2 Liter and 2.5 Liter large gas ("LGE") engine project (W925).
^(b) Includes 676 jobs associated with the Gen-V project and 471 retained jobs associated with the LGE engine project (W925).

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Renovation and Infrastructure	\$ 10,500,000
Info Technology	5,000,000
Machinery & Equipment	320,000,000
Other Costs	<u>60,000,000</u>
Total Project Costs	<u>\$395,500,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD-Grant	\$ 6,000,000	2%
Company Equity	<u>389,500,000</u>	<u>98%</u>
Total Project Financing	<u>\$395,500,000</u>	<u>100%</u>

III. Project Description

A. Company

Industry: GM is one of the world's largest automotive vehicle manufacturers. The GM Powertrain Group ("GMPTG"), an affiliate of the Company's North American operations headquartered in Pontiac Michigan, manufactures engines, automatic transmissions, automotive castings and power-train components for GM vehicles.

Company History: GM was founded in 1908.

Ownership: Publicly traded

Size: The Company employs more than 202,000 people worldwide and operates major subsidiaries, joint ventures and affiliates in more than 158 facilities on six continents. GMPTG operates 37 facilities in 13 countries including its Tonawanda Engine Plant in Tonawanda, Erie County. Today, the Tonawanda Engine Plant is a 3.1 million-square-foot manufacturing facility situated on 130 acres.

Market: GMPTG manufactures engines for GM vehicles and other non-GM customers including Opel, Vauxhall, Baojun, Holden and Isuzu.

ESD Involvement: In late 2009, the Tonawanda Engine Plant advised ESD that it was competing with other GMPTG operating units for a new manufacturing plant to produce new V-8 Gen-V engine. The new engine will have unprecedented fuel efficiency through direct injection and an all-new advanced combustion system which will primarily be used in the redesigned 2013 Chevrolet Silverado and GMC Sierra. The absence of investment to build the new engine line at the Tonawanda Engine Plant site would have jeopardized the viability of the entire facility, putting 797 existing jobs at risk in the long-term. On April 14, 2010, the Company accepted ESD's offer of a \$6 million capital grant, resulting in a decision to proceed with capital expenditures necessary to build Gen-V engines. The project establishes the Tonawanda Engine Plant as a world-class state-of-the-art facility that will improve the Company's competitiveness by expanding its product line and reducing costs through modernization.

ESD is also providing a \$6 million capital grant towards a \$419 million investment for a LGE engine line, which is located on the same GMPTG campus as the Gen-V engine line.

Competition: Michigan

Past ESD Support: Within the last ten years, ESD Directors have approved the following:

- In January 2002, \$1.45 million capital grant to Erie County Industrial Development Agenda ("ECIDA"), for the benefit of the Tonawanda Engine Plant, for the reconstruction of Kenmore Avenue and Vulcan Road;
- In March 2002, \$2 million training grant to the Tonawanda Engine Plant;
- In December 2002, \$3.8 million capital grant via the ECIDA for the completion of the Kenmore Avenue and Vulcan Road reconstruction;
- August 2005, \$3.5 million capital grant for water and sewer upgrades and \$500,000 for River Road access.

Additionally, GM was provided two STRAP training grants including a \$1.5 million grant disbursed in December 2001 and \$1 million grant disbursed in August 2004.

GM is in compliance with the terms of the above grants.

B. The Project

Completion: November 2012

Activity: Improvement of existing manufacturing space including utility and information technology upgrades; space refurbishment; and the acquisition and installation of new machinery including block and head machining CNC equipment and a lean agile flex assembly line necessary to enable the production of new Gen-V engine line.

Results: Retention of 797 employees and the creation of 350 new jobs by January 1, 2013. 326 retained employees and the creation of 350 new jobs are directly related to the Gen-V engine line; 471 retained employees are directly related to the LGE engine line.

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 \$51,082,465;
- Fiscal cost to NYS government is estimated at \$13,791,270;
- Project cost to NYS government per direct job is \$18,138;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$8,027;
- Ratio of project fiscal benefits to costs to NYS government is 3.70:1;
- Fiscal benefits to all governments (state and local) are estimated at \$87,418,093;
- Fiscal cost to all governments is \$17,489,511;
- All government cost per direct job is \$23,002;
- All government cost per total job is \$10,180;
- The fiscal benefit to cost ratio for all governments is 5.00:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$487,200,258, or \$283,578 per job (direct and indirect);
- The economic benefit to cost ratio is 27.86:1;

- Project construction cost is \$33,900,000, which is expected to generate 337 direct job years and 232 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 1.26 indirect jobs are anticipated in the state's economy;
- The payback period for NYS costs is one year.

*The results reported reflect the combined Gen-V capital project and the LGE capital and training projects. The capital grants are funded by the Upstate Regional Blueprint Fund.

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

Grantee Contact: Ms. Candace J. Butler, Manager, Economic Development
 Real Estate and Facilities
 30009 Van Dyke Avenue
 480-206-1W5
 Warren, MI 48090-9026
 Phone: (313) 665-4534 Fax: (586) 492-3244

ESD Project No.: X027

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

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$6,000,000 capital grant (\$60,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Company will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Company's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Company or by investors, and should be auditable through Company financial statements or Company accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the

project.

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

5. Up to \$6,000,000 will be disbursed to the Grantee in two installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$3,000,000) will be disbursed upon submission of documentation verifying the acquisition and installation of \$160 million in machinery and equipment and the investment of \$38 million in other project costs (not including training costs) and documentation of the employment of at least 809 Full-time Permanent Employees at the Project Location (employment Increment of 12) including 338 tied to the Gen-V engine line and 471 retained employees associated with the LGE engine line, assuming that all project approvals have been completed and funds are available;
 - b) a Second Disbursement of an amount equal to 50% the grant (\$3,000,000) will be disbursed upon completion of the project substantially as described in these materials; submission of documentation verifying the acquisition and installation of an additional \$160 million (aggregate total of \$320 million) in machinery and equipment and the investment of an additional \$37.5 million (aggregate total of \$75.5 million) in other project costs (not including training costs); and documentation of the employment of at least 1,147 Full-time Permanent Employees at the Project Location (employment increment of 338), including 676 Full-time Permanent Employees tied to the Gen-V engine line and 471 retained employees associated with the LGE engine line, provided Grantee is otherwise in compliance with program requirements.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures must be incurred on or after April 14, 2010 to be considered eligible project costs. Disbursements may be requested simultaneously. All disbursements must be requested by April 1, 2013.

6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$6,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In

no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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

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

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

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

Baseline Employment	797**
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A	B
Reporting Date	Employment Goals
February 1, 2014	797+X+Y
February 1, 2015	797+X+Y
February 1, 2016	797+X+Y

***Employment includes 326 Full-time Permanent Employees tied to the Gen-V engine line and 471 Full-Time Permanent employees associated with the LGE engine line.*

X = Grantee's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section C.5 above (i.e. X=12, and Employment Goals shall equal [797 + X = 809] if the First

Disbursement is made, in the year such disbursement is made and for each year thereafter). If the First Disbursement has not yet been made then $X=0$.

Y = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section C.5 above (i.e. $Y=338$, and Employment Goals shall equal $[797 + X + Y = 1,147]$ 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

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

V. Environmental Review

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

VI. Non-Discrimination and Contractor & Supplier Diversity

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

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

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

VIII. Additional Submissions to Directors

Resolutions

New York State Map

Project Finance Memorandum

Benefit-Cost Analysis

October 18, 2012

Tonawanda (Western New York Region – Erie County) – GM Gen-V URB Capital – Upstate Regional Blueprint Fund – Business Investment (Capital Grant) Findings and Determinations Pursuant to Sections 16-q 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 GM Gen-V URB Capital – Upstate Regional Blueprint Fund – Business Investment (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to General Motors LLC a grant for a total amount not to exceed Six Million Dollars (\$6,000,000) from the Upstate Regional Blueprint 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

October 18, 2012

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Rochester (Finger Lakes Region – Monroe County) – ABVI Goodwill Capital – Upstate Regional Blueprint Fund Loan – Business Investment (Capital Loan)

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

General Project Plan

I. Project Summary

Borrower: Association for the Blind and Visually Impaired - Goodwill Industries of Greater Rochester (“ABVI” or the “Organization”)

UESD* Investment: A loan of up to \$500,000 to be used for a portion of the cost of construction and renovation associated with the campus expansion project.

* The Upstate Empire State Development Corporation (the “Corporation”), a subsidiary of the New York State Urban Development Corporation doing business as Empire State Development (“ESD” or the “Corporation”)

Project Location: 422 South Clinton Avenue, Rochester, Monroe County

Proposed Project: Renovate and expand the downtown campus to increase services provided to visually impaired citizens of Upstate New York.

Project Type: Business expansion involving job retention and creation.

Regional Council: The Finger Lakes Regional Council has been made aware of this item. The Incentive Offer was accepted in February 2010, predating the Regional Council Initiative. The project is consistent with the Regional Plan. The project addresses critical economic development needs and helps accelerate job creation throughout the Finger Lakes region.

Employment: Initial employment at time of ESD Incentive Offer: 385
 Current employment level: 497
 Minimum employment on anniversary of loan closing in 2015: 447

Loan Financing: The loan will provide permanent financing for a 20-year term at an annual interest rate of 2%, increasing to Prime + 2% if the Organization Employment Commitment, as defined in these materials, is not met and maintained.

Security: Second Lien on Real Estate

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Land Acquisition	\$236,000
Acquisition of Buildings	572,000
Demolition	30,000
Environmental Remediation	43,000
Construction	6,709,590
Machinery & Equipment	280,000
Furniture, Fixtures & Equipment	351,000
Soft Costs including contingency	<u>500,000</u>
Total Project Costs	<u>\$8,721,590</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>	<u>Rate/Term/Lien</u>
ESD-Loan	\$500,000	6%	2%/20 yrs/second lien on RE
Centennial Campaign Donations	\$4,618,108	53%	
Main Street Grant	74,000	1%	
Monroe County IDA Bond	850,000	10%	3.6%/30 yrs/first lien on M&E
First Niagara Bank Mortgage	<u>2,679,482</u>	<u>30%</u>	4.24%/10yrs/first lien on RE
Total Project Financing	<u>\$8,721,590</u>	<u>100%</u>	

III. Project Description

A. Organization

Industry: Vocational Rehabilitation Services

Organization History: Founded in 1913, The Association for the Blind and Visually Impaired – Goodwill Industries of Greater Rochester, is a not-for-profit organization that helps people who are blind or visually impaired become self-sufficient contributing members of their families and their community. ABVI provides a variety of services such as vision rehabilitation, vision wellness and prevention, occupational therapy and adult recreational programs to over 3,000 individuals of various ages. In addition, ABVI has created and implemented a career training program that has provided knowledge and skills to people who are blind or visually impaired. ABVI also houses a state-of-the-art packing and fulfillment operation along with a call center, which employs visually impaired individuals. Some of their customers include the United States Coast Guard and Air Force. All of the services provided by the Organization help create employment opportunities, thus reducing the need for public assistance.

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

Size: The main campus consists of three building which are located in Rochester, NY.

Market: ABVI’s service area extends to nine counties in upstate New York. Their client base includes individuals who are blind or visually impaired. ABVI is the only facility of its kind that provides these types of specialty services and opportunities in the Finger Lakes region.

ESD Involvement: Over the years, the Organization has completely maximized its available space to accommodate the growing population of individuals in the community with visual impairments. Demands for vision rehabilitation and related services are expected to increase greatly as a result of the aging of the general population. In order to meet current and future demand for services, support and training, a facility expansion was needed. To help facilitate construction of the Centennial Campus expansion project, the Organization sought assistance in financing the project through the competitive Upstate Regional Blueprint Fund (“Blueprint”) Request for Proposal process. Its application was reviewed and recommended for funding. In February 2010, ABVI accepted an offer

of a \$500,000 Blueprint loan.

Competition: N/A
Past ESD Support: This is the Organization's first project with ESD.

B. The Project

Completion: December 2012

Activity: Phase I of the Centennial Campus expansion project involved the construction of a new parking lot and the renovation of the former Rochester Housing Authority Building for consolidation of ABVI's call centers. Phase II of the project included the construction of a three-story, 31,200-square-foot building shell, which included the heating and air conditioning system, electrical, plumbing, and elevator installation. The plan was to finish the first floor, which would house the expanded vision rehabilitation operation, and the remaining floors were to be reserved for future expansion. The project was put on hold in December 2011, pending the restructuring of the project funding. In June 2012, construction resumed on Phase II and the project was expanded to include building finishes, equipment and furnishings of both the first and second floors of the 31,200-square-foot building. The finishing of the second floor will allow for additional expansion of the vision rehabilitation operations and will include a large multipurpose conference room for vision rehabilitation programs and goodwill mission space.

Results: The new facility will include a larger and enhanced adaptive technology and career training center, space for technology skill-building, a vision rehabilitation center, expanded shops, and additional examination rooms. The facility also will expand opportunities and services for the thousands in the region who are blind or visually impaired. The project will allow the Organization to retain 385 jobs and create 62 new jobs.

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 \$2,507,222;
- Fiscal cost to NYS government is estimated at \$636,609;
- Project cost to NYS government per direct job is \$14,072;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$10,671;
- Ratio of project fiscal benefits to costs to NYS government is 3.94:1;
- Fiscal benefits to all governments (state and local) are estimated at \$3,984,030;
- Fiscal cost to all governments is \$745,171;

- All government cost per direct job is \$16,471;
- All government cost per total job is \$12,491;
- The fiscal benefit to cost ratio for all governments is 5.35:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$20,029,836, or \$335,758 per job (direct and indirect);
- The economic benefit to cost ratio is 26.88:1;
- Project construction cost is \$7,282,590, which is expected to generate 65 direct job years and 47 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.32 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.)

Borrower Contact: George Klemann, Chief Financial Officer
 422 South Clinton Avenue
 Rochester, NY 14620
 Phone: (585) 697-5791
 Fax: (585) 739-5916

ESD Project No.: W991

Project Team:	Origination Project Management Legal Contractor & Supplier Diversity Finance Environmental	Helen Blum Beverly Bobb Antovk Pidedjian Vikas Gera Ross Freeman Soo Kang
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C. Financial Terms and Conditions

1. The Borrower shall pay a commitment fee of 1% of the \$500,000 loan (\$5,000). In addition, at the time of closing, the Borrower will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Borrower will demonstrate no materially adverse changes in its financial condition prior to closing.
3. Guarantees: N/A
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 Organization’s acceptance of ESD’s offer. Equity is defined as cash injected into the project by the Organization or by investors, and should be auditable through Organization financial statements or

Organization accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.

5. 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.
6. Up to \$500,000 will be disbursed to the Borrower upon completion of the project substantially as described in these materials including documentation of approximately \$8,721,590 in project costs, as evidenced by a certificate of occupancy, and documentation of the employment of at least 385 Full-time Permanent Employees at the Project Location, assuming that all project approvals have been completed and funds are available. Expenses must be incurred on or after February 23, 2010 to be considered eligible project costs. Disbursement of the loan must be requested by April 1, 2014.
7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$500,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Organization and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.
8. Rate/Term: 2% interest rate increase to Prime + 2% if Borrower Employment Comment is not met and maintained over 20 years (240 months). Loan becomes immediately due and payable if Borrower closes Project Location.
9. Repayment Term: Fully amortizing, 240 monthly principal and interest payments beginning after disbursement of the loan.

Job Commitments:

Baseline Employment	385
A	B
Reporting Date	Employment Goals
Anniversary Date of Loan Closing 2014	385
Anniversary Date of Loan Closing 2015	447
Anniversary Date of Loan Closing 2016	447
Anniversary Date of Loan Closing 2017	447
Anniversary Date of Loan Closing 2018	447

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

IV. Statutory Basis

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

V. Environmental Review

The City of Rochester, 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 January 15, 2009. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Due to ESD's mortgage position on the loan, a Phase I Environmental Site Assessment must be submitted to ESD for review and approval prior to closing on the loan.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this project. The Borrower shall be required to: (i) include minorities and women in any job opportunities created, (ii) solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and (iii) use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 25% related to the total value of ESD's funding. Based on recent information obtained from the Borrower, ESD is confident that the Borrower will exceed the aforementioned MWBE utilization goal requirement.

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

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

VIII. Additional Submissions to Directors

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

October 18, 2012

Rochester (Finger Lakes Region – Monroe County) – ABVI Goodwill Capital – Upstate Regional Blueprint Fund Loan - Business Investment (Capital Loan) – Findings and Determinations Pursuant to Sections 16-q 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 ABVI Goodwill Capital - Upstate Regional Blueprint Fund Loan Capital Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, 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 Association for the Blind and Visually Impaired - Goodwill Industries of Greater Rochester a loan for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) from the Upstate Regional Blueprint Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

necessary approvals; and be it further

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

* * *

October 18, 2012

Rochester (Finger Lakes Region – Monroe County) – ABVI Goodwill Capital – Upstate Regional Blueprint Fund Loan - Business Investment (Capital Loan) – Determination of No Significant Effect on the Environment

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

* * *