

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

July 17, 2014 – 9:30 a.m.

AGENDA

FOR CONSIDERATION

I. CORPORATE ACTION

- A. Approval of Minutes of the June 27, 2014 Directors' Meeting

II. DISCRETIONARY PROJECTS

NEW YORK CITY REGION

- A. Bronx (New York City Region - Bronx County) – Thomas Mott Osborne Memorial Fund Capital - Economic Transformation 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

MOHAWK VALLEY REGION

- B. Marcy (Mohawk Valley Region – Oneida County) – Advanced Tool Capital – Economic Development Purposes Fund (Capital Grant) and Minority Women-Owned Business Development Lending Program (Capital Loan) – Findings and Determinations Pursuant to Sections 16-c and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Loan and a Grant and to Take Related Actions

II. DISCRETIONARY PROJECTS - Continued

DISCRETIONARY PROJECTS CONSENT CALENDAR

- C. Discretionary 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 Grants and to Take Related Acts; Determination of No Significant Effect on the Environment

Economic Development Purposes Fund

- A. Coast Professional Capital (Livingston County) - \$90,000
 B. Plattsburgh-North Country Chamber-Farnborough Air Show (Clinton County) - \$68,000

III. GENOME CENTERS

WESTERN NEW YORK REGION

- A. Buffalo Billion initiative - Buffalo (Western New York Region – Erie County) – SUNY Research Foundation NYS Genome Medicine and Big Data Center Capital – Buffalo Regional Innovation Cluster (Capital Grant) and SUNY Research Foundation NYS Genome Medicine and Big Data Center Working Capital – Buffalo Regional Innovation cluster (Working 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

NEW YORK CITY REGION

- B. Regional Council Award – Priority Project – New York (New York City Region – New York County) – New York Genome Center Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) and Special Appropriation NY Genome Center (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

IV. REGIONAL COUNCIL AWARDS

FINGER LAKES REGION

- A. Regional Council Award – Priority Project - Alabama (Finger Lakes Region – Genesee County) – Western New York Science, Technology and Advanced Manufacturing Capital – Regional Council Capital Fund – (Capital Grant) and Empire State Economic Development Fund – General Development Financing (Capital Grant) –Affirmation of the Directors May 12, 2014 Findings and Determinations Pursuant to Sections 10 and 16 of the Act; Affirmation of the General Project Plan

NORTH COUNTRY REGION

- B. Regional Council Award – Priority Project- (North Country Region – Jefferson, Lewis, St. Lawrence, Essex, Franklin, Hamilton and Clinton Counties) – Value Added Agriculture Loan 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

SOUTHERN TIER REGION

- C. Regional Council Award – Village of Groton (Southern Tier Region – Tompkins County) – Challenge Industries 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

IV. REGIONAL COUNCIL AWARDS - Continued

STATEWIDE - MARKET NEW YORK GRANT PROGRAM – REGIONAL TOURISM MARKETING COMPETITION

- D. Statewide - Market New York Grant Program – Regional Tourism Marketing Competition – New York Works Program and Economic Development Purposes Fund (Working Capital Grants) – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Make Grant and to Take Related Actions
- A. Ogdensburg Bridge and Port Authority - \$1,086,750
 - B. Finger Lakes Beer Trail Marketing & Tourism Associates, Inc. - \$198,000
 - C. Long Island Art Alliance, Inc. - \$150,000
 - D. Finger Lakes Tourism Alliance - \$200,000
 - E. New York Golf Trail - \$150,000
 - F. East End Arts & Humanity Council, Inc. - \$162,000
 - G. CNY Arts, Inc. - \$100,000
 - H. Munson-Williams-Proctor Arts Institute - \$18,000
 - I. Proctors/Arts Center & Theatre of Schenectady, Inc. - \$60,000
 - J. Greene County Economic Development Tourism & Planning - \$150,000
 - K. Albany Institute of History & Art - \$21, 519
 - L. Steuben County Convention & Visitors Bureau - \$44,217
 - M. Finger Lakes Trail Conference - \$82,710

REGIONAL COUNCIL AWARD PROJECTS CONSENT CALENDAR

- E. Regional Council Award Projects Consent Calendar – Findings and Determinations Pursuant to Sections 16-d and 10 (g) of the Act; Authorization to Make Grants and to Take Related Actions

Economic Development Purposes Fund

- A. Farmingdale State College – STEM Project – (Suffolk County) - \$100,000
- B. The Research Foundation of the City University of New York Working Capital – (Kings County) - \$100,000

Urban and Community Development Program

- C. Staten Island EDC – West Shore Light Rail Planning Study – (Richmond County) - \$50,000

V. NON-DISCRETIONARY PROJECTS**NON-DISCRETIONARY PROJECTS CONSENT CALENDAR**

- A. Non-Discretionary Projects Consent Calendar – Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c) and 10 (g) of the Act; Authorization to Adopt the General Project Plan; Authorization to Make Grants and to Take Related Actions

Upstate City-by-City (Executive)

- A. Belmont Housing-Bellamy Commons (Erie County) - \$500,000

Community Capital Assistance Program (Senate)

- B. Gerritsen Beach Fire Department Capital (Kings County) - \$50,000

Local Assistance (Senate)

- C. Bronx Overall Economic Development Corporation Working Capital (Bronx County) – \$600,000

VI. ADMINISTRATIVE ACTIONS

- A. Investment Report – Approval of investment Guidelines and Investment Report and Authorization to Take Related Actions
- B. Increase the Threshold Disbursement Amount Requiring a Second Authorized Officer’s Signature – Authorization to Increase Threshold Amount from \$10,000 to \$100,000 Requiring a Second Office’s Signature on Disbursements
- C. Ability to Release Wire Transfers – Authorization to Delegate Ability to Release Wire Transfers to Senior Director Treasury Operations and Senior Director Debt Management
- D. Extension of 2010 Pre-Qualified Real and Personal Property Appraisers List

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

June 27, 2014

MINUTES

**In Attendance
Directors:**

Kenneth Adams (Acting Chair)
Robert Dyson
Joyce Miller

Present for ESD:

Jonathan Beyer, Senior Counsel
Destiny Burns, Director-Empowerment Zone and Community
Lending
Maria Cassidy, Deputy General Counsel
Joseph Chan, Executive Vice President-Real Estate Development
Steven Cohen, Deputy Commissioner
Elizabeth R. Fine, Executive Vice President, Legal and
General Counsel
Edwin Lee, Assistant Vice President – Discretionary Projects
Charles Imohiosen, Chief Operating Officer
Eileen McEvoy, Corporate Secretary
Glendon McLeary, Senior Project Manager
Kathleen Mize, Deputy CFO and Controller
Mehul Patel, Chief of Staff
Marion Phillips, III, Senior Vice President - Community Relations
David Salway, Director – Broadband Program
Susan Shaffer, Senior Vice President – Loans and Grants
Rachel Shatz, Vice President – Planning and Environmental Review
Robin Stout, Senior Counsel
Margaret Tobin – Chief Financial Officer

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Also Present: Merideth Bahr-Andreucci, Director – Industry Development
Linda Dillon, Capital Regional Office
Vincent Esposito, Director – Finger Lakes Region
Michael Evans, President – Moynihan Station Development Corporation
James Fayle, Director – Central New York Regional Office
Andrea Lohneiss, Director – Long Island Regional Office
Christine Orsi, Director – Western New York Regional Office
Paula Roy, former Vice President – Real Estate Development
Aimee Vargas, Director – Mid-Hudson Regional Office
John VanDeLoo, North Country Regional Office
David J. Wright, Assistant Commissioner – Albany

Also Present: Alphonso David, Deputy Secretary – Governor’s Office
The Press
The Media

Also Present: The Public:
Rhona Hetsrony
Peter Krashes
Kate Merker
Michelle DeLaUz
Daron Hudson
Gib Veconi
Marjona Jones
Joanne Simon
Deb Halloran

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 9:45 a.m. by Acting Chair Adams. 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 Adams set forth the guidelines regarding comments by the public on

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matters on the Agenda as well as with regard to any conflicts of interest the Directors may have regarding items on the Agenda. Director Dyson noted that he will recuse himself with regard to the vote on the Marist College item.

The Acting Chair then took the Agenda out of order and asked Kathleen Mize to present an item relating to ESD's Annual Financial Reports.

Ms. Mize noted that the outside auditors had provided a briefing to ESD's Audit and Budget Committee earlier in the day and that approval by the Directors is being sought in accordance with Section 2800 of the Public Authorities Law.

Ms. Mize further noted that the auditors were present at the meeting and the Directors were free to ask questions with regard to the Reports.

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

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT CORPORATION – (the "Corporation") Approval of Certain Annual Financial Reports and Authorization to take Related Actions

WHEREAS, the Corporation wishes to comply with §2800 of the Public Authorities Law (the Law) which mandates that public benefit corporations annually prepare certain financial reports (the Report) which for the Corporation and its subsidiaries consists of the independent audit;

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

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

WHEREAS, an independent audit has been prepared for the fiscal year ended March 31, 2014;

WHEREAS, the Corporation has reviewed said Report and found it to be satisfactory; and

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

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

* * *

Acting Chair Adams then asked the Directors to approve the Minutes of the May 12, 2014 and June 12, 2014 Directors' meetings. There being no changes or corrections, upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE MAY 12, 2014 AND JUNE 12, 2014 MEETINGS OF THE DIRECTORS OF THE NEW YORK STATE URBAN DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meetings of the Corporation held on May 12, 2014 and June 12, 2014, as presented to this meeting, are hereby approved and all actions taken by the Directors presented at such meetings as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

The Acting Chair then asked Mr. Stout to present an item relating to the Atlantic Yards Land Use Improvement and Civic Project for the Directors' consideration.

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Mr. Stout noted that in connection with the Atlantic Yards Project, the Directors were being asked to adopt Findings pursuant to the New York State Environmental Quality Review Act; adopt Court Order Findings as to Phase II of the project; affirm the 2014 Modified General Project Plan; make a Determination with respect to the Greenland Joint Venture; adopt the Proposed Essential Terms for Modification of project documents; authorize the creation of a subsidiary for the project and authorize ESD to take other related actions.

Mr. Stout provided a detailed analysis of each of these requests and the reasons for the requests at this time.

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

The Acting Chair then asked Alphonso David, who was attending the meeting on behalf of the Governor's office, to speak.

Mr. David noted that the Governor has been focused on ensuring that the State delivers for the community. He added that the Brooklynites have been strategically seeking affordable housing and as the present proposed plan achieves those objectives, the State would support the Directors' approval.

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Director Miller then asked about the concern noted in the comments regarding the distribution of affordable units in terms of unit size and how many will be available to families. Specifically, she asked how that has finally been resolved.

Mr. Stout stated that at the State level, there are a total of 6,000 units in the project as a whole, 4,500 to be rental and 2,250 of those to be affordable.

Mr. Stout added that the guidelines on affordability are set forth in the HUD regulations and implemented by the City. The bedroom count, he noted, is a function of the City Financing, which will be a critical component of the affordable housing.

There being no further questions or comments from the Directors, the Acting Chair asked Destiny Burns to call on those individuals who had signed up to comment on the item to come forward to present their comments.

First, Ms. Hetsony, the President of the Dean Street Block Association, provided a summary of the ground-level oversight the association has provided over the last few weeks.

Among other things, Ms. Hetsony expressed concern regarding her belief that the body that is being created with up to 14 members appointed by the Governor will only be advisory in nature and that decision making and enforcement will continue to reside with the existing ESD Directors also appointed by the Governor.

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Ms. Hetsony further stated her concern that the funding and staff of this proposed Board is undefined and that there is no description of how the Board will fulfill its key mission to the community of monitoring the on-site conditions.

Mr. Krashes, representing the Dean Street Block Association, then provided his comments.

Mr. Krashes noted, among other things, that construction on the project has been ongoing for eight-and-a-half years and for a project that was originally described as having a 10 year build out, not one single building, not even Barclays Center, has been completed.

Mr. Krashes went on to call for greater oversight of the project that would include an impartial environmental monitor on site who would keep the State apprised of conditions at the site.

Mr. Krashes added that at some point, the community hopes that the project will stop being about stake holder interest and become about building the vibrant mixed-use neighborhood that it was supposed to become.

Mr. Krashes then read a statement into the record on behalf of Wayne Bailey who was not able to attend the meeting.

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Mr. Bailey's statement expressed numerous concerns regarding the various agreements that were entered into without prior public notice. Mr. Bailey's statement also expressed concern that the Board to be created will merely be advisory in nature.

The Acting Chair thanked Mr. Krashes for reading Mr. Bailey's statement. Acting Chair Adams then noted that ESD has six months within which to create a subsidiary and that input from the community will be sought with regard to that undertaking.

Ms. Shatz then addressed the issue raised by Mr. Krashes with regard to environmental monitoring. In doing so, Ms. Shatz noted that many changes have been made to the Memorandum of Environmental Commitments ("MEC") including better defining and better describing and instituting protocols for mitigation requirements that are already in place. Now, she added, everyone will be clear on what is required, what is considered a noncompliance event and there will be no open-for-interpretation disagreements.

Among other things, Ms. Shatz noted that staffing requirements have been instituted and that Forest City Ratner ("FCR") has made efforts to hire an outside engineering firm with qualified staff to improve on-site monitoring.

Director Miller asked who will determine which engineering firm will be hired to monitor the construction process.

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Ms. Shatz stated that FCR will solicit the bids but ESD will be approving the scope of work that goes out with the bidding and if ESD is not satisfied, it can remedy the situation.

Director Miller asked if the firm will be reporting to FCR and not ESD and Ms. Shatz said that that was correct.

Ms. Shatz further noted that the MEC is set up whereby the mitigation requires that FCR performs these mitigation measures and ESD oversees it.

Director Miller asked who will pay for a mitigation monitor and Ms. Shatz stated that FCR will be paying for it.

Further discussion was had with regard to FCR's and ESD's environmental monitoring responsibilities as put forth in the MEC.

Next, Ms. Merker, also speaking on behalf of the Dean Street Block Association, made comments with regard to the project.

Ms. Merker expressed her concerns that the community has been ignored or marginalized and she urged representatives and developers to give families the quality of life they deserve.

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Ms. DeLaUz, the Executive Director of the Fifth Avenue Committee, which she noted, is one of the founding and sponsor organizations of Brooklyn Speaks spoke.

Before providing her comments, Ms. DeLaUz thanked Director Miller for her questions regarding affordable housing.

Ms. DeLaUz expressed concern with regard to possible inconsistencies in connection with subsidy dollars for housing and the way in which the City of New York funds housing.

Ms. DeLaUz also expressed her appreciation to the community groups and the legal team that have been fighting for accountability at Atlantic Yards for more than a decade. She further expressed gratefulness for the support of the new Mayor as well as for the Governor and ESD's leadership and ability to seize the moment to right the wrongs of Atlantic Yards past and move forward.

Next, Mr. Hudson, a life-long resident of Prospect Heights, provided comments on the project.

Mr. Hudson expressed his concern that it appeared as though a lot of middle income people were being pushed out of the neighborhood because of the Barclays Center coming into the community.

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He then stated his belief that pushing the affordable housing agenda forward as is now happening is very important for the community and the individuals who deserve to stay in the area.

Mr. Veconi, the Treasurer of the Prospect Heights Neighborhood Development Council, spoke next. He stated his belief that the items to be voted on today represent a significant change in the Atlantic Yards Project as they represent a significant acceleration for the Project's affordable housing benefits and a significant enhancement of the Project's oversight.

Mr. Veconi noted that concern still exists for the residents impacted by the construction. He further noted that while the subsidiary being created is not the decision making body the community had called for, it does represent a significant improvement in public participation especially with regard to project oversight.

Ms. Jones then noted that she is the Organizing Coordinator with Brown Community Development Corporation and that their Chairman, Reverend Clinton M. Miller, is also the pastor of Memorial Baptist Church.

On behalf of the Reverend and herself, Ms. Jones thanked the State and the City and all the individuals who have worked so hard to move the project to this point.

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She commented favorably with regard to the guaranteed delivery of affordable housing and oversight.

Ms. Simon, the former President of the Boerum Hill Association and District Leader of the 52nd Assembly District, then provided her comments.

Ms. Simon noted that this agreement represents a huge step forward for the project and while it does not represent all of the community's concerns, it is the first concrete step towards keeping the public trust and that has been sorely lacking in the project.

Next, Ms. Halloran, the Executive Director of the Pratt Area Community Council, provided comments.

Ms. Halloran noted that it has been a long process and she provided favorable comments regarding the organizations that have worked so long and hard with the City, ESD, the Governor's Office and FCR to come to these agreements.

Following those comments, the Acting Chair called for a motion on the item and upon motion duly made and seconded, the following resolution was unanimously adopted:

BROOKLYN (KINGS COUNTY) – Atlantic Yards Land Use Improvement Project and Civic Project – Adoption of Findings Pursuant to New York State Environmental Quality Review Act; Adoption of Court-Ordered Findings as to Phase II of the Project; Affirmation of 2014 Modified General Project Plan; Determination with Respect to Greenland Joint Venture; Adoption of Proposed Essential Terms for Modification of

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Project Documents; Authorization to Create a Subsidiary for the Project; and Authorization to Take Related Actions

RESOLVED, that, on the basis of the materials presented to this meeting (the “**Materials**”), a copy of which are hereby ordered filed with the records of the Corporation relating to the Atlantic Yards Land Use Improvement and Civic Project (the “**Project**”), the Corporation hereby makes and adopts, pursuant to the New York State Environmental Quality Review Act, inclusive of the implementing regulations of the New York State Department of Environmental Conservation (“**SEQRA**”), the following findings and determinations, which findings and determinations are made after full consideration of the Project’s current Modified General Project Plan (the “**2009 MGPP**”, attached as Exhibit B to the Materials), the Final Amendment to the 2009 MGPP attached as Exhibit F to the Materials (the “**2014 MGPP Amendment**”), the Supplemental SEQRA Findings Statement attached as Exhibit E to the Materials (the “**Supplemental SEQRA Findings Statement**”), which Supplemental SEQRA Findings Statement is hereby adopted by the Corporation:

- The Corporation has given consideration to the Draft and Final Supplemental Environmental Impact Statements (“**DSEIS**” and “**FSEIS**”, respectively) prepared for the Project and presented to the Directors.
- The requirements of the SEQRA process have been met.
- Consistent with social, economic, and other essential considerations from among the reasonable alternatives available, the approval of Phase II of the Project (as described in the 2009 MGPP) and the 2014 MGPP Amendment (the “**Action**”) is one that will achieve Project goals and will avoid or minimize significant adverse environmental impacts to the maximum extent practicable, including the impacts disclosed in the 2006 Final Environmental Impact Statement (“**FEIS**”), DSEIS, FSEIS and Supplemental SEQRA Findings Statement.
- Consistent with social, economic, and other essential considerations, significant adverse environmental impacts associated with the Action which were identified in the FEIS, DSEIS, FSEIS and Supplemental SEQRA Findings Statement will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigation measures identified in the FEIS, 2006 SEQRA Findings Statement, FSEIS and Supplemental SEQRA Findings Statement as practicable.
- The Project changes do not disturb ESD’s prior determination that the Project is in compliance with Section 14.09 of the New York State Historic Preservation Act.

and be it further,

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

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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; and be it further

RESOLVED, that pursuant to the July 2011 Decision and Order of New York State Supreme Court for New York County, which directed ESD to issue findings on whether to approve the general project plan for Phase II of the Project, and after consideration of the information presented in the FSEIS and Supplemental SEQRA Findings Statement as to the environmental impacts of a potential delay in Phase II construction, and after consideration of the modifications to the 2009 MGPP discussed in the Materials, the Corporation hereby finds that this new information and the Project changes do not disturb the land use improvement and civic project findings that the Corporation made in affirming the Modified General Project Plan for the Project on December 8, 2006, that such findings remain in full force and effect, and that the 2009 MGPP in so far as it relates to Phase II of the Project is approved and ratified by the Corporation; and be it further

RESOLVED, that, pursuant to Section 16 of the UDC Act, after due consideration of: (1) the testimony given at the April 30, 2014 public hearing on the Proposed Amendment to the 2009 MGPP; (2) all comments received by the Corporation during the UDC Act comment period concluding May 30, 2014; (3) the DSEIS, the FSEIS, and the Supplemental SEQRA Findings Statement, including responses to comments made at the public hearing or received thereafter; and (4) the UDC Act, SEQRA, and other applicable law, the Corporation does hereby affirm the Final Amendment to the 2009 MGPP attached as Exhibit F to the Materials (the 2009 MGPP, as modified by the Final Amendment, collectively the “**2014 MGPP**”); and be it further

RESOLVED, that, based on the factual and legal matters recited in, and for the reasons set forth in, Exhibit G attached to these Materials, ESD hereby consents to the proposed FCR – Greenland transaction described in Exhibit G, subject to and on the condition that the form and structure of such transaction be as materially described in Exhibit G, which consent will not be deemed consent to any provision of any document between or among Forest City Ratner and its affiliates and Greenland Holdings and its affiliates to the extent such provisions are inconsistent with, or would be deemed to modify, any provision of the MGPP or the Project documents; and be it further

RESOLVED, that based on the Materials, and after due consideration of all public testimony and comment received, the Corporation is authorized to execute amendments or modifications to the Project documents in connection with the establishment of accelerated deadlines and additional requirements for construction of the Project’s affordable housing, substantially on the terms and conditions presented to this meeting, and the Corporation hereby finds that such proposed terms are in conformity with the Project’s Modified General Project Plan (inclusive of modifications adopted in these Materials); and be it further

RESOLVED, that the Corporation is hereby authorized to create a subsidiary under Section 12 of the UDC Act dedicated to monitoring the development of the Project, substantially on the

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terms and conditions presented to this meeting; and be it further

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

* * *

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 19 Discretionary Projects including: two Empire State Development Fund grants for \$600,000 and four Buffalo Billion Initiative Projects for grants totaling \$197,300,000.

Mr. Lee noted that in addition, the Agenda includes 13 Regional Council Award Projects including one Empire State Economic Development Purposes Fund grant for \$100,000; one Empire State Economic Development Fund grant for \$200,000; nine Regional Council Capital Fund grants totaling \$21,541,667 and three Connect NY/NY Works Program grants totaling \$3,072,000.

Mr. Lee added that these 19 projects will leverage over \$282 million in additional investments and will assist in retaining 6,613 jobs and in creating approximately 816 jobs in

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New York State.

Acting Chair Adams then asked Ms. Orsi, the Director of ESD's Western New York Regional Office, to present four Buffalo Regional Innovation Cluster items for the Directors' consideration.

Ms. Orsi provided the relevant background information with regard to the Edison Welding Institute Working Capital grant item; the Advanced Manufacturing Capital grant item; the Fort Schuyler/IBM Capital grant item; and the Fort Schuyler/Riverbend Park Capital grant item.

Ms. Orsi noted that the first two projects relate to the new development of an Advanced Manufacturing Institute. Ms. Orsi further noted that the investment for the Buffalo Billion is done on a new economic development model that is different from ESD's traditional model of granting or loaning money directly to companies.

In these cases, Ms. Orsi explained, among other things, that what happens is the Buffalo Billion is leveraged to a partnership with the Corporation's SUNY Research Foundation related entities to invest the money in State-owned assets, facilities and machinery and equipment and is made available to companies to utilize those assets as long as they are willing to commit to job creations.

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Ms. Orsi then provided information on two Buffalo Billion grants to Fort Schuyler Management for the creation of an IT hub as well as a state-of-the-art hub campus for high technology and green energy manufacturing.

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

Buffalo Billion Initiative – Various Locations (Western New York Region – Allegany, Cattaraugus, Chautauqua, Erie, and Niagara Counties) – Edison Welding Institute Working Capital – Phase III – Buffalo Regional Innovation Cluster (Working Capital) – 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 Edison Welding Institute Working Capital – Phase III – Buffalo Regional Innovation Cluster Fund (Working Capital) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Edison Welding Institute, Inc. a grant for a total amount not to exceed Five Million Three Hundred Thousand Dollars (\$5,300,000) from the Buffalo Regional Innovation Cluster Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the

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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.

* * *

Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) — SUNY Research Foundation Advanced Manufacturing 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 SUNY Research Foundation Advanced Manufacturing Capital – Buffalo Regional Innovation Cluster (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to The Research Foundation for the State of New York on behalf of University at Buffalo a grant for a total amount not to exceed Thirty Million Dollars (\$30,000,000) from the Buffalo Regional Innovation Cluster Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Fort Schuyler Management Corporation/Information Technologies Innovation and Commercialization Hub 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 Fort Schuyler Management Corporation/Information Technologies Innovation and Commercialization Hub Capital – Buffalo Regional Innovation Cluster (Capital Grant) Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to

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make to Fort Schuyler Management Corporation a grant for a total amount not to exceed Fifty-Five Million Dollars (\$55,000,000) 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.

* * *

Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Fort Schuyler Management Corporation/Information Technologies Innovation and Commercialization Hub Capital –Buffalo Regional Innovation Cluster (Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the materials submitted to the Directors with respect to the Fort Schuyler Management Corporation/Information Technologies Innovation and Commercialization Hub Capital – Buffalo Regional Innovation Cluster (Capital Grant) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Fort Schuyler Management Corporation/RiverBend Park 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

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Fort Schuyler Management Corporation a grant for a total amount not to exceed One Hundred Seven Million Dollars (\$107,000,000) 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.

* * *

Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – Fort Schuyler Management Corporation/RiverBend Park Capital – Buffalo Regional Innovation Cluster (Capital Grant) – Determination of No Significant Effect on the

Environment

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

* * *

Ms. Vargas, the Director of ESD’s Mid-Hudson Regional Office, presented Kawasaki Railcar Economic Development Fund project for the Directors’ consideration.

Ms. Vargas asked the Directors to authorize ESD to make a \$500,000 grant in connection with the project.

Ms. Vargas noted that the total project cost was \$25.8 million and that the project has allowed the Company to retain 383 jobs. She added that this exceeds their commitment of 375 jobs.

Following the full presentation, the Acting Chair called for any questions or comments. Ms. Miller asked if this was the first project that ESD has done with Kawasaki and Ms. Shaffer said that it was. She noted that the project has been around since 2001 but this was the first time that funding was provided.

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

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Yonkers (Mid-Hudson Region – Westchester County) – Kawasaki Rail Car 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 Kawasaki Rail Car 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 Kawasaki Rail Car, Inc. a grant for a total amount not to exceed Five Hundred Thousand Dollars (\$500,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the

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State Division of the Budget; and be it further

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

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

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

* * *

Mr. Lee then presented the June Discretionary Projects Consent Calendar for the Directors' consideration. Mr. Lee asked the Directors to approve a \$100,000 grant to Optimax Systems, Inc.

Mr. Lee provided the background information with regard to this request noting, in part, that the Company designs and manufactures highly precise optics used primarily in semiconductor, condense energy and medical industries.

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

Empire State Economic Development Fund – Findings and Determinations Pursuant to Sections 16-m and 10(g) of the Act; Authorization to Adopt the Proposed General

Project Plan; Authorization to Make a Grant and to Take Related Actions

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 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 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

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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 | Optimax Systems Capital | X380 | Optimax Systems, Inc. | \$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.

* * *

Next, Mr. Esposito, the Director of ESD’s Finger Lakes Regional Office, asked the Directors to authorize ESD to make a grant in connection with the Health Sciences Center for Computational Innovation.

Mr. Esposito asked the Director’s to approve a \$5,000,000 grant to the University of Rochester for the \$12, 000,000 second phase of the Health Sciences for Computational Innovation aka HSCI.

Mr. Esposito explained that this project has been dedicated as a transformational

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priority project by the Finger Lakes Regional Economic Development Council.

Mr. Esposito added that the University and its Medical Center is the region's largest employer with over 22,000 full-time equivalent employees and IBM, one of the world's largest computer technology and IT consulting companies, is headquartered in Armonk and has approximately 20,000 employees in the State.

Mr. Esposito further stated that the Phase II computers are now in place in the facility and have been completed. The project, he noted, will position Upstate New York as a hub of innovation and technology and healthcare. The project, he stated, will create up to 900 jobs and it has already supported over \$300 million in sponsored research for health funding.

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 – Rochester (Finger Lakes – Monroe County) – Health Sciences Center for Computational Innovation 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 Health Sciences Center for Computational Innovation 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

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

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

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

* * *

The Directors were then asked by Ms. Bahr-Andreucci to authorize ESD to make a grant in connection with the Midtown Tower project.

Ms. Bahr-Andreucci asked the Director’s to approve a \$4,000,000 grant to the Midtown Tower LLC for a renovation and adaptive reuse of what is known as the Midtown Tower in

downtown Rochester.

Ms. Bahr-Andreucci noted that the Tower is the focal point of commercial retail and office and residential space.

Ms. Bahr-Andreucci further explained that the project will renovate and redevelop the first two floors to create 126,000 square feet of Class A office space and the remainder of the Tower, approximately 261,000 square feet, will be converted into a mix of affordable and market rate housing.

Following the full presentation, the Acting Chair called for questions or comments. Director Miller asked for clarification as to how much of the project will be residential. Ms. Bahr-Andreucci stated that she did not have the exact number but approximately 2/3 of the units of the entire building will be residential.

Director Miller then asked how much of the residential part will be affordable housing. Ms. Bahr-Andreucci stated that in anticipation of that question, she asked the City to provide her with the exact mix but the funding from sources do not indicate today any financing that required affordable housing.

She added that the City, however, is attempting to make it a significant component of the project.

Director Miller stated that she needed to confirm that there are no State Affordable Housing funds that are involved in the project.

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

Regional Council Award – Priority Project – Rochester (Finger Lakes Region – Monroe County) – Midtown Tower 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 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 Midtown Tower 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 Midtown Tower, LLC a grant for a total amount not to exceed Four Million Dollars (\$4,000,000) 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

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

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

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

* * *

Mr. Fayle, the Director of ESD’s Central New York Regional Office, asked the Directors to approve a \$2.5 million grant to St. Joseph’s Hospital Health Center on a \$265 million major expansion.

Following the full presentation, Acting Chair Adams 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 – Syracuse (Central New York Region – Onondaga County) – St. Joseph’s Hospital Health Center 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. Joseph’s Hospital Health Center Capital – Regional Council Capital Fund Project (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development

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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. Joseph's Hospital Health Center 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 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.

* * *

Regional Council Award – Priority Project – Syracuse (Central New York Region – Onondaga County) – St. Joseph's Hospital Health Center 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 St.

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Joseph's Hospital Health Center Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Mr. VanDeLoo, representing ESD's North Country Regional Office, presented the Clayton Harbor Hotel and the Watertown International Airport items for the Directors' consideration.

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

Regional Council Award – Priority Project – Clayton (North Country Region – Jefferson County) – Clayton Harbor Hotel 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 Clayton Harbor Hotel - 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

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make to Clayton Harbor Hotel LLC a grant for a total amount not to exceed Three Million Dollars (\$3,000,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Regional Council Award – Priority Project – Clayton (North Country Region – Jefferson County) – Clayton Harbor Hotel 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 Clayton Harbor Hotel Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Regional Council Award – Priority Project – Clayton (North Country Region – Jefferson County) – Clayton Harbor Hotel Capital – Regional Council Capital Fund (Capital Grant) – Waiver of Labor Peace Agreement

RESOLVED, that on the basis of the materials presented at this meeting, the Corporation hereby finds, pursuant to New York State Public Authorities Law Section 2879-b, that the project would not be able to go forward if a labor peace agreement were required and hereby waives such

requirement in connection with the project.

* * *

Regional Council Award – Priority Project – Dexter (North Country Region – Jefferson County) – Jefferson County Watertown International Airport – 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 Jefferson county Watertown International Airport – 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 Jefferson County a grant for a total amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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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.

* * *

Regional Council Award – Priority Project – Dexter (North Country Region – Jefferson County) – Jefferson County Watertown International Airport – 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 Jefferson County Watertown International Airport Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Next, Ms. Vargas presented the Marist College Regional Council Awards item for the Directors' consideration.

Following the full presentation, the Acting Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolution was unanimously adopted (It was noted for the record that Director Dyson recused himself with regard to the following resolution.):

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

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Marist College 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 Marist College a grant for a total amount not to exceed Three Million Dollars (\$3,000,000) from the Regional Council Capital Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Ms. Orsi then asked the Directors to authorize ESD to make a \$2,000,000 grant in

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connection with the Buffalo Streetscape Regional Council Awards item. The funds, she explained, will be used for a streetscape and infrastructure development project on the 500 block of Main Street in downtown Buffalo.

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to the City of Buffalo, 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

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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.

* * *

Regional Council Award – Priority Project — Buffalo (Western New York Region – Erie County) – Buffalo Streetscapes 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 Buffalo Streetscapes Capital – Regional Council Capital Fund (Capital Project) Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

Next, Ms. Orsi asked the Directors to authorize ESD to make a \$166,667 grant for the restoration of the Gowanda’s Historic Hollywood Theater.

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:

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Regional Council Award – Priority Project – Gowanda (Western New York Region – Cattaraugus County) – Gowanda’s Historic Hollywood Theater 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 Gowanda’s Historic Hollywood Theater 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 Gowanda's Historic Hollywood Theater, Ltd. a grant for a total amount not to exceed One Hundred Sixty-six Thousand Six Hundred Sixty-seven Dollars (\$166,667) 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

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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, the Director of ESD's Long Island Regional Office, then presented the J.M. Haley, Inc. Regional Council Awards grant item. Ms. Lohneiss asked the Director's to approve a \$200,000 grant in connection with the 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 – Farmingdale (Long Island Region – Suffolk County) – J.M. Haley 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 J.M. Haley 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;

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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 J.M. Haley Corporation a grant for a total amount not to exceed Two Hundred Thousand Dollars (\$200,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

* * *

Next, Ms. Dillon representing ESD’s Capital Regional Office, presented ATTAIN Regional Council Awards grant item for the Directors’ consideration. Ms. Dillon asked the Directors to approve two grants totaling \$475,000 to Trinity Alliance to assist in the establishment of an

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Advanced Technology Training and Information Networking Lab that will provide access to new technology training to resident of the City of Albany.

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 - Albany (Capital Region – Albany County) – ATTAIN Capital and Working Capital – Regional Council Capital Fund (Capital Grant) and Economic Development Purposes Fund (Working 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 ATTAIN Capital – Regional Council Capital Fund (Capital Grant) and 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 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 Trinity Alliance of the Capital Region, Inc. a grant for a total amount not to exceed Three Hundred Seventy Five Thousand Dollars (\$375,000) from the Regional Council Capital Fund, and grant for a total amount not to exceed One Hundred Thousand Dollars (\$100,000) from the Economic Development Purposes Fund, for the purposes, and substantially on the

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

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

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

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

* * *

Mr. Salway then presented the Connect NY Broadband Program Consent Calendar for the Directors' consideration.

Mr. Salway provided a brief synopsis of each of these grants providing the amount, the recipient, as well as the region that will benefit from each grant.

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

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

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

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;

Regional Council Capital Fund

| | Project Name | Proj # | Grantee | Assistance up to |
|---|------------------------------------|--------|-----------------|------------------|
| A | Hamilton County Broadband Phase II | Y583 | Hamilton County | \$1,700,000 |

| | | | | |
|--|--|--|--------------|--------------------|
| | | | TOTAL | \$1,700,000 |
|--|--|--|--------------|--------------------|

NY Works

| | Project Name | Proj # | Grantee | Assistance up to |
|---|---------------------------|---------------|---------------------------------|-------------------------|
| B | Newport Broadband | Y594 | Newport Telephone Company, Inc. | \$572,000 |
| C | Allegany County Broadband | Y600 | Allegany County | \$800,000 |
| | | | TOTAL | \$1,372,000 |

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.

* * *

Mr. McLeary then presented the June Non-Discretionary Projects Consent Calendar for the Directors’ consideration. Mr. McLeary explained that there were five grants to be considered and provided a synopsis of each of those grants.

Following the full presentation, the Acting Chair called for questions or comments. Hearing none, and upon motion duly made and seconded, the following resolutions were unanimously adopted (It was noted for the record that Director Adams recused himself with regard to the following resolution.):

Local Assistance – 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

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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 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 | The Research Foundation – Krabbe Disease Research Working Capital | W891, X218, X561 | The Research Foundation of State University of New York | \$2,940,000 |
| B | NUAIR Aerial System Working Capital | Z042 & Z325 | Northeast UAS Airspace Integration Research Alliance, Inc. | 1,600,000 |
| C | Watkins Glen Tourism Working Capital | Z277 | Watkins glen International, Inc. | 150,000 |
| | | | TOTAL | \$4,690,000 |

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

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the 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 – Assembly – Project Summary Table

| | Project Name | Proj # | Grantee | Assistance up to |
|---|--------------------------------------|---------------|---|-------------------------|
| D | Lower East Side BID Working Capital | Y343 | Lower East Side District Management Association, Inc. | \$25,000 |
| E | Harlem Arts Alliance Working Capital | Y949 | Harlem Arts Alliance, Inc. | 100,000 |
| | | | TOTAL | \$125,000 |

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.

* * *

Next, Mr. McLeary presented the Hurricane Irene-Tropical Storm Lee Flood Mitigation

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Consent Calendar for the Directors' consideration noting that there were two grants to be considered.

Mr. McLeary provided a summary of the program to date before proceeding to a synopsis of the grants requested.

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:

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

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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 | Proj # | Grantee | Assistance up to |
|---|---|---------------|-----------------|-------------------------|
| | Local Assistance – Hurricane Irene-Tropical Storm Lee Flood Mitigation (Executive) | | | |
| A | Hamilton County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital | X905 | Hamilton County | \$324,379 |
| B | Delaware County – Hurricane Irene – Tropical Storm Lee Flood Mitigation Capital | X900 & Y4 80 | Tompkins County | 0* |
| | * This grant was approved by the ESD Directors on February 20, 2014. The subject request is to revise the project scope and reallocate a portion of the grant. This does not involve new funding. | | | |
| | | | TOTAL | \$324,379 |

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

* * *

The Acting Chair then noted that the item relating to the Corporation’s Annual Financial Reports had been considered at the beginning of the meeting.

He then asked Ms. Shaffer to present the item relating to ESD’s Mission Statement and Performance Measurements. Ms. Shaffer presented the specifics of this item which request the Directors’ to reexamine ESD’s Mission Statement and accept ESD’s FY 2013-2014 Performance Measurements Report.

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 YORK STATE URBAN DEVELOPMENT CORPORATION – Reexamination of Mission Statement and Related Performance Measurements, and Acceptance of FY 2013-2014 Performance Measurement Report

WHEREAS, New York State Public Authorities Law § 2824-a requires each authority to reexamine its mission statement and performance measurements annually, therefore

BE IT RESOLVED, that the Directors hereby confirm that they have reexamined the mission statement and related performance measurements as previously adopted and recommend no further amendments; and be it further

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is order filed with the records of the Corporation (the “Materials”), the FY 2013-2014 Performance Measurement Report is hereby accepted.

* * *

Next, Mr. Beyer then asked the Directors to authorize ESD to acquire and dispose of the Downstate Distribution Facility in accordance with the applicable provisions of the Public Authorities Law.

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:

Town of Islip (Suffolk County)- Proposed Disposition of the Downstate Distribution Center- Authorization to Acquire and Dispose of Real Property in accordance with the Applicable Provisions of the Public Authorities Law, Determination of No Significant Effect on the Environment and Take Relate Actions.

RESOLVED, that based on the materials presented to this meeting and ordered filed with the records of the New York State Urban Development Corporation d/b/a Empire State Development (the "Corporation") relating to the former Downstate Distribution Center, the Corporation be and hereby is authorized to: (i) acquire real property from the State of New York consisting of the Downstate Distribution Center in the Town of Islip in Suffolk County; (ii) dispose and convey title of the Downstate Distribution Center to April Holdings LLC in accordance with, and make all findings required by, the Applicable Provisions of the Public Authorities Law; (iii) pay a broker's commission; and (iv) take all related actions; and be it further

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

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

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

* * *

Mr. Beyer then asked the Directors to authorize the transfer to and disposition by the Office of General Services of the Harriet Tubman Residential Center.

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

HARRIET TUBMAN RESIDENTIAL CENTER – Authorization for Transfer to, and Disposition by, the Office of General Services in accordance with Applicable Provisions of the Public Authorities Law, Determination of No Significant Effect on the Environment and Take Related Actions

WHEREAS, in compliance with the Public Authorities Law, OGS has obtained independent appraisals of the Harriet Tubman Residential Center and the terms and conditions for OGS' disposition of such facility include a publicly advertised competitive bidding process and an award to CNY Realty Development Company LLC (the "Purchaser"), as highest bidder, for a cash purchase price in excess of the value assigned by OGS to the Harriet Tubman Residential Center after its review of the independent appraisals; and

WHEREAS, the transfer to, and disposition by, OGS of the Harriet Tubman Residential Center pursuant to the Agreement is consistent with of the State's plan to dispose of underutilized State facilities for reuse by the private sector;

NOW THEREFORE, IT IS HEREBY RESOLVED that based on the materials so presented to the Corporation, attached hereto and incorporated herein by reference, the Directors hereby find that it is advantageous to the State for the Corporation to enter into the Agreement with OGS;

RESOLVED, that the Corporation be and hereby is authorized to (i) enter into the Agreement with OGS and to transfer the Harriet Tubman Residential Center and convey title to the same by quitclaim deed to OGS for the price of one dollar (\$1.00);

RESOLVED, that the Corporation hereby (i) approves and agrees to the terms and conditions of the sale by OGS of the Harriet Tubman Residential Center to the Purchaser (ii) authorizes the Corporation to take all actions deemed necessary to accomplish such sale, including the

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execution of all forms necessary for the recording of the deed to the Harriet Tubman Residential Center and (iii) authorizes utilizing bond tax counsel to confirm compliance with applicable federal tax law; and be it further

RESOLVED, that based on the materials submitted to the Directors with respect to the proposed transfer to, and disposition by, the Office of General Services of the State of New York of the Harriet Tubman Residential Center, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

RESOLVED, that the Officers of the Corporation, be and each of them hereby is, authorized and directed to take any and all action necessary (i) to carry out the foregoing resolutions and to carry out any authority or delegation granted to the Corporation in conjunction with such authorizations and (ii) in connection with the disposition of the Harriet Tubman Residential Center, to preserve the exclusion from gross income for federal income tax purposes of interest on any bonds of the Corporation that refunded the Youth Facilities Revenue Bonds, including, but not limited to, the preparation and execution of any agreements, deeds, instrumentation and/or documents as such authorized officers may deem reasonably necessary or appropriate.

* * *

Mr. Beyer continued with the Agenda and asked the Directors to authorize ESD to enter into a contract for legal services in connection with Correctional and Youth Facilities Bonds, and other State Facilities financed by Tax Exempt Bonds.

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 YORK STATE URBAN DEVELOPMENT CORPORATION D/B/A EMPIRE STATE DEVELOPMENT - Authorization to Enter into an Amended Contract with McKenna Long & Aldridge LLP to Provide Legal Services as Bond Counsel in Connection with Correctional, Youth Facilities Bonds and other State Facilities Financed by Tax Exempt Bonds

RESOLVED, that the Corporation is hereby authorized to enter into an amended contract with

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McKenna Long & Aldridge LLP, in an amount not to exceed \$345,000, for the purposes and services, and substantially on the terms and conditions set forth in the Materials; and to take relation actions.

RESOLVED, that any actions taken prior to this resolution that are consistent with these terms are hereby ratified and approved.

* * *

Next, Mr. Evans, the President of the Moynihan Station Development Corporation asked the Director's to authorize ESD to enter into a contract for commercial brokerage services in connection with the possible disposition of excess development rights associated with the James A. Farley Post Office Building and Annex.

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 YORK CITY (NEW YORK COUNTY) – Authorization to Enter into Contracts for Commercial Brokerage Services; and Authorization to Take Related Actions

BE IT RESOLVED, that based on the materials presented at this meeting (the "Materials"), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds Massey Knakal Realty Services to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Massey Knakal Realty Services as set forth below for the purposes and services, and substantially on the further terms and conditions, set forth in the Materials; and be it further

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

* * *

Mr. Cohen then asked the Directors to authorize ESD to enter into a contract for Event Planning and Management Consulting Services relating to the 2014 Statewide MWBE Forum.

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 York State Urban Development Corporation d/b/a Empire State Development (the "Corporation") – Authorization to Enter Into a Contract with Sacks Communications, Inc. to provide Event Planning & Management 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 Sacks Communications, Inc. to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with Sacks Communications, Inc. with a fee amount of one hundred twenty-four thousand five hundred dollars (\$124,500.00), plus reimbursable expenses as estimated in the Materials, for a total not to exceed two hundred ninety-three thousand dollars (\$293,000.00), 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.

* * *

Mr. Cohen then provided informational reports on ESD's Procurement Commitments to Certified Minority and Women Business Enterprises for the fourth Quarter of Fiscal Year 2013-2014 and the Annual Report for Fiscal Year 2013-2014.

There being no further business, the meeting was adjourned at 12:44 p.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary



FOR CONSIDERATION

July 17, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Bronx (New York City Region – Bronx County) – Thomas Mott Osborne Memorial Fund Capital – Economic Transformation Program (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Thomas Mott Osborne Memorial Fund, Inc. (the “Fund”)

ESD* Investment: A grant of up to \$6,000,000 to be used for a portion of the cost of the redevelopment and reuse of Fulton Correctional Facility, including structural and programmatic re-design, emergency and interim housing, workforce development services, and business development.

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

Project Location: 1511 Fulton Avenue, Bronx, Bronx County

Proposed Project: Redevelopment and transformation of the Fulton Correctional Facility into the Fulton Economic Development and Community Reentry Center.

Project Type: Business expansion in an economic transformation area.

Regional Council: The New York City Regional Council has been made aware of this item. The Incentive Proposal was accepted in November 2013. The project is consistent with the New York City Regional Plan to invest in infrastructure committed to transform inner city neighborhoods creating business opportunities and job creation.

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> |
|----------------------------------|----------------|
| Construction/Renovation | \$5,216,290 |
| Design | 521,629 |
| Planning/Project Management | 288,000 |
| Information Technology | 294,350 |
| Furniture/Fixtures and Equipment | <u>384,731</u> |

Total Project Costs \$6,705,000

| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
|---|---------------|----------------|
| ESD – Grant | \$6,000,000 | 89.5% |
| Bronx Borough President Office – Grant* | 657,000 | 10.0% |
| Grantee Equity | <u>48,000</u> | <u>0.5%</u> |

Total Project Financing \$6,705,000 100%

*This grant will be considered as a portion of the Grantee’s 10% equity contribution to the project.

III. Project Description

A. Grantee

Industry: Community multiservice organization

Grantee History: The Thomas Mott Osborne Memorial Fund, Inc. is a 501(c)(3) corporation. It is affiliated with The Osborne Association Inc. and Osborne Treatment Services. For over 80 years, the Fund has designed and operated services for individuals formerly incarcerated to successfully reenter society.

Ownership: The Thomas Mott Osborne Memorial Fund, Inc. is a not-for-profit corporation.

Size: The Fund has one location in the Bronx, NY.

ESD Involvement: In March 2013, New York State transferred the shuttered Fulton Correctional facility to the Thomas Mott Osborne Memorial Fund, Inc. Built in 1906, it was originally known as the Fulton Avenue Church House for Episcopalians; in 1924, it housed the Bronx Jewish Center with a YMHA and a synagogue, and in the 1950's it was transformed into a nursing home and later a drug rehabilitation center. In 1975, the facility was converted into a minimum security correctional facility and remained until its closure in 2011. A \$6,000,000 Economic Transformation Program grant was awarded to the Association to transform the facility into the Fulton Economic Development and Community Reentry Center.

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

B. The Project

Completion: December 2015

Activity: The Fulton Correctional Facility will be transform into the Fulton Economic Development and Community Reentry Center (the "Center"). Services for individuals affected by the criminal justice system will include: emergency and interim housing; workforce development services including job training and placement, and business development designed to support the creation and growth of businesses and social enterprises to hire formerly incarcerated individuals and community residents. The physical plant at the Center will be distributed as follow: residential-floors 4, 6 and 7; workforce development and other services- 1, 2, 3and 5 and culinary services will be located in the basement. The Center will be available to residents and community partners.

Results: The transformation of the Fulton Correctional facility into the Fulton Economic Development and Community Reentry Center will serve as a key element for the successful transitioning of ex-offenders.

Economic Growth

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 \$254,490;
- Fiscal cost to NYS government is estimated at \$6,000,000;
- Ratio of project fiscal benefits to costs to NYS government is 0.04:1;
- Fiscal benefits to all governments (state and local) are estimated at \$545,935;
- Fiscal cost to all governments is \$6,000,000;
- The fiscal benefit to cost ratio for all governments is 0.09:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$3,452,054;
- The economic benefit to cost ratio is 0.58:1;
- Project construction cost is \$6,025,919, which is expected to generate 29 direct job years and 15 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.33 indirect job is anticipated in the state's economy.

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

Grantee Contact: Elizabeth Gaynes, Executive Director
809 Westchester Avenue
Bronx, NY 10455
Phone: (718) 707-2649

ESD Project No.: Y680

| | | |
|---------------|---------------------------------|----------------------|
| Project Team: | Origination | Joseph Tazewell |
| | Project Management | Javier Roman-Morales |
| | Contractor & Supplier Diversity | Denise Ross |
| | Finance | Jonvevan Hornsby |
| | Design & Construction | Joseph Macaluso |
| | Environmental | Soo Kang |

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee 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 Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.

3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project. For this project, equity will be provided by a \$657,000 grant from the Bronx Borough President's Office.
4. Up to \$6,000,000 will be disbursed to the Grantee for eligible expenses during the course of construction, no more frequently than quarterly, in compliance with ESD Design & Construction requirements and in proportion to ESD's share of funding, approximately 89.5%, 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, 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, including program reports documenting information including but not limited to services and programs provided, number of clients served, number of direct jobs created by the Recipient, and number of clients placed in jobs. Reports must be provided for five calendar years following final disbursement. Expenses reimbursed by ESD's grant must be incurred on or after November 26, 2013, to be considered eligible project costs.

All disbursements require compliance with program requirements and must be requested by no later than April 1, 2016. Expenditures incurred prior to written acceptance of the Incentive Proposal are not eligible project costs and cannot be reimbursed by grant funds.

5. 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 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.
6. Grant funds will be subject to pro rata recapture if the property at the Project Location is sold within five years of disbursement of funds. The Recapture Amount is based on the time that has lapsed between when the Grant funds were disbursed and when the transfer occurred. The Recapture Amount shall be calculated by aggregating the Recapture Amount for each disbursement of the Grant, which in each instance shall be equal to:
 - (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the disbursement was made, or in the first full calendar year after the disbursement was made;
 - (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;

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

IV. Statutory Basis – Economic Transformation Program

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

V. Design and Construction

The Fund is renovating the existing Fulton Correctional facility into the Fulton Economic Development and Community Reentry Center. The new physical plant will include emergency and interim housing and workforce development services. ESD will reimburse planning, design and construction expenditures up to \$6,000,000. The design and construction documents will be reviewed and payments will be made when D&C requirements have been met.

VI. Environmental Review

ESD staff has determined that the project constitutes a Type II legislative action pursuant to Section 617.5(c)(37) as defined by the New York State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation. The authorization for the Fulton Correctional Facility to be used by the Thomas Mott Osborne Memorial Fund, Inc. for the proposed Fulton Economic Development and Community Reentry Center was specifically authorized by the Legislature of the State of New York under Part B of Chapter 55 of the Laws of 2013. Therefore, no further environmental review is required in connection with the project.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination & Contractor and Supplier Diversity policy will apply to the Project. Osborne shall be required to use good faith efforts (pursuant to 5 NYCRR §142.8) to achieve an overall Minority and Women Business Enterprise ("MWBE") participation goal of 40%, Minority Business Enterprise ("MBE") participation goal of 25% and a Women Business Enterprise ("WBE") 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.

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 Photograph

Project Finance Memorandum

Benefit-Cost Analysis

Bronx (New York City Region – Bronx County) – Thomas Mott Osborne Memorial Fund Capital – Economic Transformation Program (Capital Grant) – Findings and Determinations Pursuant to Sections 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

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

* * *

**Project Summary
Benefit-Cost Evaluation¹**

Thomas Mott Osborne Memorial Fund -Economic Growth 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): 29

Construction Job Years (Indirect): 15

| 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 | \$6,000,000 | \$794,250 | \$6,000,000 | \$1,020,500 |
| Fiscal Benefits⁴ | \$254,490 | \$2,085,600 | \$545,935 | \$4,271,980 |
| Fiscal B/C Ratio | 0.04 | 3.00 | 0.09 | 10.60 |
| | | | | |
| | Project Results | Benchmarks for ESD Projects | | |
| Economic Benefits⁵ | \$3,452,054 | \$119,468,000 | | |
| Economic B/C Ratio | 0.58 | 30.00 | | |

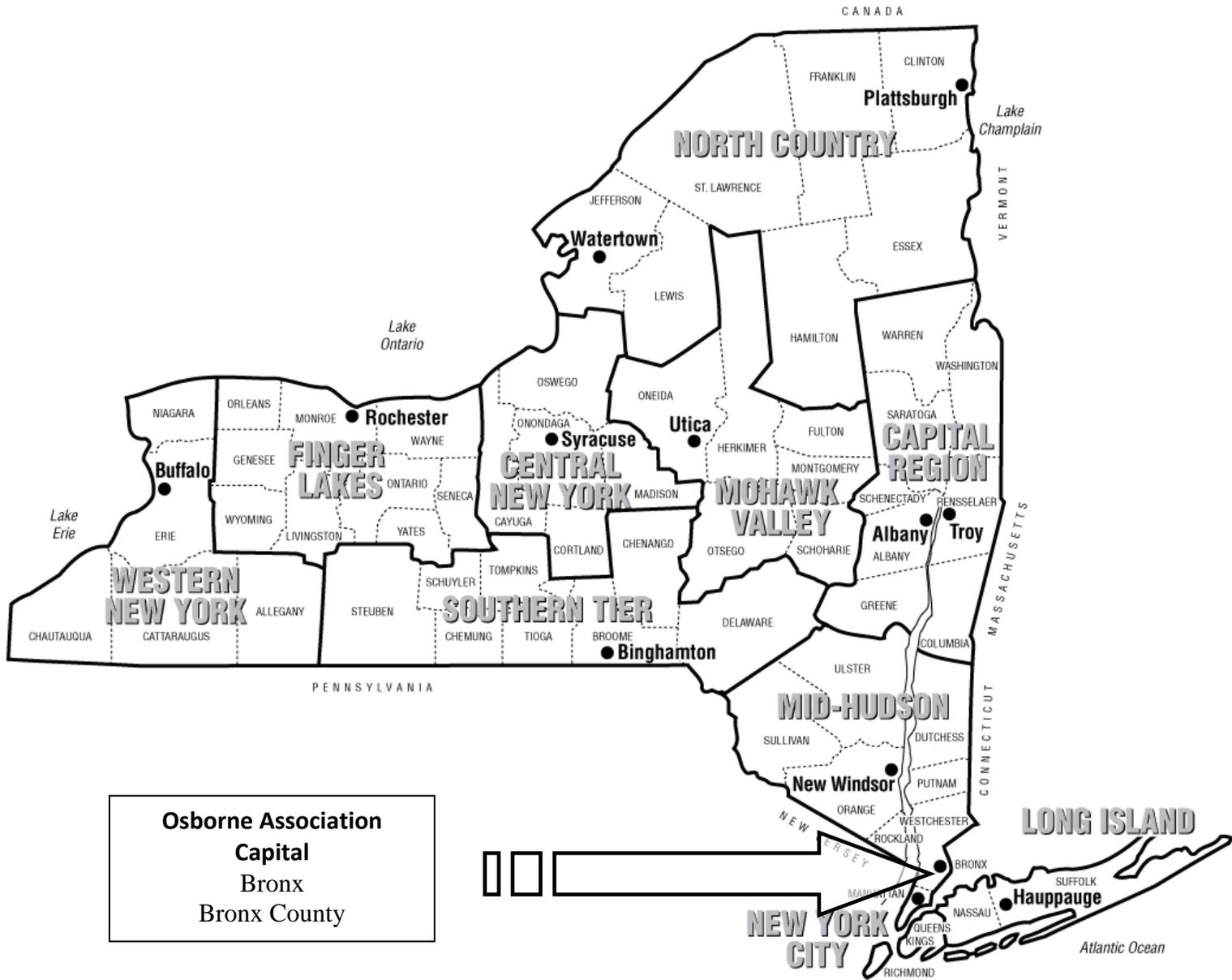
¹ Dollar values are present value calculated over a 7-year period. Separate evaluations are made and reported for New York State government assistance alone and for State and Local government.

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.



Osborne Association
 Capital
 Bronx
 Bronx County



FOR CONSIDERATION

July 17, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Marcy (Mohawk Valley Region – Oneida County) – Advanced Tool Capital – Economic Development Purposes Fund (Capital Grant) and Minority Women-Owned Business Development Lending Program (Capital Loan)

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

General Project Plan

I. Project Summary

Grantee: Advanced Tool Inc. (“Advanced Tool” or the “Company”)

ESD* Investment: Funding totaling \$200,000, including:

A grant of up to \$75,000 (Y003) to be used for a portion of the cost of machinery and equipment purchase, and

A loan of up to \$125,000 (Y004) to be used for a portion of the cost of machinery and equipment purchase.

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

Project Location: 9169 River Road, Marcy, Oneida County

Proposed Project: Purchase of machinery and equipment and minor facility renovations

Project Type: Business expansion involving job retention and creation

Regional Council: The Mohawk Valley Regional Council has been made aware of this item. The Incentive Proposal was accepted in October 2012. The project is consistent with the Regional Plan to enhance the Region's innovation enabling infrastructure.

Employment: Initial employment at time of ESD Incentive Offer: 9
Current employment level: 9
Minimum employment through January 1, 2018: 13

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> |
|-------------------------|--------------------|
| Machinery and Equipment | \$1,205,401 |
| Software/Hardware | 50,809 |
| Soft Costs | <u>237,995</u> |
| Total Project Costs | <u>\$1,494,205</u> |

| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> | <u>Rate/Term/Lien</u> |
|--|--------------------|----------------|------------------------------------|
| ESD – Loan (Y004) | \$125,000 | 8% | 3%/ 7 yrs./ 2 nd on M&E |
| ESD – Grant (Y003) | 75,000 | 5% | |
| Adirondack Bank – Loan | 867,434 | 58% | 4%/17 yrs./ 1 st on M&E |
| National Grid – Grant | 16,560 | 1% | |
| NYS Community Development Block – Grant | 100,000 | 7% | |
| Company Equity | <u>310,211</u> | <u>21%</u> | |
| Total Project Financing | <u>\$1,494,205</u> | <u>100%</u> | |

III. Project Description

A. Company

Industry: Advanced Tool Inc. manufactures cutting tools for the aerospace, defense, automotive, medical and electronics industries.

Company History: Founded in 1997, Advanced Tool Inc. is an expert in industrial milling and micro milling of various metals including titanium, exotic alloys, aluminum, and stainless steel. Advanced Tool also serves the nanotech industry and provides research and development in advanced manufacturing and energy efficiency to the milling industry.

Ownership: The Company is privately owned.

Size: All facilities are located in Marcy, NY.

Market: Advanced Tool serves customers in the aerospace, defense automotive, medical and electronics industries. Competitors include Kennametal, SGS Tool, Garr Tool, Niagara Cutter and Micro 100.

ESD Involvement: In 2012, the Company recognized a need to modernize its technology infrastructure in order to fulfil customer demand and increase capacity. As the result of economic downturn, the Company had experienced setbacks in its sales and lacked the necessary equipment to remain competitive. The Company feared that ongoing economic inconsistency could lead to loss of jobs. To mitigate this problem, Advanced Tool envisioned an infrastructure improvement project that would upgrade its machinery and equipment as well as make small renovations to its facility in Marcy, NY. However the Company was unable to completely finance the project and encountered a short-fall in its budget.

In July 2012, the Company requested ESD assistance to finance the project. In September 2012, ESD made an offer of financial assistance to the Company which was accepted in October 2012. Without ESD's assistance the Company could not have moved forward with the project.

Competition: N/A

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

B. The Project

Completion: December 2015

Activity: To date, Advanced Tool has purchased and installed \$590,150 of machinery and equipment and employs 9 people. In addition, the Company has spent over \$667,000 on the entire project, which includes purchase of a new Rollomatic Nano machine and several pieces of high end inspection equipment. The Company has upgraded its compressor system, packaging, and computer/ERP systems, and improving operations. Finally, the Company has implemented a national marketing campaign and gained new prospective customers both nationally and globally.

Results: The Company will retain 9 jobs and create 4 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 \$337,696;
- Fiscal cost to NYS government is estimated at \$200,000;
- Project cost to NYS government per direct job is \$25,547;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$13,035;
- Ratio of project fiscal benefits to costs to NYS government is 1.69:1;
- Fiscal benefits to all governments (state and local) are estimated at \$485,440;
- Fiscal cost to all governments is \$200,000;
- All government cost per direct job is \$25,547;
- All government cost per total job is \$13,035;
- The fiscal benefit to cost ratio for all governments is 2.43:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$3,210,643, or \$209,249 per job (direct and indirect);
- The economic benefit to cost ratio is 16.05:1;
- There is no construction activity related to this project;
- For every permanent direct job generated by this project, an additional 0.97 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is five years.

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

Grantee Contact:

Sherry DePerno, President and CEO
9169 River Road
Marcy, NY 13403
Phone: (315) 768-8502

ESD Project No's: Y003, Y004

| | | |
|---------------|---------------------------------|------------------|
| Project Team: | Origination | Kenneth Tompkins |
| | Project Management | Simone Bethune |
| | Finance | Ross Freeman |
| | Legal | Antovk Pidedjian |
| | Contractor & Supplier Diversity | Denise Ross |
| | Environmental | Soo Kang |

C. Financial Terms and Conditions – Economic Development Purposes Fund (Capital Grant - Y003)

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$75,000 capital grant (\$750) 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. Sherry DePerno will serve as personal guarantor 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 \$75,000 will be disbursed to the Grantee in two installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$37,500) upon

completion of the project substantially as described in these materials, documentation verifying purchase and installation of \$590,150 in machinery and equipment, and documentation of the employment of at least 9 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 (\$37,500) will be disbursed upon documentation verifying purchase and installation of \$1,180,300 in machinery and equipment, total project expenditures of \$1,300,000, a Certificate of Occupancy or other documentation verifying project completion as ESD may require, and the employment of at least 13 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. Expenses must be incurred on or after October 5, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

- 7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$75,000, 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 | 9 |
| A | B |
| Reporting Date | Employment Goals |
| February 1, 2015 | 9+X |
| February 1, 2016 | 9+X |
| February 1, 2017 | 9+X |
| February 1, 2018 | 9+X |

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 [9 + X = 13] if the Second 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.

D. Financial Terms and Conditions – Minority Women-Owned Business Development Lending Program (Capital Loan - Y004)

1. The Borrower shall pay a commitment fee of 1% of the \$125,000 capital grant (\$1,250). In addition, at the time of closing, the Company will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. Sherry DePerno will serve as personal guarantor in the event of an Employment Shortfall or other default, as defined in these materials or the Grant Disbursement Agreement.
3. The Company will be obligated to advise ESD of any 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 \$125,000 will be disbursed to the Borrower upon completion of the project substantially as described in these materials including documentation of project expenditures totaling \$1,300,000 and documentation of the employment of at least 9 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 October 5, 2014, to be considered eligible project costs.
6. Rate/Term: Fixed taxable rate to be set at time of closing (currently at 3%).
7. Repayment Term: 7 years fully amortizing.
8. Conditions: Satisfactory corporate credit check and background check for principals and Guarantors. Collateral review and appraisals acceptable to ESD. Reviewed or audited financials to be submitted at closing and annually thereafter. Loan amount not to exceed 85% loan to value.
9. Second Lien on Machinery and Equipment
10. A minimum of 13 Full-time Permanent Employees must be retained at the Project Location during the period that begins two years following the project completion through the remainder of the term of the loan. If this commitment is not met and maintained, ESD may (1) increase the interest rate on the Note by two percentage points or (2) require whole or partial pre-payment of the remaining principal balance of the Note.
11. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$125,000, 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 – Minority and Women-owned Business Development and Lending Program

The New York State Minority and Women-Owned Business Development and Lending Program ("MWBDL") was approved by the State Legislature in the 1986-87 Capital Projects Budget and is authorized pursuant to Section 16-C of the New York State Urban Development Corporation Act (the "Act"). Financing for the Project has been structured according to the to the loan form of assistance as outlined in the Act and the MWBDL rules and regulations. No residential relocation is required as there are no families or individuals residing on the site.

V. Statutory Basis – Economic Development Purposes Fund

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

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. 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

July 17, 2014

Marcy (Mohawk Valley Region – Oneida County) – Advanced Tool 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 Advanced Tool 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 Advanced Tool Inc. a grant for a total amount not to exceed Seventy Five Thousand Dollars (\$75,000) 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.

* * *

July 17, 2014

Marcy (Mohawk Valley Region – Oneida County) – Advanced Tool Capital – Minority and Women-Owned Business and Development Lending Program (Capital Loan) – Findings and Determinations Pursuant to Sections 16-c 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 Advanced Tool Capital - Minority and Women-Owned Business and Development Lending Program (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 Advanced Tool Inc. a loan for a total amount not to exceed One Hundred and Twenty Five Thousand Dollars (\$125,000) and from the Minority and Women-Owned Business and Development Lending 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 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.

* * *

Project Summary Benefit-Cost Evaluation¹

Advanced Tool, Inc. – 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: | 9 | 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 | \$200,000 | \$794,250 | \$200,000 | \$1,020,500 |
| Fiscal Benefits⁴ | \$337,696 | \$2,085,600 | \$485,440 | \$4,271,980 |
| Fiscal Cost /Direct Job | \$25,547 | \$3,000 | \$25,547 | \$4,110 |
| Fiscal Cost/Total Jobs | \$13,035 | \$1,424 | \$13,035 | \$1,964 |
| Fiscal B/C Ratio | 1.69 | 7.00 | 2.43 | 10.60 |
| | Project Results | Benchmarks | | |
| Economic Benefits⁵ | \$3,210,643 | \$119,468,000 | | |
| Econ. Benefits/Total Jobs | \$209,249 | \$147,600 | | |

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.

Economic B/C Ratio

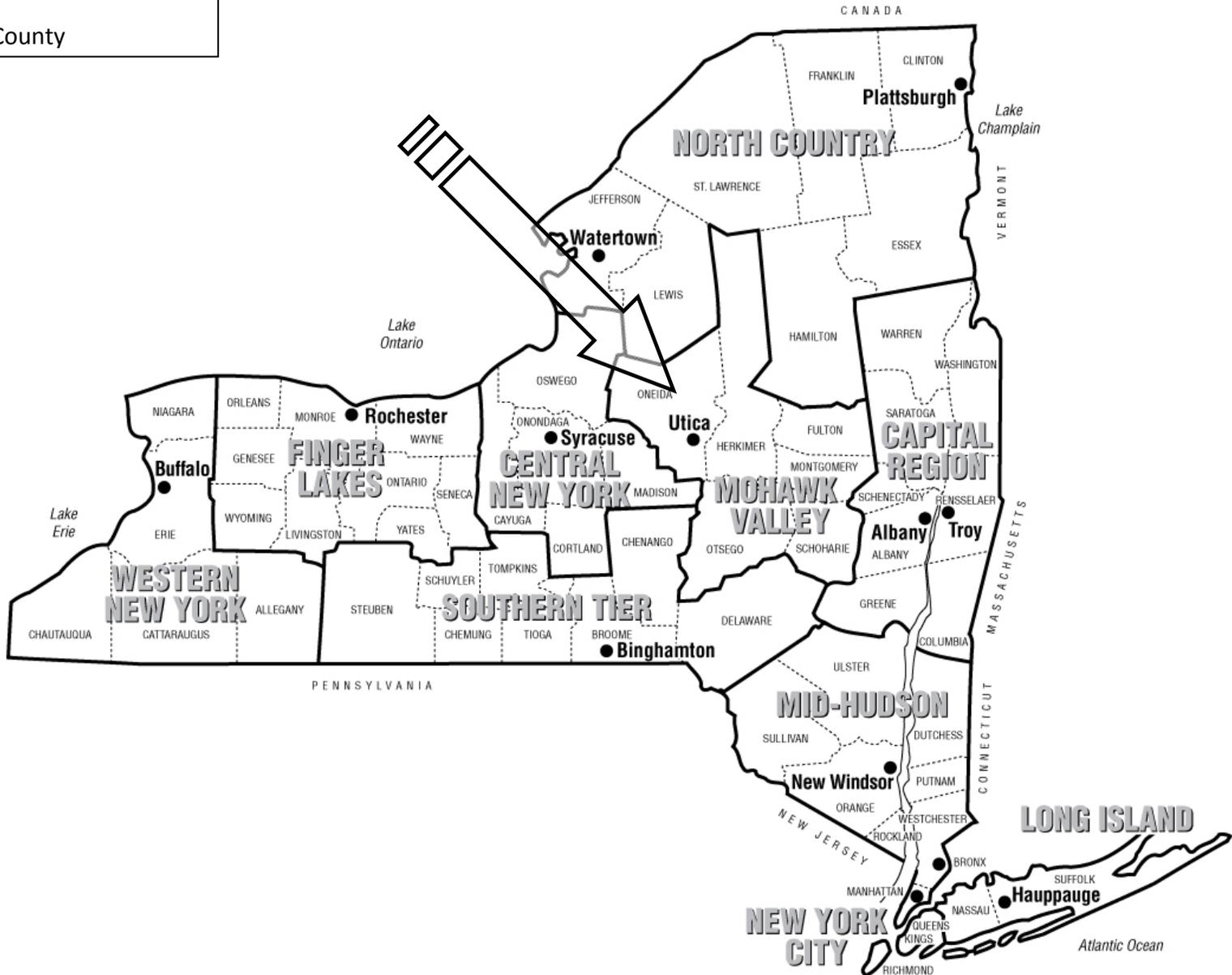
16.05

50.00

Advanced Tool Capital

Marcy

Oneida County





FOR CONSIDERATION

July 17, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Discretionary Projects 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; 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:

Economic Development Purposes Fund

| | Project Name | Proj # | Grantee | Assistance up to |
|---|--|---------------|---|-------------------------|
| A | Coast Professional Capital | Y130 | Coast Professional, Inc. | \$90,000 |
| B | Plattsburgh-North Country Chamber - Farnborough Air Show | Z271 | Plattsburgh-North Country Chamber of Commerce | 68,000 |
| | | | TOTAL | \$158,000 |

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 - Economic Development Purposes Fund

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

Attachments

New York State Map
Resolutions
Project Summaries

July 17, 2014

Economic Development Purposes Fund – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plans; 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; and be it further

Economic Development Purposes Fund

| | Project Name | Proj # | Grantee | Assistance up to |
|---|--|---------------|---|-------------------------|
| A | Coast Professional Capital | Y130 | Coast Professional, Inc. | \$90,000 |
| B | Plattsburgh-North Country Chamber - Farnborough Air Show | Z271 | Plattsburgh-North Country Chamber of Commerce | 68,000 |
| | | | TOTAL | \$158,000 |

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.Coast Professional Capital (Y130)

July 17, 2014

General Project Plan

| | | |
|--------------------------|--|------|
| Grantee: | Coast Professional, Inc. (“Coast Professional” or the “Company”) | |
| ESD Investment: | A grant of up to \$90,000 to be used for a portion of the cost of the machinery and equipment. | |
| Project Location: | 4237 Volunteer Road, Geneseo, Livingston County | |
| Proposed Project: | Construction/renovation of a building and acquisition of machinery and equipment. | |
| 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 Proposal was accepted in January 2013. The project is consistent with the Regional Plan supporting the expansion of the Business Services, Software, and Telecommunications cluster. | |
| Employment: | Initial employment at time of ESD Incentive Offer: | 103 |
| | Current employment level: | 167 |
| | Minimum employment on January 1, 2016: | 150* |

*New employees cannot be transferred from other NYS locations.
(Note: The 76 employees currently in Henrietta, NY are not included in the above numbers.)

Background:

Industry – Coast Professional, Inc. provides third party collection services to financial services companies and higher education institutions.

Company History – Coast Professional was founded in California in 1976 as LA County Professional Services, Inc. The current CEO, Brian Davis, joined the Company in 1992. He became the sole owner in 2002, changed the Company’s name to Coast Professional in 2003, and moved operations to Louisiana. Several years later, the Company merged with Ouachita Credit Recovery. Coast Professional’s collection services range from telephone calling campaigns and letter services to extensive skip tracing (i.e., tracking down debtors whose addresses are unknown).

Ownership – The Company is privately owned.

Size – Coast Professional’s nationwide employment has grown to approximately 300

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with operations in Geneseo and Henrietta, New York (opened in 2010 and 2014, respectively), and headquarters in West Monroe, Louisiana.

Market – The Company operates nationally, serving the financial services and higher education sectors. Customers include the U. S. Department of Education, colleges and universities across the country, and Sallie Mae. Competitors include Account Control Technology, CBE Group, Inc., Enterprise Recovery Systems, and Performance Recovery (formerly DCS).

ESD Involvement – Coast Professional sought to expand operations in a location that provided the best overall resources and was most cost effective to the Company. California and New York were the two states in consideration. The Company approached ESD for assistance to make its project more cost effective in NYS. ESD offered a \$90,000 capital grant, which Coast Professional accepted in January 2013. Without ESD’s assistance, it is unlikely that the expansion would have occurred in New York.

Competition – CA

Past ESD Support – In 2010, ESD approved a \$200,000 grant to the Company to assist it in locating in Geneseo, NY, where it constructed a new facility, its first outside of Louisiana. The grant was fully disbursed in 2012. The Company is Empire Zone certified in the Livingston County EZ effective July 17, 2008, and has reported using \$173,187 in tax credits from 2008 to 2012. To assist its new Henrietta, NY location, Coast Professional has been admitted to the Excelsior Jobs Program with an award of up to \$500,000 over ten years beginning in 2014.

| Program | Project # | Amount | Date Start (ESD Directors’ Approval date) | Date End (Project Completion: Contract Expiration) | Purpose |
|----------|-----------|-----------|---|--|---|
| JOBS Now | W221 | \$200,000 | June 15, 2010 | October 14, 2012 | Capital Grant – Construct and equip a 4,100-square-foot call center |

The Project:

Completion – July 2013

Activity – The Company has added a 4,250-square-foot expansion to its current facility in Geneseo, which included additional equipment and fixtures. Equipment includes computer workstations, printers, office furniture, and telephone systems. The result will

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be increased employee performance and productivity.

Results – Evaluated over a seven-year period, project fiscal benefits to New York State government are expected to be \$1,211,703, which exceed the cost to the State.

The project will retain 103 existing jobs and create an additional 47 jobs. The Company has already created 64 jobs.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|-----------------------------------|--------------|-------------------------|--------------|---------|
| Construction / Renovation | \$ 650,000 | ESD Grant | \$ 90,000 | 9% |
| Machinery & Equipment Acquisition | 206,912 | Company Equity | 922,912 | 91% |
| Design & Planning | 101,000 | | | |
| Furniture, Fixtures & Equipment | 55,000 | | | |
| Total Project Costs | \$ 1,012,912 | Total Project Financing | \$ 1,012,912 | 100% |

Grantee Contact – Roxanne Baker
 Senior Vice President / COO
 4273 Volunteer Road
 Geneseo, NY 14454
 Phone: (585) 991-5203

Project Team – Origination: Helen Blum
 Project Management Edward Muszynski
 Contractor & Supplier Diversity Elizabeth Gocs
 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 \$90,000 capital grant (\$900) 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.

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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 \$90,000 will be disbursed to the Grantee in two installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$45,000) upon documentation of construction/machinery and equipment project costs totaling \$1,012,912 and documentation of the employment of at least 128 Full-time Permanent Employees at the Project Location (Employment Increment of 25), 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 (\$45,000) will be disbursed upon documentation of the employment of at least 150 Full-time Permanent Employees at the Project Location (Employment Increment of 22), 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 January 23, 2013, 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 \$90,000, 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:

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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 | 103 |
|---------------------|-----|

| A | B |
|------------------|------------------|
| Reporting Date | Employment Goals |
| February 1, 2015 | 103+X+Y |
| February 1, 2016 | 103+X+Y |
| February 1, 2017 | 103+X+Y |
| February 1, 2018 | 103+X+Y |

X = Grantee's Employment Increment that will be the basis of the First Disbursement of the Grant as described in section 5 above (i.e. X=25, and Employment Goals shall equal [103 + X = 128] if the First Disbursement is made, in the year such disbursement is made and for each year thereafter). If the First Disbursement has not yet been made then X=0.

Y = Grantee's Employment Increment that will be the basis of the Second Disbursement of the Grant as described in section 5 above (i.e. Y=22, and Employment Goals shall equal [103 + X + Y = 150] 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.

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Environmental Review:

The Town of Geneseo 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 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 20% related to the total value of ESD’s funding, and to solicit and utilize New York State certified MWBEs for any contractual opportunities generated in connection with the project.

Statutory Basis – Economic Development Purposes Fund:

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

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Coast Professional Capital (Y130)

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Geneseo (Finger Lakes Region – Livingston County) – Coast Professional 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 Coast Professional Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

B. Plattsburgh-North Country Chamber - Farnborough Air Show (Z271)

July 17, 2014

- Grantee:** Plattsburgh-North Country Chamber of Commerce (the “Chamber” or the “Organization”)
- ESD Investment:** A grant of up to \$68,000 to be used for a portion of the costs to attend and exhibit at the 2014 Farnborough Air Show in the United Kingdom.
- Project Location:** Farnborough Air Show, United Kingdom
- Proposed Project:** The Plattsburgh-North Country Chamber of Commerce will assist New York State companies in marketing products and services at the Farnborough Air Show in the United Kingdom by attending and exhibiting during July 14-20, 2014.
- Project Type:** International Marketing
- Regional Council:** The Incentive Proposal for this project was accepted on May 30, 2014. The North Country Regional Council has been made aware of this item. The project is consistent with the North Country Regional Plan to support existing NYS entities and to support initiatives for international trade.

Background:

Industry – The Plattsburgh-North Country Chamber of Commerce is a not for profit corporation.

Company History – The Plattsburgh-North Country Chamber of Commerce was founded in 1916.

Size – The Plattsburgh-North Country Chamber of Commerce presently serves approximately 4,200 member business entities.

Market – The Plattsburgh-North Country Chamber of Commerce services include strategic planning, tourism, business promotion and marketing, safety training, workforce development and marketing of the Plattsburgh International Airport. Its purpose is to sustain and build the North Country Regional economy by promoting business and providing services to companies in Clinton, Essex, Franklin, Hamilton and Northern Warren counties.

ESD Involvement – The Plattsburgh-North Country Chamber of Commerce has advised the ESD Regional Office in Plattsburgh that it has developed an initiative to assist regional companies in the aerospace industry to market their products and services at

B. Plattsburgh-North Country Chamber - Farnborough Air Show (Z271)

July 17, 2014

international tradeshows. The Plattsburgh-North Country Chamber of Commerce and participating aerospace business firms lack sufficient resources to register and attend such international trade events with professional staff and appropriate exhibit space and professional display equipment. ESD has responded with a working capital grant of \$68,000. The grant will assist the Plattsburgh-North Country Chamber of Commerce and participating aerospace firms to attend the Farnborough Air Show in the United Kingdom and will enable them to market and compete for business opportunities at the international level and to help achieve regional economic development project benefitting the North Country region and participating aerospace and related firms.

Past ESD Support – ESD funding for the past five years to the Grantee is summarized in the following chart:

| Program | Project # | Amount | Date Start (ESD Directors' Approval date) | Date End (Project Completion: Contract Expiration) | Purpose |
|--|------------------|---------------|--|---|--|
| Empire State Economic Development Fund | X115 | \$35,000 | October 21, 2010 | September 10, 2011 | Working Capital – Attend and exhibit at the Farnborough International Trade Airshow in the U.K. – 2010 |
| Empire State Economic Development Fund | X325 | \$50,000 | December 18, 2010 | December 31, 2014 | Working Capital – Attend and exhibit at the Paris International Trade Airshow in Paris, France - 2011 |
| Empire State Economic Development Fund | X889 | \$50,000 | January 17, 2013 | June 26, 2013 | Working Capital – Attend and exhibit at the Farnborough International Trade Airshow in the U.K. – 2012 |

The Project:

Completion – June 2015

Activity – The Chamber will make business arrangements for booth space rental and related build out of professional exhibit-display to participate at the Farnborough, United Kingdom Air Show, an annual international trade event. The project arrangements began in December 2013, and the international trade event is scheduled to take place on July 14-20, 2014. The Plattsburgh-North Country Chamber of Commerce anticipates completing the project in June 2015.

The grant will be used to develop business participation at the event, to subsidize the

B. Plattsburgh-North Country Chamber - Farnborough Air Show (Z271)

July 17, 2014

booth space costs, and to implement strategies to increase the effectiveness of the NYS businesses attending. The Plattsburgh-North Country Chamber of Commerce will manage the entire project, assist the NYS companies that will attend the tradeshow and act as liaison between the Farnborough Air Show officials and the regional NYS companies represented. The participating companies that plan to participate and contribute to the funding of the project include: The Plattsburgh International Airport, Air Industry Group, M3 Technology, Calspan Aerospace, Aircraft Lighting International, Cambridge Valley Machining, Inc. and Southern Winds Aviation.

Results – The Plattsburgh-North Country Chamber of Commerce will monitor and survey the companies to assess the impact that participation at the international trade event will have on their business development and sales. Upon final completion of the project, the Plattsburgh-North Country Chamber of Commerce will furnish ESD a final report describing the impact and effectiveness of the project for the participating firms and the North Country Region.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|----------------------------|------------------|--|------------------|----------------|
| Booth Space | \$35,700 | ESD Grant | \$68,000 | 38% |
| Booth Build Out | 30,500 | Participating Companies' Contributions | 60,000 | 33% |
| Electric | 1,300 | In-kind Services | 31,000 | 17% |
| Shipping | 500 | Organization Equity | 20,400 | 11% |
| Travel-Lodging | 80,000 | | | |
| Wages | 31,000 | | | |
| US Embassy Reception | 400 | | | |
| | | | | |
| Total Project Costs | \$179,400 | Total Project Financing | \$179,400 | 100% |

Grantee Contact Sue Matton, Vice President for Economic Development
P.O. Box 310
Plattsburgh NY 12901
Phone: (518) 563-1000

Project Team - Origination Lennox Ruiz
Project Management Antonio Rodriguez
Contractor & Supplier Diversity Diane Kinnicutt

B. Plattsburgh-North Country Chamber - Farnborough Air Show (Z271)

July 17, 2014

Financial Terms and Conditions:

1. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
3. Up to \$68,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials, as reimbursement for booth space rental and build out costs associated with the Farnborough UK Air Show in July 2014. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Project expenses must be incurred after May 30, 2014 to be considered eligible expenses. ESD shall reimburse up to 39% of the eligible project expenses up to \$68,000. The final ten percent (10%) of the Grant shall not be disbursed by ESDC until all of the tasks and reports required have been completed to ESD's satisfaction. All disbursements must be requested by June 1, 2015.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$68,000, 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.

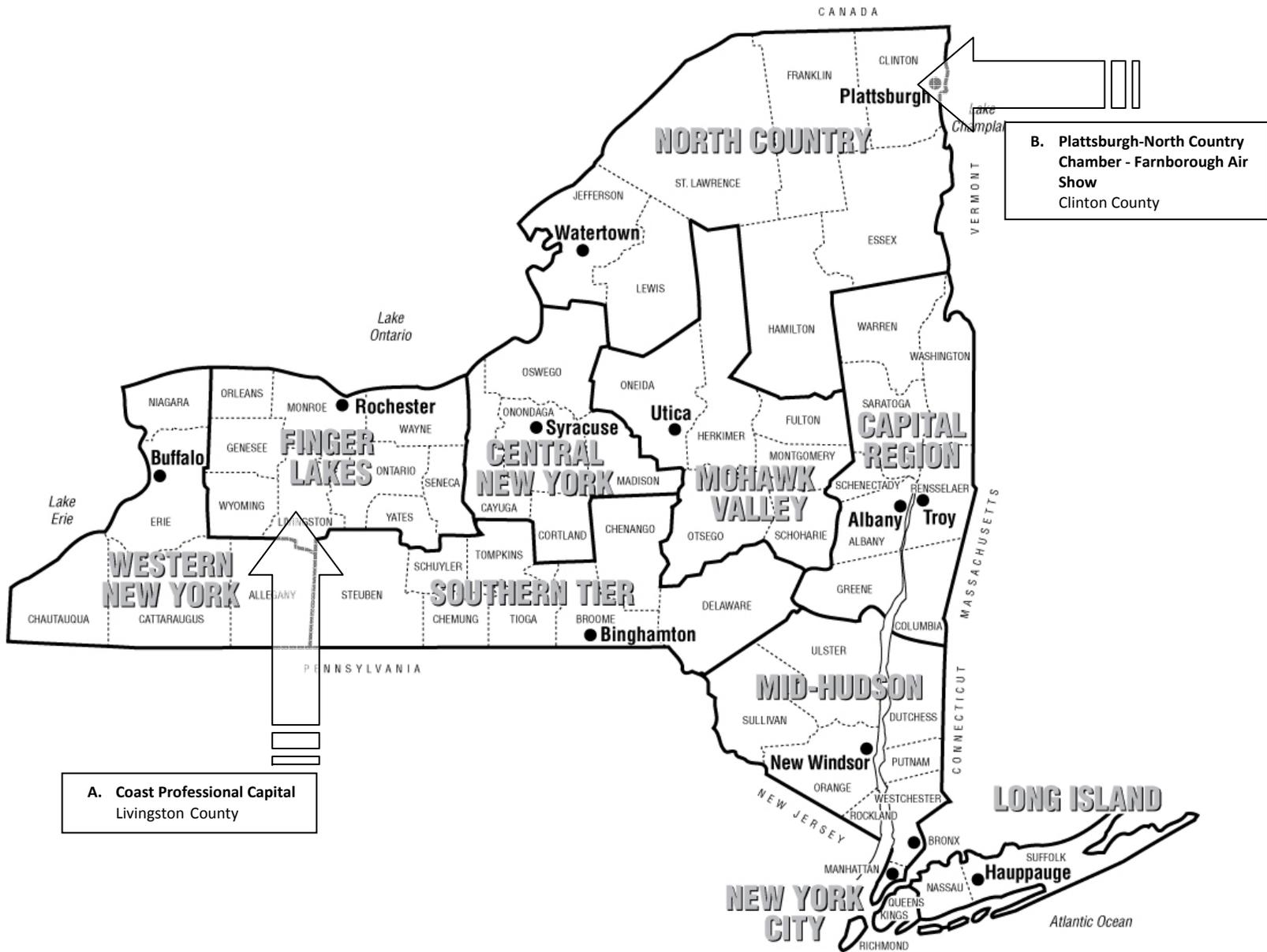
Non Discrimination and Contactor and Supplier Diversity:

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

Statutory Basis – Economic Development Purposes Fund:

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

Economic Development Purposes Fund





FOR CONSIDERATION

July 17, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Buffalo Billion Initiative – Buffalo (Western New York Region – Erie County) – SUNY Research Foundation NYS Genome Medicine and Big Data Center Capital – Buffalo Regional Innovation Cluster (Capital Grant) and SUNY Research Foundation NYS Genome Medicine and Big Data Center Working Capital – Buffalo Regional Innovation Cluster (Working Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: The Research Foundation for the State University of New York (“SUNY RF”) on behalf of the University at Buffalo (“UB”)

Beneficiaries: AESKU.Diagnostics GmbH & Co. KG (“AESKU”)
Computer Task Group, Inc. (“CTG”)
Empire Genomics, LLC (“Empire Genomics”)
Lineagen, Inc. (“Lineagen”)
Additional Beneficiaries to be identified in the future

ESD* Investment: Grants of up to \$47.5 million to be used as reimbursement for a portion of the cost of equipment/software and operating expenses.

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

Project Location: Buffalo Niagara Medical Campus (the “Medical Campus”)
701 Ellicott Street, Buffalo, Erie County

Proposed Project: Establish the NYS Genomic Medicine and Big Data Center (the “GMBDC”) including expansion of research clinical applications and product development in genomic medicine.

Project Type: Computing infrastructure improvements involving job creation.

Regional Council: The Western New York (“WNY”) Regional Economic Development Council oversees the implementation of the Buffalo Billion Investment Development Plan. This project is part of Governor Cuomo’s Buffalo Billion Initiative to create a hub for world-wide collaboration of scientific and medical invention and innovation.

Employment: Initial employment at time of Application to ESD: 0
 Current employment level: 0
 Minimum employment on January 1, 2019: 490*

* New employees cannot be transferred from other NYS locations but can be on the Grantee’s or Beneficiaries’ payroll. Jobs cannot count toward any other project the Grantee or Beneficiaries has with NYS.

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> |
|-------------------------------------|---------------------|
| Capital, Equipment & Software | \$32,500,000 |
| Projects (Supplies and Services) | 7,420,661 |
| Operating Costs/Program Development | <u>30,079,339**</u> |

Total Project Costs \$70,000,000

| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
|------------------------------------|---------------------|----------------|
| ESD – Capital Grant (Z207) | \$32,500,000 | 46% |
| ESD – Working Capital Grant (Z206) | 15,000,000 | 21% |
| Beneficiaries’ Equity | 7,500,000 | 11% |
| Grantee Equity | <u>15,000,000</u> | <u>21%</u> |
| Total Project Financing | <u>\$70,000,000</u> | <u>100%</u> |

**Must consist of at least \$7.5 million from Beneficiaries’ Equity.

III. Project Description

A. Company

Industry: SUNY RF is an educational corporation that administers externally funded contracts and grants for and on behalf of the State University of New York. It is a separate not-for-profit corporation and as such is not supported by state appropriated tax dollars, nor does it receive support services provided to New York State agencies. SUNY RF provides the administrative flexibility to respond quickly to the special demands of externally funded contracts and grants in a manner that facilitates their scientific or technical execution.

Company History: SUNY RF was established in 1951.

Ownership: SUNY RF is a private, 501(c)(3) not-for-profit educational corporation.

Size: SUNY RF has over 17,000 employees statewide

ESD Involvement: In January 2014, Governor Cuomo announced a \$105 million award for a genomic medicine and supercomputing (the "Initiative"), including \$55.75 million for the New York Genome Center ("NYGC"), located in New York City, and \$47.5 million, from the Buffalo Billion Initiative, for the GMBDC, which is located in Buffalo. The Initiative's objective is to expand research clinical application and product development in genomic medicine including, but not limited to, the development of best practices in research, clinical practice, data management, analytics, genetic sequencing, other applied research and development, and business development.

The Initiative is modeled after similar successful enterprises in the state, including the blueprint for nanotechnology innovation in Albany, which has produced significant research, private investment and new jobs to the Albany area.

The NYGC, formed in 2011, is a consortium of international academic, medical and industry leaders focused on translating genomic research into clinical solutions for serious disease. The GMBDC was established in 2014 by UB to partner with the NYGC and with UB's Center for Computational Research ("CCR"), the New York State Center of Excellence in Bioinformatics and Life Sciences ("CBLS"), and the Institute for Healthcare Informatics ("IHI"). SUNY RF will own the assets of the GMBDC and administer GMBDC funding. The GMBDC will provide facilities and services to aid in research and development, innovation, product development, entrepreneurial creation, and business

development in those fields requiring the use of high performance computing, informatics and biomedical research including but not limited to genomic medicine.

NYGC and UB’s GMDBC represent the brightest minds in the fields of informatics, genomic medicine, and analytics. Together with other premier research organizations as well as industry partners, NYGC and GMDBC will advance the state-of-the art in applying genomics to improving health care and, in parallel, will develop the data analytics leading to new molecular diagnostic tests, companion diagnostics, and new therapeutic agents resulting in the ability to tailor treatment, as well as prevention of disease, to individuals.

ESD, the Division of Budget, NYGC, GMBDC and the SUNY RF entered into a Memorandum of Understanding in June 2014 that outlines roles and responsibilities. This request is for \$47.5 million for the GMBDC, including \$32.5 million in capital funds and \$15 million in working capital. The request for the \$55.75 million for the NYGC will be presented to the ESD Directors separately.

Past ESD Support: ESD Directors have approved over \$9 million for the following projects to SUNY RF for the past five years as follows:

| Program | Project # | Amount | Date Start (ESD Directors' Approval date) | Date End (Project Completion: Contract Expiration) | Purpose |
|------------------|-----------|-------------|---|--|---|
| Local Assistance | W753 | \$940,000 | August 2009 | September 2011 | Working Capital – Buffalo Center of Excellence in Bioinformatics and Life Sciences Operating Expenses |
| | W874 | \$1,179,666 | July 2012 | June 2011 | |
| | W876 | \$1,155,666 | July 2012 | July 2012 | |
| | W884 | \$815,666 | July 2012 | November 2012 | |
| | W889 | \$1,000,000 | November 2012 | December 2012 | |
| | W890 | \$980,000 | November 2012 | December 2013 | |
| | W891 | \$980,000 | June 26, 2014 | December 2014 | |
| | X218 | \$980,000 | June 26, 2014 | December 2015 | |
| | X561 | \$980,000 | June 26, 2014 | December 2016 | |

B. Beneficiaries

AEKSU: AEKSU, headquartered in Germany and founded in 2000, develops and manufactures early detection and autoimmune test kits, and specializes in in-vitro diagnostics capable of analyzing large numbers of samples for multiple parameters or individual self-testing systems. AESKU, with a workforce of approximately 100 worldwide, has over 140 different products and provides services to 80 countries.

CTG: CTG, a publicly-traded company established in 1966, is an information technologies (“IT”) solutions provider, addressing the industry needs and challenges in IT development and integration, application management, information security, system and process assessment, and IT consulting. Headquartered in Buffalo, CTG has 3,800 employees in the United States, Canada and Europe.

Empire Genomics: Empire Genomics, established in 2006 as a private spin-off company originating from research at Roswell Park Cancer Institute in Buffalo, is a comprehensive molecular diagnostics company that enables personalized patient treatments by providing diagnostic, prognostic, therapeutic, and disease-monitoring information to determine the underlying mechanisms of diseases. Its goal is to remove costly variations and inconsistencies in testing that have prevented the medical industry from rapidly moving forward with new discoveries.

Lineagen: Lineagen, formed as GenData Research Corporation in Salt Lake City Utah in 2002, offers customized early-stage detection genetic testing services, counseling, and developmental services to aid early clinical evaluations of autism spectrum disorders, multiple sclerosis, and chronic obstructive pulmonary disease.

C. The Project

Completion: December 2018

Activity: The \$70 million project will establish facilities and services to aid in research and development, innovation, product development, entrepreneurial creation and business development in those fields requiring the use of high performance computing, informatics, and biomedical research including but not limited to genomic medicine. This involves the acquisition of data storage space and hardware, software for the CCR and IHI, equipment for UB’s Shared Lab Resources, and operating funds that will assist in hiring leadership and scientific experts.

The RF will own the assets and equipment, which will be utilized by Beneficiaries and other collaborators.

The NYGC and GMBDC will leverage assets and capabilities in order to expand research clinical applications and product development in genomic medicine including, but not limited to, the development of best practices in research, clinical practice, data management, data analytics, genetic sequencing and other applied research and

development, and in business development.

GMDBC, through its extensive capabilities in high performance computing and big data analytics will work closely with scientists at NYGC to help store and analyze the large volume of genomic data generated daily at NYGC, including the long-term storage of genomic data. In addition, NYGC will work closely with GMDBC medical professionals to leverage their extensive capabilities in next generation sequencing to measure the genome for large patient cohorts to support medical studies.

SUNY RF has executed Memorandums of Understanding with four Beneficiaries to date including CTG, Empire Genomics, AESKU and Lineagen.

Results:

The project will enable to GMBDC to advance genomic medicine through a community asset that provides operational resources to create innovation and new jobs among its partners, including the NYG, other institutions and industry.

The project is anticipated to create 490 jobs by January 2019. Of these new jobs, 35 are projected to be created by the GMBDC/UB.

CTG, which is headquartered in close proximity to the Medical Campus, will utilize the CCR to primarily enhance its medical informatics products in the healthcare IT market, anticipates creating approximately 300 new jobs over the next five years.

Empire Genomics, located on the Medical Campus, will establish a research and development and business partnership to enable the creation of innovative medical diagnostics products, services and projects it will creating 80 new jobs.

AESKU will establish a research and manufacturing facility on the Medical Campus and plans to hire approximately 50 people to develop and manufacture testing kits.

Lineagen plans to create at least 10 new positions after establishing operations on the Medical Campus, expanding its genetic evaluation services and further develop testing for multiple sclerosis.

A balance of 15 jobs is anticipated to be created by future beneficiary companies.

Beyond the operational support for the data centers, priority projects matched by the Grantee and Beneficiaries will be funded to support

application of the advanced analytics resources to genomics, electronic health records, and other patient data sources to develop methods to improve the efficiency and effectiveness of health care and yield new biomedical industry products and services. Project funds will support personnel and contract service expenses required to provide data collection, management, and analytics beyond those resources already supported through the consortia's high performance computing infrastructure. Project activities may include genetic sequencing and related sample collection as required. Large volume sequencing would be conducted by NYGC, and smaller scale gene expression would be conducted locally by UB and other consortium partners.

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 \$25,775,243;
- Fiscal cost to NYS government is estimated at \$47,500,000;
- Project cost to NYS government per direct job is \$180,952;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$109,441;
- Ratio of project fiscal benefits to costs to NYS government is 0.54:1;
- Fiscal benefits to all governments (state and local) are estimated at \$44,972,436;
- Fiscal cost to all governments is \$47,500,000;
- All government cost per direct job is \$180,952;
- All government cost per total job is \$109,441;
- The fiscal benefit to cost ratio for all governments is 0.95:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$338,294,278, or \$779,439 per job (direct and indirect);
- The economic benefit to cost ratio is 7.12:1;
- There is no construction activity related to this project;

- For every permanent direct job generated by this project, an additional 0.66 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is seven years.

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

Grantee Contact: Program: Dr. Thomas Furlani, Interim Executive Director, GMBDC
NYS Center of Excellence in Bioinformatics and Life Sciences
701 Ellicott Street
Buffalo, NY 14203
Phone: (716) 881-8939

Administrative: Mr. Jeffrey Schieder
Senior Agreement Administrator
Sponsored Projects Services
402 Crofts Hall
University at Buffalo
Buffalo, NY 14260-7016
Phone: (716) 645-4408

Beneficiary Contacts: Dr. Torsten Matthias, CEO
AESKU
95 Linden Street, Suite 4
Oakland, CA 94607
Phone: (877) 753-6240

Mr. James R. Boldt, Chairman & CEO
Computer Task Group, Inc.
800 Delaware Avenue
Buffalo, NY 14209
Phone: (716) 882-8000

Mr. Anthony Johnson, President & CEO
Empire Genomics, LLC
700 Michigan Avenue
Buffalo, NY 14203
Phone: (716) 881-8909

Mr. Michael S. Paul, Ph.D, CEO & President
Lineagen
423 Wakara Way, Suite 200
Salt Lake City, UT 84108
Phone: (801) 931-6200

ESD Project Nos.: Z207 (Capital Grant)
Z206 (Working Capital Grant)

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

D. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Company shall pay a commitment fee of 1% of the \$47,500,000 capital and working capital grants (\$475,000) 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 Grantee will be required to document a minimum of \$15 million in the form of equity, as a one to one match for the working capital grant, contributed to the project after January 1, 2014. Equity is defined as cash injected into the project by the Grantee and/or Beneficiary or by investors, and should be auditable through Grantee and/or Beneficiary financial statements or Grantee/Beneficiary accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$47.5 million will be disbursed to the Grantee in installments as follows:
 - a) Equipment: Up to \$32.5 million will be disbursed as follows:
 - (i) an Initial Advance of \$19.5 million will be disbursed upon execution of the Grant Disbursement Agreement and such other documentation as ESD may reasonably require, assuming that all project approvals have been completed and funds are available; and
 - (ii) a Second Advance of \$3.75 million upon documentation of eligible expenditures, verified by a Certified Public Accountant, of at least 75% of the Initial Advance (\$14.625 million) and such other documentation as ESD may reasonably require; and
 - (iii) a Third Advance of \$6.25 million upon documentation of eligible expenditures, verified by a Certified Public Accountant, of at least 100% of the Initial Advance and 75% of the Second Advance (\$22,315,500 cumulative) and such other documentation as ESD may reasonably require; and
 - (iv) a Final Advance of \$3 million upon documentation of eligible expenditures, verified by a Certified Public Accountant, of at least 100% of the Initial and Second Advances and 75% of the Third Advance (\$27,937,500 cumulative) and such other documentation as ESD may reasonably require; and

Within 12 months of the Final Advance, ESD will require documentation of eligible expenditures, verified by a Certified Public Accountant, of 100% of Initial, Second, Third, and Final Advances (\$32.5 million cumulative).

- b) Working Capital: Up to \$15 million will be disbursed to the Grantee in five annual installments of \$3 million beginning in calendar year 2014 for eligible operating of the GMBDC related to the joint project between the GMBDC and NYGC and to provide for Operational Activities (“Operating Funds”);

Prior to receiving each annual disbursement of operating funds, GMBDC is required to secure a matching contribution in the amount of \$3,000,000 in eligible funds on or after January 8, 2014 (only eligible funds secured by the GMBDC on or after January 8, 2014 shall be eligible for such matching requirement) and an amount of \$1,500,000 in matching funds from industry;

Prior to the first annual installment to be made in 2014, the GMBDC is required to provide evidence satisfactory to ESD that eligible matching funds in an amount of \$3,000,000 and an industry match of \$1,500,000 has been raised pursuant to the appropriation (“First GMBDC Matching Requirement”);

Within 30 days of receipt of evidence satisfactory to ESD that the First GMBDC Matching Requirement has been met, ESD shall certify to the DOB that the GMBDC has met such matching requirement (“First GMBDC Matching Certification”); Within 30 days of ESD certifying to the DOB that the GMBDC has met the First GMBDC Matching Requirement, a first installment of funds from the State GMBDC Contribution shall be distributed to the GMBDC in an amount equal to \$3,000,000 (“First GMBDC Installment”);

The same process shall follow for the Second (the “Second GMBDC Installment”), Third (the “Third GMBDC Installment”), Fourth (the “Fourth GMBDC Installment”), and Fifth (the “Fifth GMBDC Installment”) installments of \$3,000,000 each from the Operating Funds. Such disbursements by ESD shall occur only after: (a) GMBDC has met a matching requirement of \$3,000,000 plus an additional matching requirement of \$1,500,000 from industry funds for each installment; (b) provided satisfactory evidence of same to ESD, upon which ESD can certify that each of the requisite matching requirements had been met; and (c) is not disbursed within a year from the date of the prior installment.

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 grants must be incurred on or after January 1, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2020.

6. The GMBDC shall issue annual reports to ESD setting forth the economic impact of the creation of GMBDC including but not limited to the number of jobs created at the

GMBDC, the number of jobs estimated to be created either in other existing companies or through the creation of other companies as a result of the availability and use of the resources and facilities financed through this program, estimated number of jobs retained in current companies and estimated increase in corporate revenues from such job creation/retention. GMDC shall begin delivering these annual reports to ESD one year from the date of the first distribution of state funds through January 1, 2021.

7. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$47,500,000, 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 – Buffalo Regional Innovation Cluster

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

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 (“MWBEs”) in the performance of ESD contracts. Accordingly, ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply to these projects. The grantee 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.

ESD will continue to monitor these projects and will assign appropriate and feasible MWBE participation goals as project details emerge.

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

July 17, 2014

Buffalo Billion Initiative - Buffalo (Western New York Region – Erie County) – SUNY Research Foundation NYS Genome Medicine and Big Data Center Capital – Buffalo Regional Innovation Cluster (Capital Grant) and SUNY Research Foundation NYS Genome Medicine and Big Data Center Working Capital – Buffalo Regional Innovation Cluster (Working 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 SUNY Research Foundation NYS Genome Medicine and Big Data Center Capital – Buffalo Regional Innovation Cluster (Capital Grant) and NYS Genome Medicine and Big Data Center Working Capital – Buffalo Regional Innovation Cluster (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 Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to The Research Foundation of State University of New York grants for a total amount not to exceed Forty-Seven Million Five Hundred Thousand Dollars (\$47,500,000) from the Buffalo Regional Innovation Cluster Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

RESOLVED, that the provision of ESD financial assistance is expressly contingent upon: (1) the

approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

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

* * *

Project Summary Benefit-Cost Evaluation¹

NYS Genome Medicine & Big Data Center – 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: | 490 over five years | 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 | \$47,500,000 | \$794,250 | \$47,500,000 | \$1,020,500 |
| Fiscal Benefits⁴ | \$25,775,243 | \$2,085,600 | \$44,972,436 | \$4,271,980 |
| Fiscal Cost /Direct Job | \$180,952 | \$3,000 | \$180,952 | \$4,110 |
| Fiscal Cost/Total Jobs | \$109,441 | \$1,424 | \$109,441 | \$1,964 |
| Fiscal B/C Ratio | 0.54 | 7.00 | 0.95 | 10.60 |
| | Project Results | Benchmarks | | |
| Economic Benefits⁵ | \$338,294,278 | \$119,468,000 | | |
| Econ. Benefits/Total Jobs | \$779,439 | \$147,600 | | |

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 75.00 (Economic). 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.

Economic B/C Ratio

7.12

75.00



FOR CONSIDERATION

July 17, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project - New York (New York City Region – New York County) – New York Genome Center Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) & Special Appropriation NY Genome Center (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: New York Genome Center (“NYGC” or the “Grantee”)

ESD* Investment: Grants of up to \$57,250,000 as follows:

A grant of up to \$1,500,000 (Y406) to be used for a portion of the cost of construction, renovation, and

A grant of up to \$55,750,000 (Z319) to be used for the cost of construction, renovation and the acquisition of machinery and equipment for the 168,000-square-foot genomic research center.

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

Project Location: 101 Avenue of the Americas, New York, New York County

Proposed Project: Construct, renovate and equip a new genomic research facility including job reation.

Project Type: Business creation involving job creation

Regional Council: This is a priority project for the New York City Region. The project is consistent with the New York City Regional Plan to help New York’s scientific community be at the forefront of the next phase of drug discovery and commercialization, contributing directly to the expansion of the growing life sciences industry cluster in New York State.

Employment: Initial employment at time of Application to ESD: 33
 Current employment level: 98
 Minimum employment on January 1, 2017: 533

II. Project Cost and Financing Sources

Empire State Economic Development Fund

| <u>Financing Uses</u> | <u>Amount</u> |
|--|----------------------|
| Construction/Renovation | \$58,000,000 |
| Indirect Costs | 10,000,000 |
| Lab Equipment | 24,155,725 |
| IT Infrastructure | 11,594,275 |
| Projects Costs relating to genetic sequencing of DNA, analytics or the analytics of data, applied research and development and/or other operational needs of NYGC as determined by restricted or unrestricted matching funds | <u>55,750,000</u> |
| Total Project Costs | <u>\$158,500,000</u> |

| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
|--------------------------|----------------------|----------------|
| ESD-Grant (Y406) | \$1,500,000 | 1% |
| ESD-Grant (Z319) | 55,750,000 | 35% |
| Grantee Equity | <u>102,250,000</u> | <u>64%</u> |
| Total Project Financing | <u>\$158,500,000</u> | <u>100%</u> |

III. Project Description

A. Grantee

Industry: Biomedical research and clinical care

Grantee History: Founded in 2010, NYGC is an independent, nonprofit at the forefront of transforming biomedical research and clinical care with the mission of saving lives. NYGC focuses on translating genomic research into clinical solutions for serious disease. Genomic medicine examines a person's unique genetic information to determine the likely causes of disease as a result of aberrations in the genetic code. Such an examination involves the analysis of large amounts of data to understand how the disease is related to these genetic aberrations. NYGC represents an unprecedented sharing of data and resources among premier institutions, which will dramatically increase the quality and speed of research outcomes to advance clinical care. This collaboration will help forward the advances leading to a new era of personalized medicine, accelerate the development of new diagnostics and treatments for human diseases, and provide an engine for life science commercialization in the region.

NYGC members and partners include: Albert Einstein College of Medicine, American Museum of Natural History, Cold Spring Harbor Laboratory, Columbia University, Cornell University/Weill Cornell Medical College, Hospital for Special Surgery, The Jackson Laboratory, Memorial Sloan-Kettering Cancer Center, Icahn School of Medicine at Mount Sinai, New York-Presbyterian Hospital, The New York Stem Cell Foundation, New York University, North Shore-LIJ, The Rockefeller University, Roswell Park Cancer Institute, Stony Brook University, and IBM.

In addition to its scientific and research mission, the NYGC is also committed to educating researchers, clinicians, students, and the general public through lectures and events on topics ranging from the latest advances in sequencing and bioinformatics to the future of genomics and the accompanying public policy and ethical considerations.

Ownership: The NYGC is a 501(c)(3) organization

Size: All facilities are located in New York, NY.

Market: The vision of NYGC is to transform medical research and clinical care in New York and beyond through the creation of one of the largest genomics research facilities in North America, integrating sequencing,

bioinformatics, data management, and genomics research.

ESD Involvement: In 2012, the Grantee signed a lease at 101 Avenue of the Americas in Manhattan securing a new location to accommodate genomic sequencing and sequencing support services, bioinformatics and data interpretation, research labs and lab support, hotel offices for visiting researchers and training and general office space. Given the importance of this project and the costs involved, NYGC submitted a proposal under the Consolidated Funding Application (“CFA”) to assist with the construction and renovation of the new facilities. As a result of the Governor’s Regional Economic Development Council Initiative, NYGC was awarded \$1,500,000 through the Consolidated Funding Application to assist with this priority project.

In January 2014, Governor Cuomo announced a \$105 million award for a genomic medicine and supercomputing (the “Initiative”), including \$55.75 million for the New York Genome Center, and \$47.5 million, from the Buffalo Billion Initiative, for the NYS Genomic Medicine and Big Data Center (“GMBDC”), which is located in Buffalo. The Initiative’s objective is to expand research clinical application and product development in genomic medicine including, but not limited to, the development of best practices in research, clinical practice, data management, analytics, genetic sequencing, other applied research and development, and business development.

The GMBDC was established in 2014 by the University of Buffalo (“UB”) to partner with the NYGC and with UB’s Center for Computational Research (“CCR”), the New York State Center of Excellence in Bioinformatics and Life Sciences (“CBLS”), and the Institute for Healthcare Informatics (“IHI”). SUNY RF will own the assets of the GMBDC and administer GMBDC funding. The GMBDC will provide facilities and services to aid in research and development, innovation, product development, entrepreneurial creation, and business development in those fields requiring the use of high performance computing, informatics and biomedical research including but not limited to genomic medicine.

NYGC and UB’s GMDBC represent the brightest minds in the fields of informatics, genomic medicine, and analytics. Together with other premier research organizations as well as industry partners, NYGC and GMDBC will advance the state-of-the art in applying genomics to improving health care and, in parallel, will develop the data analytics leading to new molecular diagnostic tests, companion diagnostics, and new therapeutic agents resulting in the ability to tailor treatment, as well as prevention of disease, to individuals.

ESD, the Division of Budget, NYGC, GMBDC and the SUNY RF entered into a Memorandum of Understanding in June 2014 that outlines roles and responsibilities. This request is for \$55.75 million for the NYGC. The request for the \$47.5 million for the GMBDC will be presented to the ESD Directors separately.

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

B. The Project

Completion: December 2015

Activity: The project includes construction and renovation of the 168,000-square-foot genomic research facilities, and the acquisition and installation of specialized machinery and equipment. The new facilities include premiere space to accommodate genomic support services, training facility, research labs and lab support, and office space for staff and visiting researchers.

The NYGC and GMBDC will leverage assets and capabilities in order to expand research clinical applications and product development in genomic medicine including, but not limited to, the development of best practices in research, clinical practice, data management, data analytics, genetic sequencing and other applied research and development, and in business development.

GMBDC, through its extensive capabilities in high performance computing and big data analytics will work closely with scientists at NYGC to help store and analyze the large volume of genomic data generated daily at NYG, including the long-term storage of genomic data. In addition, NYGC will work closely with GMBDC medical professionals to leverage their extensive capabilities in next generation sequencing to measure the genome for large patient cohorts to support medical studies.

Results: As a result of the project NYGC has made a significant impact in the medical, academic, and economic landscape of New York by forging unparalleled partnerships in academia, attracting scientific talent, and generating new jobs in research, informatics, healthcare, and other sectors of the local and statewide economy. The project will enable the GMBDC to advance genomic medicine through a community asset that provides operational resources to create innovation and new jobs among its partners, including the NYGC, other institutions and industry.

Project funds will support personnel and contract service expenses required to provide data collection, management, and analytics beyond those resources already supported through the consortia's high performance computing infrastructure. Project activities may include genetic sequencing and related sample collection as required. Large volume sequencing would be conducted by NYGC, and smaller scale gene expression would be conducted locally by UB and other consortium partners. NYGC has also committed to retain 33 existing jobs and create 500 new jobs.

Grantee Contact: Robert B. Darnell, MD, PhD, President and Scientific Director
101 Avenue of the Americas, 7th Floor
New York, NY 10013
Phone: (646) 977-7000

ESD Project Nos.: Y406 and Z319

| | | |
|---------------|---------------------------------|-----------------|
| Project Team: | Origination | Adem Bunkeddeko |
| | Project Management | Beverly Bobb |
| | Contractor & Supplier Diversity | Denise Ross |
| | Finance | Jonevan Hornsby |
| | Environmental | Soo Kang |

C. Financial Terms and Conditions (Empire State Economic Development Fund - Y406)

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$1,500,000 capital grant (\$15,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Prior to disbursement, the Grantee must employ at least the number of Full-time Permanent Employees set forth as the Baseline Employment in the table below. A Full-time Permanent Employee shall mean (a) a full-time, permanent, private-sector employee on the Grantee's payroll, who has worked at the Project Location for a minimum of thirty-five hours per week for not less than four consecutive weeks and

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

5. Up to \$1,500,000 will be disbursed to the Grantee from the Empire State Economic Development Fund in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$750,000) upon documentation of construction and renovation project costs totaling \$37,000,000, Certificate of Occupancy, and documentation of the employment of at least 83 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 (\$375,000) will be disbursed upon documentation of the employment of at least 283 Full-time Permanent Employees at the Project Location (Employment Increment of 200), provided Grantee is otherwise in compliance with program requirements;
 - c) a Third Disbursement of an amount equal to 25% of the grant (\$375,000) will be disbursed upon documentation of the employment of at least 533 Full-time Permanent Employees at the Project Location (Employment Increment of 250), 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 April 18, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2017.

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 the Empire State Economic Development Fund portion of each disbursement of the Grant, as follows:

The Recapture Amount for the Empire State Economic Development Fund portion of this grant 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 | 83 |
| A | B |
| Reporting Date | Employment Goals |
| February 1, 2015 | 83+X+Y |
| February 1, 2016 | 83+X+Y |
| February 1, 2017 | 83+X+Y |
| February 1, 2018 | 83+X+Y |
| February 1, 2019 | 83+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=200, and Employment Goals shall equal [83 + X = 283] 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=250, and Employment Goals shall equal [83 + X + Y = 533] 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.

C. Financial Terms and Conditions (Special Appropriation NY Genome Center - Z319)

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$55,750,000 capital grant (\$557,500) 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 50% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is

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

4. Pursuant to the appropriation for the New York Genome Center as specified in the SFY 2014-15 Capital Projects appropriation bill S. 6354-E/A.8554-Eo, the sum not to exceed \$55,750,000 ("State NYGC Contribution") shall be disbursed to NYGC (for capital expenses of NYGC, including those incurred prior to April 1, 2014) in the following installments and subject to the following conditions, inclusive but not limited to, NYGC's matching requirements:
 - a) \$27,875,000 to be disbursed in the 2014-15 state fiscal year ("First NYGC Installment");
 - b) Following disbursement of the first NYGC installment NYGC is required to secure a matching contribution in the amount of \$27,875,000 in Non-State funds on or after January 8, 2014 (only Non-State funds secured by New York Genome Center on or after January 8, 2014 shall be eligible for such matching requirement) ("First NYGC Matching Requirement");
 - c) The NYGC is then required to provide evidence satisfactory to ESD that such First NYGC Matching Requirement has been met, and within 30 days of receiving such evidence the ESD shall certify to DOB that the NYGC has met its First Matching Requirement ("First NYGC Certification");
 - d) Prior to receiving any additional funds above \$27,875,000, the First NYGC Certification must be issued and the NYGC must provide evidence satisfactory to ESD that non-State matching funds in an amount equal to \$5,000,000 has been raised pursuant to the appropriation ("Second NYGC Matching Requirement");
 - e) Within 30 days of receipt of evidence satisfactory to ESD that the Second NYGC Matching Requirement has been met, ESD shall certify to the DOB that the NYGC has met such matching requirement ("Second NYGC Certification");
 - f) Within 30 days of ESD certifying to the DOB that NYGC has met the Second NYGC Matching Requirement in an amount equal to \$5,000,000, a second installment from the State Contribution shall be distributed to the NYGC by ESD in an amount equal to \$5,000,000 ("Second NYGC Installment");
 - g) The same process described above shall apply to the Third ("Third Installment"), Fourth ("Fourth Installment"), Fifth ("Fifth Installment"), and Sixth installments ("Sixth Installment") of \$5,000,000 each of the State NYGC Contribution. Such disbursements by ESD shall occur only after: (a) NYGC has met a non-State matching requirement of \$5,000,000 for each installment and (b) provided satisfactory evidence of same to ESD, upon which ESD can certify that each of the requisite matching requirements has been met.
 - h) Within 30 days of ESD certifying to the DOB that NYGC has met the Seventh NYGC Matching Requirement of \$2,875,000, an installment of \$2,875,000 from the State Contribution shall be distributed to NYGC ("Seventh and Final NYGC Installment").

Payments will be made upon presentation to ESD of evidence satisfactory to ESD that matching contributions and contributions of Non-State funds take place on or after January 8, 2014.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$55,750,000, 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.
6. In recognition of the State's investment in the Project, NYGC shall direct to ESD 18% of any net royalties, if any, received by the NYGC from the licensing of any intellectual property derived from any discovery by the NYGC. Such payments shall be made to ESD on a semi-annual basis.

For the purposes of this section Net Royalties shall be defined as royalty payments received by the NYGC from third parties based on the sale of services covered by intellectual property licensed by the NYGC to such third parties.

7. Recapture Terms will not apply to this portion of ESD Grant Funds (Z319).

IV. Statutory Basis - Empire State Economic Development Fund

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 83 and create 500 new jobs.

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

ESD assistance is needed to fill a financing gap.

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

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 \$19,461,925;
- Fiscal cost to NYS government is estimated at \$57,250,000;
- Project cost to NYS government per direct job is \$231,734;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$132,672;
- Ratio of project fiscal benefits to costs to NYS government is 0.34:1;
- Fiscal benefits to all governments (state and local) are estimated at \$36,227,653;
- Fiscal cost to all governments is \$57,250,000;
- All government cost per direct job is \$231,734;
- All government cost per total job is \$132,672;
- The fiscal benefit to cost ratio for all governments is 0.63:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$212,789,948, or \$493,124 per job (direct and indirect);
- The economic benefit to cost ratio is 3.72:1;
- Project construction cost is \$37,000,000, which is expected to generate 188 direct job years and 101 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.74 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. Statutory Basis – Special Appropriation NY Genome Center

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

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

VIII. ESD 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 Photographs

Project Finance Memorandum

Benefit-Cost Analysis

July 17, 2014

New York (New York City Region – New York County) – New York Genome Center Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) & Special Appropriation NY Genome Center – 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 New York Genome Center Capital -- Empire State Economic Development Fund Capital Project (the "Project"), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"), that

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

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

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

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

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

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

* * *

July 17, 2014

New York (New York City Region – New York County) – New York Genome Center Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant) & Special Appropriation NY Genome Center – Findings and Determinations Pursuant to Section 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make a Grant and to Take Related Actions

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

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

RESOLVED, that upon written finding of the President and Chief Executive Officer of the Corporation or his designee(s) that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing, and that upon such written finding being made, the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to New York Genome Center a grant for a total amount not to exceed Fifty Five Million, Seven Hundred Fifty Thousand Dollars (\$55,750,000) from the Special Appropriation NY Genome Center, 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

May 12, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – Alabama (Finger Lakes Region – Genesee County) – Western New York Science, Technology and Advanced Manufacturing Capital – Regional Council Capital Fund (Capital Grant) and 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 Grants and to Take Related Actions

General Project Plan

I. Project Summary

Grantee: Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center (“GCEDC”)

ESD* Investment: Grants of up to \$500,000 from the Empire State Economic Development Fund and \$170,783 from the Regional Council Capital Fund to be used for a portion of the cost of land acquisition, associated closing and other related soft costs.

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

Project Location: NYS Route 77, Judge Road, Alabama, Genesee County

Proposed Project: Purchase additional land to create a mega-site for advanced technology manufacturing

Project Type: New industrial park development

Regional Council: The Western New York Science, Technology and Advanced Manufacturing Park ("STAMP") has been designated a Priority Project by the Finger Lakes Regional Economic Development Council and unanimously endorsed by its Advanced Manufacturing work group as a top priority. An Incentive Proposal was accepted in April 2014. The project is consistent with the Regional Plan in that it supports advanced technology and manufacturing and is identified as key to the region in the Industrial Development and Infrastructure category.

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> | |
|--------------------------------------|------------------|----------------|
| Land Acquisition | \$672,750 | |
| Planning, Closing & Other Soft Costs | <u>33,638</u> | |
| Total Project Costs | <u>\$706,388</u> | |
| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
| ESD – Grant (Z098) | \$500,000 | 70% |
| ESD – Grant (Z161)* | 170,783 | 25% |
| Grantee Equity** | <u>35,605</u> | <u>5%</u> |
| Total Project Financing | <u>\$706,388</u> | <u>100%</u> |

* Due to lower than expected land acquisition costs, funding was reallocated from Project #Y628, which was previously approved by the ESD Directors.

**The 10% equity requirement is waived for this project due to the scope and significance of the project and the urgency of acquiring the needed land.

III. Project Description

A. Grantee

Industry/Market: Based on consultant studies commissioned by the Grantee, it is expected that there will be significant opportunities for nanotechnology companies, including semiconductor, flat panel display, photovoltaic, and bio-manufacturing projects at the STAMP site.

Grantee History: Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center is a public benefit corporation established in 1970. In addition to STAMP, GCEDC or its real estate affiliate has completed

five park developments: Gateway II Corporate Park, Upstate Med & Tech Park, Buffalo East Technology Park, Genesee Valley Agri-Business Park, and Apple Tree Acres Corporate Park. All of these parks have infrastructure completed and are able to accommodate new business developments.

In late 2005, GCEDC identified a market need to develop a much larger park than those mentioned above. Such a mega-site, of at least 1,000 acres, would seek to attract a large-scale advanced manufacturing project. The Grantee has identified such a site in the Town of Alabama, and has expended several million dollars since 2008 for preliminary multi-faceted feasibility studies, and once feasibility of such a development was determined, completed an Environmental Impact Statement, community outreach and began to acquire property. GCEDC realizes that, given the massive infrastructure and other demands and issues associated with such a site, there are very few such feasible projects in New York State (“NYS”). An example of such a mega-site is the Luther Forest project in the Capital Region, a multi-year effort that required a very significant infrastructure build-out and attracted chip-maker GlobalFoundries U.S. Inc. Another example is the Marcy Nano site in the Mohawk Valley.

- Ownership/Size:** GCEDC and its real estate affiliate currently own 861 acres and have options on an additional 189 acres for the STAMP project. With the additional loans and grant, GCEDC will own a total of 870 acres of the STAMP site’s approximately 1,250 acres.
- ESD Involvement:** ESD has been involved in the STAMP project for five years, and has previously approved over \$4.6 million in discretionary funding. ESD offered the net new \$500,000 being considered by the Directors today due to the Grantee’s need to purchase additional parcels consisting of three homes before purchase options expire. The project will position Western NYS as a hub for advanced technology manufacturing and spur significant regional economic growth.
- Competition:** Competition comes from other states and countries that are attempting to attract large-scale advanced technology manufacturing. To be competitive, the site must be shovel ready, and marketable to companies that conduct national location searches for sites like STAMP.

Past ESD Support: ESD has provided the STAMP project with funds as summarized in the following chart:

| Program | Project # | Amount | Date Start (ESD Directors' Approval date) | Date End (Project Completion: Contract Expiration) | Purpose |
|--------------------------------------|-----------|--------------------|---|--|---|
| Local Assistance (non-discretionary) | W579 | \$1,000,000 | May 19, 2009 | Completed/Fully Disbursed May 4, 2012 | Working Capital Grant – Planning, engineering, economic analysis, and marketing for first phases of STAMP project. |
| | X544 | \$2,000,000 | April 26, 2012 | Partly Disbursed/Expiration date to be extended through 2015 | Capital Grant – Next phase of STAMP, including land acquisition, infrastructure engineering, design, construction and environmental permitting. |
| Economic Development Purposes Fund | Y089 | \$1,100,000 (loan) | March 20, 2013 | March 2014 completion | Capital Grant – land acquisition |
| | Y621 | \$1,725,001 (loan) | August 22, 2013 | December 2014 expected | Capital Grant – land acquisition |
| Regional Council Capital Fund | Y263 | \$500,000 | March 20, 2013 | March 2014 completion | Capital Grant – land acquisition |
| | Y628 | \$300,000 | August 22, 2013 | December 2014 expected | Capital Grant – land acquisition |
| Upstate Regional Blueprint Fund | Y627 | \$1,000,000 (loan) | August 27, 2013 | March 2014 completion | Capital Grant – land acquisition |

B. The Project

Completion: Purchase of three homes (6.9 acres) is expected to be completed by August 2014.

Activity: GCEDC will acquire three properties in Alabama, NY, located at 6561 and 6590 Crosby Road, and at 6758 Alleghany Road, to further develop the STAMP mega-site. All design, engineering and construction for the initial park (initial infrastructure) is targeted to be completed by the end of 2015, subject to funding appropriations enabling such activities.

Results: There is a potential for up to 1,200 jobs at the STAMP site by the end of 2016 and over 9,300 projected jobs at full build-out in 2032. The Grantee, in conjunction with other regional economic development organizations and ESD, has presented the case for attracting companies to STAMP at semi-conductor industry symposiums and trade shows across the United States.

Infrastructure

Investment Project: Benefit-Cost 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 \$143,208;
- Fiscal cost to NYS government is estimated at \$3,621,470;
- Ratio of project fiscal benefits to costs to NYS government is 0.04:1;
- Fiscal benefits to all governments (state and local) are estimated at \$242,293;
- Fiscal cost to all governments is \$3,621,470;
- The fiscal benefit to cost ratio for all governments is 0.07:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$1,287,970;
- The economic benefit to cost ratio is 0.36:1;
- Project construction cost is \$2,091,501, which is expected to generate 19 direct job years and 13 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.72 indirect job is anticipated in the state's economy.

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

Grantee Contact: Mark Masse, Senior Vice President of Operations
99 MedTech Drive
Batavia, NY 14020
Phone: (585) 343-4866

ESD Project Nos.: Z098 (\$500,000) and Z161 (\$170,783)

| | | |
|---------------|---------------------------------|---------------------------|
| Project Team: | Origination | Merideth Andreucci |
| | Project Management | Edward Muszynski |
| | Legal | Antovk Pidedjian |
| | Contractor & Supplier Diversity | Vikas Gera/Elizabeth Gocs |

C. Financial Terms and Conditions

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project. Prior to disbursement, the Grantee shall pay a commitment fee of 1% of the net new \$500,000 capital grant (\$5,000).
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. Up to \$670,783 (Z098 and Z161) will be disbursed to Grantee upon documentation of real estate purchase and associated soft project costs totaling at least \$706,388, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after April 4, 2014, for the project to be considered eligible project costs. Disbursement of the grant must be requested by April 1, 2015. Disbursement is also contingent upon the execution of an amendment to the Grant Disbursement Agreement for Grant #Y628 in order to reduce that grant to \$129,217 (the \$300,000 original amount less the \$170,783 being spun off as Grant #Z161).
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$670,783, 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.
5. For five years from the date of the initial disbursement of Grant funds, Grantee shall take the following actions prior to any sale, in whole or in part, with respect to the project site: Obtain ESD's written approval that the intended uses for the parcel(s) to be sold are consistent with the goals of the STAMP project. Upon ESD's written approval, ESD shall release a prorata share of its mortgage. In the event that ESD does not approve such a sale or transfer, which then does occur within a five-year period, as defined below, the Grantee shall pay to ESD, promptly upon ESD's written demand therefor, the applicable amount indicated below.

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

- (i) 100% of the disbursed amount if the transfer occurred in the calendar year that the

- disbursement was made, or in the first full calendar year after the disbursement was made;
- (ii) 80% of the disbursed amount if the transfer occurred in the second full calendar year after the disbursement was made;
 - (iii) 60% of the disbursed amount if the transfer occurred in the third full calendar year after the disbursement was made;
 - (iv) 40% of the disbursed amount if the transfer occurred in the fourth full calendar year after the disbursement was made;
 - (v) 20% of the disbursed amount if the transfer occurred in the fifth full calendar year after the disbursement was made.
6. As security for the payment of any Recapture Amount that may become due and within 30 days following disbursement of any Grant funds, Borrower shall deliver a collateral mortgage to ESD to secure Borrower's obligation to pay any of the Recapture Amount that may become due (the "Mortgage").

IV. Statutory Basis

Regional Council Capital Fund

The project was authorized in the 2012-2013 New York State budget and reappropriated in the 2014-2015 New York State budget.

Empire State Economic Development Fund

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.
There is a potential for up to 1,200 jobs at the STAMP site by the end of 2016 and over 9,300 projected jobs at full build-out in 2032.
2. The proposed project would be unlikely to take place in New York State without the requested assistance.
Without ESD assistance for land acquisition to assemble the STAMP mega-site, the cost would have been too high to make this 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.

Infrastructure Investment Project

Benefit-Cost 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 \$149,639;
- Fiscal cost to NYS government is estimated at \$4,230,114;
- Ratio of project fiscal benefits to costs to NYS government is 0.04:1;
- Fiscal benefits to all governments (state and local) are estimated at \$253,174;
- Fiscal cost to all governments is \$4,230,114;
- The fiscal benefit to cost ratio for all governments is 0.06:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$1,345,810;
- The economic benefit to cost ratio is 0.32:1;
- Project construction cost is \$2,125,100, which is expected to generate 19 direct job years and 13 indirect job years of employment;
- For every construction-related direct job generated by this project, an additional 0.72 indirect job is anticipated in the state's economy.

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

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

The requirements of Section 10(g) of the Act concerning residential relocation are satisfied as follows: Residential Relocation will be required. However, there is a feasible method for the relocation of families and individuals displaced from the project area into decent, safe and sanitary dwellings, which are or will be provided in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities, at rents or prices within the financial means of such families or individuals, and reasonably accessible to their places of employment. Insofar as is feasible, the Corporation shall offer housing accommodations to such families and individuals in residential projects of the corporation.

The Corporation may render to business and commercial tenants and to families or other persons displaced from the project area, such assistance as it may deem necessary to enable them to relocate.

V. Environmental Review

Pursuant to the State Environmental Quality Review Act ("SEQRA"), Article 8 of the Environmental Conservation Law, and its implementing regulations (6 NYCRR Part 617), the ESD Directors adopted SEQRA Findings on April 17, 2012 based on the Final Generic Environmental Impact Statement ("FGEIS") for the Western New York Science and Technology Advanced Manufacturing Park. By

adoption of SEQRA Findings, the Directors certified that the requirements of 6 NYCRR Part 617 have been met. The present request for ESD funding does not constitute an action beyond those actions already considered in the FGEIS and does not require additional environmental review under SEQRA.

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

VI. Smart Growth Public Infrastructure Review

Pursuant to the requirements of the State Smart Growth Public Infrastructure Policy Act (the "SG Act"), and in connection with the previous grant for the STAMP project approved by the Directors in April 17, 2012, ESD's Smart Growth Advisory Committee previously reviewed a Smart Growth Impact Statement ("SGIS"). This review found it is impracticable for the project to be developed in a manner consistent with the relevant State Smart Growth Public Infrastructure Criteria ("Smart Growth Criteria") due to the project's site needs and that the project is justified by the public benefits that would result from the project including increase in high quality jobs and tax revenues. The designee of the Chief Executive Officer of the Corporation has attested that it is impracticable for the project to meet the relevant Smart Growth Criteria set forth in the SG Act and that the project is justified for the reasons stated in the SGIS. This attestation addressed all aspects of the proposed project. Therefore, no further smart growth public infrastructure review is required in connection with this action.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor & Supplier Diversity policy will apply to the project. The Grantee shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation goal of 5% of the total value of each of ESD's grants Y263, Y628, Z098, and Z161, and to solicit and utilize MWBEs for any contractual opportunities generated in connection with the project. MWBE participation on loans to GCEDC (Y089, Y621 and Y627) may be utilized toward the goals established for the grants.

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

Current Land Ownership Map (new homes to be acquired shown in red)

STAMP Brochure Used at Major Semi-Conductor Industry Events

Project Finance Memorandum

Benefit-Cost Analysis

May 12, 2014

Regional Council Award – Priority Project – Alabama (Finger Lakes Region – Genesee County) – Western New York Science, Technology and Advanced Manufacturing Capital – Regional Council Capital Fund (Capital Grant) and Empire State Economic Development Fund – General Development Financing (Capital Grant)

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 – Western New York Science, Technology and Advanced Manufacturing Capital – Regional Council Capital Fund (Capital Grant) and 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 is a feasible method for relocating 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 Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center a grant not to exceed Five Hundred Thousand Dollars (\$500,000) from the Empire State Economic Development Fund and a grant for a total amount not to exceed One Hundred Seventy Thousand Seven Hundred Eighty-Three Dollars (\$170,783) 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 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 loans 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.

* * *

Project Summary Benefit-Cost Evaluation¹

Western New York STAMP - 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): 19

Construction Job Years (Indirect): 13

| 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 | \$4,230,114 | \$794,250 | \$4,230,114 | \$1,020,500 |
| Fiscal Benefits⁴ | \$149,639 | \$2,085,600 | \$253,174 | \$4,271,980 |
| Fiscal B/C Ratio | 0.04 | 3.00 | 0.06 | 10.60 |
| | | | | |
| | Project Results | Benchmarks for ESD Projects | | |
| Economic Benefits⁵ | \$1,345,810 | \$119,468,000 | | |
| Economic B/C Ratio | 0.32 | 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

July 17, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Priority Project – (North Country Region – Jefferson, Lewis, St. Lawrence, Essex, Franklin, Hamilton Clinton Counties) – Value Added Agriculture Loan Fund – Regional Council Capital Fund (Capital Grant)

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

General Project Plan

I. Project Summary

Grantee: Development Authority of the North Country (“DANC”)

Beneficiary Companies: Various agribusiness facilities located in the North Country Region

ESD* Investment: A grant of up to \$1,000,000 to establish a new revolving loan fund to develop agribusiness facilities in the North Country Region

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

Project Locations: Various agribusiness facilities in the North Country Region, Jefferson, Lewis, St. Lawrence, Essex, Franklin, Hamilton, Clinton Counties

Proposed Project: DANC will establish a new revolving loan fund to develop agribusiness projects in the North Country Region

Project Type: Regional revolving loan fund for agribusiness projects

Regional Council: This is a priority project of the North Country Regional Economic Development Council (“NCREDC”). A key NCREDC strategy is to put tools in place to attract private investment in agribusiness, which will drive demand to revitalize and diversify communities and create a climate that will allow agribusiness to develop and expand. James Wright, Executive Director of the Development Authority of the North Country, is a member of the NCREDC. In conformance with the State’s policy, this individual has recused himself on votes recommending this project. The Council includes additional, ex-officio members who are elected officials but cannot vote on individual project recommendations.

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> | |
|---|--------------------|----------------|
| Capital project loans | \$1,000,000 | |
| Beneficiary Firms - agribusiness, capital improvements, equipment | <u>110,000</u> | |
| Total Project Costs | <u>\$1,110,000</u> | |
| | | |
| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
| ESD – Grant | \$1,000,000 | 90% |
| Beneficiary Firms’ Equity | <u>110,000</u> | <u>10%</u> |
| Total Project Financing | <u>\$1,110,000</u> | <u>100%</u> |

III. Project Description

A. Company

Industry: Public Authority

Company History: DANC was formed in 1985 and provides management, services and financing assistance in the North Country for regional economic development. DANC owns and operates the solid waste facility, water and wastewater system, and broadband telecommunications system. DANC also helps with technical assistance, planning and financing for housing, tourism, agribusiness and other economic development projects and programs.

Ownership: DANC is a New York State public benefit corporation with a 13-member board of directors.

Size: DANC employs 66 people.

Market: DANC provides economic development assistance throughout the North Country Region.

ESD Involvement: As part of the Governor’s Regional Economic Development initiative, DANC was awarded \$1,000,000 through the Consolidated Funding Application process. DANC requested ESD assistance to help finance its agribusiness assistance program in underserved North Country communities. This revolving loan fund would not be possible without ESD assistance.

Past ESD Support: From 1990 to 2007, the Development Authority of the North Country received \$11,677,500 in ESD grants for 32 economic development projects in the North Country Region.

In the past 5 years, funding to DANC is summarized below:

| Program | Project # | Amount | Date Start (ESD Directors’ Approval date) | Date End (Project Completion: Contract Expiration) | Purpose |
|-------------------------------|------------------|---------------|--|---|---|
| Regional Council Capital Fund | X666 | \$250,000 | August 2013 | December 2014 | Capital Grant – Broadband infrastructure |
| Regional Council Capital Fund | Y648 | \$2,000,000 | November 2013 | December 2024 | Capital Grant – Tourism loan fund |
| Regional Council Capital Fund | Y647 | \$400,000 | November 2013 | December 2024 | Capital Grant – Digital Film loan fund |
| Regional Council Capital Fund | Y585 | \$2,222,000 | February 2014 | April 2016 | Capital Grant – Public emergency network and broadband infrastructure |
| Regional Council Capital Fund | Y584 | \$500,000 | February 2014 | January 2015 | Capital Grant – Telecommunications loan fund |

B. The Project

Completion: December 31, 2019

Activity: DANC will establish and manage the “Value Added Agricultural Loan Program” as a regional revolving loan program. This fund will be available to new and existing business entities to develop tourism

infrastructure, including lodging, restaurants, retail, recreation, arts and cultural venues.

Results: The “Value Added Agricultural Loan Program” will advance projects that increase agribusiness operations and facilities. This will expand the agricultural economy, create jobs, enhance the quality of life, and attract additional private investment in North Country Communities.

Grantee Contact: James Wright, Executive Director
317 Washington Street
Watertown NY 13601
Phone: (315) 661-3200

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.

ESD Project No.: Y854

| | | |
|---------------|---------------------------------|------------------|
| Project Team: | Origination | William Ferguson |
| | Project Management | John Vandelloo |
| | 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 Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise of ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee’s acceptance of ESD’s offer. Equity is defined as cash injected into the project by the 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. Matching funds provided by program funding recipients will be counted as equity contribution.

4. Up to \$1,000,000 will be disbursed to the Grantee in three installments as follows:
 - a) an Initial Disbursement of an amount equal to 50% of the grant (\$500,000) will be disbursed as an advance, upon execution of a Grant Disbursement Agreement (“GDA”) and receipt of required ESD approved loan fund documentation.
 - b) a Second Disbursement of 40% of an amount equal to the grant (\$400,000) will be disbursed upon documentation verifying disbursement by DANC of at least 75% of the first advance (\$375,000) and Grantee’s compliance with loan program reports and requirements, including the meeting of expected loan program goals.
 - c) a Third Disbursement of an amount equal to 10% of the grant (\$100,000) will be disbursed upon documentation verifying disbursement by DANC of 100% of the first advance and at least 75% of the second advance (\$875,000 cumulative) and Grantee’s compliance with loan program reports and requirements, including the meeting of expected loan program goals.

Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses reimbursed by ESD’s grant must be incurred on or after December 19, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2019. ESD will be entitled to recoup any advanced funds that are not disbursed by the Grantee in a timely manner.

5. ESD must approve the Program’s loan application, marketing material and deal sourcing strategies, due diligence process, loan approval guidelines, underwriting policy and guidelines, portfolio management and monitoring processes, and goals.
6. ESD, via the North Country Regional Office, will approve all funding recommendations. ESD funds should be allocated as a loan in a proportional share to the Program’s other funding sources. No single investment of ESD funds may exceed \$250,000 without written consent of ESD, via the North Country Regional Office. ESD funds may not be subject to a higher risk compared with other Program funds.
7. ESD funds will be deposited in an account (the "Imprest Account") at a bank mutually acceptable to ESD (as set forth in writing by ESD) and the Grantee. Funds in the Imprest Account, from the time of deposit and until disbursed from such account in accordance with terms to be approved by the ESD Directors, will be invested in accordance with ESD’s Investment Guidelines. ESD shall be provided with copies of all account statements, and reports in accordance with reporting requirements. All returns on ESD investments shall be kept in the same Imprest Account and shall be used exclusively for subsequent Program loans.
8. Grantee will report quarterly on investments and related Program activity. Such reports will contain information on investments, current status, leveraged funds,

business revenue, job creation outcomes, and other items as determined by ESD. Once the Recipient has provided documentation verifying disbursement of the entire \$1,000,000 in grant funds, the Recipient will report annually on investments and related Program activity during the term of the bonds that will be issued to provide the grant (term to be noted in final Grant Disbursement Agreement).

9. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Company and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis – Regional Council Capital Fund

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

V. Environmental Review

ESD staff has determined that the project constitutes a Type II ministerial action as defined by the New York State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. The recipient of fund disbursements will be responsible for complying with SEQRA as applicable. No further environmental review is required in connection with this authorization.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-discrimination and Contractor & 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.

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

July 17, 2014

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

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

* * *

Empire State Development

FOR CONSIDERATION

July 17, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award – Village of Groton (Southern Tier Region – Tompkins County) – Challenge Industries 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: Challenge Industries (“Grantee” or “CI”)

ESD* Investment: A grant of up to \$300,000 to be used for a portion of the cost of construction of a new food production facility and the acquisition of new machinery & equipment.

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

Project Locations: Groton Industrial Park, 210 Gerald L. Moses Drive, Village of Groton, Tompkins County**
950 Danby Road, City of Ithaca, Tompkins County

** Project activity site; other is job-retention site

Proposed Project: The Grantee will construct a new production facility that will serve local farmers and producers as a central packaging and processing center and provide rental space for producers.

Project Type: Construction and renovation involving job creation

Regional Council: The project is consistent with the Regional Plan to revitalize the rural farm and forest based economy of the region. This project brings the farm industry together to help with food production and sales to the general public.

II. Project Cost and Financing Sources

| <u>Financing Uses</u> | <u>Amount</u> |
|---------------------------------|--------------------|
| Property Acquisition | \$70,000 |
| Site Preparation | 238,000 |
| Construction/Renovation | 1,346,675 |
| Furniture, Fixtures & Equipment | 13,000 |
| Machinery/Equipment | 729,727 |
| Architectural/Engineering | 112,947 |
| Working Capital | <u>430,302</u> |
| Total Project Costs | <u>\$2,940,651</u> |

| <u>Financing Sources</u> | <u>Amount</u> | <u>Percent</u> |
|--------------------------|--------------------|----------------|
| ESD – Grant | \$300,000 | 10% |
| Grantee Equity | <u>2,640,651</u> | <u>90%</u> |
| Total Project Financing | <u>\$2,940,651</u> | <u>100%</u> |

III. Project Description

A. Company

Industry: CI supports individuals with disabilities and other employment barriers to develop skills, interests and talents to meet the needs of the workforce and to be productive and contributing members of their community.

Company History: The Grantee was formed in 1968 as a vocational rehabilitation center to provide disabled individuals with evaluation, job training and job counseling services. In the 1970's, the Grantee began operating as a mailroom, print shop, thrift store, wood shop and janitorial service to help expand the mission. It has grown to work closely with both Ithaca College and Cornell, as well as expand its programs to help community members obtain employment in many sectors.

Ownership: The Grantee is a 501(c)(3) organization.

Size: All facilities are located in Ithaca and Groton, NY.

Market: The Grantee serves residents of Tompkins County and the surrounding area.

ESD Involvement: The Grantee has identified a need to assist local farms in Tompkins and the surrounding counties where there are nearly 5,000 farms (28% have less than 50 acres in production). Local foods do not often make it to major distribution channels due to logistics and economy of scale. The Grantee completed the Consolidated Financial Application (“CFA”) and ESD awarded the Grantee a \$300,000 grant to develop a food production facility to assist farmers by creating an infrastructure that allows the farmers to concentrate on production, while the facility will complete the processing, packaging, labeling, marketing, sales, order fulfillment and distribution.

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

B. The Project

Completion: February 2014

Activity: The Grantee has completed the construction of a food production facility to assist local farmers and producers by providing services and expanded markets for their products. The project will connect the farmers and producers with customers in the area to sell local food. The facility will provide processing, packaging, labeling, marketing, sales, order fulfillment, and distribution services.

Results: The Grantee will retain 115 jobs and create 38 new full-time jobs. In addition, approximately 65 seasonal jobs will be created. Over 300 additional acres of farmland will be utilized for agricultural production.

Grantee Contact: Christian Williams, CFO
950 Danby Road Suite 179
Ithaca, NY 14850
Phone: (607) 272-8990

ESD Project No.: Y506

| | | |
|---------------|---------------------------------|-----------------|
| Project Team: | Origination | Joe Roman |
| | Project Management | Jared Walkowitz |
| | Contractor & Supplier Diversity | Denise Ross |
| | Finance | John Bozek |
| | 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 \$300,000 capital grant (\$3,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will demonstrate no materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$300,000 will be disbursed to Grantee upon documentation of project costs of at least \$2,149,000, as evidenced by a certificate of occupancy and documentation of the employment of at least 10 Full-time Permanent Employees at the Project Location in addition to 115 existing employees at 950 Danby Road for a total of 125 Full-time Permanent Employees, 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 December 9, 2013, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

Additional job creation of 28 new Full-time Permanent Employees at the Project Location, for a total of 153 Full-time Permanent Employees is required by January 1, 2016.

5. ESD will be entitled to recoup all or part of ESD's grant if the Grantee, via its Tenants, fails to reach or retain employment as agreed upon at the Project Locations.
6. 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 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 | 115 |
|---------------------|-----|

| A | B |
|------------------|------------------|
| Reporting Date | Employment Goals |
| February 1, 2015 | 115+X |
| February 1, 2016 | 153 |
| February 1, 2017 | 153 |
| February 1, 2018 | 153 |
| February 1, 2019 | 153 |
| February 1, 2020 | 153 |
| February 1, 2021 | 153 |

X = Grantee's Employment Increment that will be the basis of the Disbursement of the Grant as described in section C.4 above (i.e. X=10, and Employment Goals shall equal [115 + X = 125] if the Disbursement is made, in the year such disbursement is made and for each year thereafter). If the Disbursement has not yet been made then X=0.

IV. Statutory Basis

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

As a result of this project, the Company will maintain its employment level of 115 and create 38 new jobs.

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

ESD assistance is needed to fill a financing gap to complete the project in New York State.

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 \$520,955;
- Fiscal cost to NYS government is estimated at \$300,000;
- Project cost to NYS government per direct job is \$12,931;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$10,436;
- Ratio of project fiscal benefits to costs to NYS government is 1.74:1;
- Fiscal benefits to all governments (state and local) are estimated at \$868,826;
- Fiscal cost to all governments is \$300,000;
- All government cost per direct job is \$12,931;
- All government cost per total job is \$10,436;
- The fiscal benefit to cost ratio for all governments is 2.90:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$3,534,382, or \$122,948 per job (direct and indirect);
- The economic benefit to cost ratio is 11.78:1;
- Project construction cost is \$910,000, which is expected to generate 10 direct job years and four indirect job years of employment;
- For every permanent direct job generated by this project, an additional 0.27 indirect job is anticipated in the state's economy;
- The payback period for NYS costs is five years.

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

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

No residential relocation is required because there are no families or individuals

residing on the site.

V. Environmental Review

The Village of Groton 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 March 25, 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 Diversity policy will apply to the Project. The Grantee shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise (“MWBE”) Participation goal of 20%, 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 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

July 17, 2014

Regional Council Award – Village of Groton (Southern Tier Region – Tompkins County) – Challenge Industries 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 Challenge Industries 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, President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to Challenge Industries a grant for a total amount not to exceed Three Hundred Thousand Dollars (\$300,000) 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 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.

* * *

July 17, 2014

Regional Council Award – Village of Groton (Southern Tier Region – Tompkins County) – Challenge Industries 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 Challenge Industries Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *



FOR CONSIDERATION

July 17, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Market NY Grant Program – Regional Tourism Marketing Competition - New York Works Program and Economic Development Purposes Fund (Working Capital Grants)

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

I. Project Summary

| Schedule | Project # | Grantee | Project Name | Grant Amount |
|----------|-----------|--|---|--------------|
| A | Z164 | Ogdensburg Bridge and Port Authority | North Country Regional Tourism Working Capital. | \$1,086,750 |
| B | Z119 | Finger Lakes Beer Trail Marketing & Tourism Associates, Inc. | Finger Lakes Beer Trail Working Capital. | \$198,000 |
| C | Z153 | Long Island Art Alliance, Inc. | Arts Alive Long Island 2014 Working Capital. | \$150,000 |
| D | Z155 | Finger Lakes Tourism Alliance | Wine, Water and Wonders Working Capital | \$200,000 |
| E | Z133 | New York Golf Trail | Market Golf Working Capital | \$150,000 |
| F | Z117 | East End Arts & Humanity Council, Inc. | Long Island Winterfest Working Capital | \$162,000 |
| G | Z126 | CNY Arts Inc. | CNY Art Economic Development 2013 Working Capital | \$100,000 |
| H | Z123 | Munson-Williams- Proctor Arts Institute | The Golden Age of European Painting Working Capital | \$18,000 |
| I | Z135 | Proctors/Arts Center & Theatre of Schenectady, Inc. | Cirque Eloize Marketing Campaign Working Capital | \$60,000 |
| J | Z131 | Greene County Economic Development, Tourism & Planning | Kaaterskill Clove Working Capital | \$150,000 |

| | | | | |
|---|------|---|--|----------|
| K | Z166 | Albany Institute of History & Art | Mystery of the Albany Mummies Spring Marketing Program Working Capital | \$21,519 |
| L | Z144 | Steuben County Convention & Visitors Bureau | Southern Tier Outdoor Show Marketing Program Working Capital | \$44,217 |
| M | Z148 | Finger Lakes Trail Conference | Finger Lakes Trail and NYS Parks Marketing Project Working Capital | \$82,710 |

ESD* Investment: Up to a total of \$2,423,196 of \$10,000,000 in Market NY Regional Tourism grant assistance to be used for tourism marketing throughout various regions of New York State

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

Project Locations: Statewide - See Schedule A attached

Proposed Projects: See Schedule A attached

Regional Council: Each respective Regional Economic Development Council has been made aware of, and has endorsed, the relevant proposed projects.

Anticipated Appropriation

Source(s): New York Works Program and Economic Development Purposes Fund

II. Project Cost and Financing Sources

See Schedule A attached.

III. Project Description

A. Background

Round 3 of the Regional Council Consolidating Funding Application included up to \$10 million for Market NY, a program that will support regionally themed New York focused projects. Market NY will help to bolster tourism growth by promoting tourism destinations, attractions, and special events. Additionally, Market NY will support capital grant funding for tourism facilities in New York. The Market NY program and each funded proposal will work to support the regional councils long term strategic plans for economic growth in the regions, as well as to attract visitors to New York State.

Funding is available for projects intended to create or retain jobs and/or increase tourism in a community or region. Grant funding will be allocated among the ten regions, each represented

by a regional council, based on each regional council's development and implementation of a five-year strategic plan that sets out a comprehensive vision for economic development and specific strategies to implement that vision. Funding will be allocated to projects, including priority projects identified by the regional councils, identified as significant, regionally supported and capable of stimulating economic investment through attraction of tourists to the dedicated area.

B. The Project

ESD will make available a total of \$2,423,196 to fund 13 Regional Marketing Tourism projects. Each grantee has identified and prioritized Regional Marketing Tourism projects that support the regional economic development councils' strategic plans for tourism and will coordinate with New York State's "I LOVE NEW YORK" tourism division to maximize the overall program impact statewide. Each Market NY Grantee will carry out its Regional Marketing Tourism projects as described in the individual project descriptions as set forth in Schedule A attached.

ESD Project Nos.: See Table Above

| | | |
|---------------|---------------------------------|-------------------------|
| Project Team: | Project Management | See schedule A attached |
| | Contractor & Supplier Diversity | Vikas Gera |
| | Environmental | Soo Kang |

C. Financial Terms and Conditions

ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$2,423,196 collectively for these projects, if ESD determines that reallocation of the assistance would better serve the needs of the Grantees 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 – New York Works Program and Economic Development Purposes Fund

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

V. Environmental Review

Unless otherwise noted on a project summary attached as Schedule A, ESD staff has determined that the projects described in Schedule A either constitute Type II actions or do not constitute actions 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 projects.

VI. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-discrimination and Contractor Diversity policies will apply to the projects. Each Grantee shall be required to use good faith efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal, each project has been assigned an individual goal by the Office of Contractor & Supplier Diversity based on the elements of the individual project and 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 these projects 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. Requested Actions

The Directors are requested to: (1) make the findings and determination required by Section 10(g) of the UDC Act; and (2) authorize the making of the grants which are the subject of these materials.

X. Recommendation

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

XI. Additional Submissions to Directors

Resolutions
Schedule A (A-M)

July 17, 2013

Statewide – Market NY Grant Program – Regional Tourism Marketing Competition - New York Works Program and Economic Development Purposes Fund (Working Capital 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 Corporation, relating to the Market NY Grant Program- Regional Tourism Marketing Competition (the “Projects”) – New York Works Program and Economic Development Purposes Fund (Working Capital Grants), 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 areas of the Projects; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make grants for up to a total amount not to exceed (\$2,423,196) from the New York Works Program and Economic Development Purposes Fund (Working Capital Grants) for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized, subsequent to the making of the grants, 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

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. North Country Regional Tourism Working Capital (Z164)

July 17, 2014

- Grantee:** Ogdensburg Bridge and Port Authority (the “OBPA” or “Organization”)
- ESD Investment:** A grant of up to \$1,086,750 to be used for regional tourism marketing.
- Project Location:** North Country Region
- Proposed Project:** Support of a multi-county marketing effort to draw targeted Canadian visitors across the border to take advantage of the North Country’s four-season recreational opportunities.
- Regional Council:** The North Country Regional Economic Development Council has been made aware and has endorsed this item. The Incentive Offer was accepted in May 2014. The project is consistent with the Regional Plan to promote tourism.

Background:

Organization History – The Authority manages transportation assets in the North Country for the betterment of the residents of northern New York. The transportation facilities include: the Ogdensburg-Prescott International Bridge; the Port of Ogdensburg; the Ogdensburg International Airport; and the New York & Ogdensburg Railway.

Ownership – The Ogdensburg Bridge and Port Authority is a New York State public benefit corporation.

ESD Involvement – A \$1,086,750 Market NY Grant.

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

The Project:

Completion date – June 2015

North Country Regional Tourism Working Capital (Z164)

July 17, 2014

Activity – The North Country region plans to capitalize on one of its most unique elements – the longest border with Canada – in a collaborative, multi-county marketing effort to draw targeted Canadian visitors across the border to take advantage of the North Country’s four-season recreational opportunities. This campaign will also address special opportunities to enhance North Country tourism and support the niche recreational activities: front-line sales hospitality training and the *Eat, Play, Love Northern New York* blogger contest.

Results – This regional tourism project seeks to increased Canadian visitation thereby creating a demand for increased amenities and tourism spending in the region, which in turn, leads to job creation.

During the course of the project, the Ogdensburg Bridge and Port Authority will furnish periodic reports providing current expenditures, as well as updates on the project. The progress, success, expenditures, and benefits of the project will be monitored by the ESD Project Manager. Any changes to the project will be reported by Ogdensburg Bridge and Port Authority to the ESD Project Manager. Upon completion of the project, Ogdensburg Bridge and Port Authority will furnish a final report describing the impact and effectiveness of the project.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|-------------------------|---------------|--------------------------|---------------|----------------|
| Advertising | \$369,250 | ESD Grant | \$1,086,750 | 100% |
| AV Production | \$67,000 | | | |
| Websites | \$127,500 | | | |
| Publicity | \$95,000 | | | |
| Promotional Materials | \$35,000 | | | |
| Consumer Shows | \$85,000 | | | |
| Consulting and Services | \$125,000 | | | |
| Tourism Center | \$50,000 | | | |
| Printed Collateral | \$25,000 | | | |
| Project Administration | \$108,000 | | | |
| Total Project Cost | \$1,086,750 | Total Project Financing | \$1,086,750 | 100% |

North Country Regional Tourism Working Capital (Z164)

July 17, 2014

Grantee Contact: Wade Davis, Executive Director
Ogdensburg Bridge & Port Authority
One Bridge Plaza
Ogdensburg, NY 13669
Phone: (315) 393- 4080
E-mail: wadavis@ogdensport.com

| | | |
|----------------------|---------------------------------|---------------------------|
| Project Team: | Project Management | Kelly Rabideau- Baquerizo |
| | Contractor & Supplier Diversity | Vikas Gera |
| | Environmental | Soo Kang |

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
2. Up to \$1,086,750 will be disbursed to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 11, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2016.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,086,750 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 and Supplier Diversity policy will apply. The Grant Recipient shall use their Good Faith Efforts to achieve an overall Minority and Women Business Enterprise ("MWBE") Participation Goal of 30% related to the total value of ESD's funding. Grant Recipient 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.

North Country Regional Tourism Working Capital (Z164)

July 17, 2014

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

Disclosure and Accountability Certifications:

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

B. Finger Lakes Beer Trail Working Capital (Z119)

July 17, 2014

- Grantee:** Finger Lakes Beer Trail Marketing and Tourism Associates, LLC
("Finger Lakes Beer Trail" or the "Organization")
- ESD Investment:** A grant of up to \$198,000 to be used for regional tourism marketing.
- Project Location:** Finger Lakes Region
- Proposed Project:** Support of the Finger Lakes Beer Trail's marketing plan to create brand awareness and market identity as a tourism destination.
- Regional Council:** The Finger Lakes Regional Economic Development Council has been made aware and has endorsed this item. The Incentive Offer was accepted in May 2014. The project is consistent with the Regional Plan to promote tourism.

Background:

Organization History – Recognizing the need for increased awareness and promotion of the region's growing beer culture, in the Spring of 2011, local beer-enthusiasts, Adam Smith and Theresa Hollister, founded Finger Lakes Beer Trail Marketing and Tourism Associates. The Organization includes 84 locations, consisting of 3 beer stores, 21 brew pubs, 52 breweries, 1 home brewing supply store, 6 lodging/accommodations, and 1 restaurant.

Ownership –Finger Lakes Beer Trail Marketing and Tourism Associates, Inc. is a privately-owned company.

ESD Involvement – A \$198,000 grant from the Market NY Grant Program.

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

The Project:

Completion date – June 2015

Activity – Finger Lakes Beer Trail Marketing and Tourism Associates, Inc. will support the development of an advertising and media promotion strategy designed to keep the Finger Lakes Beer Trail top-of-mind as New York State's premier craft beer tourism destination in priority markets and to drive their target audience to FingerLakesBeerTrail.com for more information.

Results –The project is expected to increase distribution of program collateral, enhanced program website, increase promotional events and overall promotion of the trail.

B. Finger Lakes Beer Trail Working Capital (Z119)

July 17, 2014

During the course of the project, the Finger Lakes Beer Trail Marketing and Tourism Associates, Inc. will furnish periodic reports providing current expenditures, as well as updates on the project. Upon completion of the project, Finger Lakes Beer Trail Marketing and Tourism Associates, Inc. will furnish a final report describing the impact and effectiveness of the project.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|---|-----------|-------------------------|-----------|---------|
| Media Advertising | \$39,750 | ESD Grant | \$198,000 | 100% |
| Personnel (ex. social media, consultants, etc.) | 26,825 | | | |
| Production Costs | 23,450 | | | |
| Marketing Materials/Supplies | 3,200 | | | |
| Web Maintenance/Upgrades | 35,425 | | | |
| Trade Shows/Events | 30,000 | | | |
| Passport Program/Special Events | 21,350 | | | |
| Admin Cost | 18,000 | | | |
| Total Project Costs | \$198,000 | Total Project Financing | \$198,000 | 100% |

Grantee Contact: Theresa Hollister
Chief Marketing Officer
Finger Lakes Beer Trail Marketing & Tourism Associates, LLC
PO Box 41
Brooktondale, NY 14817
Phone: (607) 759-4390
E-mail: theresa@fingerlakesbeertrail.com

Project Team: Project Management Kelly Rabideau- Baquerizo
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
2. Up to \$198,000 will be disbursed to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 11, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2016.

B. Finger Lakes Beer Trail Working Capital (Z119)

July 17, 2014

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$198,000 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 and Supplier Diversity policy will apply. The Grant Recipient 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. Grant Recipient shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the projects.

Statutory Basis – Economic Development Purposes Fund:

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

Disclosure and Accountability Certifications:

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

C. Arts Alive Long Island Working Capital (Z153)

July 17, 2014

- Grantee:** Long Island Arts Alliance, Inc. (the “LIAA” or the “Organization”)
- ESD Investment:** A grant of up to \$150,000 to be used for regional tourism marketing.
- Project Location:** Long Island Region
- Proposed Project:** Support for a marketing project developed and implemented to promote *Arts Alive LI*, an island-wide multi-venue arts festival and website that showcases Long Island’s world-class arts and culture.
- Regional Council:** The Long Island Regional Economic Development Council has been made aware and has endorsed this item. The Incentive Offer was accepted in May 2014. The project is consistent with the Regional Plan to promote tourism.

Background:

Organization History – In 2002, Long Island Association asked prominent community leaders to participate in an examination of the region’s assets, growth opportunities and challenges. One element of this “Goals Project” was an Arts and Culture Committee Meeting as a collegial group of arts professionals, it was soon clear that these organizations, and their constituents, were responsible for an economic impact that had yet to be measured. Now meeting regularly, and with a project that was beyond the narrow scope of the Arts and Culture Committee’s focus, members began to speak of creating a Long Island-wide alliance of not-for-profit arts organizations, one that would actively address the challenges facing all of the members of the arts community. Long Island Arts Alliance was thus born; with a mandate from members to measure the impact the arts have on the region’s economy.

Ownership – Long Island Arts Alliance, Inc. is a not-for-profit corporation.

ESD Involvement – A \$150,000 grant from the Market NY Grant Program.

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

The Project:

Completion date – December 2014

Activity – Long Island Arts Alliance, Inc. will support *Art Alive LI* by implementing a multi-platform marketing and advertising campaign and community outreach, to build awareness for the project, as well as to increase visitation to the region.

C. Arts Alive Long Island Working Capital (Z153)

July 17, 2014

Results – The overall goal of this regional marketing project is to increase visitation and tourism spending in the Long Island Region.

During the course of the project, the Long Island Arts Alliance, Inc. will furnish periodic reports providing current expenditures, as well as updates on the project. Upon completion of the project, Long Island Arts Alliance, Inc. will furnish a final report describing the impact and effectiveness of the project.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|---|-----------|----------------------------|-----------|---------|
| Media Advertising | \$135,000 | ESD Grant | \$150,000 | |
| Print collateral- production & distribution | \$14,800 | | | |
| Travel | \$200 | | | |
| Total Project Costs | \$150,000 | Total Project Financing | \$150,000 | 100% |

Grantee Contact: Theresa Statz-Smith
 Executive Director
 100 Crossways Park West, Suite 107
 Woodbury, NY 11797
 Phone: (516) 224-8440
 E-mail: Theresa@longislandartsalliance.org

Project Team: Project Management Kelly Rabideau- Baquerizo
 Contractor & Supplier Diversity Vikas Gera
 Environmental Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
2. Up to \$150,000 will be disbursed to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 11, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2016.
3. 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 Grantee and the State of New York. In no

C. Arts Alive Long Island Working Capital (Z153)

July 17, 2014

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 and Supplier Diversity policy will apply. The Grant Recipient 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. Grant Recipient shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the projects.

Statutory Basis – Economic Development Purposes Fund:

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

Disclosure and Accountability Certifications:

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

D. Wine, Water and Wonders Working Capital (Z155)

July 17, 2014

Grantee: Finger Lakes Association, Inc. d/b/a Finger Lakes Tourism Alliance (“FLTA” or the “Organization”)

ESD Investment: A grant of up to \$200,000 to be used for regional tourism marketing.

Project Location: Finger Lakes Region

Proposed Project: Support the expansion of the *Wine, Water and Wonders of Upstate NY* tourism marketing program.

Regional Council: The Finger Lakes Regional Economic Development Council has been made aware and has endorsed this item. The Incentive Offer was accepted in May 2014. The project is consistent with the Regional Plan to promote tourism.

Background:

Organization History – Founded in 1919, Finger Lakes Tourism Alliance is recognized as one of the oldest destination marketing organizations in the United States. The FLTA is an association of private-sector attractions, tourism-related businesses and county tourism offices working together to enhance and promote visitor businesses for the 9,000 square-mile Finger Lakes region of New York State.

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

ESD Involvement – A \$200,000 grant from the Market NY Grant Program.

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

The Project:

Completion date – June 2015

Activity – Finger Lakes Tourism Alliance will support *Wine, Water and Wonders of Upstate NY* by escalating the already existing marketing program to include significant inroads into the Chinese market, increase business from our current target markets of France, Germany, and the United Kingdom through sales missions, trade show attendance and travel writer visits.

D. Wine, Water and Wonders Working Capital (Z155)

July 17, 2014

Results – The overall goals for this regional tourism marketing project are to increase the economic impact to the Finger Lakes Region and to support tourism jobs. Additionally, the project expects to increase the Finger Lakes region position as a key player in the US international tourism market.

During the course of the project, the Finger Lakes Tourism Alliance will furnish periodic reports providing current expenditures, as well as updates on the project. Upon completion of the project, Finger Lakes Tourism Alliance will furnish a final report describing the impact and effectiveness of the project.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|--|-----------|-------------------------|-----------|---------|
| Media advertising (Total for Category) | \$125,000 | ESD Grant | \$200,000 | 90% |
| Website design/updates | 20,000 | Grantee Equity | 100,000 | 10% |
| Production of print collateral | 5,000 | | | |
| Research projects designed to stimulate & increase tourist travel | 20,000 | | | |
| Travel & Trade Shows | 110,000 | | | |
| Administrative costs (eligible for up to a maximum of 10% of the total project cost) | 20,000 | | | |
| Total Project Costs | \$300,000 | Total Project Financing | \$300,000 | 100% |

Grantee Contact: Cynthia Kimble
President
Finger Lakes Tourism Alliance
309 Lake Street
Penn Yan, NY 14527
Phone: (315) 536-7488
E-mail: cindyk@fingerlakes.org

Project Team: Project Management Kelly Rabideau- Baquerizo
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
2. Up to \$200,000 will be disbursed to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD

D. Wine, Water and Wonders Working Capital (Z155)

July 17, 2014

may reasonably require. Expenses must be incurred on or after December 11, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2016.

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$200,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor and Supplier Diversity policy will apply. The Grant Recipient 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. Grant Recipient shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the projects.

Statutory Basis – New York Works Program:

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

Disclosure and Accountability Certifications:

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

E. Market Golf Working Capital (Z133)

July 17, 2014

- Grantee:** New York Golf Trail, LLC (“New York Golf Trail” or the “Organization”)
- ESD Investment:** A grant of up to \$150,000 to be used for regional tourism marketing.
- Project Location:** Multi-Region
- Proposed Project:** Support a marketing plan that focuses on drawing golfers to New York's public courses.
- Regional Council:** The Regional Economic Development Councils that the project takes place in have been made aware and have endorsed this marketing project. The Incentive Offer was accepted in May 2014. The project is consistent with the Regional Plan to promote tourism.

Background:

Organization History –The New York Golf Trail is one of 25 golf trails in the U.S. and the only one in the Northeast. It is also among the three largest, with 20 courses and 15 lodging partners.

Ownership – New York Golf Trail, LLC is a limited liability company.

ESD Involvement – A \$150,000 grant from the Market NY Grant Program.

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

The Project:

Completion date – December 2014

Activity – The New York Golf Trail will support “Market Golf” regional tourism marketing program by marketing New York State public golf courses through the implementation of a promotional plan that includes, but is not limited to, paid search/SEO, digital media and public relations, with special attention on golf travel writers.

Results – New York Golf Trail looks to highlight the many strengths of golf in New York State. In addition, they also have an overall project goal to increasing the number of rounds played, the number of room nights booked, the number of golfers and the number of trips booked.

E. Market Golf Working Capital (Z133)

July 17, 2014

During the course of the project, the New York Golf Trail LLC will furnish periodic reports providing current expenditures, as well as updates on the project. Upon completion of the project, New York Golf Trail LLC will furnish a final report describing the impact and effectiveness of the project.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|-----------------------|---------------|--------------------------|---------------|----------------|
| Media Advertising | \$150,000 | ESD Grant | \$150,000 | 100% |
| Total Project Costs | \$150,000 | Total Project Financing | \$150,000 | 100% |

Grantee Contact: Rod Christian
President
New York Golf Trail LLC
18 Cardogan Square
Rochester, NY 14625
Phone: (585) 748-1876
E-mail: rod@nygolftail.com

Project Team: Project Management Kelly Rabideau- Baquerizo
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
2. Up to \$150,000 will be disbursed to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 11, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2016.
3. 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 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 and Supplier Diversity policy will apply. The Grant Recipient 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. Grant Recipient shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual

E. Market Golf Working Capital (Z133)

July 17, 2014

opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the projects.

Statutory Basis – New York Works Program:

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

Disclosure and Accountability Certifications:

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

F. Long Island Winterfest Working Capital (Z117)

July 17, 2014

- Grantee:** East End Arts & Humanities Council, Inc. (“East End” or the “Organization”)
- ESD Investment:** A grant of up to \$162,000 to be used for regional tourism marketing.
- Project Location:** Long Island Region
- Proposed Project:** Support of tourism traffic on the East End of Long Island during the winter and spring months by promoting the “LI Winterfest: Live on the Vine” program.
- Regional Council:** The Long Island Regional Economic Development Council has been made aware and has endorsed this item. The Incentive Offer was accepted in April 2014. The project is consistent with the Regional Plan to promote tourism.

Background:

Organization History – Established in 1972 as an outgrowth of the successful Woodrow Wilson Humanities Series, East End Arts & Humanities Council, Inc. is a resource for the local arts community with a commitment of supporting and advocating for the arts community. The history of East End began in a space donated by the Riverhead Central School District in the Pulaski Street School.

Ownership – The East End Arts & Humanities is a not-for-profit organization.

ESD Involvement – A \$162,000 grant from the Market NY Grant Program.

Past ESD Support – In 2006, ESD awarded a \$250,000 grant for portion of the cost of renovation of the Carriage House.

The Project:

Completion date – December 2014

Activity – East End Arts & Humanities Council, Inc. will support “LI Winterfest: Live on the Vine” tourism program by expanding marketing and digital media capacity, hiring a festival coordinator and investing in re-usable promotional materials such as banners, flags and signage that will support marketing efforts. The marketing strategy will be a multi-dimensional “media blitz” aimed at metropolitan residents and visitors. Marketing will include an upgraded social media presence, expanded SEO optimization, website upgrades and utilization of mass transit advertising to expand marketing efforts into the greater metropolitan area.

F. Long Island Winterfest Working Capital (Z117)

July 17, 2014

Results – The “LI Winterfest” aims to increase retail traffic and visitors to the East End wineries in the off-season months of February and March. The 5 year business plan specifically sets a target on an annual 30% increase in number of concerts and visitor growth from 10,000 to 25,000 in 2019.

During the course of the project, the East End Arts & Humanities Council, Inc. will furnish periodic reports providing current expenditures, as well as updates on the project. Upon completion of the project, East End Arts & Humanities Council, Inc will furnish a final report describing the impact and effectiveness of the project.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|--------------------------------------|------------------|--------------------------------|------------------|-------------|
| Media Advertising | \$205,800 | ESD Grant | \$162,000 | 25% |
| Personnel (social media, consultant) | \$75,000 | Grantee Equity | \$478,039 | 75% |
| Production Costs | \$22,908 | | | |
| Administrative costs | \$45,800 | | | |
| Entertainment | \$65,500 | | | |
| Festival Hopper Tickets | \$181,731 | | | |
| Sponsorship | \$25,000 | | | |
| Vineyard Participation | \$13,300 | | | |
| SC Grant to LI Wine Council | \$5,000 | | | |
| Total Project Cost | \$640,039 | Total Project Financing | \$640,039 | 100% |

Grantee Contact: Patricia Snyder
 Executive Director
 133 East Main Street
 Riverhead, NY 11901-2455
 Phone: (631) 727- 0900 Ext. 304
 E-mail: psnyder@eastendarts.org

Project Team: Project Management Kelly Rabideau- Baquerizo
 Contractor & Supplier Diversity Vikas Gera
 Environmental Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
2. Up to \$162,000 will be disbursed to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 11, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2016.

F. Long Island Winterfest Working Capital (Z117)

July 17, 2014

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$162,000 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 and Supplier Diversity policy will apply. The Grant Recipient 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. Grant Recipient shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the projects.

Statutory Basis – New York Works Program:

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

Disclosure and Accountability Certifications:

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

G. CNY Arts Economic Development Working Capital (Z126)

July 17, 2014

- Grantee:** CNY Arts Inc. (“CNY Arts” or the “Organization”)
- ESD Investment:** A grant of up to \$100,000 to be used for regional tourism marketing.
- Project Location:** Multi-Region
- Proposed Project:** Support a significant “Cultural Tourism Project” for the Central New York and Mohawk Valley Region through a marketing promotion.
- Regional Council:** The Regional Economic Development Councils that the project takes place in have been made aware and have endorsed this marketing project. The Incentive Offer was accepted in May 2014. The project is consistent with the Regional Plans for each region to promote tourism.

Background:

Organization History – CNY Arts provides support and assistance to individual artists and arts and cultural organizations through access to grants, capacity-building assistance, education and training, and promotional services. CNY Arts serve the counties of Cortland, Herkimer, Madison, Oneida, Onondaga and Oswego. The Organization’s goal is to enhance a greater appreciation for the arts and cultural vibrancy of the region.

Ownership – CNY Arts is a not-for-profit organization.

ESD Involvement – A \$100,000 grant from the Market NY Grant Program.

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

The Project:

Completion date – December 2014

Activity – CNY Arts, Inc. will support the “Cultural Tourism Project” by implementing a regional marketing strategy that includes but is not limited to: enhancements to existing social marketing system; building a widget; advertising the multi-platform cultural calendar across our six county region; a kiosk project amongst regional partners and Convention and Visitors Bureaus; and education and outreach programs for registrants.

Results – CNY Arts, Inc.’s overall goal is to promote tourism information that will increase regional tourism dollars, as well as the art and cultural experience for Central NY residents. This project also seeks to foster a new regional branding that Central NY is a culture destination.

G. CNY Arts Economic Development Working Capital (Z126)

July 17, 2014

During the course of the project, the CNY Arts, Inc. will furnish periodic reports providing current expenditures, as well as updates on the project. Upon completion of the project, CNY Arts, Inc. will furnish a final report describing the impact and effectiveness of the project.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|---------------------------|-----------|----------------------------|-----------|---------|
| Media Advertising | \$90,000 | ESD Grant | \$100,000 | 100% |
| Personnel/ Consultants | 10,000 | | | |
| Total Project Costs | \$100,000 | Total Project Financing | \$100,000 | 100% |

Grantee Contact: Stephen Butler
Executive Director
CNY Arts, Inc.
421 Montgomery Street, John H. Mulroy Civic Center
Syracuse, NY 13202-2964
Phone: (315) 435-2125
E-mail: sbutler@cnyarts.org

Project Team: Project Management Kelly Rabideau- Baquerizo
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
2. Up to \$100,000 will be disbursed to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 11, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2016.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000 for this project if ESD determines that the reallocation of the 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

G. CNY Arts Economic Development Working Capital (Z126)

July 17, 2014

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor and Supplier Diversity policy will apply. The Grant Recipient 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. Grant Recipient shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the projects.

Statutory Basis – New York Works Program:

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

Disclosure and Accountability Certifications:

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

H. The Golden Age of European Painting Working Capital (Z123)

July 17, 2014

- Grantee:** Munson–Williams–Proctor Arts Institute (“MWPAL” or the “Organization”)
- ESD Investment:** A grant of up to \$18,000 to be used for regional tourism marketing.
- Project Location:** Mohawk Valley Region
- Proposed Project:** Support a rare opportunity to bring to the Mohawk Valley Region artworks by renowned international artists (The Golden Age of European Painting Exhibition).
- Regional Council:** The Mohawk Valley Regional Economic Development Council has been made aware and has endorsed this item. The Incentive Offer was accepted in May 2014. The project is consistent with the Regional Plan to promote tourism.

Background:

Organization History – Founded in 1919, Munson-Williams-Proctor Arts Institute is a fine arts center dedicated to serving diverse audiences by advancing the appreciation, understanding, and enjoyment of the arts. The Organization aims to promote interest and participation in the arts and stimulate artistic self-expression and personal creativity. MWPAL continues to assume a leadership and advocacy role for the arts in Utica, NY. The Museum of Art features a renowned permanent collection, fascinating exhibitions and education for all ages. Additionally, the Performing Arts Division presents world famous soloists and ensembles, rising stars, recitals with commentary, cinema, family programs, outdoor festival concerts, special events, and educational activities.

Ownership – MWPAL is a not-for-profit organization.

ESD Involvement – An \$18,000 grant from the Market NY Grant Program.

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

The Project:

Completion date – December 2014

Activity – Munson-Williams-Proctor Arts Institute will support The Golden Age of European Painting exhibition (June 14, 2014 to Sept. 14, 2014) by implementing a multi-media campaign that will market the exhibition to a number of diverse audiences in a five-county area.

H. The Golden Age of European Painting Working Capital (Z123)

July 17, 2014

Results – The project is expected to draw an increased number (13,000 to 15,000) of visitors to downtown Utica and the Mohawk Valley Region. Using this exhibition as a focal point, MWPAI will look to enhance the area’s quality of life, educate and inspire thousands, and contribute to the local economy.

During the course of the project, the Munson-Williams-Proctor Arts Institute will furnish periodic reports providing current expenditures, as well as updates on the project. Upon completion of the project, Munson-Williams-Proctor Arts Institute will furnish a final report describing the impact and effectiveness of the project.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|---------------------|----------|-------------------------|----------|---------|
| Media Advertising | \$18,000 | ESD Grant | \$18,000 | 100% |
| Total Project Costs | \$18,000 | Total Project Financing | \$18,000 | 100% |

Grantee Contact: John Bach
Director of Institutional Advancement
310 Genesee Street
Utica, NY 13502-4799
Phone: (315) 797-0000 x2124
E-mail: jbach@mwpai.org

Project Team: Project Management Kelly Rabideau- Baquerizo
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
2. Up to \$18,000 will be disbursed to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 11, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2016.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$18,000 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

H. The Golden Age of European Painting Working Capital (Z123)

July 17, 2014

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$18,000 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

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

Statutory Basis – New York Works Program:

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

Disclosure and Accountability Certifications:

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

I. Cirque Eloize Marketing Campaign Working Capital (Z135)

July 17, 2014

Grantee: Arts Center & Theatre of Schenectady, Inc. d/b/a Proctors (“Proctors” or the “Organization”)

ESD Investment: A grant of up to \$60,000 to be used for regional tourism marketing.

Project Location: Capital District Region

Proposed Project: Support the launch of a multimedia marketing campaign for its partnership with Cirque Eloize.

Regional Council: The Capital District Regional Economic Development Council has been made aware and has endorsed this item. The Incentive Offer was accepted in May 2014. The project is consistent with the Regional Plan to promote tourism.

Background:

Organization History – Built in 1926 by F. F. Proctor, the “Dean of Vaudeville,” Proctors on State Street in Schenectady was a popular theatre that used a method of continuous performance to draw huge crowds and numerous famous vaudevillians of that era. After changing ownership multiple times and almost being torn down in the 1970s, a group of concerned citizens banded together to save Proctors. This group, known as the Arts Center & Theatre of Schenectady, Inc., worked to repair the theatre and held a fundraiser to save the property. With federal and city funds, Arts Center & Theatre of Schenectady, Inc. was able to restore Proctors and re-open in 1979 for a trial season. Since then, Proctors has proven its value to the community and gained momentum, and has become the motivating factor for the revitalization of Schenectady’s downtown area.

Ownership – The Arts Center & Theatre of Schenectady, Inc. is a not-for-profit organization.

ESD Involvement – A \$60,000 grant from the Market NY Grant Program.

Past ESD Support – Since 2004, the Organization has received \$502,500 for two community projects.

The Project:

Completion date – December 2014

Activity –Proctors will support the Cirque Eloize show in Schenectady, NY by implementing a marketing campaign that includes components such as broadcast and print media, DJ paid endorsements and public appearances at regional events, media, businesses and hospitals across a wide region of upstate New York.

I. Cirque Eloize Marketing Campaign Working Capital (Z135)

July 17, 2014

Results – This marketing campaign will leverage the creation of 150 full-time jobs, with a \$1 million impact on Schenectady and a \$9 million impact region-wide (based on the Americans for the Arts economic impact calculator). Restaurants, shops, and parking infrastructure are already in place, waiting to be leveraged for this three-week event.

During the course of the project, the Proctors, will furnish periodic reports providing current expenditures, as well as updates on the project. Upon completion of the project, Proctors/Arts Center & Theatre of Schenectady, Inc. will furnish a final report describing the impact and effectiveness of the project.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|-----------------------|---------------|--------------------------|---------------|----------------|
| Television | \$50,000 | ESD Grant | \$60,000 | 100% |
| Radio | 10,000 | | | |
| Total Project Costs | \$60,000 | Total Project Financing | \$60,000 | 100% |

Grantee Contact: Philip Morris
 CEO
 432 State Street
 Schenectady, NY 12305-2385
 Phone: (518) 382-3884 x113
 E-mail: pmorris@proctors.org

Project Team: Project Management Kelly Rabideau- Baquerizo
 Contractor & Supplier Diversity Vikas Gera
 Environmental Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
2. Up to \$60,000 will be disbursed to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 11, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2016.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$60,000 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

I. Cirque Eloize Marketing Campaign Working Capital (Z135)

July 17, 2014

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-discrimination and Contractor and Supplier Diversity policy will apply. The Grant Recipient 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. Grant Recipient 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.

Empire Zones and/or Excelsior

Proctors has received was an Empire Zone Capital Credit project, with contributors receiving \$1,066,883.85 in tax credits for \$4.3 million in contribution for the Proctor's expansion project. This project didn't receive Excelsior assistance.

Statutory Basis – New York Works Program:

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

Disclosure and Accountability Certifications:

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

J. Kaaterskill Clove Working Capital (Z131)

July 17, 2014

- Grantee:** Greene County Economic Development, Tourism & Planning
("Greene County" or the "Organization")
- ESD Investment:** A grant of up to \$150,000 to be used for regional tourism marketing.
- Project Location:** Capital District Region
- Proposed Project:** Support of Kaaterskill Clove - America's First Vacation Destination:
"Building a National Awareness Marketing Campaign".
- Regional Council:** The Capital District Regional Economic Development Council has been made aware and has endorsed this item. The Incentive Offer was accepted in May 2014. The project is consistent with the Regional Plan to promote tourism.

Background:

Organization History –Greene County was formed by an act of the New York State Legislature on March 25, 1800. It included the townships of Catskill, Coxsackie, Freehold and Durham, with a population of approximately 13,000. Today, Greene County consists of 14 towns and 5 villages.

Ownership – Green County is a government entity.

ESD Involvement – A \$150,000 grant from the Market NY Grant Program.

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

The Project:

Completion date – December 2014

Activity – The proposed marketing scope includes: a website, within the current tourism website www.greatnortherncatskills.com; digital advertising banner and print ads with codes embedded for easy traceability in Google Analytics; pay-per-click advertising; a Facebook ad campaign to reach target markets; a radio campaign to target NYC metro; and the design, print, and installation of gateway and wayfinding signage throughout the Clove to guide visitors.

J. Kaaterskill Clove Working Capital (Z131)

July 17, 2014

Results –The Organization’s goal for this regional marketing project is to increase visits an additional 15 to 20% by promoting the Kaaterskill Clove and surrounding attractions to a new audience segments.

During the course of the project, the Greene County Economic Development, Tourism & Planning will furnish periodic reports providing current expenditures, as well as updates on the project. Upon completion of the project, Greene County Economic Development, Tourism & Planning will furnish a final report describing the impact and effectiveness of the project.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|--------------------------------|-----------|-------------------------|-----------|---------|
| Media Advertising | 123,500 | ESD Grant | \$150,000 | 100% |
| Website Design/Updates | 10,000 | | | |
| Production of Print Collateral | 16,500 | | | |
| Total Project Costs | \$150,000 | Total Project Financing | \$150,000 | 100% |

Grantee Contact: Warren Hart
Greene County Economic Development, Tourism & Planning
411 Main Street
Catskill, NY 12414
Phone: (518) 719-3290
E-mail: whart@discovergreene.com

Project Team: Project Management Kelly Rabideau- Baquerizo
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
2. Up to \$150,000 will be disbursed to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 11, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2016.
3. 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

J. Kaaterskill Clove Working Capital (Z131)

July 17, 2014

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 and Supplier Diversity policy will apply. The Grant Recipient 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. Grant Recipient shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the projects.

Statutory Basis – New York Works Program:

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

Disclosure and Accountability Certifications:

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

K. Mystery of the Albany Mummies Spring Marketing Program Working Capital (Z166)

July 17, 2014

- Grantee:** Albany Institute of History & Art (the “Organization”)
- ESD Investment:** A grant of up to \$21,519 to be used for regional tourism marketing.
- Project Location:** Capital District Region
- Proposed Project:** Support of the Spring Marketing Plan for GE Presents: *The Mystery of the Albany Mummies*
- Regional Council:** The Capital District Regional Economic Development Council has been made aware and has endorsed this item. The Incentive Offer was accepted in May 2014. The project is consistent with the Regional Plan to promote tourism.

Background:

Organization History – Founded in 1791, the Albany Institute of History & Art is one of the oldest museums in the United States. It also is the major repository for the region's heritage, with nationally significant collections. The genesis of the Albany Institute of History & Art began with The Society for the Promotion of Agriculture, Arts, and Manufactures, founded in New York City in Federal Hall. Supported by the New York state legislature, to which it served as an informational advisor, the society met to improve the state’s economy through advances in agricultural methods and manufacturing technologies. In accordance with the condition that they meet where the legislature convened, the society moved to Albany in 1797, when it became the state capital.

Ownership – Albany Institute of History & Art is a not-for-profit organization.

ESD Involvement – A \$21,519 Market NY Grant.

Past ESD Support – This Organization received \$1,000,000 in 11/15/06 (Project #U764).

The Project:

Completion date – December 2014

Activity – Albany Institute of History & Art will support *The Mystery of the Albany Mummies* exhibition, by implementing a marketing plan to reach new audiences in regional and out-of-market audiences to increase exposure to all audience segments.

Mystery of the Albany Mummies Spring Marketing Program Working Capital (Z166)

July 17, 2014

Results – The Organization included expected results/benchmarks in their application that they expect to see an increase in their admissions of over 60% and triple the normal shop revenue. Additionally, the organization seeks to gain a 5% increase in donors as a result of this project.

During the course of the project, the Albany Institute of History & Art will furnish periodic reports providing current expenditures, as well as updates on the project. The progress, success, expenditures, and benefits of the project will be monitored by the ESD Project Manager. Any changes to the project will be reported by Albany Institute of History & Art to the ESD Project Manager. Upon completion of the project, Albany Institute of History & Art will furnish a final report describing the impact and effectiveness of the project.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|---|---------------|----------------------------|---------------|----------------|
| Media Advertising (Total for Category) | \$17,907 | ESD Grant | \$21,519 | 100% |
| Mailing house & distribution services | \$3,612 | | | |
| Total Project Costs | \$21,519 | Total Project Financing | \$21,519 | 100% |

Grantee Contact: Elizabeth Reiss
Director of Development
Albany Institute of History & Art
125 Washington Avenue
Albany, NY 12210
Phone: (518) 463-4478
E-mail: reisse@albanyinstitute.org

Project Team: Project Management Kelly Rabideau- Baquerizo
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

Mystery of the Albany Mummies Spring Marketing Program Working Capital (Z166)

July 17, 2014

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
2. Up to \$21,519 will be disbursed to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 11, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2016.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$21,519 for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors

Non-Discrimination and Contractor & Supplier Diversity:

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

Statutory Basis – New York Works Program:

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

Disclosure and Accountability Certifications:

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

L. Southern Tier Outdoor Show Marketing Program Working Capital (Z144)

July 17, 2014

- Grantee:** Steuben County Conference & Visitors Bureau (“Steuben County” or the “Organization”)
- ESD Investment:** A grant of up to \$44,217 to be used for regional tourism marketing.
- Project Location:** Southern Tier Region
- Proposed Project:** Support to increase regional marketing for the Southern Tier Outdoor Show
- Regional Council:** The Southern Tier Regional Economic Development Council has been made aware and has endorsed this item. The Incentive Offer was accepted in May 2014. The project is consistent with the Regional Plan to promote tourism.

Background:

Organization History – The Steuben County Conference & Visitors Bureau was established in 1994. As Steuben County's official tourism marketing agency, its mission is to aggressively promote the visitor industry year-round and thereby stimulate economic growth.

Ownership – Steuben County Conference & Visitors Bureau is a county office.

ESD Involvement – A \$44,217 grant from Market NY Grant Program.

Past ESD Support – This is the Organization's first grant from ESD.

The Project:

Completion date – December 2014

Activity – Steuben County Conference and Visitors Bureau will expand the current marketing capabilities in a targeted way to increase overnight bookings, as well as increase purchases made from vendors at the *Southern Tier Outdoor Show*. The integrated marketing plan will focus on outdoor enthusiasts in New York State, and Central and Eastern Pennsylvania. The program will include digital and social marketing, as well as create a position to implement the plan.

Results – The organization expects to increase interaction across all social media channels which will convert to an increase in visitor attendance at the show, thus resulting in increased revenue to the tourism businesses and increased taxes to the

L. Southern Tier Outdoor Show Marketing Program Working Capital (Z144)

July 17, 2014

state and county. The organization will also track from “view to conversion” at the *Southern Tier Outdoor Show* by offering online tracking tools that are only accessible to those who are exposed to the campaign.

During the course of the project, Steuben County Conference and Visitors Bureau will furnish periodic reports providing current expenditures, as well as updates on the project. Upon completion of the project, Steuben County Conference and Visitors Bureau will furnish a final report describing the impact and effectiveness of the project.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|--|----------|-------------------------|----------|---------|
| CTM Media Group – NYC Sport and Outdoor program | \$3,280 | ESD Grant | \$44,217 | 100% |
| CTM Media Group – PA AAA outlets | \$2,925 | | | |
| OutdoorNews.com – Rectangle Island Ad | \$1,250 | | | |
| Outdoor News.com – Hunting Package | \$900 | | | |
| OutdoorNews.com – Fishing Package | \$900 | | | |
| Google Ad Words | \$5,125 | | | |
| Facebook Ads | \$3,500 | | | |
| NYS DEC Fishing Guide – ¼ page, including creative | \$4,000 | | | |
| Time Warner Cable buy– | \$3,900 | | | |
| Harrisburg Radio | \$6,000 | | | |
| Digital/Social media | \$12,000 | | | |
| Admin. fee – 1% | \$ 437 | | | |
| Total Project Costs | \$44,217 | Total Project Financing | \$44,217 | 100% |

Grantee Contact: Peggy Coleman, President
 Steuben County Conference and Visitors Bureau
 1 West Market Street, Suite 201
 Corning, NY 14830
 Phone: (866) 946-3386
 E-mail: pcoleman@corningfingerlakes.com

Project Team: Project Management Kelly Rabideau- Baquerizo
 Contractor & Supplier Diversity Vikas Gera
 Environmental Soo Kang

L. Southern Tier Outdoor Show Marketing Program Working Capital (Z144)

July 17, 2014

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
2. Up to \$44,217 will be disbursed to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 11, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2016.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$44,217 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 and Supplier Diversity policy will apply. The Grant Recipient 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. Grant Recipient shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the projects.

Statutory Basis – New York Works Program:

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

Disclosure and Accountability Certifications:

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

M. Finger Lakes Trail and NYS Parks Marketing Project Working Capital (Z148)

July 17, 2014

- Grantee:** Finger Lakes Trail Conference (“FLTC” or the “Organization”)
- ESD Investment:** A grant of up to \$82,710 to be used for regional tourism marketing.
- Project Location:** Finger Lakes Region
- Proposed Project:** Support to cross promote New York State’s longest footpath and the state parks along or adjacent to the trail system.
- Regional Council:** The Finger Lakes Regional Economic Development Council has been made aware and has endorsed this item. The Incentive Offer was accepted in May 2014. The project is consistent with the Regional Plan to promote tourism.

Background:

Organization History – The mission of the FLTC is “... to build, protect, enhance, and promote a continuous footpath across New York State. Forever!” The FLTC was founded in 1962. It works in cooperation with its members and various organizations to develop and maintain a premier hiking trail system in New York.

Ownership – The Finger Lakes Trail Conference is a 501(c)3 non-profit organization.

ESD Involvement – An \$82,710 grant from the Market NY Grant Program.

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

The Project:

Completion date – April 2015

Activity – The Finger Lakes Trail Conference will include, as part of the overall promotion, brochure development, printing, paid distribution in outdoor outlets in New York and Pennsylvania. The project also includes contracting a consultant to implement a twelve-month digital campaign promoting year-round use of the trail and visitation to the state parks.

M. Finger Lakes Trail and NYS Parks Marketing Project Working Capital (Z148)

July 17, 2014

Results – The Organization expects to reach a larger targeted audience, thereby increasing profitability for New York State Parks and increasing market share for the Finger Lakes Trail Conference.

During the course of the project, the Finger Lakes Trail Conference will furnish periodic reports providing current expenditures, as well as updates on the project. Upon completion of the project, Finger Lakes Trail Conference will furnish a final report describing the impact and effectiveness of the project.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|--|---------------|----------------------------|---------------|----------------|
| Collateral Production | \$2,500 | ESD Grant | \$82,710 | 100% |
| Collateral Printing | \$28,500 | | | |
| Digital Marketing Contract Employee | \$22,900 | | | |
| Digital Media Buy | \$20,000 | | | |
| Brochure Distribution | \$8,810 | | | |
| Total Project Costs | \$82,710 | Total Project Financing | \$82,710 | 100% |

Grantee Contact: Peggy Coleman
Finger Lakes Trail Conference
6111 Visitor Center Road
Mt. Morris, NY 14510
Phone: 607-426-0494
E-mail: rhc_pc@yahoo.com

Project Team: Project Management Kelly Rabideau- Baquerizo
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

Financial Terms and Conditions:

1. Grantee will be obligated to advise ESD of any materially adverse changes in its financial conditions prior to disbursement.
2. Up to \$82,710 will be disbursed to Grantee upon documentation of eligible project expenditures, and presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after December 11, 2013, to be considered eligible project costs. All disbursements require compliance with program requirements and must be requested by no later than April 1, 2016.

M. Finger Lakes Trail and NYS Parks Marketing Project Working Capital (Z148)

July 17, 2014

3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$82,710 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 and Supplier Diversity policy will apply. The Grant Recipient 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. Grant Recipient shall use Good Faith Efforts to solicit and utilize MWBEs for any contractual opportunities generated in connection with the Project and to include minorities and women in any job opportunities created by the projects.

Statutory Basis – New York Works Program:

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

Disclosure and Accountability Certifications:

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



Empire State Development

FOR CONSIDERATION

July 17, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Regional Council Award Projects Consent Calendar

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

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

Economic Development Purposes Fund

| | Project Name | Proj # | Grantee | Assistance up to |
|---|--|---------------|---|-------------------------|
| A | Farmingdale State College – STEM Project | X727 | The Research Foundation for SUNY on behalf of Farmingdale State College | \$100,000 |
| B | The Research Foundation of the City University of New York Working Capital | Y777 | The Research Foundation of the City University of New York | 100,000 |
| | | | TOTAL | \$200,000 |

Urban and Community Development Program

| | Project Name | Proj # | Grantee | Assistance up to |
|---|---|---------------|--|-------------------------|
| | Urban and Community Project Development Assistance | | | |
| C | West Shore Light Rail Planning Study | Y791 | Staten Island Economic Development Corporation | \$50,000 |
| | | | TOTAL | \$50,000 |

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.

ESD Financial Assistance Subject to Availability of Funds and Additional Approval

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

Statutory Basis – Economic Development Purposes Fund

The projects were authorized in the 2011-2012 or 2012-13 New York State budgets and reappropriated in the 2012-2013, 2013-2014 and 2014-2015 New York State Budgets. No residential relocation is required as there are no families or individuals residing on the site(s).

Statutory Basis – Urban and Community Development Program

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

Attachments

New York State Map

Resolutions

Project Summaries

July 17, 2014

Economic Development Purposes 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 Regional Council Capital Fund and Economic Development Purposes 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 President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make grants to the party and for the 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 |
|---|--|---------------|---|-------------------------|
| A | Farmingdale State College – STEM Project | X727 | The Research Foundation for SUNY on behalf of Farmingdale State College | \$100,000 |
| B | The Research Foundation of the City University of New York Working Capital | Y777 | The Research Foundation of the City University of New York | 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.

* * *

July 17, 2014

Urban and Community Development Program – Findings and Determinations Pursuant to Sections 16-d and 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 Urban and Community Development Program Project identified below (the “Project”), the Corporation hereby determines pursuant to Section 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that there are no families or individuals to be displaced from the project area; and be it further

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

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

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

Urban and Community Development Program

| | Project Name | Proj # | Grantee | Assistance up to |
|---|---|---------------|--|-------------------------|
| | Urban and Community Project Development Assistance | | | |
| C | West Shore Light Rail Planning Study | Y791 | Staten Island Economic Development Corporation | \$50,000 |
| | | | TOTAL | \$50,000 |

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. Farmingdale State College – STEM Project (X727)

July 17, 2014

- Grantee:** The Research Foundation for SUNY on behalf of Farmingdale State College (the “College”)
- ESD Investment:** A grant of up to \$100,000 to be used for a portion of the cost for conducting Diversity Summit (2013 and 2014) and purchase of one A+ Mobile STEM Technology Lab and one Mobile STEM Science Lab.
- Project Location:** 2350 Broadhollow Road, Farmingdale, Suffolk County
- Proposed Project:** The College will host two one-day STEM Diversity Summits for students, teachers and administrators in Long Island school districts.
- Project Type:** Education awareness to promote STEM opportunities
- Regional Council:** This is a transformational priority project for the Long Island Region and was awarded as part of the first round of the Regional Council Award process. The project is consistent with the Regional Plan for a knowledge-based suburban economy that creates new high-paying jobs and improves the quality of life for every resident. Hubert Keen, Ph.D. President of Farmingdale State College is a member of the 22 person Long Island Regional Economic Development Council. In conformance with the State’s policy, this individual has recused himself on votes recommending this project

Background:

Industry – Higher education

Grantee History – Founded in 1912, Farmingdale State College, a campus of the State University of New York, is a public comprehensive college of applied science and technology. In Fall 2013, the College had a total of 8,163 students and offered 37 undergraduate degrees with in four schools; Arts & Sciences, Business, Engineering Technology, and Health Sciences. The College also has several research centers and institutes.

Ownership – The College is a part of State University of New York, a public comprehensive college.

Size – The College campus spans over 380 acres and has more than 30 buildings.

Market – The College has a total undergraduate enrollment of 8,163 students.

A. Farmingdale State College – STEM Project (X727)

July 17, 2014

ESD Involvement – Long Island’s economic viability has traditionally been rooted in technology and innovation. Continued growth for the region relies on the preparation of a workforce capable of filling positions in science, technology, engineering and mathematics (“STEM”). As a result of the Governor’s Regional Economic Development Council Initiative, Farmingdale State College was awarded \$100,000 through the Consolidated Funding Application (“CFA”) process to assist with this transformative project that will foster economic development through workforce development.

Competition – n/a

Past ESD Support – ESD funding for the past five years to the Grantee is summarized in the following chart:

| Program | Project # | Amount | Date Start (ESD Directors’ Approval date) | Date End (Project Completion: Contract Expiration) | Purpose |
|---|-----------|-----------|---|--|---|
| New York State Development Assistance Program | U263 | \$200,000 | July 18, 2006 | December 2015 | Capital Grant – Purchase of machinery and equipment |

The Project:

Completion – November 2014

Activity – The Project involves education and training for the underrepresented population of Long Island in science, technology, engineering and math. The College will host two one-day STEM Diversity Summits to inspire Grades K-12, higher education, business and industry in exploring innovation to strengthen STEM teaching and learning. The Diversity Summit will showcase best practices and STEM research exhibits created by public school students in Grades 8-12, as well as presentations on sustainable energy technologies and biotechnologies by national, regional, and local businesses. The project also involves the purchase of mobile STEM technology lab and a mobile STEM science lab to help enhance the learning experience.

Results – The program will develop an integrated and effective systemic regional partnership between industry, academia and not-for profit organizations to increase the number of Long Island students interested in and prepared for careers in the high-tech and global businesses of Long Island.

Benefit-Cost Analysis – This project is an Economic Growth Investment project that does not involve permanent job commitments or construction spending. While such projects

A. Farmingdale State College – STEM Project (X727)

July 17, 2014

generate significant long term fiscal and economic benefits, such benefits are not estimated within the short-term period used in the benefit cost analysis. Therefore, no benefit cost analysis is provided.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|---------------------------------------|------------------|--------------------------------|------------------|-------------|
| Advertising, Printing and Hospitality | \$18,000 | ESD Grant | \$100,000 | 50% |
| A+ Mobile STEM Lab | 41,570 | Grantee Equity | 100,000 | 50% |
| Mobile STEM Science Lab | 45,430 | | | |
| Administrative Support and Salaries | 95,000 | | | |
| Total Project Costs | \$200,000 | Total Project Financing | \$200,000 | 100% |

Grantee Contact – Veronica Henry, Executive Assistant to the President
 2350 Broadhollow Road
 Farmingdale, NY 11735
 Phone: (631) 420-2622

Project Team –

| | |
|---------------------------------|---------------|
| Origination | Brian Teubner |
| Project Management | Beverly Bobb |
| Contractor & Supplier Diversity | Vikas Gera |
| Environmental | Soo Kang |

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall pay a commitment fee of 1% of the \$100,000 working capital grant (\$1,000) and reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. The Grantee will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Grantee’s written acceptance of ESD’s offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$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. Farmingdale State College – STEM Project (X727)

July 17, 2014

- documentation of purchase and installation of Mobile Lab equipment and completion of the 2013 Summit, documentation of project costs totaling \$100,000, 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 (\$50,000) will be disbursed upon documentation of purchase and installation of additional Mobile Lab equipment and completion of the 2014 Summit; documentation verifying an additional \$100,000 in eligible project expenditures (\$200,000 cumulatively) 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 April 24, 2012, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

5. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$100,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Statutory Basis – Economic Development Purposes Fund:

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

Non-Discrimination & Contractor and Supplier Diversity:

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

B. The Research Foundation of the City University of New York Working Capital (Y777)
July 17, 2014

- Grantee:** The Research Foundation of the City University of New York
- ESD Investment:** A grant of up to \$100,000 to be used for a portion of the cost of working capital expenses.
- Project Location:** 16 Court Street, 3rd Floor, Brooklyn, Kings County
- Proposed Project:** The Grantee will develop tools that enable employers in the health care, energy and technology sectors to develop partnerships with 9-14 College and Career Prep Schools. Through the work with these schools, employers will have the opportunity to develop education and training programs specifically tailored to its staffing needs.
- Project Type:** Program Development
- Regional Council:** The project is consistent with the New York City Regional Plan to connect workforce development and educational programs to employers and ensure that communities across the city are aware of how their residents and local employers can benefit from these programs.

Background:

Industry – The Grantee is a not-for-profit educational corporation that manages private and government sponsored programs at The City University of New York (“CUNY”). It provides educational institutions administrative infrastructure to support sponsored program activities.

Grantee History – The Grantee was formed in 1963 when it provided only CUNY its services, but has recently expanded to providing its services to non-CUNY clients as well. The Grantee has developed several programs that have been created in response to employer demands, which concentrate in the industries of healthcare, information technology, building operations and trades, hospitality and food services, transportation and manufacturing.

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

ESD Involvement – The Grantee applied through the Consolidated Financial Application (“CFA”) when it identified a need to produce partnerships between 9-14 College and Career Prep Schools and potential employers. The Grantee believes that there needs to be a new educational model for students that are not likely to receive a college degree,

B. The Research Foundation of the City University of New York Working Capital (Y777)
 July 17, 2014

but would benefit from additional job training because the economy will require 100,000 additional associate degree holders by 2020.

ESD awarded the Grantee \$100,000 to create tools to support employers in developing mentorship programs and internship programs.

In keeping with the New York City Economic Development Council’s Opportunity Agenda, the project offers opportunities to inner city residents by providing collaborative education and training to participate in New York’s workforce.

Past ESD Support – ESD’s financial support to the Grantee began in 1991. Since then, total financial support to the Grantee, including loans and grants, has been \$11,675,172 for 30 projects. The funds were fully disbursed for all grants, and the terms were fulfilled. There have not been any funding awards over the past five years.

The Project:

Completion – February 2015

Activity – The Grantee will develop tools to enable employers in the health care, energy and technology sectors to develop partnerships with 9-14 College & Career Prep schools. The Grantee will develop guidelines for employers hosting student interns, training materials and sample discussion topics for the employer mentors working with students, outreach materials to assist schools and employers to identify additional employment sites and help to refine links between degree requirements and skills needed by an employer.

Results – It is anticipated that students will obtain full-time employment after completing the mentorship and internship program.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|--------------------------|-----------|-------------------------|-----------|---------|
| Salaries | \$107,162 | ESD Grant | \$100,000 | 87% |
| Supplies | 1,500 | Grantee Equity | 15,534 | 13% |
| Technology | 1,500 | | | |
| Travel | 372 | | | |
| Printing/Web Development | 5,000 | | | |
| Total Project Costs | \$115,534 | Total Project Financing | \$115,534 | 100% |

Grantee Contact – Cass Conrad, Executive Director
 16 Court Street, 3rd Floor
 Brooklyn, NY 11201
 Phone: (718) 254-7160

B. The Research Foundation of the City University of New York Working Capital (Y777)
July 17, 2014

| | | |
|-----------------------|---------------------------------|-----------------|
| <u>Project Team</u> – | Origination | Joseph Tazewell |
| | Project Management | Jared Walkowitz |
| | Contractor & Supplier Diversity | Vikas Gera |
| | Environmental | Soo Kang |

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement
3. The Grantee will be required to contribute a minimum of 10% of the total project cost in the form of equity contributed after the Grantee's written acceptance of ESD's offer. Equity is defined as cash injected into the project by the Grantee or by investors, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project.
4. Up to \$100,000 will be disbursed to the Grantee, for working capital purposes, no more than quarterly, in proportion to ESD's share of funding, as described in these materials, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require Expenses must be incurred on or after March 17, 2014, 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 \$100,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

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.

B. The Research Foundation of the City University of New York Working Capital (Y777)
July 17, 2014

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 eligible categories totaling approximately \$8,000. As such, the goal MWBE utilization shall be no less than \$2,000.

Statutory Basis – Economic Development Purposes Fund

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

Disclosure and Accountability Certifications:

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

C. West Shore Light Rail Planning Study (Y791)

July 17, 2014

- Grantee:** Staten Island Economic Development Corporation (“SIEDC” or the “Organization”)
- ESD Investment:** A grant of up to \$50,000 to be used for a portion of the salary costs for a staff member to perform a West Shore Light Rail Study on Staten Island
- Project Location:** 900 South Avenue, West Shore, Richmond County
- Proposed Project:** The SIEDC will pay a staff member to advocate for and support the development and funding of an Alternatives Analysis study to create a commuter light rail on Staten Island.
- Project Type:** Feasibility study
- Regional Council:** The project is consistent with the New York City Regional Plan to generate improvements in the quality of life for New York City residents by improving transportation. The project will also serve businesses within the Staten Island Green Zone which has been named a priority project by the Regional Council.

Background:

Industry – The SIEDC serves as a lead advocate for the economic development of Staten Island. The Organization administers a wide range of free services to local businesses, including financing assistance, job training and technology assistance. SIEDC is particularly focused on manufacturing, Green/Clean-tech and industrial development on the West Shore of Staten Island.

Organization History – The SIEDC was established by local business leaders and the Staten Island Borough President’s Office in March 1993 to promote and facilitate economic development in the borough of Staten Island. It now administers 35 programs and provides services to 3,000 businesses and entrepreneurs annually. Since it was established, SIEDC’s economic development programs have generated \$550 million in capital investment and created 3,500 jobs.

Ownership – The SIEDC is a 501(c)(3) not-for-profit organization.

Size – The SIEDC employs approximately 15 people, both full and part time.

Market – The Organization serves small businesses and residents of Staten Island.

C. West Shore Light Rail Planning Study (Y791)

July 17, 2014

ESD Involvement – Since 2004, the SIEDC has identified the development of a public transportation system as a priority for the borough’s continued growth. According to the 2010 US Census, and further substantiated by the Center for Urban Future’s Staten Island Study, residents of the borough have the longest commute in the United States relative to time. To alleviate these transportation issues and allow residents to commute more efficiently, SIEDC initiated two studies in 2004 and 2009 to determine the possibility of building a new transportation system for Staten Island, and to gather proposals for possible models.

In the summer of 2013, the SIEDC considered undertaking a joint study that would examine the proposed routes, ridership estimates, and cost projection for a rapid transit rail on both the North and West Shores of Staten Island. In July 2013, the SIEDC sought to continue investigation into the proposed development of a rapid transit rail system on the West Shore known as the West Shore Light Rail study (“WSLR”). The plan was to build on the findings of the 2009 study and secure a sponsor who would undertake an in-depth examination of different types of transportation and the potential environmental impacts. The Organization was able to secure a portion of the cost to fund this venture, but encountered a gap in its budget.

In August 2013, the Organization applied through Round 3 of the Consolidated Funding Application for support to bridge the funding gap and was awarded funds from the Urban and Community Development Program in May 2014. That same year, the MTA agreed to fund the North Shore portion of this proposed study. Once the sponsor has been secured for the West Shore study, SIEDC hopes to secure federal funding for further research to develop the proposed light-rail system.

Competition – N/A

Past ESD Support – In the past five years, the Organization has received the following support:

| Program | Project # | Amount | Date Start (ESD Directors’ Approval date) | Date End (Project Completion: Contract Expiration or Job Requirement) | Purpose |
|--|------------------|---------------|--|--|----------------------------------|
| Urban and Community Development Program | X385 | \$30,000 | August 2011 | May 2012 | Brownfield Assessment Program |

C. West Shore Light Rail Planning Study (Y791)

July 17, 2014

The Project:

Completion – June 2016

Activity – The SIEDC will retain staff to advocate for and support the development of a two-part study of the feasibility of developing a rapid-transit rail system on the West Shore of Staten Island. The first part of the study will comprise an Alternative Analysis review of the different types of transportation, possible costs, and recommend a blueprint for operation. The second part will consist of an Environmental Impact Statement for the development of the proposed system.

Results – SIEDC’s ongoing efforts for this project will facilitate its ability to seek federal funding to carry out the Alternative Analysis and Environmental Impact Statements.

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|----------------------|-----------|-------------------------|-----------|---------|
| Administrative Costs | \$100,000 | ESD Grant | \$50,000 | 50% |
| | | Organization Equity | 50,000 | 50% |
| Total Project Costs | \$100,000 | Total Project Financing | \$100,000 | 100% |

Grantee Contact – Steve Grillo, Vice President
900 South Avenue, Suite 402
Staten Island, NY 10314
Phone: (718) 477-1400

Project Team –

| | |
|---------------------------------|-----------------|
| Origination | Adem Bunkeddeko |
| Project Management | Simone Bethune |
| 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.
3. The Organization will be required to contribute at least 10% of the total project cost in the form of equity contributed after the Organization’s written 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.

C. West Shore Light Rail Planning Study (Y791)

July 17, 2014

4. Funds will be disbursed in arrears, no more frequently than quarterly, in proportion to ESD's funding share. The final 10% of funds will be disbursed upon completion of the project as evidenced by a minimum of \$100,000 in project costs and other documentation as ESD may reasonably require, including a copy of the Final Report.

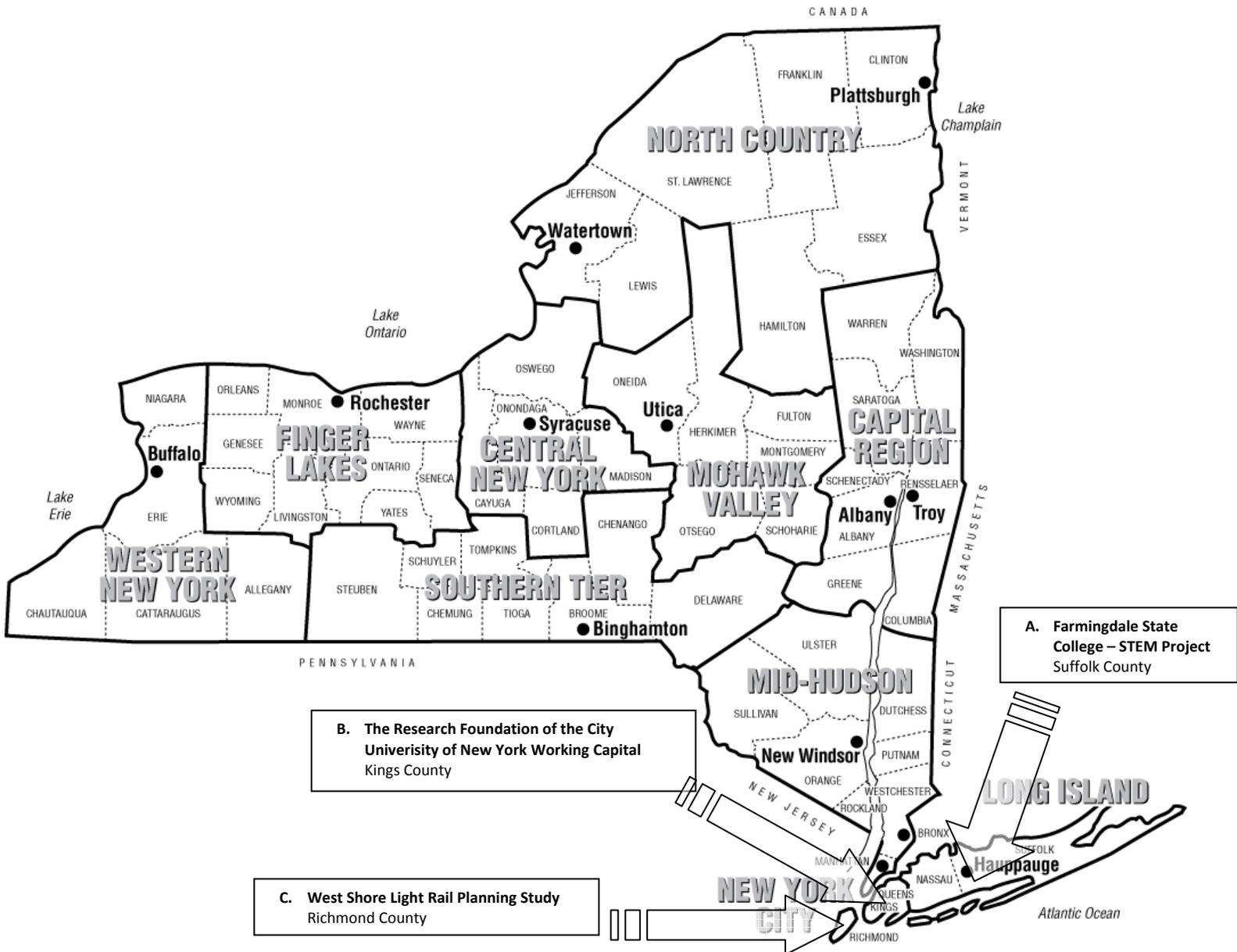
Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenses must be incurred on or after May 16, 2014, to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

5. Funding will pay the salary of SIEDC staff to continue work related to the feasibility study for the WSLR. Specific tasks to be accomplished include the following: secure additional \$5 million for a final Alternative Analysis and an Environmental Impact Statement; present to the New York Metropolitan Transportation Council's Transportation Coordinating Committees; work with the Regional Plan Association on its comprehensive rapid transit plan for the outer boroughs; and secure a sponsor for the final study of a rapid transit system for the West Shore of Staten Island.
6. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$50,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the 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.

Statutory Basis – Urban and Community Development Program:

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

**Economic Development Purposes Fund and
Urban and Community Development Program**





Empire State Development

FOR CONSIDERATION

July 17, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Non-Discretionary Projects

REQUEST FOR: Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c) and 10 (g) of the Act; Authorization to Adopt the General Project Plan; Authorization to Make a Grants and to Take Related Actions

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

| | Project Name | Proj # | Grantee | Assistance up to |
|---|--|--------|--|--------------------|
| | Upstate City-by-City (Executive) | | | |
| A | Belmont Housing – Bellamy Commons Upstate City-by-City Capital | Y700 | Belmont Housing Resources for WNY, Inc. | \$500,000 |
| | Community Capital Assistance Program (Senate) | | | |
| B | Gerritsen Beach Fire Department Capital | Y843 | Gerritsen Beach Fire Volunteers, Inc. | 50,000 |
| | Local Assistance (Senate) | | | |
| C | Bronx Overall Economic Development Corporation Working Capital | Y553 | Bronx Overall Economic Development Corporation | 600,000 |
| | TOTAL NON-DISCRETIONARY – 3 PROJECTS | | TOTAL | \$1,150,000 |

I. Statutory Basis

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

II. Environmental Review

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

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

III. Non-Discrimination and Contractor & Supplier Diversity

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

IV. ESD Employment Enforcement Policy

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

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

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

VI. Additional Requirements

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

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

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

VII. Additional Submissions to Directors

New York State Map
Resolutions
Project Summary

July 17, 2014

Upstate City-by-City – Land Use Improvement Findings and Determinations Pursuant to Sections 10 (c) and 10 (g) of the Act; Authorization to Adopt the General Project Plan; Authorization to Make a Grant and to Take Related Actions

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 Upstate City-by-City 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 General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, are hereby ordered filed with the records of the Corporation; and be it further resolved:

Land Use Improvement Project

- 1) That the area in which the project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest the sound growth and development of the municipality;
- 2) That the project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto;
- 3) That the plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole;
- 4) That the proposed facilities or project is consistent with any existing local or regional comprehensive plan; and
- 5) The requirements of Section 10(g) of the Act are satisfied.

and be it further

RESOLVED, 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 Upstate City-by-City, 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

Upstate City-by-City – Executive - Project Summary Table

| | Project Name | Proj # | Grantee | Assistance up to |
|---|--|---------------|---|-------------------------|
| A | Belmont Housing – Bellamy Commons Upstate City-by-City Capital | Y700 | Belmont Housing Resources for WNY, Inc. | \$500,000 |
| | | | TOTAL | \$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.

* * *

July 17, 2014

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

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

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the “Plan”) for the Project submitted to this meeting, together with such changes therein as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, 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 Community Capital Assistance Program, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the 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 Capital Assistance Program – Senate – Project Summary Table

| | Project Name | Proj # | Grantee | Assistance up to |
|---|---|---------------|---------------------------------------|-------------------------|
| B | Gerritsen Beach Fire Department Capital | Y843 | Gerritsen Beach Fire Volunteers, Inc. | \$50,000 |
| | | | TOTAL | \$50,000 |

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.

* * *

July 17, 2014

Buffalo (Western New York Region – Erie County) – Belmont Housing – Bellamy Commons - Upstate City-by-City Capital – Capital Grant – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the Belmont Housing – Bellamy Commons - Upstate City-by-City Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

* * *

July 17, 2014

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

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

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

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

Local Assistance – Senate – Project Summary Table

| | Project Name | Proj # | Grantee | Assistance up to |
|---|--|---------------|--|-------------------------|
| C | Bronx Overall Economic Development Corporation Working Capital | Y553 | Bronx Overall Economic Development Corporation | \$600,000 |
| | | | TOTAL | \$600,000 |

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. Belmont Housing - Bellamy Commons Upstate City-by-City Capital (Y700)

July 17, 2014

General Project Plan

| | |
|--------------------------|--|
| Grantee: | Belmont Housing Resources for WNY, Inc. ("Belmont") |
| ESD Investment: | A grant of up to \$500,000 to be used for a portion of the costs of renovation for the commercial component of a mixed-use facility. |
| Project Location: | 1490 Jefferson Avenue, Buffalo, Erie County |
| Proposed Project: | Redevelopment and adaptive re-use of a vacant property into a residential and commercial mixed-use facility. |
| Project Type: | Capital |
| Regional Council: | The Western New York Regional Economic Development Council ("WNYREDC") has been made aware of this item. |

Background:

Industry – Belmont provides development, property management, counseling and rental assistance services with the core mission to expand affordable housing opportunities to families, seniors, and persons with physical disabilities in the existing Erie and Niagara County neighborhoods with adjacent employment, shopping, schools and public transportation. Belmont receives the majority of its funding through the United States Department of Housing and Urban Development, as well as support from various federal, state, and local agencies and partners, including philanthropic organizations.

History – Belmont was created in 1977 as Belmont Shelter Corporation to administer Section 8 of the Housing Act of 1937 on behalf of Erie County. In 2010, it changed its name to Belmont Housing Resources of WNY, Inc. to better reflect its many services.

Ownership – Not-for-profit 501(c)(3) organization.

ESD Involvement – In 2013, the City of Buffalo ("Buffalo" or the "City") advised ESD that Belmont had identified an opportunity for an adaptive re-use of a vacant building in a distressed area of the City currently experiencing economic growth. The vacant structure, which was previously utilized as a bank branch, a community center and a local office of the National Association for the Advancement of Colored People ("NAACP"), would be converted into a mixed-use residential and commercial facility. However, Belmont lacked sufficient funds to proceed with mixed-use project.

Belmont Housing - Bellamy Commons Upstate City-by-City Capital (Y700)

July 17, 2014

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

The Project:

Completion – August 2015

Activity – The project includes acquisition of three-separate parcels including a 113-year-old, 66,000-square-foot vacant building; demolition of approximately 46,200-square-foot of the existing structure; renovations to the remaining space; and the construction of a connecting two-story, 32,377-square-foot building, consisting of a 23,980-square-foot of residential space and a 8,397-square-foot of common space. The exterior façade will resemble a store-front appearance. Bellamy Commons LLC, a newly-established subsidiary of Belmont, expects to purchase the structure in September 2014, after which project activities will immediately begin to convert the vacant building into Bellamy Commons, a mixed-use structure including 30-units of handicapped adaptable residential housing, a common space and a commercial component. Bellamy Commons was designed to meet the standards of the Enterprise Green Communities Criteria by using energy efficient resources to reduce environmental impacts, thereby providing long-term cost savings to the tenants and the owner.

Results – The project will provide for 20 one-bedroom apartments with rents ranging from \$445 to \$600 per month and 10 two-bedroom units with rents ranging from \$520 to \$700 per month. 15 units will be available to families whose income is less than 60% of the Area Median Income (“AMI”) and 15 units will be available to families with income less than 50% of the AMI. Bellamy Commons will offer three units with full accessibility for persons with mobility impairment, and two units for hearing or vision impairments. All apartments will feature carpeting; sheet vinyl in kitchens and bathrooms; mini-blinds; energy-efficient ovens, ranges, and refrigerators; and ample storage. Residents will be responsible for utilities. Bellamy Commons will include a community room with an equipped kitchen, two laundry rooms, and a playground. The apartments are projected to be fully rented within five months after project completion.

The NAACP and the Buffalo Black Achievers Museum (the “Museum”) will be the anchor tenants for the one-story, 1,800-square-foot commercial component of Bellamy Commons, allowing residents, the surrounding neighborhood, and tourists to become knowledgeable of the area's strong African American community and history. The Museum will showcase local African American contributions from 1973 to the present in science, education, the arts, music, government, business and social policy.

Belmont Housing - Bellamy Commons Upstate City-by-City Capital (Y700)

July 17, 2014

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|----------------------------|--------------------|--|--------------------|-------------|
| Building Acquisition | \$295,000 | ESD Grant | \$500,000 | 6% |
| Construction | 5,608,572 | NYS Housing Trust Fund Program-Loan* | 2,522,470 | 33% |
| Soft Costs | 1,789,643 | NYS Division of Housing and Community Renewal Low Income Housing Tax Credits | 4,670,745 | 61% |
| Total Project Costs | \$7,693,215 | Total Project Financing | \$7,693,215 | 100% |

*1%/25yrs/available cash flow, if any.

Grantee Contact – Mr. Michael Riegel
 Vice President, Housing Development
 Belmont Housing of WNY, Inc.
 1195 Main Street
 Buffalo, NY 14209
 Phone: (716) 884-7791

Project Team – Origination/Project Management Jean Williams
 Contractor & Supplier Diversity Vikas Gera
 Design & Construction Dennis Conroy
 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 \$500,000 will be disbursed to Grantee during the course of the project for eligible commercial construction expenditures incurred by Belmont and/or Bellamy Commons LLC, no more frequently than monthly, in compliance with ESD’s Design and Construction requirements and in proportion to ESD’s funding share of construction costs, assuming that all project approvals have been completed and funds are available. The first payment requisition should include documentation of the building acquisition. The final disbursement, which shall be at least 10% of the grant amount, shall be disbursed to the Grantee upon completion of the project as evidenced by a certificate of occupancy for the Project Location. Payment will be made upon

Belmont Housing - Bellamy Commons Upstate City-by-City Capital (Y700)

July 17, 2014

presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures must be incurred on or after April 1, 2008, 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 \$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.

Design and Construction:

ESD's Design & Construction ("D &C") staff will review the project management plan, scope, budget and schedule. D&C shall be apprised of progress throughout construction phase and receive a copy of Meeting /Owner/CM periodic reports. D&C will visit each site at its option, review monthly payment applications/requisitions and recommend payment when its requirements have been met per the GDA disbursement agreement.

Environmental Review:

The City of Buffalo 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 December 3, 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.

Non-Discrimination and Contractor & Supplier Diversity:

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Recipient shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women Business Enterprise (MWBE) for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 40%. The overall goal shall include a Minority Business Enterprise Participation Goal of 30% and a Women Business Enterprise Participation Goal of 10% related to the total value of ESD's funding.

Statutory Basis – Section 10 Findings – Upstate City-by-City Project:

Land Use Improvement Project

1. That the area in which the project is to be located is a substandard or unsanitary area,

Belmont Housing - Bellamy Commons Upstate City-by-City Capital (Y700)

July 17, 2014

or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest the sound growth and development of the municipality.

The project involves the rehabilitation and reconstruction of a vacant building, which has been deemed to arrest sound growth and development in the area.

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

The project involves the rehabilitation of a vacant building in Buffalo for use as new residential housing, office space, and museum space. The building, if left vacant, would continue to deteriorate, further prohibiting economic development efforts within Buffalo.

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

The project includes renovation of a vacant inner-City structure. There are no recreational or other facilities affected.

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

Work for the design and construction phases of the project will include requests for proposals to local suppliers and contractors. Award for contracts will be consistent with regulations governing municipal bid processes.

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

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

Disclosure and Accountability Certifications:

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

B. Gerritsen Beach Fire Department Capital (Y843)

July 17, 2014

General Project Plan

- Grantee:** Gerritsen Beach Fire Volunteers, Inc. (“Gerritsen” or “Organization”)
- ESD Investment:** A grant of up to \$50,000 to be used for a portion of the cost of the purchase of fire equipment.
- Project Location:** 52 Seba Ave, Brooklyn, Kings County
- Proposed Project:** Purchase of a Wildfire Scout, a quick-response vehicle that can move into areas that are unaccessible by fire trucks.
- Project Type:** Capital
- Regional Council:** The New York City Regional Council has been made aware of this item.

Background:

Industry – Fire Department

Organizational History – Established in 1922, Gerritsen is a volunteer fire department that serves the small summer community of Gerritsen Beach. The Organization purchased its first ambulance in 1973 after community members were frustrated with long waits for ambulances. Gerritsen still meets the demands of the community for reduced waits for ambulances and a faster response time to fire emergencies.

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

ESD Involvement – A \$50,000 appropriation was included in the FY 2014-2015 New York State budget.

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

The Project:

Completion – August 2014

Activity – The Grantee will purchase a quick response vehicle called a Wildfire Scout.

Results – The quick response vehicle will enable Gerritsen to distinguish fires quickly in areas that are not accessible by fire trucks.

Gerritsen Beach Fire Department Capital (Y843)

July 17, 2014

| Financing Uses | Amount | Financing Sources | Amount | Percent |
|---------------------|----------|-------------------------|----------|---------|
| Wildfire Scout | \$56,989 | ESD Grant | \$50,000 | 88% |
| | | Grantee Equity | 6,989 | 12% |
| Total Project Costs | \$56,989 | Total Project Financing | \$56,989 | 100% |

Grantee Contact - Doreen Garson, Chief
52 Seba Ave
Brooklyn, NY 11229
Phone: (718) 332-9292

Project Team - Project Management Jared Walkowitz
Contractor & Supplier Diversity Vikas Gera
Environmental Soo Kang

Financial Terms and Conditions:

1. Upon execution of the grant disbursement agreement, the Grantee shall reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
3. Up to \$50,000 will be disbursed to Grantee upon documentation of equipment project costs totaling at least \$56,989, 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, 2002, 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 \$50,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

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 (MWBs) in the performance of ESD projects. For purposes of this project, however, goals will not be established due to the unavailability of certified MWBs for performance of this Contract.

Gerritsen Beach Fire Department Capital (Y843)

July 17, 2014

Statutory Basis – Community Capital Assistance Program:

The project was authorized in accordance with Chapter 84 of the Laws of 2002 and reappropriated in the 2014-2015 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:

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

C. Bronx Overall Economic Development Corporation Working Capital (Y553)

July 17, 2014

- Grantee:** Bronx Overall Economic Development Corporation (“BOEDC” of the “Organization”)
- ESD Investment:** A grant of up to \$600,000 to be used for the cost of programs and initiatives to promote the Bronx.
- Project Location:** Various sites in the borough of the Bronx
- Proposed Project:** Funds will be used to support events that will showcase the richness and diversity of the Bronx, encourage current Bronx businesses to remain in the borough and employ its residents, and encourage businesses interested in relocating to the borough to create job opportunities.
- Regional Council:** The New York City Regional Council has been made aware of this item.

Background:

Industry – BOEDC is an economic development organization.

Organizational History – The Bronx Overall Economic Development Corporation is a community-based organization established in 1981 under a 301 (a) Planning Grant from the U.S. Economic Development Administration to promote economic development in The Bronx. For over thirty years, BOEDC has been a leader during the economic resurgence of the borough, generating and expanding new employment and business opportunities for residents of the Bronx.

Ownership – BOEDC is a not-for-profit organization.

ESD Involvement – The project was authorized in the FY 2013-2014 New York State budget.

Past ESD Support – Funding for the past five years to the Grantee is summarized in the following chart:

| Program | Project # | Amount | Date Start (ESD Directors’ Approval date) | Date End (Project Completion: Contract Expiration) | Purpose |
|--|-----------|----------|---|--|--|
| Community Development Financial Institutions Fund | X504 | \$50,000 | October 20, 2011 | January 31, 2013 | Technical and financial assistance to small businesses and M/WBEs |
| | Y191 | \$30,000 | February 21, 2013 | March 31, 2014 | |

Bronx Overall Economic Development Corporation Working Capital (Y553)
July 17, 2014

Bronx Overall Economic Development Corporation Working Capital (Y553)

July 17, 2014

Financial Terms and Conditions:

1. The Grantee will be obligated to advise ESD of any materially adverse changes in its financial condition prior to disbursement.
2. Up to \$600,000 will be disbursed to Grantee, no more frequently than monthly, for eligible expenses actually incurred by the Grantee 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 after April 1, 2013, the date that the New York State budget, in which the project is authorized, was passed. The final ten percent (10%) of the Grant shall not be disbursed by ESD until all of the tasks and reports required have been completed to ESD's satisfaction.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$600,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Non-Discrimination and Contractor & Supplier Diversity:

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

Statutory Basis – Local Assistance:

The project was authorized in the 2013-2014 New York State budget and reappropriated in the 2014-2015 New York State budget.

Disclosure and Accountability Certifications:

The Grantee has provided ESD with the required Disclosure and Accountability Certifications, which indicate that Grantee has a conflict of interest or good standing violation. On April 12, 2013, BOEDC received a letter of censure from the State of New York Authorities budget Office (ABO) for failure to file reporting information. During the preceding two years BOEDC challenged the ABO's assertion of jurisdiction over BOEDC. In January 2014, BOEDC made the decision to suspend its challenge and is now actively working with ABO to bring the organization into compliance with ABO reporting requirements. The Grantee has now conceded jurisdiction. The ABO has confirmed in writing that the BOEDC has submitted and certified the required reports for the 2012-13 reporting period, and its 2014-15 budget in the

Bronx Overall Economic Development Corporation Working Capital (Y553)

July 17, 2014

Public Authorities Reporting Information System (PARIS). BOEDC's reports for the 2013-14 reporting period will be due September 30, 2014. Accordingly, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.

FOR CONSIDERATION

July 17, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Investment Report

REQUEST FOR: Approval of Investment Guidelines and Investment Report and Authorization to Take Related Actions

Background

Section 2925 of the Public Authorities Law (the "Law") requires annual approval by the New York State Urban Development Corporation d/b/a Empire State Development ("ESD" or the "Corporation") of the "Investment Report" and "Investment Guidelines."

The ESD Investment Report (the "Report") for the Fiscal Year ended March 31, 2014 is attached hereto. It includes (1) ESD Investment Guidelines ("Guidelines"); (2) Results of the Annual Independent Audit; (3) Investment Performance and Income Records; (4) Statement of Fees, Commissions and Related Service Charges; and (5) the Investment Portfolio as of March 31, 2014 with market value.

Investment Guidelines

The Guidelines were readopted with the Investment Report in July 2013. The Law requires that in addition to annual approval of the Report, the Guidelines must also be annually reviewed and approved by the Corporation. The Guidelines include, among other things, a list of permitted Corporate investments, as well as procedures and provisions to secure the Corporation's financial interest in its investments.

Investment Income

For the fiscal year 2013-14, there were total investment earnings of \$1.6 million (prior fiscal year was \$2.1 million). Investment income was applied to corporate requirements, revenue bond portfolio debt service, and various economic development projects and programs.

Investment Portfolio

The Corporation had average investments of \$2.08 billion for fiscal 2013-14 (prior fiscal year was \$1.51 billion); the increase is primarily due to issuance of bonds for various projects and programs, and the prefunding of future debt service requirements by the State. The portfolio had an average maturity of 58 days (prior fiscal year was 67 days) and a portfolio yield of 0.08% (prior fiscal year was 0.12%). As a benchmark, the average yield for U.S. T-bills with a 2 month maturity was 0.03% for the fiscal year; additionally, the average yield for U.S. Agency Discount Notes with a 2 month maturity was 0.04% for the fiscal year. As of fiscal year end, U.S. T-bills and U.S. Agency Discount Notes represented approximately 99% of the portfolio.

The portfolio design reflects both the need for a high degree of liquidity, and an extremely low interest rate environment. These funds are used to accommodate:

- Construction Drawdown Schedules
- Debt Service Payment Schedules
- Requirements under Bond Indentures
- Project Closing and Disbursement Schedules
- Corporate Operating Expenses

Investments are summarized as follows:

Par amount
in millions
as of 3/31/14

ESD Corporate, E.D., C.P. Bond & Related Funds

| | |
|---|-----------------|
| Corporate Operations, Reserves & Other Restricted Funds | \$ 341.3 |
| Restricted Econ. Dev. Programs, Projects & Related Funds | \$ 222.8 |
| Corporate Purpose Bond Funds – Funds related to Debt Service Reserves, Bond Service, and Housing | \$ <u>141.9</u> |
| Total | \$ 706.0 |

Revenue Bond Project & Related Funds:

| | |
|--------------------------------|-----------------|
| Bond Service Funds | \$ 385.6 |
| Economic Development Programs | \$ 669.4 |
| Correctional Facility Programs | \$ 296.6 |
| Equipment Programs | \$ 79.5 |
| All Other Programs | \$ <u>635.1</u> |
| Total | \$ 2,066.2 |

Grand Total \$ 2,772.2

Requested Action

The Directors are asked to adopt the attached Investment Guidelines and Investment Report, and to authorize the taking of related actions.

Attachments

Resolution
Annual Investment Report

July 17, 2014

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a EMPIRE STATE DEVELOPMENT – (the “Corporation”) Approval of the Investment Guidelines and Investment Report and Authorization to Take Related Actions

WHEREAS, the Corporation wishes to comply with Section 2925 of the Public Authorities Law (“Law”) which mandates that public benefit corporations annually prepare and approve an Investment Report (“Report”) which includes, among other things, the Corporation's Investment Guidelines (“Guidelines”) and

WHEREAS, said Law also requires the annual review and approval of its Guidelines; and

WHEREAS, the Corporation has prepared the Report for the fiscal year ended March 31, 2014; and

WHEREAS, the Corporation adopted Guidelines in 1984 which have been amended and were most recently approved by the Corporation on July 18, 2013; and

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

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Guidelines as amended are hereby approved and it is further

RESOLVED, that the Report is hereby approved; and it is further

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

* * *

NEW YORK STATE URBAN DEVELOPMENT CORPORATION
D/B/A EMPIRE STATE DEVELOPMENT

ANNUAL INVESTMENT REPORT
FISCAL YEAR ENDED MARCH 31, 2014

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**NEW YORK STATE URBAN DEVELOPMENT CORPORATION
d/b/a EMPIRE STATE DEVELOPMENT
INVESTMENT GUIDELINES, AS AMENDED**

Introduction

On January 19, 1984, the New York State Urban Development Corporation adopted comprehensive corporate investment guidelines as required by Section 2925 of the New York Public Authorities Law. The following comprehensive corporate Investment Guidelines amend and restate the guidelines previously adopted in compliance with the requirement for periodic review and updating of Investment Guidelines set forth in Section 2925 and in the Investment Guidelines for Public Authorities adopted by the Comptroller of the State of New York in July 1987.

ARTICLE ONE

Definitions

As used herein the terms set forth below are defined as follows:

- 1.1 "Comptroller" means the State Comptroller.
- 1.2 "Corporation" means the New York State Urban Development Corporation, d/b/a Empire State Development, as a corporate governmental agency of the State of New York, constituting a public benefit corporation and a political subdivision, established pursuant to Chapter 174 of the Laws of 1968 of the State of New York.
- 1.3 "Investment Funds" means all monies and financial resources available for investment by the Corporation, other than proceeds of bonds issued by the Corporation.
- 1.4 "Repurchase Agreement" means a repurchase agreement satisfying the requirements set forth in Article Four herein.
- 1.5 "Securities" means any or all of the investment obligations of the categories described in Section 4.1 of Article Four herein.
- 1.6 "State" means the State of New York.

ARTICLE TWO

Scope

These guidelines shall govern the investment and reinvestment of Investment Funds and the sale and liquidation of investments, as well as the monitoring, maintenance, accounting, reporting and internal controls by and of the Corporation with respect to such investment, sale, reinvestment and liquidation.

ARTICLE THREE

Investment Objectives

The Corporation's investment activities shall have as their first and foremost objective the safeguarding of the principal amount of the Investment Funds. Additional considerations regarding the Corporation's investment activities shall be liquidity of investments, realization of a reasonable return on investments and diversification of investments.

ARTICLE FOUR

Permissible Investments

- 4.1 The Corporation may invest its Investment Funds in any and all of the following, if and to the extent permitted by statutes, regulations and bond resolutions applicable at the time of investment of such Investment Funds:
- 1) Any bonds and other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by the United States of America;
 - 2) Any bonds and other obligations which as to principal and interest constitute direct obligations of the State or the Corporation or which are unconditionally guaranteed by the State as to payment of principal and interest;
 - 3) Bonds and other obligations of governmental authorities, political subdivisions, Federal Agencies, Government Sponsored Enterprises (GSE's) or public authorities of the State or of the United States of America, which are securities in which the Corporation lawfully may invest pursuant to applicable statutes, regulations and bond resolutions including but not limited to Federal National Mortgage Association (FNMA), Federal Farm Credit Bank (FFCB), Federal Home

Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC-“Freddie Mac”), and Student Loan Marketing Association (SLMA-“Sallie Mae”);

- 4) Prime Commercial Paper issued by domestic banks, corporations and financial companies rated "A-1" or "P-1" by Standard & Poor's Corporation or Moody's Investors Service, Inc.;
 - 5) Certificates of Deposit of banks or trust companies authorized to do business in this State, including commercial banks who participates in New York State Excelsior Linked Deposit programs and are authorized program depositories, which certificates of deposit are fully insured by the Federal Deposit Insurance Corporation or fully secured, as required by Section 4.3.1 below, by securities of the character described in clauses (1), (2) or (3) of this paragraph;
 - 6) Subject to the requirements of Section 4.2 below, any repurchase agreement with any bank or trust company authorized to do business in the State of New York or with any broker-dealers included in the Federal Reserve Bank of New York's list of primary government security dealers, which agreement is secured by securities of the character described in clauses (1), (2) or (3) of this paragraph;
 - 7) Real property;
 - 8) Units, shares or interest in a mutual fund or money market fund of regulated investment companies which seek to maintain a constant net asset value per share of \$1.00 and have been rated in one of the two highest categories by at least one nationally recognized ratings organization and invests in instruments described in clauses (1), (2) or (3) of this paragraph.
- 4.1.1 The Corporation may invest its Small Business Technology Investment Fund, or any successor entity, in all types of equity investments, including but not limited to stock, convertible debt and debts with warrants in addition to the other permitted investments referenced above.

4.2 Specific Requirements Governing Repurchase Agreements

- 4.2.1 Eligible Sellers. The Corporation shall enter into Repurchase Agreements only with banks or trust companies authorized to do business in the State or from broker-dealers on the Federal Reserve Bank of New York's list of primary government securities dealers and only after the Corporation's Chief Financial Officer or Treasurer has reviewed such firm's capitalization and the Corporation's Chief Financial Officer and Chief Executive Officer have set a limit on the amount of monies that the Corporation may invest with such firm at any one time. The

placement of Repurchase Agreements shall be distributed among several authorized firms to reduce the level of risk. The investment limit set for each such firm shall not be exceeded unless the Chief Financial Officer, the Chief Executive Officer or the Controller of the Corporation makes a written finding that sufficient Securities are not available from other eligible firms. Not less frequently than once each year, the Corporation's Chief Financial Officer or Treasurer shall review and, if appropriate, recommend adjustment of the investment limit for each eligible seller in light of such firm's current capitalization. All investment limit adjustments shall require the approval of the Chief Financial Officer and Chief Executive Officer.

4.2.2 Eligible Custodian Banks. To be eligible to hold the Securities which are the subject of a Repurchase Agreement, a custodial bank should be a member of the Federal Reserve Bank or maintain accounts with member banks to accomplish book-entry transfer of Securities to the credit of the Corporation. Transfer of Securities, whether by book entry or physical delivery, should be confirmed in writing to the Corporation by the custodial bank. The custodian should not be the same party that is selling the Securities. The Corporation's Directors must affirmatively find that a proposed custodial bank is financially sound before such bank may be eligible to perform custodial services for the Corporation.

4.2.3 Maximum Maturity of Repurchase Agreements. There shall be no "open repurchase" agreements. Repurchase Agreements shall be limited to a maturity not to exceed ten (10) working days. Collateral shall have maturities not exceeding thirty (30) years.

4.2.4 Standard Terms for Repurchase Agreements. The Corporation shall execute a master Repurchase Agreement with each broker-dealer which outlines the basic rights of both buyer and seller including:

- (a) The events of default which would permit the Corporation to liquidate or purchase the underlying Securities;
- (b) The relationship between parties to the agreement, which should ordinarily be purchaser and seller;
- (c) A requirement that there be a written contract with the custodial bank outlining the responsibilities of the bank and the parties to the agreement. Such an agreement must provide, among other things, that the custodial bank will not make payment for the Securities until the bank actually receives them and that the custodial bank takes possession of the Securities exclusively for the Corporation and that any claims of the custodial bank are subordinate to those of the Corporation;

- (d) Procedures which ensure that the Corporation obtains a perfected security interest in the underlying Securities. The Corporation or its custodian must take possession of the Securities being purchased by physical delivery or book entry. Furthermore, the written agreement shall contain a provision that, in the event a court of final jurisdiction construes the specific Repurchase Agreement to be a loan, the seller shall be deemed to have granted the Corporation a perfected security interest in the purchased Securities;
- (e) The market value of the Securities purchased under a repurchase transaction must be at least equal to the purchase price. The value of the Securities must be monitored and marked to market on a daily basis. Additional Securities shall be required if market fluctuations cause the market value of the purchased Securities to become less than the purchase price. The Corporation's Chief Financial Officer or Treasurer shall establish the method of computing margin maintenance requirements and providing for timely correction of margin deficiencies or excesses, taking into consideration:
 - (i) the size and terms of the transaction;
 - (ii) the type of underlying Security;
 - (iii) the maturity of the underlying Security;
 - (iv) the capitalization, financial status and type of purchaser and/or seller; and
 - (v) the method by which additional margin will be maintained; and
- (f) Circumstances, if any, under which substitution of Securities subject to the agreement shall be permitted.

4.3 Specific Requirements Regarding Certificates of Deposit.

- 4.3.1 Collateral Requirements. To the extent that the Corporation's investment in a certificate of deposit is less than fully insured by the Federal Deposit Insurance Corporation, the uninsured portion shall be fully collateralized by Securities (other than Repurchase Agreements). Collateral for a certificate of deposit must be reviewed at least weekly to determine if the market value of the Securities equals or exceeds the principal amount of the uninsured portion of the certificate of deposit plus accrued interest. If the market value of the Securities is insufficient, the issuer of the certificate of deposit must exchange or add to the

amount of collateral to bring its market value to equal or exceed the uninsured portion of the principal amount of the certificate of deposit plus accrued interest.

4.3.2 Standard Terms for Certificate of Deposit Collateral Agreement. The Corporation shall negotiate and enter into a written agreement with each bank (and custodian) from which it has obtained a certificate of deposit. Such written agreement shall, at a minimum, address the following concerns:

- (a) The frequency of the valuation of the collateral to market, as set forth above (such valuation shall be done by the Corporation at least weekly);
- (b) The right and ability of the bank to substitute like Securities as collateral;
- (c) Description of events of default which would permit the Corporation or its custodian to liquidate or purchase the underlying Securities;
- (d) Description of the party who is to have title to the underlying Securities during the term of the agreement;
- (e) With respect to the custodial bank, the agreement shall also provide that the custodial bank takes possession of the Securities as agent of the Corporation and that the claims of the custodial bank are subordinate to those of the Corporation.

ARTICLE FIVE

Operating Procedures

5.1 Authorized Officers and Employees. Only the following persons shall be authorized to make investment decisions on behalf of the Corporation: the Chairman of the Corporation's Directors; the President and Chief Executive Officer; the Chief Financial Officer; the Treasurer; the Controller, and the Executive Vice President-Legal. The implementation of such investment decisions by placement of purchase or sale orders or otherwise shall be effected only by the foregoing officers and employees and by such employees as may from time to time be designated in writing by the Chief Financial Officer and Treasurer.

5.2 Standards for the Qualification of Brokers, Dealers and Agents. Any bank or trust company organized under the laws of any state of the United States of America or any national banking association or government bond dealer which is authorized to do business in the State may become qualified by the Corporation to transact purchases and sales of Securities (other than Repurchase

Agreements) with the Corporation. Factors to be considered in determining the qualification of such firms shall include the firm's capitalization, quality, size and reliability, the Corporation's prior experience with the firm, the firm's level of expertise and prior experience with respect to the contemplated transaction. The determination of qualification shall be made by the Chief Financial Officer and the Treasurer, who shall maintain a list of all such qualified firms.

5.3 Standards for the Qualification of Investment Advisors. For the purpose of rendering investment advice to the Corporation, the Corporation may qualify any bank or trust company organized under the laws of any state of the United States of America, any national banking association, and any partnership, corporation, or person which is:

- (a) Authorized to do business in the State;
- (b) Registered with the Securities & Exchange Commission under the Investment Advisor Act of 1940;
- (c) Registered with the New York State Secretary of State as an Investment Advisor; and
- (d) A member in good standing of the Investment Counsel Association of America.

The Corporation also shall consider the additional criteria (other than capitalization) enumerated in the preceding paragraph.

5.4 Standards for the Qualification of Custodial Banks. To be eligible to hold Securities as collateral for an investment made by the Corporation, a custodial bank should be a member of the Federal Reserve Bank or maintain accounts with member banks to accomplish book-entry transfer of Securities to the credit of the Corporation. Transfer of Securities, whether by book entry or physical delivery, should be confirmed to in writing to the Corporation by the custodial bank. The custodian should not be the same party that is selling the Securities. To be eligible to perform custodial services, the Corporation's Directors must affirmatively find that the proposed custodial bank is financially sound.

5.5 Competitive Bids; Negotiated Prices. In connection with the purchase and sale of Securities, for each transaction in excess of two and one-half million dollars (\$2,500,000.00) (or such other threshold dollar amount as the Chief Financial Officer may specify in writing), the Corporation shall utilize competitive quotations. For each transaction which is equal to or less than two and one-half million dollars (\$2,500,000.00) (or such other threshold dollar amount as the Chief Financial Officer may specify in writing), the Corporation may utilize either competitive quotations or negotiated prices. The foregoing shall not apply to the purchase of government securities referred to in section 4.1 (1) at initial auction or to the purchase of investments referred to in section 4.1 (3) which are

new securities priced directly by the respective issuer. A complete and continuous record of all quotes, solicited and received, shall be maintained by the Treasury Department.

For each transaction (other than the purchase of governmental securities at initial auction or new securities priced directly by the respective issuer) in excess of two and one-half million dollars (or such other threshold dollar amount as the Chief Financial Officer may specify in writing), a minimum of three separate solicitations will be made on each direct purchase or sale of a Security (including a Repurchase Agreement). The transaction shall be awarded to the dealer(s) offering the highest yield or return, provided that, with respect to Repurchase Agreements, the amount of the investment with each individual firm does not exceed the investment limit referred to in Section 4.2.1 above.

5.6 Written Contracts and Confirmations. A written contract and/or a written confirmation shall be a required for each investment transaction. With respect to the purchase or sale of Securities other than Repurchase Agreements, the Corporation shall not be required to enter into a formal written contract, provided that the Corporation's oral instructions to its broker, dealer, agent, investment advisor or custodian with respect to such transactions are confirmed in writing at the earliest practicable moment. A written contract shall be required for each purchase and sale of a Repurchase Agreement.

5.7 Payment. Payment for investments shall be made only upon written confirmation of presentation of the physical Security, or in the case of book-entry form Securities, when credited for the custodian's account, which shall be segregated for the Corporation's sole use. The custodian may act on oral instructions from an authorized officer of the Corporation or their designee, such instructions to be confirmed in writing immediately by an authorized officer of the Custodian. Such collateral shall, on the date of purchase, be at least equal in market value to the amount of the investment.

5.8 Collateral. Except as specifically otherwise provided herein, the Corporation's financial interest in its investments shall be fully secured or collateralized at all times in an amount not less than the original amount invested plus accrued, unpaid interest thereon. Securities permissible for investment by the Corporation pursuant to these Guidelines (other than Repurchase Agreements) may be accepted as collateral. Contracts of financial guaranty, surety or other similar bonds or instruments purchased from an insurance company holding the highest rating afforded by any nationally recognized rating organization may be acceptable as collateral. Pledges of proportionate interests in pooled collateral shall not constitute acceptable collateral. In the case of certificates of deposit and demand and time deposits, collateral shall be provided for amounts in excess of the applicable limit of coverage provided by the Federal Deposit

Insurance Corporation. Collateral shall be maintained in the custody of the Corporation or an approved third party custodian at all times. To assure that, at all times, the market value of said collateral is at least equal to the original amount invested plus all accrued, unpaid interest, collateral shall be marked to market at the time the investment is made and thereafter weekly.

5.9 Operating Procedure Manual. The Corporation's Treasurer shall prepare a Standard Operating Manual for placing, controlling and reporting of all investment activity which shall be consistent with these guidelines, be approved by the Corporation's Controller or Chief Financial Officer and shall be consistent with the following:

- (a) Each disbursement of funds (and corresponding receipt of Securities) or delivery of Securities (and corresponding receipt of funds) should be based upon proper written authorization. If the authorization is initially given orally, there should be written confirmation from the Corporation's authorized officer to the custodian;
- (b) The process of initiating, reviewing and approving requests to buy and sell Securities should be documented and retained for audit purposes;
- (c) Custodians must have prior authorization from the Corporation to deliver obligations and collateral. All transactions must be confirmed in writing to the authority. Delivery of obligations sold should only be made upon receipt of funds;
- (d) Custodial banks should be required to report whenever activity has occurred in the Corporation's custodial account;
- (e) There should be at least monthly verifications of both the principal amount and the market values of all investments and collateral. Appropriate listings should be obtained from the custodian and compared against the Corporation's records;
- (f) A record of investments shall be maintained by the Corporation's Treasurer. The records should identify the Security, the fund for which held, the place where kept, date of disposition and amount realized and the market value and custodian of collateral;
- (g) The establishment and maintenance of a system of internal controls;
- (h) Methods for adding, changing or deleting information contained in the investment record, including a description of the documents to be created and verification tests to be conducted;

- (i) A data base or record incorporating descriptions and amounts of investments, transaction dates, interest rates, maturities, bond ratings, market prices and related information necessary to manage the portfolio; and
- (j) Requirements for periodic reporting and a satisfactory level of accountability.

ARTICLE SIX

Reports and Audits

The following reports and audits shall be prepared in connection with the Corporation's investment program.

6.1 Annual Investment Report. As required by Section 2925(6) of the Public Authority Law, annually the Chairman shall submit to the Directors and the Corporation shall file with the State Division of the Budget, Comptroller, State Senate Finance Committee and Assembly Ways and Means Committee an annual investment report, prepared with the assistance of the Chief Financial Officer and Controller, which shall include the following:

- 1) The Investment Guidelines required by Section 2925(3) of the Public Authorities Law and any amendments to such guidelines since the last investment report;
- 2) An explanation of the Investment Guidelines and amendments;
- 3) The results of the Annual Investment Audit (described below);
- 4) The investment income record of the Corporation; and
- 5) A list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the Corporation since the date of the last investment report.

6.2 Annual Investment Audit. Each year, the Corporation shall cause its independent auditors to conduct an audit (the "Annual Investment Audit") regarding the

Corporation's investments. (The Corporation's financial statements with respect to investments, which are required to be prepared in conformance with generally accepted accounting principles for governments ("GAAP"), should contain all of the note disclosures on deposits with financial institutions and investments required by the Governmental Accounting Standards Board Statements No. 3 "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements" dated April 1986). The Annual Investment Audit:

- 1) Shall determine whether: the Corporation complies with its own investment policies; investment assets are adequately safeguarded; adequate accounts and records are maintained which accurately reflect all transactions and report on the disposition of the Corporation's assets; and a system of adequate internal controls is maintained.
- 2) Shall determine whether the Corporation has complied with applicable laws, regulations and State Comptroller's Investment Guidelines; and
- 3) Should be designed to the extent practical to satisfy both the common interest of the Corporation and the public officials accountable to others.

6.3 Annual Investment Audit Report. The results of the Annual Investment Audit shall be set forth in a report (the "Annual Investment Audit Report") which shall include without limitation:

- 1) verification of collateral;
- 2) a description of the scope and objectives of the audit;
- 3) a statement that the audit was made in accordance with generally accepted government auditing standards;
- 4) a description of any material weaknesses found in the internal controls;
- 5) a description of all non-compliance with the Corporation's investment policies as well as applicable laws, regulations and the State Comptroller's Investment Guidelines;
- 6) a statement of positive assurance of compliance on the items tested and negative assurance on those items not tested;
- 7) a statement on any other material deficiency or finding identified during the audit not covered in (6) above; and

- 8) recommendations, if any, with respect to amendment of these Guidelines.

The Annual Investment Audit Report shall be filed within ninety (90) days after the close of the Corporation's fiscal year with the Coordinator of Public Authority Programs, Office of the State Comptroller, A. E. Smith Office Building, Albany, NY 12236.

ARTICLE SEVEN

Affirmative Action

A program of Affirmative Action shall apply with respect to the Corporation's corporate investment activities. The Corporation shall seek to encourage participation by minority and women-owned financial services firms in the conduct of its corporate investment activities.

ARTICLE EIGHT

Miscellaneous

- 8.1 In connection with the Annual Investment Audit, each year the Corporation shall review these guidelines to determine whether the Corporation shall amend or otherwise update them.
- 8.2 The Corporation's policy regarding conflicts of interest shall be followed regarding the investment of funds.

Explanation of Investment Guidelines & Amendments

On January 19, 1984, the New York State Urban Development Corporation adopted comprehensive corporate investment guidelines as required by Section 2925 of the New York Public Authorities Law. The Guidelines have been amended and restated over time in compliance with the requirement for periodic review and updating of investment guidelines set forth in Section 2925 and in the Investment Guidelines for Public Authorities adopted by the Comptroller of the State of New York in July 1987. The Guidelines include, among other things, a list of permitted Corporate investments, as well as procedures and provisions to secure the Corporation's financial interest in its investments. There are no recommended changes to the Investment Guidelines.

When making investment decisions the first priority that is considered is the preservation of capital; after that liquidity, and then return on investment are evaluated. There are numerous projects and programs whose funding needs must be accommodated; frequently these funding requirements occur on short notice. The safety and liquidity factors, combined with today's very low rate environment, result in a portfolio that currently has a short average maturity (for the fiscal year ended March 31, 2014 this average was 58 days).

INDEPENDENT AUDITORS' REPORT

The Board of Directors
New York State Urban Development
Corporation:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of New York State Urban Development Corporation and Subsidiaries (the "Corporation"), a component unit of the State of New York, as of and for the years ended March 31, 2014 and 2013, and the related notes to consolidated financial statements, which collectively comprise the Corporation's consolidated financial statements as listed in the table of contents.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the net position of New York State Urban Development Corporation and Subsidiaries as of March 31, 2014 and 2013, and the respective changes in net position and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

As described in note 2 to the financial statements, the Corporation adopted the provisions of GASB Statement No. 65 - "Items Previously Reported as Assets and Liabilities." Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 18 and the Schedule of Funding Progress - Other Postemployment Benefits on page 66 be presented to supplement the basic consolidated financial statements. Such information, although not a part of the basic consolidated financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 16, 2014, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Corporation's internal control over financial reporting and compliance.

In accordance with Government Auditing Standards, we have also issued our report dated June 16, 2014 on the Corporation's compliance with Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York. The purpose of that report is to provide an opinion as to the Corporation's compliance with investment guidelines contained therein. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Corporation's internal control over financial reporting and compliance.

Toski & Co., CPAs, P.C.

Williamsville, New York
June 16, 2014

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors
New York State Urban Development
Corporation:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the consolidated financial statements of New York State Urban Development Corporation and Subsidiaries (the "Corporation"), a component unit of the State of New York, which comprise the consolidated statement of net position as of March 31, 2014, and the related consolidated statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to consolidated financial statements, and have issued our report thereon dated June 16, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Toski & Co., CPAs, P.C.

Williamsville, New York
June 16, 2014

INDEPENDENT AUDITORS' REPORT ON INVESTMENT COMPLIANCE

The Board of Directors
New York State Urban Development
Corporation:

Report on Investment Program Compliance

We have audited the New York State Urban Development Corporation and Subsidiaries' (the "Corporation"), a component unit of the State of New York, compliance with the types of compliance requirements described in the Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York related to its investment program during the year ended March 31, 2014.

Management's Responsibility

Management is responsible for compliance with the requirements of Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York related to its investment program.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance of the Corporation's investment program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the investment program occurred. An audit includes examining, on a test basis, evidence about the Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the investment program. However, our audit does not provide a legal determination of the Corporation's compliance.

Opinion on Investment Program

In our opinion, the New York State Urban Development Corporation and Subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its investment program for the year ended March 31, 2014.

Report on Internal Control Over Compliance

Management of the Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Corporation's internal control over compliance with the types of requirement that could have a direct and material effect on the investment program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the investment program and to test and report on internal control over compliance in accordance with Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Section 201.3 of Title Two of the Official Compilation of Codes, Rules, and Regulations of the State of New York. Accordingly, this report is not suitable for any other purpose.

Toski & Co., CPAs, P.C.

Williamsville, New York
June 16, 2014

EMPIRE STATE DEVELOPMENT
INVESTMENT SUMMARY
AS OF MARCH 31, 2014

| <u>FUNDS/PROGRAMS (a)</u> | <u>AMOUNT</u> (S000'S) <u>(PAR)</u> | <u>AVERAGE</u> <u>WEIGHTED</u> <u>YIELD</u> <u>(%)</u> | <u>AVERAGE</u> <u>WEIGHTED</u> <u>MATURITY</u> <u>(DAYS)</u> |
|--|---|---|---|
| CORPORATE | 341,255 | | |
| CORP. OPERATIONS & VARIOUS RESTRICTED FUNDS | 248,028 | 0.10 | 101 |
| OPEB LIABILITY ACCT (026C) | 22,539 | 0.09 | 86 |
| 125 MAIDEN LANE FUND (025) | 62,027 | 0.09 | 97 |
| EXCELSIOR LINKED DEPOSIT PROGRAM FUNDS (010) (i) | 8,661 | 0.00 | 181 |
| (i) YIELD IS USED FOR SUBSIDY PROGRAM | | | |
| PORT DIST. REG'L PROM. & WTC LOAN GUAR. RESRV. FUND | 897 | | |
| WTC RESERVE - JPM CHASE (044) | 897 | 0.08 | 17 |
| ECONOMIC DEVELOPMENT PROGRAM FUNDS | 159,749 | | |
| EMPIRE STATE ED PROGRAM (050) | 5,677 | 0.05 | 27 |
| USA NIAGARA (085) | 10,318 | 0.04 | 39 |
| SPECIAL LEGISLATIVE INITIATIVES (199) | 12,985 | 0.04 | 36 |
| HIGH RISK MINORITY REVOLVING LOAN FUND (201) | 6,500 | 0.06 | 24 |
| HCDC VICTORIA THEATRE (249) | 915 | 0.04 | 15 |
| COMMUNITY PROJECT FUND MISC. (212) | 4,986 | 0.04 | 46 |
| MINORITY & WOMEN BUSINESS DEV. LENDING (218) | 2,935 | 0.04 | 17 |
| QUEENS WEST DEV. CORP. (460) | 9,145 | 0.04 | 31 |
| REG'LL REVOLVING LOAN TRUST FUND LOCAL ASST. (225) | 2,459 | 0.04 | 49 |
| URBAN & COMMUNITY DEV PROG. (226) | 984 | 0.05 | 53 |
| REGIONAL ECONOMIC DEV. LOCAL ASST. (262) | 1,487 | 0.03 | 59 |
| ED GENERAL (310) | 19,317 | 0.05 | 66 |
| REGIONAL ECONOMIC DEV. PARTNERSHIP (312) | 1,982 | 0.04 | 23 |
| ERIE CANAL HARBOR DEV. (322) | 10,004 | 0.07 | 65 |
| NEW NEW YORK (474C) | 2,486 | 0.06 | 52 |
| ED INCOME (618P) | 1,999 | 0.07 | 14 |
| JOBS NOW (055) | 5,000 | 0.08 | 116 |
| INTEREST SUBSIDY FUND (054) | 1,982 | 0.04 | 32 |
| EMPOWERMENT ZONE - CITY (053) | 12,120 | 0.04 | 30 |
| PA DISNEY TRUST NEW AMSTERDAM (504) | 10,236 | 0.06 | 73 |
| ONE BRYANT PARK GENERAL REVENUE (529) | 6,724 | 0.05 | 54 |
| ED PROGRAM FUND 2010 (143) | 1,490 | 0.03 | 4 |
| MERF (146) | 23,518 | 0.04 | 61 |
| MOYNIHAN PHASE I (102) | 4,500 | 0.06 | 46 |
| FARLEY CERTIF.'S OF PARTICIPATION 2013 | 2,014 | | |
| CAPITALIZED INTEREST FUND (435) | 2,014 | 0.04 | 17 |
| PORT AUTHORITY REVENUE FUND | 51,874 | | |
| REVENUE FUND (799) | 51,874 | 0.07 | 80 |
| CORP. PURPOSE BONDS & RELATED HOUSING FUNDS | 141,969 | | |
| REDEMPTION FUND (421) | 47,437 | 0.06 | 59 |
| DEBT SERVICE RESERVE FUND SUB. LN. '04A (794) | 7,937 | 4.51 | 14 |
| EXCESS RECOVERY (008) | 35,417 | 0.09 | 58 |
| HOUSING & ED LOAN ESCROW (010) | 3,349 | 0.08 | 162 |
| TENANT REPAIR LOSS (029) | 6,507 | 0.04 | 53 |
| PORTFOLIO MANAGEMENT ACCOUNT (007) | 41,322 | 0.11 | 66 |
| UDC/COMMUNITY ENHANCEMENT FACILITIES -SERIES 1998 | 4,796 | | |
| ERIE CO. STAD. CONSTRUCTION FUND (060) | 4,702 | 0.03 | 24 |
| DEBT SERVICE RESERVE FUND (768) | 94 | 0.02 | 80 |
| UDC/CLARKSON UNIVERSITY LOAN '95 REFUNDING | 653 | | |
| DEBT SERVICE RESERVE FUND (625) | 513 | 0.61 | 789 |

EMPIRE STATE DEVELOPMENT
INVESTMENT SUMMARY
AS OF MARCH 31, 2014

| <u>FUNDS/PROGRAMS (a)</u> | <u>AMOUNT</u> (<u>\$000'S</u>) (<u>PAR</u>) | <u>AVERAGE</u> <u>WEIGHTED</u> <u>YIELD</u> (<u>%</u>) | <u>AVERAGE</u> <u>WEIGHTED</u> <u>MATURITY</u> (<u>DAYS</u>) |
|---|---|---|---|
| BOND SERVICE FUND (624) | 140 | 0.03 | 87 |
| UDC/COLUMBIA UNIVERSITY PROJECT REVENUE BONDS | 5,541 | | |
| BOND SERVICE FUND (415) | 5,541 | 0.03 | 86 |
| UDC/COLUMBIA UNIVERSITY LOAN PROJECT REVENUE BONDS | 4,969 | | |
| DEBT SERVICE RESERVE FUND (378) | 4,969 | 0.08 | 87 |
| UDC/CORNELL UNIVERSITY LOAN PROJECT REVENUE BONDS | 1,448 | | |
| DEBT SERVICE RESERVE FUND (381) | 701 | 0.08 | 87 |
| BOND SERVICE FUND (380) | 747 | 0.03 | 86 |
| UDC/STATE OFFICE FACILITIES BONDS '95 REFUNDING | 13,216 | | |
| DEBT SERVICE RESERVE FUND (618) | 10,307 | 0.04 | 17 |
| BOND SERVICE FUND (614) | 2,909 | 0.06 | 184 |
| UDC/SYRACUSE UNIVERSITY LOAN '95 REFUNDING | 2,852 | | |
| DEBT SERVICE RESERVE FUND (634) | 2,656 | 0.04 | 17 |
| BOND SERVICE FUND (458) | 196 | 0.03 | 87 |
| UDC/UNIVERSITY GRANTS '95 REFUNDING | 1,134 | | |
| DEBT SERVICE RESERVE FUND (609) | 881 | 0.01 | 80 |
| BOND SERVICE FUND (783) | 253 | 0.03 | 87 |
| UDC/PERS. INC. TAX '02 C1 | 370 | | |
| CORRECTIONAL PROJ. FUND (747) | 370 | 0.02 | 80 |
| UDC/PERS. INC. TAX '02 D | 138 | | |
| S.I.P. PROJ. FUND (755) | 138 | 0.02 | 80 |
| UDC/PERS. INC. TAX '03 B | 292 | | |
| CORR. PROJ. FUND (808) | 149 | 0.01 | 80 |
| EQUIP. PROJ. FUND (777) | 143 | 0.01 | 80 |
| UDC/PERS. INC. TAX '03 C1 | 1,036 | | |
| CCAP PROJ. FUND (771) | 101 | 0.01 | 80 |
| EOF PROJ. FUND (772) | 576 | 0.02 | 80 |
| SPORT PROJ. FUND (773) | 359 | 0.01 | 80 |
| UDC/PERS. INC. TAX '04 A1 | 549 | | |
| A.E.S. PROJ. FUND (814) | 549 | 0.01 | 80 |
| UDC/PERS. INC. TAX '04 A3 | 465 | | |
| BOND SERVICE FUND (821) | 465 | 0.01 | 80 |
| UDC/PERS. INC. TAX '04 B3 | 7,728 | | |
| EOF FUND (823) | 7,728 | 0.04 | 17 |
| UDC/PERS. INC. TAX '05 A1 | 10,033 | | |
| EOF PROJ. FUND (847) | 10,033 | 0.03 | 17 |
| UDC/PERS. INC. TAX '05 B | 1,479 | | |
| CORR. PROJ. FUND (862) | 181 | 0.01 | 80 |
| EQUIP. PROJ. FUND (868) | 1,164 | 0.02 | 80 |
| ELK ST. PROJ. FUND (866) | 134 | 0.02 | 80 |

EMPIRE STATE DEVELOPMENT
INVESTMENT SUMMARY
AS OF MARCH 31, 2014

| <u>FUNDS/PROGRAMS (a)</u> | <u>AMOUNT</u> <u>(\$000'S)</u> <u>(PAR)</u> | <u>AVERAGE</u> <u>WEIGHTED</u> <u>YIELD</u> <u>(%)</u> | <u>AVERAGE</u> <u>WEIGHTED</u> <u>MATURITY</u> <u>(DAYS)</u> |
|------------------------------------|---|---|---|
| UDC/PERS. INC. TAX '07 A | 158 | | |
| QUEENS STADIUM FUND (871) | 158 | 0.02 | 80 |
| UDC/PERS. INC. TAX '07 B | 123 | | |
| EQUIP. PROJ. FUND (880) | 123 | 0.01 | 80 |
| UDC/PERS. INC. TAX '07 C | 2,739 | | |
| CORRECTIONAL FUND (891) | 168 | 0.02 | 80 |
| EQUIP. PROJ. FUND (886) | 2,571 | 0.04 | 17 |
| UDC/PERS. INC. TAX '08 A1 | 10,256 | | |
| ATLANTIC YARDS FUND (905) | 221 | 0.01 | 80 |
| BUFFALO FUND (901) | 236 | 0.02 | 80 |
| COMM. CAPITAL ASST. FUND (896) | 1,531 | 0.01 | 80 |
| CEFAP FUND (902) | 4,059 | 0.03 | 18 |
| CULTURAL FUND (899) | 841 | 0.01 | 80 |
| ECON. DEVELOPMENT FUND (898) | 2,604 | 0.04 | 17 |
| SIP FUND (903) | 432 | 0.02 | 80 |
| YANKEE STADIUM FUND (904) | 332 | 0.02 | 80 |
| UDC/PERS. INC. TAX '08 A2 | 440 | | |
| TECHNOLOGY FUND (907) | 440 | 0.02 | 80 |
| UDC/PERS. INC. TAX '09 A1 | 39 | | |
| UPSTATE REG'L BLUEPRINT (921) | 23 | 0.01 | 80 |
| ECON. DEVELOPMENT (932) | 16 | 0.02 | 80 |
| UDC/PERS. INC. TAX '09 B1 | 3,433 | | |
| BOND SERVICE (935) | 21 | 0.01 | 45 |
| EQUIPMENT (939) | 3,412 | 0.04 | 17 |
| UDC/ CORR./YOUTH S.C.REF. '02B | 7,967 | | |
| BOND SERVICE FUND (744) | 7,967 | 0.06 | 168 |
| UDC/ S.C.REFUNDING 2005 A | 31,131 | | |
| BOND SRV (845) | 31,131 | 0.09 | 251 |
| UDC/ S.C.REFUNDING 2005 B | 4,029 | | |
| BOND SRV (870) | 4,029 | 0.09 | 247 |
| UDC/ S.C.REFUNDING 2007 A | 25,818 | | |
| BOND SRV (884) | 25,818 | 0.09 | 231 |
| UDC/ S.C.REFUNDING 2008 A, B, C, D | 131,564 | | |
| A - BOND SRV (910) | 930 | 0.03 | 17 |
| B - BOND SRV (911) | 22,184 | 0.07 | 178 |
| C - BOND SRV (913) | 5,918 | 0.07 | 178 |
| D - BOND SRV (914) | 102,532 | 0.09 | 243 |
| UDC/ S.C.REFUNDING 2010 A, B | 173,222 | | |
| A - BOND SRV (990) | 56,712 | 0.09 | 238 |
| B - BOND SRV (993) | 116,510 | 0.10 | 262 |
| UDC/ S.C.REFUNDING 2011 A | 1,604 | | |

EMPIRE STATE DEVELOPMENT
INVESTMENT SUMMARY
AS OF MARCH 31, 2014

| <u>FUNDS/PROGRAMS (a)</u> | <u>AMOUNT</u> <u>(\$000'S)</u> <u>(PAR)</u> | <u>AVERAGE</u> <u>WEIGHTED</u> <u>YIELD</u> <u>(%)</u> | <u>AVERAGE</u> <u>WEIGHTED</u> <u>MATURITY</u> <u>(DAYS)</u> |
|---------------------------|---|---|---|
| BOND SERVICE FUND (995) | 1,604 | 0.07 | 168 |
| UDC/ STPIT GEN 09C | 29,680 | | |
| ARTS & CULTURE (949) | 1,877 | 0.01 | 80 |
| CAPITAL PROJECT (950) | 8,235 | 0.03 | 17 |
| COMM CAP (951) | 4,715 | 0.05 | 17 |
| CEFAP (952) | 5,831 | 0.04 | 17 |
| DWNSTREVITAL (954) | 5 | 0.01 | 80 |
| EMP OPP (957) | 1,897 | 0.01 | 80 |
| NYSEDAP (958) | 22 | 0.01 | 45 |
| NYSTDP (960) | 22 | 0.02 | 80 |
| SIP (962) | 833 | 0.01 | 80 |
| UPSTREGLBLUE (966) | 9 | 0.01 | 80 |
| EQUIP (969) | 6,234 | 0.05 | 17 |
| UDC/ STPIT GEN 09D | 12,712 | | |
| SEMATECH TX (972) | 476 | 0.02 | 80 |
| CAP PROJ IBM TX (974) | 3,578 | 0.03 | 18 |
| DWNSTREGPR IBM TX (975) | 8,648 | 0.04 | 17 |
| UPSTREGLBLUE TX (979) | 10 | 0.02 | 80 |
| UDC/ STPIT GEN 09E | 285 | | |
| BAB AMD (982) | 208 | 0.02 | 80 |
| BAB CORR FAC (983) | 77 | 0.01 | 80 |
| UDC/ STPIT GEN 10A | 46,091 | | |
| ADELPHI (003) | 374 | 0.02 | 80 |
| DWNSTREVITAL (004) | 873 | 0.01 | 80 |
| UPSTCTYBCTY (008) | 18 | 0.02 | 80 |
| EQUIP (010) | 31,277 | 0.04 | 24 |
| CORR FAC (029) | 6 | 0.02 | 80 |
| CAP PROJ (011) | 13,528 | 0.04 | 17 |
| UPSTREGLBLUE (013) | 8 | 0.02 | 80 |
| NYSEDAP (014) | 7 | 0.01 | 80 |
| UDC/ STPIT GEN 10B | 34 | | |
| TX UPSTAGR (017) | 3 | 0.01 | 80 |
| TX NYRA (020) | 31 | 0.01 | 80 |
| UDC/ STPIT GEN 10C | 149 | | |
| BAB CORR FAC (023) | 92 | 0.02 | 80 |
| BAB YTH FAC (024) | 57 | 0.01 | 80 |
| UDC/ STPIT GEN 11A | 72,806 | | |
| DOWNSTATE REVIT (033) | 2,618 | 0.04 | 17 |
| EOF-OFF BDGT (035) | 323 | 0.01 | 80 |
| EOF-ON BDGT (036) | 20,117 | 0.04 | 17 |
| LUTHER (037) | 178 | 0.02 | 80 |
| RESTORE NY (041) | 8 | 0.02 | 80 |
| UPST CTY-BY-CTY (043) | 6,451 | 0.04 | 17 |
| CAPITAL PROJ (044) | 5,397 | 0.04 | 17 |
| UPST REGL BLUE (045) | 2 | 0.02 | 80 |
| EQUIPMT (046) | 34,572 | 0.04 | 24 |
| CORRECTIONAL (047) | 128 | 0.02 | 80 |
| YOUTH (048) | 4 | 0.02 | 80 |
| ST POLICE (049) | 8 | 0.02 | 80 |
| AG & MRKT FD LB (051) | 3 | 0.01 | 80 |

EMPIRE STATE DEVELOPMENT
INVESTMENT SUMMARY
AS OF MARCH 31, 2014

| <u>FUNDS/PROGRAMS (a)</u> | <u>AMOUNT</u> (\$000'S) <u>(PAR)</u> | <u>AVERAGE</u> <u>WEIGHTED</u> <u>YIELD</u> <u>(%)</u> | <u>AVERAGE</u> <u>WEIGHTED</u> <u>MATURITY</u> <u>(DAYS)</u> |
|---|--|---|---|
| HOMELAND (052) | 973 | 0.03 | 17 |
| HOUSING (053) | 2,024 | 0.02 | 80 |
| UDC/ STPIT GEN 11B | 10,490 | | |
| CAPITAL PROJ (056) | 6,922 | 0.03 | 17 |
| EDF (057) | 200 | 0.02 | 80 |
| EOF-OFF BDGT (058) | 600 | 0.02 | 80 |
| NYSEDAP (059) | 563 | 0.01 | 80 |
| NYSEDP JAVITS (062) | 2,203 | 0.04 | 17 |
| UPST REGL BLUE (064) | 2 | 0.02 | 80 |
| UDC/ STPIT GEN 13A | 306,454 | | |
| COI (076) | 34 | 0.02 | 80 |
| ARTS & CULT. (078) | 5,334 | 0.02 | 23 |
| DOWNSATTE REVIT. (079) | 6,968 | 0.05 | 17 |
| ECON. & COMM. (080) | 551 | 0.01 | 80 |
| NYSEDAP (081) | 1,831 | 0.01 | 80 |
| UPSTATE AGR. EC. DEV (082) | 2,500 | 0.05 | 17 |
| UPSTATE CITY-BY-CITY (083) | 9,497 | 0.05 | 17 |
| UPSTATE REG'L BLUEPRINT (084) | 7,443 | 0.02 | 24 |
| BUFFALO REG'L INNOV. CLUSTER (085) | 4,117 | 0.05 | 17 |
| ECON. TRANSFORMATION (086) | 2,675 | 0.05 | 17 |
| RCCF (087) | 6,300 | 0.02 | 24 |
| ADELPHIA MOU (088) | 1,004 | 0.02 | 80 |
| CEFAP (089) | 1,655 | 0.01 | 80 |
| CAPITAL PROJ. FND. - CULT. (090) | 25,626 | 0.05 | 17 |
| CAPITAL PROJ. FND. - EC.DEV/OTHER (091) | 17,867 | 0.05 | 17 |
| CAPITAL PROJ. FND. - UNIV. (092) | 7,040 | 0.05 | 17 |
| RESTORE NY (093) | 57,033 | 0.05 | 17 |
| SUBSUNY (HH RICHARDSON) (095) | 45,434 | 0.05 | 16 |
| NYSTDP (096) | 5,373 | 0.03 | 17 |
| NYSEDP - UPSTATE STADIUM (097) | 1,078 | 0.02 | 80 |
| NYSEDP - UPSTATE JAVITS (098) | 754 | 0.02 | 80 |
| CCAP (099) | 3,292 | 0.05 | 17 |
| REDP (100) | 1,813 | 0.01 | 80 |
| CORRECTIONAL (070) | 60,544 | 0.04 | 22 |
| YOUTH (071) | 3,776 | 0.03 | 17 |
| STATE POLICE (072) | 13,047 | 0.04 | 17 |
| AG & MARKETS (FOOD LAB) (073) | 1,864 | 0.02 | 80 |
| HOMELAND SEC. (074) | 12,002 | 0.04 | 17 |
| HOUSING (TAX-EXEMPT) (075) | 2 | 0.02 | 80 |
| UDC/ STPIT GEN 13B | 105,135 | | |
| CAPITAL PROJ. FND. - NANOTECH (103) | 616 | 0.02 | 80 |
| DOWNSATE REVITAL. (104) | 1,000 | 0.02 | 80 |
| UPSTATE CITY-BY-CITY (105) | 13,171 | 0.04 | 17 |
| UPSTATE REG'L BLUEPRINT (106) | 23,242 | 0.04 | 17 |
| SUNY CNSE (CAPITAL PROJ. FND.) (107) | 45,014 | 0.04 | 17 |
| RCCF (108) | 6,551 | 0.04 | 17 |
| CAPITAL PROJ. FND. - EC.DEV/OTHER (109) | 11,183 | 0.04 | 17 |
| NYSTDP (110) | 1,531 | 0.01 | 80 |
| HOUSING (TAXABLE) (111) | 3 | 0.01 | 45 |
| NYSEDP - UPSTATE JAVITS (112) | 2,824 | 0.05 | 17 |
| UDC/ STPIT GEN 13C | 129,583 | | |
| CHIPS (117) | 119,479 | 0.04 | 17 |
| SHIPS (118) | 100 | 0.02 | 80 |

EMPIRE STATE DEVELOPMENT
INVESTMENT SUMMARY
AS OF MARCH 31, 2014

| <u>FUNDS/PROGRAMS (a)</u> | <u>AMOUNT</u> <u>(\$000'S)</u> <u>(PAR)</u> | <u>AVERAGE</u> <u>WEIGHTED</u> <u>YIELD</u> <u>(%)</u> | <u>AVERAGE</u> <u>WEIGHTED</u> <u>MATURITY</u> <u>(DAYS)</u> |
|---|---|---|---|
| HWY & BRIDGE (120) | 10,004 | 0.04 | 17 |
| UDC/STPIT GEN 13E | 570,938 | | |
| CAP PROJ CULT (125) | 3,849 | 0.04 | 17 |
| CAP PROJ EC DEV (126) | 1,735 | 0.01 | 80 |
| ECO TRANSFORM PRG (127) | 1,340 | 0.02 | 80 |
| ECO & COMM DEV (128) | 19,450 | 0.04 | 17 |
| ECO DEV FD RC2 (129) | 1,372 | 0.02 | 80 |
| NY WORKS (130) | 3,703 | 0.03 | 17 |
| NYS EC DEV ASST (131) | 1,779 | 0.01 | 80 |
| REGIONAL CAP (132) | 16,318 | 0.03 | 19 |
| STRATEGIC INV PRG (133) | 915 | 0.01 | 80 |
| UPST STADIUM (134) | 445 | 0.01 | 80 |
| UPST REG'L BLUE (135) | 14,283 | 0.04 | 17 |
| CORRECTIONAL (136) | 212,055 | 0.08 | 16 |
| YOUTH (137) | 19,000 | 0.02 | 24 |
| ST POLICE (138) | 13,001 | 0.05 | 24 |
| HOMELAND SEC (140) | 9,000 | 0.04 | 17 |
| DEDICATED HIWAY (142) | 252,693 | 0.03 | 16 |
| UDC/STPIT GEN 13F TAX | 332,642 | | |
| ADELPHI MOU (143) | 9,661 | 0.04 | 17 |
| BUFF REG CENTER (144) | 15,001 | 0.04 | 17 |
| CAP PROJ UNIV (145) | 2,003 | 0.01 | 80 |
| UPST AGRI ED (146) | 3,000 | 0.04 | 17 |
| CENTER OF EXCELL (147) | 729 | 0.01 | 80 |
| ECO TRANSFORM PRG (148) | 9,429 | 0.04 | 17 |
| UPSTATE JAVITS (149) | 230 | 0.02 | 80 |
| DWNST REVITAL (150) | 750 | 0.02 | 80 |
| NY WORKS (151) | 9,090 | 0.03 | 17 |
| SUNY 2020 PRG (152) | 50,004 | 0.04 | 17 |
| NYS EC DEV ASST (153) | 2,347 | 0.01 | 80 |
| REGIONAL CAP (154) | 25,817 | 0.04 | 17 |
| UPST STADIUM (155) | 405 | 0.01 | 80 |
| CAP PRJ NANOTECH (157) | 123,579 | 0.04 | 6 |
| BUFFALO BILLS PRG (158) | 33,610 | 0.03 | 20 |
| HOUSING (159) | 46,987 | 0.04 | 17 |
| UDC/PORT DISTRICT ED CAPITAL PROGRAM | 8,297 | | |
| PEDDC (417) | 8,297 | 0.06 | 71 |

TOTAL **2,772,276**

PORTFOLIO AS OF 3/31/14 AVG. WTD YIELD = 0.07 %
AVG. WTD DAYS TO MATURITY = 67

(a) INCLUDING BANK ACCOUNT CODE

**EMPIRE STATE DEVELOPMENT
SUMMARY OF INVESTMENT EARNINGS
FOR FISCAL YEAR ENDED 3/31/14**

| FUND TYPE | TOTAL EARNINGS (\$'s) |
|--|--------------------------|
| <u>CORPORATE FUNDS</u> | |
| -CORPORATE FUNDS (a) | 402,686 |
| -CORPORATE PURPOSE BOND FUNDS (b) | <u>485,184</u> |
| (a) INCLUDES EARNINGS ON 125 MAIDEN LANE FUND & ELDP PROGRAM | |
| (b) INCLUDES RELATED HOUSING FUNDS | |
| TOTAL CORPORATE | <u>887,870</u> |
| <u>REVENUE BOND FUNDS</u> | |
| -SYRACUSE UNIVERSITY LOAN '95 REF. DERF | 743 |
| -CORNELL UNIVERSITY LOAN | 695 |
| -COLUMBIA UNIVERSITY LOAN | 4,986 |
| -UNIVERSITY FAC. GRANTS '95 REF. DSRF | 215 |
| -COMM. ENHANCEMENT FAC. ASST. PRG. '98 | 15 |
| -FARLEY CERT. OF PARTICIPATION | 2,958 |
| -STATE FACILITIES '95 REFUNDING | 2,902 |
| -CORRECTIONAL & YOUTH FAC.'S SERV.CONT.REF. 2002 | 9,255 |
| -SERVICE CONTRACT REFUNDING ISSUES | 3,914 |
| -PERSONAL INCOME TAX '02 C1, C2, D | 69 |
| -PERSONAL INCOME TAX '03 B, C1, C2 | 181 |
| -PERSONAL INCOME TAX '04 A1, A2, A3, A4, B1, B2, B3 | 2,345 |
| -PERSONAL INCOME TAX '05 A1 | 2,806 |
| -PERSONAL INCOME TAX '05 B | 201 |
| -PERSONAL INCOME TAX '07 A, B | 21 |
| -PERSONAL INCOME TAX '07 C | 778 |
| -PERSONAL INCOME TAX '08 A1, A2 | 2,580 |
| -PERSONAL INCOME TAX '09 A1, A2 | 5 |
| -PERSONAL INCOME TAX '09 B1, B2 | 1,115 |
| -PERSONAL INCOME TAX '09 C | 8,694 |
| -PERSONAL INCOME TAX '09 D | 3,484 |
| -PERSONAL INCOME TAX '09 E | 39 |
| -PERSONAL INCOME TAX '10 A | 12,758 |
| -PERSONAL INCOME TAX '10 B | 8 |
| -PERSONAL INCOME TAX '10 C | 635 |
| -PERSONAL INCOME TAX '11 A | 20,386 |
| -PERSONAL INCOME TAX '11 B | 3,055 |
| -PERSONAL INCOME TAX '13A | 100,444 |
| -PERSONAL INCOME TAX '13B | 31,518 |
| -PERSONAL INCOME TAX '13C | 30,495 |
| -PERSONAL INCOME TAX '13E | 69,071 |
| -PERSONAL INCOME TAX '13F | <u>25,235</u> |
| TOTAL REVENUE BOND | <u>341,606</u> |

EMPIRE STATE DEVELOPMENT
SUMMARY OF INVESTMENT EARNINGS
FOR FISCAL YEAR ENDED 3/31/14

| <u>FUND TYPE</u> | <u>TOTAL EARNINGS (\$'s)</u> |
|---|----------------------------------|
| <u>ECONOMIC DEVELOPMENT FUNDS</u> | |
| -E.D. SPECIAL PROJECTS & PROGRAM FUNDS | 387,832 |
| -42ND STREET DEVELOPMENT PROJECT/TIMES SQUARE | 9,450 |
| -PORT DISTRICT ED CAPITAL PROGRAM | <u>4,542</u> |
| TOTAL ECONOMIC DEVELOPMENT | <u>401,824</u> |

| | |
|--------------------|------------------|
| GRAND TOTAL | 1,631,300 |
|--------------------|------------------|

| | |
|--|--------------|
| AVERAGE YIELD FISCAL YEAR 2013/2014 | 0.08% |
|--|--------------|

NEW YORK STATE URBAN DEVELOPMENT CORPORATION
D/B/A EMPIRE STATE DEVELOPMENT

Statement of Fees, Commissions and Related Service Charges for
The Period April 1, 2013 through March 31, 2014

ESD DOES NOT PAY FEES, COMMISSIONS, OR ANY OTHER CHARGES TO ANY OF THE BROKERS/DEALERS IN CONNECTION WITH ITS INVESTMENT TRANSACTIONS. ESD DOES NOT UTILIZE INVESTMENT ADVISORS FOR INVESTMENT ASSOCIATED SERVICES.

NEW YORK STATE URBAN DEVELOPMENT CORPORATION d/b/a ESD
 INVESTMENT POSITION REPORT WITH MARKET VALUE AS OF MARCH 31, 2014 SUMMARY

| | PAR | COST | % COST VALUE | MARKET VALUE (B) |
|--------------------------------------|---------------------------|---------------------------|----------------|---------------------------|
| CERTIFICATE OF DEPOSIT | \$8,661,184.00 | \$8,661,184.00 | 0.31% | \$8,661,184.00 |
| U.S. AGENCY NOTES/BONDS | \$7,475,000.00 | \$7,098,879.49 | 0.26% | \$7,486,885.25 |
| U.S. AGENCY DISCOUNT NOTES/BONDS (A) | \$1,376,890,000.00 | \$1,376,281,466.34 | 49.66% | \$1,376,604,940.08 |
| MUNICIPALS AND S.L.G.'s | \$400,000.00 | \$444,891.56 | 0.02% | \$436,640.00 |
| U.S. TREASURY BILLS (A) | \$1,378,850,000.00 | \$1,378,810,715.28 | 49.75% | \$1,378,821,526.00 |
| TOTAL | <u>\$2,772,276,184.00</u> | <u>\$2,771,297,136.67</u> | <u>100.00%</u> | <u>\$2,772,011,175.33</u> |

(A) TRADED ON A DISCOUNT BASIS

(B) THE MARKET VALUE OF THE SECURITY IS CALCULATED USING PRICES

FROM BLOOMBERG INFORMATION SERVICE (OR BROKER) AS OF MARCH 31, 2014

New York State Urban Development Corp. d/b/a ESD
Investment Position Report
As of 3/31/14

| BAC | DEAL ID | Instrument Type | Rate | Settle | Maturity | Est. YTM | Market Price as of 3/31/14 | Market Value (\$'s) | Par Amount (\$'s) | Cost (Including Purchased Inv.) (\$'s) | |
|------|------------|---|-------|------------|------------|----------|-------------------------------|---------------------|-------------------|---|--|
| | | CD's are part of ELDP loan subsidy program and do not reflect market rates | | | | | | | | | |
| 010C | 1000021201 | Certificate of Deposit | 0.000 | 4/5/2013 | 4/4/2014 | 0.00 | | 167,000.00 | 167,000.00 | 167,000.00 | |
| 010C | 1000021208 | Certificate of Deposit | 0.000 | 4/9/2013 | 4/9/2014 | 0.00 | | 191,732.00 | 191,732.00 | 191,732.00 | |
| 010C | 1000021216 | Certificate of Deposit | 0.215 | 4/12/2013 | 4/11/2014 | 0.21 | | 44,000.00 | 44,000.00 | 44,000.00 | |
| 010C | 1000021234 | Certificate of Deposit | 0.000 | 4/18/2013 | 4/18/2014 | 0.00 | | 134,000.00 | 134,000.00 | 134,000.00 | |
| 010C | 1000021235 | Certificate of Deposit | 0.000 | 4/18/2013 | 4/18/2014 | 0.00 | | 53,000.00 | 53,000.00 | 53,000.00 | |
| 010C | 1000021236 | Certificate of Deposit | 0.000 | 4/18/2013 | 4/18/2014 | 0.00 | | 58,199.00 | 58,199.00 | 58,199.00 | |
| 010C | 1000021375 | Certificate of Deposit | 0.000 | 5/2/2013 | 5/2/2014 | 0.00 | | 164,000.00 | 164,000.00 | 164,000.00 | |
| 010C | 1000021437 | Certificate of Deposit | 0.000 | 5/17/2013 | 5/16/2014 | 0.00 | | 22,000.00 | 22,000.00 | 22,000.00 | |
| 010C | 1000021438 | Certificate of Deposit | 0.000 | 5/17/2013 | 5/16/2014 | 0.00 | | 120,000.00 | 120,000.00 | 120,000.00 | |
| 010C | 1000021500 | Certificate of Deposit | 0.000 | 5/28/2013 | 5/28/2014 | 0.00 | | 141,525.00 | 141,525.00 | 141,525.00 | |
| 010C | 1000021576 | Certificate of Deposit | 0.000 | 6/4/2013 | 6/4/2014 | 0.00 | | 300,000.00 | 300,000.00 | 300,000.00 | |
| 010C | 1000021584 | Certificate of Deposit | 0.000 | 6/6/2013 | 6/6/2014 | 0.00 | | 365,000.00 | 365,000.00 | 365,000.00 | |
| 010C | 1000021585 | Certificate of Deposit | 0.000 | 6/6/2013 | 6/6/2014 | 0.00 | | 365,000.00 | 365,000.00 | 365,000.00 | |
| 010C | 1000021764 | Certificate of Deposit | 0.000 | 6/28/2013 | 6/27/2014 | 0.00 | | 63,000.00 | 63,000.00 | 63,000.00 | |
| 010C | 1000021991 | Certificate of Deposit | 0.000 | 8/2/2013 | 8/1/2014 | 0.00 | | 420,000.00 | 420,000.00 | 420,000.00 | |
| 010C | 1000022006 | Certificate of Deposit | 0.000 | 8/9/2013 | 8/8/2014 | 0.00 | | 133,000.00 | 133,000.00 | 133,000.00 | |
| 010C | 1000022007 | Certificate of Deposit | 0.000 | 8/9/2013 | 8/8/2014 | 0.00 | | 91,730.00 | 91,730.00 | 91,730.00 | |
| 010C | 1000022024 | Certificate of Deposit | 0.000 | 8/15/2013 | 8/15/2014 | 0.00 | | 166,000.00 | 166,000.00 | 166,000.00 | |
| 010C | 1000022025 | Certificate of Deposit | 0.000 | 8/15/2013 | 8/15/2014 | 0.00 | | 82,023.00 | 82,023.00 | 82,023.00 | |
| 010C | 1000022026 | Certificate of Deposit | 0.000 | 8/15/2013 | 8/15/2014 | 0.00 | | 331,000.00 | 331,000.00 | 331,000.00 | |
| 010C | 1000022027 | Certificate of Deposit | 0.000 | 8/15/2013 | 8/15/2014 | 0.00 | | 180,000.00 | 180,000.00 | 180,000.00 | |
| 010C | 1000022028 | Certificate of Deposit | 0.000 | 8/15/2013 | 8/15/2014 | 0.00 | | 172,000.00 | 172,000.00 | 172,000.00 | |
| 010C | 1000022041 | Certificate of Deposit | 0.000 | 8/19/2013 | 8/19/2014 | 0.00 | | 120,000.00 | 120,000.00 | 120,000.00 | |
| 010C | 1000022212 | Certificate of Deposit | 0.000 | 9/5/2013 | 9/5/2014 | 0.00 | | 48,000.00 | 48,000.00 | 48,000.00 | |
| 010C | 1000022226 | Certificate of Deposit | 0.000 | 9/12/2013 | 9/12/2014 | 0.00 | | 388,540.00 | 388,540.00 | 388,540.00 | |
| 010C | 1000022360 | Certificate of Deposit | 0.000 | 9/20/2013 | 9/19/2014 | 0.00 | | 60,000.00 | 60,000.00 | 60,000.00 | |
| 010C | 1000022523 | Certificate of Deposit | 0.000 | 10/17/2013 | 10/17/2014 | 0.00 | | 58,283.00 | 58,283.00 | 58,283.00 | |
| 010C | 1000022530 | Certificate of Deposit | 0.000 | 10/18/2013 | 10/17/2014 | 0.00 | | 300,429.00 | 300,429.00 | 300,429.00 | |
| 010C | 1000022531 | Certificate of Deposit | 0.000 | 10/18/2013 | 10/17/2014 | 0.00 | | 156,909.00 | 156,909.00 | 156,909.00 | |
| 010C | 1000022683 | Certificate of Deposit | 0.000 | 11/7/2013 | 11/7/2014 | 0.00 | | 69,000.00 | 69,000.00 | 69,000.00 | |
| 010C | 1000022684 | Certificate of Deposit | 0.000 | 11/7/2013 | 11/7/2014 | 0.00 | | 26,000.00 | 26,000.00 | 26,000.00 | |
| 010C | 1000022763 | Certificate of Deposit | 0.000 | 11/22/2013 | 11/21/2014 | 0.00 | | 580,000.00 | 580,000.00 | 580,000.00 | |
| 010C | 1000022879 | Certificate of Deposit | 0.000 | 12/4/2013 | 12/4/2014 | 0.00 | | 311,000.00 | 311,000.00 | 311,000.00 | |
| 010C | 1000022882 | Certificate of Deposit | 0.000 | 12/5/2013 | 12/5/2014 | 0.00 | | 18,583.00 | 18,583.00 | 18,583.00 | |
| 010C | 1000022903 | Certificate of Deposit | 0.000 | 12/13/2013 | 12/12/2014 | 0.00 | | 40,000.00 | 40,000.00 | 40,000.00 | |
| 010C | 1000022987 | Certificate of Deposit | 0.000 | 12/20/2013 | 12/19/2014 | 0.00 | | 187,000.00 | 187,000.00 | 187,000.00 | |

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| BAC | DEAL ID | Instrument Type | Rate | Settle | Maturity | Est. YTM | Market Price a.o. 3/31/14 | Market Value (\$'s) | Par Amount (\$'s) | Cost (Including Purchased Int.) (\$'s) |
|------|-------------|------------------------------|-------|------------|------------|----------|------------------------------|---------------------|-------------------|---|
| 010C | 1000023109 | Certificate of Deposit | 0.000 | 12/27/2013 | 12/26/2014 | 0.00 | | 289,500.00 | 289,500.00 | 289,500.00 |
| 010C | 1000023111 | Certificate of Deposit | 0.000 | 12/27/2013 | 12/26/2014 | 0.00 | | 230,160.00 | 230,160.00 | 230,160.00 |
| 010C | 1000023164 | Certificate of Deposit | 0.000 | 1/6/2014 | 1/6/2015 | 0.00 | | 169,000.00 | 169,000.00 | 169,000.00 |
| 010C | 1000023168 | Certificate of Deposit | 0.000 | 1/8/2014 | 1/8/2015 | 0.00 | | 154,679.00 | 154,679.00 | 154,679.00 |
| 010C | 1000023169 | Certificate of Deposit | 0.000 | 1/8/2014 | 1/8/2015 | 0.00 | | 42,000.00 | 42,000.00 | 42,000.00 |
| 010C | 1000023172 | Certificate of Deposit | 0.000 | 1/10/2014 | 1/9/2015 | 0.00 | | 500,000.00 | 500,000.00 | 500,000.00 |
| 010C | 1000023232 | Certificate of Deposit | 0.000 | 1/29/2014 | 1/29/2015 | 0.00 | | 93,490.00 | 93,490.00 | 93,490.00 |
| 010C | 1000023297 | Certificate of Deposit | 0.000 | 2/6/2014 | 2/6/2015 | 0.00 | | 5,058.00 | 5,058.00 | 5,058.00 |
| 010C | 1000023298 | Certificate of Deposit | 0.000 | 2/6/2014 | 2/6/2015 | 0.00 | | 61,330.00 | 61,330.00 | 61,330.00 |
| 010C | 1000023380 | Certificate of Deposit | 0.000 | 2/10/2014 | 2/10/2015 | 0.00 | | 335,344.00 | 335,344.00 | 335,344.00 |
| 010C | 1000023381 | Certificate of Deposit | 0.000 | 2/10/2014 | 2/10/2015 | 0.00 | | 41,077.00 | 41,077.00 | 41,077.00 |
| 010C | 1000023389 | Certificate of Deposit | 0.000 | 2/13/2014 | 2/13/2015 | 0.00 | | 54,000.00 | 54,000.00 | 54,000.00 |
| 010C | 1000023390 | Certificate of Deposit | 0.000 | 2/13/2014 | 2/13/2015 | 0.00 | | 21,000.00 | 21,000.00 | 21,000.00 |
| 010C | 1000023408 | Certificate of Deposit | 0.000 | 2/19/2014 | 2/19/2015 | 0.00 | | 77,000.00 | 77,000.00 | 77,000.00 |
| 010C | 1000023515 | Certificate of Deposit | 0.000 | 2/28/2014 | 2/27/2015 | 0.00 | | 25,099.00 | 25,099.00 | 25,099.00 |
| 010C | 1000023551 | Certificate of Deposit | 0.000 | 3/14/2014 | 3/13/2015 | 0.00 | | 384,494.00 | 384,494.00 | 384,494.00 |
| 010C | 1000023596 | Certificate of Deposit | 0.000 | 3/24/2014 | 3/24/2015 | 0.00 | | 50,000.00 | 50,000.00 | 50,000.00 |
| | | | | | | | | 8,661,184.00 | 8,661,184.00 | 8,661,184.00 |
| 794B | 1000001310 | Federal National Mtg. Assoc. | 4.125 | 4/19/2005 | 4/15/2014 | 4.46 | 100.159 | 155,246.45 | 155,000.00 | 151,196.04 |
| 794B | CNV00008847 | Federal National Mtg. Assoc. | 4.125 | 4/14/2004 | 4/15/2014 | 4.79 | 100.159 | 7,331,638.80 | 7,320,000.00 | 6,947,683.45 |
| | | | | | | | | 7,486,885.25 | 7,475,000.00 | 7,098,879.49 |
| 050P | 1000023295 | Fannie Mae Discount | | 2/5/2014 | 4/17/2014 | 0.04 | 99.999 | 3,988,960.11 | 3,989,000.00 | 3,988,685.31 |
| 008C | 1000022907 | Fannie Mae Discount | | 12/16/2013 | 5/19/2014 | 0.11 | 99.995 | 7,145,642.70 | 7,146,000.00 | 7,142,637.41 |
| 010C | 1000022034 | Fannie Mae Discount | | 8/19/2013 | 5/19/2014 | 0.13 | 99.995 | 9,999,500.00 | 10,000,000.00 | 9,990,141.67 |
| 799B | 1000022911 | Fannie Mae Discount | | 12/16/2013 | 5/19/2014 | 0.11 | 99.995 | 11,344,432.75 | 11,345,000.00 | 11,339,661.55 |
| 007C | 1000022740 | Fannie Mae Discount | | 11/21/2013 | 5/21/2014 | 0.06 | 99.995 | 10,321,483.90 | 10,322,000.00 | 10,318,886.20 |
| 025C | 1000022742 | Fannie Mae Discount | | 11/21/2013 | 5/21/2014 | 0.11 | 99.995 | 12,264,386.75 | 12,265,000.00 | 12,258,525.10 |
| 085S | 1000023541 | Fannie Mae Discount | | 3/12/2014 | 5/28/2014 | 0.03 | 99.993 | 6,015,578.88 | 6,016,000.00 | 6,015,613.97 |
| 262P | 1000023543 | Fannie Mae Discount | | 3/12/2014 | 5/29/2014 | 0.03 | 99.993 | 1,486,895.91 | 1,487,000.00 | 1,486,903.35 |
| 146P | 1000023538 | Fannie Mae Discount | | 3/10/2014 | 6/23/2014 | 0.04 | 99.988 | 9,512,858.32 | 9,514,000.00 | 9,512,890.03 |
| 380B | 1000023759 | Fannie Mae Discount | | 3/28/2014 | 6/25/2014 | 0.04 | 99.988 | 619,925.60 | 620,000.00 | 619,946.35 |
| 415B | 1000023758 | Fannie Mae Discount | | 3/28/2014 | 6/25/2014 | 0.04 | 99.988 | 4,629,444.40 | 4,630,000.00 | 4,629,599.38 |
| 845B | 1000023757 | Fannie Mae Discount | | 3/28/2014 | 6/25/2014 | 0.04 | 99.988 | 2,531,696.16 | 2,532,000.00 | 2,531,780.91 |
| 870B | 1000023760 | Fannie Mae Discount | | 3/28/2014 | 6/25/2014 | 0.04 | 99.988 | 495,940.48 | 496,000.00 | 495,957.08 |
| 884B | 1000023762 | Fannie Mae Discount | | 3/28/2014 | 6/25/2014 | 0.04 | 99.988 | 5,483,341.92 | 5,484,000.00 | 5,483,525.48 |

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| BAC | DEAL ID | Instrument Type | Rate | Settle | Maturity | Est. YTM | Market Price as of 3/31/14 | Market Value (\$'s) | Par Amount (\$'s) | Cost (Including Purchased Int.) (\$'s) |
|------|------------|-------------------------|------|------------|------------|----------|-------------------------------|---------------------|-------------------|---|
| 911B | 1000023765 | Fannie Mae Discount | | 3/28/2014 | 6/25/2014 | 0.04 | 99.988 | 11,086,669.44 | 11,088,000.00 | 11,087,040.58 |
| 913B | 1000023767 | Fannie Mae Discount | | 3/28/2014 | 6/25/2014 | 0.04 | 99.988 | 2,957,645.04 | 2,958,000.00 | 2,957,744.05 |
| 914B | 1000023769 | Fannie Mae Discount | | 3/28/2014 | 6/25/2014 | 0.04 | 99.988 | 15,129,184.28 | 15,131,000.00 | 15,129,690.75 |
| 990B | 1000023752 | Fannie Mae Discount | | 3/28/2014 | 6/25/2014 | 0.04 | 99.988 | 4,192,496.84 | 4,193,000.00 | 4,192,637.19 |
| 990B | 1000023754 | Fannie Mae Discount | | 3/28/2014 | 6/25/2014 | 0.04 | 99.988 | 5,487,341.44 | 5,488,000.00 | 5,487,525.14 |
| 993B | 1000023756 | Fannie Mae Discount | | 3/28/2014 | 6/25/2014 | 0.04 | 99.988 | 4,787,425.44 | 4,788,000.00 | 4,787,585.71 |
| 010C | 1000022909 | Fannie Mae Discount | | 12/16/2013 | 6/30/2014 | 0.12 | 99.987 | 19,997,400.00 | 20,000,000.00 | 19,986,933.33 |
| 010C | 1000023436 | Fannie Mae Discount | | 2/20/2014 | 7/1/2014 | 0.05 | 99.987 | 14,998,050.00 | 15,000,000.00 | 14,997,270.83 |
| 098C | 1000023536 | Fannie Mae Discount | | 3/10/2014 | 7/24/2014 | 0.04 | 99.984 | 6,903,895.20 | 6,905,000.00 | 6,903,956.58 |
| 010C | 1000023567 | Fannie Mae Discount | | 3/19/2014 | 7/24/2014 | 0.04 | 99.984 | 9,998,400.00 | 10,000,000.00 | 9,998,588.89 |
| 421B | 1000023561 | Fannie Mae Discount | | 3/17/2014 | 8/15/2014 | 0.05 | 99.977 | 2,398,448.23 | 2,399,000.00 | 2,398,496.88 |
| 026C | 1000023537 | Fannie Mae Discount | | 3/10/2014 | 8/22/2014 | 0.05 | 99.976 | 4,504,918.56 | 4,506,000.00 | 4,504,967.38 |
| 010C | 1000022875 | Fannie Mae Discount | | 12/3/2013 | 9/15/2014 | 0.14 | 99.967 | 14,995,050.00 | 15,000,000.00 | 14,983,316.67 |
| 614B | 1000023753 | Fannie Mae Discount | | 3/28/2014 | 10/1/2014 | 0.06 | 99.964 | 2,907,952.76 | 2,909,000.00 | 2,908,093.36 |
| | | | | | | | | 206,184,965.11 | 206,211,000.00 | 206,138,601.13 |
| 010C | 1000022457 | Farmer Mac Discount | | 10/4/2013 | 4/3/2014 | 0.09 | 99.999 | 14,999,850.00 | 15,000,000.00 | 14,993,212.50 |
| 095B | 1000023592 | Farmer Mac Discount | | 3/20/2014 | 4/16/2014 | 0.06 | 99.999 | 25,999,740.00 | 26,000,000.00 | 25,998,927.50 |
| 529S | 1000023234 | Farmer Mac Discount | | 1/29/2014 | 4/30/2014 | 0.06 | 99.998 | 2,029,959.40 | 2,030,000.00 | 2,029,692.12 |
| 474C | 1000023597 | Farmer Mac Discount | | 3/25/2014 | 5/22/2014 | 0.06 | 99.995 | 2,485,875.70 | 2,486,000.00 | 2,485,759.69 |
| 010C | 1000022202 | Farmer Mac Discount | | 8/30/2013 | 6/3/2014 | 0.12 | 99.991 | 19,998,200.00 | 20,000,000.00 | 19,981,533.33 |
| 010C | 1000022476 | Farmer Mac Discount | | 10/11/2013 | 7/11/2014 | 0.15 | 99.985 | 14,997,750.00 | 15,000,000.00 | 14,982,937.50 |
| 010C | 1000022767 | Farmer Mac Discount | | 11/26/2013 | 8/6/2014 | 0.13 | 99.978 | 14,996,700.00 | 15,000,000.00 | 14,986,295.83 |
| 995B | 1000023773 | Farmer Mac Discount | | 3/28/2014 | 9/15/2014 | 0.07 | 99.967 | 1,601,471.34 | 1,602,000.00 | 1,601,467.34 |
| 010C | 1000023284 | Farmer Mac Discount | | 2/3/2014 | 10/1/2014 | 0.10 | 99.964 | 11,995,680.00 | 12,000,000.00 | 11,992,000.00 |
| 010C | 1000023161 | Farmer Mac Discount | | 1/14/2014 | 10/20/2014 | 0.12 | 99.958 | 20,009,522.44 | 20,018,000.00 | 19,999,383.26 |
| | | | | | | | | 129,114,818.88 | 129,136,000.00 | 129,051,209.07 |
| 157B | 1000023394 | Federal Home Loan Disc. | | 2/14/2014 | 4/2/2014 | 0.04 | 99.999 | 90,452,095.47 | 90,453,000.00 | 90,448,866.80 |
| 417P | 1000022894 | Federal Home Loan Disc. | | 12/10/2013 | 4/2/2014 | 0.09 | 99.999 | 1,123,988.76 | 1,124,000.00 | 1,123,700.11 |
| 143P | 1000023265 | Federal Home Loan Disc. | | 1/30/2014 | 4/4/2014 | 0.03 | 99.999 | 1,489,985.10 | 1,490,000.00 | 1,489,933.78 |
| 799B | 1000022692 | Federal Home Loan Disc. | | 11/13/2013 | 4/9/2014 | 0.07 | 99.999 | 12,814,871.85 | 12,815,000.00 | 12,811,337.05 |
| 068C | 1000022486 | Federal Home Loan Disc. | | 10/16/2013 | 4/11/2014 | 0.16 | 99.999 | 11,109,888.90 | 11,110,000.00 | 11,101,533.29 |
| 007C | 1000022485 | Federal Home Loan Disc. | | 10/16/2013 | 4/14/2014 | 0.16 | 99.999 | 9,014,909.85 | 9,015,000.00 | 9,008,013.38 |
| 025C | 1000022559 | Federal Home Loan Disc. | | 10/29/2013 | 4/14/2014 | 0.06 | 99.999 | 7,996,920.03 | 7,997,000.00 | 7,994,959.65 |
| 053S | 1000023178 | Federal Home Loan Disc. | | 1/14/2014 | 4/14/2014 | 0.03 | 99.999 | 7,520,924.79 | 7,521,000.00 | 7,520,435.93 |
| 085S | 1000023210 | Federal Home Loan Disc. | | 1/27/2014 | 4/14/2014 | 0.06 | 99.999 | 4,301,956.98 | 4,302,000.00 | 4,301,447.91 |

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| BAC | DEAL ID | Instrument Type | Rate | Settle | Maturity | Est YTM | Market Price a/o 3/31/14 | Market Value (\$'s) | Par Amount (\$'s) | Cost (including Purchased Int.) (\$'s) |
|------|------------|-------------------------|------|------------|-----------|---------|-----------------------------|---------------------|-------------------|---|
| 618P | 1000023162 | Federal Home Loan Disc. | | 1/6/2014 | 4/14/2014 | 0.07 | 99.999 | 1,998,980.01 | 1,999,000.00 | 1,998,619.08 |
| 249S | 1000023286 | Federal Home Loan Disc. | | 2/3/2014 | 4/15/2014 | 0.04 | 99.999 | 914,927.82 | 915,000.00 | 914,927.82 |
| 136B | 1000022953 | Federal Home Loan Disc. | | 12/19/2013 | 4/16/2014 | 0.08 | 99.999 | 212,052,879.45 | 212,055,000.00 | 211,999,394.94 |
| 199P | 1000023276 | Federal Home Loan Disc. | | 1/31/2014 | 4/21/2014 | 0.05 | 99.998 | 5,996,880.06 | 5,997,000.00 | 5,996,333.67 |
| 421B | 1000022765 | Federal Home Loan Disc. | | 11/25/2013 | 4/22/2014 | 0.07 | 99.998 | 16,992,660.14 | 16,993,000.00 | 16,988,109.79 |
| 026C | 1000022480 | Federal Home Loan Disc. | | 10/15/2013 | 4/23/2014 | 0.16 | 99.998 | 4,007,919.84 | 4,008,000.00 | 4,004,615.47 |
| 146P | 1000023192 | Federal Home Loan Disc. | | 1/17/2014 | 4/23/2014 | 0.02 | 99.998 | 4,999,900.00 | 5,000,000.00 | 4,999,733.33 |
| 310P | 1000023211 | Federal Home Loan Disc. | | 1/27/2014 | 4/23/2014 | 0.06 | 99.998 | 1,318,973.62 | 1,319,000.00 | 1,318,810.94 |
| 312P | 1000023199 | Federal Home Loan Disc. | | 1/23/2014 | 4/23/2014 | 0.04 | 99.998 | 1,981,960.36 | 1,982,000.00 | 1,981,801.80 |
| 322S | 1000022762 | Federal Home Loan Disc. | | 11/22/2013 | 4/23/2014 | 0.08 | 99.998 | 3,000,939.98 | 3,001,000.00 | 2,999,986.32 |
| 054P | 1000023462 | Federal Home Loan Disc. | | 2/25/2014 | 5/2/2014 | 0.04 | 99.999 | 1,981,980.18 | 1,982,000.00 | 1,981,872.82 |
| 310P | 1000023233 | Federal Home Loan Disc. | | 1/29/2014 | 5/2/2014 | 0.05 | 99.999 | 4,014,959.85 | 4,015,000.00 | 4,014,481.40 |
| 102S | 1000023575 | Federal Home Loan Disc. | | 3/20/2014 | 5/16/2014 | 0.06 | 99.996 | 4,499,820.00 | 4,500,000.00 | 4,499,608.13 |
| 212P | 1000023440 | Federal Home Loan Disc. | | 2/21/2014 | 5/16/2014 | 0.04 | 99.996 | 4,985,800.56 | 4,986,000.00 | 4,985,592.81 |
| 053S | 1000023386 | Federal Home Loan Disc. | | 2/13/2014 | 5/19/2014 | 0.06 | 99.995 | 1,598,920.05 | 1,599,000.00 | 1,598,746.83 |
| 225P | 1000023565 | Federal Home Loan Disc. | | 3/18/2014 | 5/19/2014 | 0.04 | 99.995 | 2,458,877.05 | 2,459,000.00 | 2,458,830.60 |
| 417P | 1000023182 | Federal Home Loan Disc. | | 1/15/2014 | 5/19/2014 | 0.04 | 99.995 | 1,099,945.00 | 1,100,000.00 | 1,099,848.44 |
| 460S | 1000023547 | Federal Home Loan Disc. | | 3/13/2014 | 5/19/2014 | 0.04 | 99.995 | 4,007,799.60 | 4,008,000.00 | 4,007,701.63 |
| 504S | 1000023212 | Federal Home Loan Disc. | | 1/27/2014 | 5/19/2014 | 0.04 | 99.995 | 2,504,874.75 | 2,505,000.00 | 2,504,727.23 |
| 199P | 1000023555 | Federal Home Loan Disc. | | 3/17/2014 | 5/20/2014 | 0.04 | 99.995 | 6,987,650.60 | 6,988,000.00 | 6,987,503.08 |
| 529S | 1000023398 | Federal Home Loan Disc. | | 2/18/2014 | 5/20/2014 | 0.05 | 99.995 | 2,056,897.15 | 2,057,000.00 | 2,056,766.02 |
| 050P | 1000023574 | Federal Home Loan Disc. | | 3/20/2014 | 5/21/2014 | 0.06 | 99.995 | 1,687,915.60 | 1,688,000.00 | 1,687,825.57 |
| 322S | 1000022995 | Federal Home Loan Disc. | | 12/23/2013 | 5/22/2014 | 0.08 | 99.995 | 1,999,980.00 | 2,000,000.00 | 1,999,333.33 |
| 029C | 1000023403 | Federal Home Loan Disc. | | 2/19/2014 | 5/23/2014 | 0.04 | 99.995 | 6,506,674.65 | 6,507,000.00 | 6,506,327.61 |
| 226P | 1000023438 | Federal Home Loan Disc. | | 2/20/2014 | 5/23/2014 | 0.05 | 99.995 | 983,950.80 | 984,000.00 | 983,886.84 |
| 053S | 1000023522 | Federal Home Loan Disc. | | 3/3/2014 | 5/30/2014 | 0.05 | 99.995 | 2,999,850.00 | 3,000,000.00 | 2,999,670.00 |
| 146P | 1000023387 | Federal Home Loan Disc. | | 2/13/2014 | 5/30/2014 | 0.06 | 99.995 | 9,003,549.80 | 9,004,000.00 | 9,002,409.29 |
| 310P | 1000023465 | Federal Home Loan Disc. | | 2/19/2014 | 6/2/2014 | 0.04 | 99.991 | 5,987,461.08 | 5,988,000.00 | 5,987,314.71 |
| 322S | 1000023450 | Federal Home Loan Disc. | | 2/24/2014 | 6/4/2014 | 0.04 | 99.990 | 2,000,799.90 | 2,001,000.00 | 2,000,777.67 |
| 417P | 1000023448 | Federal Home Loan Disc. | | 2/24/2014 | 6/4/2014 | 0.04 | 99.990 | 3,314,668.50 | 3,315,000.00 | 3,314,631.67 |
| 421B | 1000023184 | Federal Home Loan Disc. | | 1/15/2014 | 6/13/2014 | 0.04 | 99.989 | 22,342,542.05 | 22,345,000.00 | 22,341,300.66 |
| 008C | 1000023197 | Federal Home Loan Disc. | | 1/22/2014 | 6/16/2014 | 0.05 | 99.990 | 10,254,974.40 | 10,256,000.00 | 10,254,141.10 |
| 010C | 1000023296 | Federal Home Loan Disc. | | 2/6/2014 | 6/16/2014 | 0.07 | 99.990 | 10,000,999.80 | 10,002,000.00 | 9,999,471.72 |
| 025C | 1000022997 | Federal Home Loan Disc. | | 12/24/2013 | 6/16/2014 | 0.11 | 99.990 | 10,764,923.40 | 10,766,000.00 | 10,760,276.08 |
| 799B | 1000023195 | Federal Home Loan Disc. | | 1/21/2014 | 6/16/2014 | 0.05 | 99.990 | 9,334,066.50 | 9,335,000.00 | 9,333,296.36 |
| 529S | 1000023556 | Federal Home Loan Disc. | | 3/17/2014 | 6/17/2014 | 0.05 | 99.989 | 2,636,709.93 | 2,637,000.00 | 2,636,663.05 |
| 310P | 1000023566 | Federal Home Loan Disc. | | 3/18/2014 | 7/2/2014 | 0.06 | 99.988 | 7,994,040.60 | 7,995,000.00 | 7,993,587.55 |

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| BAC | DEAL ID | Instrument Type | Rate | Settle | Maturity | Est.YTM | Market Price a/o 3/31/14 | Market Value (\$'s) | Par Amount (\$'s) | Cost (Including Purchased Int.) (\$'s) |
|------|------------|-------------------------|------|------------|------------|---------|-----------------------------|---------------------|-------------------|---|
| 421B | 1000023287 | Federal Home Loan Disc. | | 2/3/2014 | 7/16/2014 | 0.06 | 99.985 | 2,980,552.85 | 2,981,000.00 | 2,980,190.16 |
| 025C | 1000023222 | Federal Home Loan Disc. | | 1/28/2014 | 7/25/2014 | 0.09 | 99.983 | 12,998,789.83 | 13,001,000.00 | 12,995,214.56 |
| 055P | 1000023552 | Federal Home Loan Disc. | | 3/14/2014 | 7/25/2014 | 0.08 | 99.983 | 4,999,150.00 | 5,000,000.00 | 4,998,614.58 |
| 322S | 1000023554 | Federal Home Loan Disc. | | 3/17/2014 | 7/25/2014 | 0.08 | 99.983 | 3,001,489.66 | 3,002,000.00 | 3,001,186.96 |
| 417P | 1000023553 | Federal Home Loan Disc. | | 3/17/2014 | 7/25/2014 | 0.08 | 99.983 | 2,757,531.14 | 2,758,000.00 | 2,757,253.04 |
| 026C | 1000023393 | Federal Home Loan Disc. | | 2/14/2014 | 7/30/2014 | 0.07 | 99.983 | 6,518,891.60 | 6,520,000.00 | 6,517,895.49 |
| 025C | 1000023396 | Federal Home Loan Disc. | | 2/18/2014 | 8/8/2014 | 0.09 | 99.978 | 4,995,900.66 | 4,997,000.00 | 4,994,982.46 |
| 799B | 1000023523 | Federal Home Loan Disc. | | 3/3/2014 | 8/27/2014 | 0.04 | 99.975 | 12,802,798.50 | 12,806,000.00 | 12,803,481.49 |
| 010C | 1000022902 | Federal Home Loan Disc. | | 12/13/2013 | 9/2/2014 | 0.15 | 99.969 | 14,925,350.00 | 15,000,000.00 | 14,984,110.42 |
| | | | | | | | | 609,152,712.08 | 609,183,000.00 | 609,032,082.42 |
| 010C | 1000021777 | Freddie Mac Discount | | 7/1/2013 | 4/8/2014 | 0.14 | 99.999 | 8,007,919.92 | 8,008,000.00 | 7,999,249.04 |
| 010C | 1000022411 | Freddie Mac Discount | | 9/30/2013 | 4/22/2014 | 0.04 | 99.998 | 9,999,800.00 | 10,000,000.00 | 9,997,733.30 |
| 010C | 1000022413 | Freddie Mac Discount | | 10/1/2013 | 4/22/2014 | 0.04 | 99.998 | 14,999,700.00 | 15,000,000.00 | 14,996,616.67 |
| 504S | 1000022952 | Freddie Mac Discount | | 12/19/2013 | 4/28/2014 | 0.09 | 99.998 | 2,126,957.46 | 2,127,000.00 | 2,126,308.73 |
| 026C | 1000022910 | Freddie Mac Discount | | 12/16/2013 | 5/16/2014 | 0.11 | 99.996 | 5,001,799.92 | 5,002,000.00 | 4,999,692.13 |
| 421B | 1000022905 | Freddie Mac Discount | | 12/13/2013 | 5/16/2014 | 0.10 | 99.996 | 2,718,891.24 | 2,719,000.00 | 2,717,836.87 |
| 504S | 1000023291 | Freddie Mac Discount | | 2/4/2014 | 6/9/2014 | 0.06 | 99.991 | 2,603,765.64 | 2,604,000.00 | 2,603,457.50 |
| 010C | 1000022214 | Freddie Mac Discount | | 9/6/2013 | 6/17/2014 | 0.11 | 99.989 | 14,998,350.00 | 15,000,000.00 | 14,986,983.30 |
| 026C | 1000023223 | Freddie Mac Discount | | 1/28/2014 | 6/18/2014 | 0.07 | 99.989 | 2,502,724.67 | 2,503,000.00 | 2,502,313.76 |
| 007C | 1000022893 | Freddie Mac Discount | | 12/10/2013 | 6/19/2014 | 0.11 | 99.988 | 9,998,800.00 | 10,000,000.00 | 9,994,163.89 |
| 007C | 1000022917 | Freddie Mac Discount | | 12/17/2013 | 7/11/2014 | 0.11 | 99.985 | 10,029,495.35 | 10,031,000.00 | 10,024,686.09 |
| 504S | 1000023745 | Freddie Mac Discount | | 3/28/2014 | 8/6/2014 | 0.07 | 99.978 | 2,999,340.00 | 3,000,000.00 | 2,999,235.83 |
| 007C | 1000023526 | Freddie Mac Discount | | 3/5/2014 | 8/18/2014 | 0.06 | 99.976 | 1,953,531.04 | 1,954,000.00 | 1,953,459.39 |
| 010C | 1000023535 | Freddie Mac Discount | | 2/20/2014 | 9/9/2014 | 0.08 | 99.968 | 3,347,928.32 | 3,349,000.00 | 3,347,504.11 |
| 025C | 1000023534 | Freddie Mac Discount | | 3/7/2014 | 9/24/2014 | 0.09 | 99.965 | 12,996,449.65 | 13,001,000.00 | 12,994,467.00 |
| 799B | 1000023560 | Freddie Mac Discount | | 3/17/2014 | 9/24/2014 | 0.08 | 99.965 | 4,430,448.80 | 4,432,000.00 | 4,430,118.86 |
| 010C | 1000023524 | Freddie Mac Discount | | 3/4/2014 | 11/4/2014 | 0.09 | 99.949 | 7,995,920.00 | 8,000,000.00 | 7,995,100.00 |
| 744B | 1000023755 | Freddie Mac Discount | | 3/28/2014 | 12/26/2014 | 0.10 | 99.940 | 3,577,852.00 | 3,580,000.00 | 3,577,285.17 |
| 845B | 1000023761 | Freddie Mac Discount | | 3/28/2014 | 12/26/2014 | 0.10 | 99.940 | 27,956,216.20 | 27,973,000.00 | 27,951,787.14 |
| 870B | 1000023763 | Freddie Mac Discount | | 3/28/2014 | 12/26/2014 | 0.10 | 99.940 | 3,530,880.20 | 3,533,000.00 | 3,530,320.81 |
| 884B | 1000023764 | Freddie Mac Discount | | 3/28/2014 | 12/26/2014 | 0.10 | 99.940 | 20,321,799.60 | 20,334,000.00 | 20,318,580.05 |
| 911B | 1000023766 | Freddie Mac Discount | | 3/28/2014 | 12/26/2014 | 0.10 | 99.940 | 11,089,342.40 | 11,096,000.00 | 11,087,585.53 |
| 913B | 1000023768 | Freddie Mac Discount | | 3/28/2014 | 12/26/2014 | 0.10 | 99.940 | 2,958,224.00 | 2,960,000.00 | 2,957,755.33 |
| 914B | 1000023770 | Freddie Mac Discount | | 3/28/2014 | 12/26/2014 | 0.10 | 99.940 | 87,348,559.40 | 87,401,000.00 | 87,334,720.91 |
| 990B | 1000023772 | Freddie Mac Discount | | 3/28/2014 | 12/26/2014 | 0.10 | 99.940 | 20,180,884.20 | 20,193,000.00 | 20,177,686.98 |
| 990B | 1000023774 | Freddie Mac Discount | | 3/28/2014 | 12/26/2014 | 0.10 | 99.940 | 26,821,897.20 | 26,838,000.00 | 26,817,647.85 |

New York State Urban Development Corp. d/b/a ESD
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| BAC DEAL ID | Instrument Type | Rate | Settle | Maturity | Est. YTM | Market Price a.o. 3/31/14 | Market Value (\$'s) | Par Amount (\$'s) | Cost (including Purchased Int.) (\$'s) |
|-----------------|----------------------|-------|------------|------------|----------|------------------------------|---------------------|-------------------|---|
| 993B 1000023771 | Freddie Mac Discount | | 3/28/2014 | 12/26/2014 | 0.10 | 99.940 | 111,654,966.80 | 111,722,000.00 | 111,637,277.48 |
| | | | | | | | 432,152,444.01 | 432,360,000.00 | 432,059,573.72 |
| 625B 1000022014 | NYS PIT Bond | 4.000 | 8/8/2013 | 12/15/2016 | 0.78 | 109.160 | 436,640.00 | 400,000.00 | 444,891.56 |
| | | | | | | | 436,640.00 | 400,000.00 | 444,891.56 |
| 142B 1000023572 | US Treasury Bill | | 3/19/2014 | 4/3/2014 | 0.03 | 99.999 | 87,427,125.72 | 87,428,000.00 | 87,426,907.15 |
| 794B 1000022986 | US Treasury Bill | | 12/19/2013 | 4/10/2014 | 0.05 | 99.999 | 461,995.38 | 462,000.00 | 461,928.13 |
| 011B 1000023599 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 13,527,729.44 | 13,528,000.00 | 13,527,710.65 |
| 033B 1000023600 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 2,617,947.64 | 2,618,000.00 | 2,617,944.00 |
| 036B 1000023601 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 20,116,597.66 | 20,117,000.00 | 20,116,569.72 |
| 043B 1000023602 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 6,450,870.98 | 6,451,000.00 | 6,450,862.02 |
| 044B 1000023603 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 5,396,892.06 | 5,397,000.00 | 5,396,884.56 |
| 044R 1000022524 | US Treasury Bill | | 10/17/2013 | 4/17/2014 | 0.08 | 99.998 | 896,982.06 | 897,000.00 | 896,659.89 |
| 052B 1000023604 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.03 | 99.998 | 972,980.54 | 973,000.00 | 972,979.19 |
| 056B 1000023605 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.03 | 99.998 | 6,921,861.56 | 6,922,000.00 | 6,921,851.95 |
| 062B 1000023606 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 2,202,955.94 | 2,203,000.00 | 2,202,952.88 |
| 070B 1000023576 | US Treasury Bill | | 3/20/2014 | 4/17/2014 | 0.05 | 99.998 | 16,903,661.92 | 16,904,000.00 | 16,903,342.62 |
| 071B 1000023607 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.03 | 99.998 | 3,775,924.48 | 3,776,000.00 | 3,775,919.24 |
| 072B 1000023608 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 13,046,739.06 | 13,047,000.00 | 13,046,720.94 |
| 074B 1000023609 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 12,001,759.96 | 12,002,000.00 | 12,001,743.29 |
| 078B 1000023610 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 500,989.98 | 501,000.00 | 500,989.28 |
| 079B 1000023577 | US Treasury Bill | | 3/20/2014 | 4/17/2014 | 0.05 | 99.998 | 6,967,860.64 | 6,968,000.00 | 6,967,729.02 |
| 082B 1000023578 | US Treasury Bill | | 3/20/2014 | 4/17/2014 | 0.05 | 99.998 | 2,499,950.00 | 2,500,000.00 | 2,499,902.78 |
| 083B 1000023579 | US Treasury Bill | | 3/20/2014 | 4/17/2014 | 0.05 | 99.998 | 9,496,810.06 | 9,497,000.00 | 9,496,630.67 |
| 085B 1000023580 | US Treasury Bill | | 3/20/2014 | 4/17/2014 | 0.05 | 99.998 | 4,116,917.66 | 4,117,000.00 | 4,116,839.89 |
| 086B 1000023581 | US Treasury Bill | | 3/20/2014 | 4/17/2014 | 0.05 | 99.998 | 2,674,946.50 | 2,675,000.00 | 2,674,895.97 |
| 090B 1000023582 | US Treasury Bill | | 3/20/2014 | 4/17/2014 | 0.05 | 99.998 | 25,625,487.48 | 25,626,000.00 | 25,625,003.43 |
| 091B 1000023583 | US Treasury Bill | | 3/20/2014 | 4/17/2014 | 0.05 | 99.998 | 17,866,642.66 | 17,867,000.00 | 17,866,305.17 |
| 092B 1000023584 | US Treasury Bill | | 3/20/2014 | 4/17/2014 | 0.05 | 99.998 | 7,039,859.20 | 7,040,000.00 | 7,039,726.22 |
| 093B 1000023585 | US Treasury Bill | | 3/20/2014 | 4/17/2014 | 0.05 | 99.998 | 41,415,171.68 | 41,416,000.00 | 41,414,389.38 |
| 093B 1000023611 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 15,616,687.66 | 15,617,000.00 | 15,616,665.97 |
| 095B 1000023586 | US Treasury Bill | | 3/20/2014 | 4/17/2014 | 0.05 | 99.998 | 19,433,611.32 | 19,434,000.00 | 19,433,244.23 |
| 096B 1000023612 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.03 | 99.998 | 5,372,892.54 | 5,373,000.00 | 5,372,885.08 |
| 099B 1000023587 | US Treasury Bill | | 3/20/2014 | 4/17/2014 | 0.05 | 99.998 | 3,291,934.16 | 3,292,000.00 | 3,291,871.98 |
| 105B 1000023613 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 13,170,736.58 | 13,171,000.00 | 13,170,718.29 |
| 106B 1000023614 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 23,241,535.16 | 23,242,000.00 | 23,241,502.88 |

New York State Urban Development Corp. d/b/a ESD
Investment Position Report
As of 3/31/14

| BAC | DEAL_ID | Instrument Type | Rate | Settle | Maturity | Est_YTM | Market Price a/o 3/31/14 | Market Value (\$) | Par Amount (\$) | Cost (including Purchased Int.) (\$) |
|------|------------|------------------|------|-----------|-----------|---------|-----------------------------|-------------------|-----------------|---|
| 107B | 1000023615 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 45,013,099.72 | 45,014,000.00 | 45,013,037.20 |
| 108B | 1000023616 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 6,550,868.98 | 6,551,000.00 | 6,550,859.88 |
| 109B | 1000023617 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 11,182,776.34 | 11,183,000.00 | 11,182,760.81 |
| 112B | 1000023588 | US Treasury Bill | | 3/20/2014 | 4/17/2014 | 0.05 | 99.998 | 2,823,943.52 | 2,824,000.00 | 2,823,890.18 |
| 117B | 1000023589 | US Treasury Bill | | 3/20/2014 | 4/17/2014 | 0.05 | 99.998 | 27,843,443.12 | 27,844,000.00 | 27,842,917.18 |
| 117B | 1000023618 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 91,633,167.30 | 91,635,000.00 | 91,633,040.03 |
| 120B | 1000023619 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 10,003,799.92 | 10,004,000.00 | 10,003,786.03 |
| 125B | 1000023634 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 3,848,923.02 | 3,849,000.00 | 3,848,917.67 |
| 128B | 1000023635 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 19,449,611.00 | 19,450,000.00 | 19,449,583.99 |
| 130B | 1000023636 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.03 | 99.998 | 3,702,925.94 | 3,703,000.00 | 3,702,920.80 |
| 132B | 1000023637 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 10,384,792.30 | 10,385,000.00 | 10,384,777.88 |
| 135B | 1000023638 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 14,283,714.34 | 14,283,000.00 | 14,282,694.50 |
| 140B | 1000023639 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 8,999,820.00 | 9,000,000.00 | 8,999,807.50 |
| 142B | 1000023620 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 24,353,512.92 | 24,354,000.00 | 24,353,479.10 |
| 143B | 1000023649 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 9,660,806.78 | 9,661,000.00 | 9,660,793.36 |
| 144B | 1000023640 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 15,000,699.98 | 15,001,000.00 | 15,000,679.15 |
| 146B | 1000023641 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 2,999,940.00 | 3,000,000.00 | 2,999,935.83 |
| 148B | 1000023642 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 9,428,811.42 | 9,429,000.00 | 9,428,798.32 |
| 151B | 1000023643 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.03 | 99.998 | 9,089,818.20 | 9,090,000.00 | 9,089,805.58 |
| 152B | 1000023644 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 50,002,999.92 | 50,004,000.00 | 50,002,930.47 |
| 154B | 1000023645 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 25,816,483.66 | 25,817,000.00 | 25,816,447.80 |
| 157B | 1000023646 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 33,125,337.48 | 33,126,000.00 | 33,125,291.47 |
| 158B | 1000023647 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 14,691,706.16 | 14,692,000.00 | 14,691,685.75 |
| 159B | 1000023648 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 46,986,060.26 | 46,987,000.00 | 46,985,995.00 |
| 218P | 1000023404 | US Treasury Bill | | 2/19/2014 | 4/17/2014 | 0.04 | 99.998 | 2,934,941.30 | 2,935,000.00 | 2,934,837.35 |
| 435B | 1000023621 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 2,013,959.72 | 2,014,000.00 | 2,013,956.92 |
| 460S | 1000023397 | US Treasury Bill | | 2/18/2014 | 4/17/2014 | 0.04 | 99.998 | 5,136,897.26 | 5,137,000.00 | 5,136,710.33 |
| 618B | 1000023622 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 10,306,793.86 | 10,307,000.00 | 10,306,779.54 |
| 634B | 1000023623 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 2,655,946.88 | 2,656,000.00 | 2,655,943.19 |
| 823B | 1000023624 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 7,727,845.44 | 7,728,000.00 | 7,727,834.71 |
| 847B | 1000023625 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.03 | 99.998 | 10,032,799.34 | 10,033,000.00 | 10,032,785.41 |
| 886B | 1000023626 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 2,570,948.58 | 2,571,000.00 | 2,570,945.01 |
| 898B | 1000023627 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 2,603,947.92 | 2,604,000.00 | 2,603,944.30 |
| 902B | 1000023628 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 3,992,920.14 | 3,993,000.00 | 3,992,914.59 |
| 910B | 1000023546 | US Treasury Bill | | 2/20/2014 | 4/17/2014 | 0.03 | 99.998 | 929,981.40 | 930,000.00 | 929,956.60 |
| 939B | 1000023629 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 3,411,931.76 | 3,412,000.00 | 3,411,927.02 |
| 950B | 1000023630 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 8,209,835.80 | 8,210,000.00 | 8,209,824.40 |

New York State Urban Development Corp. d/b/a ESD
Investment Position Report
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| BAC | DEAL_ID | Instrument Type | Rate | Settle | Maturity | Est. YTM | Market Price a/o 3/31/14 | Market Value (\$) | Par Amount (\$) | Cost (Including Purchased Int.) (\$) |
|------|------------|------------------|------|-----------|-----------|----------|-----------------------------|-------------------|-----------------|---|
| 951B | 1000023590 | US Treasury Bill | | 3/20/2014 | 4/17/2014 | 0.05 | 99.998 | 4,714,905.70 | 4,715,000.00 | 4,714,816.64 |
| 952B | 1000023631 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 5,830,883.38 | 5,831,000.00 | 5,830,875.28 |
| 969B | 1000023591 | US Treasury Bill | | 3/20/2014 | 4/17/2014 | 0.05 | 99.998 | 6,233,875.32 | 6,234,000.00 | 6,233,757.57 |
| 974B | 1000023632 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 3,542,929.14 | 3,543,000.00 | 3,542,924.22 |
| 975B | 1000023633 | US Treasury Bill | | 3/26/2014 | 4/17/2014 | 0.04 | 99.998 | 8,647,827.04 | 8,648,000.00 | 8,647,815.03 |
| 010B | 1000023651 | US Treasury Bill | | 3/27/2014 | 4/24/2014 | 0.04 | 99.998 | 31,276,374.46 | 31,277,000.00 | 31,276,087.75 |
| 046B | 1000023652 | US Treasury Bill | | 3/27/2014 | 4/24/2014 | 0.04 | 99.998 | 34,571,308.56 | 34,572,000.00 | 34,570,991.65 |
| 060B | 1000023449 | US Treasury Bill | | 2/24/2014 | 4/24/2014 | 0.03 | 99.998 | 4,701,905.96 | 4,702,000.00 | 4,701,768.82 |
| 070B | 1000023653 | US Treasury Bill | | 3/27/2014 | 4/24/2014 | 0.04 | 99.998 | 43,639,127.20 | 43,640,000.00 | 43,638,727.17 |
| 078B | 1000023775 | US Treasury Bill | | 3/31/2014 | 4/24/2014 | 0.02 | 99.998 | 4,832,903.34 | 4,833,000.00 | 4,832,935.56 |
| 084B | 1000023778 | US Treasury Bill | | 3/31/2014 | 4/24/2014 | 0.02 | 99.998 | 7,442,851.14 | 7,443,000.00 | 7,442,900.76 |
| 087B | 1000023776 | US Treasury Bill | | 3/31/2014 | 4/24/2014 | 0.02 | 99.998 | 6,299,874.00 | 6,300,000.00 | 6,299,916.00 |
| 132B | 1000023777 | US Treasury Bill | | 3/31/2014 | 4/24/2014 | 0.02 | 99.998 | 5,932,881.34 | 5,933,000.00 | 5,932,920.89 |
| 137B | 1000023751 | US Treasury Bill | | 3/28/2014 | 4/24/2014 | 0.02 | 99.998 | 18,999,620.00 | 19,000,000.00 | 18,999,772.00 |
| 138B | 1000023751 | US Treasury Bill | | 3/19/2014 | 4/24/2014 | 0.05 | 99.998 | 13,000,739.98 | 13,001,000.00 | 13,000,388.95 |
| 142B | 1000023595 | US Treasury Bill | | 3/21/2014 | 4/24/2014 | 0.05 | 99.998 | 93,374,132.48 | 93,376,000.00 | 93,371,766.95 |
| 142B | 1000023746 | US Treasury Bill | | 3/28/2014 | 4/24/2014 | 0.02 | 99.998 | 47,534,049.30 | 47,535,000.00 | 47,534,429.58 |
| 158B | 1000023779 | US Treasury Bill | | 3/31/2014 | 4/24/2014 | 0.02 | 99.998 | 18,917,621.64 | 18,918,000.00 | 18,917,747.76 |
| 201P | 1000023388 | US Treasury Bill | | 2/13/2014 | 4/24/2014 | 0.06 | 99.998 | 6,499,870.00 | 6,500,000.00 | 6,499,304.86 |
| 111B | 1000023550 | US Treasury Bill | | 3/13/2014 | 5/15/2014 | 0.01 | 99.997 | 2,999.91 | 3,000.00 | 2,999.95 |
| 935B | 1000023549 | US Treasury Bill | | 3/13/2014 | 5/15/2014 | 0.01 | 99.997 | 20,999.37 | 21,000.00 | 20,999.63 |
| 958B | 1000023548 | US Treasury Bill | | 3/13/2014 | 5/15/2014 | 0.01 | 99.997 | 21,999.34 | 22,000.00 | 21,999.62 |
| 003B | 1000023667 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 373,985.04 | 374,000.00 | 373,986.91 |
| 004B | 1000023668 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 872,965.08 | 873,000.00 | 872,969.45 |
| 008B | 1000023669 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 17,999.28 | 18,000.00 | 17,999.37 |
| 013B | 1000023670 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 7,999.68 | 8,000.00 | 7,999.72 |
| 014B | 1000023671 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 6,999.72 | 7,000.00 | 6,999.76 |
| 017B | 1000023672 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 2,999.88 | 3,000.00 | 2,999.90 |
| 020B | 1000023673 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 30,998.76 | 31,000.00 | 30,998.92 |
| 023B | 1000023674 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 91,996.32 | 92,000.00 | 91,996.78 |
| 024B | 1000023675 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 56,997.72 | 57,000.00 | 56,998.01 |
| 029B | 1000023676 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 5,999.76 | 6,000.00 | 5,999.79 |
| 035B | 1000023677 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 322,987.08 | 323,000.00 | 322,988.70 |
| 037B | 1000023678 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 177,992.88 | 178,000.00 | 177,993.77 |
| 041B | 1000023679 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 7,999.68 | 8,000.00 | 7,999.72 |
| 045B | 1000023680 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 1,999.92 | 2,000.00 | 1,999.93 |
| 047B | 1000023681 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 127,994.88 | 128,000.00 | 127,995.52 |

New York State Urban Development Corp. d/b/a ESD
Investment Position Report
As of 3/31/14

| BAC | DEAL ID | Instrument Type | Rate | Settle | Maturity | Est YTM | Market Price a/o 3/31/14 | Market Value (\$) | Par Amount (\$) | Cost (Including Purchased Int.) (\$) |
|------|------------|------------------|------|-----------|-----------|---------|-----------------------------|-------------------|-----------------|---|
| 048B | 1000023682 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 3,999.84 | 4,000.00 | 3,999.86 |
| 049B | 1000023683 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 7,999.68 | 8,000.00 | 7,999.72 |
| 051B | 1000023684 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 2,999.88 | 3,000.00 | 2,999.90 |
| 053B | 1000023685 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 2,023,919.04 | 2,024,000.00 | 2,023,929.16 |
| 057B | 1000023686 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 199,992.00 | 200,000.00 | 199,993.00 |
| 058B | 1000023687 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 599,976.00 | 600,000.00 | 599,979.00 |
| 059B | 1000023688 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 562,977.48 | 563,000.00 | 562,980.30 |
| 064B | 1000023689 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 1,999.92 | 2,000.00 | 1,999.93 |
| 073B | 1000023654 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 1,863,925.44 | 1,864,000.00 | 1,863,934.76 |
| 075B | 1000023656 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 1,999.92 | 2,000.00 | 1,999.93 |
| 076B | 1000023657 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 33,998.64 | 34,000.00 | 33,998.81 |
| 080B | 1000023658 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 550,977.96 | 551,000.00 | 550,980.72 |
| 081B | 1000023659 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 1,830,926.76 | 1,831,000.00 | 1,830,935.92 |
| 088B | 1000023660 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 1,003,959.84 | 1,004,000.00 | 1,003,964.86 |
| 089B | 1000023661 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 1,654,933.80 | 1,655,000.00 | 1,654,942.08 |
| 097B | 1000023662 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 1,077,956.88 | 1,078,000.00 | 1,077,962.27 |
| 098B | 1000023663 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 753,969.84 | 754,000.00 | 753,973.61 |
| 100B | 1000023664 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 1,812,927.48 | 1,813,000.00 | 1,812,936.55 |
| 103B | 1000023665 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 615,975.36 | 616,000.00 | 615,978.44 |
| 104B | 1000023666 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 999,960.00 | 1,000,000.00 | 999,965.00 |
| 110B | 1000023655 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 1,530,938.76 | 1,531,000.00 | 1,530,946.42 |
| 118B | 1000023691 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 99,996.00 | 100,000.00 | 99,996.50 |
| 126B | 1000023692 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 1,734,930.60 | 1,735,000.00 | 1,734,939.28 |
| 127B | 1000023693 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 1,339,946.40 | 1,340,000.00 | 1,339,953.10 |
| 129B | 1000023694 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 1,371,945.12 | 1,372,000.00 | 1,371,951.98 |
| 131B | 1000023695 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 1,778,928.84 | 1,779,000.00 | 1,778,937.74 |
| 133B | 1000023696 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 914,963.40 | 915,000.00 | 914,967.98 |
| 134B | 1000023697 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 444,982.20 | 445,000.00 | 444,984.43 |
| 145B | 1000023698 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 2,002,919.88 | 2,003,000.00 | 2,002,929.90 |
| 147B | 1000023699 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 728,970.84 | 729,000.00 | 728,974.49 |
| 149B | 1000023700 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 229,990.80 | 230,000.00 | 229,991.95 |
| 150B | 1000023701 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 749,970.00 | 750,000.00 | 749,973.75 |
| 153B | 1000023702 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 2,346,906.12 | 2,347,000.00 | 2,346,917.86 |
| 155B | 1000023703 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 404,983.80 | 405,000.00 | 404,985.83 |
| 609B | 1000023704 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 880,964.76 | 881,000.00 | 880,969.17 |
| 625B | 1000023705 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 112,995.48 | 113,000.00 | 112,996.05 |
| 744B | 1000023706 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 808,967.64 | 809,000.00 | 808,971.69 |

New York State Urban Development Corp. d/b/a ESD
Investment Position Report
As of 3/31/14

| BAC | DEAL.ID | Instrument_Type | Rate | Settle | Maturity | Est. YTM | Market Price a/o 3/31/14 | Market Value (\$) | Par Amount (\$) | Cost (including Purchased Int.) (\$) |
|------|------------|------------------|------|-----------|-----------|----------|-----------------------------|-------------------|-----------------|---|
| 747B | 1000023707 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 369,985.20 | 370,000.00 | 369,987.05 |
| 755B | 1000023708 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 137,994.48 | 138,000.00 | 137,995.17 |
| 768B | 1000023709 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 93,996.24 | 94,000.00 | 93,996.71 |
| 771B | 1000023710 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 100,995.96 | 101,000.00 | 100,996.47 |
| 772B | 1000023711 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 575,976.96 | 576,000.00 | 575,979.84 |
| 773B | 1000023712 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 358,985.64 | 359,000.00 | 358,987.44 |
| 777B | 1000023713 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 142,994.28 | 143,000.00 | 142,995.00 |
| 808B | 1000023714 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 148,994.04 | 149,000.00 | 148,994.79 |
| 814B | 1000023715 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 548,978.04 | 549,000.00 | 548,980.79 |
| 821B | 1000023716 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 464,981.40 | 465,000.00 | 464,983.73 |
| 862B | 1000023717 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 180,992.76 | 181,000.00 | 180,993.67 |
| 866B | 1000023718 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 133,994.64 | 134,000.00 | 133,995.31 |
| 868B | 1000023719 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 1,163,953.44 | 1,164,000.00 | 1,163,959.26 |
| 871B | 1000023720 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 157,993.68 | 158,000.00 | 157,994.47 |
| 880B | 1000023721 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 122,995.08 | 123,000.00 | 122,995.70 |
| 891B | 1000023722 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 167,993.28 | 168,000.00 | 167,994.12 |
| 896B | 1000023723 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 1,530,938.76 | 1,531,000.00 | 1,530,946.42 |
| 899B | 1000023724 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 840,966.36 | 841,000.00 | 840,970.57 |
| 901B | 1000023725 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 235,990.56 | 236,000.00 | 235,991.74 |
| 902B | 1000023726 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 65,997.36 | 66,000.00 | 65,997.69 |
| 903B | 1000023727 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 431,982.72 | 432,000.00 | 431,984.88 |
| 904B | 1000023728 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 331,986.72 | 332,000.00 | 331,988.38 |
| 905B | 1000023729 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 220,991.16 | 221,000.00 | 220,992.27 |
| 907B | 1000023730 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 439,982.40 | 440,000.00 | 439,984.60 |
| 921B | 1000023731 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 22,999.08 | 23,000.00 | 22,999.20 |
| 932B | 1000023732 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 15,999.36 | 16,000.00 | 15,999.44 |
| 949B | 1000023744 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 1,876,924.92 | 1,877,000.00 | 1,876,934.31 |
| 950B | 1000023733 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 24,999.00 | 25,000.00 | 24,999.13 |
| 954B | 1000023734 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 4,999.80 | 5,000.00 | 4,999.83 |
| 957B | 1000023740 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 1,896,924.12 | 1,897,000.00 | 1,896,933.61 |
| 960B | 1000023735 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 21,999.12 | 22,000.00 | 21,999.23 |
| 962B | 1000023736 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 832,966.68 | 833,000.00 | 832,970.85 |
| 966B | 1000023737 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 8,999.64 | 9,000.00 | 8,999.69 |
| 972B | 1000023738 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 475,980.96 | 476,000.00 | 475,983.34 |
| 974B | 1000023739 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 34,998.60 | 35,000.00 | 34,998.78 |
| 979B | 1000023741 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 9,999.60 | 10,000.00 | 9,999.65 |
| 982B | 1000023742 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.02 | 99.996 | 207,991.68 | 208,000.00 | 207,992.72 |

New York State Urban Development Corp. d/b/a ESD
Investment Position Report
As of 3/31/14

| BAC DEAL ID | Instrument Type | Rate | Settle | Maturity | Est. YTM | Market Price as of 3/31/14 | Market Value (\$'s) | Par Amount (\$'s) | Cost (including Purchased Int.) (\$'s) |
|-----------------|------------------|------|------------|-----------|----------|-------------------------------|---------------------|-------------------|---|
| 983B 1000023743 | US Treasury Bill | | 3/27/2014 | 6/19/2014 | 0.01 | 99.996 | 76,996.92 | 77,000.00 | 76,997.31 |
| 378B 1000023006 | US Treasury Bill | | 12/26/2013 | 6/26/2014 | 0.08 | 99.992 | 4,968,602.48 | 4,969,000.00 | 4,966,965.19 |
| 380B 1000023529 | US Treasury Bill | | 3/6/2014 | 6/26/2014 | 0.03 | 99.992 | 126,989.84 | 127,000.00 | 126,988.15 |
| 381B 1000023007 | US Treasury Bill | | 12/26/2013 | 6/26/2014 | 0.08 | 99.992 | 700,943.92 | 701,000.00 | 700,712.94 |
| 415B 1000023518 | US Treasury Bill | | 2/28/2014 | 6/26/2014 | 0.03 | 99.992 | 910,927.12 | 911,000.00 | 910,925.35 |
| 458B 1000023748 | US Treasury Bill | | 3/28/2014 | 6/26/2014 | 0.03 | 99.992 | 196,984.32 | 196,000.00 | 195,986.28 |
| 624B 1000023750 | US Treasury Bill | | 3/28/2014 | 6/26/2014 | 0.03 | 99.992 | 139,988.80 | 140,000.00 | 139,990.20 |
| 744B 1000023747 | US Treasury Bill | | 3/28/2014 | 6/26/2014 | 0.03 | 99.992 | 3,577,713.76 | 3,578,000.00 | 3,577,749.54 |
| 783B 1000023749 | US Treasury Bill | | 3/28/2014 | 6/26/2014 | 0.03 | 99.992 | 252,979.76 | 253,000.00 | 252,982.29 |
| 845B 1000023690 | US Treasury Bill | | 3/27/2014 | 6/26/2014 | 0.02 | 99.992 | 625,949.92 | 626,000.00 | 625,976.26 |
| 799B 1000023391 | US Treasury Bill | | 2/13/2014 | 7/10/2014 | 0.03 | 99.990 | 1,140,885.90 | 1,141,000.00 | 1,140,860.23 |
| 995B 1000023784 | US Treasury Bill | | 3/31/2014 | 9/11/2014 | 0.05 | 99.975 | 1,999.50 | 2,000.00 | 1,999.54 |
| | | | | | | | 1,378,821,526.00 | 1,378,850,000.00 | 1,378,810,715.28 |

| | | | |
|---------------------|-------------------------|-------------------------|-------------------------|
| GRAND TOTALS | 2,772,011,175.33 | 2,772,276,184.00 | 2,771,297,136.67 |
|---------------------|-------------------------|-------------------------|-------------------------|

Empire State Development

FOR CONSIDERATION

July 17, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Increase the Threshold Disbursement Amount Requiring a Second Authorized Officer's Signature

REQUEST FOR: Authorization to Increase Threshold Amount from \$10,000 to \$100,000 Requiring a Second Officer's Signature on Disbursements

BACKGROUND

Currently all authorized and approved disbursements in excess of \$10,000 require the signature of a second authorized officer. This has been the practice for over 30 years. During this time period, tighter internal controls and processing safeguards have been implemented that have substantially minimized exposure risks. Also, all payments are fully audited and authorized before they are received by Treasury. Therefore, in order to improve operational efficiency, it is recommended that the current threshold requirement for having a second authorized officer's signature on disbursements be raised from \$10,000 to \$100,000.

This initiative has also been reviewed by ESD's external auditors, Toski & Co., P.C., as well as ESD's internal auditors and both have no issues regarding its implementation.

REQUESTED ACTION

The Directors are requested to increase the dollar threshold requiring the signature of a second authorized corporate officer from \$10,000 to \$100,000.

ATTACHMENT

Resolution

July 17, 2014

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Authorization to Increase Threshold Amount from \$10,000 to \$100,000 Requiring a Second Officer’s Signature on Disbursements

WHEREAS, the Directors, by prior actions, have authorized the following five officers (“Authorized Officers”) to disburse funds in accordance with the applicable policies and procedures for such disbursements: the Chief Financial Officer, EVP Legal & General Counsel, Deputy General Counsel, Deputy Chief Financial Officer & Controller, and Treasurer; and

WHEREAS, the Directors, by prior actions, authorized disbursements under \$10,000 with one Authorized Officer’s signature and disbursements \$10,000 or over with two Authorized Officers’ signature; and

WHEREAS, due to tighter internal controls that have been implemented over the years and to improve operating efficiency, it is recommended that the threshold amount requiring a second Authorized Officer’s signature be increased from \$10,000 to \$100,000; be it therefore

RESOLVED, that the threshold amount for disbursements that require a second Authorized Officer’s signature be increased from \$10,000 to \$100,000.

Empire State Development

FOR CONSIDERATION

July 17, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Ability to Release Wire Transfers

REQUEST FOR: Authorization to Delegate Ability to Release Wire Transfers to Senior Director Treasury Operations and Senior Director Debt Management

BACKGROUND

At present there are two corporate officers (Treasurer and Deputy Chief Financial Officer & Controller) that are entitled to release wire transfers electronically by utilizing the commercial bank's software. Wire transfer payments have already been audited and have received all required authorizations for payment before they are delivered to Treasury to execute the wire transfer. One of the two individuals above then accesses the bank's online software to administratively release the authorized wire transfers.

During absences, vacations or heavy work load periods, there is a risk that the existing individuals may not be available to release the wire transfers and the ability to effectuate the transfers would be compromised. During these periods, it is recommended that any of five corporate officers currently authorized to disburse funds (Chief Financial Officer, EVP Legal & General Counsel, Deputy General Counsel, Deputy Chief Financial Officer & Controller and Treasurer) be authorized to delegate the authority to release wire transfers previously audited and fully authorized via the bank's online software to the Senior Director Treasury Operations and Senior Director Debt Management.

This initiative has also been reviewed by ESD's external auditors, Toski & Co., P.C., as well as ESD's internal auditors and both have no issues regarding its implementation.

REQUESTED ACTION

The Directors are requested to authorize the Chief Financial Officer, EVP Legal & General Counsel, Deputy General Counsel, Deputy CFO & Controller and Treasurer to delegate the authority to release wire transfers via the bank's online software to the Senior Director Treasury Operations and Senior Director Debt Management.

ATTACHMENT

Resolution

July 17, 2014

NEW YORK STATE URBAN DEVELOPMENT CORPORATION –Authorization to Delegate Ability to Release Wire Transfers to Senior Director Treasury Operations and Senior Director Debt Management

WHEREAS, the Directors, by prior actions, have authorized the following five officers to disburse funds on behalf of the Corporation from its corporate bank accounts in accordance with the applicable policies and procedures for such disbursements: the Chief Financial Officer, EVP Legal & General Counsel, Deputy General Counsel, Deputy Chief Financial Officer & Controller, and Treasurer; and

WHEREAS, the Treasurer and Deputy Chief Financial Officer & Controller are currently the only officers entitled to administratively release previously audited and fully authorized wire transfers electronically by utilizing the commercial bank's software.

WHEREAS, in order to ensure that there is always a designated employee available during absences, vacations or heavy work load periods to administratively release the previously audited and fully authorized wire transfers, that the Chief Financial Officer, EVP Legal & General Counsel, Deputy General Counsel, Deputy Chief Financial Officer & Controller and Treasurer be authorized to delegate the authority to release wire transfers previously audited and fully authorized via the bank's online software to the Senior Director Treasury Operations and Senior Director Debt Management.

RESOLVED, that the Chief Financial Officer, EVP Legal & General Counsel, Deputy General Counsel, Deputy Chief Financial Officer & Controller and Treasurer be designated and empowered to delegate the authority to administratively release previously audited and fully authorized wire transfers via the bank's online software to the Senior Director Treasury Operations and Senior Director Debt Management.

FOR CONSIDERATION

July 17, 2014

TO: The Directors

FROM: Kenneth Adams

SUBJECT: Extension of 2010 Pre-Qualified Real Estate Appraisers List

REQUEST FOR: Authorization to Extend 2010 Pre-Qualified Real Estate Appraisers List

Background

At its meeting on July 15, 2010, the Corporation adopted a pre-qualified list of real estate and personal property appraisers to provide appraisals needed to implement and/or facilitate its transactions involving real property and other property which, because of its unique nature or the nature of the transaction, is not subject to fair market pricing. In these situations, an independent appraisal is needed. To permit the Corporation to pursue these transactions expeditiously, while having available to the Corporation the benefits of a broad solicitation of qualified appraisers, legal department staff in 2010 recommended, and the Board approved, the creation of a list of appraisers that would remain in effect for three years, subject to extension for an additional year at the discretion of the General Counsel. Such extension was made by the then General Counsel, Lawrence A. Jacobs, on July 17, 2013. Accordingly, the 2010 qualified list terminates on the date of the present Board meeting. A copy of the 2010 materials, which describe the solicitation process that was conducted and include the list of approved appraisers, is attached to these materials.

The legal department intends to conduct a new solicitation of appraisers, but the press of other work has delayed the process. This process, which will include *New York State Contract Reporter* advertising and outreach to appraisal firms throughout the State, as well as to minority and women-owned businesses, should be completed within the next few months. In the meantime, to ensure that the Corporation may continue to have available to it a list of pre-qualified appraisers while the solicitation is completed and a new list can be recommended, the Directors are requested to extend the 2010 pre-qualified appraisers list for a five-month period, i.e., until the first Board meeting after December 1, 2014.

Please note that the requested extension of the existing appraiser list does not involve or authorize the retention of any firm in connection with any particular matter. Instead, the requested approval would continue to make available to the Corporation a selection of firms that have been through a broad solicitation process, in the event that the need for appraisal services arises before the completion of the resolicitation process.

Environmental Review

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

Recommendation and Requested Action

Staff recommends and the Directors are requested to approve the extension of the list of pre-qualified real estate and personal property appraisers adopted at the Corporation's July 15, 2010 meeting for a period to expire on the date of the first Board meeting held after December 1, 2014.

Attachments

Resolution
July 15, 2010 Directors' Materials

July 17, 2014

NEW YORK STATE URBAN DEVELOPMENT CORPORATION – Extension of 2010 List of Pre-
Qualified Real Estate Appraisers

BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, the list of pre-qualified real estate and personal property appraisal firms adopted by the Corporation at its July 15, 2010 meeting be extended until the meeting of the Directors first occurring after December 1, 2014.

* * *