

FOR CONSIDERATION

December 21, 2017

TO: The Directors

FROM: Howard A. Zemsky

SUBJECT: New York City (New York Region – New York County) – Upper Manhattan Empowerment Zone – New York Works Economic Development Fund (Capital Grant)

REQUEST FOR: Finding and Determination Pursuant to 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: Upper Manhattan Empowerment Zone Development Corporation (“UMEZ”)

ESD* Investment: A Grant of up to \$5,000,000 to be used for capital costs related to the George Washington Bridge Bus Terminal Project.

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

Project Location: 4211 Broadway, New York, NY 10033

Proposed Project: Renovation of the George Washington Bridge Bus Terminal.

Project Type: Capital Project

Regional Council: The New York City Regional Economic Development Council (“NYCREDC”) has been made aware of this item. The project is consistent with the NYCREDC Regional Plan to stimulate business creation, retention and expansion.

Employment: The project will create 530 construction jobs and 319 permanent full-time jobs.

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
Port Authority Lease	\$6,440,000
Hard Costs	\$62,488,000
Soft Costs	\$25,999,000
Contingency	\$1,775,000
Developer Fee	\$1,836,000
Financing Costs	<u>\$9,899,000</u>
 Total Project Costs	 <u>\$108,438,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
NYEZC	\$5,000,000	5%
EB5 Construction Loans	\$91,000,000	66%
New Market Tax Credit	\$4,699,000	4%
Developer Equity	<u>\$7,739,000</u>	<u>7%</u>
 Total Project Financing	 <u>\$108,438,000</u>	 <u>100%</u>

III. Project Description

A. Company

Industry: UMEZ is a not-for-profit economic development organization.

Grantee History: The New York Empowerment Zone is one of nine Empowerment Zones (EZs) established by the Clinton Administration in 1994 to revitalize distressed communities by using public funds and tax incentives as catalysts for private investment. The zone is comprised of parts of Upper Manhattan and southern parts of the Bronx.

UMEZ was formed in response to the federal empowerment zone designation to administer the program with regard to Upper Manhattan development and initiatives.

The Empowerment Zone designation was accompanied by a federal grant of \$100 million and matching grants of \$100 million from both New York State and the City of New York, creating a total investment pool of \$300 million. To date the zone has received 100% of the federal and city grants and approximately 90% of the State's match. The amount of this grant will become part of the State's match.

Ownership: UMEZ is a not-for-profit organization.

Size: UMEZ employs 25 people.

Market: The Organization provides economic development services to people and businesses throughout Upper Manhattan.

Past ESD Support: UMEZ was awarded a grant of up to \$10 million for the Victoria Theater Project which satisfied 10% of the State’s Empowerment Zone match.

UMEZ was also awarded a grant of up to \$100,000 to administer a small business emergency loan program designed minimize the effects of the March 11, 2014 gas explosion on small businesses located in East Harlem.

B. The Project

Activity: The renovation of the George Washington Bridge Bus Terminal (the “Project”) will create modern ADA compliant bus terminal facilities, 1,600 square feet of community space and 100,000 square feet of new street accessible retail space to include national retailers and local small businesses. Grant funds will be used to cover specific capital costs related to the construction of the retail and community components of the Project. The terminal is a facility of the Port Authority of New York and New Jersey (“PANYNJ”), and UMEZ will lend the grant proceeds to the Developer, George Washington Bridge Bus Station Development Ventures LLC (joint venture between developers SJM and Slayton Ventures). Upon project completion, the developer will operate and maintain the retail and community spaces and PANYNJ will continue to oversee bus operations.

Results: The Project will transform the outdated bus station into a modern transit and retail hub. The Project will quadruple the retail offerings and improve efficiency through upgrades and consolidation of bus operations to accommodate 50% more bus and passenger traffic. Additional financing is in place and the Project is currently receiving support from the community, institutions and government entities. The project will create 530 construction jobs and jobs and 319 permanent FTE jobs.

Approval of the project will satisfy approximately 50% of New York State’s remaining commitment to match federal and city grants to the New York Empowerment Zone.

Grantee Contact: Blair Duncan, Chief Operating Officer
55 W 125th Street
New York, NY 10027
Phone: (212) 410-0030

ESD Project Nos.: AC430

Project Team:	Origination	Marion Phillips III
	Project Management	Destiny Burns
	Legal	Richard Dorado
	Contractor & Supplier Diversity	Alejandra Villanueva
	Environmental	Soo Kang

C. Financial Terms and Conditions

1. The Company will demonstrate no materially adverse changes in its financial condition prior to disbursement.
2. New York Works Economic Development Fund is the funding source.
3. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$5,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the 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

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

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

The New York Works Economic Development Fund and its funding were authorized in the 2012-2013 New York State budget and reappropriated in the 2017-2018 New York State budget.

VI. Environmental Review

ESD staff has determined that, although the funding of this project by ESD may constitute an “action” as defined by the State Environmental Quality Review Act (“SEQRA”), the project itself has been previously completed. ESD’s action in the funding decision will not alter the adverse environmental impacts, if any, of the project as completed. ESD staff accordingly believes that funding the completed project will not have any significant adverse impacts on the environment. Therefore, it is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VII. Non-Discrimination and Contractor & Supplier Diversity

ESD’s Non-Discrimination and Contractor & Supplier Diversity policies will apply to this project. The Grantee 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 MWBE Participation. Establishment of specific goals related to the total value of ESD's funding is still pending.

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

December 21, 2017

New York City (New York Region – New York County) – Upper Manhattan Empowerment Zone – New York Works Economic Development Fund (Capital Grant) – Finding and Determination Pursuant to 10 (g) of the UDC 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 Upper Manhattan Empowerment Zone – New York Works Economic Development Fund (the “Project”), the Corporation hereby determines pursuant to d 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 Upper Manhattan Empowerment Zone Development Corporation grants for a total amount not to exceed Five Million Dollars (\$5,000,000) from the New York Works Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the President and Chief Executive Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

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

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

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

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December 21, 2017

New York City (New York Region – New York County) – Upper Manhattan Empowerment Zone – New York Works Economic Development 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 Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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Upper Manhattan
Empowerment Zone
New York City,
New York County

